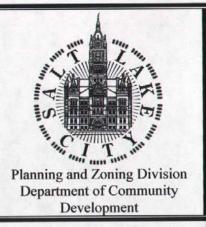
PLANNING COMMISSION STAFF REPORT

Piper Down Private Club - Expansion Conditional Use 410-08-50 PLNPCM2008-00196 Located at1492 South State Street September 10, 2008



Applicant: David Morris, Property Owner

Staff:

Marilynn Lewis 535-6409 marilynn.lewis@slcgov.com

<u>Tax ID</u>: 16-18-105-020-0000 <u>Current Zone</u>: CC

Master Plan Designation:

Central City Master Plan

Council District: 5 - Love

Acreage: 0.13 Acres

Current Use: Private Club

Applicable Land Use Regulations:

- Section: 21A.26.050 CC Corridor Commercial District
- Section: 21A.26.080
 Table Of Permitted And
 Conditional Uses For
 Commercial Districts
- Section: 21A.34.090
 SSSC South State Street
 Corridor Overlay District
- Section: 21A.44.030
 Alternative Parking Requirements
- Section: 21A.54.080
 Standards for Conditional Use
- Section 21A.04.030
 Building/Demolition
 Permits Required

Attachments:

- A. Site Drawings
- B. Department Comments
- C. Open House Information
- D. Quarter-Mile Use Map
- Parking Lease Agreement and Zoning Administrator's Letter

REQUEST

The applicant is proposing a 661 square foot expansion to an existing private club (a permitted conditional use in the Commercial Corridor Zoning District) and expand the outdoor dining area by 719 square feet. The Planning Commission must make a determination whether to approve, approve with conditions or deny this conditional use request.

PUBLIC NOTICE

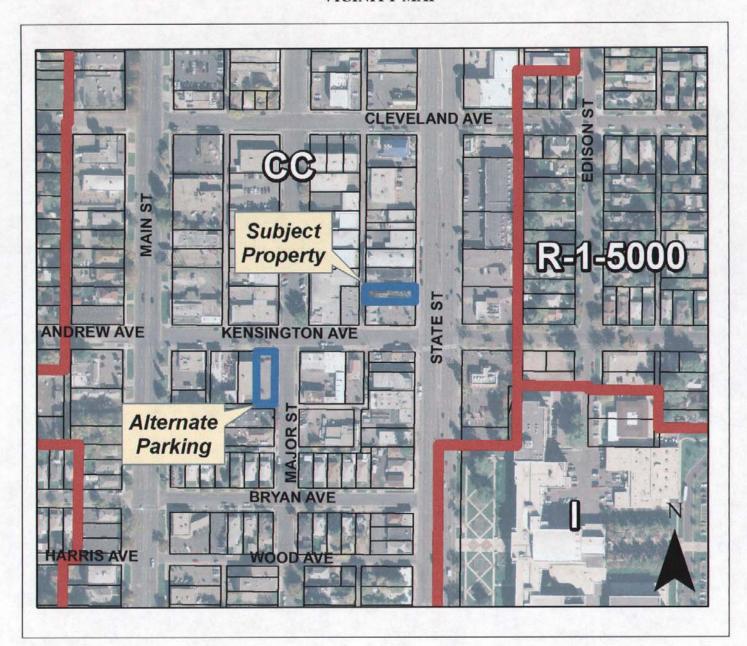
On August 26, 2008 a notice for the Planning Commission public hearing was mailed to owners of property within a radius of 450 feet as well as to community council chairs meeting the minimum 14 day notification requirement. In addition notice was sent to all individuals on the Planning Division's list serve, and a sign was posted on August 31, 2008 on the property meeting the minimum 10 day posting requirement. The staff report was also posted on the City's web site.

STAFF RECOMMENDATION:

Based on the findings listed in the staff report, the Planning Staff recommends the Planning Commission approve with the following conditions:

 The applicant shall record a lease agreement to provide 13 off-site parking stalls (which includes one accessible stall) on the lot at 1522 South Major Street for the expansion of the Piper Down private club.

VICINITY MAP



Comments

Public Comments:

On August 5, 2008 staff held an Open House (from 4:30 to 6:00 pm) to obtain public comment on the private club and outdoor dining expansion request. Property owners within 450 feet, as well as the aforementioned community councils were notified. The Open House was held because the subject site is within 600 feet of the People's Freeway and Liberty Wells Communities. In this manner members of both communities were provided an opportunity to obtain information and give comment on the petition.

Only one property owner, Ms. Singh, attended the open house. She owns the commercial structure at 25 East Kensington Avenue, which is located across the street (on the north side of Kensington) from the parking lot

stated that two of her tenants are churches/religious organizations (located at 25 C East Kensington Ave. and 25 conditional use approval in 2002 from the Planning Commission for the private club. Ms. Singh's main concern that will be leased by the Piper Down. The building has five suites (A -E) that are leased to tenants. Ms. Singh is with trash and illegal activities, such as prostitution and drug deals, that take place on Major Street and E-F East Kensington Ave.). The units were leased to these tenants long after the Piper Down received Kensington Avenue. She felt the required parking across from her building would affect the two churches/religious organizations. (See Attachment C)

Division of Building Services and Licensing". This also means that the churches would have to provide parking feet from the Piper Down property) and found that even though churches are a permitted use in the CC Zoning apply for a change of use. Salt Lake City Zoning Ordinance Section 21A.04.030 Building/Demolition Permits Staff Review: Staff checked the addresses of the two churches/religious organizations (that are less than 600 construct, reconstruct, alter, demolish, or change the use of any building or other structure within Salt Lake District, the structure in which they rent space is a retail strip center. Therefore, the churches would have to City contrary to any provisions of the Title without first obtaining a building or demolition permit from the Required states: "It is unlawful, whether acting as owner, occupant or contractor, or otherwise to erect, and meet any necessary building code requirements.

increased impact or affect on any other permitted or conditional uses within the quarter-mile radius. As stated in existing private club structure and outdoor dining, he is required to provide parking for the square footage of the expansion for the same minimum period of five years. The parking lot at 1522 South Major Street) to be leased is just that, a parking lot. It is leased from time to time by businesses. The lot has existed as a parking lot prior the letter from the City's Zoning Administrator (see Attachment E) the previous parking agreement was only private club structure will be contained within the boundaries of the lot previously approved by the Planning limited to five years, after which the requirement could expire. Now that the applicant wishes to expand the Commission in September of 2002. The private club is not expanding onto another lot and will not have an While a private club is a conditional use in the CC Zoning District, the physical expansion of the existing to the two churches/religious organizations moving in across the street.

