

**MORGAN CITY**

**RDA MEETING**

01-27-15

**(5:45 p.m.)**

**NOTICE OF MEETING TO BE HELD IN PUBLIC AND CLOSED SESSION BY THE  
MORGAN CITY REDEVELOPMENT AGENCY**

Pursuant to Utah Code, Title 52, Chapter 4, notice is hereby given to members of the Morgan City Redevelopment Agency and to the general public that the Morgan City Redevelopment Agency will hold a meeting in open public session on **Tuesday, January 27, 2015 at 5:45 p.m.** in the Council Room of the City Office located at 90 West Young Street.

**AGENDA**

1. Meeting called to order
2. Approval of minutes – January 13, 2015
3. **ITEMS FOR DISCUSSION/APPROVAL**

Resolution #R15-04 - Miriam Hone, Morgan Music Academy – rent assistance agreements

Request for rent assistance extension – Lisa Gilgen, Glassed Up!

**OTHER ITEMS FOR DISCUSSION/APPROVAL AS TIME PERMITS**

Agency business follow-up

NOTE: The Board may vote to go into closed session pursuant to Utah Code 52-4-5.

NOTE: The times listed for each item on the agenda may be accelerated if time permits.

6. **A D J O U R N M E N T . . . . .**

In compliance with the American with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Julie Bloxham, Agency Secretary, 829-3461 at least 24 hours before the meeting.

Morgan City invites any person, church or other civic organization to contact the Mayor, to be scheduled for presenting a thought, reading, opening remarks, or invocation in the opening ceremony portion of the public meeting. Written invitations will be made by the Mayor to those who wish to participate.

This meeting may be held electronically to allow a member to participate.

Posted 01-21-15

11:00 a.m.

Julie A. Bloxham, Agency Secretary

RDA Meeting  
01-13-15

MINUTES OF MEETING HELD BY MORGAN CITY REDEVELOPMENT AGENCY IN OPEN PUBLIC SESSION ON TUESDAY, JANUARY 13, 2015 AT 5:15 P.M., IN THE COUNCIL ROOM OF THE CITY OFFICE LOCATED AT 90 WEST YOUNG STREET

Present: Chair, Ray W. Little.

Members: Tony London, Jeff Wardell, Shelly Betz, Mike Kendell and Fran Hopkin.

Staff: none

Others present: Miriam Hone, Morgan Music Academy.

This meeting was called to order by Chair, Ray W. Little.

**Minutes**

MOTION: Tony London moved to approve the minutes of the August 12, 2014 meeting.

SECOND: Shelly Betz. Vote: 4 ayes, Mike not present.

**Items for Discussion/Approval**

**Miriam Hone, Morgan Music Academy  
Request for Funds**

Miriam Hone submitted a request for funding from the RDA for her new business to be located on Commercial Street. She gave the members a brief explanation of what her business would entail. This is a music academy and she will teach lessons. She is renting the building at 157 North Commercial that is owned by Roger Nicosia.

Shelly stated the RDA rent subsidy was originally geared towards retail businesses. She is glad that Miriam is here to help the members understand what she is proposing. Miriam stated she wants to have an area in the building to sell materials such as music books, instruments, etc. so there would be some retail sales. Fran asked about the sales listed in her proposal. She stated this is regarding sales of lessons, not materials.

Chair Little stated he feels this business would enhance the services provided to the citizens. He asked if this building is large enough to handle an orchestra for practice. Miriam stated some remodeling had been done to make room for this type of activity. Shelly asked if she is signing a lease with the building owner. She stated she is signing a one-year lease.

Mike arrived to the meeting.

Tony asked if the building has restroom facilities. It was stated it does and they have been updated recently. Shelly stated approval would be contingent upon the building owner's approval. Tony stated even though this is not a retail business, he feels it would be an asset to residents in our community.

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Shelly explained to Miriam how the rent assistance program operates. There was discussion on Miriam's request for assistance with the signage that she has asked for. The sign request will need to be done on a separate basis. Miriam was told she would have to comply with the historical committee requirements.

MOTION: Shelly Betz moved to grant a one-year rent subsidy to Miriam Hone, for her business to be located at 157 North Commercial Street in the amount of \$200 per month – contingent upon the building owner giving approval.

