

RACE TRACK LEASE

THIS LEASE AGREEMENT is between Montezuma County (Landlord) and _____ (Tenant).

1. Landlord is the owner of real property, along with improvements and fixtures incorporated therein, located in Montezuma County, Colorado, described as the County Fairgrounds;
2. The Fairgrounds includes a race track and an accompanying parking area that is the subject of this lease. *See* Exhibit 1.
3. Tenant desires to lease the race track to use for motorized events.
4. Landlord agrees to lease the race track to Tenant for use as a race track for motorized events on the terms and conditions set forth below.
5. Tenant may use race track for non-motorized events with the approval of the Landlord's Fairgrounds Manager.

TERMS

6. **Leased Property.** Landlord leases to Tenant the race track on the terms and conditions of this Lease. Tenant's right to use of the Property under the terms of this Lease is expressly limited to the express terms in this agreement. Tenant agrees that all improvements existing at the race track are the property of Landlord, as well as any additional improvements and fixtures become property of Landlord.
7. **Term.** This Lease commences on April 1, 2022 and ends March 31, 2023. Upon termination of the Lease, Tenant shall surrender and deliver the Premises forthwith, along with all improvements and fixtures, in good order, repair and condition to Landlord.
8. **Rent.** Tenant shall pay Landlord rent for the term of this Lease in the amount of \$15,000, due at signing
9. **Security Deposit.** Tenant will pay an additional deposit for the County's security of \$1000.
10. **Expenses and Taxes.** Except as provided in this lease, all costs, expenses, utilities, and obligations of every kind or nature whatsoever, relating to the race track, or any improvements thereon, which may arise or become due during the term of this Lease, shall be paid by Tenant, and Landlord shall be indemnified and saved harmless by the Tenant from and against the same. Landlord shall be responsible for utilities at the Premises that are not related to race track use under this lease. Tenant shall place all utilities into his/her name and shall be responsible for payment of all utilities throughout the lease term. In the event that the Landlord or a third party utilizes the race track for any period of time, Tenant

shall work with utility companies to calculate utility use during the period of time that the Landlord or a third party is utilizing the track. Landlord shall fully reimburse Tenant for utilities used during the time that Landlord or Tenant is in control of the track.

11. Permitted Use of the Race track. Tenant shall use the race track exclusively for operation of car racing, which may include incidental storage as approved in writing the County. Tenant shall not, without prior written consent of Landlord, permit the Premises to be used for any other purpose. Landlord does not warrant or represent that the property is suitable for Tenant's proposed uses, or that Tenant's anticipated uses are allowed under the law. Tenant is solely responsible for securing any necessary permits, licenses and other approvals. Such use shall not interfere with the rights of the public and other Fairgrounds uses.
12. Security for Race Track Events. Tenant shall provide, and pay all costs associated with, on-site security at the race track during all events that are hosted by Tenant during the duration of this lease. Such security shall consist of two certified law-enforcement personnel and two non-certified law-enforcement personnel. Tenant shall ensure that required law enforcement personnel are on-site at the racetrack during all times that fans and other members of the public are present at the race track.
13. Blackout Dates. Tenant shall not have access to, or utilize, the premises during the following special events:
 - a. 12 Hours of Mesa Verde Bike Race – May 7, 2022.
 - b. Ute Mountain Roundup Rodeo – June 8, 2022 – June 12, 2022.
 - c. Montezuma County Fair – Dates yet to be confirmed – Presumably July 25, 2022 – August 12, 2022.
 - d. High School Rodeo – September 2, 2022 – September 5, 2022.

Throughout the period of time of each of the blackouts listed above, Landlord shall have the right to access, and the right to allow third parties to access and use, the racetrack. Landlord warrants that the racetrack will be returned to useable condition immediately following each of the proposed blackout dates.

14. Landlord's Operation of premises: Landlord shall be entitled to use the entire Fairgrounds and the race track, for any and all purposes either required or associated with its operation and maintenance. Tenant acknowledges and agrees that Landlord retains all rights and discretion, and is solely responsible for all decisions, expenses, and determinations pertaining to its operation and maintenance. Landlord provides no warranties, assurances or guarantees with regard to and in making its decisions, and Landlord is under no obligation to take into consideration Tenant's business or concession operations, and shall not be liable to Tenant for any impact thereon from Landlord's operation decisions. Tenant further agrees that Landlord shall have full authority and discretion over, and the right to prohibit, all or in part, any use of within the Property, including restrictions that violate noise and pollution laws, inspection requirements, and timing of events. Landlord will make reasonable attempts to communicate with Tenant and provide reasonable prior notice, if possible, before undertaking significant actions, or making significant changes.