City Department Comments:

All of the comments from the pertinent Departments and Divisions are included in this staff report. (See Attachment B).

Staff Analysis and Findings

Project History: The subject site at 1492 South State Street has been in commercial use since the 1930's. Prior Commission approved the change of use to a private club. In 2004 the applicant's lending institution requested Zoning Administrator notified the Deseret Certified Development Company that based on City regulations the clarification from the Zoning Administrator on the off-site parking requirements. On February 11, 2004 the applicant is legally required to provide the off-site parking for a period of five years. (See Attachment E) to 2002 the commercial structure was used as an office building. On September 19, 2002 the Planning

In 2007 the off-site parking requirement for the original change of use was legally expired. The applicant is now outdoor dining over 500 square feet for a minimum period of five (5) years. The applicant also maintains a less required to provide off-site parking for any approved expansion of the private club and the expansion of the formal agreement with the adjacent restaurant owner who allows parking for the private club in the evening when the restaurant is not operating.

al use within the CC Zoning ucture it will not trigger any tions as stated in Section ed parking site) does not e existing commercial

t 1522 South Major Street to th the use of the parking

igated by the proposal or the tandards, the conditional use ntal effects of the proposed onable conditions are asonably anticipated

Director or the Director's vidence presented shows o determine whether the et. The Planning

tional use shall be:

another applicable provision d Small Area Master plan ise will be located, and

itial/mixed use". Except for as the CC Zoning Districts nercial development along usiness has been operating certain areas of the City Central City Community on Report identifies the

mercial Districts to insure ever, the Piper Down is a on is in keeping with that ect property as medium anditional use in the idential and small ate: September 10, 2008

410-08-50 Piper Down

- c. Intensity, size, and scale of development associated with the use as compared to development and uses in the surrounding area.
- d. If a proposed conditional use will result in new construction or substantial remodeling of a commercial or mixed-use development, the design of the premises where the use will be located shall conform to the conditional building and site design review standards set froth in Chapter 21A.59 of this title.

Analysis: The character of the area is a grouping of commercial and non-residential uses along the State Street corridor, which are specifically identified permitted or conditional uses in the Commercial Corridor Zoning District. This conditional use request is for an additional 661 square feet of structure and only 719 square feet of outdoor dining. The expansion is at the rear of the existing building. The proposed off-site parking to be leased is an existing parking lot.

Finding: The project is not new construction or substantial remodeling. There will be no changes to the leased parking lot as a result of this petition. Therefore, the project is compatible with the character of the area where the use is located.

- 4. Detriment to Persons or Property: The proposed conditional use shall not, under the circumstances of the particular case and any conditions imposed, be detrimental to the health, safety, and general welfare of persons, nor be injurious to property and improvements in the community, existing surrounding uses, buildings, and structures. The proposed use shall:
 - a. Not emit any known pollutant into the ground or air that will detrimentally affect the subject property or any adjacent property;
 - b. Not encroach on any river or stream or direct runoff into a river or stream;
 - c. Not introduce any hazard or potential for damage to an adjacent property that cannot be mitigated;
 - d. Be consistent with the type of existing uses surrounding the subject property; and
 - Improve the character of the area by encouraging reinvestment and upgrading of surrounding properties.

Analysis: The existing private club has not been identified as emitting any known pollutants, does not encroach on any rivers or streams or directs runoff to those areas, does not introduce any hazard or potential damage to any adjacent properties. The existing private club is consistent with the type of existing uses surrounding it, and improves the character of the area by reinvestment and upgrade

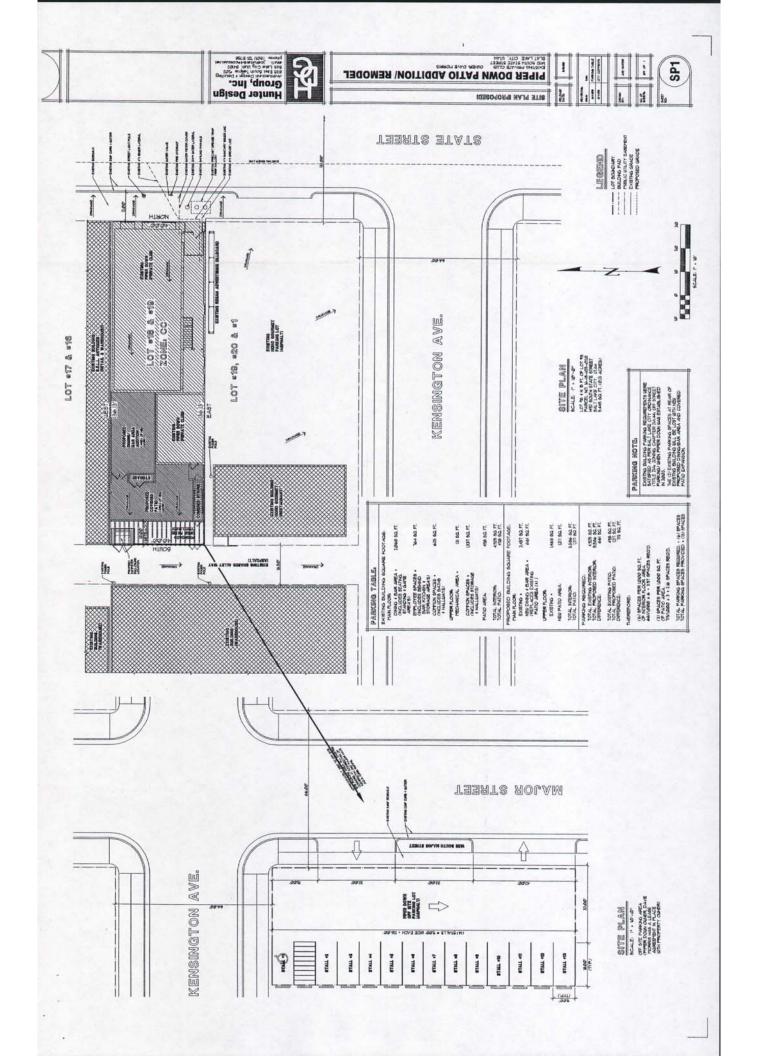
Finding: The Piper Down is a thriving commercial success story for small business in Salt Lake City and along the State Street corridor. Staff founds no detrimental concentration similar uses. The project meets the standard.

