

Ent 1143534 Bk 1887 Pg 0329
Date 15-Mar-2016 08:41AM Fee \$23.00
Michael Gleed, Rec. - Filed By JA
Cache County, UT
For BACKMAN FPTP
Electronically Submitted by Simplifile

WHEN RECORDED RETURN TO:
Mountain West Small Business Finance
2595 East 3300 South
Salt Lake City, Utah 84109
6-006999

Lease

1. **The Parties and The Property:**

HOOPES HOLDINGS LLC, a Utah limited liability company

hereinafter referred to as "Lessor", hereby leases to:

LAZY ONE, INC. & RICHMOND APPAREL GROUP, INC.

hereinafter referred to as "Lessee", all those premises and personal property described in SBA Loan Authorization, SBA 504 No. 81378550-07 situate, lying and being in Cache County, State of Utah, commonly known as:

3065 & 2885 North 200 West, North Logan, UT 84341

and more particularly described in Exhibit "A" which is attached hereto and incorporated herein by this reference (the "Property").

2. **The Term.** TO HAVE AND TO HOLD the Property, together with the appurtenances, unto the Lessee for a term of approximately twenty (20) years commencing

December 30, 2015

, for and during the latest of

December 30, 2035

or until the SBA 504 Loan under SBA Loan Authorization No.

81378550-07

is paid in full.

3. **The Lease Payment.** Lessee covenants and agrees to pay Lessor a lease payment in the sum of \$ 65,000.00 on the first day of each month during the term of this Lease provided, however, that the amount of rent paid must be substantially the same as the debt service on the Third Party Lender Loan and the SBA 504 Loan together with an amount necessary to cover taxes and assessments, utilities and insurance and a repair/replacement reserve. The lease payment shall be reduced to the extent that it is in excess of the amount needed to meet the debt service and expenses. In the event there is more than one operating company under the terms of the SBA Loan, the lease payments of all operating companies shall be considered together and shall be reduced, pro rata, in the event, when considered together, they are in excess of amount needed to meet the debt service and expenses above described.

4. **The Return of the Property.** Lessee further agrees to deliver up to Lessor at the expiration of said term in as good order and condition as when the same were entered upon by Lessee, reasonable use and wear thereof and damage by the elements excepted.

5. **No Sublease or Assignment.** The Lessee will not let, underlet, assign the Property, or any part thereof, without the prior written consent of Lessor, which consent will not be unreasonably withheld.

6. **Default/Remedies.** And Lessee further covenants and agrees that if any monthly lease payment or any part thereof shall be unpaid for 20 days after the same shall become due; or if default in any of the covenants herein contained to be kept by Lessee is not cured within 20 days from written notice, or if Lessee shall vacate such premises, Lessor may elect, without notice or legal process, to re-enter and take possession of the Property and every and any part thereof and re-let the same and apply the net proceeds so received upon the amount due or to become due under this lease, and Lessee agrees to pay any deficiency.

7. **Utilities, Taxes and Insurance.** Responsibility for utilities, taxes and insurance shall be as indicated [Lessee responsible for (T), Lessor responsible for (L)]:

Power T, Heat T, Water T, Sewer T, Telephone T, Real Property Tax T, Personal Property Tax T, Fire Insurance on Personal Property T, Glass Insurance T, Others: None

8. **Maintenance and Repair.** Responsibility for the maintenance and repair of the Property shall be as indicated [Lessee responsible for (T), Lessor responsible for (L)]:

Roof L, Exterior Walls L, Interior Walls L, Structural Repair L, Interior Decorating T, Exterior Painting L, Yard Surfacing L, Plumbing Equipment L, Heating and Air Conditioning Equipment L, Electrical Equipment L, Light Globes and Tubes T, Glass Breakage T, Trash Removal T, Snow Removal T, Janitorial T, Others: None

9. **Negligence.** Each party shall be responsible for losses resulting from negligence or misconduct of himself, his employees or invitees.

10. **Lessor's Lien.** Furniture, furnishings and personal property of Lessee may not be removed from the premises until all lease payments and other charges are fully paid, and Lessor shall have a lien upon said personal property until the same are paid in full.

11. **Attorney's Fees and Collection Costs.** In case of failure to faithfully perform the terms and covenants herein set forth, the defaulting party shall pay all costs, expenses, and reasonable attorneys' fees resulting from the enforcement of this agreement or any right arising out of such breach.