15. Condition of Premises and Representations: Tenant is familiar with the physical condition of the race track and premises. Landlord makes no representations, or warranties as to the physical condition, or their suitability for Tenant's intended use. The race track is rented "as is," in current condition, and all warranties are hereby expressly disclaimed. Landlord makes no representations, or warranties as to the suitability of the Premises for Tenant's intended use. Landlord further makes no representations, or warranties as to whether Tenant's intended use will necessitate changes, or alterations to the Premises in order to comport with local, state, or federal laws and regulations. Such laws and regulations include, but are not limited to: health code regulations, access regulations (including, but not limited to, the Americans with Disabilities Act), and zoning regulations. Tenant understands and agrees that in the event actions, alterations, or improvements are required in order to bring the Premises into compliance with any local, state, or federal laws and regulations because of Tenant's intended use, Tenant shall be solely responsible for any and all associated costs and expenses relative thereto. Tenant further indemnifies and agrees to hold Landlord harmless from any and all claims and liabilities that may arise by virtue of Tenant's use of the Premises in violation of any local, state, or federal laws and regulations.
16. Environmental Matters. Tenant shall not use or permit the Premises to be used for the manufacture, storage, use, or disposal of any substance (Hazardous Material) classified or categorized as a hazardous material or substance by any applicable federal, state or local environmental safety law, regulation or ordinance (together Environmental Regulations), nor will Tenant do or permit any act or omission on the Property that is in violation of any Environmental Regulations.
- a. Tenant shall indemnify and hold Landlord harmless from and against all costs, expense, losses, liabilities and damages of any nature (including without limitation response and remediation costs, attorney's fees, consultant's and expert fees) in any way arising from or related to the permitted use or storage on the Premises of Hazardous Material, plus from and against any violation of Tenant's promises contained in this Lease, during the Term of this Lease. Tenant shall have no liability for the use or storage of Hazardous Materials on the Premises which may have occurred prior to use of the premises.
 - b. The provisions of this Section shall survive the termination of this Lease by expiration of the Term or otherwise. Tenant shall immediately provide to Landlord a copy of any notice relative to the Premises or its occupation in any way relating to any Environmental Regulations.
 - c. Tenant shall not do or permit any act or omission on the Premises associated with Hazardous Material or Environmental Regulations that would increase the cost of casualty insurance on the Premises. Tenant shall not conduct or permit any activity on the Premises that would cause the Property to become a hazardous waste treatment, storage or disposal facility within the meaning of any Environmental Regulations or cause or permit any release or threat of release in or in the vicinity of the Premises of Hazardous Material.

17. Landlord Access. Landlord, or Landlord's agents and designees, will have the right, but not the obligation, to enter upon the Premises at all reasonable times to examine the Property to confirm Tenant's compliance with the terms of this Lease.

- a. *Annual Inspection.* Landlord may conduct inspections with Tenant of the Premises to ascertain the condition thereof and Tenant's compliance with the requirements of this Lease, and to identify repairs Tenant is required to complete and to determine the timeline for their completion.

18. Existing Improvements.

- a. Tenant acknowledges that it has fully inspected the Premises, and on the basis of such inspections, Tenant hereby accepts the Premises, as is, as suitable for the purposes for which the same are leased.
- b. Tenant shall not remove improvements installed by Tenant from the Premises unless Landlord otherwise agrees in writing.

19. Public Authority and Legal Compliance. During the term of this Lease, Tenant shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of state, county, and city governments and of all other governmental authorities affecting the Property or appurtenances thereto, whether the same are in force at the commencement of this Lease or may, in the future, be passed, enacted or directed, and Tenant will pay all costs, expenses, liabilities, losses, damage, fines, penalties, claims and demands, including reasonable counsel and expert and consulting fees, that may, in any manner, arise out of or be imposed because of the failure of Tenant to comply with the covenants of this section. Tenant and its licensees and invitees shall comply with and abide by all federal, state, and county laws and ordinances in connection with the occupancy and use of the Premises. Tenant and its licensees and invitees may not possess, or consume alcoholic beverages on the Premises unless they are of legal age. No alcoholic beverages shall be sold upon the Premises unless 1) proper licenses have been obtained by Tenant and 2) approval from Landlord. No illegal drugs or controlled substances (unless specifically prescribed by a physician for a specific person occupying or present upon the Premises) shall be permitted upon the Premises. Tenant hereby covenants and agrees to use its reasonable efforts to prevent and preclude its employees, guests, invitees, etc. from the aforementioned illegal conduct. Tenant and its licensees and invitees shall not use the Premises in any way that may result in an increase of the rate or cost to the Landlord to insure the Property. No hazardous or dangerous activities are permitted upon the Premises or on the Property.

