



DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WATER RESOURCES

February 4, 2014

Mr. Todd Williams, P.E. Williams and Weiss Consulting, LLC 5255 Ronald Reagan Boulevard, Ste 220 Johnstown, CO 80534 John W. Hickenlooper Governor

Mike King Executive Director

Dick Wolfe, P.E. Director/State Engineer

RE:

Kauffman No. 1 Substitute Water Supply Plan (WDID 0402530) Kauffman No. 1 Pit, DRMS No. M-1978-327 (WDID 0403009) Sections 20 and 21, T5N, R68W, 6th P.M. Water Division 1, Water District 4, Larimer County

RECEIVED

Approval Period: January 1, 2014 through December 31, 2014 Contact Phone Number for Mr. Todd Williams: 303-653-3940

FEB 0 5 2014

Division of Reclamation,

Mining & Safety

Dear Mr. Williams:

We have reviewed your letter dated November 12, 2013 requesting renewal of the above referenced substitute water supply plan for a sand and gravel pit on behalf of Jake Kauffman and Son, Inc. The required fee of \$257.00 for the renewal of this substitute water supply plan has been submitted (receipt number 3662527). The original substitute water supply plan was approved on April 6, 1992 and it was most recently approved on January 7, 2013 for operations through December 31, 2013.

SWSP Operation

The Kauffman No. 1 Pit (WDID 0403009, well permit no. 42901-F) is located in Larimer County in part of the E½ of Section 20 and the NW¼ of the SW¼ of Section 21, Township 5 North, Range 68 West of the 6th P.M. Active mining at the site has ceased and the site is currently undergoing reclamation. The site contains three unlined ponds of approximately 24.7 acres, 9.1 acres, and 1.1 acres. As of 2012, all groundwater exposed to the atmosphere after December 31, 1980 has been backfilled so that there are no new evaporative depletions associated with this site. The applicant plans to place additional backfill on the eastern side of the 24.7-acre pond to meet reclamation requirements, which will further reduce the amount of exposed ground water at the site. The Kauffman No. 1 Pit site was flooded during the September 2013 flood event and the pit took on additional water. Since that time, the water level in the pit has receded and has returned to its prior level. Consumption of water at the site during this plan period will be limited to dust control at the site required during reclamation. The replacement water will be supplied by a lease with the City of Loveland.

Depletions

Pursuant to § 37-90-137(11)(b), C.R.S. and 2009CW49, a gravel pit operator or property owner does not need to replace depletions that occur due to evaporation from ground water exposed prior to January 1, 1981 as a result of open mining of sand and gravel, regardless of whether mining continued after December 31, 1980. Previous SWSPs have recognized that 36.2 acres of water surface was exposed at the Kauffman No. 1 Pit prior to January 1, 1981 ("pre-81"). Due to the backfilling at the site and an overall drop in water levels, the pit now has an exposed surface area of 34.9 acres. Per our "General Guidelines for Substitute Water Supply Plans for Sand and Gravel Pits" updated April 1, 2011, pre-81 areas are tied to the physical location at which the groundwater was exposed prior to January 1, 1981 with the exception for areas whose

reallocation was approved by the State Engineer prior to January 1, 2011. The applicant has provided a map showing the specific location of the pre-81 credit (see Map 3). Because the pre-81 credit associated with the Kauffman No. 1 Pit (36.2 acres) is greater than the current surface area of the Kauffman No. 1 Pit (34.9 acres), and the location of the currently exposed surface area is entirely within the boundaries of the pre-81 area shown in Map 3, there are no evaporative depletions associated with the Kauffman No. 1 Pit that require replacement under this SWSP. Please note that the credits for the pre-81 areas are tied to the locations identified on Map 3 and may not be re-allocated to other areas of ground water exposure within the gravel pit boundaries. Any pre-81 area that is backfilled will lose the pre-81 exemption should it be excavated in the future. Additionally the backfilling of a pre-81 area shall not create a credit to be used elsewhere.

