2011 THROUGH 2015

GROUND LEASE / ARENA AREA

This **GROUND LEASE** ("Lease") is entered into this 9th day of November, 2011, by and between the **REI, LIMITED LIABILTY COMPANY**, a Wyoming limited liability company ("REI") and the **Beebe Draw Farms Authority**, acting pursuant to the provisions of the Colorado Constitution, Article XIV, Sections 18(2)(a) and (b), and Section 29-1-203, C.R.S, as amended, hereinafter referred to as the "Authority," individually referred to as "Party" and collectively referred to as "Parties."

Recitals

WHEREAS, REI is the owner of certain property located in Weld County within the service area of the Authority, more particularly described as approximately six (6) acres of land in the center of Section 9, Township 03N, Range 65W (the "Property"); and

WHEREAS, REI and the Beebe Draw Farms Metropolitan District No. 2 ("District No. 2") entered into that certain 2009/2010 Ground Lease/ Arena Area on June 1, 2008 (the "2009/2010 Ground Lease"); and

WHEREAS, District No. 2 constructed an intermediate-term round riding pen and outdoor riding arena, picnic facility along with the necessary access and parking facilities (collectively, the "Improvements"); and

WHEREAS, the Authority has succeeded to the interests of District No. 2 to certain easement rights and property ownership of certain common area parcels adjacent to, or in close proximity to, the Property, and the Authority desires to also succeed to the interests of District No. 2 with respect to the Property;

WHEREAS, the 2009/2010 Ground Lease has expired and REI and the Authority desire to enter into a new lease for the Property for a term, at the rental and pursuant to the covenants, terms, conditions, and other stipulations set forth in this Lease.

NOW, THEREFORE, in consideration of these recitals and the terms and conditions contained herein, the Parties agree to the following.

Agreement

1. Ground Lease. REI hereby leases the Property to the Authority for the purpose of locating, constructing, operating and maintaining the Improvements, including making the use of such Improvements available to the public (the "Permitted Use"). Nothing in this Lease shall be deemed to grant, convey, create, or vest in Authority a real property interest in the Property. The interests of the Authority shall be limited to that of a tenant on the Property.

2. Term. The initial term of this Lease shall be five (5) years, commencing at 12:01 a.m. on the 1st day of January, 2011 (the "Commencement Date") and ending at 12:00 midnight on the 31st day of December, 2015 (the "Expiration Date"), unless sooner terminated as set forth herein. The period beginning on the Commencement Date and ending on the Expiration Date (or such earlier date of termination as provided herein) shall be referred to as the "Initial Term". This Lease will automatically renew for successive one (1) year periods (each such period, a "Renewal Term", commencing on the first day after the Expiration Date, and continuing thereafter on each anniversary of such date, unless, at least sixty (60) days prior to such date, either Party delivers written notice to the other Party stating that this Lease shall not be renewed and shall terminate on the last day of the then-current term (such notice a "Non-Renewal Notice"). If a Non-Renewal Notice is given by either Party to the other Party in accordance with this Section, then this Lease shall expire as of the last day of the then current term. The Initial Term and any Renewal Term which occurs pursuant to this Section shall collectively be referred to herein as the "Term". Each Renewal Term shall be subject to, and shall be upon all of the terms set forth in, this Lease, including the annual adjustments of the Annual Rent (defined below) in accordance with Section 3.B below.

3. Rental Payment.

A. Annual Rent Payment. Upon execution of this Lease, the Authority shall pay to REI annual rent in the amount of $2,500.00 for calendar year 2011. Commencing on January 1, 2012 and continuing on each January 1st thereafter which occurs during the Term (including both the Initial Term and any Renewal Term), the Authority shall pay to REI an annual rental payment, in advance and without offset or deduction, in the amounts set forth in Paragraph 3.B below (the "Annual Rent").

B. Annual Rent Amount. The Annual Rent for payable during the Initial Term shall be as follows:

DATES	ANNUAL RENT AMOUNT
01/01/11 – 12/31/11	$2,500.00
01/01/12 – 12/31/12	$2,500.00
01/01/13 – 12/31/13	$2,500.00
01/01/14 – 12/31/14	$2,500.00
01/01/15 – 12/31/15	$2,500.00

If this Lease is renewed for any Renewal Terms in accordance with Section 2 above, then the Annual Rent payable for each such Renewal Term shall be payable, in advance, on January 1st of the applicable Renewal Term and shall be in an amount equal

to the Annual Rent payable during the immediately prior calendar year of the Term, plus $75.00. [For Example: If the Annual Rent payable in calendar year 2015 is $2,500, and this Lease is renewed pursuant to Section 2 above, then the Annual Rent payable on January 1, 2016 shall be $2,575.00.]