20. Additional Prohibitions. Neither Tenant nor its licensees, volunteers, employees, guests, or invitees shall act in any manner that would interfere with, or be a nuisance to, other users of the Property, or adjacent property owners or that would interfere with those other parties' quiet enjoyment of their premises. Said prohibition includes, but is not limited to,

unreasonably loud noises, loud music, noxious or unpleasant odors, and disruptive behavior or actions. Tenant shall not permit any portion of the Premises to be used in a manner that may endanger the person or property of Landlord, parties accessing the Property or any person living on or near the Premises or Property. Tenant shall keep all portions of the Premises in a clean, safe, and sanitary condition.

21. Storage/Trash. Tenant shall store all personal property entirely within the Premises without written approval from Landlord. Tenant shall store all trash and refuse in adequate containers within the Premises, which Tenant shall maintain in a neat and clean condition, or so as not to be visible to members of the public in, or about the Property, and so as not to create any health or fire hazard.

22. Indemnity and Insurance.

- a. *General Indemnification:* Tenant shall indemnify Landlord and its trustees, agents and employees for any and all liability, claims, demands, damage, penalties, judgments, and costs and expenses of every kind and nature (including consequential and punitive damages) arising from injury to person (including death) or property sustained by any one in and about either the Premises or from Tenant's business due to the acts or omissions of Tenant. Tenant further agrees to indemnify and hold harmless Landlord against any and all claims, debts, demands, and obligations, which may be made against Landlord or against Landlord's title in the Property, arising out of, or in connection with, any alleged act or omission of Tenant or any person claiming under, by and through Tenant. Tenant shall further indemnify Landlord and its officers, directors, managers, members, and employees from and against any and all costs, counsel and expert and consulting fees incurred in connection with the foregoing indemnification obligations, and any necessary enforcement thereof.
- b. *Negligent Damages:* Tenant shall be responsible for and reimburse Landlord for any and all damages to the Premises or Property and persons and property therein caused by the negligent, grossly negligent, reckless, or intentional acts of itself, its employees, agents, invitees, licensees, sublessees, or contractors.
- c. *Liability Indemnification/Insurance:* Tenant shall hold Landlord, Landlord's agents, and their respective successors and assigns, harmless and indemnified from all injury, loss, claims, or damage to any person or property while on the Premises, or any other part of the Property, or arising in any way out of Tenant's business, which is occasioned by a negligent, intentional, or reckless act, or omission of Tenant, its employees, agents, invitees, licensees, sublessees, or contractors. Tenant shall maintain public liability insurance insuring Landlord and Landlord's agents, as their interest may appear, against all claims, demands, or actions for injury to or death in an amount of not less than one million dollars (\$1,000,000) arising out of any one occurrence, made by, or on behalf of any person, firm, or corporation, arising from, related to, or connected with the conduct and operation of Tenant's business, including, but not limited to, events on the Premises and anywhere upon the Property, including appropriate cost of defense provisions for the benefit of Landlord. Tenant shall also obtain coverage in the amount of one million dollars (\$1,000,000) per occurrence covering Tenant's contractual liability under the aforesaid indemnification clauses.

- d. *Fire/Hazard/Casualty Insurance:* Tenant shall maintain in force a Fire and Hazard insurance policy on the Premises at all times during the term of this lease in the amount equal to the replacement costs of all improvements located therein. Landlord shall be the sole beneficiary pursuant to the provisions of said policy. Provided however, that Landlord will use up to 100% of said proceeds for the reconstruction or replacement of all damaged improvements or fixtures at Tenant's option. Landlord shall have no obligation to rebuild improvements to the extent that such reconstruction costs exceed the total insurance paid to Landlord. Tenant shall maintain fire, extended coverage, vandalism, and malicious mischief insurance and such other insurance as Tenant may deem prudent, covering all of Tenant's stock in trade, fixtures, furniture, furnishings, floor coverings, and equipment in the Premises.

