

GROUND LEASE AND OPTION TO PURCHASE

THIS GROUND LEASE AND OPTION TO PURCHASE (this "**Lease**") is made and entered into as of June 9, 2014 (the "**Effective Date**"), by and between Grassland Water Solutions LLC, a Delaware limited liability company ("**Lessor**"), and NGL Water Solutions DJ, LLC, a Colorado limited liability company ("**Lessee**").

RECITALS:

A. Lessor is the owner of approximately 80 acres of real property, located in Weld County and more particularly described on Exhibit A attached hereto ("**Lessor's Property**").

B. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, a portion of Lessor's Property, more particularly described on Exhibit B attached hereto (the "**Leased Property**").

AGREEMENTS:

NOW, THEREFORE, in consideration of the Recitals and the mutual covenants herein contained, Lessor leases the Leased Property to Lessee and Lessee leases the Leased Property from Lessor, in accordance with the provisions of this Lease.

1. **DEFINITIONS.**

"**Applicable Law**" means all applicable laws, rules, regulations, ordinances, building codes, orders and requirements of each Governmental Authority that are or may become applicable to the Premises.

"**Business Days**" means all days other than weekends and holidays and other days for which the State of Colorado is not generally open for the conducting of governmental business. If the date for any performance under this Lease falls on a day other than a business day, the date for such performance shall be extended to the next occurring business day.

"**Governmental Authority**" means Weld County and any other governmental entity or agency having jurisdiction over the Leased Property or the Premises, including the ownership, construction and/or operation thereof.

"**Improvements**" means the improvements to be made to the Leased Property by Lessee and any alterations and additions thereto.

"**Lease Year**" means each twelve-month period commencing on the Commencement Date.

"**Lessee's Interest**" means all right, title, interest and obligations of Lessee under this Lease.

“**Loan**” means that certain Loan and Security Agreement, dated as of November 18, 2013 by and among the Lessor and White Oak Global Advisors, LLC, a Delaware limited liability company (“**Lender**”), as amended by that certain letter agreement, dated as of May 7, 2014, along with the deed of trusts securing the obligations of Lessor under such loan agreement.

“**Monthly Base Rent**” means the rent payable by Lessee to Lessor as provided in Section 5 hereof.

“**Permitted Use**” means use of the Premises for any lawful use in connection with the installation and operation of a water disposal facility, a water treatment facility, or a solids processing facility associated with oil and natural gas drilling operations, including the injection and storage of water beneath the surface of the Property and, at Grantee’s discretion, the removal of any water so stored, or any other lawful use in connection with the Use by Special Review Permit # 12-0077 obtained by Weld County for the Leased Property, recorded on June 4, 2014 with the Weld County Clerk and Recorder at Reception No. 4021040.

“**Person**” means any natural person or persons in individual or representative capacities, any entity or entities of any kind whatsoever including, without limitation, corporations, partnerships and associations, or any combination of natural person(s) and entity(ies).

“**Premises**” means the Leased Property, together with the Access and Utility Rights provided for under Section 21 and Improvements from time to time constructed thereon and all rights appurtenant thereto.

2. **TERM.**

2.1 **Term.** This Lease will be for a term of ten (10) years (the “**Initial Term**”), commencing on July 1, 2014 (the “**Commencement Date**”).

2.2 **Renewal Term.** At the expiration of the Initial Term, this Lease shall automatically renew for consecutive one (1) year periods (each, a “**Renewal Term**,” and together with the Initial Term, the “**Term**”), unless Lessee provides Lessor with notice of its election not to renew the Lease within sixty (60) days prior to the expiration of the then current Initial Term or Renewal Term, as applicable; provided, however, in no event shall the Term of this Lease exceed fifty (50) years. Lessee shall continue to pay Rent for the Premises during the Renewal Term in accordance with this Lease.

3. **OPTION TO PURCHASE.**

3.1 **Option.** Lessor hereby grants to Lessee the exclusive right to purchase the Leased Property (including the Improvements and the Access and Utility Rights) (“**Option**”) at any time during the Option Period (defined below). The Option shall be reflected in the Memorandum of Lease (defined below) that will be recorded pursuant to Section 22.7.

3.2 **Option Period.** The “**Option Period**” will commence on the date that the deed of trust securing the Loan is released with respect to the Leased Property, and will continue throughout the Term of the Lease; provided, however, in the event Lessor secures a new loan

encumbering the Leased Property concurrently with such release of the Loan (“**Future Loan**”), and such Future Loan requires the pledge of the Leased Property as collateral, Lessee’s Option shall be suspended until the deed of trust securing said Future Loan is released and no longer encumbering the Leased Property. Lessor shall provide Lessee with at least 30 days’ prior written notice of the release of the Loan and, if applicable, the release of the Future Loan.

3.3 **Notice.** Lessee may exercise the Option by delivering written notice to Lessor of its intention to exercise the Option (“**Notice of Intention**”) at any time during the Option Period. Within ten (10) days of delivery of the Notice of Exercise, the parties shall enter into the Purchase and Sale Agreement and Joint Escrow Instructions attached hereto as Exhibit C (“**Option Agreement**”).

3.4 **Purchase Price.** The purchase price of the Leased Property shall be -----**REDACTED**----- per acre of Leased Property (“**Purchase Price**”).

4. **ENTRY RIGHTS.** Lessor reserves the right for Lessor or Lessor’s partners, agents, contractors and/or consultants to enter upon the Premises, upon reasonable prior notice to Lessee and subject to Lessee’s reasonable safety rules and regulations, for the purposes of inspecting to determine whether any and all covenants in this Lease have been or are being complied with. Lessor will take all reasonable measures to avoid interference with Lessee’s operations on the Leased Property.

5. **MONTHLY BASE RENT.** Lessor shall pay to Lessee the Monthly Base Rent and all other sums due pursuant hereto (collectively with the Monthly Base Rent, the “**Rent**”) without deduction, offset, prior notice or demand (except as expressly provided in this Lease), at the address set forth for Lessor herein, or at such other place as Lessor may designate in writing to Lessee.

5.1 **Monthly Base Rent.** Commencing on the Commencement Date, Lessee shall pay to Lessor Monthly Base Rent in the sum of -----**REDACTED**-----.

5.2 **Payments.** The Monthly Base Rent shall be payable on the first day of each calendar month in each Lease Year in advance, commencing on the Commencement Date and continuing on each anniversary date thereof during the Term.