SECOND: Tony London. Vote: 5 ayes.

**Outstanding Loans/Grants**

Chair Little stated a list was provided in the member packets that outlines the loans/grants that are in default. Attorney Crane has suggested having an attorney from his office help the RDA in moving forward to collect these outstanding balances.

Fran asked if the RDA has had to take action on items such as this in the past. Shelly stated the RDA did take the VanCampen loan to small claims court and did get a judgment but no payment has been received. Mike asked if this is a list of all the ones that are in default. It was stated it is.

Tony stated he is not sure how much staff time it takes to go through the process of collection. There was discussion on the various loans in default and what action the members should take. The cost being proposed is \$150 per each case. Shelly stated the RDA is public money and she feels they have an obligation to do everything possible to collect these monies.

Tony stated if the City had the titles for vehicles, it should into to see if they can be repossessed.

MOTION: Mike Kendell moved to approve allowing the junior attorney suggested by Attorney Crane proceed with trying to collect on the default accounts for \$150 per case.

SECOND: Shelly Betz. Vote: 5 ayes.

This meeting was adjourned at 5:40 p.m.

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Julie A. Bloxham, Agency Secretary

These minutes were approved at the \_\_\_\_\_ meeting.

Resolution #R15-04

Morgan City Redevelopment Agency

**A RESOLUTION ADOPTING AND APPROVING A MASTER LEASE AGREEMENT BETWEEN MORGAN REDEVELOPMENT AGENCY AND UTAH POWDER PROPERTIES – ROGER NICOSIA FOR PROPERTY LOCATED AT 157 N. COMMERCIAL STREET, IN MORGAN**

**WHEREAS**, the Redevelopment Agency of Morgan City (hereafter the "Agency") has been working at supporting and encouraging business along Commercial Street, through the use of the Agency and through all means available for the purpose of enhancing the business and commercial objectives for this important sector of Morgan City; and

**WHEREAS**, an important part of those efforts will be to attract viable businesses into the "Commercial Street" area, thereby adding to a synergy for the purpose of ensuring the continued success of existing business and bringing in new businesses to renew interest in the area; and

**WHEREAS**, the Agency has an opportunity to enter into a Master Lease for certain property and structures located at 157 N. Commercial Street, for the purpose of subsequently entering into subleases with tenants that will assist the Agency in accomplishing its redevelopment goals for Commercial Street; and

**WHEREAS**, the Master Lease by the Agency and subsequent subleases, will benefit Morgan City by enhancing its commercial base and pushing redevelopment forward, while allowing the City to encourage businesses with services and products consistent with quality and type already investing in Morgan City's downtown area; and

**WHEREAS**, it is deemed to be in the best interest of the Agency, and the businesses and Citizenry of Morgan City, to enter into a Master Lease and subsequent subleases for the properties described in the Lease Agreement, which is attached hereto and incorporated herein by this reference.

**NOW THEREFORE**, be it resolved by the Board of the Morgan City Redevelopment Agency as follows:

1. That the Master Lease entitled Master Lease between Morgan City Redevelopment Agency and Utah Powder Properties, Roger Nicosia, which is attached hereto and incorporated herein, be adopted and approved.
2. That the Chair of the Agency be authorized to execute the Master Lease.
3. That the Chair of the Agency be authorized to execute all subleases under the Master Lease.

DATED this 27<sup>th</sup> day of January 2015.

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Ray W. Little, Chair

ATTEST:

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Julie A. Bloxham, Agency Secretary

**LEASE**

**Between**

**Utah Powder Properties  
Roger Nicosia  
*Landlord***

**And**

**Morgan Redevelopment Agency  
*Master Tenant***

**For Property Located At**

**157 N. Commercial Street  
Morgan, Utah 84050**

1. **PARTIES.** This lease, dated for reference purposes only, February 27, 2015, is made by and between **Roger Nicosia, Utah Powder Properties (Landlord) and Morgan Redevelopment Agency (Tenant).**

2. **PREMISES.** Landlord hereby leases to Tenant and Tenant leases from Landlord for the term, at the rental rate, and upon all of the conditions set forth herein, that certain real property situated in the city of Morgan, County of Morgan, State of Utah commonly known as approximately **157 N. Commercial Street.** Allocated gross square feet are 1,856. Landlord understands and acknowledges that Tenant is paying rents solely from tax increment received by the Morgan Redevelopment Agency and is not committed to use any other funds to make the lease payments.

