



UNIT **70** COMMERCIAL LEASE



ARTICLE 1 – SUMMARY LEASE PROVISIONS

EFFECTIVE DATE:	EFFECTIVE DATE
PREMISES:	70 East 2700 South of the City of South Salt Lake, the State of Utah, Postal Code 84115-3132
LANDLORD:	LANDLORD (“Landlord”)
TENANT:	TENANT (“Tenant”)
GUARANTORS:	GUARANTORS
RENT START DATE:	August 1 st , 2020
LEASE TERM:	Three (3) Years (the “Term”)
LEASE END DATE:	August 1 st , 2023
RENT:	\$18,000/Year, Paid in Equal Monthly Installments of \$1,500/Month
SECURITY DEPOSIT:	Two-Thousand Dollars (\$2,000.00)
USE OF PREMISES:	Insurance Office

ARTICLE 2 - RENT

Tenant shall pay to Landlord as “Rent” for the lease of the Premises during the Lease Term the amount specified in Article 1. Tenant shall begin paying rent on the Rent Start Date, with each subsequent monthly payment of Rent due on the **first day of each calendar month** and thereafter throughout the Term of the Lease, including any renewal periods. Rent is increased on each anniversary of the Rent Start Date



equal to the greater of three percent (3%) or the 175% applicable federal rate mid-term annual compounding period¹ for the calendar month of the Rent Start Date's anniversary, rounded to the nearest whole dollar.

ARTICLE 3 - SECURITY DEPOSIT

Tenant shall deposit with Landlord a "Security Deposit" in the amount specified in Article 1. Said sum is held by Landlord as a Security Deposit for the faithful performance by Tenant of all of the terms of this Lease. Landlord may use, apply or retain all or any part of this Security Deposit for the payment of any other amount which Landlord may spend because of Tenant's default or to compensate Landlord for any other loss or damage which Landlord suffers due to Tenant's default. Landlord shall give Tenant prior written notice before spending any portion of the Security Deposit.

If any portion of the Security Deposit is so used or applied, Tenant shall, within five days after written demand thereof, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount; Tenant's failure to do so is a material breach of this Lease. Tenant is not entitled to interest on the Security Deposit. If Tenant fully and faithfully performs every provision of this Lease to be performed by it, Landlord shall return the Security Deposit or any balance thereof to Tenant within thirty (30) days after the expiration of the Lease Term.

ARTICLE 4 - CONDUCT OF TENANT'S BUSINESS

1. USE. Tenant shall use the Premises solely for the purpose of an Insurance Office and under the trade name as specified in Article 1. The Tenant shall not use or permit the Premises to be used for any other purpose or under any other trade name whatsoever without the prior written consent of the Landlord. Tenant shall not use the Premises for washing clothes, lodging, or for any improper, objectionable or immoral purpose.
2. BUSINESS LICENSING. Tenant is responsible for obtaining their business license. Tenant warrants to Landlord that Tenant is eligible for and has complied with the zoning and business licensing requirements to operate Tenant's business at the Premises. Landlord shall provide all reasonable supporting documentation and signed releases necessary for Tenant's business license application with the city. In accordance with Article 6.1, Tenant accepts the Premises in the "as-is" condition, and shall – at Tenant's sole cost – repair, maintain, replace, or improve any part of the Premises as required by the city to obtain approval for Tenant's business license.
3. USES PROHIBITED. Tenant shall not use or permit any person or persons to use the Premises for any use prohibited by the Lease or for any use or purpose in violation of the laws of the United States of America or the City, County, and/or State, or the ordinances, regulations and requirements of such governmental (public or quasi-public entities) or other lawful authorities. During the Term, the Premises shall be kept by the Tenant in a clean and orderly condition, free of any objectionable noises, odors or nuisances, and compliant with all health, safety, and policy regulations in all respects and at all times. Tenant shall not obstruct the sidewalks, halls, passages, exits, entrances, stairways, or access to the Premises' electric switch panel and water main shutoff. Tenant's breach of this provision is a material breach of this Lease.

¹ As determined by the Department of Treasury Internal Revenue Service's Applicable Federal Rates Rulings, found at the following weblink: <https://www.irs.gov/applicable-federal-rates>



4. COVENANTS TO OPERATE. Tenant shall, continuously and uninterruptedly from and after the Term Commencement, operate and conduct within the Premises the business which it is permitted to operate and conduct under the provisions hereof, except while the Premises are untenable by reason of fire or other casualty event. Tenant's failure to do so is a material breach of this Lease.
5. SUBLEASE BY TENANT. Tenant shall not sublease the Premises without the expressed written permission of the Landlord. Tenant shall not transfer Tenant's interest in this Lease. No subleasing or assignment with the consent of the Landlord relieves Tenant of its obligations in this Lease. Landlord's consent for any sublease, transfer, or assignment is not consent to any subsequent sublease, transfer, or assignment.