6. **TAXES AND ASSESSMENTS.**

6.1 **Real Property Taxes.** Lessor shall pay or cause to be paid all real property taxes, general and special assessments, and other charges, whether foreseen or unforeseen, general or special, together with any interest or penalties imposed upon the late payment thereof (collectively, “**Real Estate Taxes**”), as shall, from and after the Effective Date during the Term, be levied, assessed or imposed upon or become due and payable or liens upon, the Leased Property.

6.2 **Personal Property Taxes.** Lessee shall pay or cause to be paid all personal property taxes, general and special assessments, rent tax, business taxes and other charges, whether foreseen or unforeseen, general or special, together with any interest or

penalties imposed upon the late payment thereof (collectively, "**Impositions**"), as shall, from and after the Commencement Date during the Term, be levied, assessed or imposed upon or become due and payable or liens upon, the Improvements now or hereafter located on the Premises, the leasehold estate hereby created, or any personal property located on the Premises or any part thereof, by virtue of any present or future law, order or ordinance of any Governmental Authority, to the full extent of installments falling due after the Effective Date during the Term. Lessee shall make or cause to be made all such payments directly to the Governmental Authority charged with the collection thereof before delinquency and before any fine, interest or penalties shall become due or imposed by operation of law for nonpayment. If the law expressly permits the payment of any or all of the foregoing in installments (whether or not interest accrues on the unpaid balance), Lessee may, at its election, utilize the permitted installment method. All payments of Impositions shall be prorated for any portion of a Lease Year.

6.3 **Exclusions.** Lessee's obligation to pay the Impositions shall not include the following, however described: Lessor's personal income taxes, estate, succession, inheritance, or similar taxes of or on Lessor.

7. **USES.**

7.1 **Purpose.** Lessee may use the Premises solely for the Permitted Use.

7.2 **Land Use.**

7.2.1 **Development.** Lessee shall have the right to initiate, pursue and obtain any use permits, variances, and similar matters ("**Premises Matter**") reasonably required in connection with development and operation of the Premises for the Permitted Use. Lessor shall, upon request of Lessee, but subject to Lessor's approval thereof, execute, or join the Lessee in executing, any documents (including applications, easements, dedications and similar matters) necessary to pursue, obtain or effectuate any Premises Matter, provided, however, that Lessor shall not be required to incur any liability, cost, or expense in connection therewith. Any Premises Matters permitted by this Section 7.2 and recorded against title to the Leased Property or Premises shall thereafter be deemed a Permitted Exception (as defined under the Option Agreement).

7.2.2 **Signs.** Lessee will have the right to erect and maintain such signs as Lessee deems appropriate provided they comply with all applicable governmental regulations.

7.3 **Lawful Compliance.** Throughout the Term and at no expense to Lessor, Lessee shall promptly comply or cause compliance with all Applicable Laws. Lessee shall observe and comply with all valid laws, ordinances, statutes, orders, and regulations now or hereafter made or issued respecting the Premises or the Improvements on the Premises by any federal, state, county, local, or other governmental agency or entity.

8. **MAINTENANCE AND REPAIR.** Throughout the Term, Lessee, at its sole cost and expense, shall keep and maintain the Premises in good condition and repair. All repairs (including restoration work resulting from a casualty loss) shall be performed in a good and workmanlike manner by properly licensed contractors and subcontractors in compliance with all applicable permits, authorizations, building and zoning laws and all other laws, ordinances,

orders, rules, regulations and requirements of applicable Governmental Authorities. Lessor shall not be required to maintain or make any repair or alterations to, or be responsible for the cost of any alterations of or repairs to, the Premises of any nature whatsoever, structural or otherwise.

9. **IMPROVEMENTS**

9.1 **Compliance With Law and Standards.** Lessee shall have the right to install, erect, and maintain any and all Improvements on the Leased Property in accordance with the Permitted Use. All work on the Premises shall be performed, and the buildings shall be erected in accordance with all valid laws, ordinances, regulations, and orders of all federal, state, county, or local governmental agencies or entities having jurisdiction over the Premises. All work performed on the Premises under this Lease, or authorized by this Lease, shall be done in a good workmanlike manner and performed only by competent contractors licensed under the laws of the State of Colorado.

9.2 **Mechanics' Liens.** At all times during the Term of this Lease, Lessee shall keep the Premises and the buildings now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. Lessor or its representatives shall have the right to go upon and inspect the Premises upon prior notice to Lessee and shall have the right to post and keep posted thereon notices of non-responsibility or such other notices which Lessor's interest in the Premises requires.

9.3 **Mechanics' Lien Contest.** If Lessee shall desire to contest any claim of lien, it shall furnish Lessor with adequate security of the value or in the amount of the claim, plus estimated costs and interest, or a bond of a responsible corporate surety in such amount conditioned on the discharge of the lien. If a final judgment establishing the validity or existence of a lien for any amount is entered, Lessee shall pay and satisfy the same.

9.4 **Lessor's Payment.** If Lessee shall be in default in paying any charge for which a mechanics' lien claim and suit to foreclose the lien have been filed and shall not have given Lessor security to protect the property and Lessor against such claim of lien, Lessor may (but shall not be so required) pay said claim, in which event any costs and amounts so paid, together with reasonable attorneys' fees incurred in connection therewith, shall be immediately due and owing from Lessee to Lessor, and Lessee shall pay the same to Lessor. Should any claims of lien be filed against the Premises or any action affecting the title to such property be commenced, the party receiving notice of such lien or action shall forthwith give the other party written notice thereof.

9.5 **Ownership.** At the expiration or termination of the Lease, unless waived by Lessor, Lessee, at its expense, shall cause such Improvements to be removed so as to return the Leased Property underlying such Improvements, as nearly as practicable, to its condition as of the Commencement Date. The obligation of Lessee under this Section 9.5 shall survive the expiration or termination of this Lease. Notwithstanding the foregoing, Lessee shall not be required to remove well casings or any underground pipeline or utility lines installed as part of the Improvements; however, Lessee shall cause any such wells to be plugged and abandoned in accordance with Applicable Laws.

10. **DAMAGE OR DESTRUCTION.** Lessee shall promptly notify Lessor of any damage to any Improvements on or about the Premises resulting from any fire or other casualty. If at any time during the Term, the Improvements now or hereafter on the Premises are destroyed in whole or in part by fire, the elements, or any other casualty, this Lease shall continue in full force and effect, and Lessee may elect, at Lessee's own cost and expense, to restore the Improvements or demolish the damaged Improvements and construct alternate Improvements ("**Restoration**"). Lessee shall diligently prosecute such work and installation to completion. If Lessee elects not to commence Restoration, Lessee, at its expense, shall cause such Improvements to be cleared from the Leased Property and return the Leased Property underlying such Improvements, as nearly as practicable, to its condition as of the Commencement Date or in a condition otherwise acceptable to Lessor, subject to the surrender obligations of Section 9 above.