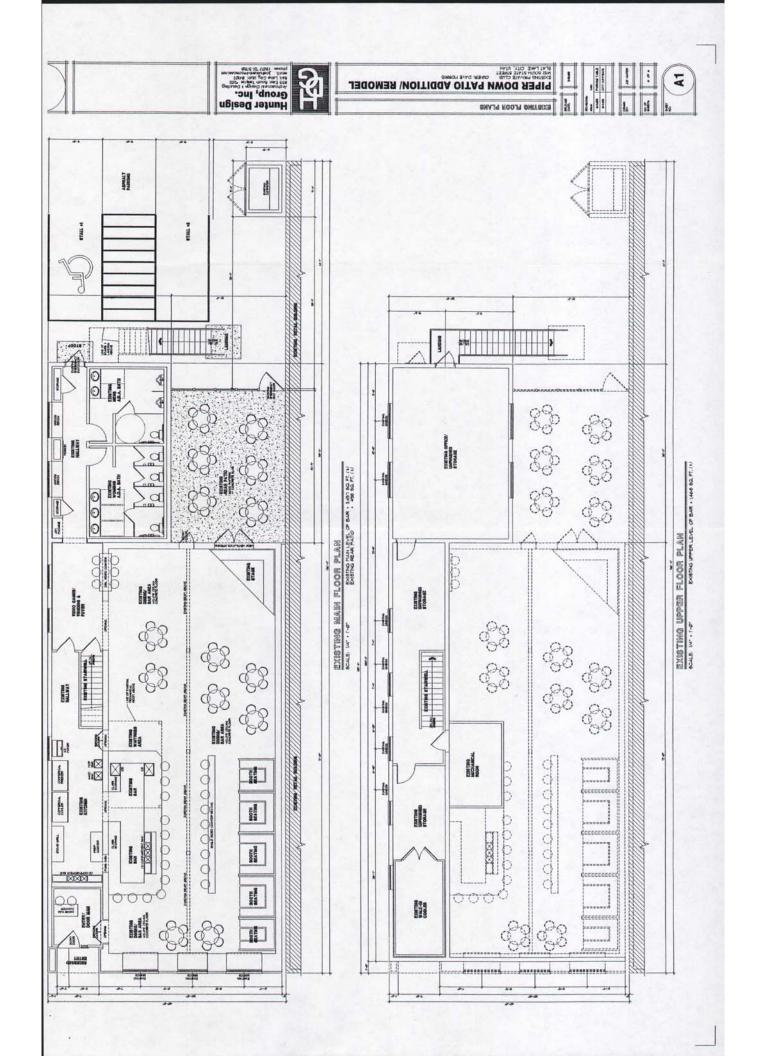
5. Compliance with Other Applicable Regulations: The proposed conditional use and any associated development shall comply with any other applicable code or ordinance requirement.

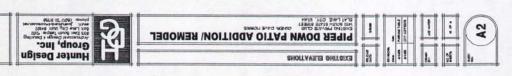
Analysis: The permitting Departments and Divisions may have additional requirements beyond those presented in this staff report.

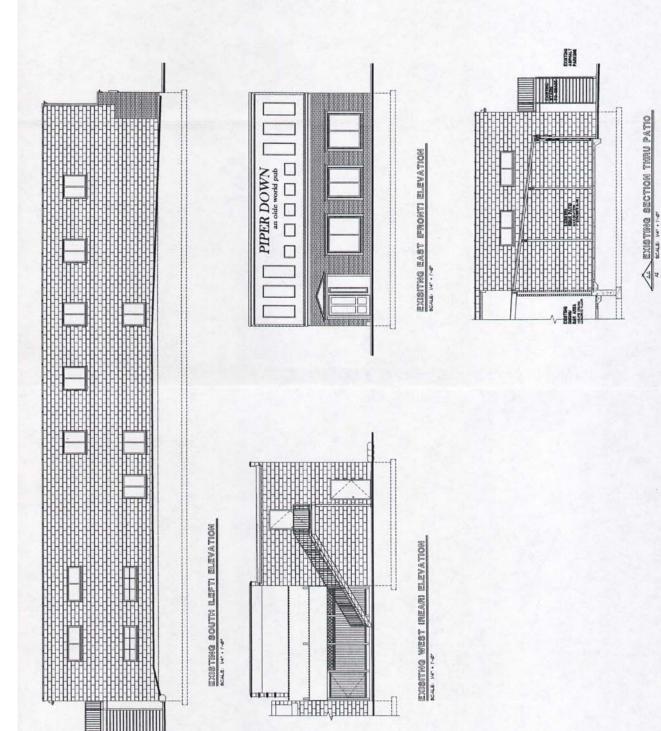
Finding: The project must meet all other applicable codes and ordinances prior to the issuance of a permit.

