

LEASED PREMISES MANAGEMENT AGREEMENT

This **LEASED PREMISES MANAGEMENT AGREEMENT** (“**Agreement**”) is made and entered into as of the 31st day of December, 2012, by and among **HEADWATERS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District**”); **GRANBY RANCH AMENITIES, LLC**, a Colorado limited liability company (“**Manager**”) and together with District, the “**Parties**” and each a “**Party**”); and, as to Sections 4.1, 4.2 and 4.3 only, Granby Realty Holdings LLC, a Colorado limited liability company and affiliate of Manager (“**Granby Realty**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements for itself and the Granby Ranch development (“**Granby Ranch**”) and any other area included within the District’s service area from time to time in accordance with a Service Plan dated May 2003 (as amended or restated from time to time, the “**Service Plan**”). A primary interest of the District is to enhance the value of properties within the District’s service area.

B. Pursuant to a Second Amended and Restated Lease Purchase Agreement dated December 31, 2012 (the “**Lease**”), the District is leasing with an option to purchase from Granby Realty (in its capacity as landlord under the Lease, and including its assigns thereunder, the “**Landlord**”) certain Leased Premises as more particularly described therein, but generally including facilities related to downhill skiing and golfing (collectively, the “**Amenities**”) located in the Town of Granby, Colorado. The Amenities are expected to entirely or largely be the same as the “**Leased Premises**” under the Lease.

C. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the business and affairs of the District.

D. The District and Granby Realty have executed an Amenities Management Agreement, as amended (the “**Prior Management Agreement**”), dated as of June 1, 2006 by which Granby Realty agreed to perform certain management services related to the operation and maintenance of the Amenities for the enjoyment of the taxpayers, residents, tenants, occupants, visitors and invitees of Granby Ranch, and to permit the District to fulfill its obligations under the Service Plan, as more particularly described therein.

E. As of November 2012, the District owed Granby Realty approximately \$8.1 million under the Prior Management Agreement and such amount is anticipated to increase in the future.

F. The District and Granby Realty have determined that is not in the interest of the District, or the taxpayers, residents, tenants, occupants, visitors or invitees of Granby Ranch for

the District's financial obligations to Granby Realty to continue increasing under the Prior Management Agreement with uncertain prospect of payment.

G. Granby Realty has agreed to forgive all amounts owed it under the Prior Management Agreement and Manager has agreed to assume the risk of shortfalls of operating the Amenities moving forward in exchange for the potential benefit of receiving profits, if any, generated by the operation of the Amenities.

H. The Manager and the District now desire to enter into this Agreement to provide the terms and provisions by which the Manager will provide certain services described herein (the "**Management Services**").

I. Pursuant to Section 32-1-1001(1)(d)(II), C.R.S., the District has published a notice for bids for the services contemplated herein and has determined that Manager has submitted the lowest responsible and responsive bid.

J. Employees and consultants of the Manager and its affiliates which serve on the board of directors of the District have advised the District that they have each disclosed potential conflicts of interest in connection with this Agreement as required by law.

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. ENGAGEMENT OF MANAGER

1.1 ENGAGEMENT OF MANAGER. The District hereby retains Manager and Manager agrees to provide the Management Services pursuant to the terms and conditions set forth herein.

1.2 INDEPENDENT CONTRACTOR STATUS. Manager is and shall be considered an independent contractor under this Agreement. Nothing contained in this Agreement shall constitute or designate Manager or any of its employees or agents as employees or agents of the District, nor shall Manager be deemed or considered as a partner or agent of the District, and the Manager shall be responsible for supervising its own employees and subcontractors. Manager shall have full power and authority to select the means, manner and method of performing its duties under this Agreement without detailed control or direction of the District except as set forth in this Agreement. It shall be Manager's responsibility as an independent contractor to pay any and all taxes on payments which it receives under this Agreement and to pay its own costs and expenses incurred in connection with performance of this Agreement. The Manager is not entitled to worker's compensation benefits, and the Manager is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement.