11. **INSURANCE.**

11.1 **Liability Insurance.** Throughout the Term, at Lessee's sole cost and expense, Lessee shall maintain in force commercial general liability insurance insuring against claims and liability for personal and bodily injury, death and property damage occurring on, in or about the Premises during the policy period. Lessee will obtain Commercial General Liability coverage with limits not less than \$2,000,000 per occurrence and \$2,000,000 annual aggregate. Lessee may maintain other commercially reasonable insurance policies, in its sole discretion.

11.2 **Waiver of Subrogation.** Lessee and Lessor each hereby waive any and all rights of recovery against the other or against the officers, directors, partners, members, trustees, employees and shareholders of the other, on account of loss or damage occasioned to such waiving party or its property or any property of others under its control to the extent that such loss or damage is insured under the insurance required to be maintained pursuant to this Lease or insurance actually maintained, whether or not required, but only to the extent of insurance proceeds actually collected by the waiving party. Lessee and Lessor will each, upon obtaining the respective policies of insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease and obtain from the respective carriers an endorsement waiving any right of subrogation in favor of the insurer.

12. **LIABILITY AND INDEMNIFICATION.**

12.1 **Lessee Indemnity.** Lessee shall indemnify, defend and hold Lessor harmless from any liability, loss, claim, damage, cost or expense including attorneys' fees (collectively, "**Claims**") suffered or incurred by Lessor arising by reason of the following:

12.1.1 The death or injury of any person (including Lessee or any person who is an employee or agent of Lessee);

12.1.2 Damage to or destruction of any property, including property owned by Lessee or by any person who is an employee or agent of Lessee, from any cause whatever while that person or property is in or on the Premises or in any way connected with the Premises or with any of the Improvements or personal property on the Premises;

12.1.3 Any work performed in or on the Premises or materials furnished to the Premises at the instance or request of Lessee or any person or entity acting for or on behalf of Lessee; or

12.1.4 Lessee's failure to perform its obligations under this Lease or to comply with any Applicable Law or any requirement imposed on Lessee or the Premises by any duly authorized governmental agency or political subdivision (unless such obligation is expressly imposed on Lessor).

12.1.5 The foregoing indemnification contained in this Section 12.1 shall survive the expiration or termination of this Lease; provided, however, nothing in this Section 12.1 shall be construed to require Lessee to indemnify, defend or hold Lessor harmless from any negligent act or omission or intentional misconduct of Lessor or any of Lessor's agents, employees or contractors.

12.2 **Lessor Indemnity.** Subject to the other provisions of this Lease, Lessor shall indemnify, defend and hold Lessee harmless for, from and against any and all claims (including reasonable attorneys' fees and costs) in any way and to the extent arising from any breach or default on Lessor's part in the performance of any of Lessor's obligations under this Lease; provided, that the foregoing shall exclude any claims and other liabilities to the extent deriving from any negligent act or omission or intentional misconduct of Lessee or any of Lessee's agents, employees, or contractors.

12.3 **Survival.** The indemnifications of Lessee and Lessor contained in this Lease shall survive the expiration of the Term or the earlier termination of this Lease.

13. **CONDEMNATION.**

13.1 **Automatic Termination.** If, after the Effective Date and prior to the expiration of the Term hereof, the whole of the Premises shall be taken under power of eminent domain by any public or private authority, or conveyed by Lessor to said authority in lieu of such taking, then this Lease shall cease and terminate as of the date of such taking, subject, however, to the right of Lessee, at its election, to continue to occupy the Premises, subject to the terms and provisions of this Lease, for all or such part, as Lessee may determine, of the period between the date of such taking and the date when possession of the Premises shall be taken by the taking authority and any unearned Monthly Base Rent, if any, paid in advance, shall be refunded to Lessee, based upon the proportion of the Lease Year then in effect which has elapsed when Lessee's possession of the Premises terminates pursuant to such eminent domain proceeding.

13.2 **Termination Right.** If, after the Effective Date and prior to the expiration of the Term hereof, any taking under the power of eminent domain by a public or private authority or any conveyance by Lessor in lieu thereof, shall result in the portion of the Premises not taken being insufficient for the economic or feasible operation thereof by Lessee then Lessee may, at its election, terminate this Lease by giving Lessor notice of the exercise of Lessee's election within thirty (30) days after Lessee shall receive notice of such taking. In the event of termination by Lessee under the provisions of this Section, this Lease shall cease and terminate as of the date of such taking subject to the right of Lessee, as its election, to continue to occupy

the Premises, subject to the terms and provisions of this Lease, for all or such part, as Lessee may determine for the period between the date of such taking and the date when possession of the Premises shall be taken by the appropriating authority, and any unearned Monthly Base Rent or other charges, if any, paid in advance, shall be refunded to Lessee as provided in Section 13.1 above.

13.3 **Restoration**. In the event of a taking in respect of which Lessee shall not have the right to elect to terminate this Lease or, having such right, shall not elect to terminate this Lease, this Lease shall continue in full force and effect and Lessee may, at Lessee's sole cost and expense, elect to restore the remaining portions of the Premises. If Lessee elects not to restore the Improvements, Lessee, at its expense, shall cause such Improvements to be cleared from the Leased Property and return the Leased Property underlying such Improvements to its condition as of the Commencement Date or in a condition otherwise acceptable to Lessor, subject to the surrender obligations of Section 9 above.

13.4 **Award**. In the event of any condemnation, taking or sale as aforesaid, whether whole or partial, Lessee and Lessor shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed provided that Lessee shall not be entitled to make a claim for any bonus value of this Lease. Termination of this Lease shall not affect the right of the respective parties to such awards.

14. **ASSIGNMENT AND SUBLETTING**.

14.1 **Assignment**.

14.1.1 Lessee shall have no right to assign this Lease or sublet the Premises, without Lessor's prior written consent (except as set forth in Section 14.1.2), which consent shall not be unreasonably withheld.

14.1.2 Lessee may assign this Lease without the prior written consent of Lessor after first having satisfied the requirements set forth in Section 14.1.3. Lessee agrees to reimburse Lessor for Lessor's reasonable administration or attorneys' fees incurred in conjunction with the processing and documentation of any such requested assignment or transfer. Upon written request of Lessor, Lessee shall furnish to Lessor at no expense to Lessor, complete financial statements of the assignee, audited by a certified public accountant reasonably satisfactory to Lessor. No such assignment shall relieve Lessee or its obligations under this Lease, unless such assignment is made in connection with a sale of substantially all of the assets of Lessee.