The Applicant projects using up to 5.37 acre-feet of groundwater at the site for dust control purposes during this plan period, as shown in the attached Table 1. Dust control use is assumed to be 100% consumptive. No other use of ground water at the site is anticipated during this plan period. (Note: The City of Loveland used 0.1 acre-feet of water for irrigation in September 2012, but no such irrigation use is anticipated to occur during 2014.)

The monthly depletions to the Big Thompson River due to past and projected use were lagged from the pit site using the AWAS program developed by the IDS Group at Colorado State University. The parameters used in the model were: a distance from the site to the river (X) which varied as described below; a distance from the river through the site to the no flow aquifer boundary (W) of 4,000 ft; an aquifer transmissivity (T) of 50,000 gallons/ft/day; and a specific yield (S) of 0.2. The distance from the exposed water surface area to the river (X value) varied over the years as described in the table below.

Years	X (ft)	Justification
2000-2011	250	Distance used by Applegate Group (previous consultant) for this time period
2012	1,700	Distance from the river to the pump used to provide water to the City of Loveland property
2013-2014	550	Distance from the river to the point water is being pumped for dust control purposes

The consumptive use for years prior to 2014 was obtained from prior SWSP submittals and records of actual dust control at the site provided by the applicant. (Note: For the sake of simplicity in estimating lagged evaporative depletions from 2012, a post-81 exposed surface area of 3.8 acres was used even though the post-81 area was completely backfilled at some point within 2012.) The lagged stream depletions due to past and projected use at the site are estimated to total 5.62 acre-feet during this plan period, as shown on the attached Table 3.

Replacements

Replacement water for this pit will continue to be made available throughout the year from a lease of 65.0 acre-feet of fully consumable water from the City of Loveland ("Loveland"). A copy of the lease is attached to this letter. This leased water is also used to replace depletions at the Wagner/Kauffman Pit #3 (M-1999-069, WDID 0403008). A total of 0.27 acre-feet of water has been dedicated to the Wagner/Kauffman Pit #3 SWSP (WDID 0402529) during this plan period. The duration of the lease is from January 1, 2013 through December 31, 2015.

Under the terms of the lease, replacements can be made using a variety of water owned by Loveland including, but not limited to, Windy Gap reusable effluent, water stored in Loveland Storage Reservoir (commonly known as Green Ridge Glade Reservoir) as decreed in case no. 82CW202A, and Colorado Big Thompson Project ("C-BT") water. In the event that Loveland plans to use C-BT water as a replacement source, Loveland shall comply with the Interim Rule issued by the Northern Colorado Water Conservancy District ("Northern District") in May 2005, regarding the use of Colorado-Big Thompson ("CBT") Project water in substitute water supply plans. Prior to such use of C-BT Project water,

Kauffman No. 1 SWSP February 4, 2014

Loveland is required to notify this office, the division engineer and the water commissioner of the amount of C-BT Project water dedicated to this plan and provide a copy of the Northern District's approval letter as required by paragraph I(g) of the Northern District's May, 2005 Interim Rule.

The monthly depletions and replacement requirements are indicated on the attached Table 4. A four (4) percent transit loss from Green Ridge Glade Reservoir to the Kauffman No. 1 Pit has been applied to the required replacement water deliveries.

Long Term Augmentation

In accordance with the attached letter dated April 30, 2010 from the Colorado Division of Reclamation, Mining, and Safety ("DRMS"), all sand and gravel mining operators must comply with the requirements of the Colorado Reclamation Act and the Mineral Rules and Regulations for the protection of water resources. Unlined ponds will create long term injurious stream depletions unless otherwise augmented. The April 30, 2010 letter from DRMS requires that you provide information to DRMS to demonstrate you can replace long term injurious stream depletions that result from mining-related exposure of ground water. The DRMS letter identifies four approaches to satisfy this requirement. Approach #4 is to obtain approval from the Division of Water Resources that acknowledges compliance with the SEO's requirements pursuant to § 37-90-137(11), C.R.S. Since the operator has backfilled the site so that only pre-81 groundwater areas remain, there are no long terms injurious stream depletions from mining related exposure of groundwater, and the operator is considered to be in compliance with the SEO's requirements. In addition, there is currently a surety bond outstanding for this project in the amount of \$84,440.00 to assure the reclamation of the site is completed as currently proposed.