3. **TERM.** The initial term of this Lease shall be for One (1) year commencing on March 1, 2015 or upon occupancy which ever come first. Lease payments will start upon occupancy, unless otherwise specified, which shall not be later than March 1, 2015.

Tenant shall have the first option to renew this lease at terms to be negotiated at the end of the first term. In no case shall the lease increase more than 5% in any given year unless the parties agree to such additional increase in writing.

4. **DELAY IN POSSESSION.** Notwithstanding said commencement date, if Landlord cannot deliver possession of the Premises to Tenant on said date, such failure shall not affect the validity of this Lease, but in such case, Tenant shall not be obligated to pay rent until possession of the Premises is tendered to Tenant.

5. **EARLY POSSESSION.** If Tenant occupies the Premises prior to the commencement date, such occupancy shall be subject to all provisions hereof and such occupancy shall not advance the termination date. The Tenant shall not be deemed to have occupied the Premises for purposes of rental payment while it is completing its improvements and has not commenced business with the public. However, the time period between the date the Tenant is given possession and the date the Tenant completes its improvements and commences business with the public shall be no longer than 30 days after possession.

6. **RENT.** Tenant shall pay to Landlord rent on the following schedule. Rent for a period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment.

Rent Schedule

	157 N. Commercial		
Rent/Month	\$400.00		
Rent/Year	\$4,800.00		

7. **RENT INCREASES.** Rent increases and renewal options after first year shall be negotiated if different than identified in paragraph 3 above.

8. **SECURITY DEPOSIT.** No Security Deposit shall be required for the initial agreement with tenant.

9. **USE.** The premises shall be occupied for use as general office and retail.

10. **CONDITION OF PREMISES.** Landlord shall deliver the Premises to Tenant on or before March 1, 2015 in "as is" condition.

11. **TENANT IMPROVEMENTS.** Tenant shall submit a Tenant Improvement Request for approval by Landlord prior to making Tenant Improvements.

12. **BUILDING OPERATING COSTS and COMMON AREA MAINTENANCE CHARGES.** Rent shall include Common Area Maintenance Charges. Snow removal on Morgan City sidewalk shall be responsibility of tenant.

Landlord acknowledges that Tenant intends to sublease the premises to qualified subtenants. Tenant agrees to inform each Subtenant they may install telephone equipment and business equipment and may remove it at the end of the term.

Tenant, at their expense, shall keep the non-structural portions of the interior premises in good condition. On the last day of the term hereof, or on any sooner termination, Tenant shall surrender the Premises to Landlord in the same condition, ordinary wear and tear accepted.

**13. TRADE FIXTURES.** Tenant agrees to notify each Subtenant they may install trade fixtures at their own expense during the term of this initial lease. Trade fixtures which affect structural components of the building such as load bearing walls or require special electrical, heat, air conditioning or ventilation may only be installed with Landlord's consent. At the termination of the Lease, Subtenant may leave the trade fixtures that they have installed. Subtenant shall repair any damage caused by removal of trade fixtures.

**14. REMODELING AND RENOVATION OF PREMISES.** All major improvements such as those that may affect the structure components of the building, made by the Subtenant must be approved by the Landlord and must comply with the law, statutes and code set forth by that City of Morgan, County of Morgan, and State of Utah. Except for the Landlord Improvements, all costs and expenses, both for labor, services, or materials, are to be borne by the Subtenant, and the Subtenant covenants to hold the Landlord harmless for any such costs of construction, remodeling, renewal made by the Subtenant, and the Landlord shall not be liable in any way whatsoever for any costs resulting from such services and furnishing of labor and materials by or on behalf of the Subtenant.

**15. ADDITIONAL EXPENSES.** Subtenant shall pay for additional common utilities that are not paid for as part of the common expenses or incurs additional common services or expenses that are paid for as part of the common expenses, above and beyond those utilities and services normally incurred by other Subtenants and/or unit owner(s) when the utilities or services can be specifically identified and thus allow for separate billing in accordance with actual usage.

