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Recorded SEP 30 1968 at 11:35^c m.
Request of Elliott W Evans
Fee Paid. Hazel Taggart Chase,
Recorder, Salt Lake County, Utah
\$ 7.60 By AB Beegard Deputy
Book 1037 Page 5721 Res. 1
1003 ~~Cont Bank Bldg~~

LEASE AGREEMENT

C. ELLSWORTH HANSEN and FLORENCE HANSEN, his wife, Lessors, in consideration of the agreement on the part of W. W. NEWMICH, Lessee, below set forth, hereby lease from October 1, 1953, to September 30, 1963, the following described premises in Salt Lake County, Utah, to-wit:

Commencing at a point which is West 3.26 chains, North 9.30 chains and South 88¹/₂° East 40 feet from the Southwest corner of Section 15, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence South 88¹/₂° East 577.76 feet more or less along the North line of Lessors' property to the East line of Lessors' property; thence South 8¹/₂° West along the East line of Lessors' property 150 feet; thence North 88¹/₂° West parallel to the North line of Lessors' property 577.76 feet more or less to the West line of Lessors' property; thence Northerly along the West line of Lessors' property 150 feet more or less to the point of beginning.

Together with the right to have Lessee's restaurant patrons use such vehicular passageways as may be established by Lessee of adjoining property on the south of the above described property for use of their own patrons.

Together with the use of the irrigation water rights of Lessors for two shares of stock in the Big Cottonwood Tanner Ditch Company, a corporation.

Together with the use of the culinary water which Lessors have for one share of stock in Big Cottonwood Tanner Ditch Company, a corporation, the use of which was acquired on exchange agreement between Big Cottonwood Tanner Ditch Company, a corporation, and Salt Lake City, a municipal corporation of the State of Utah, but in the event that the present arrangement of supplying water under said agreement is changed, the Lessee is to pay for any water charges which may be charged by either Salt Lake City, a municipal corporation of the State of Utah, or by Big Cottonwood Tanner Ditch Company, a corporation, or its successor or successors. The Lessee only is given the right to receive culinary water without charge to which Lessors are now entitled to receive for one share of stock in the Big Cottonwood Tanner Ditch Company, a corporation. If hereafter the system or method of distributing said culinary water is changed so that a charge is made for said water, Lessee is to pay said charges and Lessee is also to pay all charges which might be made for said water over and above that which is furnished without charge by reason of the ownership of one share of said stock.

And the Lessee in consideration of said leasing agrees as follows:

1. To pay Lessors rental for said term as follows: Fifty Dollars (\$50.00) per month payable monthly in advance for the first six months of said term and One Hundred Dollars (\$100.00) per month payable monthly in advance for the remainder of said term. The monthly payments are to be made on the first day of each month during said term.

2. To build a restaurant on said property and to improve the grounds or so much thereof as may be necessary for the use of parking on said property for use of patrons of Lessee.

3. To permit patrons of other businesses to be established on property on the south of the property leased herein to use the vehicular passageways to be established for the use of patrons of Lessee's restaurant to go to and from the public highway over the west one-half of the leased premises and not to place any barriers to interfere with the use of such passageways, provided, however, that the Lessee may prohibit use of the commercial truck delivery area to be established by Lessee on the north side of the restaurant to be constructed on said premises. It is also expressly understood that the Lessee is to use a portion of the property leased for the parking of vehicles of patrons of Lessee's business and that such use is not restricted or prohibited, provided that passageways for vehicular travel are left open.

4. To pay all general property taxes on the land above described and on all improvements thereon which are assessed after the year 1953, it being understood that Lessors will pay the general property taxes on the land for the year 1953.

5. To pay assessments on the irrigation water for two shares of Big Cottonwood Tanner Ditch Company, a corporation.

6. To pay all charges for culinary water used on said premises except such water as may be furnished without charge for one share of stock in Big Cottonwood Tanner Ditch Company, a corporation.

7. To pay for all expenses including material and labor for the construction of any improvements to be placed on said premises by the Lessee and to protect and save harmless the Lessors and their property from any and all liens, charges or encumbrances, and it is expressly understood and agreed that the Lessee is not the agent of the Lessors for the construction of any improvements on said land and that the Lessee has no right, power or authority to act for the Lessors in the construction of any improvements on said land and that said Lessee has no right, power or authority to place any lien or encumbrance against the property of the Lessors.

8. To keep free and unencumbered any improvements placed on said premises.

9. That Lessors shall have a first lien on any and all improvements placed on said premises for the payment of the rental herein provided to be paid for the term hereof and any extension or extensions of said term.

10. To keep all improvements placed on said property in a good state of repair.

11. To keep all improvements placed on said property insured in a reputable fire insurance company to the full value thereof, and in the event of fire said insurance shall be used for the purpose of reconstructing the improvements on said property, or in the event that the Lessee does not desire to rebuild in the event of a fire, said insurance shall be payable to the Lessors for the purpose of paying the rent for the remainder of the term of this lease or any extension or extensions thereof. The Lessors shall be named as one of the parties to whom said fire insurance shall be paid in the event of loss, and a copy of the fire insurance policy shall be delivered to the Lessors.

12. Not to engage in any illegal business or operation on said premises.

13. Not to sublet the whole or any part or portion of the premises to any other person, persons, corporations or associations without the written approval of the Lessors first had and obtained, provided, however, that permission is not to be arbitrarily withheld.