Conditions of Approval

I hereby approve the proposed substitute water supply plan in accordance with § 37-90-137(11), C.R.S., subject to the following conditions:

- 1. This plan is approved with the effective date of January 1, 2014 and shall be valid through December 31, 2014 unless otherwise revoked or modified. If depletions (lagged or projected) will extend beyond the plan's expiration date, a renewal request must be submitted to this office with the statutory fee (currently \$257) no later than **November 15, 2014**. According to the projection shown in the attached Table 3, lagged depletions will extend through July 2016.
- 2. Well permit no. 42901-F was obtained for this gravel pit in accordance with § 37-90-137(2) and (11), C.R.S. On April 6, 2010 the location of this permit was amended in accordance with the Policy Memorandum 93-1 to reflect the actual location of the gravel pit. The permit allows ground water use for dewatering, evaporation, water lost in mined product, gravel washing, and dust control. The permit allows a maximum annual appropriation of 43.38 acre-feet, and a maximum post-81 exposed ground water surface of 24.3 acres. Actual ground water use and amounts shall be limited to that specifically allowed through this SWSP.
- 3. No additional surface area of groundwater shall be exposed at the Kauffman No. 1 Pit beyond that which was exposed prior to January 1, 1981. The annual amount of water used for dust control at the Kauffman No. 1 Pit under this SWSP shall not exceed 5.37 acre-feet. Total consumption at the Kauffman No. 1 Pit, as stated above, must not be exceeded unless an amendment is made to this plan.
- 4. Approval of this plan is for the purposes as stated herein. Any additional uses for which the water may be used must first be approved by this office.

- 5. All pumping for dust control shall be measured in a manner acceptable to the water commissioner or division engineer.
- 6. All releases of replacement water must be sufficient to cover all out-of-priority depletions in time, place, and amount and must be made under the direction and/or the approval of the water commissioner. The release of replacement water may be aggregated to maximize beneficial use. The water commissioner and/or the division engineer shall determine the rate and timing of an aggregated release.
- 7. The replacement water that is the subject of this plan cannot be sold or leased to any other entity. As a condition of subsequent renewals of this substitute water supply plan, the replacement water must be appurtenant to this site until a plan for augmentation is obtained. All replacement water must be concurrent with depletions in quantity, timing and locations.
- 8. In the event Loveland plans to use C-BT Project water as a replacement source, Loveland shall comply with the Interim Rule issued by the District in May 2005 regarding the use of C-BT Project water in substitute water supply plans. Prior to the use of the C-BT Project water, Loveland shall notify this office, the division engineer and the water commissioner of the amount of C-BT Project water dedicated to this plan and provide a copy of the District's approval letter as required by paragraph I(g) of the District's May, 2005 Interim Rule.
- The name, address and phone number of the contact person who will be responsible for the operation and accounting of this plan must be provided with the accounting form to the division engineer and water commissioner.
- 8. Adequate accounting of depletions and replacements must be provided to the division engineer in Greeley (<u>Div1Accounting@state.co.us</u>) and the water commissioner (Jason Smith at <u>Jason.Smith2@state.co.us</u>) on a monthly basis unless otherwise approved in writing by the Water Commissioner. Submitted accounting shall conform to the Administration Protocol "Augmentation Plan Accounting, Division One South Platte River" (attached).
- Conveyance loss for delivery of replacement water to the location where depletions from the Kauffman No. 1 Pit affect the Big Thompson River is subject to assessment and modification as determined by the division engineer.
- 10. The approval of this substitute water supply plan does not relieve the Applicant and/or the landowner of the requirement to obtain a water court decree approving a permanent plan for augmentation or mitigation to ensure the permanent replacement of all depletions, including long-term evaporation losses and lagged depletions after gravel mining has ceased. If reclamation of the mine site produces a permanent water surface exposing post-81 groundwater to evaporation, an application for a plan for augmentation must be filed with the Division 1 Water Court at least three (3) years prior to the completion of mining to include, but not be limited to, long-term evaporation losses. If there are no new depletions occurring after reclamation is complete, only the replacement of lagged depletions shall continue until there is no longer an effect on stream. Granting of this plan does not imply approval by this office of any such court application(s).
- 11. This substitute water supply plan may be revoked or modified at any time should it be determined that injury to other vested water rights has or will occur as a result of this plan. Should this substitute water supply plan expire without renewal or be revoked prior to adjudication of a permanent plan for augmentation, all excavation of product from below the ground water table and all other use of water at the pit must cease immediately.
- 12. In accordance with amendments to § 25-8-202(7), C.R.S., and Senate Bill 89-181 Rules and Regulations adopted on February 4, 1992, the State Engineer shall determine whether the substitute supply is of a quality to meet requirements of use to senior appropriators. As such, water quality data or analysis may be requested at any time to determine if the water quality is appropriate for

