

PARKING SPACE LEASE- Short-Term Covered

THIS PARKING SPACE LEASE is made between City of Grand Junction/Downtown Development Authority (“DDA”) (Landlord), and TP Acoustics (Tenant).

1. Defined Terms. As used in this Lease, the following words, terms and phrases shall have the following meanings, unless the context in which any such word, term or phrase is used clearly requires a different meaning.

- a. “Garage” means the parking structure located on the real property commonly known as Rood Ave Parking Garage and legally described as:

Lot 1 of Rood Avenue Parking Plaza

- b. “Leased Premises” means the real property legally described as:

Space # 259, Rood Avenue Parking Plaza

2. Term. The term of this Lease shall commence at 7:00 A.M. on 3/7/2011 (“Commencement Date”) and shall end with 30 days written notice by Tenant or Landlord (Term).

3. Rent. Tenant agrees to pay rent to Landlord for the Leased Premises, without deduction or setoff, in the amount of sixty Dollars (\$ 60) per parking space per month (i.e., sixty Dollars (\$ 60) per month for all 1 (one) parking spaces Leased hereby), and payable in advance on or before the 1st day of each full calendar month of the Term beginning with the Commencement Date.

4. Adjustments to Rent. Landlord may change the rent provided for in paragraph 3, above, at any time during the Term by giving Tenant no less than thirty (30) days prior written notice. Anything in this agreement to the contrary notwithstanding, changes in the rent made pursuant to this paragraph 4 shall not require written amendment of this Lease and shall be deemed effective upon Tenant’s receipt of Landlord’s written notice.

5. Tenant’s Rights. In consideration of the obligation of Tenant to pay rent as herein provided, and in consideration of the other terms, provisions and covenants of this Lease, Landlord leases to Tenant, and Tenant accepts from Landlord, **“AS IS, WHERE IS AND WITH ALL FAULTS,”** and subject to the provisions of paragraph 11, below:

- a. the exclusive right to use the Leased Premises during the hours between 6:00 A.M. through 6:00 P.M., Monday through Friday;
- b. the non-exclusive right to use the Leased Premises between the hours of 6:00 P.M. and 6:00 A.M. Monday through Friday, and all day Saturday and Sunday; and
- c. the non-exclusive right to use, for vehicular and pedestrian access purposes, and in common with the general public, the driveways, ramps, lanes, walkways, elevators, stairways and corridors in the Garage providing vehicular and pedestrian access to the Leased Premises.

The Leased Premises shall be used only for the purpose of parking and exclusively by natural persons representing Tenant, Tenant's directors, officers, agents, principals, employees, patrons, guests or invitees (collectively, "Tenant's Parking Users"). This Lease gives Tenant's Parking Users rights that may be enjoyed by Tenant's Parking Users, but Tenant's Parking Users do not themselves have rights under this Lease against Landlord and Tenant's Parking Users do not have the right to enforce any provision of this Lease. Nothing in this Lease is intended, or shall be deemed, to limit the right of Tenant or Tenant's Parking Users, as members of the general public, to park in the public parking portions of the Garage upon payment of the parking fees or charges then applicable to users of such public parking. Nothing in this Lease gives Tenant any rights with respect to the use of parking spaces in the Garage other than the Leased Premises.

6. Unauthorized Parking. Tenant shall be responsible for unauthorized vehicles parked on the Leased Premises between the hours of 6:00 A.M. to 6:00 P.M., Monday through Friday. Landlord shall be responsible for unauthorized vehicles parked on the Leased Premises at all other times.

7. Security and Damage to Property. No security shall be provided by Landlord at the Leased Premises. Tenant acknowledges that Landlord has no obligation to provide security at the Leased Premises nor to protect any person using the Garage, including Tenant's Parking Users, nor any vehicles or other property in the Garage, from criminal activities. Vehicles are parked, and any articles they contain are left, at the vehicle owner or operator's sole risk. Tenant acknowledges and agrees that Landlord does not and will not accept any vehicles or property in bailment or for safekeeping, nor shall Landlord be responsible for any loss or damage to any vehicle or its contents for any reason, including, without limitation, fire, vandalism, or theft, nor for loss, damage or injury by or to Tenant's Parking Users or any other individual for personal injury of any nature. If Tenant, or Tenant's Parking Users, damages any personal property in the Garage, or damages any part of the Garage itself, in addition to any liability Tenant may have for any claims, damages, including property damage and loss of use of property, losses, fines or penalties, including all related costs, expenses, and reasonable attorneys' fees, arising out of such

damage, Landlord may terminate this Lease and refuse to permit Tenant or any of Tenant's Parking Users from parking in the Garage.

