

Residential Lease Agreement

This Lease Agreement ("Agreement") is made between Nikolas Investing LLC (hereinafter referred to as "Landlord" or "Owner") and _____ (hereinafter referred to as "Tenant" or "Resident"). The above mentioned Parties hereby enter into this AGREEMENT this _____ day of _____, 20__.

Based upon the terms and conditions within this Agreement and not upon any other agreement between the Parties, Landlord agrees to rent to the Tenant and the Tenant agrees to rent from the Landlord for residential use only, the premises known as 514 E. 500 South, Unit A, Salt Lake City, UT 84102 ("the Property").

1. RENTS

- 1.1. Rent is due on the 1st of every month in the amount of \$_____ per month, beginning on the 1st day of _____, 20__.
- 1.2. Partial rent (if any) owing for the month of _____, 20__ shall be in the amount of _____ (_____ total days at \$_____ per day).
- 1.3. **RENTS WHICH ARE MORE THAN FIVE (5) DAYS LATE ARE SUBJECT TO A PENALTY OF (1) \$50.00 OR (2) FIVE PERCENT OF THE TOTAL MONTHLY RENT, WHICHEVER IS GREATER.** If rent is paid after the 5th of any month, Tenant agrees to pay an additional \$10.00 per day penalty beginning the 6th of the month. This daily late fee shall continue to accumulate each day until all amounts due under this Agreement (rents, late fees, utility bills, fines, etc.) are paid in full. Landlord reserves the right to issue an eviction notice to Tenant for any unpaid rents which are more than five (5) days late.
- 1.4. Once rents are more than thirty (30) days late the entire unpaid balance owed accrues interest at the rate of eighteen percent (18%) per annum until paid in full.
- 1.5. Tenant is not permitted to pay Landlord rents or any other amounts in cash unless Tenant receives a written receipt signed by the Landlord acknowledging receipt of such payment.
- 1.6. Tenant agrees to pay a \$35 charge for any returned check, plus any actual fees incurred by the Landlord by any bank for financial institution. If a Tenant has two checks returned for insufficient funds, Tenant must provide future payments in certified funds.
- 1.7. Rent is paid on a MONTHLY basis. No rent will be prorated or refunded and Tenant agrees to give thirty days WRITTEN notice prior to vacating. If Tenant gives notice that Tenant will be leaving in the middle of the next month, the rent for the entire month is due. If Tenant vacates prior to the completion of the agreement, Tenant

understands that the security deposit will be forfeited to the Landlord and that any rent, late fees, past due utility and/or service bills or any other amounts still owing to the Landlord shall be immediately due and payable.

1.8. Rent will be paid to:

Nikolas Investing LLC
PO Box 983051
Park City, UT 84098

2. SECURITY/CLEANING DEPOSIT.

- 2.1. Tenant agrees to provide a security deposit to Landlord in the amount of \$_____ which shall be paid to the order of Nikolas Investing LLC which Tenant will be responsible to pay no later than the ____ day of _____, 20__.
- 2.2. Tenant agrees to forfeit the deposit to the Landlord if possession of said property is not taken by the ____ day of _____, 20__.
- 2.3. Balance of said deposit will be refunded within thirty days after the last day of occupancy on the following conditions:
 - 2.3.1. the dwelling is clean and all Tenants' property and debris are removed from the property,
 - 2.3.2. there are no damages to premises furnishings beyond normal wear and depreciation,
 - 2.3.3. all rent, late fees and other charges are paid in full,
 - 2.3.4. all keys are returned to Landlord,
 - 2.3.5. the Tenant has provided the Landlord with a forwarding address, and
 - 2.3.6. Tenant shall not have the right to apply any portion of the security deposit of any rent owing to the Landlord.

3. TERM This agreement shall begin as of the _____ day of _____, 20__ and shall continue as follows (check only one, if neither option is initialed this Agreement shall default to a month-to-month agreement)

____ Until the ____ day of _____, 20__. After this time, (1) this agreement will continue on a month-to-month basis and may be terminated by either party after service upon the other of a written thirty (30) day notice of termination of tenancy, and (2) Landlord reserves the right to adjust Tenant's rent upon thirty (30) day written notice to the Tenant. Failure of Tenant to comply with thirty day termination notice will result in forfeiture of the security deposit.

____ On a month-to-month basis and may be terminated by either party after service upon the other of a written thirty (30) day notice of termination of tenancy. Failure of Tenant to comply with thirty day termination notice will result in forfeiture of the security deposit.