14.1.3 (i) Lessee shall provide Lessor with written notice of any such proposed assignment no less than thirty (30) days prior to the intended effective date of such assignment together with a copy of any proposed assignment agreement; and (ii) the assignee shall demonstrate through audited financial statements prepared by a certified public accounting firm that it has the financial ability to perform its obligations with respect to this Lease. Except as provided in this Lease, Lessor shall not be entitled to any consideration in connection with any assignment or sublease.

14.1.4 No assignment shall be effective until the assignee has assumed in writing the obligations of Lessee under this Lease accruing from and after the date the assignment is consummated.

15. **LEASEHOLD MORTGAGE.**

15.1 **Leasehold Mortgage.** Nothing in this Lease shall be construed as restricting in any manner the right of Lessee, from time to time, or at any time, to create one or more liens on, collaterally assign, or encumber, by mortgage, deed of trust or trust deed in the nature of a mortgage (each, a "**Leasehold Mortgage**") the leasehold interest of Lessee in the Premises, and subject to the restrictions and limitations contained in any such instrument as to further conveyances, transfers and assignments, and Lessor's prior express written consent, such consent not to be unreasonably withheld, Lessee will have the right at any time, and from time to time, to convey, transfer and assign its interest under this Lease to a mortgagee or trustee, its nominee or its designee (each, a "**Leasehold Mortgagee**") under a Leasehold Mortgage given to secure any note or other obligation of Lessee. Within thirty (30) days after creating a Leasehold Mortgage with respect to this Lease, Lessee shall serve written notice upon Lessor of the existence thereof, shall designate an address where notice may be served upon the Leasehold Mortgagee under any such Leasehold Mortgage and shall furnish Lessor with a copy of such Leasehold Mortgage. Failure of Lessee to serve such notice in a timely manner shall not affect any Leasehold Mortgagee's rights hereunder. A Leasehold Mortgagee shall have the right to make such services and deliveries upon Lessee.

15.2 **Certain Benefits to Leasehold Mortgage.** If Lessee shall execute any Leasehold Mortgage, then, in such event and so long as such Leasehold Mortgage shall constitute a lien or encumbrance against the leasehold estate of Lessee hereunder, the following provisions shall apply:

15.2.1 **Loss Payee; Insurance or Condemnation Proceeds.** The name of such Leasehold Mortgagee shall be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Lessor under this Lease. Lessor will pay to Leasehold Mortgagee any proceeds from insurance or condemnation of the Premises that are payable to Lessee under the Lease, for the account of Leasehold Mortgagee and Lessee to the extent required by the provisions of the applicable Leasehold Mortgage.

15.2.2 **Merger.** If Lessee shall acquire fee title, or any other estate, title or interest in the Premises which is the subject of this Lease, or any part thereof, or if the leasehold estate created by this Lease, or any portion thereof, shall be assigned, sold or otherwise transferred to the owner of such fee title or other estate, title or interest in the Premises which is the subject of this Lease, then in either such event, upon the election of the Leasehold Mortgagee first in priority expressly made in writing at any time thereafter, the Leasehold Mortgage held by such Leasehold Mortgagee shall attach to and be a first lien upon such fee title and/or other estate so acquired (but only as the same pertains to the Premises), and such fee title and/or other estate so acquired shall be mortgaged, assigned and conveyed to such Leasehold Mortgagee and the lien of such Leasehold Mortgage spread to cover such estate with the same force and effect as though specifically mortgaged, assigned or conveyed in such Leasehold Mortgage and upon request of such Leasehold Mortgagee, any or all of Lessee, Lessor or the fee owner of the

Premises shall execute such documents and instruments as may be reasonably required for such purpose. Notwithstanding the foregoing, if and so long as any of the indebtedness secured by any such Leasehold Mortgage shall remain unpaid, unless the Leasehold Mortgagee thereunder shall otherwise in writing expressly consent, the fee title to the Premises which is the subject of this Lease and the leasehold estate created by this Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates either in Lessee or in Lessor, or in a third party, by purchase or otherwise.

15.2.3 **Notice to Lessor.** Lessor shall, upon serving Lessee with any notice of default pursuant to the provisions of this Lease, at the same time serve a copy of such notice upon every Leasehold Mortgagee that has served Lessor with notice of its identity and address, and no such notice by Lessor to Lessee hereunder shall have been deemed duly given unless and until a copy thereof has been so served on every such Leasehold Mortgagee.

15.2.4 **Additional Cure Period.** From and after the time such notice as provided in Section 15.2.3 has been served upon any Leasehold Mortgagee, such Leasehold Mortgagee shall have the same period, after the service of notice upon it, for curing any default, as is given Lessee after the service of notice upon Lessee, plus in each instance an additional thirty (30) days (unless, with respect to non-monetary defaults, such cure cannot by its nature reasonably be performed within such period, in which case there shall be allowed such additional time as may be reasonably required to effect such cure (including, without limitation, the amount of time necessary to have a receiver appointed in the event that possession of the Premises is required in order to effect such cure) if the Leasehold Mortgagee shall have promptly commenced curing same within such period and shall prosecute the same to completion). Any default by Lessee that is not susceptible to being cured by Leasehold Mortgagee shall be deemed waived by Lessor.

15.2.5 **Termination.** Anything contained in this Lease to the contrary notwithstanding, if any default shall occur which entitles Lessor to terminate this Lease, Lessor shall have no right to terminate this Lease unless (a) following the expiration of the period of time given Lessee to cure such default (or the act or omission which gave rise to such default), Lessor shall notify every Leasehold Mortgagee of Lessor's intent to so terminate or exercise any such rights, powers or remedies ("**Default Notice**") at least thirty (30) days in advance of the proposed effective date of such termination ("**Default Notice Period**"); and (b) during the applicable Default Notice Period, no Leasehold Mortgagee notifies Lessor of its desire to nullify such notice ("**Mortgagee Notice**").