ARTICLE 5 – UTILITIES & PROPERTY TAXES

Tenant shall, at its own cost and expense, pay for all utilities used exclusively by the Tenant on the Premises and for all connection fees, standby charges, and service fees. Utilities include but are not limited to water, gas, sewer, power and electric current, internet, phone, cable TV, satellite service, and garbage collection or compacting. To the extent that the Landlord provides any utilities that are available for all tenants, Tenant shall not be liable for such utility's costs or expense. Tenant shall, however, be bound by any rules and regulations regarding the use of such utilities that are promulgated by the Landlord.

Tenant shall pay all property taxes and fees assessed by the Salt Lake County Assessor's Office that accrues during the Term of the Lease. Tenant shall pay such taxes and fees in advance on a monthly basis as additional Rent based on the prior fiscal year's assessment. If the estimated monthly payment is greater than the actual assessed amount, Landlord shall credit the over-assessed amount to Tenant's next monthly payment of Rent. If the estimated monthly payment is less than the actual assessed amount, Tenant shall pay the difference as additional Rent in Tenant's next monthly payment of Rent.

ARTICLE 6 - MAINTENANCE AND REPAIRS; ALTERATIONS

1. MAINTENANCE AND REPAIRS. Tenant shall at all times, from and after the Effective Date, and at its own cost and expense, maintain, repair and/or replace in good and tenable condition the Premises and every part thereof. Tenant's obligation includes, but is not limited to, the HVAC units servicing the Premises, the floor covering, all fixtures, the ceiling, store front, all Tenant's signs, locks and closing devices, and all window sash, casement or frames, door and door frames, fire extinguishers, lightbulbs, and all such items of maintenance repair and replacement, improvement or reconstruction as may at any time or from time to time be required by a governmental agency having jurisdiction thereof. All glass, both exterior and interior, is at the sole risk of Tenant, and any glass broken shall be promptly replaced by Tenant with glass of equal or greater quality, all meeting applicable codes. Tenant's obligations exclude the common roof, exterior walls, structural parts of the Premises, structural floor, plumbing pipes and conduits, sewage systems, utility meters, and electrical wiring, unless such systems or parts of systems were installed by Tenant or such damage or loss to the aforementioned exclusions were due to Tenant's negligence or willful misconduct. Tenant shall take possession of the Premises "as is."
2. REPAIR BY LANDLORD. If Tenant refuses or neglects to make repairs and/or maintain the Premises, or any part or component thereof, including the regular cleaning of windows and floor coverings, in a manner reasonably satisfactory to Landlord, Landlord may, upon forty-eight hour



prior written notice, go upon the Premises and make any necessary repairs or maintenance to the Premises or any part or component thereof, and perform and work therein that Landlord may deem necessary to prevent waste or deterioration of the Premises. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which under any provision of this Lease Tenant is required to do, nor shall Landlord's exercise of this right to repair constitute a waiver of Tenant's failure to repair. No reasonable exercise by Landlord of any rights reserved herein this Section 6.2 shall entitle Tenant to any abatement of Rent. If Landlord makes or causes any such repairs to be made or performed, as provided herein, Tenant shall pay the cost thereof to Landlord as additional rent within five days upon receipt of a bill from Landlord for services or costs associated therewith. Tenant's failure to do so is a material breach of this Lease.

3. ALTERATIONS. Tenant shall not make any alterations to the Premises without first procuring Landlord's written consent. All alterations, additions, and improvements made by Tenant to or upon the Premises, except light fixtures, signs, electrical equipment, cases, counters or other removable trade fixtures, shall at once when made or installed be deemed to have been attached to the freehold and to have become the property of Landlord; provided, however, that Tenant may promptly remove the alterations, additions, improvements, fixtures, trade fixtures, floor covering and installations which were placed in the Premises by Tenant prior to termination of this Lease and shall repair any damage occasioned by such removal. If Tenant is in default thereof Landlord may effect said removal and repairs at Tenant's expense.
4. HVAC MAINTENANCE. Tenant shall pay Landlord Two Hundred Dollars (\$200) per year for the quarterly change of filters and other routine maintenance on the HVAC systems servicing the Premises. Such annual fee shall satisfy Tenant's maintenance obligation (but not any repair obligation) on the HVAC systems as set forth in Article 6.1. The fee shall be paid on the anniversary of the Rent Start Date and shall continue into any renewal period.
5. WINDOW CLEANING. In Landlord's sole discretion and no more than once per year, Landlord may procure the professional cleaning of the exterior windows of the building where the Premises is located (together with the land and any structures, improvements, landscaping, and equipment, the "Commercial Center"). Tenant shall pay Landlord its reasonable proportionate share for such window cleaning services, due upon receipt of an invoice from the Landlord.

