

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and effective July 1, 2014, by and between **RATHUNAS, LLC** ("Lessor") and **Visit Mendocino County, Inc.** a California corporation ("Tenant").

Lessor is the owner of the land and improvements located at: **390 W Standley Street, Ukiah, California** (the "Building"). Lessor makes available for lease a portion of the Building designated as suite small office number 3 (the small office on the first floor, northwest location in the building, shared reception and other common areas) the Building (the "Leased Premises"), consisting of approximately 130 rentable square feet, excluding the storage closet located under the stairs accessed from this suite (which closet may from time to time be accessed by Lessor).

Lessor desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Lessor for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

1. **Term.** Lessor hereby leases the Leased Premises to Tenant on a month to month basis (the "Term") commencing on **July 1, 2014** (the "Commencement Date"). Thereafter, the Lease may be terminated by either party upon no less than thirty (30) days' advance written notice to the other party. Upon full execution of this Lease, Tenant shall have the right to access the Leased Premises to install IT equipment, telephones, or furniture.
2. **Rental.** Tenant shall pay Lessor during the Term rent of **\$450.00** per month ("Rent"). If the Lease commences on any day other than the first day of the month, the Rent shall be prorated accordingly. Each payment shall be due in advance on the 1st day of each calendar month during the Term for Rent purposes to Lessor at and payable to: Rathunas, LLC, c/o Caren Callahan, PO Box 15, Ukiah, CA 95482, or at such other place designated by written notice from Lessor or Tenant.

3. **Security Deposit.** Tenant shall deliver to Lessor the sum of \$900.00 (the "Security Deposit") along with the first month's Rent, upon Tenant's receipt of the fully executed Lease. The Security Deposit shall be for the full and faithful performance of Tenant's obligations under this Lease to pay any rent as and when due, including without limitation such additional rent as may be owing under any provision hereof, and to maintain the Leased Premises as required by this Lease. If Tenant fully performs its obligations under this Lease, the Security Deposit or any balance thereof shall be returned to the Tenant at the end of the Term.
4. **Condition of the Leased Premises.** Lessor represents and warrants to Tenant that as of the commencement of the Term: (i) the Leased Premises shall be in good and clean operating condition and repair, (ii) the electrical, mechanical, HVAC, plumbing, sewer, elevator and other systems serving the Leased Premises will be in good operating condition and repair, (iii) the roof of the Leased Premises will be in good condition and water tight, (iv) to Lessor's current actual knowledge, the Premises are in compliance with all applicable rules, regulations, ordinances, requirements and orders now in effect.
5. **Use.** The intended use of the Leased Premises is general office, including real estate title and escrow services. Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables, or other inherently dangerous substance, chemical, thing or device.
6. **Sublease and Assignment.** Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Lessor's consent. Lessor may withhold consent at its sole discretion.
7. **Repairs.** During the Lease term, Lessor shall, at its expense, maintain and repair the Building, the Leased Premises and all common areas of the Building, including, without limitation, all structural aspects of the Building and all Building systems (electrical, plumbing, HVAC, etc.). Tenant shall be responsible for repairing any damage to the Leased Premises (other than ordinary wear and tear and damage due to casualty) caused by Tenant.
8. **Property Taxes.** Lessor shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the lease term on the Leased premises, and all personal property taxes with respect to Lessor's personal property, if any,

on the Leased Premises. Tenant shall be responsible for paying all personal property taxes with respect to Tenant's personal property at the Leased Premises.

9. **Insurance.** If the Leased Premises or any other part of the Building is damaged by fire, or other casualty, rent shall abate from the date of casualty to the date of substantial completion while such damages are under repair to the extent the Leased Premises are not reasonably fit for Tenant's use, provided such casualty damage is not caused by the Tenant. Lessor shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts, as Lessor shall deem appropriate. Tenant shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

- A. Tenant and Lessor shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by an insurance company reasonably acceptable to Lessor, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage, or combination thereof. Lessor shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Lessor with current Certificates of Insurance evidencing Tenant's compliance with this Paragraph.
- B. Lessor shall not be required to maintain insurance against thefts within the Leased Premises or the Building.
- C. Without affecting any other rights or remedies, Tenant and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required or by any deductibles applicable hereto. The parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Tenant, as the case may be, so long as the insurance is not invalidated thereby.

10. **Utilities.** Lessor will pay all utilities and services serving the Leased Premises, including all gas, electricity and janitorial services and utilities on the Leased Premises during the Term of this Lease, except for telephone or internet.
11. **Signs.** Following Lessor's consent, and at Tenant's cost, Tenant has the right to place its signage on the sign post system, located outside of the Building on the corner, and on the signage affixed to the building which signage must be approved by Lessor, and are permitted by applicable zoning ordinances and restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.
12. **Entry.** Lessor shall have the right to enter upon the Leased Premises at reasonable hours upon at least 24 hours prior notice to inspect the same, provided Lessor shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.
13. **Parking.** During the Term of this Lease, Tenant has the option to use the available parking spaces, free of charge, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor.
14. **Building Rules.** Tenant shall abide by all uniformly enforced, reasonable rules established by Lessor from time to time. Lessor will provide advance written notice to Tenant of any such rules.
15. **Default.** If default shall at any time be made by Tenant in the payment of rent when due to Lessor as herein provided, and if said default shall continue for five (5) days after written notice thereof shall have been given to Tenant by Lessor, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for ten (10) days after written notice thereof to Tenant by Lessor without correction thereof then having been commenced and thereafter diligently prosecuted, Lessor may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and of possession of the Leased Premises is not surrendered, Lessor may re-enter said premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Tenant default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

16. **Quiet Possession.** Lessor covenants and warrants that upon performance by Tenant of its obligations hereunder, Lessor will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed possession of the Leased Premises during the term of this Lease.
17. **Condemnation.** If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Lessor and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by condemning authority.
18. **Subordination.** Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Lessor is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Tenant agrees upon demand to execute such further instruments subordinating this Lease to the holder of any such liens as Lessor may request. Tenant agrees that it will from time to time upon request by Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Lessor is not in default hereunder (or if Tenant alleges a default stating the nature of such).
19. **Notice.** Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, hand delivery or via reliable overnight carrier, addressed as noted above.
Lessor and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

20. **Brokers.** No party to this agreement has used the services of a broker. If Tenant has used broker services, it is Tenant's sole obligation to pay broker fees and costs. In such event, Tenant agrees to hold harmless and indemnify Lessor from any such broker fees and costs.
21. **Attorney's Fees.** In any litigation or other proceedings by the parties concerning this Lease and enforcement of obligations hereunder, the prevailing party shall be entitled to recover from the opposing party reasonable attorneys' fees and other expenses of litigation.
22. **Waiver.** No waiver of any default of Lessor or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.
23. **Headings.** The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.
24. **Successors.** The provisions of this Lease shall extend to and be binding upon Lessor and Tenant and their respective legal representatives, successors and assigns.
25. **Consent.** Lessor shall not unreasonably withhold or delay its consent with respect to any matter for which Lessor's consent is required or desirable under this Lease.
26. **Compliance with Law.** Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.
27. **Final Agreement.** This Agreement may be modified only by a further writing that is duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this lease as of the day and year first above written.

[Signatures follow]

LESSOR:

TENANT:

Rathunas, LLC

Visit Mendocino County, Inc.



By: Caren Callahan, Manager



By: SCOTT SCOWLEDER PRESIDENT/CEO
(Print name and title)