14. To pay all charges necessary to be paid for water connections, including meter, sewer connections, light, power and telephone connections or services of every kind and description furnished or delivered to said premises, including all monthly or other service charges for any and all services furnished to the property leased or to the Lessee.

15. To engage only in the business of operating a restaurant on the property and not to engage in any other business without the written approval of the Lessors first had and obtained, provided, however, that permission is not to be arbitrarily withheld if the business desired to be operated is not of the same

type so as to compete with other businesses operated on adjacent property owned by the Lessors.

The Lessors for and in consideration of this lease and the payment of the rent herein provided to be paid and the agreements to be performed by the Lessee agree as follows:

1. That the Lessee may at the expiration of the original term of this lease or any extension or extensions thereof remove from the land any buildings or improvements erected thereon, provided, however, that all rentals have been paid in full and all obligations to be performed or paid by Lessee have been performed or paid and in the event that said buildings or improvements are removed, at the option of the Lessors, the Lessee shall also remove all foundations, concrete or asphalt parking or roadways and all other improvements placed on said premises so as to leave the land in the same condition as it originally was prior to the execution of this agreement, free and clear of all rubbish and debris.

2. That if at any time during the original term of this lease or any extension or extensions thereof, Lessors decide to sell the above-described property or any part thereof, the Lessors will give the Lessee the option of purchasing said property at any price that may be offered for the property by other parties. If the Lessors decide to sell and have an opportunity to sell the property or any part thereof, they shall so notify the Lessee in writing addressed to him at 4234 Holloway Drive or to such other place as may in writing delivered to the Lessors be designated by Lessee as his address, and the Lessee shall have ten days thereafter within which to notify the Lessors of his intention to buy said property for said price, said notice to be in writing addressed to Lessors at 6430 Highland Drive or to such other place as may in writing delivered to Lessee be designated by Lessors as their address.

3. Not less than thirty days/^{nor more than ninety days} prior to the expiration of the original term of this lease, the Lessee may by written notice addressed to the Lessors at the address of the Lessors as above set forth exercise an option to lease said property for an additional term of five years. This option is given only to the

named Lessee and not to his successors or assigns. In the event that Lessee exercises his option to lease for an additional five year period the rent to be paid by the Lessee to the Lessors shall at that time be established, said monthly rent to bear the same proportion to the then value of the land of the Lessors as the sum of One Hundred Dollars (\$100.00) is to the present value of the land of the Lessors, it being hereby stipulated and agreed that the present value of the land of the Lessors is Twelve Thousand Dollars (\$12,000.00). If the value of the land of the Lessors at the time the Lessee exercises his option to lease for an additional five year period cannot be determined by agreement between the parties, the Lessors shall designate one competent real estate appraiser and the Lessee shall designate one competent real estate appraiser, and the two so designated shall choose a third competent real estate appraiser, and the three appraisers will at that time place a value on the land of the Lessors from which value the rent for said five year period shall be determined as above provided.

4. In the event that Lessee exercises his option to lease the property for the additional five year period provided in Paragraph 3 next above not less than ^{non more than ninety days} thirty days/prior to the expiration of said five year period, the Lessee may by written notice addressed to the Lessors at the address of the Lessors as above set forth exercise an option to lease said property for an additional term of five years. This option is given only to the named Lessee and not to his successors or assigns. The rent for said additional five year period shall be fixed in the same manner as provided in said Paragraph 3 using the then value of the land as the basis for the computation of the monthly rental and the same method of establishing the then value in case it cannot be determined by agreement.

It is further mutually agreed:

1. That if the monthly rental is not paid when due and for thirty days thereafter, the Lessors may at their option declare this lease terminated and re-take possession of the leased premises and pursue any other legal rights which they may have under the terms of this agreement.

2. That in case of any default in payment of rent when due or any of the other provisions of this agreement, the defaulting party will pay all reasonable and necessary expenses for collection of rent or for the enforcement of any of the terms and provisions of this agreement including a reasonable attorney's fee.

3. Except as otherwise provided herein this agreement shall be binding upon and inure to the benefit of the executors, administrators, successors and assigns of the parties hereto.

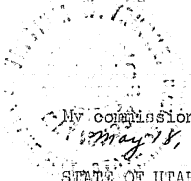
IN WITNESS WHEREOF the parties hereto have signed their names this 30 day of September, 1953.

C. Ellsworth Hansen
Florence Hansen
Executors
[Signature]
Lessee

STATE OF UTAH)
COUNTY OF SALT LAKE) ss

On the 30 day of September, 1953, personally appeared before me C. Ellsworth Hansen and Florence Hansen, two of the signers of the foregoing Lease Agreement, who duly acknowledged to me that they executed the same.

Virginia W. Trumbey
Notary Public
Residing at: Salt Lake City, Utah

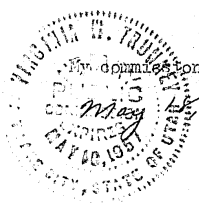


My commission expires:
May 18, 1957

STATE OF UTAH)
COUNTY OF SALT LAKE) ss

On the 30 day of September, 1953, personally appeared before me W. W. Mertlich, one of the signers of the foregoing Lease Agreement, who duly acknowledged to me that he executed the same.

Virginia W. Trumbey
Notary Public
Residing at: Salt Lake City, Utah



My commission expires:
May 18, 1957