4. **USE.**

- 4.1. The premises shall be used strictly as a residence by the undersigned Tenant(s) with no greater than 1 adults and 0 children, and for no other purpose, without the Tenant receiving prior written consent of the Landlord.
- 4.2. **Occupancy by guests staying over seven (7) days will be in violation of this provision.** The Tenant will be charged per person and hereby agrees to pay an occupancy equal to \$50 per day for any guest staying more than seven (7) days beginning the day the guest occupied the premises.
- 4.3. If Landlord, with written consent, authorizes additional persons to occupy the premises, the rent may (at Landlord's discretion) be increased by \$100 per month for each individual person. Occupancy by Tentant(s) guests staying over 14 days without Landlord's written consent, shall be in violation of this agreement and the rent shall be immediately increased by \$100 per month for each additional person.
- 4.4. Tenant shall not keep or have on the premises anything illegal or any article or thing of a dangerous, flammable, or explosive in nature that might unreasonably increase or add to the danger of fire on the premises, or that might be considered hazardous by Landlord's insurance company. Tenant is not to have any liquid furniture within the Property.

5. **MULTIPLE OCCUPANCY.** It is expressly understood that this agreement is between the Landlord and each signatory individually and severally. In the event of default by any one signatory, each and every remaining signatory shall be responsible for the timely payment of the total monthly rent and all other provisions of this agreement.

6. **POSSESSION.** Landlord agrees to deliver possession of the property to Tenant beginning approximately the ___ day of _____, 20___. Tenant shall not be liable for any rent until possession is delivered. Tenant may terminate this agreement if possession is not delivered within five (5) days of the commencement of the term hereof.

7. **RIGHT OF ENTRY FOR INSPECTION.**

- 7.1. The Landlord or his authorized representative may enter the property only with prior consent of the Tenant or by allowable reasonable notice to Tenant of Landlord's intent to inspect the property. Twenty-four (24) hours notice shall be deemed reasonable notice to Tenant.
- 7.2. Unless Tenant consents otherwise, the Landlord may enter the premises only during reasonable hours and for the purpose of inspecting the premises (which may include testing for illegal drugs which may cause harm to the property), making necessary or agreed services, or exhibiting the swelling to prospective or actual purchasers, tenants, mortgagees, workmen or contractors.
- 7.3. However, in the event of an emergency constituting danger to life, health or property, the Landlord and his representative may enter the premises at any given time without the consent of or notice to the Tenant. The Landlord shall have the right to enter the property at any given time upon requests for repairs.

8. **ASSIGNMENT AND SUBLETTING.** Tenant **shall not** assign this agreement or sublet any portion of the premises without first receiving the prior written consent from the Landlord. Landlord may withhold consent to allow Tenant to assign or sublet the premises for any reason.
9. **ORDINANCES AND STATUTES.** Tenant shall not use said premises for any business or for any unlawful or immoral purpose. Tenant shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force pertaining to the use of the premises. Tenant agrees that the covenant contained in the paragraph, once breached, connate afterward be performed and, in case of breach hereof, unlawful detainer proceedings may be commenced at once without any notice to Tenant whatsoever.
10. **UTILITIES.** Landlord will maintain utilities in Landlord's name and will bill utilities at the end of each month. Tenant will be responsible for all utilities for the term of this lease and agrees that failure to pay will be covered under the same penalties as paragraph 1.3. Landlord will furnish actual bills for payment.
11. **MAINTENANCE, REPAIRS OR ALTERATION.**
 - 11.1. Tenant acknowledges that the premises are in good repair, except as herein otherwise specified, and that no representations as to the condition or repair thereof have been made by the Landlord or Landlord's representative, prior to or at the execution of this agreement, that are not herein expressed. Tenant will provide Landlord with a move-in inspection sheet within three (3) days of taking possession of the premises. Said inspection sheet will indicate Tenant's observations as to the condition of the premises. Tenant's failure to provide the move-in inspection sheet as described above is an acknowledgement that the premises are in good repair and acceptable to the Tenant.
 - 11.2. Tenant shall, at his own expense and at all times, maintain the premises in a clean and sanitary manner including all equipment, appliances, furniture and furnishing therein and shall surrender the same, at termination hereof, in the same condition as received, normal wear and tear excepted. Burns, stains, holes or tears of any size or kind in the carpeting, draperies or walls, among other items are not considered ordinary wear and tear. Tenant shall be responsible for damages to the premises. This responsibility also includes damages caused by Tenant's own actions and that of Tenant's family, invitees, or guests.
 - 11.3. Tenant shall not paint, paper or otherwise redecorate or make alterations to the premises (permanent or temporary) without prior written consent of the Landlord. If property has a yard or garden not in the common area, Tenant shall irrigate and maintain any surrounding grounds, including lawns and shrubbery and keep the same clean of rubbish or weeds. Tenant agrees to be responsible for his own snow removal.
12. **ON-SITE PARKING.** Tenant is prohibited from parking or storing utility vehicles or any vehicle on the property which leaks any substance or is not operable. Landlord shall be permitted to tow and store, at Tenant's expense, any inoperable vehicles. Tenant shall not repair any vehicle (including oil change) on the Property. Tenant shall be limited to parking no more than 5 passenger vehicles (including any vehicles belonging to Tenants guests) on the Property.