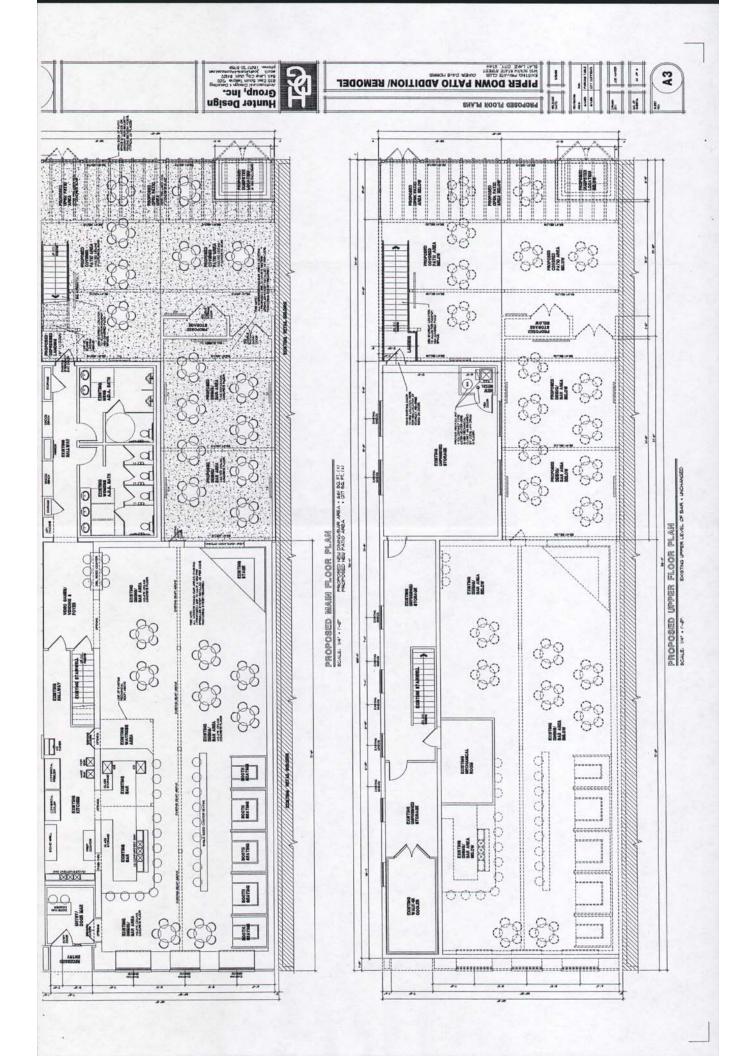
Attachment A Site Drawings

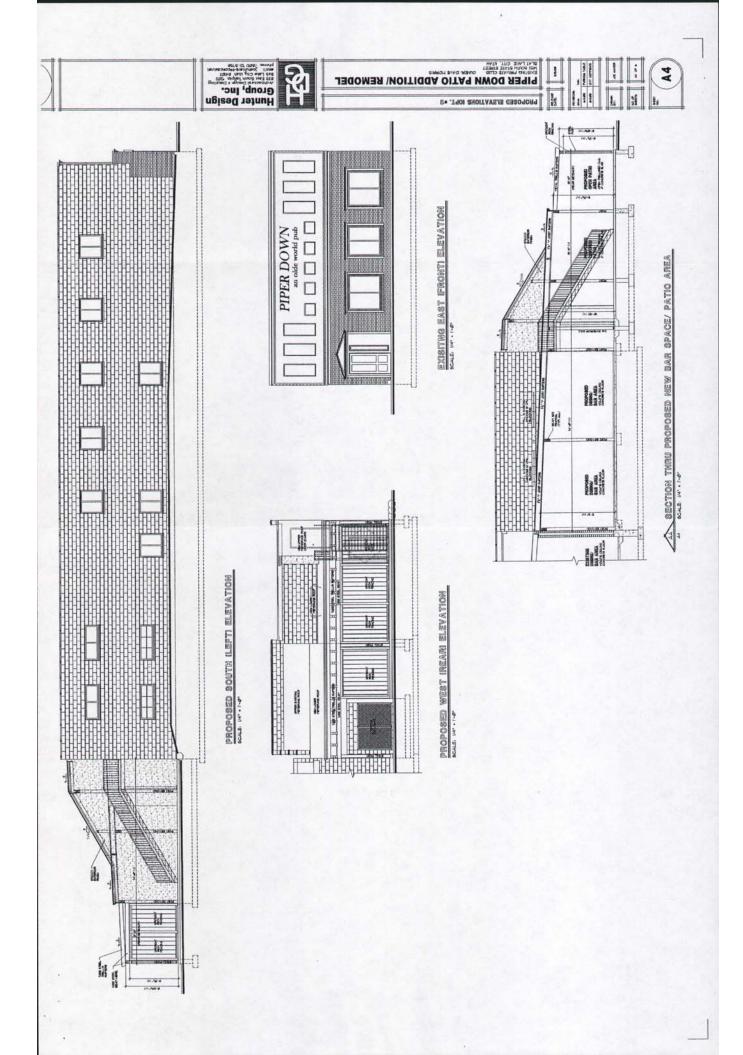












Attachment B Department Comments

From: Isbell, Randy

Sent: Wednesday, June 18, 2008 10:42 AM

To: Lewis, Marilynn Cc: Spangenberg, Craig Subject: Pet 410-08-50

Categories: Program/Policy

Marilynn,

Concerning, the Petition for Conditional Use approval for Piper Down for Expansion of a Private Club located at 1492 South State Street: Housing/Zoning Enforcement in the past has been involved with complaints from neighboring property owners due to the lack of parking, patrons parking in the alley and parking at adjacent businesses. The parking issues were resolved. With the addition of leased parking, our office does not anticipate an increase of services for the club expansion provided that additional parking is provided and maintained.

Thanks,

Randy Isbell Housing/Zoning Specialist Housing/Zoning Enforcement From: Walsh, Barry

Sent: Tuesday, June 17, 2008 1:24 PM

To: Lewis, Marilynn

Cc: Young, Kevin; Smith, Craig; Butcher, Larry; Itchon, Edward; Spangenberg, Craig; Stewart, Brad;

Askerlund, Dave

Subject: Pet 410-08-50

Categories: Program/Policy

June 17, 2008

Marilynn Lewis, Planning

Re:

Petition 410-08-50, Piper Down Conditional Use for Expansion of a Private Club

at 1492 South State Street.

The division of transportation review comments and recommendations are as follows:

The parking calculations are noted for the expansion only and do not cover the existing building or patio revision. The off site existing parking lot at 1522 South Major Street is assumed to be a non required parking lot able to dedicate all 13 spaces to the 1492 South property.

The original parking approval for the private club was noted as 2 on site stalls, one being the ADA stall and ten off site leased stalls at 1486 South State. A complete parking calculation of the existing building and the new development to include both off site parking provisions would be desirable. The original 12 stalls required one bike stall which was provided in front of the building within the public right of way. With the expansion the bike provision may need to be updated as well to comply with the 5% of required parking regulation.

Sincerely,

Barry Walsh

Cc

Kevin Young, P.E.
Craig Smith, Engineering
Larry Butcher, Permits
Ted Itchon, Fire
Craig Spangenberg, Zoning Enforcement
Brad Stewart, Public Utilities
Lt. Dave Askerlund, Police
File

From: Smith, Craig Sent: Wednesday, July 16, 2008 7:45 AM

To: Lewis, Marilynn

Subject: RE: 410-08-50 Piper Down Conditional Use Expansion & Outdoor Dining

Categories: Program/Policy I'm okay with their request. From: Lewis, Marilynn

Sent: Tuesday, July 15, 2008 10:13 AM

To: Smith, Craig

Subject: 410-08-50 Piper Down Conditional Use Expansion & Outdoor Dining

Craig,

Do you have any comments on this project? The packet was sent on June 9th. Thanks.

Planning Division Marilynn Lewis

451 S. State Street, Rm 406

PO Box 145480

Salt Lake City, Utah 84114-5480

801-535-6409

From: Itchon, Edward

Sent: Monday, June 09, 2008 12:04 PM

To: Lewis, Marilynn

Cc: Montanez, Karleen; Butcher, Larry

Subject: 410-08-50 Piper Down Private Club Expansion

The following issues due to an addition of club space.

- · Provide automatic fire sprinkler system.
- · Provide remote station interconnection with the fire sprinkler system.