8. Real Property Taxes and Utility Charges. Landlord shall pay all real property taxes assessed or levied against the Leased Premises, if any, in full, and shall pay all utility charges incurred in connection with the operation of the Leased Premises.

9. Maintenance. Landlord shall keep and maintain the Leased Premises in good and clean order and repair, including but not limited to the interior, exterior, foundations, floors, walls, and ceilings thereof. Provided, however, that if any damages to the Garage, or the Leased Premises is caused, in whole or in part, by any act or omission, neglect, or wrongdoing of Tenant, or Tenant's Parking Users, Tenant shall, at Landlord's option, repair such damage at Tenant's expense or pay Landlord the reasonable cost of repairing the damage. Landlord shall determine the necessity for all maintenance of the Leased Premises in a commercially reasonable manner being cognizant of all safety issues related to the use of the Leased Premises as a parking structure. Tenant shall take good care of the Leased Premises and its fixtures and suffer no waste.

10. Alterations and Liens. Tenant shall not make any alterations, additions or improvements to the Leased Premises without the prior written consent of Landlord. Any alterations made by Tenant will be paid for solely by Tenant. Tenant shall not allow any lien or encumbrance of any kind or nature whatsoever upon, or in any manner to bind the interest of Landlord in the Leased Premises, or to charge the rentals payable hereunder for any claim in favor of any person dealing with Tenant, including those who may furnish materials or perform labor upon the Leased Premises. Tenant shall hold Landlord harmless from any and all claims, losses, liabilities, or damages, including Landlord's reasonable attorneys' fees, based or arising out of asserted claims or liens against Tenant's interest in the Leased Premises. Should any mechanic's lien be filed which Tenant wishes to contest, then Tenant shall have the right to defend the claim in the name of Landlord so long as Tenant posts bond, with corporate surety, for release of the lien against the Leased Premises or deposit cash in escrow in an amount equal to the claim. At the termination of this Lease, Tenant shall deliver and relinquish to Landlord all alterations, additions and improvements together with the Leased Premises.

11. Use. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Leased Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in, upon or connected with the Leased Premises, all at Tenant's sole expense. Without Landlord's prior written consent, Tenant shall not receive, store or otherwise handle any product, material or merchandise which is explosive or highly flammable. Tenant shall not, without Landlord's prior written consent, install, affix or use any sign or other advertising or identifying media on or within the Leased Premises. Further, Tenant acknowledges and agrees that the City of Grand Junction (City) is part owner of the Garage and that the City sponsors certain events open to the

general public throughout the year. Tenant's rights to the Leased Premises shall be subject to the right of the general public to park on the Leased Premises during any City-sponsored event, and during the hour before and after any such event, held in the downtown Grand Junction, Colorado area. City-sponsored events include, but are not limited to, the following: the Tree Lighting, the Parade of Lights/Winter Festival, Cinco de Mayo, the Art and Jazz Festival, the Farmer's Market Festival (Thursday evenings through the summer), the Independence Day Parade, the Downtown Car Show, and Oktoberfest. Use of the Leased Premises by the public before, during, and after a City-sponsored event shall not constitute a taking of the Leased Premises, either in whole or in part, for public use pursuant to paragraph 15, below.

12. Compliance with Laws and Rules. Tenant shall comply with and require Tenant's Parking Users to comply with all federal, state and local laws and ordinances, regulations, and Landlord's rules and directions relating to its use of the Leased Premises. Landlord reserves the right to adopt, modify and enforce reasonable rules governing the use of the Leased Premises from time to time, including, without limitation, to require the use of any key-card, sticker or other identification or entrance system (collectively, the Rules), and by entering into this Lease, Tenant agrees to comply with and be bound by such Rules and to cause all of Tenant's Parking Users to comply with such Rules at all times. Landlord may refuse to permit any person who violates the Rules, including any of Tenant's Parking Users, to park in the Garage or on the Leased Premises, and the vehicle driven by any of Tenant's Parking Users so violating the Rules may be removed from the Garage by Landlord at Tenant's expense.