downstream water users.

13. The decision of the state engineer shall have no precedential or evidentiary force, shall not create any presumptions, shift the burden of proof, or serve as a defense in any pending water court case or any other legal action that may be initiated concerning this plan. This decision shall not bind the state engineer to act in a similar manner in any other applications involving other plans, or in any proposed renewal of this plan, and shall not imply concurrence with any findings of fact or conclusions of law contained herein, or with the engineering methodologies used by the Applicant.

Please contact Sarah Brucker in Denver at (303) 866-3581, or Michael Hein in Greeley at (970) 352-8712, if you have any questions concerning this approval.

Sincerely,

Jeff Deatherage, P.E.

Chief of Water Supply

Attachments: Map 3

Tables 1, 3, and 4 City of Loveland Lease

April 30, 2010 letter from DRMS

Accounting Protocol

cc: Michael Hein, Assistant Division Engineer, michael.hein@state.co.us

810 9th Street, Ste. 200, Greeley, CO 80631, (970) 352-8712

Jason Smith, Water Commissioner, District 4, jason.smith2@state.co.us

Division of Reclamation Mining and Safety

JD/TLK/srb: Kauffman Pit-M78-327 renewal (14)

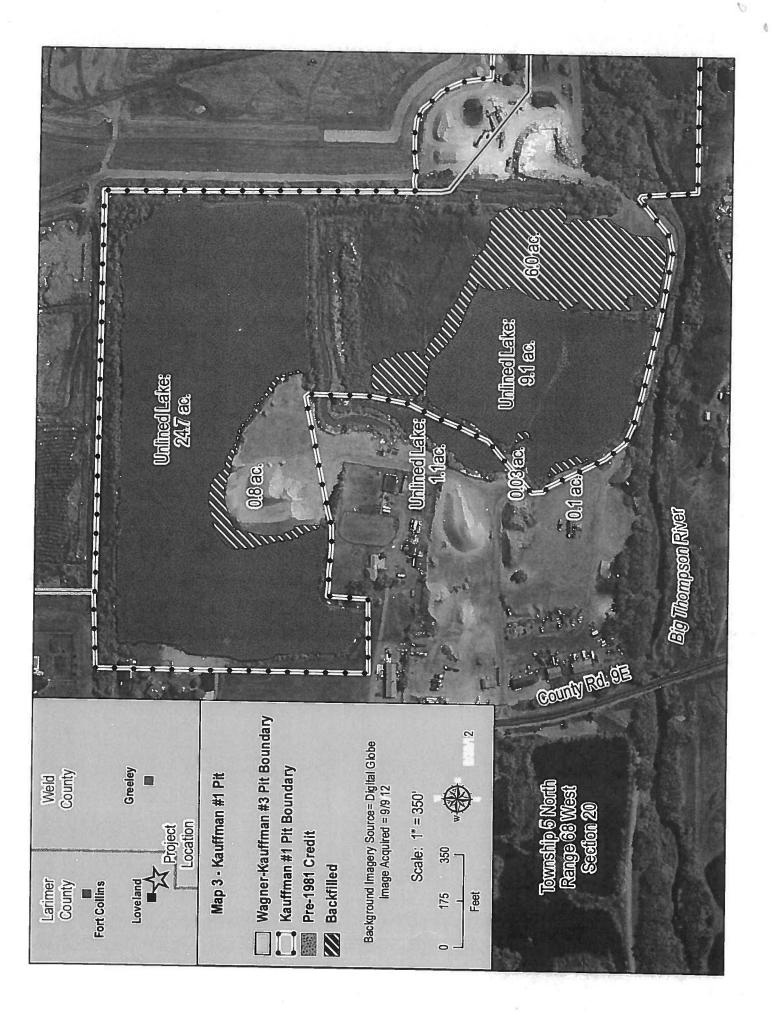


Table 1Kauffman Pit #1
Jake Kauffman and Son, Inc.