2. DUTIES AND AUTHORITY OF MANAGER

2.1 GENERAL LIMITATIONS AND REQUIREMENTS. Manager shall perform the duties and have the authority specified in Section 2.4 below. Manager shall have no right or authority, express or implied, to take any action, expend any sum, incur an obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District's board meetings.

2.2 COMPLIANCE WITH APPLICABLE LAW. Manager shall provide the Management Services set forth in this Agreement in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency.

2.3 NO RIGHT OR INTEREST IN THE DISTRICT'S ASSETS. Except as provided in this Agreement, Manager shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of or by virtue of this Agreement or the performance of the Management Services contemplated herein, including but not limited to the Amenity Fees (as defined in the Lease), or the District's leasehold interest in the Leased Premises. Notwithstanding the foregoing, the Manager shall have a possessory interest in the Leased Premises during the term of this Agreement for the purposes of performing the Management Services.

2.4 SPECIFIC DUTIES AND AUTHORITY OF MANAGER. Manager shall (or may, if so indicated) perform the following Management Services for the District in connection with the Amenities:

A. General. The Manager shall be responsible for the proper and efficient operation of the Amenities. Except as otherwise specifically provided herein, the Manager shall have discretion and control, free from undue interference and without interruption or disturbance, in matters relating to the reasonable general management, operation and maintenance of the Amenities, including without limitation, the following: setting and collection of rates, fees and charges for use of the Amenities; promotion and public sale of use privileges (including memberships); and generally all activities reasonably necessary for operation of the Amenities. Except for the setting of rates, fees and charges for use of the Amenities, nothing in this Agreement shall impair the District's ability to set rates, tolls, fees, penalties and charges, to impose property taxes or to levy special assessments as authorized by law.

B. Employees and Professionals. During the term of this Agreement, the Manager shall hire, supervise, promote and discharge staff for the Amenities. The Manager shall use reasonable care in the selection of qualified, competent and trustworthy employees for the Amenities. All such employees will be employees of the Manager unless otherwise agreed upon by the District. Manager may retain accountants, lawyers or other professionals in connection with or in furtherance of the performance of Manager's duties hereunder.

C. Operation of Amenities. Subject to the provisions of the Lease, Manager shall negotiate contracts to provide electricity, gas, water, telephone, and any other services as are customarily provided in connection with the maintenance and operation of the Amenities.

The Manager shall execute such agreements in its name and such agreements shall not be binding upon District and Manager shall not make any binding representations with respect to the same, on behalf of District. Manager shall provide all furniture, fixtures, equipment and other materials and supplies necessary to carry on the day-to-day operation of the Amenities. Manager shall at all times operate the Leased Premises properly and in a sound and economical manner; shall maintain, preserve and keep the same properly in good repair, working order and condition; and shall ensure that the Leased Premises are operated in compliance with the Lease.

D. Subleases. Manager shall negotiate lease and concession agreements (collectively, “**Sublease Agreements**”) with respect to any food and beverage services, gift shops and other commercial activities and services within the Leased Premises. The Manager shall have no authority to execute such Agreements, or make any binding representations with respect to the same, on behalf of District. Manager shall supervise the day-to-day operations of all lessees or concessionaires under the Sublease Agreements. All Sublease Agreements shall be subject to the terms, conditions and limitations of the Lease. So long as the Manager is also the Landlord or an entity controlling, controlled by or under common control of the Landlord, the parties agree that this Agreement shall be deemed the Landlord’s prior written consent required by Section 9 of the Lease.

E. Collections/Enforcement. Manager shall have the discretion to institute such legal actions or proceedings as it deems reasonable or necessary to collect dues, charges, rents, fees or other income arising out of the operation of the Amenities (but not including the Amenity Fees as defined in the Lease), or to remove or dispossess guests, licensees, concessionaires or other persons from the Amenities, or to cancel or terminate any contract, agreement, license or lease relating thereto for breach or default.

