GREATROCK NORTH
WATER & SANITATION DISTRICT

August 7, 2015

VIA ELECTRONIC MAIL

Mr. Matthew Bruff, CEO
Altela, Inc.
7887 E. Belleview Ave., Suite 1100
Denver, CO 80111

Re: AltelaRain® Reverse Osmosis (RO Wastewater Concentrator Facility
More Water, Better Water, Less Waste

Dear Matt,

Following review and discussion of the AltelaRain® Reverse Osmosis (RO) Wastewater Concentrator Circuit proposal dated August 4, 2015, the Greatrock North Water & Sanitation District ("GREATROCK") Board has voted in favor of and approved moving forward with the development of the project at its August 5, 2015 Board of Directors Meeting.

This Letter of Intent ("LOI") broadly outlines the general terms and conditions in which GREATROCK would be interested in establishing a Charter Customer Relationship with Altela with respect to the site development, installation and related systems integration of an AltelaRain® Reverse Osmosis (RO) Wastewater Concentrator Asset Recovery Facility to be located in Adams County, Colorado ("AltelaRain® Asset Recovery Facility").

The Project: The AltelaRain® Asset Recovery Facility will treat the RO concentrate effluent from GREATROCK's existing RO facility, not including existing wastewater volumes contained in GREATROCK's existing two earthen impoundments (with the specific treatment protocol being finalized during the below noted due diligence period).

Value & Benefits: The AltelaRain® Asset Recovery Facility will provide the following benefits to GREATROCK:

1. Achieve permanent wastewater sustainability for GREATROCK by not having to construct additional earthen impoundments;

2. Convert existing RO concentrate wastewater brine liability into a freshwater asset;
3. Enables better water quality for the GREATROCK community;
4. Establishment of a Charter Customer Relationship between GREATROCK and Altela; and
5. Supports GREATROCK's Renewable Water Right Policy as well as the State of Colorado Water Plan for sustainable concentrate management and asset recovery.

Pricing & Cost Savings: As summarized in more detail in Altela's August 4, 2015 proposal to GREATROCK, in support of a Charter Customer Relationship, Altela will provide one AltelaRain® Module for $400,000 (discounted by 20% from system originally offered to GREATROCK), not including ancillary equipment including but not limited to a third-party vendor supplied boiler, building, and tanks.

Project Access: Special pricing is available so that GREATROCK and Altela can provide a flagship inland desalination project with respect to showcasing sustainable, renewable waste to asset conversion of RO concentrate brine. Altela will be allowed reasonable access to the AltelaRain® Asset Recovery Facility to provide tours to prospective Altela customers and to highlight GREATROCK's leadership in water management.

Due Diligence: In addition to any customary due diligence completed by either party, GREATROCK and Altela specifically agree to enter into a thirty (30) day Due Diligence Period with respect to the following in support of presenting the project to the GREATROCK Board of Director's at its September 2015 Board meeting for final project approval:

a. Development of Facility Budgetary Quote: Altela and GREATROCK agree to have Altela's Integrated Services Division work closely with GREATROCK's staff and consulting engineer to develop a budgetary quote with respect to the permitting, development, engineering, construction and systems integration of the AltelaRain® Asset Recovery Facility. The parties will mutually agree on the selection and installation of critical project components including boiler and energy delivery systems to ensure project success.

b. Greatrock Project Funding: In parallel, GREATROCK will commence its funding process to confirm available

financing on terms and conditions agreeable to the District, including the development of the facility budgetary quote.

c. Confirmation of Regulatory Framework: Altela and GREATROCK agree to have Altela work closely with GREATROCK's staff and consulting engineer to confirm the regulatory framework with respect to a required National Pollution Discharge Elimination System ("NDPES") permit as authorized by the Colorado Department of Public Health and Environment Department.

Schedule: Following preliminary approval of the project at the August 4th, 2015 Board Meeting, GREATROCK and Altela agree to begin this project immediately following receipt of final GREATROCK Board approval of the facility budgetary quote and related project funding as well as finalization of definitive project documents and agreements.

This LOI is an expression of intent only, and does not constitute a contract or other enforceable agreement. This letter represents a general summary of terms, which are by no means all-encompassing. Altela and GREATROCK hereby agree to negotiate in good faith the definitive agreements related to such transaction. Either party may terminate discussions with respect to such transaction at any time and for any reason upon written notice to the other party. The parties agree that the terms outlined in this LOI, including the charter customer relationship pricing for the AltelaRain® Module, will expire on September 18, 2015 if not accepted by that date as evidenced by the signatures below.

Please indicate your concurrence to the terms set forth above by signing and returning one copy of this LOI to GREATROCK.

Sincerely yours,

GREATROCK NORTH WATER & SANITATION DISTRICT

By: _____

Name: Robert Fleck

Title: President Greatrock W&S District

APPROVED & ACCEPTED:

ALTELA, INC.

By: _____
Matthew Bruff, CEO

Date: 8/17/2015