

## **COMMERCIAL LEASE AGREEMENT FOR THE GROVE**

(Teton County Housing Authority / Mountain Origins Design LLC)

This Commercial Lease Agreement ("Lease") is made effective on the date of the last signature affixed hereto by and between the Owner/Landlord, Teton County Housing Authority ("TCHA"), a duly constituted Housing Authority established by Teton County, Wyoming, pursuant to W.S. 15-10-116, as amended, with an address of P.O. Box 714, Jackson, WY 83001 (the "Landlord"), or its assigns, and Mountain Origins Design LLC, dba Stio (the "Tenant").

### **RECITALS**

WHEREAS, TCHA owns the real property and improvements thereon located at 250 Scott Lane, otherwise known as "The Grove" on the first floor level, which are identified as Suites 1, 2, and 3, Jackson, Wyoming (collectively hereafter "Owner's Property"), which is more particularly described as:

PT NW1/4SW1/4, SEC 33, TWP 41, RNG 116. ADJUSTED TRACT 18A,  
Town of Jackson, Teton County, Wyoming

WHEREAS, TCHA wishes to lease the commercial Suites 1, 2 and 3, to Mountain Origins Design, LLC, for the purpose of collecting rental income;

WHEREAS, Landlord and Tenant desire to enter into this written agreement defining all rights, duties, and liabilities of the parties;

THEREFORE, in consideration of the mutual covenants contained in this written agreement, the parties agree as follows:

#### **1. AGREEMENT TO LEASE & DESCRIPTION OF LEASED PROPERTY.**

Landlord agrees to lease to Tenant, and Tenant agrees to lease from Landlord the Owner's Property (hereafter collectively referred to as "the Leased Property").

#### **2. LICENSE TO USE COMMON AREAS.**

Landlord also grants to Tenant and Tenant's employees, servants, agents, invitees and guests a non-exclusive license to use certain common area portions of the Building and appurtenant grounds designated by Landlord on Exhibit A attached hereto; all subject to the reservation by Landlord of its right to perform its responsibilities and obligations to manage the Building under its lease with Owner.

#### **3. TERM & OPTION TO RENEW.**

3.1 Initial Lease Term. The initial Lease term shall commence on September 1, 2015, ("Commencement Date"); and shall terminate at the later of midnight on August 30, 2020. Tenant shall have the option to renew the Lease as set forth in paragraph 3.2 below.

3.2 Lease Renewal Term. Provided that the Tenant is not in default in the performance of Tenant's obligations hereunder, Tenant shall have the option to renew this Lease for two (2) additional terms of five (5) years each. In order to exercise its right to renew this lease, the following must occur in the case of each Lease term renewal option: (1) Tenant shall notify the Landlord in writing of Tenant's desire to renew the Lease no less than One Hundred Twenty (120) days prior to the expiration of the then-applicable lease term ("Tenant's Renewal Notice").

#### 4. RENT.

4.1. Base Rent. Tenant shall pay to Landlord, without deduction or offset, rent in the following amounts for each year of the Lease: year 1: \$88,458.00, year 2: \$88,458.00, year 3: \$90,669.45, year 4: \$92,936.18, Year 5: \$95,259.59.

Rent payments shall be made in advance on the 1st day of each month commencing on the Commencement Date; provided however that if the Commencement Date is not on the first day of a month, then the first month's rent will be prorated based on the number of days in the first month of tenancy and paid the first day of occupancy.

4.2 Renewal Rent Adjustment. In the event Tenant renews for an additional Lease term pursuant to Section 3.2, the rent will be: Year 1 of the first renewal period: \$97,641.08; Year 2: \$100,082.11; Year 3: \$102,584.16; Year 4: \$105,148.76; Year 5: \$107,777.48.

**In the event, Tenant renews for the second and final renewal term pursuant to Section 3.2, the rent will be: Year 1 of the second renewal period: \$110,471.92; Year 2: \$113,233.71; Year 3: \$116,064.56; Year 4: \$118,966.17; Year 5: \$121,940.32.**

#### 5. UTILITY CHARGES.

6.1 Separate Utilities. Tenant shall be responsible for arranging in Tenant's own name and paying for telephone and other telecommunications utilities, water, electrical, gas, sewer, and any other utility services, that Tenant desires to utilize in relation to its use of the Leased Property.

6. LATE CHARGES AND GRACE PERIOD. Tenant hereby acknowledges that late payment of any base rent payment or any other sums that Tenant may owe to Landlord under this Lease will cause Landlord to incur costs. Accordingly, if any payment due under this Lease is not received in good funds by Landlord by the fifth (5) day after such amount is then due, Tenant shall be liable for and shall promptly pay to Landlord in addition to all sums then due a late charge equal to ten percent (10%) of the total of all unpaid amounts. Acceptance of a late charge by Landlord shall not be a waiver of Tenant's default under this Lease based on late payment of rent. In addition, if any payment due hereunder is returned by a bank, then Tenant shall pay to Landlord a returned check charge of \$50.00. Failure to pay any of the charges described in this Section 7 is an event of default under this Lease.