F. Emergencies. Manager shall do or cause to be done all such acts and things in and about the Leased Premises as shall be reasonable and/or necessary to manage and operate the Amenities, and in the case of an emergency, or unforeseeable shortages of equipment or supplies, or unusual experience with theft or breakage, or if the failure to undertake such action would result in the suspension of operations of the Amenities or would expose District or Manager to the imminent danger of liability other than the payment of fines of less than \$1,000, Manager is authorized to do or cause to be done such acts or things as Manager deems reasonably necessary or appropriate under the circumstances without regard to the limitations set forth in this Agreement.

G. Profits and Losses. Manager shall receive all revenues generated by the Amenities and shall be responsible for paying all expenses of operating the Amenities, including but not limited to the costs of taxes, insurance and maintenance of the Leased Premises. In the event that operating expenses exceed operating revenues, Manager shall be responsible for any shortfall. As consideration for such obligations, to the extent that operating revenues exceed operating expenses, Manager shall be entitled to keep such excess as profits. District shall not pay operating revenues to Manager, and the collection of operating revenues by Manager does not comprise the expenditure of public funds. Rather, operating revenues are payable to Manager directly by members of the public in the general form of fees for services.

H. Books and Records. Because the Operating Revenues are not public funds, District shall have no right to inspect the private and confidential books and records of the private Manager, and such books and records shall not comprise “public records” under the Colorado Open Records Act or any other law and are not intended for public disclosure.

I. Hazardous Substances. Manager shall not allow hazardous substances to be stored on the Leased Premises, and Manager shall not construct or permit to be constructed any underground storage tank. In the event that any hazardous substance or any underground storage tank is discovered at any time in, under or about the Leased Premises or any part(s) thereof, and such hazardous substance or underground storage tank was introduced to the Leased Premises by Manager, its agents, employees or contractors (acting within the scope of their respective agency, employment or contract), Manager shall be in material default of this Agreement and Manager shall, at its expense, properly remove and dispose of and/or remediate any such hazardous substance or underground storage tank so introduced to the Leased Premises by Manager, its employees, agents or contractors. Notwithstanding anything to the contrary in this Section 2.4.I, nothing in this Agreement shall prohibit the storage of reasonable amounts of hazardous substances used in the ordinary course of operating the Amenities.

J. Annual Report. Manager shall annually provide a report (the “**Annual Report**”) no later than December 31 of each year commencing in 2013, in form and substance acceptable to the Parties. The Annual Report shall include the capital plan for the Amenities for the subsequent three-year period, provided that Manager shall not be restricted from making capital improvements Manager deems necessary, and Manager may generally deviate from such plan as Manager deems appropriate provided that such changes do not materially reduce the value of the Leased Premises. The Parties acknowledge and agree that the contents of the Annual Reports are confidential and proprietary information of Manager. The contents of the Annual Reports shall in no event be deemed “public records”. All such information shall remain confidential and proprietary information of Manager. The District shall protect the confidentiality of such information including, if necessary, by appropriate legal action. The release of any Annual Report may be conditioned upon the District’s execution of a confidentiality agreement in form and substance satisfactory to the Manager.

K. Safety Audit. The District may from time to time request that the Manager hire an independent and qualified party, having a favorable reputation for skill and experience, to conduct a safety audit of the Amenities and the adequacy of the Management Services provided as they pertain to issues relating to the health, safety and welfare of the users of the Amenities.

L. Rent. Manager shall pay the District annual rent of \$9,796 for the ski Amenities and of \$5,060 for the golf Amenities (for a total of \$14,856). Rent shall be payable on or before March 31 of each year. Beginning January 1, 2014, the rent shall be adjusted annually as follows:

1. Ski - Percentage change in the number of ski visits compared to the prior calendar year.

2. Golf – Percentage change in the number of golf rounds compared to the prior calendar year.

2.5 GENERAL DUTIES AND AUTHORITY. In connection with its specific duties, Manager agrees to:

A. Prudently conduct the Management Services required by this Agreement, including maintaining insurance as required by Section 7.1 hereof.

B. Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by Manager shall be obligations of Manager which shall hold the District harmless therefrom.

C. Discharge its obligations and exercise its rights hereunder in good faith.

3. DISTRICT REPRESENTATIONS AND OBLIGATIONS

3.1 OPERATION OF AMENITIES. The District represents and warrants to Manager that it has the right, power and authority to enter into this Agreement and grant the rights granted hereunder.

3.2 LICENSES AND PERMITS; CONVEYANCE OF ASSETS AND ASSUMPTION OF LIABILITIES. The Manager and District shall execute applications (including joint applications as necessary) for such licenses, permits or other instruments reasonably necessary or desirable for operation of the Amenities. The District hereby grants and conveys to Manager all of the equipment, fixture and furnishings used in the day-to-day operation of the Amenities (which have an estimated value of approximately \$671,000) and the Manager hereby assumes all of the District's liabilities (other than the Advances) related to the Amenities (such liabilities estimated to total approximately \$970,000). The Parties may execute one or more Bills of Sale related to such transactions.

3.3 GOOD FAITH. The District shall discharge its obligations and exercise its rights hereunder in good faith.

4. AGREEMENTS WITH GRANBY REALTY

4.1 Termination of Prior Management Agreement. By execution of this Agreement, the Prior Management Agreement is terminated and of no further force and effect.

4.2 Forgiveness of Advances. All amounts owed by District to Granby Realty under the Prior Management Agreement, including without limitation the Advances (as defined therein), are hereby cancelled and discharged.

4.3 Purchase of Equipment. If the Lease terminates (other than by non-appropriation or by default of the District), Landlord shall immediately prior to such termination acquire from the Manager, and Manager shall convey to Landlord, all equipment used in the day-to-day operation of the Amenities, priced at the then-current book value of such equipment. Upon acquisition by Landlord, such equipment shall immediately be included in the Leased Premises and shall be acquired by the District pursuant to the terms of the Lease. The Manager acknowledges, however, that it shall receive payment from Landlord for such equipment only if and to the extent that Landlord has been paid in full for all non-equipment components of the Purchase Price.

5. THIRD PARTY AGREEMENTS

5.1 ASSIGNMENT AND ASSUMPTION. The District hereby assigns, transfers and conveys to Manager all of the District's outstanding rights, interests, obligations and benefits under outstanding agreements with third parties related to the operation of the Amenities, including without limitation the Sublease Agreements described in Section 2.4.D. The Manager hereby accepts said assignment, and assumes and shall perform any and all of the District's remaining duties and obligations under such agreements, and shall be entitled to all of the District's outstanding rights and benefits under the agreements. The Parties agree to take all actions reasonably necessary to effectuate such assumption and assignment.

6. DURATION AND TERMINATION

6.1 TERM. Except as provided in this Section 6.1, this Agreement shall be coterminous with the Lease. During the term of the Lease, District may not terminate the Manager except in the following instances: the Manager (i) files a petition or application seeking reorganization, arrangement under federal bankruptcy law, or other debtor relief under the laws of Colorado, (ii) is the subject of such a petition or application which is not contested by Manager, or otherwise dismissed or discharged, within 90 days or (iii) ceases to operate the Amenities for a period of more than 30 days for any reason other than force majeure or by agreement of the Parties. The Manager may terminate this Agreement at any time with 180 days written notice to District. Any successor manager of the Amenities shall be jointly selected by the Landlord and the District.

6.2 DUTIES ON TERMINATION. Upon the termination of this Agreement, by expiration of the term hereof or otherwise, the Parties hereto shall be relieved of all obligations under this Agreement, except as to those obligations of Manager and the District which expressly survive the expiration of the term hereof or the earlier termination of this Agreement. Immediately upon termination of this Agreement or the expiration of the term hereof, Manager shall (a) execute such documents and do such things as may be required of Manager by the District to transfer management of the Amenities to the District or its designee and (b) remove itself from possession of the Amenities in a prompt and orderly fashion. The provisions of this Section shall survive the expiration of the term of this Agreement or the earlier termination hereof, as herein provided.