From: Brown, Jason

Sent: Wednesday, July 02, 2008 8:47 AM

To: Lewis, Marilynn Cc: Garcia, Peggy

Subject: Petition # 410-08-50 Piper Down Conditional Use expansion at 1492 South State Street

Categories: Program/Policy

Marilynn,

Public Utilities has reviewed the above mentioned petition and offer the following comments;

The expansion areas must be served with sewer and water through the existing sewer laterals and water meter. No new services will be allowed. The site already has a grease trap and sampling manhole. If required by the Fire Department, Public Utilities will allow a two inch fire sprinkler lateral to be connected to the existing main in State Street.

If you have any questions please do not hesitate to contact me.

Jason Brown, PE

Development Review Engineer Salt Lake City Public Utilities 1530 South West Temple Salt Lake City, UT 84115 (801) 483-6729 (801) 483-6855 fax

Attachment C Open House Information

OPEN HOUSE Piper Down Private Club Expansion 410-08-50

ATTENDANCE ROLL AUGUST 5, 2008

ADDRESS 976 4th AVE SLC ZIP CODE 84163	PRINT NAME ADDRESS ZIP CODE
PRINT NAME DAVID MORRIS ADDRESS 1492 S State ZIP CODE 84115	PRINT NAME ADDRESS ZIP CODE
PRINT NAME Joe Howter ADDRESS 529 E. So. Temple #20 ZIP CODE 54/02	PRINT NAME
PRINT NAMEADDRESSZIP CODE	PRINT NAME
PRINT NAME ADDRESS ZIP CODE	PRINT NAMEADDRESSZIP CODE
PRINT NAMEADDRESSZIP CODE	PRINT NAMEADDRESSZIP CODE

NOTICE OF OPEN HOUSE SALT LAKE CITY PLANNING

Petition 410-08-50 The Piper Down has submitted an application to expand the structure and outdoor dining at a Private Club located at 1492 South State Street. The site is located in the CC (Commercial Corridor) Zoning District and the SSSC (South State Street Corridor) Overlay District. Expansion of a Private Club may be allowed through a conditional use in CC zoning districts. The Open House is being held because multiple community councils (Liberty Wells and People's Freeway) are within proximity of the proposed facility, and the City requires their input.

The Planning Division is requesting your input at this informal information session on the aforementioned property. As part of our review regarding this petition, we will hold a public open house to describe the proposed conditional use and take your comments. Your comments will be analyzed by staff and included in our report to the Planning Commission. You are invited to the public open house to be held:

TUESDAY AUGUST 5, 2008

FROM 4:30 to 6:00 P.M.

ROOM 126 SALT LAKE CITY AND COUNTY BUILDING 451 SOUTH STATE STREET SALT LAKE CITY, UTAH

Since it is very difficult for us to inform all interested parties about this request, we would appreciate you discussing this matter with your neighbors and informing them of the meeting.

Please direct any questions you may have concerning this request to Marilynn Lewis at 535-6409 or Marilynn.lewis@slcgov.com Salt Lake City Corporation 451 South State Street, Room 406 Salt Lake City, Utah 84111. People with disabilities may make requests for reasonable accommodation no later than 48 hours in advance in order to attend this hearing. Accommodations may include alternate formats, interpreters, and other auxiliary aids. This is an accessible facility. For questions, requests, or additional information, please contact the Planning Division at 535-7757; TDD 535-6220.

Attempted to

Subject Property R-1-5000

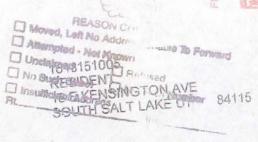
NOTICE OF OPEN HOUSE

Salt Lake City Utah 84111

STATE MAIL SERVICES 08/07/2008 03:54
410-08-50 ML
Salt Lake City Planning
451 South State Street Room 406







Easy Peel Labels Use Avery® TEMPLATE 5160®		Paper See Instru	ction Sheet i	AVER'	√ ®5160®
1618106001 RESIDENT 2457 E WALKER LN HOLLADAY UT	84117	1618105014 RESIDENT 518 N MICHELANGELO D GREEN VALLEY AZ	0R 85614	1618105006 RESIDENT 1481 S MAJOR ST SALT LAKE CITY UT	84115
1618105022 RESIDENT 3412 S 3570 E SALT LAKE CITY UT	84109	1618105004 RESIDENT 1436 S DEVONSHIRE DR SALT LAKE CITY UT	84108	1618106018 RESIDENT 899 N SANDHURST DR SALT LAKE CITY UT	84103
1618105003 RESIDENT 7988 S STAUNING CV COTTONWOOD HTS UT	84121	1618104022 RESIDENT PO BOX 65479 SALT LAKE CITY UT	84165	1618105016 RESIDENT 234 W 1125 N CENTERVILLE UT	84014
1618105002 RESIDENT 7988 S STAUNING CV COTTONWOOD HTS UT	84121	1618104022 RESIDENT PO BOX 65479 SALT LAKE CITY UT	84165	1618106011 RESIDENT 1480 S EDISON ST SALT LAKE CITY UT	84115
1618105001 RESIDENT 7988 S STAUNING CV COTTONWOOD HTS UT	84121	1618106008 RESIDENT 1456 S EDISON ST SOUTH SALT LAKE UT	84115	1618105017 RESIDENT 4616 S CREEKVIEW CIR MURRAY UT	84107
1618104023 RESIDENT 450 N STATE ST # 4110 SALT LAKE CITY UT	84114	1618105005 RESIDENT 1436 S DEVONSHIRE DR SALT LAKE CITY UT	84108	1618105007 RESIDENT 1481 S MAJOR ST SALT LAKE CITY UT	84115
1618106017 RESIDENT 899 N SANDHURST DR SALT LAKE CITY UT	84103	1618106009 RESIDENT 1466 S EDISON ST SALT LAKE CITY UT	84115	1618104012 RESIDENT 1476 S MAJOR ST SALT LAKE CITY UT	84115
1618106007 RESIDENT 1452 S EDISON ST SOUTH SALT LAKE UT	84115	1618105015 RESIDENT 234 W 1125 N CENTERVILLE UT	84014	1618104003 RESIDENT 4625 W 4100 S WEST VALLEY UT	84120
1618105013 RESIDENT 518 N MICHELANGELO DE GREEN VALLEY AZ	R 85614	1618106010 RESIDENT PO BOX 9176 SALT LAKE CITY UT	84109	1618106012 RESIDENT 1480 S EDISON ST SALT LAKE CITY UT	84115