ARTICLE 7 - ENTRY BY LANDLORD

Landlord and the authorized representatives of Landlord may enter the Premises at all reasonable times for the purpose of exhibiting the Premises to prospective purchasers and, during the final ninety (90) days of the Lease Term, may exhibit the Premises for lease and display thereon, in such manner as not unreasonably to interfere with Tenant's business.

Tenant shall grant Landlord and its agents access to the Premises during all reasonable hours to ascertain if the Premises are in good repair, and pursuant of Article 6.2, grant such access for the Landlord's repairs or maintenance to the Premises. Tenant hereby grants to Landlord such license and easements in, through, and over the Premises or any portion thereof as is reasonably required for the installation or maintenance of mains, conduits, pipes, mechanical systems or other facilities that serve the Commercial Center or any part thereof.

ARTICLE 8 – INDEMNITY



1. **INDEMNITY & WAIVER.** Tenant shall indemnify and hold harmless Landlord from and against any and all claims arising from Tenant's use of the Premises or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant in or about the Premises. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the Lease's terms, or the Landlord's rules and regulations, or arising from any act or negligence of Tenant, or any of its agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in or from any such claim. Tenant shall also indemnify the Landlord against any loss or liability resulting from delay by Tenant in surrendering the Premises, including without limitation, any claim made by any succeeding Tenant on such delay. Tenant hereby waives any and all claims against Landlord presently existing as of the Effective Date.

2. **LANDLORD'S LIMITED LIABILITY.** Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wears, merchandise or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water, ice or rain, which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or upon other portions of the Commercial Center, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant of the Commercial Center. It shall be the sole responsibility of the Tenant to comply with any and all provisions of the Americans with Disabilities Act of 1990 (hereinafter the "ADA") in operation of the Premises. Tenant agrees to indemnify and hold Landlord harmless against any claims which may arise out of Tenant's sole failure to comply with ADA.

ARTICLE 9 – INSURANCE

1. **GENERAL LIABILITY AND PROPERTY DAMAGE.** Tenant shall at all times during the term hereof and at its own cost and expense procure and continue in force Workman's Compensation Insurance, Bodily Injury and Property Damage Liability Insurance adequate to protect Landlord and naming Landlord as an additional insured in the liability contract against liability for injury or death of any person in connection with the construction of the improvements, use, operation or condition of the Premises (and related sidewalks). Such insurance at all times shall be in an amount of not less than One Million Dollars per occurrence and Two Million Dollars aggregate for bodily injury and property damage. No such policies shall be cancelable (or coverage reduced) during the Term. The limits of such insurance shall not limit the liability of Tenant.

2. **FIRE AND EXTENDED COVERAGE, PREMISES.** Landlord, at Landlord's expense, shall procure and maintain during the term of this Lease, general liability insurance for common areas, Fire and Extended Coverage Insurance and any other coverage Landlord may deem necessary to adequately insure the Premises. Tenant shall pay its proportionate share for all increases in all insurance premiums caused by Tenant's use or occupancy of the Premises, acts of negligence, violation of the policy provisions, or violation of the Lease's terms or Landlord's rules and regulations. Tenant shall not use or keep in the Premises or the Commercial Center any kerosene, gasoline, or inflammable or combustible fluid or material.