7. INSURANCE/REPAIRS/CLAIMS

7.1 MANAGER RESPONSIBILITIES

A. Insurance Coverage Requirements. Manager shall acquire and maintain at its sole cost and expense during the term of this Agreement, insurance as follows:

1. Workers' Compensation insurance as required by law.
2. Comprehensive general liability insurance, \$1,000,000, combined single limit for bodily injury and property damage, each occurrence; \$1,000,000 general aggregate; and \$1,000,000, products and completed operations aggregate.
3. Such property and casualty insurance as Manager shall deem reasonable and appropriate for the Amenities, provided such insurance is in compliance with the Lease;
4. Such products liability and automobile insurance as Manager shall deem reasonable and appropriate; and
5. Such other insurance as Manager or the District may determine or as may be required of the Parties by their respective lenders or under the Lease.

All coverage provided pursuant to this Agreement shall be written as primary policies, not contributing with and not supplemental to any coverage that the District may carry, and any insurance maintained by the District shall be considered excess. The property, casualty, products liability and automobile insurance will be endorsed to name the District as an additional insured. The Manager's failure to purchase the required insurance shall not serve to release it from any obligations; nor shall the purchase of the required insurance serve to limit the Manager's liability. The Manager shall be responsible for the payment of any deductibles on issued policies.

Manager shall provide to the District annually certificates of insurance demonstrating appropriate coverage in the amounts designated above.

7.2 REPAIRS/CLAIMS. The Manager shall immediately notify the District of any and all material damage caused by the Manager or third parties to the Leased Premises. The Manager will promptly repair or, at the District's option, reimburse the District for the repair of any damage to property caused by the Manager or its employees, agents or equipment. In addition, the Manager shall promptly notify the District of all potential claims it becomes aware of, and the Manager agrees to take all reasonable steps to preserve all physical evidence and information which may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and to grant to the District the opportunity to review and inspect such evidence, including the scene of any damage or accidents.

8. INDEMNITY

8.1 Manager shall indemnify, defend and hold the District, and its directors, officers, employees and agents harmless from and against any and all claims, demands, liabilities, damages, actions, causes of action, losses, costs and expenses, including, but not limited to, reasonable attorney's fees (collectively, "**Liabilities**") resulting from or arising out of the material breach, negligence or willful misconduct, or omission by Manager of its obligations hereunder, or by its officers, directors, employees or agents in connection with the management and operation of the Leased Premises. Any indemnification of the District under this Section 8.1 shall be limited to the extent permitted by law and nothing contained herein shall be construed as a waiver of the District's rights under the Colorado Governmental Immunity Act, in whole or in part.

8.2 The provisions of Section 8.1 shall survive the expiration of the term of this Agreement or the earlier termination of this Agreement, as herein provided.

9. MISCELLANEOUS

9.1 LIABILITY OF THE DISTRICT. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon the District shall constitute or create an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

9.2 ASSIGNMENT. Except as set forth herein, neither this Agreement, nor any of the Parties' rights, obligations, duties or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party; provided, however, that the Manager may, without the consent of the District, assign this Agreement to the Landlord under the Lease (including its assigns) or to an entity controlling, controlled by or under common control of either the Manager or the Landlord under the Lease (including its assigns). Any improper attempt of assignment shall be deemed void and of no force or effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment nor the waiver of any right to consent to such subsequent assignment.

9.3 MODIFICATION. This Agreement may be modified, amended or changed, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by the Parties.

9.4 INTEGRATION. This Agreement contains the entire agreement between the Parties, and no statement, promise or inducement made by either Party or the agent of either Party that is not contained in this Agreement shall be valid or binding. This Agreement supersedes all other agreements previously entered into concerning management and operation of the Amenities, including without limitation the Prior Management Agreement, which agreements shall be of no further force or effect.