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Easy Peel Labels See Instruction Sheet AVERY®5160® eed Paper Use Avery® TEMPLATE 5160® for Easy Peel Featur 1618105018 1618105009 1618153008 RESIDENT RESIDENT RESIDENT PO BOX 58142 1484 S STATE ST 1877 E MURRAY HOLLADAY RD SALT LAKE CITY UT 84115 SALT LAKE CITY UT 84158 HOLLADAY UT 84117 1618105008 1618106014 1618153004 RESIDENT RESIDENT RESIDENT 2978 E CAITLAND CT 1492 S EDISON ST PO BOX 30808 COTTONWOOD HTS UT 84121 SOUTH SALT LAKE UT 84115 SALT LAKE CITY UT 84130 1618105020 1618153005 1618106003 RESIDENT RESIDENT RESIDENT 5778 S WALDEN GLEN DR 4600 S REDWOOD RD 15206 VENTURA BLVD, #200 91403 MURRAY UT 84123 TAYLORSVILLE UT 84123 SHERMAN OAKS CA 1618105010 1618151007 1618104024 RESIDENT RESIDENT RESIDENT PO BOX 58604 2395 S 2570 W 4515 S 4500 W SALT LAKE CITY UT 84158 WEST VALLEY UT 84119 WEST HAVEN UT 84401 1618104004 1618106004 1618151006 RESIDENT RESIDENT RESIDENT 3516 E RUTH PL 72 ANGELA WAY 4625 W 4100 S 84120 ORANGE CA 92869 NORTH SALT LAKE UT 84054 WEST VALLEY UT 1618104014 1618151005 1618106013 RESIDENT RESIDENT RESIDENT 1486 S EDISON ST 976 E FOURTH AVE 16 E KENSINGTON AVE SOUTH SALT LAKE UT 84115 SALT LAKE CITY UT 84103 SOUTH SALT LAKE UT 84115 1618106015 1618152010 1618105019 RESIDENT RESIDENT RESIDENT 1494 S EDISON ST 1514 S STATE ST 1463 S EDISON ST SOUTH SALT LAKE UT SALT LAKE CITY UT 84115 84115 84115 SOUTH SALT LAKE UT 1618105021 1618152003 1618104025 RESIDENT RESIDENT RESIDENT

RESIDENT
4372 S BOUCK CIR
WEST VALLEY UT
84120

RESIDENT
336 W 300 S # 310
SALT LAKE CITY UT
84101

RESIDENT
1515 S MAJOR ST
SALT LAKE CITY UT
84101

SALT LAKE CITY UT

2843 E WATER VISTA WY

SANDY UT

1618106016

84093

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4625 W 4100 S

1618104019

WEST VALLEY UT

84120

68 E KENSINGTON AVE

SALT LAKE CITY UT

1618152020

84115

84115

Easy Peel Labels See Instruction Sheet AVERY®5160® eed Paper Use Avery® TEMPLATE 5160® for Easy Peel Featur 1618152011 1618153003 1618152005 RESIDENT RESIDENT RESIDENT 5174 S ESPADRILLE DR 1877 E MURRAY HOLLADAY RD 45 E BRYAN AVE TAYLORSVILLE UT 84118 HOLLADAY UT 84117 SOUTH SALT LAKE UT 1618153006 1618152014 RESIDENT RESIDENT Bill Davis, Chair 4600 S REDWOOD RD 1472 163 ST People's Freeway Comm. Council TAYLORSVILLE UT 84123 WHITESTONE NY 11357 332 West 1700 South St. Salt Lake City, Utah 84115 1618152012 1618151010 RESIDENT RESIDENT Marilynn Lewis 5174 S ESPADRILLE DR 1540 S MAJOR ST Planning Division TAYLORSVILLE UT 84118 SOUTH SALT LAKE UT 84115 451 South State Street, Room 406 Salt Lake City, Utah 84101 1618153010 1618152019 RESIDENT RESIDENT Jim Fisher, Chair 1877 E MURRAY HOLLADAY RD PO BOX 711906 Liberty Wells Comm. Council **HOLLADAY UT** 84117 SALT LAKE CITY UT 84171 P.O. Box 522318. Salt Lake City, Utah 84152 1618181020 1618152015 RESIDENT RESIDENT 4600 S REDWOOD RD 65 E BRYAN AVE **David Morris** TAYLORSVILLE UT 84123 SOUTH SALT LAKE UT 84115 5778 South Walden Glen Dr. Murray, Utah 84123 1618152013 1618152009 RESIDENT RESIDENT Joe Hunter, Chair 642 E LAND RUSH DR 65 E BRYAN AVE Hunter Design Group 84047 MIDVALE UT SALT LAKE CITY UT 84115 839 East South Temple St., #202 Salt Lake City, Utah 84102 1618152004 1618152008 RESIDENT RESIDENT 642 E LAND RUSH DR 330 E HAVEN AVE 84047 MIDVALE UT SALT LAKE CITY UT 84115 1618151008 1618152007 RESIDENT RESIDENT 1524 E LOGAN AVE 55 E BRYAN AVE SALT LAKE CITY UT 84105 SOUTH SALT LAKE UT 84115