15.2.6 **Procedure on Default.** If Lessor shall elect to terminate this Lease or obtain possession of the Premises by reason of any default of Lessee, and a Leasehold Mortgagee shall have provided Lessor with the Mortgagee Notice, the specified date for the termination of this Lease as fixed by Lessor in its Default Notice or for the obtaining of possession shall be extended for a period of three (3) months, provided that such Leasehold Mortgagee shall, during such three (3) month period: (a) pay or cause to be paid the monetary obligations of Lessee under this Lease as the same become due, other than rentals, and continue its good faith efforts to perform all of Lessee's other obligations under this Lease, excepting (i) obligations of Lessee to satisfy or otherwise discharge any lien, charge or encumbrance against Lessee's interest in this Lease or the Premises junior in priority to the lien of the mortgage held

by such Leasehold Mortgagee; and (ii) past nonmonetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee; and (b) if not enjoined or stayed, take steps to acquire or sell Lessee's interest in this Lease by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same to completion with due diligence. If at the end of such three (3) month period such Leasehold Mortgagee is complying with this Section then this Lease shall not then terminate, and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed and thereafter for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Lessee's interest in this Lease by foreclosure of the Leasehold Mortgage or by other appropriate means with reasonable diligence. Nothing in this Section, however, shall be construed to extend this Lease beyond the Term or to require a Leasehold Mortgagee to continue such foreclosure proceedings after the default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease. If a Leasehold Mortgagee is complying with this Section, then, upon the acquisition of Lessee's estate herein by such Leasehold Mortgagee or any other purchaser at a foreclosure sale or otherwise, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease.

15.2.7 **Receiver.** A Leasehold Mortgagee shall have the right after institution of foreclosure proceedings, to apply to the court for the appointment of a receiver of Lessee's interest in the Premises. In the event foreclosure proceedings have been instituted, any money held by Lessee which becomes payable to Lessor shall be payable upon demand to such Leasehold Mortgagee as the interest of such Leasehold Mortgagee may appear when the same so becomes payable to Lessor. If Lessee shall at any time be in doubt as to whether such monies are payable to such Leasehold Mortgagee or to Lessor, Lessee may pay such monies into court and file an appropriate action of interpleader in which event all of Lessee's costs and expenses (including attorneys' fees) shall first be paid out of the proceeds so deposited. Following foreclosure or enforcement of a Leasehold Mortgage, or assignment in lieu thereof, Lessor will recognize the purchaser or assignee of the Leasehold as the "Lessee" under the Lease.

15.2.8 **Lease Proceedings.** Lessee may give each Leasehold Mortgagee notice of any arbitration or legal proceedings between Lessee and Lessor involving this Lease. Each Leasehold Mortgagee shall have the right to intervene in any such proceedings and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention.

15.3 **New Lease.** In the event of the termination of this Lease as a result of Lessee's default prior to the expiration of the Term or for any other reason, or in the event of a rejection by Lessee or Lessor of this Lease under Chapter 11 of the Bankruptcy Code, Lessor shall, in addition to providing the notices of default and termination as required by this Lease, provide each Leasehold Mortgagee with written notice that the Lease has been terminated or that Lessor has filed a request with the Bankruptcy Court seeking to reject the Lease, together with a statement of all sums which would at that time be due under this Lease but for such termination or rejection, and of all other defaults, if any, then known to Lessor. Upon the request of the Leasehold Mortgagee, or its designee, whose lien upon the Leasehold Estate created hereby is superior to the lien of any and all other Leasehold Mortgages, Lessor agrees to enter into a new lease ("**New Lease**") of the Premises with such Leasehold Mortgagee or its designee for the

remainder of the Term, effective as of the date of termination or rejection, as the case may be, at the rent, and upon the terms, covenants and conditions (including all transfer rights, but excluding requirements which are not applicable or which have already been fulfilled) of this Lease, provided:

15.3.1 Such Leasehold Mortgagee shall make written request upon Lessor for such New Lease within thirty (30) days after the date such Leasehold Mortgagee receives Lessor's notice of termination or rejection.

15.3.2 Such Leasehold Mortgagee shall pay or cause to be paid to Lessor at the time of the execution and delivery of such New Lease, any and all sums which would then be due pursuant to this Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorneys' fees, which Lessor shall have incurred by reason of such termination and the New Lease and which have not otherwise been received by Lessor from Lessee. Upon the execution and delivery of such New Lease, Lessor shall allow to the Lessee named therein as an offset against the sums otherwise due under this Section 15.3.2 or under the New Lease, (i) an amount equal to the net income derived by Lessor from the Premises during the period from the effective date of termination of this Lease to the date of the beginning of the lease term under the New Lease; and (ii) any amounts (including insurance proceeds and condemnation awards), if any, then held by and payable by Lessee which Lessor would have been entitled to receive but for the termination of the Lease. In the event of a controversy as to the amount to be paid to Lessor pursuant to this Section, the payment obligation shall be satisfied if Lessor shall be paid the amount not in controversy, and such Leasehold Mortgagee shall agree to pay any additional sum ultimately determined to be due.

15.3.3 Such Leasehold Mortgagee shall agree to remedy any of Lessee's defaults of which said Leasehold Mortgagee was notified by Lessor's notice of termination or rejection and which are reasonably susceptible of being so cured by such Leasehold Mortgagee.

15.3.4 The Lessee under such New Lease shall have the same right, title and interest in and to the Premises as Lessee under this Lease.

15.3.5 If more than one (1) Leasehold Mortgagee shall request a New Lease, Lessor shall enter into such New Lease with the Leasehold Mortgagee whose mortgage is in the first lien position.

16. **DEFAULT.**

16.1 **Event of Default.** Each of the following events shall be an "**Event of Default**" under this Lease:

16.1.1 **Non-Payment of Rent.** Lessee shall fail to pay Rent as and when the same shall become due and shall not cure such default within ten (10) days after written notice thereof is given by Lessor to Lessee;

16.1.2 **Other Defaults.** Lessee shall fail to comply with any term, provision or covenant of this Lease, other than the payment of Rent, and shall not cure such failure within thirty (30) days after written notice thereof is given by Lessor to Lessee, or, if the

default is of such a character as to require more than thirty (30) days to cure, unless Lessee shall fail to commence said cure within such thirty (30) days and use reasonable diligence in working to complete such cure;

16.1.3 **Insolvency.** Lessee shall be adjudged insolvent, make a transfer in fraud of creditors or make an assignment for the benefit of creditors;

16.1.4 **Bankruptcy.** Lessee shall file a petition under any section or chapter of the Bankruptcy Reform Act of 1978, as amended, or under any similar law or statute of the United States or any state thereof, or Lessee shall be adjudged bankrupt or insolvent in proceedings filed against Lessee thereunder; or

16.1.5 **Appointment of Receiver.** A receiver or trustee shall be appointed for all or substantially all of the assets of Lessee and Lessee shall not have had such appointment discharged within thirty (30) days after Lessee receives written notice of such appointment.