**16. PERSONAL PROPERTY TAXES.** Tenant agrees to notify Subtenant they shall be responsible for the payment, prior to delinquency, of all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Subtenant contained in the Premises.

**17. LIABILITY INSURANCE.** Tenant agrees to have each subtenant procure and keep in effect during the term of this lease a policy or policies of comprehensive insurance, including public liability and property damage, with a minimum combined single limit of liability of One Million Dollars (\$1,000,000.00). The policy or policies shall (i) name landlord as an additional insured; (ii) be issued by an insurance company that is acceptable to the Landlord, with a general policy holder's rating of not less than A and financial rating of not less than xi in the most current available Best Insurance Reports, and licensed to do business in the State of Utah; and (iii) provide that the insurance shall not be canceled or shall there be any changes in the scope or amount of coverage of the policy unless ten (10) days prior written notice shall have been given to Landlord. The policy or policies, or certificates thereof, shall be delivered to Landlord upon commencement of the term of each sublease and upon each renewal of such insurance. Landlord will carry acceptable fire and casualty insurance on the building in which the premises are located. If Tenant uses the premises itself or the premises are not subject to a sublease, Tenant shall comply with the insurance responsibilities identified above.

**18. WAIVER OF SUBROGATION.** Each party hereby releases and relieves the other from liability and waives the right of recovery against the other for loss or damage to property arising out of or incident to perils insured against, whether due to negligence of either party, its agents, employees, contractors and / or invitees. This provision shall not apply if its effect is to invalidate otherwise applicable insurance coverage. Each party shall take any necessary action to obtain consent of its insurer, if necessary.

**19. EXEMPTION OF LANDLORD FROM LIABILITY.** Except for Landlord's negligence or willful acts, Landlord shall not be liable for any damage or injury to the person, business, goods, wares, merchandise or other property of Tenant, the Tenant's employees, invitees, customers, or any other person in or about the property of

which the premises are apart, whether such damage or injury is caused by or results from conditions arising in or about the property or upon other portions of any building of which the property is a part or any act or omission of any other Tenant of any building of which the property is a part.

**20. ASSIGNMENT AND SUBLETTING** Landlord understands and acknowledges that Tenant intends to sublease the premises as part of its redevelopment efforts along Commercial Street. Tenant shall notify Landlord of any sublease prior to a sublessee taking occupancy of the premises. Tenant shall not sublease to any sublessee contrary to the terms or intent of this Master Lease Agreement. Except for the "subleasing" provision of this Agreement, Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises, without Landlord's prior written consent. Tenant may sublet any part or portion of the Premises to business or businesses that are compatible with the then existing Tenant, and that is in compliance with the existing laws.

**21. SIGNS ON BUILDING.** Signage must first be approved by the Historical Committee and must comply with the local Historical District Ordinance. Landlord must also approve all building signage. Landlord's approval shall not be unreasonably withheld. Building signage for Subtenant will be at Subtenants expense and must be removed by Subtenant at Termination of lease.

**22. SMOKE FREE ENVIRONMENT.** The Premises is a smoke free environment. No smoking is allowed in the building (including private offices) or common areas.

**23. PARKING.** Subtenant shall have the right to one (1) parking space for each unit in the rear of building. Parking is also available on the street, but not guaranteed.

**24. TENANT DEFAULTS AND REMEDIES.** The occurrence of any one of the following events shall constitute a breach of this Lease by Tenant:

**A.** The failure by Tenant to make any payment of rent due for 15 days after written notice thereof from Landlord to Tenant.

**B.** The failure by Tenant to observe or perform any of the material covenants, conditions or provisions of this lease to be observed or performed by Tenant, other than described in paragraph A above, where such failure shall continue for a period of 30 days after written notice from Landlord.

**C.** Failure to occupy premises stated in Paragraph #10.

In the event of any material default or breach by Tenant, Landlord may pursue any remedy at law available to it for Tenant's breach.

**25. DEFAULT BY LANDLORD.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after a written notice by Tenant. If the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion, however, the Tenant shall be entitled to a reasonable rental abatement from the date of default.

