GREATROCK NORTH
WATER & SANITATION DISTRICT
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254 • Fax: 303-987-2032

April 23, 2013

David Rye
Box Elder Creek Ranch Water Company
6301 Charrington Drive
Centennial, Colorado 80111

RE: Water Lease Option Agreement

Dear Dave:

This letter is being written to confirm that Box Elder Creek Water Company ("Box Elder") has provided notice that it intends to exercise its option to lease available Laramie Water for 2013 from Greatrock North Water and Sanitation District (the "District"), pursuant to the terms in the Water Lease Option Agreement between Box Elder and the District, dated January 23, 2007 (the "Agreement"), amended on April 24, 2008, July 24, 2008 and on November 4, 2010.

This letter further confirms that the District has received notice pursuant to paragraph 2.2 of the Agreement of Box Elder's anticipated need for Laramie Water over a three-year period, and of the type of use for the Laramie Water in 2013. Box Elder has requested up to five acre-feet of water for direct irrigation use in 2013. No water will be required for augmentation purposes in 2014 and 2015.

The District has evaluated its current water supply and projected demand for 2013 through 2015 and can confirm that it can meet the amount of Laramie Water requested by Box Elder. Feel free to contact me with any questions you may have or if I may be of further assistance.

Sincerely,

Lisa A. Johnson
District Manager

cc: Board of Directors
Jennifer Tanaka, Esq.