C. Subject to Annual Appropriations. REI acknowledges the Authority's obligation to make payment of the Annual Rent is subject to annual appropriation. In the event any Annual Rent payment is not made when due, the Authority will be in breach of its covenant to pay the Annual Rent and REI, at its option, may proceed to exercise its rights and remedies under Paragraph 11 below.

D. Delinquent Payments. If any payment of the Annual Rent or any part of any payment to be made by the Authority under the terms of this Lease shall become overdue for a period in excess of ten (10) days, then the Authority shall pay to REI a "late charge" of $.05 for each dollar so overdue for the purpose of defraying the expense incident to handling such overdue or delinquent payment, plus interest on the overdue amount at a rate equal to: (a) the greater of twelve percent (12%) per annum; or (b) the highest rate allowable under applicable laws, whichever is less, from the date when such payment was due until the date paid.

4. Use of Property/Quiet Enjoyment. The Authority shall use the Property for the Permitted Use and for no other purpose. For so long as the Authority pays the Annual Rent provided for in this Lease and keeps, observes and performs all of the other covenants and conditions of this Lease, the Authority may peaceably and quietly have, hold and enjoy the Property for the Term of this Lease free of interference from REI.

5. Maintenance of Improvements; Alterations; No Liens. The Authority, or a third party acting as agent of Authority, shall maintain the Improvements in good repair at all times and at Authority's sole expense. REI shall have no obligation to maintain any portion of the Property or the Improvements thereon, or to provide any services or utilities to the Property, during the Term. The Authority shall not make any additions to, or alterations of, the existing Improvements, or construct any new improvements or structures on the Property (collectively "Alterations"), without the prior written consent of REI, such consent not to unreasonably withheld. REI may condition its consent to any proposed Alterations on receipt of: (a) reasonably detailed plans showing the locations of, and materials to be used in the construction of, the proposed Alterations; (b) reasonable assurances that the Authority has the funds available to pay for all of the proposed Alterations; (c) evidence that any third party contractors that may perform any portion of the work to construct the Alteration have in place insurance in types and amounts reasonably acceptable to REI; and (d) confirmation that the Authority has obtained all necessary permits or authorizations to construct the proposed Alterations. The Authority shall keep the Property and all Improvements thereon free from any mechanics', materialmen's or similar liens or other such attachments or encumbrances in connection with any work on or respecting the Property or the Improvements thereon not performed

by or at the request of REI, and shall indemnify and hold REI harmless from and against any claims, liabilities, judgments, or costs (including reasonable attorneys' fees) arising out of the same or in connection therewith. Except with regard to regularly scheduled, routine maintenance of the Property and the Improvements thereon, the Authority shall give REI written notice at least fifteen (15) days prior to the commencement of any work on the Property (or such additional time as may be necessary under applicable laws) to afford REI the opportunity of posting and recording appropriate notices of non-responsibility. The Authority shall remove any such lien or encumbrance within ten (10) business days after REI's written notice of attachment thereof by payment, bond, or other reasonable means, unless otherwise agreed to by REI. If any such lien is not discharged by the Authority within such period, then REI may pay all reasonable costs and expenses, including reasonable attorneys' fees, necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof, and the amount so paid shall be due and payable within ten (10) business days after the Authority receives written demand therefor, without limitation as to other remedies available to REI under this Lease. Nothing contained in this Lease shall authorize the Authority to do any act which shall subject REI's title to the Property to any liens or encumbrances whether claimed by operation of law or express or implied contract

6. Compliance with Laws. The Authority shall comply with all federal, state and local laws in the exercise and performance of its rights and obligations under this Lease.

7. Indemnification and Waiver.

A. Indemnification and Agreement to Defend. To the extent permitted by law and subject to the limitations of the Colorado Governmental Immunity Act, the Authority agrees to indemnify, defend, protect, and hold harmless REI, its officers, member, managers, and employees from and against any and all claims, demands, losses, damages, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments and remedial actions of any kind, including reasonable attorney's fees and costs of defense (collectively, the "Losses") resulting from or associated with property damage or personal injury, as covered by the Authority's public liability insurance policy, in connection with the Authority's use of the Property or the Improvements thereon. Such liability shall specifically, but without limitation, extend to losses of third parties arising from the construction, maintenance, presence or use of the Improvements.