**7. SECURITY DEPOSIT.** Tenant shall deposit with Landlord the sum of **Ten thousand AND 00/100 DOLLARS (\$10,000.00)** cash or other immediately collectable funds as a security deposit for the purposes stated hereafter. Should Tenant fail to make any payment required by this Lease to be made to Landlord, Landlord may, at Landlord's sole discretion but without prejudice to any other rights or remedies Landlord has under this Lease, deduct from the security deposit the amount of any such unpaid sum(s). Landlord shall give Tenant reasonably prompt written notice of Landlord's deduction of any amount from the Security Deposit. Should Tenant properly exercise Tenant's right to renew the Lease, then no later than the commencement date of the renewal lease term, Tenant shall augment the existing Security Deposit by delivering to Landlord additional funds to result in Landlord having in Landlord's possession the equivalent dollar amount of one month's base rent in accordance with whatever adjusted monthly rent amount is then in effect. Within thirty (30) banking days after the end of the lease term (including any authorized renewal term), and provided that Tenant is not then in default of any of Tenant's obligations under this Lease, Landlord shall return to Tenant the balance of the Security Deposit, less any amounts deducted by Landlord as allowed by this Section 8. If the Leased Property is sold during the term of this Lease, the Security Deposit shall be transferred to the new owner of the Leased Property

**8. USE OF PREMISES.** Tenant shall use the Leased Property as corporate offices, inclusive of executives, customer service, marketing and design personnel and employees. Use for any other purpose shall require advance written approval of Landlord.

**9. ALTERATIONS AND IMPROVEMENTS.**

**Section 9.1. Construction and Acceptance of Demised Premises.** The Demised Premises has been or shall be constructed in accordance with the provisions of Exhibit "C" attached hereto. By occupying the Demised Premises, Tenant shall be deemed to have accepted the same and to have acknowledged that the Demised Premises fully comply with Landlord's covenants and obligations hereunder. Landlord will complete the work to be performed by August 31, 2015. In the case that three (3) units will be occupied by the tenant, the maximum contribution by landlord for completion of work on three (3) units will not exceed \$230,760.00. If the tenant occupies all four (4) units, the contribution from the landlord to complete tenant fit-outs will not exceed \$300,000. Occupancy of the Demised Premises by Tenant prior to the Commencement Date shall be subject to all of the terms and provisions of this Lease, except only those requiring the payment of rent. All improvements to be built to the requirements of applicable building codes adopted by the applicable governing authority as of the effective date of this Lease.

**Section 9.2. Failure to Deliver Possession.** If for any reason Landlord cannot deliver possession of the Premises to Tenant on the Commencement Date, (a) this Lease will not be void or voidable, (b) Landlord will not be liable to Tenant for any resultant loss or damage, and (c) unless Landlord is unable to deliver possession of the Premises to Tenant on the Commencement Date because of Tenant's delays, rent will be waived for the period between the Commencement Date and the date on which Landlord delivers possession of the Premises to Tenant.

**Section 9.3. Financing and Permits.** Notwithstanding any other provisions herein contained, Landlord shall not be obligated to proceed with construction of the

Demised Premises unless and until (1) financing acceptable to Landlord (in Landlord's exclusive judgment) is obtained for construction of the Demised Premises and the other building or buildings in the Shopping Center; and (2) all requisite building and other governmental permits have been obtained for construction of the Demised Premises. If Landlord is not able, by the use of such efforts and means as Landlord in its exclusive judgment finds suitable and convenient, to obtain such financing and such building and other permits within two (2) years after the date on which this instrument shall be fully and completely executed, Landlord may cancel and terminate this Lease at any time thereafter by written notice to Tenant. If such right to cancel is exercised, this Lease shall thereafter be null and void, any security deposited hereunder shall be returned to Tenant, and neither party shall have any further liability or responsibility hereunder. Neither the expenditure of any sum nor the incurring of any liability by Tenant for merchandise, fixtures, equipment or labor or materials or otherwise shall alter or affect the rights of the parties as set forth in this Section 3.3.

9.2. Tenant shall make no alterations or improvements to the Leased Property without first receiving from Landlord written consent as to the nature, scope and quality of such alterations or improvements.

9.3. Upon expiration or termination of this Lease, or should Tenant abandon the Leased Property prior to Lease expiration, ownership of any and all alterations and improvements made by Tenant to the Leased Property (hereafter "Tenant Improvements") shall automatically revert to the Owner; and Tenant shall promptly sign and deliver to Landlord any documents that Landlord, in Landlord's reasonable discretion, may require to evidence such ownership in Landlord. In the alternative, and at Landlord's direction upon written notice to Tenant, all or any of the Tenant Improvements shall be promptly removed and disposed of by Tenant at Tenant's sole cost and expense. In such event Tenant shall be responsible to repair or to pay for all repairs to the Leased Property that are necessary, in Landlord's reasonable discretion, as the result of removal of Tenant's Improvements under this paragraph. Tenant's trade fixtures that can be removed without damage to the Leased Property shall not be considered Tenant Improvements, provided however, Tenant shall nonetheless be responsible to make or pay for all repairs to the Leased Property necessary, in Landlord's reasonable discretion, as the result of Tenant's removal of Tenant's trade fixtures. Any lighting components that are attached to ceilings or walls shall not be considered Tenant's trade fixtures for purposes of this paragraph.

## **10. REPAIR AND MAINTENANCE.**

10.1. Tenant's Obligations. Tenant shall, at its sole expense:

a. Keep all portions of the interior of the Leased Property (including light fixtures and light bulbs) and all glass windows and doors and other glazing on, in or part of the Leased Property, in at least as good order and repair as such items exist at the time of commencement of the initial Lease term, reasonable wear and tear excepted.

b. Pay for any and all fines or penalties assessed by any governmental authority if the Leased Property fails to meet codes and regulations of governmental authorities as a result of any act or omission by Tenant or Tenant's agents during the Lease term with respect to items for which Tenant is responsible.