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84115

2001 S STATE ST # N4500

SALT LAKE CITY UT

84115

1618151009

RESIDENT

1618152006

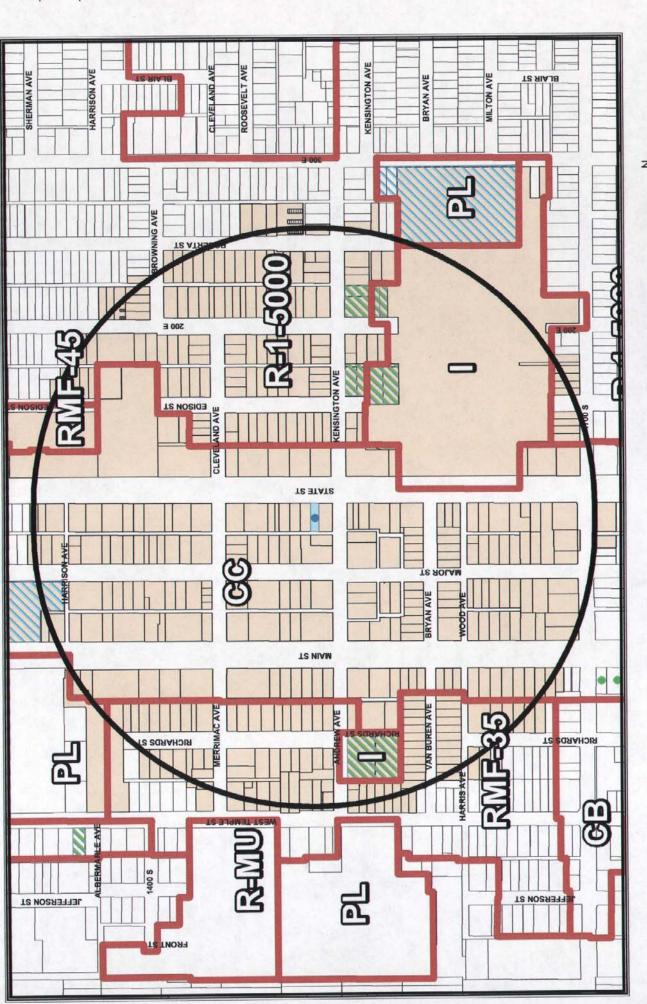
49 E BRYAN AVE

SALT LAKE CITY UT

RESIDENT

84115

Attachment D Quarter -Mile Use Map



Subject Property Conditional Uses for Private Clubs in the CC District

1320 Foot Buffer around the Subject Property

Parcels that Intersect the 1320 Foot Buffer around the Subject Property





Existing Lounges





Attachment E Parking Lease Agreement and 2004 Zoning Administrator's Letter

PARKING LEASE AGREEMENT

This Parking Lease Agreement ("Lease") is entered into as of October 1, 2008, by and between Metals Manufacturing Company, a Utah corporation ("Landlord") and Club Ozone, a Utah non-profit corporation ("Ozone").

RECITALS

- A. Landlord is the owner of and in possession of fourteen (14) parking stalls located at the southwest corner of Kensington Avenue and Major Street in Salt Lake City, as depicted on the attached Exhibit "A" (the "Property").
- B. Ozone desires to lease from Landlord the Property to be able to use the fourteen (14) parking stalls located on the Property for the purpose of parking for its employees and invitees in the operation of a private club located at 1492 S. State Street, Salt Lake City, UT. Landlord desires to lease the Property to Ozone upon the terms, conditions and covenants of this Lease.

NOW, THEREFORE, in consideration of the above recitals, the parties agree as follows:

- Lease. Subject to the terms, conditions, covenants and limitations provided in this Lease, Landlord hereby leases to Ozone the Property. Ozone use the Property to provide parking for Ozone's employees and invitees, in the usual and ordinary course of Ozone's private club business.
- Ozone shall use the Property solely for the purpose of parking passenger automobiles of Ozone's employees and invitees of Ozone's business.
- 3. Landlord reserves the right to: (a) designate from time to time, in Landlord's sole discretion, the parking stalls that may be used by Ozone provided that at least 14 stalls on Landlord's property are available to Ozone; (b) alter or remodel all or a portion of the Parking on the Property at any time in Landlord's sole discretion; and, (c) relocate or re-stripe the parking stalls on the Property.
- 4. Rent. Ozone agrees to pay to Landlord, without offset or demand, monthly rental payments on the first of each month commencing with the month of October, 2008, in the amount of \$500.00 per month (the "Rent"), during the first year of this Lease. Payments for any martial month will be pro-rated. Thereafter, beginning on the first anniversary of this Lease, and on every subsequent anniversary during the term of this Lease, the Rent shall increase three percent (3%) over the previous year. Late payments made after the fifth day of each month shall be assessed a \$25 fee and shall bear interest at the rate of 15% per annum until paid in full.
- 5. <u>Term and Termination</u>. Unless earlier terminated by the parties as provided herein, the Term of this Lease shall be five (5) years, commencing on October 1, 2008, and terminating on the 5th anniversary of that date (the "Term"). The Lease shall terminate on the earlier of the following (collectively the "Events of Termination"):
 - (a) Expiration of the Term;

- (b) The failure of Ozone to perform each term, condition and covenant of this Lease when and as required and Landlord's written notice to Ozone of Landlord's election to terminate the Lease because of such failure, in which event the Lease shall terminate 10 days following the delivery of such notice;
- (c) Ozone's (i) assignment or attempted assignment of this Lease, whether by operation of law or otherwise; (ii) sale or agreement to sell all or substantially all of its assets; (iii) insolvency or bankruptcy, however evidenced, including, without limitation, the filing of any petition, voluntary or involuntary, seeking relief under the bankruptcy laws of the United States or of any state, or the existence of any document or instrument indicating the inability of Ozone to pay its debts when due; (iv) going out of business; or (v) relocating its private club business.

During the Term of this Lease, Landlord shall also have the right to terminate this Lease without cause upon giving Ozone party 90 day's notice of its election to do so, in the event Landlord sells the Property.

- Representations, Warranties and Covenants of Ozone. Ozone represents, warrants and covenants as follows:
 - (a) That it is a Utah non-profit corporation duly organized and authorized to conduct its business in the state of Utah and in the city of Salt Lake City; and
 - (b) That this Lease, when executed as provided below, will be the valid and binding obligation of Ozone enforceable in accordance with its terms; and
 - (c) That it has taken all necessary corporate actions and has received all necessary authorities, including, without limitation, authorities of any state or federal governmental entity, for the execution and performance of this Lease.
 - (d) That it shall not permit any rubbish, refuse or trash from accumulating on the Property and shall be responsible in keeping the assigned parking stalls neat and clean in appearance;
 - (e) That it shall be responsible for the security of the Property during the hours of 6:00 p.m. to 3:00 a.m.
 - (f) That it has inspected the Property and enters this Lease solely upon the basis of its own inspection and not in reliance upon any statement, representation or information provided by Landlord, its agents or employees. Landlord makes no representations or warranty, express or implied, that the parking is adequate or sufficient for Ozone's purposes. Ozone has made its own investigation relative to adequacy and has determined, based upon its own analysis, that the parking is satisfactory in all respects to Ozone.