**26. NOTICES.** Any notice given hereunder shall be in writing and may be given by personal delivery or by certified mail at the following addresses:

Copy to Landlord:  
Utah Powder Properties  
Roger Nicosia  
2809 SE St. Lucie Blvd  
Stuart, FL 34997

Copy to Tenant:  
Morgan City  
PO Box 1085  
Morgan, Utah 84050

**27. HOLDING OVER.** If Tenant, with Landlord's consent, remains in possession of the Premises after the expiration of the term of this Lease, such occupancy shall be a tenancy from month-to-month upon all the provisions of this Lease at the last paid monthly amount

**28. SUBORDINATION.** This lease may be subordinated by Landlord to any ground lease, mortgage or deed of trust placed on the property on which the Premises are located so as long as the holder of such obligation agrees to recognize and accept this lease if Tenant is not then materially in default under the Lease.

**29. ATTORNEY'S FEES.** If either party brings an action to enforce the terms hereof, the prevailing party shall be entitled to receive reasonable attorney's fees and court costs from the other party.

**30. CONSENTS.** Wherever the consent of a party is required, such consent shall not be unreasonably withheld.

**31. COMPLETE AGREEMENT.** This Lease represents the full and complete agreement of the parties with regard to the subject matter hereof and supersedes any and all other agreements relative to this Lease, whether written or oral.

**32. AMENDMENT.** This Lease may not be altered, amended or modified except by a writing mutually signed by all parties obligated hereunder.

**33. APPROPRIATION.** Landlord understands that Tenant is a governmental entity and is subject to State Law and Constitutional provisions regarding municipal governments including the constitutional provisions regarding appropriation of funds. In the event a future legislative body fails to appropriate sufficient funds under the terms of this Master Lease, the City may elect to pay the remaining amount due under the current term of the lease and terminate the lease.

**IN WITNESS WHEREOF, the parties have executed this Lease on the date written below.**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Ray W. Little  
Chair

By: \_\_\_\_\_ Date \_\_\_\_\_  
Roger Nicosia,  
Utah Powder Properties,  
Landlord

**ACKNOWLEDGMENT**

State of \_\_\_\_\_  
County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015, \_\_\_\_\_ personally appeared before me,

\_\_\_\_\_  
Who is personally known to me,  
\_\_\_\_\_  
Whose identity I verified on the basis of \_\_\_\_\_  
\_\_\_\_\_  
Whose identity I verified on the oath/affirmation of \_\_\_\_\_, a credible witness,

To be the signer of the foregoing document, and he acknowledged that he signed it.