If Tenant fails to do so, Landlord may undertake such maintenance or repair and bill Tenant for the costs, which costs shall be deemed additional rent payable within ten (10) days of Landlord mailing or otherwise delivering a bill of such costs to Tenant. Landlord shall have the same rights and remedies against Tenant for such failure as provided in this Lease for the failure of Tenant to pay rent.

10.2 Landlord's Obligations. Landlord shall, at its expense, the following items so long as damage to same was not caused by the negligence of Tenant:

a. As needed in Landlord's discretion, keep the foundation and the structural soundness of the exterior walls and roof (except store fronts, plate glass windows and doors) in good repair (ordinary wear and tear excepted) and, when necessary in Landlord's discretion, replace the roof of the Building.

b. Maintain all commonly used portions of the Building and all adjoining areas, including all sidewalks and parking lots, in a clean and orderly condition.

c. As needed in Landlord's discretion, paint or stain and otherwise maintain the exterior of the Building and keep the exterior in good repair.

d. Maintain and/or repair as necessary the underground utility lines servicing the Premises.

e. Pay any and all fines or penalties assessed by any governmental authority if the Building fails to meet codes and regulations of governmental authorities during the Lease term with respect to items for which the Landlord is responsible to maintain under this Lease.

f. In accord with the provisions of Section 22 of this Lease, make all repairs to the Leased Property when such repairs are necessitated by fire, flood, acts of God, earthquake or other natural causes, or by the acts or omission of other tenants of the Building or Landlord or Landlord's employees or agents.

**11. TENANT INDEMNIFICATION FOR CONTRACTOR LIENS.** At all times throughout the term of this Lease, Tenant and the individuals personally guaranteeing Tenant's obligations under this Lease, shall keep the Leased Property free and clear of all liens arising out of any work performed, materials furnished or obligations incurred by or at the request of Tenant, and each also agree to indemnify and save Landlord and the Leased Property harmless for all such liens or claims of lien and to promptly pay all of Landlord's attorney's fees, costs, and expenses incurred by reason thereof.

**12. LANDLORD ALTERATION AND REPAIR.** Landlord may, at any reasonable time alter, repair, or improve the Leased Property at Landlord's sole discretion. For those

purposes, Landlord and its representatives may enter on and about the Leased Property with such material as Landlord may deem necessary. Tenant waives any claim for damages including loss of business resulting therefrom as long as the work is done on a reasonable basis, at reasonable times and is reasonably necessary. In the exercise of its rights under this Section 13, Landlord shall not unreasonably interfere with the conduct of Tenant's business.

**13. SALE OF LEASE PROPERTY.** If the Landlord elects to sell the Leased Property to a third party during the term of this Lease, such sale will be subject to this Lease.

**14. RIGHT OF ENTRY.** Landlord or its agents shall have the right to enter the Leased Property at all reasonable times, upon reasonable notice to Tenant or Tenant's employees or agents, in order to examine the Leased Property, to show it to prospective purchasers or future lessees, or to make repairs, improvements, or additions including signs, as Landlord may deem necessary or desirable. Any time that Tenant changes the locks on access doors to the Leased Property, Tenant shall immediately provide Landlord with a key to such locks. Reasonable attempts will be made to notify tenant of entry but if Tenant is not present to open and permit entry into the Leased Property when an entry by Landlord or Landlord's agent's is necessary or permissible, Landlord or its agents may enter the Leased Property by key. Should Tenant fail to provide Landlord with current keys to the locks on any access doors, or in the event of an emergency, Landlord or Landlord's agent's may forcibly enter the Leased Property without rendering Landlord or such agents liable for any damage resulting therefrom (if during such entry Landlord or his agents shall accord reasonable care to Tenant's property), and without affecting the Tenant's obligations and covenants contained in this Lease. If Tenant has not provided Landlord a key to locks on access doors, then Tenant shall pay the cost of repairs resulting from Landlord's forcible entry. Landlord agrees that so long as Tenant is not in default of any of its obligations under the Lease, it will not place "For Rent" signs on the Leased Property earlier than forty-five (45) days prior to expiration of the then-applicable Lease term described in Section 3 of the Lease.

**15. TAXES AND ASSESSMENTS.** Tenant shall be liable for and promptly pay when due all taxes and other charges levied against Tenant's personal property, trade fixtures and other property placed by Tenant in, on, or about the Leased Property. If applicable, Owner shall pay all real estate taxes, real estate assessments, and any and all other governmental charges, assessments or taxes payable in respect to the Leased Property or any part thereof during each rent year of the term of the Lease.

**16. INSURANCE.**

16.1 Tenant's Insurance Obligation. Tenant, at all times during the Term and during any early occupancy period, at Tenant's sole cost and expense, will maintain the insurance this Article 17 describes.

16.1.1 Liability Insurance. Commercial general liability insurance (providing coverage at least as broad as the current ISO form) with respect to the Leased Property and Tenant's activities in the Leased

Property and upon and about the Landlord's property, on an occurrence basis, with minimum limits of \$1,000,000 each occurrence and \$2,000,000 general aggregate. Such insurance must include specific coverage provisions or endorsements (a) for broad form contractual liability insurance insuring Tenant's obligations under this Lease; (b) naming Owner, Landlord and any Property Manager designated by Landlord as additional insured's by an Additional Insured – Managers or Lessors of Premises' endorsement (or equivalent coverage or endorsement); (c) waiving the insurer's subrogation rights against the Owner and Landlord and their principals, shareholders, employees, agents, insurers and attorneys (hereafter "Landlord Parties"); (d) providing Landlord with at least 30 days prior notice of modification, cancellation, non-renewal or expiration; and (e) expressly stating that Tenant's insurance will be provided on a primary non-contributory basis. If Tenant provides such liability insurance under a blanket policy, the insurance must be made specifically applicable to the Leased Property and this Lease on a per location basis.