16.2 **Lessor Remedies for Lessee Default.** Upon the occurrence of any Event of Default, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

16.2.1 Terminate this Lease, in which event Lessee shall immediately surrender the Premises to Lessor, and if Lessee fails so to do, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Lessee and any other person who may be occupying the Premises, or any part thereof, by force if necessary, without being liable to prosecution or for any claim for damages; and Lessee agrees to pay to Lessor on demand the amount of all loss and damage which Lessor may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise, and upon such termination Lessor shall be entitled to recover from Lessee the unpaid Rent for the balance of the Term, less any amount of such rental loss that Lessee proves could be reasonably avoided.

16.2.2 Enter upon the Premises, without being liable to prosecution or for any claim for damages, and do whatever Lessee is obligated to do under the terms of this Lease; and Lessee agrees to reimburse Lessor on demand for any reasonable and necessary expenses which Lessor may incur in thus effecting compliance with Lessee's obligations hereunder; or

16.2.3 Any other remedies available at law or equity.

16.2.4 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 Lessor hereunder or of any damage accruing to Lessor by reason of the violation of any of the terms, provisions and covenants herein contained. Forbearance by Lessor to enforce one or more of the remedies herein provided upon the occurrence of a Lessee Event of Default shall not be deemed or construed to constitute a waiver of such default. The waiver by Lessor of any breach by Lessee of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Lessee of either the same or a different provision of this Lease. The

remedies given to Lessor in this Section 16 shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this Lease.

16.3 **Waiver**. No failure by a party to insist upon the strict performance of any provision of this Lease or to exercise any right or remedy consequent upon the default thereof, and no acceptance of full or partial Rent during the continuance of any such default, shall constitute a waiver of any such default or of such provision. No provision of this Lease to be performed or observed by a party and no default thereof shall be waived, altered or modified except by written instrument executed by the non-defaulting party. No waiver of any default shall affect or alter this Lease but each and every provision of this Lease shall remain and continue in full force and effect with respect to any other existing or subsequent default thereof.

16.4 **Cumulative Remedies**. Each of Lessor's rights and remedies provided for in this Lease shall be cumulative, and shall be in addition to every other right or remedy provided for in this Lease, or now or hereafter existing at law or in equity whether by statute or otherwise, and the exercise or beginning of the exercise by Lessor of any one or more of the rights or remedies provided for in this Lease, as now or hereafter existing, shall not preclude the simultaneous or later exercise by Lessor of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity.

16.5 **Lessor Default**. If Lessor fails to perform any of its obligations or breaches any of its covenants contained in this Lease, Lessor shall not be in default unless such failure continues for a period of thirty (30) days after written demand for performance is given by Lessee, or, if the default is of such a character as to require more than thirty (30) days to cure, unless Lessor shall fail to commence said cure within thirty (30) days and use reasonable diligence in working to complete such cure. In the event of Lessor's default, Lessee shall be entitled to pursue any right existing at law or in equity whether by statute or otherwise, including, without limitation, specific performance and termination of the Lease.

16.6 **Lessor's Right to Cure Defaults**. All covenants and agreements to be performed by Lessee under any of the terms of this Lease shall be at its sole expense and, except as otherwise specifically provided herein, without any abatement of Rent. If Lessee should be in default in the performance of any term or covenant on Lessee's part to be kept, observed or performed hereunder, at its option, Lessor may make any such payment or perform any such covenant for the account of Lessee. If Lessor makes any expenditure or incurs any obligation for the payment of money in connection therewith, the same shall be due and payable upon demand. Lessor's rights hereunder shall be in addition to any other rights granted to Lessor by any other provisions of this Lease and shall not constitute a waiver of any rights of Lessor or a release of Lessee from any obligations under this Lease.

17. **LIMITATION OF LESSOR'S LIABILITY.** In the event Lessor fails to perform any covenant or obligation on the part of Lessor contained in this Lease, Lessee may proceed only against Lessor's interest in the Leased Property, and any money judgment recovered by Lessee shall be satisfied only against such Lessor's interest therein, and any money judgment recovered by Lessee shall be satisfied only out of the proceeds of sale recovered upon execution of such judgment and levied thereon against the right, title and interest of Lessor in the Leased Property. Lessee shall have no right to proceed against or recover any deficiency from any trustee, member, shareholder or partner of Lessor.

18. **ENVIRONMENTAL PROVISIONS.**

18.1 **Definitions.**

18.1.1 As used in this Lease, the term "**Hazardous Material(s)**" means any oil, flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials including, without limitation, any substances that pose a hazard to the Premises or to persons on or about the Premises and any substances defined as or included in the definition of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "contaminant," or words of similar import, now or subsequently regulated in any way under applicable federal, state or local laws or regulations, including without limitation, petroleum based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos in any form, PCBs, urea formaldehyde foam insulation, transformers or other equipment containing dielectric fluid, levels of polychlorinated biphenyls, or radon gas, and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

18.1.2 As used herein, the term "**Environmental Law(s)**" means any one or all of the following: the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Resource Conservation Act and Recovery Act as amended (42 U.S.C. §§ 6901 et seq.); the Safe Drinking Water Act as amended (42 U.S.C. §§ 300f et seq.); the Clean Water Act as amended (33 U.S.C. §§ 1251 et seq.); the Clean Air Act as amended (42 U.S.C. §§ 7401 et seq.); the Toxic Substances Control Act as amended (15 U.S.C. §§ 135 et seq.); the Solid Waste Disposal Act as amended (42 U.S.C. §§ 3251 et seq.); the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.); the regulations promulgated under any of the foregoing; and all other laws, regulations, ordinances, judicial or administrative decisions, standards, policies, and guidelines now in effect or hereinafter enacted by any Governmental Authority (whether local, state or federal) having jurisdiction or regulatory authority over the Premises or over the activities conducted therein and which deal with the regulation or protection of human health, industrial hygiene or the environment, including the soil, subsurface soil, ambient air, groundwater, surface water, and land use.

18.1.3 As used herein, the term "**Environmental Activity(ies)**" means any intentional or unintentional generation, manufacture, production, pumping, bringing upon, use, storage, treatment, release, discharge, escaping, emitting, leaching, disposal or transportation of Hazardous Materials in violation of Environmental Laws.

18.2 **Compliance with Environmental Laws.** Lessee shall keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of, any Environmental Laws. All Lessee's activities at the Premises shall be in accordance with all Environmental Laws.