12. **SBA Loan Requirements.** In consideration of SBA Loan No. 81378550-07 _____, Lessor and Lessee agree as follows, anything to the contrary notwithstanding:

- (a) The term of this Lease shall be equal to or longer than the term of the said SBA Loan;
- (b) Lessor and Lessee hereby assign, set over, and transfer to the Small Business Administration and Mountain West Small Business Finance all of their right, title, and interest in and to this Lease, as security for said SBA Loan; and
- (c) Lessor and Lessee hereby agree to maintain exactly the present ownership (both

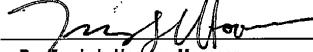
identity of owners and percent of ownership) during the entire term of said SBA Loan except for ownership changes of up to 5 per cent beginning six months after the SBA 504 Loan closes.

13. **No Other Agreements.** This agreement supercedes and replaces any and all previous lease agreements between the parties; and said previous lease agreements are hereby canceled by the mutual consent of the parties.

This Lease is executed and effective December 30, 2015

LESSOR:

HOOPES HOLDINGS LLC



By: Travis L. Hoopes, Manager

LESSEE:

LAZY ONE, INC.


By: Travis L. Hoopes, President

RICHMOND APPAREL GROUP, INC.

By: 
Travis L. Hoopes, President

Order No.: 6-066999

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel 1:

Part of Lots 1 and 7, Eagle Creek Business Park Amended, located in the Northeast Quarter of Section 16, Township 12 North, Range 1 East of the Salt Lake Base and Meridian, further described as follows:

Beginning South 89°52'32" East, 7.44 feet and North 01°07'28" East along said West right of way line of U.S. Highway 91, 88.84 feet from the Northeast Corner of Section 16, as monumented by a Cache County Survey Marker said point being by record the intersection of the North line of Section 16, said line being a fence line extended along the South line of a field road and the West right of way line of U.S. Highway 91; thence South 01°07'28" West along the West right of way of said U.S. Highway 91, 45.82 feet; thence North 89°49'03" West 149.32 feet; thence 45.05 feet along a curve to the right with a radius of 240.00 feet, included angle of 10°45'15" and a long chord that bears North 84°26'26" West, 44.98 feet; thence North 79°03'48" West, 124.74 feet; thence 29.58 feet along a curve to the left with a radius of 160.00 feet, included angle of 10°35'27" and a long chord that bears North 84°21'32" West, 29.53 feet; thence North 89°39'15" West, 1041.50 feet; thence 70.69 feet along a curve to the right with a radius of 45.00 feet, included angle of 90°00'00" and a long chord that bears South 44°39'15" East, 63.64 feet; thence South 00°20'45" West 1068.47 feet to the true point of beginning; thence South 00°20'45" West 303.87 feet along the West right of way line of 200 West; thence 68.76 feet along a curve to the right with a radius of 45.00 feet, included angle of 87°32'30" and a long chord that bears South 44°07'00" West, 62.26 feet; thence South 87°53'15" West 432.15 feet along the North right of way line of 2850 North Street; thence 48.41 feet along a curve to the right with a radius of 30.00 feet, included angle of 92°27'30" and a long chord that bears North 45°53'00" West, 43.33 feet; thence North 00°20'45" East 337.39 feet along the East line of the 300 East right of way; thence South 89°39'15" East 506.11 feet to a point on the West right of way line of 200 West and the point of beginning.

Parcel No.: 04-210-0016
Address: 2885 North 200 West, North Logan, 84341

Parcel 2:

Unit 1, Eagle Creek Building "A" Condominiums as shown by the official plat thereof, filed November 2, 2009, as Filing No. 1009933 in the office of the Recorder of Cache County, Utah.

And being a part of Lots 3 & 4, Eagle Creek Business Park Amended Plat.
Together with a right and easement of use and enjoyment in and to the Common Areas and Facilities as described and provided for in the Declaration of Covenants, Conditions and Restrictions and in the Record of Survey map in the official records of said County Recorder.

Parcel No.: 04-210-0031
Address: 3065 North 200 West, North Logan, Utah 84341

Parcel 3:

Unit 2, Eagle Creek Building "A" Condominiums, as shown by the official plat thereof, filed November 6, 2009, as Filing No. 1010365 in the office of the Recorder of Cache County, Utah, and being a part of Lots 3 & 4, Eagle Creek Business Park, Amended. Together with interest in Common Area.

Parcel No.: 04-210-0032
Address: 3065 North 200 West, North Logan, Utah 84341

Parcel No.: **04-210-0001, 04-210-0007, 04-210-0031, 04-210-0032**