B. Waiver of Claims. The Authority irrevocably and unconditionally waives any and all claims, demands, causes of action, and rights it may assert against REI on account of any losses, damage, or injury to the Property, the Improvements, the Authority or any person arising out of the Authority's entry upon or use of the Property and any Improvements thereon. Without limiting the foregoing, REI shall not be liable to Authority, its agents, employees, contractors or invitees for any loss or damage to any

property or person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition, or order of governmental body or authority or by any other cause.

C. Waiver of Certain Damages. Except for indemnification pursuant to Paragraph 7.A above, neither Party shall be liable to the other Party, or any of their respective agents, representatives, employees or invitees for any incidental, punitive, indirect, special or consequential damages, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

8. Insurance.

A. General Liability Insurance. The Authority shall obtain and maintain at all times during the term of this Lease public liability insurance in an amount not less than $1,000,000 per person and $2,000,000 per occurrence, protecting the Authority against claims of any and all persons, firms and entities for personal injury, death or property damage occurring upon, in or about the Property. Such insurance policies shall list REI as an additional insured as respects any covered liability arising out of the Authority's use of the Property under this Lease. Such insurance shall not be canceled or materially altered to reduce policy limits until REI has received at least thirty (30) days advance written notice of such cancellation or change. Authority shall be responsible for notifying REI of such change or cancellation.

B. Colorado Governmental Immunity Act. Notwithstanding any provisions contained herein, the Authority does not waive any of its rights under the Colorado Governmental Immunity Act or any other applicable Colorado governmental immunity laws. If Colorado Governmental Immunity Act limits apply to any claims made against the Authority's public liability insurance policy, then the coverage amounts described in Paragraph 8.A. of this Agreement shall be reduced to $150,000 per person and $600,000 per occurrence as provided in the Colorado Governmental Immunity Act.

C. Property Insurance. The Authority shall not be required to obtain property insurance coverage for the Improvements located on the Property. REI shall not be responsible for any damage to the Improvements, except to the extent caused by the gross negligence or willful misconduct of REI, its employees and agents.

D. Waiver of Subrogation. Each Party hereby waives all rights of subrogation of its insurers with respect to claims against the other Party. Each Party hereby releases and discharges the other Party and any officer, agent, employee, or representative of such Party of and from any liability whatsoever arising from loss, damage, or injury for which insurance (permitting waiver of liability and containing waiver of subrogation) is carried by the Party at the time of such loss, damage, or injury

to the extent of any recovery by the injured Party (plus any insurance deductible not recovered) under such insurance.

9. Notices.

A. Form of Notice and Notice Address. All notices shall be given in writing and delivered personally, via nationally recognized overnight courier services (e.g. Federal Express or UPS), or through the United States mail, by registered or certified mail, postage prepaid, addressed as follows:

REI:

REI, Limited Liability Company
c/o Christine Hethcock
6025 South Lima Street
Englewood, CO 80111

Authority:

Beebe Draw Farms Authority
c/o SDMS
141 Union Boulevard
Lakewood, CO 80228

B. Date of Notices. Notices shall be deemed given upon receipt in the case of personal delivery, one (1) business day after deposit with a nationally recognized overnight courier, or two (2) business days after deposit in the United States mail.

10. Breach. Upon either Party's breach of any of the conditions or obligations of this Lease, the other Party may pursue any and all remedies at law or in equity, including specific performance. Notwithstanding any other provision of this Lease to the contrary, in no event shall Authority's obligations to indemnify and hold REI harmless from claims and damages related to the Improvements terminate until the Improvements have been removed and the Property restored as nearly as possible to its original condition.

11. Termination; End of Term.

A. Mutual Rights of Termination. Either Party may elect to terminate this Lease at the end of the Initial Term, or at the end of any applicable Renewal Term, by delivery of a Non-Renewal Notice in accordance with the provisions of Paragraph 2 above.

B. REI's Right to Terminate. In addition to the rights described above, REI may terminate this Lease if Authority causes or permits a material default in the performance of any material term or condition of this Lease to continue and not be cured for a period of thirty (30) days after written notice specifically setting forth the nature of the default is given to Authority by REI. A material default shall include, but not be limited to, failure to pay the Annual Rent and/or failure to maintain insurance as required in this Lease. If more than thirty (30) days is reasonably required to cure such matter complained of, REI may terminate this Lease if the Authority fails to commence to correct the same within such thirty (30) day period or shall thereafter fail to prosecute the same to completion with reasonable diligence.