13. Towing. The parties agree that Landlord shall have the right, without any notice to Tenant or Tenant's Parking Users, to tow or have towed any vehicle that is parked in the Garage illegally or in violation of any Rules.

14. Inspection. Landlord and Landlord's agents and representatives shall have the right to enter and inspect the Leased Premises at any time during reasonable business hours for the purpose of ascertaining the condition of the Leased Premises.

15. Condemnation.

- a. If the whole or any substantial part of the Leased Premises should be taken for any public or quasi-public use under governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu thereof, except as otherwise provided in paragraph 15(b), this Lease shall terminate and the Rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of the Leased Premises shall occur.
- b. If less than a substantial part of the Leased Premises shall be taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or by private purchase in lieu

thereof, this Lease shall not terminate but the Rent payable hereunder during the unexpired portion of this Lease shall be reduced to such extent as may be fair and reasonable under all the circumstances.

- c. In the event of any such taking or private purchase in lieu thereof, Landlord and Tenant shall be entitled to receive and retain such separate awards and/or portion of lump sum awards as may be allocated to their respective interests in any condemnation proceedings.

16. Quiet Enjoyment. Landlord covenants that Landlord now has good and merchantable title to the Leased Premises. Landlord represents and warrants that Landlord has full right and authority to enter into this Lease and that Tenant, upon paying the rental set forth and performing the other covenants and agreements set forth, shall peaceably and quietly have, hold and enjoy the Leased Premises for the Term without hindrance or molestation from Landlord or any person or entity, subject to the terms and provisions of this Lease.

17. Assignment and Subletting. Tenant shall not have the right to assign or sublet the whole or any part of the Leased Premises without the prior written consent of Landlord, which consent Landlord will not unreasonably withhold. Even if any assignment or subletting is allowed by Landlord, Tenant shall at all times remain fully responsible and liable for the payment of Rent due and for compliance with all of their other obligations under the terms, provisions and covenants of this Lease unless Landlord releases Tenant by a duly executed release. Upon the occurrence of an Event of Default as defined in paragraph 19, if the Leased Premises or any part of the Leased Premises are then sublet, Landlord, in addition to any other remedies provided, or provided by law, may at Landlord's option collect directly from such subtenant all rents becoming due to Tenant under such sublease and apply such rent against any sums due to Landlord from Tenant hereunder, and no such collection shall be construed to constitute a novation or a release of Tenant from the further performance of all obligations hereunder. Landlord shall have the right to assign any right under this Lease.

18. Liability and Insurance. Tenant agrees to pay, indemnify and hold Landlord harmless from all claims, damages, including property damage and loss of use of property, losses, fines or penalties, including all related costs, expenses, and reasonable attorneys' fees occurring by reason of any injury to any person or property occasioned by an act or omission, neglect, or wrongdoing of Tenant or Tenant's Parking Users, and will, at its own cost and expense, defend, indemnify and protect Landlord against all such claims or damages which may have arisen, in whole or in part, from Tenant or Tenant's Parking User's use or occupancy of the Leased Premises. Tenant waives on behalf of its insurance carriers all rights to hold Landlord liable for any claims, damages, including property damage and loss of use of property, losses, fines or penalties, including all related costs, expenses, and reasonable attorneys' fees, by way of subrogation or otherwise, if and to the extent that such claims are covered by insurance. Tenant shall be solely responsible for securing, at its own cost and expense, whatever insurance

coverage it may desire on the contents of the Leased Premises, including automobile insurance as required by Colorado law. Landlord does not waive any right of subrogation or any right of recovery for damages by Landlord's property insurance coverage.