9.5 SEVERABILITY. Invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.

9.6 SURVIVAL OF OBLIGATIONS. Unfulfilled obligations of the Parties arising under this Agreement shall be deemed to survive the expiration or termination by court order or

otherwise of this Agreement, and shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

9.7 GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado without regard to choice of law analysis.

9.8 HEADINGS FOR CONVENIENCE ONLY; RECITALS. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to construe the provisions hereof. The Recitals to this Agreement are incorporated into the covenants of this Agreement by reference.

9.9 PERSONS INTERESTED HEREIN. Subject to the Parties' right to assign pursuant to Section 9.2, nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or to give to any person, other than the Parties hereto, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties hereto.

9.10 NOTICES. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

Headwaters Metropolitan District:

Gary R. White, Esq.
White, Bear & Ankele Professional Corporation
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Manager's Address for Mailing and Hand Delivery:

Marise Cipriani
Granby Ranch Amenities, LLC
999 Village Road
Post Office Box 1110
Granby, Colorado 80446

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one day after hand delivery or three days after mailing. Either Party by written notice so provided may change the address to which future notices shall be sent.

9.11 RECOVERY OF COSTS. In the event of any litigation between the Parties hereto concerning the subject matter hereof, the prevailing Party or Parties in such litigation shall be entitled to receive from the losing Party, in addition to the amount of any judgment or other award entered therein, all reasonable costs, expenses and attorneys' fees incurred by the prevailing Party or Parties in such litigation.

9.12 INSTRUMENTS OF FURTHER ASSURANCE. The Parties hereto each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

9.13 COMPLIANCE WITH LAW. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. Manager declares that Manager has complied with all federal, state and local laws regarding business permits, certificates and licenses that may be required to carry out the services to be provided under this Agreement.

9.14 SUBJECT TO ANNUAL BUDGET AND APPROPRIATION. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds, if any, are subject to annual budgeting and appropriations.

9.15 NON-WAIVER. No Party shall be deemed to have waived any rights provided to such Party under this Agreement without a written statement by such Party indicating that such Party was aware of such rights and intended to waive such rights. No waiver of any right by a Party or failure to exercise any right of a Party with respect to any occurrence or event shall be deemed a waiver of such Party's rights with respect to any other occurrence or event or with respect to a later happening of the same occurrence or event.

9.16 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

9.17 EQUITABLE REMEDIES. In the event of a breach or threatened breach of this Agreement by either Party, the remedy at law in favor of another Party will be inadequate and such other Party or Parties, in addition to any and all other rights which may be available, shall accordingly have the right of specific performance in the event of any breach, or injunction in the event of any threatened breach of this Agreement by either Party.

9.18 FORCE MAJEURE. Inability of either Party to commence or complete its obligations hereunder by the dates herein required resulting from delays caused by strikes, picketing, acts of God, war, emergencies, shortages or unavailability of materials or other causes beyond such Party's reasonable control which shall have been timely communicated to the other Party, shall extend the period for the performance of the obligations for the period equal to the period(s) of any such delay(s).

9.19 DEFAULT. If either Party fails to perform in accordance with the terms, covenants and conditions of this Agreement, or is otherwise in default of any of the terms of this Agreement, the non-defaulting Party shall deliver written notice to the defaulting Party of the default, at the address specified in Section 9.10, and the defaulting Party will have 15 days from

and after receipt of the notice to cure the default. If the default is not of a type which can be cured within such 15-day period and the defaulting Party gives written notice to the non-defaulting Party within such 15-day period that it is actively and diligently pursuing a cure, the defaulting Party will have a reasonable period of time given the nature of the default following the end of the 15-day period to cure the default, provided that the defaulting Party is at all times within the additional time period actively and diligently pursuing the cure. If any default under this Agreement is not cured as described above, the non-defaulting Party will have the right to terminate this Agreement and (in addition to any other legal or equitable remedy), will have the right to enforce the defaulting Party's obligations pursuant to this Agreement by an action for injunction or specific performance.