16.1.2 Property Insurance. At Tenant's option, property insurance providing coverage at least as broad as the current ISO Special Form (all-risks) policy in an amount not less than the full insurable replacement cost of all of Tenant's trade fixtures and other personal property within the Leased Property and including business income insurance covering at least nine months loss of income from Tenant's business in the Leased Property. If Tenant provides such property insurance under a blanket policy, the insurance must include agreed amount, no coinsurance provisions.

16.1.3 Other Insurance. Such other insurance as may be required by any applicable law from time to time or that may reasonably be required by Landlord from time to time. If insurance obligations generally required of tenants in similar space in similar office buildings in the area in which the Leased Property is located increase or otherwise change, Landlord may likewise increase or otherwise change Tenant's insurance obligations under this Lease.

16.1.4 Miscellaneous Insurance Provisions. All of Tenant's insurance will be written by companies rated at least Best A-VII and otherwise reasonably satisfactory to Landlord. Tenant will deliver a certified copy of each policy, or other evidence of insurance satisfactory to Landlord, (a) on or before the date of commencement of the initial lease term (and prior to any earlier occupancy by Tenant), (b) not later than 30 days prior to the expiration of any current policy or certificate, and (c) at such other times as Landlord may reasonably request. If Landlord allows Tenant to provide evidence of insurance by certificate, Tenant will deliver an ACORD Form 27 certificate

and will attach or cause to be attached to the certificate copies of the endorsements this Section 17.1 requires (including specifically, but without limitation, the additional insured endorsement). Tenant's insurance must permit releases of liability and provide for waiver of subrogation as provided in Section 17.1.5.

- 16.1.5 Tenant's Waiver and Release of Claims and Subrogation. To the extent not prohibited by law, Tenant, on behalf of Tenant and its insurers, waives, releases and discharges the Landlord Parties from all Claims arising out of personal injury or damage to or destruction of the Leased Property, Landlord's property or Tenant's trade fixtures, other personal property or business, and any loss of use or business interruption, occasioned by any fire or other casualty or occurrence whatsoever (whether similar or dissimilar), regardless whether any such Claim results from the negligence or fault of any Landlord Party or otherwise, and Tenant will look only to Tenant's insurance coverage (regardless whether Tenant maintains any such coverage) in the event of any such Claim. Tenant's trade fixtures, other personal property and all other property in Tenant's care, custody or control, is located at the Landlord's property at Tenant's sole risk. Landlord is not liable for any damage to such property or for any theft, misappropriation or loss of such property. Tenant is solely responsible for providing such insurance as may be required to protect Tenant, its employees and invitees against any injury, loss, or damage to persons or property occurring in the Leased Property or at the Landlord's property, including, without limitation, any loss of business or profits from any casualty or other occurrence at the Landlord's property.
- 16.1.6 No Limitation. Landlord's establishment of minimum insurance requirements is not a representation by Landlord that such limits are sufficient and does not limit Tenant's liability under this Lease in any manner.
- 16.2 Landlord's Insurance Obligations. Landlord will (except for the optional coverages and endorsements Section 17.2.1 describes) at all times during the Term maintain the insurance this Section 17.2 describes, at Landlord's cost. Upon written request by Tenant, Landlord shall promptly deliver to Tenant a certificate of such property insurance.
- 16.2.1 Property Insurance. Property insurance on the Building in an amount not less than the full insurable replacement cost of the Building insuring against loss or damage by fire and such other risks as are covered by the current ISO Special Form policy. Landlord, at its option, may obtain such additional coverages or endorsements as Landlord deems appropriate or necessary, including, without limitation, insurance covering foundation, grading, excavation and

debris removal costs; business income and rents insurance; earthquake insurance; flood insurance; and other coverages. Landlord may maintain such insurance in whole or in part under blanket policies. Such insurance will not cover or be applicable to any property of Tenant within the Leased Property or otherwise located at the Landlord's property.

- 16.2.2 Liability Insurance. Commercial general liability insurance against claims for bodily injury, personal injury, and property damage occurring at the Owner's Property in such amounts as Landlord deems necessary or appropriate. Such liability insurance will protect only Owner and Landlord and, at Landlord's option, Owner's lender and some or all of the Landlord Parties, and does not replace or supplement the liability insurance this Lease obligates Tenant to carry.
- 16.3 Tenant's Indemnification of Landlord. In addition to Tenant's other indemnification obligations in this Lease but subject to Landlord's agreements in Section 17.2, Tenant, to the fullest extent allowable under the Laws, will release, indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold harmless the Landlord Parties from and against all Claims arising from (a) any breach or default by Tenant in the performance of any Tenant's covenants or agreements in this Lease, (b) any act, omission, negligence or misconduct of Tenant, (c) any accident, injury, occurrence or damage in, about or the Leased Property, and (d) to the extent caused in whole or in part by Tenant, any accident, injury, occurrence or damage in, about or to the Landlord's property.
- 16.4 Tenant's Waiver. In addition to the other waivers of Tenant described in this Lease and to the extent not expressly prohibited by the Laws, Landlord and the other Landlord Parties are not liable for, and Tenant waives, any and all Claims against Landlord and the other Landlord Parties for damage to Tenant's trade fixtures, other personal property or business, and any loss of use or business interruption, resulting directly or indirectly from (a) any existing or future condition, defect, matter or thing in the Leased Property or on the Landlord's property, (b) any equipment or appurtenance becoming out of repair, (c) any occurrence, act or omission of any Landlord Party, any other tenant or occupant of the Building or any other person. This section applies especially, but not exclusively, to damage caused by flooding of basements or other subsurface areas and by refrigerators, sprinkling devices, air conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage, gas, odors, noise or the bursting or leaking of pipes or plumbing fixtures. The waiver this section describes applies regardless whether any such damage results from an act of God, an act or omission of other tenants or occupants of the Landlord's property or an act or omission of any other person.