19. Events of Default. The following events shall be deemed to be events of default by Tenant under this Lease (AEvents of Default@):

- a. Tenant shall fail to pay any installment of the Rent hereby reserved when due, and such failure shall continue for a period of ten (10) days from the date such Rent was due. In the event Tenant fails to pay any installment of rent as and when due, Tenant shall pay to Landlord on demand a late charge of Twenty-five Dollars (\$25.00). The failure to pay such demand within twenty (20) days after the demand shall be an additional Event of Default hereunder;
- b. Tenant shall become insolvent, or shall make a transfer in fraud or creditors, or shall make an assignment for the benefit of creditors;
- c. A receiver or trustee shall be appointed for all or substantially all of the assets of Tenant;
- d. Tenant shall desert or vacate the Leased Premises;
- e. Tenant shall fail to comply with any term, provision or covenant of this Lease (other than the foregoing in this paragraph 19), and shall not cure such failure within thirty (30) days after written notice thereof to Tenant; and
- f. Tenant or Tenant's Parking Users fails to comply with the Rules.

20. Remedies. Upon the occurrence of any Events of Default, Landlord shall have the right to enforce the terms of this Lease by any action at law or in equity, including an action for specific performance or injunctive relief, or by doing any or all of the following, without notice or prejudice to any other remedy Landlord may have at law or in equity:

- a. Remove from the Garage, at Tenant's expense, any vehicles parked under this Lease, without liability therefor whatsoever;
- b. Terminate this Lease, in which event Tenant shall immediately surrender the Leased Premises to Landlord;
- c. Enter upon and take possession of the Leased Premises and expel or remove Tenant and any other person who may be occupying such Leased Premises or

any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor; or

- d. Landlord may rent the Leased Premises and receive the rent therefor. In which case, Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such re-letting; or
- e. Enter upon the Leased Premises by force if necessary without being liable for prosecution or any claim for damages therefor, and do whatever Tenant is obligated to do under the terms and conditions of this Lease.

Regardless of which of the above remedies are chosen by Landlord, Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of Tenant's default or Landlord's efforts to remedy such default as provided in this Paragraph 20, whether through inability to re-let the Leased Premises on satisfactory terms or for any other reason. Termination of this Lease shall not relieve or release Tenant from liability for unaccrued monthly installments of rent due for the remainder of the Term and Tenant shall continue to be liable for such unaccrued rent without any notice or demand whatsoever. Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from any remedial action taken pursuant to this Paragraph 20, whether caused by the negligence of Landlord or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reasons of the violation of any of the terms, provisions and covenants herein contained. No waiver by Landlord of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. Landlord's acceptance of the payment of rental or other payments hereunder after the occurrence of any Events of Default shall not be construed as a waiver of such default unless Landlord so notifies Tenant in writing. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default. If, on account of any breach or default by Tenant in Tenant's obligations under the terms and conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney concerning or to enforce or defend any of Landlord's rights or remedies hereunder, Tenant agrees to pay Landlord's reasonable attorneys' fees. No act or thing done by Landlord or Landlord's agents during the Term of this Lease shall be deemed an acceptance of the surrender of the Leased Premises, and no agreement to accept a surrender of said Leased Premises shall be valid unless in writing signed by Landlord. The receipt by Landlord of Rent with knowledge of the breach of any covenant or other provision contained in this Lease shall not be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained herein.

21. Termination and Surrender. Upon expiration of the Term, or earlier termination of this Lease, as provided herein, Tenant shall quit and surrender the Leased Premises to Landlord, together with all improvements thereon, free of all tenancies and any leasehold rights. If the Leased Premises are not surrendered by Tenant as and when required by this Lease, Tenant shall indemnify and hold Landlord harmless from and against all claims, damages, including property damage and loss of use of property, losses, fines or penalties, including all related costs, expenses, and reasonable attorneys' fees, resulting from the delay by Tenant in so surrendering the Leased Premises. Either Landlord or Tenant may terminate this Lease, with or without cause, upon thirty (30) day= notice to the other party without recourse. In the event of termination as provided in this paragraph 21, a copy of the notice will be provided to the City of Grand Junction at the same time the notice is provided to either Landlord or Tenant as the case may be. Tenant's obligations under this paragraph shall survive the expiration or earlier termination of this Lease.