C. Effect of Termination or Expiration; Removal of Improvements; Restoration of Property. Upon the expiration of the Term or any early termination of this Lease, and unless REI notifies the Authority in writing prior to the effective date of such expiration or early termination that REI elects to have the Authority leave all, or any portion of, the Improvements on the Property (in which event the Authority shall not remove the Improvements, or the specified portion thereof, from the Property and such Improvements shall become the property of REI on the effective date of such termination), the Authority shall have thirty (30) days after the effective date of such expiration or early termination to completely remove the Improvements (or the portion thereof which REI has not elected to remain on the Property) from the Property and to restore the Property as nearly as possible to its original condition, all at the Authority's sole cost and expense. In the event the Authority does not remove its Improvements within such time, REI, without incurring any liability, may remove the Improvements and shall thereafter be reimbursed by the Authority for all out of pocket costs incurred by REI in such removal within thirty (30) days after delivery of written request for reimbursement to the Authority, together with reasonable supporting documentation.

D. Holding Over. If the Authority fails to vacate the Property at the end of the Term, then the Authority shall be a tenant at will and unless REI expressly agrees otherwise in writing, the Authority shall pay REI one hundred fifty percent (150%) of the amount of the Annual Rent then applicable for the last calendar year of the Term, divided by twelve (12), (and the full amount of such monthly amount for any partial month) for each month that the Authority shall retain possession of, or fail to remove the required Improvements (as described above) from, the Property, or any part thereof, after expiration or earlier termination of this Lease together with all damages sustained by REI on account of such holdover. The foregoing provision shall not serve as permission for the Authority to hold over, nor serve to extend the Term (although the Authority shall remain bound to comply with all provisions of this Lease until the Authority completely vacates and restores the Property).

12. Condemnation. If the whole or any part of the Property shall be taken by power of eminent domain or condemned by any competent authority for any public or

quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Property or the Improvements thereon, or if REI shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, REI (and if more than twenty percent (20%) of the Property is taken, or if access to the Property is materially impaired, the Authority) shall have the option to terminate this Lease upon ninety (90) days notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, reconfiguration, vacation, deed or other instrument. As between REI and the Authority, REI shall be entitled to receive the entire award or payment in connection therewith, except that the Authority shall have the right to file any separate claim available to the Authority for any taking of the Improvements so long as such claim does not diminish the award available to REI or any holder of a Mortgage on the Property, and such claim is payable separately to the Authority. The Annual Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Property shall be taken, and this Lease shall not be so terminated, the Annual Rent shall be payable at the same rates, without any adjustment.

13. Miscellaneous Provisions.

A. Amendment of Lease. This Lease may not be amended except pursuant to a written instrument signed by both Parties.

B. Severability of Provisions. If any one or more of the provisions of this Lease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable, such provision(s) shall be deemed severable from the remaining provisions of this Lease and shall not affect the validity of the remaining portions of this Lease. Each Party hereby declares that it would have entered into this Lease and each provision hereof irrespective of the fact that any one or more provisions be declared void, voidable or unenforceable.

C. Venue; Governing Law. This Lease shall be governed and construed by and in accordance with the laws of the State of Colorado, without reference to its conflict of law principals. Venue for any legal action brought hereunder shall be in the District Court, County of Weld, State of Colorado.

E. Successors and Assigns. Subject to next paragraph, this Lease is binding upon the successors and assigns of the Parties hereto.

F. Assignment; Subletting; Sale of Property. The Authority may not assign, sublet or otherwise transfer all or any part of its interest in this Lease or in the Property or Improvement thereon without the prior written consent of REI. REI may grant or withhold its consent to any proposed assignment or sublease in its sole discretion. REI shall have the absolute right to assign its rights and obligations under this

Lease to any purchaser or transferee of fee title the Property, and upon delivery to the Authority of a written agreement from such purchaser or transferee assuming the obligations of REI under this Lease from and after the effective date of such sale or transfer, REI shall be released from any further rights, obligations or liabilities under this Lease from and after the effective date of such transfer.

G. Waiver of Breach. The waiver by either Party of any breach or violation of any provision of this Lease shall not be deemed to be a waiver or a continuing waiver of any subsequent breach or violation of the same or any other provision of this Lease.

H. Entire Agreement. This Lease contains the entire understanding between the Parties with respect to the subject matter herein. There are no representations, agreements, or understandings (whether oral or written) between or among the Parties relating to the subject matter of this Lease, which are not fully expressed herein.

I. No Recording. Neither REI nor the Authority shall record this Lease or any memorandum or short form hereof. Any unauthorized recording of this Lease or any memorandum or short form hereof shall constitute a default hereunder by the recording party.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, and in order to bind themselves legally to the terms and conditions of this Lease, the duly authorized representatives of the Parties have executed this Lease as of the date first set forth above.

REI LIMITED LIABILITY COMPANY

By: _____

BEEBE DRAW FARMS METROPOLITAN AUTHORITY

By: _____, President

Attest:

By: _____, Witness