16.5 Tenant's Failure to Insure. Notwithstanding any contrary language in this Lease and any notice and cure rights this Lease provides Tenant, if Tenant fails to provide Landlord with evidence of insurance as required under Section 17.1.4, Landlord may assume that Tenant is not maintaining the insurance Section 17.1 requires Tenant to maintain and Landlord may, but is not obligated to, without further demand upon Tenant or notice to Tenant and without giving Tenant any cure right or waiving or releasing Tenant from any obligation contained in this Lease, obtain such insurance for the Landlord's benefit. In such event, Tenant will pay to Landlord, as Additional Rent, all costs and expenses Landlord incurs obtaining such insurance. Landlord's exercise of its rights under this section does not relieve Tenant from any default under this Lease.

**17. LANDLORD'S RULES.** Landlord may adopt and provide in writing to Tenant reasonable rules and regulations which in Landlord's judgment are desirable for the use, entry, operation and management of the Leased Property; provided, however, that Landlord's rules and regulations shall not contradict or abrogate any right or privilege expressly granted to Tenant in this Lease. Any such Landlord's rules and regulations are a part of this Lease as though incorporated here. Tenant agrees to comply with Landlord's rules and regulations.

**18. SIGNS.** Any signs exhibited by Tenant on the Leased Property shall be subject to approval in advance at Landlord's absolute, unqualified discretion, and in accordance with a sign plan to be developed by Landlord and approved by the Town of Jackson. If Tenant fails to remove and dispose of any sign at the conclusion of this Lease, Landlord may remove the sign at the expense of Tenant.

**19. COVENANTS OF THE TENANT.**

19.1. Tenant covenants that Tenant will not do any of the following without the prior consent, in writing, of Landlord:

a. Allow anything to be done that would be objectionable to insurance companies or would cause fire or other insurance in force on the Leased Property to become void or suspended, or be rated as a more hazardous risk than at the date when Tenant receive possession hereunder. In case of a breach of this covenant, in addition to all other remedies of Landlord, Tenant shall pay to Landlord as additional rent, any increase of premiums on insurance carried by Landlord on the Leased Property caused by the Tenant.

b. Commit or allow any waste upon the Leased Property or any nuisance or other act which may disturb the quiet enjoyment of any other Tenant in the Building.

c. Discontinue operation of Tenant's business in the Leased Property, or be closed to the public for more than seven (14) consecutive days. Should Tenant breach this covenant, the same shall be deemed an abandonment of the Leased Property by Tenant for purposes of Landlord's remedies under Section 26 of this Lease.

19.2 Tenant agrees that Tenant will do the following:

a. Keep the Leased Property sufficiently heated to prevent freezing of water pipes and fixtures.

b. Arrange for loading and unloading of goods to be done only at such times, in the areas, and through such entrances as may be designated for such purpose by Landlord.

c. Do all things reasonably possible to prevent the filing of any mechanics liens or judgments against the Leased Property, or to the leasehold interest of Tenant, by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant. If any such lien or judgment shall at any time be filed against Tenant's interest in the Leased Property or this Lease, Tenant shall either cause the same to be discharged of record within 20 days of the date of the filing, or if Tenant, in Tenant's discretion and good faith, determines that such lien or judgment should be contested, Tenant shall furnish such security as shall be necessary or required to prevent any foreclosure against Tenant's interest in the Leased Property during the pendency of such contest. If Tenant fails to discharge such lien or judgment within such period, or fail to furnish such security, then, in addition to any other right or remedy of Landlord resulting from such default, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien or judgment by getting security or in such other manner as is or may become prescribed by law. Nothing contained herein shall imply any consent or agreement on the part of Landlord to subject Landlord's estate to liability under any mechanics or other lien law.

d. Comply with all state and federal statutes and local ordinance or regulations and save and hold Landlord harmless from any penalties, fines, costs, expenses, or damages resulting from its failure to do so.

e. Give Landlord prompt written notice of any accident, fire or damage occurring on or to the Leased Property.

**20. COVENANTS OF THE LANDLORD.** The Landlord covenants as follows:

20.1. That the Tenant, upon paying the rentals and performing the covenants upon its part to be performed herein, shall peacefully and quietly have, hold and enjoy the Leased Premises during the term hereof.

20.2. To use commercially reasonable efforts to not allow any hazardous, noxious or other activity to occur in the Building or its adjacent sidewalks that will impair Tenant's use of the Leased Property as a retail store. If adjoining spaces are allowed to make, produce, sell or serve food and/or beverages, including alcoholic beverages, Landlord will require any such tenant to take reasonable commercial measures to reduce and minimize odors entering the Leased Property, including but not necessarily limited to ventilation and waste disposal procedures.

20.3. To require other Tenants, upon renewal of any existing leases, and to require any new tenants in the Building, to purchase and maintain sufficient insurance coverage

and impose reasonable restrictions on such other tenants and to manage the Building and common areas adequately to reasonably protect Tenant's personal property from injury caused by other Tenants.