\_\_\_\_\_  
NOTARY SIGNATURE

My Commission expires: \_\_\_\_\_

**LEASE**

**Between**

**MORGAN REDEVELOPMENT AGENCY**

*Lessor*

**And**

***MIRIAM HONE***

***DBA: MORGAN MUSIC ACADEMY***

**Lessee**

**For Property Located At**

**157 N. Commercial Street  
Morgan, Utah 84050**

1. **PARTIES.** This lease, dated for reference purposes only, February 27, 2015, is made by and between **Morgan Redevelopment Agency (Lessor) and Miriam Hone, Morgan Music Academy (Lessee).**
2. **PREMISES.** Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental rate, and upon all of the conditions set forth herein, that certain real property situated in the city of Morgan, County of Morgan, State of Utah commonly known as approximately **157 N. Commercial Street**, (the Leased Premises). The Leased premises shall consist of approximately 1,856 square feet.
3. **TERM.** The initial term of this Lease shall be for One (1) year commencing on March 1, 2015 or upon occupancy which ever come first. Lease payments will start upon occupancy, unless otherwise specified, which shall not be later than March 1, 2015. Lessee shall have the first option to renew this lease at terms to be negotiated at the end of the first term.
4. **TERMINATION.** Lessee shall provide a minimum of sixty (60) days written notice prior to the end of the initial term and each renewal option herein of their intent to either renew or terminate this lease, unless Lessor gives Lessee notice of its intent to terminate the lease. Lessor shall give Lessee a minimum of sixty (60) days' notice of its intent to terminate the lease for any reason except for cause. Landlord may terminate the lease with Lessee immediately "for cause." "For cause" shall include any material breach of the terms of this lease. If Lessee terminates the lease before the end of the term, Lessee shall be responsible for their portion of the rent until the term ends or until a replacement Lessee assumes the obligation pursuant to the terms of this paragraph. Any replacement Lessee shall require the prior approval of the Lessor, which approval shall not be unreasonably withheld. Lessee acknowledges that Lessor is sub-leasing from Utah Powder Properties, Roger Nicosia under a Master Lease. Lessor agrees to abide by the terms of the Master Lease, a copy of which shall be made available to the Lessee upon request. However, in the event of any action of the Landlord under the Master Lease, that make it impossible for Lessor to continue with this lease, the lease may be terminated.
5. **DELAY IN POSSESSION.** Notwithstanding said commencement date, if Lessor cannot deliver possession of the Premises to Lessee on said date, such failure shall not affect the validity of this Lease, but in such case, Lessee shall not be obligated to pay rent until possession of the Premises is tendered to Lessee.
6. **EARLY POSSESSION.** If Lessee occupies the Premises prior to the commencement date, such occupancy shall be subject to all provisions hereof and such occupancy shall not advance the termination date. The Lessee shall not be deemed to have occupied the Premises for purposes of rental payment while it is completing its improvements and has not commenced business with the public. However, the time period between the date the Lessee is given possession and the date the Lessee completes its improvements and commences business with the public shall be no longer than 30 days after possession.
7. **RENT.** Lessee shall pay to Lessor rent on the following schedule. Rent for a period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment.

Rent Schedule

	157 N. Commercial		Total Lease Amount Paid by RDA
Rent/Month	\$200.00		\$400.00
Rent/Year	\$2,400.00		\$4,800.00

Any rent payment(s) received on or after the fifteenth (15th) of each month will be assessed a ten percent (10%) late fee.

8. **RENT INCREASES.** Rent increases and renewal options after first year shall be negotiated.

**9. SECURITY DEPOSIT.** Security Deposit shall be **\$0.00** and paid upon prior to signing of lease. Security deposit is not considered a first or last month rent. It is for the repair or cleaning of property or unpaid assessments upon completion of lease.

**10. USE.** The premises shall be occupied for use as a clothing store.

**11. CONDITION OF PREMISES.** Lessor shall deliver the Premises to Lessee on or before March 1, 2015 in "as is" condition.

**12. LESSEE IMPROVEMENTS.** Lessee shall submit a Lessee Improvement Request for approval by Lessor prior to making Lessee Improvements.

**13. BUILDING OPERATING COSTS and COMMON AREA MAINTENANCE CHARGES.** Rent shall include Common Area Maintenance Charges. Snow removal on Morgan City sidewalk shall be responsibility of Lessee.

Lessee may install telephone equipment and business equipment and may remove it at the end of the term.

Lessee, at its expense, shall keep the non-structural portions of the interior premises in good condition. On the last day of the term hereof, or on any sooner termination, Lessee shall surrender the Premises to Lessor in substantially the same condition that it was received in, ordinary wear and tear expected. Both parties agree to abide by a checklist that will be completed by Lessee upon move-in and by Lessor upon move-out.

**14. TRADE FIXTURES.** The Lessee may install trade fixtures at its own expense during the term of his lease. Trade fixtures which affect structural components of the building such as load bearing walls or require special electrical, heat, air conditioning or ventilation may only be installed with Lessor's consent. At the termination of the Lease, Lessee may leave the trade fixtures that they have installed. Lessee shall repair any damage caused by removal of trade fixtures.

**15. REMODELING AND RENOVATION OF PREMISES.** All major improvements such as those that may affect the structure components of the building, made by the Lessee must be approved by the Lessor and must comply with the law, statutes and code set forth by that City of Morgan, County of Morgan, and State of Utah. Except for the Lessor Improvements, all costs and expenses, both for labor, services, or materials, are to be borne by the Lessee, and the Lessee covenants to hold the Lessor harmless for any such costs of construction, remodeling, renewal made by the Lessee, and the Lessor shall not be liable in any way whatsoever for any costs resulting from such services and furnishing of labor and materials by or on behalf of the Lessee.