ARTICLE 10 – DEFAULT AND REMEDIES

1. MATERIAL BREACH. In addition to any Lease provision that states otherwise, the occurrence of any of the following shall constitute a material breach of this Lease by Tenant:
 - A. Any failure by Tenant to pay Rent or any other monetary sums required to be paid hereunder, where such failure continues for five (5) days after such payment is due;
 - B. The failure to occupy or the abandonment of the Premises by Tenant;
 - C. The repudiation of this Lease by Tenant, any action by Tenant which renders performance by Tenant of its obligations under this Lease impossible, or any action by Tenant which demonstrates an intent by Tenant not to perform an obligation under this Lease or not to continue with the performance of obligations under this Lease; and
 - D. The making by Tenant of any general assignment or general arrangement for the benefit of creditors, the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy, the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets or of Tenant's interest in this Lease, or the attachment, executed or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease.
2. NOTICE OF DEFAULT. Upon Tenant's breach of any provision of this Lease, Landlord may issue a Notice of Default to the Tenant. Tenant shall pay Landlord the sum of One Hundred and Fifty Dollars (\$150) in addition to any other obligations hereunder for the cost of sending each Notice of Default.
3. REMEDIES. If Tenant is in material breach of the Lease and has not cured such material breach within five (5) days of Landlord sending a Notice of Default to Tenant, Landlord may at any time thereafter, without limiting Landlord in the exercise of any right of remedy at law or in equity which Landlord may have by reason of such breach:
 - A. Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant continues to occupy the Premises. Landlord shall have the right to do all acts necessary to maintain or preserve the Premises as Landlord deems reasonable and necessary without being deemed to have elected to terminate the Lease. Landlord shall also have the right to attempt to re-let. In the event any re-letting occurs, Tenant's right to possession of the Premises under this Lease shall terminate automatically upon the new tenant taking possession of the Premises, but Tenant shall nevertheless be responsible for any damages or losses caused by Tenant during Tenant's possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may at any time during the Lease Term elect to terminate this Lease by virtue of such previous default of Tenant.
 - B. Terminate Tenant's rights to possession by any lawful means and Tenant shall immediately surrender possession of the Premises to the Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default,



including without limitation thereto the value of any unpaid Rent up to such termination. To facilitate Tenant's surrender of the Premises, the Landlord may expel and remove, forcibly, if necessary, the Tenant, those claiming under the Tenant, and their effects, as allowed by law, without being taken or deemed to be guilty of any manner of trespassing. In the event that Landlord has removed property of the Tenant, Landlord may store such property in a public warehouse or at a place selected by Landlord at the expense of the Tenant. Such property, under the sole discretion of the Landlord, may be disposed and use any funds from such disposal towards any indebtedness of the Tenant to the Landlord.

4. **LATE CHARGES.** If any installment of Rent or any other sum due from Tenant shall not be received by Landlord within five (5) days after such amount is due, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of the amount(s) past due. Acceptance of such late charges by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.
5. **LEASING COMMISSION REIMBURSEMENT UPON DEFAULT.** If Tenant's possession of Premises is terminated before the completion of the Lease Term for any reason, Tenant agrees to reimburse Landlord's leasing commission expenses – if any – in the amount equal to the proportionate leasing commission expenses pertaining to the remainder of the Lease Term.
6. **LANDLORD'S DEFAULT/NOTICES TO LANDLORD.** If Landlord is in default of this Lease, Tenant shall give Landlord nine (9) days written notice to cure before exercising any legal rights in a court of law or equity. Such written notice shall be sent by certified United States mail with a return receipt requested to the below address or at any other place as so designated by the Landlord. Such notice shall be effective upon the day the Landlord receives the notice.

ARTICLE 11 – QUIET ENJOYMENT

Landlord agrees that Tenant, upon paying the Rent and other monetary sums due under this Lease and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises during the Term hereof or any extension thereof.

ARTICLE 12 – SURRENDER OF PREMISES

Upon the expiration or earlier termination of this Lease for whatever reason, Tenant shall surrender the Premises in broom clean condition and otherwise in as good a condition as received, ordinary wear and tear excepted, and shall promptly remove at Tenant's expense from the Premises and the Commercial Center any signs, notices and displays placed by Tenant. Tenant agrees to repair any damage to the Premises or the Commercial Center caused by or in connection with the removal of any articles of personal property, business or trade fixtures, without limitation, thereto, repairing the floor and patching and painting the walls where required by Landlord to Landlord's reasonable satisfaction, all at Tenant's sole cost and expense. Tenant shall pay Landlord One Hundred Fifty Dollars (\$150) rekeying fee upon satisfactory surrender of Premises.