## **21. DAMAGE TO PREMISES.**

21.1. If the Leased Property is damaged without the fault or neglect of Tenant or Tenant's servants, employees, agents, visitors, licensees, or sub-Tenant, and the Leased Property is not thereby rendered unusable, Landlord may promptly, at its own expense, cause such damage to be repaired, and the rent under this Lease shall not be abated. If the Leased Property is rendered unusable only in part, Landlord shall promptly cause the damage to be repaired and the rent shall be abated proportionately to the portion of the Leased Property rendered unusable. If the Leased Property is rendered wholly unusable, the rent shall be abated in whole; provided, however, that there shall be no extension of the term of this Lease by reason of such abatement. Notwithstanding the preceding provisions, if the Leased Property is rendered wholly un-tenantable by reason of such occurrence and the property cannot be repaired within three months from the date of such damage, Tenant or Landlord shall, at their option, have the right to declare the Lease terminated and the balance of rent for the unfulfilled term null and void.

21.2. If any damage to the Leased Property occurs as a result of the fault or neglect of Tenant, Tenant's servants, employees, agents, business invitees, licensees or sub-Tenant, then there shall be no apportionment or abatement of rent during the term of this Lease, even if the Leased Property becomes completely unusable.

## **22. GENERAL INDEMNIFICATION.**

22.1 Indemnification of Landlord. Tenant and the individuals personally guaranteeing Tenant's obligations under this Lease shall and do hereby agree to indemnify Landlord and Landlord's owner(s), shareholders, employees, agents, insurers and attorneys (hereafter "Landlord Indemnified Parties") and save Landlord Indemnified Parties harmless from and against any and all claims, actions, damages, liability and expenses (including attorney's fees related thereto) in connection with the loss of life, personal injury, or damage to property occurring in, on or about the Leased Property (hereafter "Damages") and arising out of or from the occupancy or use of the Leased Property and adjacent sidewalks, stairways, parking lots, or other similar common areas by Tenant or sub-Tenant, or their employees, agents, licensees, invitees, guests, or customers (hereafter "Tenant Indemnifying Parties"), or otherwise occasioned wholly or in part by any act or omission of Tenant Indemnifying Parties; excepting therefrom Damages proximately caused by the gross negligence or willful misconduct of the Landlord Indemnified Parties or the negligence or willful misconduct of another tenant in the Building or such other tenant's employees, agents or invitees.

22.2 Indemnification of Tenant. Landlord agrees to indemnify and hold Tenant harmless from any Damages proximately caused by the gross negligence or willful misconduct of the Landlord Indemnified Parties.

## **23. TENANT PROPERTY.**

23.1. Landlord shall not be liable for any damage or loss to property of Tenant or of others located on the Leased Property by vandalism, theft, weather, water, snow, wind, or otherwise. Landlord shall not be liable for any damage caused by other Tenant or persons in the Leased Property, or the public, or caused by operations in construction of any private or public work. Landlord shall not be liable for any latent defect in the Leased Property or the Building.

23.2. All property of Tenant kept or stored on the Leased Property shall be so kept or stored at the risk of Tenant, and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carrier, unless such damage is caused by the willful act or gross neglect of Landlord.

## **24. ASSIGNMENT & SUBLEASING.**

24.1 Tenant shall not assign, mortgage, hypothecate, or otherwise encumber this Lease, nor sublet or permit the Leased Property to be used by any other person, firm, corporation, or entity other than Tenant without the written consent of Landlord in each instance, which consent may be withheld in Landlord's discretion.

24.2 Should Tenant be an entity instead of a natural person, transfer of control of the entity by any method (sale of stock or membership interest, etc.), shall be deemed to be an assignment for all purposes under this Lease, unless Tenant remains a majority owner (i.e. greater than 50% control) of the assignee.

24.3 Consent by Landlord to an assignment or subletting shall not be construed to release Tenant from obtaining the consent in writing of Landlord to any further assignment or subletting.

24.4 Consent by Landlord to an assignment or sublease shall not release Tenant or personal guarantors (if any) from their obligations hereunder unless such written consent clearly and specifically states intent to do so.

24.5 Upon receipt of a request from Tenant for an assignment or subletting, or notice/knowledge of assignment or subletting from any source, Landlord may terminate the Lease, release the Tenant, and opt to re-let the Leased Property directly to the proposed assignee, sub-Tenant, or to anyone else.

24.6 Any authorized assignee or sublessee shall agree in writing to be bound by the terms of this Lease and to abide by all applicable laws and any Rules adopted by the Landlord.

24.7 The fact that Landlord consents to any sublease shall not abrogate Tenant's responsibilities and obligations under this Lease and Tenant shall continue to be fully bound by all of the provisions of this Lease.

24.8 Should Landlord consent to a sublease by Tenant to a third party, any sums paid to Tenant by the sublessee in excess of the rent due under this Lease shall be promptly paid by Tenant directly to Landlord without demand. In no event shall Tenant be allowed to retain sums paid to it over and above the rent due and payable under this Lease.

24.9 Landlord may freely sell, convey, or assign any of Landlord's rights, duties, or obligations of this Lease without Tenant's consent.

## **25. DEFAULT & REMEDIES.**

### **25.1 Events of Default by Tenant**

. Tenant shall be in default hereunder if any one or more of the following occurs:

a. Tenant fails to pay when due any installment of rent, or any other sum of money due hereunder, and such failure shall continue for five (5) days after written notice thereof to Tenant;

b. Tenant fails to observe or perform any of the non-financial covenants, agreements, conditions or undertakings herein contained to be kept, observed and performed by Tenant (other than abandonment of the Leased Property by Tenant); and such failure shall continue for thirty (30) days after written notice thereof to Tenant;

c. Proceedings in bankruptcy or for liquidation, reorganization or rearrangement of Tenant's affairs are instituted by or against the Tenant;

d. A receiver or trustee is appointed for all or substantially all of the Tenant's business or assets;

e. A trustee is appointed for Tenant after a petition has been filed for Tenant's reorganization under the United States Bankruptcy Code, or if this Lease is rejected under § 365 of the United States Bankruptcy Code;

f. Tenant makes an assignment for the benefit of its creditors; or

g. Tenant shall abandon the Leased Property.