- e. *Insurance Requirements:* All of Tenant's insurance related to the Premises and the Property shall be in the form and from responsible and well-rated companies satisfactory to Landlord, shall name Montezuma County, the Montezuma County Fairgrounds, the Montezuma County Board of County Commissioners, and Montezuma County's officers and employees as an additional insured thereunder, and shall provide that the insurance will not be subject to cancellation, termination, or change except after at least thirty (30) days prior written notice to Landlord. The policies or duly executed certificates for such insurance shall be provided to Landlord prior to commencement of Term and upon request of Landlord.

- f. *Waiver of Subrogation.* Each party hereto hereby waives any and every claim which arises or may arise in its favor and against the other party hereto during the Term for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Property, which loss or damage is covered by valid and collectible insurance policies, to the extent that such loss or damage is recoverable under such policies. Said mutual waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss or damage to property of the parties hereto. Inasmuch as the said waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), each party hereto agrees immediately to give each insurance company which has issued to it policies of insurance, written notice of the terms of said mutual waivers, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers, so long as such endorsement is available at a reasonable cost.. Each party hereto hereby waives any and every claim which arises or may arise in its favor and against the other party hereto during the Term for any and all loss of, or damage to, any of its property located within or upon, or constituting a part of, the Leased Property, which loss or damage is covered by valid and collectible insurance policies, to the extent that such loss or damage is recoverable under such policies. Said mutual waiver shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss or damage to property of the parties hereto. Inasmuch as the said waivers will preclude the assignment of any aforesaid claim

by way of subrogation (or otherwise) to an insurance company (or any other person), each party hereto agrees immediately to give each insurance company which has issued to it policies of insurance, written notice of the terms of said mutual waivers, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

- g. *Waiver of Liability:* Landlord will not be responsible or liable for any damage or injury to any property, fixtures, building or other improvements, or to any person or persons, at any time on the Premises. Landlord and Landlord's agents and employees shall not be liable for, and Tenant waives all claims for, damage to property sustained by Tenant, its employees, agents or contractors, or any other person claiming through Tenant, resulting from any accident in or upon the Premises or the Property of which they shall be a part. Notwithstanding the foregoing, Landlord will repair any existing improvements described within the Premises if they are damaged either intentionally or through the negligence of Landlord, or Landlord's employees, agents or contractors.
 - h. *Third-Party Liability:* Landlord shall not be liable to Tenant for any damage by or from any act or negligence by any owner or occupant of adjoining or contiguous property. Landlord shall not be liable for any injury or damage to persons or property resulting in whole or in part from the criminal activities of others. To the extent not covered by normal fire and extended coverage insurance, Tenant agrees to pay for all damage to the Improvements.
 - i. *Indemnification Fees and Costs:* In case any claim, demand, action, or proceeding is made or brought against Landlord, its agents, or employees, by reason of any obligation on Tenant's part to be performed under the terms of the Lease or arising from any act of negligence of Tenant or its agents or employees, or which gives rise to Tenant's obligation to indemnify Landlord, Tenant shall be responsible for all costs and expenses, including, but not limited to, reasonable attorneys' fees incurred in defending or prosecution of the same, as applicable.
23. Lease Not Assignable. Except as provided herein, Tenant may not assign this Lease or sublease the Premises, or any part thereof, without first obtaining the written consent of Landlord, which may be withheld in its sole discretion. As a condition of assignment, Landlord may require the continued liability of Tenant or a separate personal guaranty by Tenant or its principal. If Tenant is a corporation, limited liability company, or other entity that is not a natural person, any change in ownership, or part ownership (over any period) of the ownership interest shall be deemed an assignment of the Lease. In the event an assignment is permitted, all payments from assignee shall be made directly by said party to Landlord, and not through Tenant.
24. Waste/Rubbish Removal. Tenant shall not lay waste to the Premises. Tenant shall not perform any action or practice that may injure the Premises or Property. Tenant shall keep the Premises free and clear of all debris, garbage, and rubbish. Unless otherwise provided for in the Lease, Tenant shall be responsible for contracting for and paying for trash,

biological waste, and debris removal required by Tenant's use of the Premises.