13. **INSURANCE.** Tenant shall obtain and pay for any insurance coverage Tenant deems necessary to protect Tenant and Tenant's property including all personal property on the premises, as to which the risk of loss shall be borne by Tenant. Landlord shall insure the structure and pay for any insurance that Landlord deems necessary to protect Landlord's interest in the property.
14. **PEACEFUL ENJOYMENT.** Tenant agrees not to disturb, harass or interfere with the peaceful enjoyment of the Property for the Landlord, other tenants, guest and/or neighbors.
15. **INDEMNIFICATION.** Tenant shall indemnify, defend and hold Landlord harmless from and against all expense, liability and claim for any damage or loss to Tenant's property or injury to the Tenant, or any other person occurring on the premises, or any part thereof, or in common areas thereof. Tenant agrees to hold Landlord harmless for any claims from damages no matter how caused, except for injury or damages for which the Landlord is legally responsible.
16. **DEFAULT.** Any failure by Tenant to pay rent or utilities, when due, or perform any term hereof, shall, at the option of the Landlord, terminate all rights of Tenant hereunder. In the event of default by Tenant, Landlord may elect to:
 - 16.1. Pursue an unlawful detainer action as outlined in Utah Code Ann. § 78B-6-801 et. Deq., or
 - 16.2. Continue the agreement in effect and enforce all his rights and remedies hereunder, include the right to receive the rent as it becomes due, or
 - 16.3. At any time, terminate all of Tenant's rights hereunder and recover from Tenant all damages that the Landlord may incur by reason of the breach of the agreement, including the cost of recovering the premises, and including the worth at the time of such termination, or at the time of an award if suit be instituted to enforce this provision, of the amount by which the unpaid rent for the balance of the term exceed the amount of such rental loss which the Tenant proves can be reasonably avoided, or
 - 16.4. If Tenant vacates the Property prior to the expiration of the initial term stated in Section 3, in addition to the other amounts required under this lease, Tenant also agrees to pay liquidated damages in the form of an early termination fee of \$300 which shall cover Landlord's time in preparing the Property to be leased again.
17. **ABANDONMENT.** Abandonment shall have occurred and this contract may be considered terminated at the option of the Landlord if any one of the following occur: (1) Tenant has not notified Landlord that Tenant will be absent from the premises, and Tenant fails to pay rent within 15 days after the due date, and there is no reasonable evidence other than the presence of the tenant's personal property that the tenant is occupying the premises; (2) Tenant has not notified Landlord that Tenant will be absent from the premises, and Tenant fails to pay rent when due and Tenant's personal property has been removed from the dwelling unit and there is no reasonable evidence that Tenant is occupying the premises.
 - 17.1. If the premises is considered abandoned:
 - 17.1.1. Landlord shall have the right to immediately enter the property, re-key the door locks, remove Tenant's personal property or belonging (at Tenant's expense), and store Tenant's property (at Tenant's expense) without notice and without responsibility for

damages resulting to the property Tenant has left behind. Landlord shall not be responsible to Tenant for loss or damage due to causes beyond Landlord's control. If said property is not claimed within 30 days, the items shall be deemed abandoned. Landlord may use reasonable effort to sell, donate or otherwise dispose of property.

17.1.2. Landlord may retake and attempt to rent the premises at fair market value. Tenant shall be liable for the entire rent due for the remainder of the term of this agreement, including any lost rent, the cost of restoring the premises to the condition at the time it as rented, and outstanding utility bills and reasonable fees for re-renting the premises.

18. **PETS.** Unless otherwise agreed to in writing and signed by the Landlord, no pets (no matter what type) shall be brought on the premises (no matter how short a period of time). Tenant assumes all liability and agrees to be responsible for any damage or injuries relating to any animals on the premises. Violation of this section constitutes a violation of the lease which cannot be brought into compliance and is grounds for eviction.

18.1. Upon Tenant's violation of this provision of the Agreement, the Tenant agrees:

18.1.1. To pay the Landlord a fine of \$100; and

18.1.2. That rent shall be increased an additional \$100 per month until the lease ends; and

18.1.3. To be responsible for the cost, both labor and materials, of replace ALL carpeting and pad on the premises upon the Landlord's request.