### **25.2 Landlord's Remedies**

. In the event of any default by Tenant, Landlord, at its election, may enforce, by judicial action or otherwise, any one or combination of all remedies available at law or in equity, or without limitation of any such remedies, any one or combination of the following:

a. Landlord may terminate this Lease, re-enter all or any part of the Leased Property, either by voluntary surrender or process of law (Tenant hereby waiving any demand for possession), and remove Tenant and any persons or property from

the Leased Property. Tenant will remain liable for all rent and other sums owed to Landlord under this Lease until the Leased Property can be re-let to a new tenant of Landlord's choosing, plus all of Landlord's reasonable costs of obtaining possession of and re-letting the leased property and making any repairs and alterations necessary to prepare the Leased Property for re-letting. Nothing in this paragraph shall limit or affect Tenant's obligation to surrender possession of the Leased Property when required to do so under the terms of this Lease, or limit or affect Landlord's right to damages resulting from any failure of Tenant to do so.

b. Landlord may re-let the Leased Property or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms, which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease and may grant concessions or free rent or charge a higher rental than that in this Lease.

c. Tenant shall also pay Landlord damages for the failure of Tenant to observe and perform Tenant's covenants contained in this Lease, and shall pay any deficiency between the entire amount of rent promised to be paid by Tenant under this Lease, and the net amount, if any, of any rents collected on account of any new lease of the Leased Property for each month of the period which would otherwise have constituted the balance of the term of this Lease.

### 25.3 Landlord's Damages and Rights

a. To the extent allowed by law, the failure of Landlord to re-let the premises or any part or parts thereof, or to collect rent shall not in and of itself release Tenant's liability for damages, or create any independent liability of Landlord to Tenant. In computing such damages there shall be added to the said deficiency such reasonable expenses as Landlord may incur in connection with re-letting such as legal expenses, reasonable attorney fees, lease brokerage commission(s), advertising and for keeping the Leased Property in good order or for preparing the same for re-letting. Any such damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding.

b. Landlord, in putting the Leased Property in good order or preparing the same for re-rental may, at Landlord's option, make such reasonable alterations, repairs, replacements, and/or decorations in the Leased Property as are reasonably necessary for the purpose of re-letting the leased premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid.

c. In no event shall Tenant be entitled to receive any excess, if any, of net rents resulting from re-letting the Leased Property collected in excess of the sums payable by Tenant to Landlord under this Lease.

d. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for.

e. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, in law or in equity.

f. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Leased Property, by reason of the violation by Tenant of any of the covenants and conditions of this lease, or otherwise.

#### 25.4 Interest

. All arrearages in the payment of any sums due under this Lease shall bear interest at eighteen (18%) percent per annum, from the date first due until paid.

25.5. No Set-off. Tenant may not withhold, escrow, or set off against rent or other sums due any claims that Tenant has or thinks it has against Landlord.

#### 25.6 Default Period

. All default and grace periods shall be deemed to run concurrently and not consecutively.

#### 25.7 Cumulative Remedies

. During the continuance of this Lease, Landlord and Tenant shall have all rights and remedies which this Lease and the laws of the State of Wyoming accrue to them. All rights and remedies accruing to Landlord or Tenant shall be cumulative; that is, Landlord or Tenant may pursue any and/or all rights that the law and this Lease afford to them, in whatever order Landlord or Tenant desires and the law permits without being compelled to resort to any one remedy in advance of any other.

### 26. ATTORNEY'S FEES.

26.1 If any person not a party to this Lease institutes an action against Tenant in which Landlord or Owner, or both, involuntarily and without cause are made parties, Tenant and the individuals guaranteeing Tenant's payment obligations under this Lease shall promptly indemnify and save Landlord and Owner harmless from all liabilities by reason thereof, including paying for all reasonable costs and attorney's fees incurred by Landlord and Owner in such action.

26.2 If Landlord or Landlord's successors or assigns is required to secure the services of counsel for the purposes of enforcing any of the provisions of this Lease, then in that instance Landlord shall, if Landlord prevails at all on any aspect of the action against

Tenant, whether by settlement or litigation, be entitled to collect, jointly or severally from Tenant or the individuals guaranteeing Tenant's payment obligations under this Lease, all of Landlord's reasonable expenses incurred in conjunction with such legal consultation or proceeding, including reasonable attorney's fees and disbursements, court costs, and expenses incurred by Landlord or the attorneys in conjunction with such matters.

**27. HOLDING OVER.** If Tenant holds possession after the expiration of the Lease term with the written consent of Landlord, Tenant shall become a Tenant on a month-to-month basis upon all the terms, covenants and conditions of this Lease; provided, this shall not be construed to imply advance consent of Landlord to Tenant remaining in possession. If Tenant holds over without written permission of Landlord, Tenant becomes a Tenant at sufferance upon all the terms, conditions, and covenants of this Lease provided, however, the base rent shall double during such holdover. Tenant's obligation to pay rent shall continue until the last day of the calendar month following the month in which Tenant gives written notice of termination and intent to vacate or Landlord gives such written notice to Tenant.