25. Tenant's Duty to Maintain and Repair. During the Lease Term, Tenant will maintain, or cause to be maintained, the Premises and any buildings, structures, facilities, improvements and appurtenances erected on the Property, in a good state of repair, and in a good, clean, healthful and safe order and condition all in accordance with applicable laws. Tenant is responsible for all repair and maintenance of the Premises and Tenant shall, at Tenant's sole cost and expense, maintain the Premises, and along with appurtenances belonging thereto installed for the use or used in connection with the Premises (and including the foundation, exterior walls, and roof of the Improvements). Tenant shall, at Tenant's own expense, make as and when needed all repairs to the Premises and to all such equipment, fixtures, appliances, and appurtenances necessary to keep the same in good order and condition. Tenant repairs shall include all replacements, renewals, alterations, and betterments (the "Tenant Repairs"). All Tenant Repairs shall be equal or better in quality and class to the original work. In the event Tenant fails to complete Tenant Repairs within a reasonable time as specified in a written notice from Landlord, Landlord may complete Tenant Repairs and bill Tenant for such work.

26. Tenant Improvements: If Tenant wishes to construct or install additional improvements within the Premises for the purposes allowed by this Lease, Tenant must obtain Landlord's written authorization and approval in prior to the commencement of any construction. Tenant shall be responsible for obtaining all necessary governmental approvals and permits for any such improvements and Tenant's failure to do so shall be an event of default under this Lease. Unless otherwise provided, Tenant shall be solely responsible for any and all improvements and alterations within the Premises necessary for Tenant's intended use of the Premises (the "Tenant Work").

27. Improvements/Prior Landlord Consent: Tenant agrees to submit to Landlord complete plans and specifications, including engineering, mechanical, and electrical work covering any and all contemplated Tenant Work, if applicable, and any subsequent improvements or alterations of the Premises. The plans and specifications shall be in such detail as Landlord may require, and in compliance with all applicable statutes, ordinances, regulations, and codes. As soon as reasonably feasible thereafter, Landlord shall notify Tenant of any failures of Tenant's plans to meet with Landlord's approval. Tenant shall cause Tenant's plans to be revised to the extent necessary to obtain Landlord's approval. Tenant shall not commence any Tenant Work, or any other improvements, or alterations of Premises until Landlord has approved Tenant's plans.

28. Tenant Work and Repairs/Compliance with Codes/Mechanic Liens: Tenant shall procure all necessary permits before undertaking Tenant Work or Tenant Repairs. Tenant shall perform all Tenant Work or Tenant Repairs in a good and workmanlike manner. Tenant shall use materials of good quality and perform Tenant Work or Tenant Repairs only with contractors previously approved of in writing by Landlord. Tenant

shall comply with all laws, ordinances, and regulations, including, but not limited to, building, health, fire, and safety codes. Tenant hereby agrees to hold Landlord and Landlord's agents harmless and indemnified from all injury, loss, claims, or damage to any person or property (including the cost for defending against the foregoing) occasioned by, or growing out of Tenant Work or Tenant Repairs. Tenant shall promptly pay when due the entire cost of any Tenant Work or Tenant Repairs on the Premises undertaken by Tenant, so that the Premises shall at all times be free of liens for labor and materials. Tenant hereby agrees to indemnify, defend, and hold Landlord harmless of and from all liability, loss, damages, costs, or expenses, including reasonable attorneys' fees, incurred in connection with any claims of any nature whatsoever for work performed for, or materials, or supplies furnished to Tenant, including lien claims of laborers, materialmen, or others. Should any such liens be filed or recorded against the Premises or the Improvements with respect to work done for, or materials supplied to, or on behalf of Tenant, or should any action affecting the title thereto be commenced, Tenant shall cause such liens to be released of record within five (5) days after notice thereof. If Tenant desires to contest any such claim of lien, Tenant shall nonetheless cause such lien to be released of record by the posting of adequate security with a court of competent jurisdiction as may be provided by Colorado's mechanic's lien statutes. If Tenant shall be in default in paying any charge for which such mechanic's lien or suit to foreclose such lien has been recorded or filed and shall not have caused the lien to be released as aforesaid, Landlord may (but without being required to do so) pay such lien or claim and any associated costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due from Tenant to Landlord.

29. Default and Early Termination Events.

- a. Upon the happening of any one (1) or more of the following events, Landlord may give notice to Tenant terminating this Lease if such default is not cured within 15 days or such other period as may be specified below.
 - i. The failure of Tenant to timely and fully pay an installment of rent, or other charge or money obligation required to be paid by Tenant.
 - ii. The making by Tenant of an assignment for the benefit of its creditors.
 - iii. The levying of a writ of execution or attachment or tax lien on or against the personal property of Tenant within the Premises if the same is not released or discharged within sixty (60) days thereafter.
 - iv. The doing, or permitting to be done, by Tenant of any act which creates a tax lien, or claim therefore against either the Premises or the Property.
 - v. The failure of Tenant to perform or to commence performance (and thereafter

diligently pursue performance) any one or more of its other terms or provisions under this Lease within thirty (30) days after written notice to Tenant specifying the term or provision Tenant has not performed.