22. Holding Over. Should Tenant, or any of Tenant's successors in interest, hold over the Leased Premises, or any part thereof, after the expiration of the Term of this Lease, unless otherwise agreed in writing, such holding over shall constitute and be construed as tenancy from month to month only at a rental equal to one hundred and fifty percent (150%) of the rental payable for the last month of the Term of this Lease. The inclusion of the preceding sentence shall not be construed as Landlord's permission for Tenant to hold over.

23. Notice. Each provision of this Lease or of any applicable governmental laws, ordinances, regulations and other requirements with reference to the sending, mailing or delivery of any notice or the making of any payment by Landlord to Tenant or with reference to the sending, mailing or delivery of any notice or the making of any payment by Tenant to Landlord shall be deemed to be complied with when and if the following steps are taken:

- a. All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to City of Grand Junction at the address set forth below or at such other address as Landlord may specify from time to time by written notice.
- b. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States mail, postage prepaid, certified or registered mail, addressed to the parties at the respective addresses set forth below, or at such other address as they have specified by written notice:

Landlord:

City of Grand Junction/DDA
250 N. 5th Street

Tenant:

TP Acoustics
357 Bonny 81501

24. Miscellaneous.

- a. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.
- b. The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and upon their respective heirs, legal representatives, successors and permitted assignees, except as otherwise herein expressly provided.
- c. The captions are inserted in this Lease for convenience only and in no way define, limit, or describe the scope or intent of this Lease, or any provision hereof, nor in any way affect the interpretation of this Lease.
- d. Tenant agrees, within thirty (30) days after request of Landlord, to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this Lease is in full force and effect, the date to which Rent has been paid, the unexpired term of this Lease and such other matters pertaining to this Lease as may be reasonably requested by Landlord.
- e. This Lease constitutes the entire agreement of the parties, and there are no representations, inducements or other provisions other than those expressed herein. This Lease may be amended in the future; however, all amendments, changes, additions or deletions to must be in writing and signed by all parties.
- f. If any clause or provision of this Lease is subsequently determined to be illegal, invalid or unenforceable under present or future laws, then it is the intention of the parties hereto that the other terms and provisions of this Lease shall not be affected thereby.
- g. Neither the method of computation of Rent nor any other provisions contained herein, nor any act of the parties hereunder, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

- h. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado. Venue for all actions connected herewith shall be in Mesa County, State of Colorado.
- i. The Lease may be executed in counterparts and facsimile (970-256-4153) signatures will be accepted as original signatures.

EXECUTED this 7 day of March, 2011

LANDLORD:

City of Grand Junction/DDA

By Scott Hockins, City of Grand Junction

Scott Hockins

TENANT:

TP Acoustics

X [Signature] 3-7-11

LANDLORD'S PARKING GARAGE RULES

1. Parking spaces may only be used for parking automobiles capable of legally driving on the public highways and streets in the State of Colorado.
2. All vehicles must be parked entirely within the stall lines painted on the floor, and only small cars may be parked in areas reserved for small cars.
3. All directional signs and arrows must be observed.
4. The speed limit shall be 5 miles per hour unless otherwise posted.
5. Spaces reserved for handicapped parking must be used only by properly designated vehicles.
6. Parking is prohibited in all areas not expressly designated for parking, including, without limitation:
 - a. areas not striped for parking;
 - b. aisles;
 - c. areas with posted "No Parking" signs; and
 - d. ramps.
7. Garage attendants or managers are not permitted to make or allow any exceptions to these Rules.
8. Every person parking a vehicle in the Garage is responsible to lock the vehicle. Landlord is not responsible for any damage to any vehicle, theft of any contents, or for any other injury to a vehicle or parts thereof. Persons parking in the Garage park at their own risk and should govern themselves accordingly.
9. Washing, waxing, cleaning or servicing of any vehicle is prohibited.
10. Landlord may refuse to permit any vehicle to park in the Garage in its sole and absolute discretion in the event that such vehicle has the potential to damage other vehicles in the Garage.
11. Landlord may eject or cause to be ejected from the Garage any person engaging in conducting him/herself in a manner disruptive, abusive or offensive to other patrons at or in the Garage, without incurring any liability to any person as a result.