**28. SUBORDINATION.** This Lease is subject and subordinate to any lien of mortgage now or hereafter placed on the Leased Property. Tenant will execute and deliver any instrument which may be reasonably required by Landlord in confirmation of such subordination promptly upon Landlord's request.

**29. NOTICE.** All notices to be given by either party hereto to the other shall be deemed to have been fully given, made or sent when made in writing and sent by certified or registered United States Mail, postage prepaid or by commercial delivery such as UPS or FedEx, and addressed to:

To Landlord:                   Teton County Housing Authority  
  P.O. Box 714  
  Jackson, WY 83001

To Tenant:                     Mountain Origins Design LLC (dba - Stio)  
  P.O. Box 459  
  Wilson, WY 83014

or at such other place as may be designated by either party from time to time in writing, in the same manner as provided herein; provided, however, hand delivery to the Tenant or Guarantors (if any) shall also be valid notice under this Lease.

**30. WAIVER.**

30.1 None of the terms, covenants or conditions of this Lease can be waived by either Landlord or Tenant or the individuals guaranteeing Tenant's payment obligations under this Lease, if any except by appropriate written agreement duly executed by all of the said parties.

30.2 The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition.

30.3 The subsequent acceptance of rent shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted.

**31. CONSTRUCTION OF LEASE.**

31.1 The language of this Lease shall be construed under Wyoming law as a whole as though written by both Landlord and Tenant according to its fair meaning and not strictly for nor against either Landlord or Tenant.

31.2 In the event there is more than one Tenant or guarantor, the obligations to be performed shall be joint and several and Landlord may seek enforcement against any obligor or guarantor.

31.3 Landlord and Tenant agree that in the event any term, covenant, or condition herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, or conditions shall in no way affect any other term, covenant, or condition herein contained.

**32. BINDING EFFECT.** All the terms, covenants, and conditions of this Lease are binding upon and inure to the benefit of the parties signing below, their respective heirs, executors, administrators, successors, assigns and legal representatives.

**33. INTEGRATION CLAUSE.** It is mutually agreed that no representations, warranties, covenants or agreements, expressed or implied, have been made, other than as expressly set forth in writing in this Lease.

**34. VENUE.** Landlord, Tenant, and the individuals guaranteeing Tenant's payment obligations under this Lease, if any agree that the State Courts of Wyoming shall have personal jurisdiction over all of them and that the venue of any action filed relating to this Lease shall be in the Ninth Judicial District, District Court, located in Teton County, Wyoming.

**35. ESTOPPEL CERTIFICATE.** Tenant shall at any time upon not less than fifteen (15) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification), the amount of any security deposit, and the date to which the rent and other charges are paid in advance, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such default if any. Any such statement may be conclusively relied upon by any prospective purchaser of or lender with respect to the premises. Failure to provide such certificate shall constitute a material breach of this Lease.

**36. TIME OF ESSENCE.** Time is of the essence for this Lease and for every term, covenant and condition hereof.

IN WITNESS WHEREOF, the parties hereto have signed this Lease effective as of the day and year set forth below with their signatures.

This is an important legal document. By your signature(s) you acknowledge that you have read it carefully and accept each and every provision of the Agreement.

**DO NOTARIZATION BLOCKS FOR EACH AS WELL**

**OWNER/LANDLORD: TETON COUNTY HOUSING AUTHORITY**

By:\_\_\_ Date:\_\_\_\_\_  
**ADD DICK'S NAME, STACY ATTESTING TO**

**TENANT: MOUNTAIN ORIGINS DESIGN, LLC**

By:\_\_\_ Date:\_\_\_\_\_  
**ADD STEVE SULLIVAN'S INFO**

**ATTEST:**

\_\_\_\_\_

**PERSONAL GUARANTY**

The person(s) signing below (hereafter “Guarantor”, whether one or more persons) intend to be legally bound by all of the financial obligations of the named “Tenant” in the Lease to which this Personal Guaranty is attached (“the Lease”).

Each Guarantor hereby individually, personally, jointly and severally, absolutely and unequivocally guarantees to Landlord the prompt payment of any and all of payments required to be made or due under the Lease by Tenant when due, including but not limited to any and all of Landlord’s costs of enforcement of the Lease (including attorney’s fees).

Each Guarantor expressly agrees that:

1. Landlord would not accept and execute the Lease without the Guarantors’ personal guaranty, and the existence of this personal guaranty is a material consideration for Landlord entering into the Lease.
2. Landlord may proceed against any Guarantor to enforce this personal guaranty without first proceeding against the Tenant or any other Guarantor.
3. Any renewals, extensions of time and other non-financial modifications of the Lease shall be binding on each Guarantor.
4. This personal guaranty will be enforceable even if the Tenant or any sub-tenant goes out of business or into bankruptcy or otherwise cannot or does not pay.
5. This personal guaranty cannot be revoked, cancelled, or amended except in a writing signed by Landlord.
6. Any settlement entered into by Landlord of a dispute caused by or arising out of the Tenant’s conduct will be binding upon Guarantor.

**Guarantor(s):**

**By:\_\_\_ Date: \_\_\_\_\_**

**INSERT NAME AND DATE – PROBABLY GOOD IDEA TO DO NOTARIZATION OF THIS**

**ARE THERE MULTIPLE GUARANTORS???**

EXHIBIT A

DESCRIPTION OF COMMON AREAS USEABLE BY TENANT AND  
EMPLOYEES/GUESTS/CUSTOMERS

1. Exterior sidewalks and access drives on the property on which the Building is located.