**16. ADDITIONAL EXPENSES.** Lessee shall pay for additional common utilities that are not paid for as part of the common expenses or incurs additional common services or expenses that are paid for as part of the common expenses, above and beyond those utilities and services normally incurred by other Lessees and/or unit owner(s) when the utilities or services can be specifically identified and thus allow for separate billing in accordance with actual usage.

**17. PERSONAL PROPERTY TAXES.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises.

**18. LIABILITY INSURANCE.** Lessee acknowledges that Lessor holds a Master Lease on the premises and agrees to procure and keep in effect during the term of this lease a policy or policies of comprehensive insurance, including public liability and property damage, with a minimum combined single limit of liability of One Million Dollars (\$1,000,000.00). The policy or policies shall (i) name Lessor and Utah Powder Properties, Roger Nicosia, as additional insured; (ii) be issued by an insurance company that is acceptable to the Lessor, with a general policy holder's rating of not less than A and financial rating of not less than xi in the most current available Best Insurance Reports, and licensed to do business in the State of Utah; and (iii) provide that the insurance shall not be canceled or shall there be any changes in the scope or amount of coverage of the policy unless ten (10) days

prior written notice shall have been given to Lessor and Utah Powder Properties, Roger Nicosia.. The policy or policies, or certificates thereof, shall be delivered to Lessor upon commencement of the term of this lease and upon each renewal of such insurance. Lessor will carry acceptable fire and casualty insurance on the building in which the premises are located.

**19. WAIVER OF SUBROGATION.** Each party hereby releases and relieves the other from liability and waives the right of recovery against the other for loss or damage to property arising out of or incident to perils insured against, whether due to negligence of either party, its agents, employees, contractors and / or invitees. This provision shall not apply if its effect is to invalidate otherwise applicable insurance coverage. Each party shall take any necessary action to obtain consent of its insurer, if necessary.

**20. EXEMPTION OF LESSOR FROM LIABILITY.** Except for Lessor's negligence or willful acts, Lessor shall not be liable for any damage or injury to the person, business, goods, wares, merchandise or other property of Lessee, the Lessee's employees, invitees, customers, or any other person in or about the property of which the premises are apart, whether such damage or injury is caused by or results from conditions arising in or about the property or upon other portions of any building of which the property is a part or any act or omission of any other Lessee of any building of which the property is a part. Nothing in this paragraph shall act to deny Lessor of any right, protection or immunity provided by law.

**21. ASSIGNMENT AND SUBLETTING** Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Premises, without Lessor's prior written consent.

**22. SIGNS ON BUILDING.** Lessor and Utah Powder Properties, Roger Nicosia must approve all building signage and said signage is subject to local ordinances. Such approvals shall not be unreasonably withheld. Building signage for Lessee will be at Lessee's expense and must be removed by Lessee at Termination of lease.

**23. SMOKE FREE ENVIRONMENT.** The Premises is a smoke free environment. No smoking is allowed in the building (including private offices) or common areas.

**24. PARKING.** Lessee shall have the right to one (1) parking space for each unit in the rear of building. Parking is also available on the street, but not guaranteed.

**25. LESSEE DEFAULTS AND REMEDIES.** The occurrence of any one of the following events shall constitute a breach of this Lease by Lessee:

**A.** The failure by Lessee to make any payment of rent due for 15 days after written notice thereof from Lessor to Lessee. Failure to pay rent as provided shall constitute a material breach of the lease agreement.

**B.** The failure by Lessee to observe or perform any of the material covenants, conditions or provisions of this lease to be observed or performed by Lessee, (other than described in paragraph A above), where such failure shall continue for a period of 30 days after written notice from Lessor.

**C.** Failure to occupy premises continually and for the purposes stated in Paragraph #10 or fails to obtain and maintain a valid business license from Morgan City.

In the event of any material default or breach by Lessee, in addition to the other remedies listed in this agreement, Lessor may pursue any remedy at law available to it for Lessee's breach.

**26. DEFAULT BY LESSOR.** Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after a written notice by Lessee. If the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion, however, the Lessee shall be entitled to a reasonable rental abatement from the date of default.