18.3 **Environmental Notices.** Lessee shall promptly, and in any event not more than five (5) Business Days after the occurrence thereof, notify Lessor of, and upon Lessor's request shall provide Lessor with copies of, the following:

18.3.1 Any correspondence, communication or notice, oral or written, to or from any Governmental Authority or any other Person regarding the application of Environmental Laws to the Premises or Lessee's operations on the Premises, including, without limitation, any judicial or administrative complaint, order or pleading, notices of violation, notices of inspections, inspection reports, notices to comply and citations;

18.3.2 Any reports filed by Lessee pursuant to any Environmental Law or self-reporting requirements;

18.3.3 Any permits and permit applications relating to Environmental Laws; and

18.3.4 Any change in the operations on the Premises that will change Lessee's or Lessor's obligations or liabilities under Environmental Laws.

Lessee shall also notify the Lessor of the reportable release of any Hazardous Material in, on, under, about or above the Premises, the Project, or the Leased Property.

18.4 **Lessee Environmental Indemnity.** Lessee shall protect, indemnify, defend and hold harmless Lessor, from and against any and all losses, damages, claims, costs, expenses, penalties, fines and liabilities of any kind which are attributable to (i) any Environmental Activity in or on the Premises undertaken or committed during the Term of this Lease, (ii) any investigation, remedial or clean-up work undertaken by or for Lessee in connection with Environmental Activities or compliance with Environmental Laws, or (iii) the breach by Lessee of any of its obligations and covenants set forth in this Section 18.

18.5 **Exception to Indemnity and Lessor Environmental Indemnity.** Notwithstanding anything contained in this Section 18, Lessee shall not be responsible for, or, by executing this Lease, assume liability for (i) any Environmental Activity occurring prior to the Effective Date of this Lease, or (ii) any Environmental Activity undertaken or committed by Lessor or its agents or contractors, and the indemnity set forth in Section 18.4 shall exclude such matters. Lessee shall protect, indemnify, defend and hold harmless Lessee for, from and against any and all losses, damages, claims, costs, expenses, penalties, fines and liabilities of any kind which are attributable to (i) any Environmental Activity in or on the Premises undertaken or committed prior to the Term of this Lease, (ii) any Environmental Activity on the Premises undertaken or committed by Lessor or its agents or contractors.

18.6 **Lessor Environmental Compliance.** To the knowledge of Lessor:

18.6.1 During the five (5) years prior the execution date hereof, no alleged violation of any Environmental Law has been asserted, initiated or threatened against (i) Lessor in connection with the Leased Property, or (ii) any person or entity whose liability for any alleged violation has or may have been retained or assumed by Lessor, either contractually or by operation of law, in connection with the Leased Property.

18.6.2 During the five (5) years prior the execution date hereof, there are no past or present action, activities, circumstances, conditions, events or incidents by or involving the Leased Property or Seller which involve any Environmental Activity that would or would reasonably be expected to form the basis of any claim for violation of Environmental Laws.

19. **SNDA**. Lessor shall obtain a Subordination and Non-Disturbance Agreement from Lessor's Lender, in form previously agreed to between Lessor, Lender, and Lessee, and executed simultaneously with the execution of this Lease.

20. **[intentionally deleted]**

21. **ACCESS AND UTILITY RIGHTS**. In connection with this Ground Lease and for the Term thereof, Lessor hereby grants, bargains, sells and conveys unto Lessee as part of the Premises, (i) a non-exclusive access easement in and to, upon, over, under, across and through the Lessor's Property, including the existing driveway located on the Lessor's Property and any future roads or driveways that Lessor may construct, for the purpose of ingress and egress, as necessary in order for Lessee and Lessee's customers, contractors, agents or invitees to access the Leased Property, (ii) the right to construct, install, maintain, repair and replace any additional access roads or driveways for the purpose of ingress and egress, as necessary in order for Lessee to access the Leased Property, and (iii) a non-exclusive access easement in and to, upon, over, under, across and through the Lessor's Property, for the purpose of surveying, constructing, installing, operating, maintaining, inspecting, repairing, altering, relocating, rebuilding, removing, reconstructing and replacing one or more pipelines for the transportation of water and related equipment and appurtenances, including utility lines, above and below ground (collectively, the "**Access and Utility Easement**"). Lessor agrees to maintain (including snow and ice removal) and repair all existing roads and driveways located on Lessor's Property and any future roads and driveways it may construct on Lessor's Property, during the Term of this Lease; provided, however, Lessee shall reimburse Lessor, upon demand, for its equitable share of costs incurred by Lessor in order to maintain such roads and driveways located on Lessor's Property which are routinely used by Lessee.

22. **GENERAL PROVISIONS**.

22.1 **Nonmerger**. If both Lessor's and Lessee's estates in the Premises become vested in the same owner, this Lease shall nevertheless not be destroyed whether by application of the doctrine of merger or otherwise except at the express election of Lessee.

22.2 **Estoppel Certificates**. At any time and from time to time within twenty (20) days after written request by either party, the other party shall execute and deliver to the requesting party, or to such other recipient as the notice shall direct, a statement certifying that

this Lease is unmodified and in full force and effect, or if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement, that there are no claims, offsets, defenses or defaults asserted by the party making such statement other than those specified therein and such other matters as may be reasonably requested. The statement shall also state the dates to which the Rent and any other charges have been paid in advance and shall specify such other matters as the requesting party shall reasonably request. The statement shall be such that it can be relied on by any person specified in the request. If the responding party fails to deliver the requested estoppel certificate within the requisite time period, then it shall be conclusively deemed that the requesting party is not then in default of any obligations under this Lease. If a party shall request and receive from another party more than two sets of estoppel certificates during any period of 12 successive months, then the requesting party shall reimburse the other party upon demand for the reasonable costs and expenses incurred in connection with each additional certificate requested by the requesting party.

22.3 **Attorneys' Fees.** If either party to this Lease brings any action or proceeding for any relief against the other, declaratory or otherwise, arising out of this Lease, the losing party shall pay to the prevailing party a reasonable sum for attorneys' fees incurred in bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of reasonable attorneys' fees and costs incurred in enforcing such judgment. The parties further agree that Lessor shall be entitled to attorneys' fees and costs incurred in the preparation and service of notices of default, and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default or resulting breach.