9.20 REMEDIES CUMULATIVE; NO WAIVER. The rights and remedies given in this Agreement and by law to a non-defaulting Party shall be deemed cumulative, and the exercise of one of such remedies shall not operate to bar the exercise of any other rights and remedies reserved to a non-defaulting Party under the provisions of this Agreement or given to a non-defaulting Party by law.

9.21 BINDING AGREEMENT. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

9.22 NON-DISTURBANCE. If required by a lender holding a lien on the Leased Premises or the Amenities, Manager shall subordinate its rights under this Agreement to the lien of such mortgage or deed of trust encumbering such properties, so long as such lender provides the Manager a Non-Disturbance Agreement in form and substance acceptable to the District and Manager and which shall provide, among other things, that upon such lender's succession in interest it shall be bound as the District or Manager, as the case may be, to the provisions of the Agreement. Provided that the lender agrees to execute the form of Non-Disturbance Agreement, or that negotiation of such Non-Disturbance Agreement is completed in a timely manner, such instrument will be completed by Manager and delivered to the District within 20 days of Manager's receipt of request therefor.

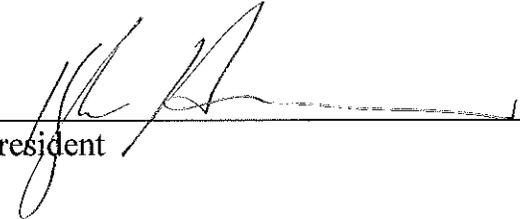
9.23 ILLEGAL ALIENS. In connection with this Agreement and pursuant to Section 8-17.5-102(1), C.R.S., the Manager hereby certifies that it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and it will participate in the E-Verify Program or Department Program (as such terms are defined in Section 8-17.5-101, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired to perform work under the Agreement.

Signature page follows.

IN WITNESS WHEREOF, the Parties have executed this Leased Premises Management Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:

HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado



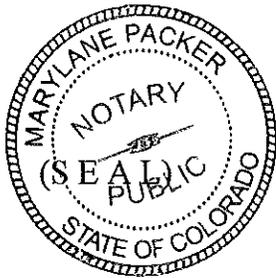
President

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 9th day of ~~December, 2012~~, by Kyle Harris, as President of Headwaters Metropolitan District. *Jan 2013*

WITNESS my hand and official seal.

My commission expires: 8/13/15





Notary Public

APPROVED AS TO FORM:

WHITE, BEAR & ANKELE,
Professional Corporation

General Counsel to the District

Signature Page 1 of 3 to Leased Premises Management Agreement

MANAGER:

**GRANBY RANCH AMENITIES, LLC, a
Colorado limited liability company**

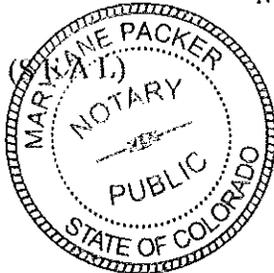
Name: Maria
Title: Manager

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 11th day of ~~December, 2012~~, by Maria Cipriani, as Manager of Granby Ranch Amenities, L.L.C. January, 2013

WITNESS my hand and official seal.

My commission expires: 8/13/15



[Signature]
Notary Public

Signature Page 2 of 3 to Leased Premises Management Agreement

As to Sections 4.1, 4.2 and 4.3 of the Agreement:

GRANBY REALTY HOLDINGS LLC, a Colorado limited liability company

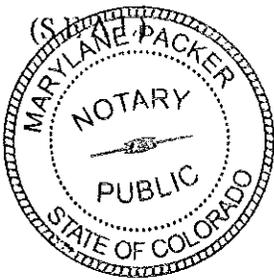
Name: Maria
Title: Manager

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 11th day of December, 2012, by Maria Cipriani, as Manager of Granby Realty Holdings LLC. January, 2013

WITNESS my hand and official seal.

My commission expires: 8/13/15



Marylane Packer
Notary Public

Signature Page 3 of 3 to Leased Premises Management Agreement