- 7. Compliance with Law. Ozone shall not use the Property or permit anything to be done in or about the Property which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Ozone shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinance and governmental rules, regulations or requirements now in force or which may hereafter be in force, related to or affecting the condition, use or occupancy of the Property. If Ozone is not in compliance with any regulatory rule or regulation it shall be required to promptly pay such costs, or make such efforts as needed to comply. Ozone will also indemnify and hold Landlord harmless from any administrative, zoning, or municipal fine (or fee) arising from any failure to comply with any regulatory requirement.
- 8. <u>Nonassignability</u>. The Lease shall not be conveyed, assigned, or otherwise transferred by Ozone without the prior written consent of Landlord which consent shall be within the sole discretion of Landlord. Any such assignment or attempted assignment of the Lease shall be void.
- 9. <u>Landlord/Tenant Relationship</u>. It is understood and agreed that Landlord and Ozone shall in no event be construed to be partners, joint venturers or associates of the other in the conduct of each party's business, nor shall Landlord be liable for the debts of Ozone in the conduct of Ozone's business; but it is understood and agreed that the relationship is and at all times shall remain that of landlord and tenant.
- 10. <u>No Recordation</u>. Neither party shall cause the recordation of this Lease, or any abstract or summary hereof, without the express written consent of the other party, it being the intention of the parties that this Lease shall not create, convey, assign or transfer any interest in or to the Property to Ozone, other than as set forth herein.
- Indemnification. Ozone shall indemnify, defend and hold harmless Landlord and its agents, employees, officers, and directors from and against all claims, causes of action, costs, losses, damages and expenses (i) arising from or caused in any way by any act, omission, or negligence of Ozone or its officers, agents, employees, licensees, invitees or guests, or (ii) arising out of Ozone's use of the Property, including its use by Ozone's employees, invitees or guests. The foregoing indemnities shall include attorneys' fees, court costs, investigation costs, and all other costs and expenses incurred by Landlord from the first notice that any claim or demand has been made or may be made, and shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable under applicable worker's compensation acts, disability benefit acts, or their employee benefit acts. Ozone's indemnification obligation shall survive the termination of this Lease, or the conveyance of the Property by Landlord, if any. No act or omission, series of acts or omissions, conveyance, assignment or other transfer of any interest in the Property or termination of this Lease shall be construed as terminating or otherwise impairing or limiting Ozone's indemnification obligations.
- 12. <u>Insurance.</u> Ozone agrees to maintain in full force during the term of this Lease a policy of Commercial General Liability Insurance, naming Landlord as an additional insured, with (a) contractual liability coverage including the indemnification provisions contained in this Lease, (b) liquor liability coverage; and (d) limits of not less than One Million Five Hundred Thousand

Dollars (\$1,500,000) combined single limit per occurrence and not less than One Million Five Hundred Thousand Dollars (\$1,500,000) in the aggregate for bodily injury, sickness or death, and property damage. The policy evidencing such insurance shall be primary and non-contributory and not excess with regard to any other insurance carried by Landlord, shall provide that it shall not be canceled (or not renewed) or materially changed without at least thirty (30) days prior written notice to Landlord. A copy of such policy, or a certificate therefor, shall be deposited with Landlord by Ozone promptly prior to the commencement date of this Lease and thereafter upon request by Landlord. Ozone shall also obtain and maintain in full force Workers' compensation or similar insurance in form and amounts required by Utah state law

- 13. Loss or Damage. Ozone agrees to use the Property at Ozone's own risk and Landlord shall not be liable for any loss of or damage to Ozone's property or the property of its employees, guests, or invitees, caused in any manner whatsoever, including loss or damage caused by the negligence of Landlord, its employees, contractors and agents. Ozone agrees that with respect to any damage or loss to Ozone's property or that of its invitees, employees or guests, Ozone hereby waives all rights of recovery, claim, action and cause of action against Landlord, its employees, agents and contractors from any and all claims with respect to such damage or loss, regardless of cause or origin, including claims with respect to the negligence, whether sole or contributory, of Landlord, its employees, agents or contractors.
- 14. <u>Attorneys' Fees</u>. The prevailing party in any suit or other proceeding brought for the enforcement or interpretation of this Lease shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, incurred in the pursuit of such suit or proceeding.
- 15. <u>Governing Law</u>. This Lease shall be construed in accordance with, and governed by, the laws of the State of Utah.

LANDLORD:

Metals Manufacturing Company, a Utah corporation	
By:	
Its:	
TENANT:	
Club Ozone, Inc., a Utah non-profit corporation	
By:	
Its:	
3852772 1.DOC	

A. LOUIS ZUNGUZE

SAUT LAND CHILY CORPORATION

PLANNING AND ZONING DIVISION

HOSE D. ANDERSON

BRENT D. WILDE

DEPUT PLANING DIRECTES

February 11, 2004

Descret Certified Development Company C/o Kim S. Bartiett Centerbury Park 228 North Orem Boulevard Orem, Utah 84057

Re: Piper Down / 1492 South State Street

Dear Kim:

You have inquired about the parking lease required by Salt Lake City for the Piper Down Club. The following information summarizes the results of my research:

 Section 21A.44.020L of the Salt Lake City Zoning Ordinance permits the use of off site parking to satisfy City parking requirements. Specifically, Section 21A.38.020L2 governs the five year duration of the lease.

Salt Lake City building permit #179238 was issued to remodel an existing building at 1492 South State Street into a private club.

Pursuant to Section 21A.38.020L2, the minimum duration of an off site parking lease must be five years. As stated in this Zoning Ordinance section, if the lease is terminated during the minimum five-year time frame, the leasee must replace the parking in some manner according to code. Once the minimum five-year time frame has expired, the leasee is not required to maintain the off site parking facilities to satisfy City parking requirements.

I have enclosed a copy of Section 21A.44.020L for your review. If I may be of further assistance, please contact me at (801) 535-6003 or fax your request to (801) 535-6174.

Sincerely.

Carry Butcher

Zoning Administrator

Co: Louis Zunguze, Planning Director Brent Wilde, Deputy Planning Director

> 481 MOUTH STATE STREET, ROOM ADS, SALT LAKE CITY, UTAM 84111 TELEPHONE: BOI-BUS-7757 FAX: BOI-BUS-575

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5BA

PAGE 81/81

(101) 223-7772 /(201) 231-7775 ft x

Deserret Certified Development Company

February 23, 2004

Ms. Per Fewkoe Small Business Administration 125 South State Street, Room 2237 Salt Lake City, Utah 84138

327 Request

Submission Pending

RE: Piper Down an Olde World Club
SBA Loan #CDC 687 620 4009 UT

for submission

Dear Pat:

The SBA is requiring that the parking lease for Piper Down an Olde World Club be maintained for the term of the loan. Larry Butcher, the Sah Lake Chy Zening Administrator has provided a letter stating that the parking lease for Piper Down an Olde World Club is only required for five years (see anached). Therefore, the CDC is requesting that the requirement for the parking lease be limited to five years.

In addition, the guarantees of David and Shalli Monta were inadvertently not included in the authorization. The CDC is requesting that they be added. The CDC does not fael these changes cause an adverse change that would affect the SBA/CDC.

Please make the following changes:

1. Paragraph D, page 6:

6. Quarantoc on SBA Form 148 executed by David B. Morris, a Utab resident.

7. Guarantee on SBA Form 148 executed by Shelli M. Morris, a Unab resident.

Please do not hesitate to call our office if you should have any quertions regarding this request.

Thank you.

Sincerely,

Olderger

Debbie K. Harper

Vice President

attachment oo: Peul Van Dyko

S. WEAR PRAKING LEASE LIMITATION, AND ADDITION OF OVERDANTES ARE MADENTO

We concur with the request.

Robut Canta 2-24-04
Losh Specialist Date

Date