ARTICLE 13 – COMMON AREA

Landlord shall make available at all times during the Lease Term the "Common Areas". Tenant shall have the non-exclusive right during the Lease Term to use the Common Areas for itself, its employees, agents,



customers, invitees and licensees. Landlord shall, at Landlord's expense, keep the Common Areas reasonably free from snow, ice, or other debris which may affect Tenant's use of such area. Tenant shall have non-exclusive access to all parking spaces within the Common Areas during business hours, provided that such access by Tenant does not, in the Landlord's reasonable opinion, overburden Landlord or Landlord's other tenants and customers. Landlord reserves the right to exclude or expel any vehicle or persons from the Common Areas who, in the judgment of Landlord, are reasonably deemed to be violating the rules and regulations governing the Common Areas, a nuisance, a noise pollutant, or unreasonably burdensome to the Commercial Center or Landlord's other tenants.

ARTICLE 14 – GENERAL

1. **TIME; JOINT AND SEVERAL LIABILITY; GUARANTORS.** Time is of the essence of this Lease and each and every provision hereof. All the terms, covenants, and conditions contained in this Lease to be performed by either party, if such party shall consist of more than one person or organization, shall be deemed to be joint and several, and all rights and remedies of the parties shall be cumulative and non-exclusive of any other remedy at law or in equity. Any Guarantors executing this Lease covenant and agree that they bind themselves by their signatures hereon as principals with joint and several liability and not as sureties all as more particularly provided on Exhibit B.
2. **RULES & REGULATIONS.** Landlord may establish, modify, amend, and enforce reasonable rules and regulations pertaining to the Common Areas and the Premises, attached hereto as Exhibit A, and may be from time to time changed or amended by Landlord. Tenant agrees to abide by and conform with such rules and regulations, to cause its concessionaires, and its and their employees and agents, so to abide and conform, and to use its best efforts to cause its customers, invitees, and licensees to so abide and conform.
3. **WAIVER.** No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition herein. Acceptance by Landlord or any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by Landlord in writing.
4. **CHOICE OF LAW; LEGAL ACTION.** If Landlord shall bring an action for relief against the Tenant, declaratory or otherwise, arising out of this Lease, including any suit for the recovery of Rent or possession of the Premises, the Tenant shall pay the Landlord a reasonable sum for attorneys' fees. Both parties agree to submit all disputes arising out of or in connection with this Lease to the exclusive jurisdiction of the Salt Lake City District Court of the State of Utah. This Lease shall be governed by the laws of the state of Utah.
5. **FORCE MAJEURE.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restriction, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to Rent to be paid by Tenant pursuant to this Lease.



6. **DUTY TO PROVIDE FINANCIAL INFORMATION.** Tenant shall provide to Landlord upon Landlord’s written request any of Tenant or Guarantors’ financial documents and information, including but not limited to: (i) corporate and personal tax returns, including distribution documents to any and all shareholders; (ii) balance sheets and income statements; (iii) outstanding corporate and personal liabilities, and (iv) bank and credit card statements. Furthermore, Tenant shall provide, upon request, the following entity documents, if applicable: (i) operating agreement; (ii) articles of incorporation; and (iii) Tenant’s franchise agreement. Tenant shall provide said financial documents and information to Landlord within ten (10) days receipt of Landlord’s written request. Landlord shall keep all such financial documents and information received in confidence, and shall not disclose the same to third parties except to a lender, investor, or bona fide potential purchaser, and shall be used only for the purpose herein set forth.
7. **LEASING COMMISSION.** Landlord is represented by _____. Tenant is represented by _____. Landlord and Tenant represent and warrant to each other that no other agents or brokers are involved in this transaction or entitled to any commissions. Landlord shall pay a leasing commission to the agent pursuant to the terms of a separate listing agreement, which commission shall be shared between Landlord’s and Tenant’s agents.
8. **CONFIDENTIAL.** Unless required by law or by any governmental entity, Tenant covenants to and agrees to keep the provisions of this Lease confidential, and not to disclose said terms and provisions to any person or entity whatsoever. If disclosure is required by law or by any governmental entity, Tenant shall deliver written notice of such imminent disclosure to Landlord at least nine (9) days prior to when such disclosure is required or as soon as practically possible, whichever is earlier.
9. **ENTIRE AGREEMENT AND SEVERABILITY.** This instrument, along with any exhibits and attachments hereto, constitutes the entire agreement between Landlord and Tenant relative to the Premises and there are no oral agreements or representations between the parties hereto affecting this Lease. This Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements or representations and understandings between the parties hereto and none thereof shall be used to interpret or construe this Lease. If any term or provision of this Lease shall, to any extent be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.
10. **GUARANTOR INFORMATION.**

Full Name:	Guarantor’s Full Name
Current Address:	Guarantor’s Current Address
State-Issued Identification Number:	Guarantor’s ID Number

Signatures on Following Page