**27. NOTICES.** Any notice given hereunder shall be in writing and may be given by personal delivery or by certified mail at the following addresses:

Copy to Lessor:

Morgan City RDA  
PO Box 1085  
90 W. Young Street  
Morgan, Utah 84050

Copy to Lessee:

Miriam Hone  
Morgan Music Academy  
157 N. Commercial Street  
Morgan, Utah 84050

Copy to Owner:

Utah Powder Properties  
Roger Nicosia  
2809 SE St. Lucie Blvd.  
Stuart, FL 34997

**28. HOLDING OVER.** If Lessee, with Lessor's consent, remains in possession of the Premises after the expiration of the term of this Lease, such occupancy shall be a tenancy from month-to-month upon all the provisions of this Lease at the last paid monthly amount.

**29. SUBORDINATION.** This lease may be subordinated by Utah Powder Properties, Roger Nicosia to any ground lease, mortgage or deed of trust placed on the property on which the Premises are located so as long as the holder of such obligation agrees to recognize and accept this lease if Lessee is not then materially in default under the Lease.

**30. ATTORNEY'S FEES.** If either party brings an action to enforce the terms hereof, the prevailing party shall be entitled to receive reasonable attorney's fees and court costs from the other party.

**31. CONSENTS.** Wherever the consent of a party is required, such consent shall not be unreasonably withheld.

**32. COMPLETE AGREEMENT.** This Lease represents the full and complete agreement of the parties with regard to the subject matter hereof and supersedes any and all other agreements relative to this Lease, whether written or oral.

**33. AMENDMENT.** This Lease may not be altered, amended or modified except by a writing mutually signed by all parties obligated hereunder.

**34. APPROPRIATION.** Lessee understands that Lessor is a governmental entity and is subject to State Law and Constitutional provisions regarding municipal governments including the constitutional provisions regarding appropriation of funds. In the event a future legislative body fails to appropriate sufficient funds under the terms of this Master Lease, the City may elect to terminate the lease.

**IN WITNESS WHEREOF, the parties have executed this Lease on the date written below.**

**MORGAN RDA (LESSOR)**

\_\_\_\_\_ Date \_\_\_\_\_  
By: Ray W. Little  
Title: Chair

**Miriam Hone (LESSEE)**  
**Morgan Music Academy**  
\_\_\_\_\_ Date \_\_\_\_\_

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# GLASSED UP!

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January 18, 2015  
Morgan Redevelopment Agency  
Morgan, Utah

To Whom It May Concern,

In April 2014 I opened Glassed Up! in a storefront on Commercial Street in Morgan, Utah. The Morgan Redevelopment Agency assisting me in my new endeavor by subsidizing my monthly rental. I really appreciate all of the support from the RDA and Morgan City in supporting my business.

It's been an exciting year, with it's ups and downs as far as sales go for Glassed Up!, but overall I think that it's been a wonderful year and I have enjoyed being part of the businesses on Commercial Street.

I would like to request additional help with my rent for 2015, if possible. You can see from my Profit and Loss Statement that this first year out, I am showing a substantial loss, which was covered with personal funds.

My goals for the next year include not only making a profit or at least breaking even, but I would like to also begin to pay myself a small income or possibly hire an employee.

Thank you very much for your time and all of your support!

Sincerely yours,



Lesa Andersen Gilgen

Table 1

Glassed Up!

133 N. Commercial Street Morgan, Utah 84050

Profit & Loss Statement

for the period of March 1, 2014 through December 31, 2014

<b><u>INCOME</u></b>								
Sales	23535.41							
<b>Total Income</b>	<b>23535.41</b>							
<b><u>EXPENSES</u></b>								
Credit Card Proc.	382.40							
Rent	1750.00							
Utilities	1415.43							
Phone	675.00							
Shop Repair/Maint	621.43							
Insurance	668.00							
Display/Decor	780.90							
Materials/Tools	8086.61							
Cost Of Goods Sold	12177.70							
Office/Adv/Postage/Licenses	3196.03							
<b>Total Expenses</b>	<b>29753.5</b>							
<b><u>PROFIT/LOSS</u></b>	<b>-6218.09</b>							