19. **SMOKING.** Unless otherwise agreed to in writing and signed by the Landlord, smoking is strictly prohibited in any form by any person (Tenant, guest or intruder) in the dwelling or on the premises. Tenant acknowledges that smoke causes damage to the premises by getting into the carpeting, pain, and also disturbs other Tenants or neighbors. Violation of this section constitutes a violation of the lease which cannot be brought into compliance and is grounds for eviction. Violation of this condition shall provide Landlord with ALL of the following remedies:

19.1. Tenant agrees to pay Landlord a fine equivalent to one (1) month's rent.

19.2. Rents paid by Tenant to Landlord shall be increased an additional \$250 per month for the remainder of the Agreement; and

19.3. Enable Landlord to immediately proceed with unlawful detainer claims against Tenant.

19.4. Tenant will be charged with and hereby accepts responsibility for any costs, both labor and materials, which result due to smoking on the premises including but not limited to painting of all walls and ceiling, the replacement of ALL carpeting and pad in the entire dwelling, and the replacement of any burned items (including but not limited to flooring, vinyl, fixtures or counter tops etc.)

20. **SEVERABILITY.** If any term, provision, covenant or restriction of the Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions,

covenants and restrictions of the Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

21. **WAIVER.** No failure of Landlord to enforce any term hereof shall be deemed a waiver of future enforcement of any provision of the Agreement, nor shall any acceptance of a partial payment of rent be deemed a waiver of Landlord's right to the full amount thereof.
22. **ATTORNEY'S FEES AND COLLECTION COSTS.** In the event Tenant defaults in the payment of rent, utilities, or other obligations of this Agreement, Tenant agrees to pay all court costs, attorney's fees and all collection agency's commissions and costs incurred in collecting or attempting to collect on this account, whether or not suit is filed. Tenant acknowledges that such fees and or commissions might be as much as 50% (or more) of the principal balance owing.
23. **FORUM SELECTION.** Landlord and Tenant agree that if any dispute is submitted to a court for resolution, the laws of the State of Utah shall apply and such legal proceedings shall take place in Salt Lake County in which the property is located.
24. **SUCCESSORS AND ASSIGNS.** This agreement and every provision hereof, shall bind, apply to and run in favor of Landlord, its successors and assigns, and of Tenant and the heirs and personal representatives of the Tenant.
25. **LIQUIDATED DAMAGES.** In the event Tenant shall fail to perform any of Tenant's obligations under this Agreement, the Agreement may, at the option of the Landlord, be deemed terminated and all payments received by Landlord under this lease shall be retained by Landlord as liquidated damages. This provision shall not forbid Landlord from pursuing Tenant for actual damages owed to Landlord which exceed any amount retained pursuant to this paragraph.
26. **JOINT AND SEVERABLE LIABILITY.** If this Lease Agreement is with two or more Tenants, each Tenant covenants and agrees that they are jointly and severally liable to perform under this Agreement.
27. **FACSIMILE (FAX) DOCUMENTS OR SCANNED.** Facsimile or scanned transmission of any signed, original document, and retransmission of any signed facsimile or scanned transmission, shall be the same as delivery of an original. If the transaction involves multiple Tenants or Landlords, facsimile or scanned transmissions may be executed in counterparts.
28. **NOTICES.** Any notice which either party may or is required to give, may be given by mailing the same, postage paid to Tenant at the premises, or the Landlord at the address shown below or at such other place as may be designated by the parties from time to time.
29. **CONSTRUCTION OF AGREEMENT.** Words of gender used in this agreement shall be held to include any other gender, and words in the singular shall be held to include the plural when the context requires.
30. **TIME.** Time is of the essence in this agreement.
31. **LEAD WARNING STATEMENT.** Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, Landlord must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Tenant(s) must also receive a federally approved pamphlet on lead poisoning prevention.

LANDLORD'S DISCLOSURE: (initial applicable line if premises was built before 1978);

_____ Landlord has no knowledge of lead-based paint or lead-based paint hazards in the premises. Landlord has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the premises.

_____ Landlord has knowledge of lead-based paint and/or lead-based paint hazards in the premises, and hereby attaches all available records and reports pertaining to same.

TENANT'S ACKNOWLEDGEMENT: (initial applicable line if premises built before 1978)

_____ Tenant received the pamphlet Protect Your Family From Lead In Your Home.

_____ Tenant received copies of all records and reports attached hereto.

Tenant agrees to promptly inform Landlord in writing of any deteriorated and/or peeling paint in the premises.

32. **ENTIRE AGREEMENT.** The foregoing, along with the exhibits mentions in this paragraph, constitute all agreements and conditions between the parties hereto and no additions or changes shall be binding unless in writing and signed by both parties. By initialing below, Tenant acknowledges these exhibits to be part of this Agreement (Tenant acknowledges receipt of a copy of these exhibits):

33. **MILITARY SERVICE.** If Tenant is currently in active military service please initial here _____.