- b. Notwithstanding any such termination, Tenant will remain liable to Landlord for all obligations under this Lease.
- c. No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenants, provisions or conditions will operate as a waiver of the Landlord's rights in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect such continuing or subsequent default or breach, and no waiver will be inferred from or implied by anything done or omitted by the Landlord save only express waiver in writing. All rights and remedies of the Landlord in this Lease contained will be cumulative and not alternative.

30. Remedies of Landlord.

If an event default occurs, the Landlord will have the following rights and remedies in addition to all other remedies at law or equity, and none and none of the following, whether or not exercised by the Landlord, will preclude the exercise of any other right or remedy:

Landlord may terminate this Lease by giving the Tenant notice in writing, and upon the giving of such notice, this Lease and the term hereof as well as all the right, title and interest of the Tenant under this Lease will wholly cease and expire in the same manner and with the same force and effect on the date specified in such notice as if such date were the expiration date of the Lease Term, without the necessity of re-entry or any other act by Landlord. Upon termination the Tenant will quit and surrender to Landlord the Premises, and all improvements thereon. If this Lease is so terminated, the Landlord will be entitled to recover from the Tenant as damages any unpaid balance of the rental installment due for the year in which termination occurs.

Landlord may, without demand, or notice, re-enter and take possession of the Premises or any part thereof, repossess the same and expel the Tenant and those claiming through or under the Tenant, and remove the effects of any and all such persons, in compliance with Colorado law, and without prejudice to any remedies for arrears of rent or preceding breach of covenants.

Landlord shall be entitled to recover from Tenant all attorney's fees and costs that Landlord may incur in enforcing any provisions of this Lease.

If Tenant defaults in making any payment required to be made by the Tenant (other than payments of rent) or defaults in performing any other obligations of the Tenant under this

Lease, the Landlord may, but will not be obligated to, make such payment or, on behalf of the Tenant, expend such sum as may be necessary to perform such obligations. All sums so expended by the Landlord, plus interest at 18% per year, will be repaid by the Tenant to the Landlord on demand. No such payment or expenditure by the Landlord will be deemed a waiver of the Tenant's default nor will it affect any other remedy of the Landlord by reason of such default.

31. Holding Over. If the Tenant continues to occupy and continues to pay rent for the Property after the expiration of this Lease with or without the consent of the Landlord, and without any further written agreement, the Tenant will be a tenant from month to month, and subject to all of the additional rentals, terms and conditions herein set out except the expiration of the Term.

32. Surrender of Premises. Tenant will return the Premises to Landlord at the expiration of the Term in as good order and repair as when Tenant took possession, loss by casualty and normal wear and tear excepted. Any deterioration or damage caused by accident, abuse, carelessness, or negligence shall not be considered normal wear and tear. In the event that Tenant fails to redeliver the Premises in appropriate condition, Landlord may restore the Premises to appropriate condition, including repair, replacement, and cleaning and Tenant shall be obliged to pay the cost of such restoration.

33. Notice.

Any notice, request, statement or other writing pursuant to this Lease must be delivered as follows:

ADDRESS OR EMAIL

Any party may, with written consent of both Landlord and Tenant, by notice to the other, from time to time, designate another address in the United States to which notices mailed more than ten (10) days thereafter will be addressed.

34. Governing Law. The validity, construction, interpretation, and enforceability of this Lease shall be determined and governed by the laws of the State of Colorado, regardless of Colorado's choice of Law rules. Venue shall be proper only in Montezuma County, Colorado for any litigation by either party under this Lease.

35. Attorney Fees and Costs. In the event Tenant or Landlord fails to perform any of its obligations under the Lease, or in the event a dispute arises concerning the meaning or interpretation of any provision of the Lease, if Tenant is the defaulting party not prevailing in such dispute, shall pay any and all costs and expenses incurred by Landlord in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

36. Entire Agreement. Each party acknowledges that there are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease save expressly set out in the Lease constitute the entire agreement between the Landlord and the Tenant and may not be amended or modified except as explicitly provided or except by subsequent agreement in writing signed by the parties.

SIGNATURE LINES AND DATES