

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

Entry 2009001249
Book 1127 Page 784-787 \$17.00
06-FEB-09 02:44
RANDY SIMMONS
RECORDER, UINTAH COUNTY, UTAH
ADVANCED TITLE CO INC
71 N 100 W VERNAL, UT 84078
Rec By: SHEENA MC DONALD , DEPUTY

Lease

17731

1. **The Parties and The Property.** BEAMER, LC, a Utah limited liability company, hereinafter referred to as "Lessor", hereby leases to JOANN HANCOCK REAL ESTATE, INC. hereinafter referred to as "Lessee", all those premises situate, lying and being in the County of Uintah, State of Utah, commonly known as 1293 West, Highway 40, Vernal, UT 84078 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 January 30, 2009, for and during the latest of January 30, 2029 or until the SBA 504 Loan under SBA Loan Authorization No. 34773260-01 is paid in full.

3. **The Lease Payment.** Lessee covenants and agrees to pay Lessor a lease payment in the sum of \$7,000.00 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 Insur-
ance 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. 34773260-01, 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 January 30, 2009.

LESSOR:

BEAMER, LC


By:


JoAnn Hancock, Member

LESSEE:

JOANN HANCOCK REAL ESTATE, INC.

By:

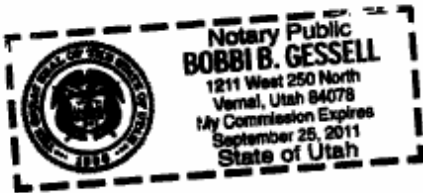

JoAnn Hancock, President

LEASE NOTARY PAGE

STATE OF Utah)
)
COUNTY OF Uintah) :ss.
)

Feb 3 2009

The foregoing instrument was acknowledged before me this ~~January 30, 2009~~ by JoAnn Hancock, Member, BEAMER, LC.

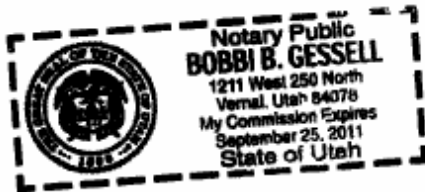


Bobbi B Geszell
Notary Public

STATE OF Utah)
)
COUNTY OF Uintah) :ss.
)

Feb 3 2009

The foregoing instrument was acknowledged before me this ~~January 30, 2009~~ by JoAnn Hancock, President, JOANN HANCOCK REAL ESTATE, INC.



Bobbi B Geszell
Notary Public

EXHIBIT "A"

05-060-0066 NW NW

Beginning at a point which is located South 65°00'05" West 238.31 feet from the Northeast corner of the Northwest quarter Northwest quarter of Section 27, Township 4 South, Range 21 East, Salt Lake Base and Meridian; thence South 50°17'54" East 94.50 feet; thence South 39°42'06" West 54.00 feet; thence North 50°17'54" West 94.50 feet; thence North 39°42'06" East 54.00 feet to the point of beginning.

05-060-0072 NW NW

An undivided 70% interest

Beginning at a point which is located South 89°48'42" West 206.24 feet from the Northeast corner Northwest quarter Northwest quarter Section 27, Township 4 South, Range 21 East, Salt Lake Base and Meridian; thence South 46°03'34" East 93.68 feet; thence South 05°48'47" East 80.30 feet to the point beginning of a curve to the right having an arc length 31.60 feet, a radius of 20.00 feet, and a delta angle of 90°32'15", chord bears South 5°34'03" East 28.42 feet; thence South 39°42'06" West 74.00 feet; thence North 50°17'54" West 182.54 feet; thence North 43°56'13" East 157.62 feet to the point of beginning.

EXCLUDING the following parcel:

Beginning at a point which is located South 68°47'11" East 209.51 feet from the Northeast corner of the Northwest quarter Northwest quarter of Section 27, Township 4 South, Range 21 East, Salt Lake Base and Meridian; thence South 50°17'54" East 47.00 feet; thence South 39°42'06" West 33.00 feet; thence South 50°17'54" East 47.50 feet; thence South 39°42'06" West 54.00 feet; thence North 50°17'54" West 94.50 feet; thence North 39°42'06" East 87.00 feet to the point of beginning.