22.4 **Holding Over.** Should Lessee, with or without Lessor's written consent, hold over after the expiration of the stated Term of this Lease, or any extension or renewal of the Term of this Lease, or after termination of this Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable upon 30 days' notice given at any time, upon each and all of the terms herein provided as may be applicable to a month-to-month tenancy, and any such holding over shall not constitute an extension of the term of this Lease. During such holding over, Lessee shall pay in advance, monthly rent equal to one hundred fifty percent (150%) of the Monthly Base Rent payable by Lessee under this Lease for the last full month immediately preceding the date of expiration or termination of this Lease. The foregoing provisions of this Section are in addition to and do not affect Lessor's right of re-entry or any other rights of Lessor hereunder or as otherwise provided by law.

22.5 **Interest; Late Charge.** All amounts of Rent not paid when due shall accrue interest at ten percent (10%) per annum, but in no event in excess of the maximum rate of interest permitted by law. Lessee acknowledges that late payment by Lessee to Lessor of Monthly Base Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Therefore, if any Monthly Base Rent is not received by Lessor when due, and Lessee fails to pay the amount overdue within ten (10) days of written notice thereof, Lessee shall pay to Lessor an additional sum equal to five percent (5%) of the overdue amount as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of Lessor's costs to be incurred by

reason of Lessee's late payment, but does not relieve Lessee from its obligation to pay Monthly Base Rent when due. Acceptance of any late charge shall not constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of the other rights and remedies available to Lessor.

22.6 **Recorded Lease.** This Lease shall not be recorded but concurrently with the execution of this Lease the parties shall execute and record a Memorandum in the office of the Weld County Recorder in the form of Exhibit D attached hereto. Lessee shall pay any fee or tax imposed in connection with the recordation of the Memorandum.

22.7 **No Partnership.** Lessor shall not in any way or for any purpose be deemed a partner, joint venturer or member of any joint enterprise with Lessee, nor shall Lessee be deemed the employee or agent of Lessor for any purpose.

22.8 **Successors.** Subject to the provisions of Section 15, each and every provision of this Lease shall bind and shall inure to the benefit of the parties hereto and their successors. The term "**successors**" is used herein in its broadest possible meaning and includes every Person acquiring or succeeding to any interest in this Lease or the Premises or of Lessee or Lessee herein, whether such succession results from the act of a party in interest, occurs by operation of law, or as the effect of the operation of law together with the act or omission of such party.

22.9 **Notices.** All notices or requests which are required or which may be given by either party to the other hereunder shall be in writing and shall be deemed delivered: (a) upon personal delivery, (b) one Business Day following delivery to a recognized overnight delivery courier, or (c) when transmitted properly, in the case of facsimile transmission, with a facsimile being deemed to have been properly transmitted as of the date of successful transmission of the entire notice, as confirmed by return transmission, in each instance addressed to each party at the following addresses or such other address as either party may designate by such notice:

If to Lessee: NGL Water Solutions DJ, LLC
3773 Cherry Creek North Drive, Suite 1000
Denver, Colorado 80209
Attention: Sr. VP - Water
Facsimile: 303-815-1011

With a copy to: NGL Water Solutions DJ, LLC
3773 Cherry Creek North Drive, Suite 1000
Denver, Colorado 80209
Attention: General Counsel
Facsimile: 303-815-1011

If to Lessor: Grassland Water Solutions LLC
1400 16th Street Mall, Suite 400
Denver, Colorado 80202
Attention: Christopher P. Dietzler
Facsimile: (720) 932-8100

With a copy to: Davis Graham & Stubbs, LLP
1550 17th Street, Suite 500
Denver, CO 80202
Attention: Joel O. Benson
Facsimile: (303) 892-1379

22.10 **Encumbrances.** This Lease is made subject to the easements, liens, leases and licenses in, upon or across said land as set forth on the Title Commitment No. 35100-13-05287, Revision No. 6, with an effective date of May 30, 2014 and an issue date of June 6, 2014, issued by North American Title Company of Colorado ("**Title Commitment**"). Lessee shall not enter into any licenses, easements or other agreements further burdening the Leased Property without the prior written consent of Lessee.

22.11 **Time of Essence.** Time is of the essence of this Lease and each and all of its provisions.

22.12 **Severability.** The unenforceability, invalidity, or illegality of any provision of this Lease shall not render the other provisions unenforceable, invalid or illegal.

22.13 **Quiet Enjoyment.** Provided Lessee pays all sums due hereunder and performs all provisions hereof, Lessee shall peaceably and quietly have, hold and enjoy the Premises throughout the Term, subject to the terms and provisions hereof. Lessor agrees to warrant and forever defend Lessee's right to such occupancy, use and enjoyment and the title to the Premises against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof, by, through or under Lessor, subject only to provisions of this Lease and all applicable governmental laws, rules and regulations.

22.14 **Interpretation.** The captions by which the sections of this Lease are identified and the main headings under which particular sections are placed are for convenience only and shall have no effect upon the interpretation of this Lease. Wherever the context so requires, the singular number shall include the plural, the plural shall refer to the singular, and the neuter gender shall include the masculine and feminine genders. If either party consists of more than one person, each person shall be jointly and severally liable hereunder. This Lease shall be governed and construed in accordance with Colorado law, without giving effect to choice of law principles.

22.15 **Entire Instrument.** This is an integrated Lease which contains all of the understandings of the parties with respect to the Premises and supersedes all agreements heretofore or contemporaneously made by the parties with respect to the matters contained herein. This Lease cannot be modified in any respect except by a writing executed by Lessee

and Lessor.

22.16 **Resolutions**. If either Lessee or Lessor is a partnership, corporation, limited liability company or trustee of an irrevocable trust, then, upon request, appropriate authorizing resolutions shall be provided evidencing their respective authority to enter into and perform each and all of their obligations under this Lease.

22.17 **Exhibits**. The following Exhibits attached hereto are by this reference incorporated herein.

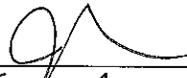
Exhibit A	Legal Description of Lessor's Property
Exhibit B	Depiction of the Leased Property
Exhibit C	Purchase and Sale Agreement and Joint Escrow Instructions
Exhibit D	Memorandum of Lease

[signatures on following pages]

IN WITNESS WHEREOF, this Lease is executed as of the Effective Date.

LESSEE:

NGL WATER SOLUTIONS DJ, LLC

By: 
Name: James Burke
Title: President

LESSOR:

GRASSLAND WATER SOLUTIONS LLC

By:

Name: 
Christopher P. Dietzler

Title: PRESIDENT & CEO

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The West Half of the Northwest Quarter of Section 13, Township 10 North, Range 61 West of the Sixth Principal Meridian, County of Weld, State of Colorado.

EXHIBIT B

DEPICTION OF THE LEASED PROPERTY