Consumptive Use - 2014

	Aggregate	Water Retained	Water Retained Water Used for	Water Used for	Total Operational	Evaporative	Total
Month	Production	in Product	Dust Control	Irrigation	Consumptive Use	Consumptive Use	Consumptive Use
	(Tons)	(ac-ft)	(ac-ft)	(ac-ft)	(ac-ft)	(ac-ft)	(ac-ft)
January	0	0.00	0.00	00.00	0.00	0.00	0.00
February	0	0.00	0.00	0.00	0.00	0.00	0.00
March	0	0.00	0.68	00:00	0.68	0.00	0.68
April	0	0.00	99.0	00:00	99.0	0.00	99.0
May	0	0.00	0.68	0.00	0.68	0.00	0.68
June	0	0.00	99'0	00.00	99.0	0.00	99.0
July	Ö	0.00	0.68	0.00	0.68	0.00	0.68
August	0	0.00	0.68	00.00	0.68	0.00	0.68
September	0	0.00	99'0	0.00	0.66	0.00	99.0
October	0	0.00	0.68	0.00	0.68	0.00	0.68
November	0	0.00	00:00	0.00	0.00	0.00	0.00
December	0	0.00	0.00	0.00	0.00	0.00	0.00
Totals	0	0.00	5.37	0.00	5.37	0.00	5.37

Table 3Kauffman Pit #1
Jake Kauffman and Son, Inc.

Lagged Depletion Values (ac-ft)- 2000 - 2014

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TOTAL	-78.87	-24.47	-74.73	-22 94	-21.48	-17.29	-17.06	-17.03	-10.39	-6.17	-5.62	-0.66	-0.09	0.00	0.00	0.00	00.0
DEC	-1.05	-0.87	-0.86	-0.86	-0.83	-0.67	-0.66	-0.66	-0.96	-0.17	-0.15	-0.02	0.00	0.00	0.00	0.00	0.00
NOV	-1.41	-1.20	-1.19	-1.12	-1.04	-0.83	-0.83	-0.83	-1.18	-0.21	-0.30	-0.02	0.00	0.00	00.0	0.00	0.00
DCT	-2.35	-1.98	-1.97	-1.87	-1.76	-1.40	-1.39	-1.39	-1.32	-0.29	-0.66	-0.02	0.00	0.00	0.00	0.00	0.00
SEP	-2.93	-2.47	-2.46	-2.33	-2.19	-1.74	-1.73	-1.73	-1.37	-0.48	-0.64	-0.04	0.00	0.00	0.00	0.00	0.00
AUG	-4.21	-3.55	-3.54	-3.35	-3.13	-2.50	-2.49	-2.49	-1.33	-0.70	-0.65	-0.04	0.00	0.00	0.00	00.0	0.00
JUL	-4.50	-3.79	-3.78	-3.57	-3.33	-2.67	-2.66	-2.65	-1.18	-0.74	-0.64	-0.05	-0.01	0.00	0.00	0.00	0.00
NOC	-3.97	-3.36	-3.34	-3.14	-2.93	-2.35	-2.33	-2.33	-0.95	-0.71	-0.63	-0.05	-0.01	0.00	00.0	00.0	0.00
MAY	-2.96	-2.53	-2.51	-2.33	-2.16	-1.74	-1.72	-1.72	-0.73	-0.43	-0.62	-0.06	-0.01	0.00	0.00	0.00	0.00
APR	-2.19	-1.88	-1.85	-1.74	-1.61	-1.31	-1.28	-1.28	-0.54	-0.46	-0.59	-0.07	-0.01	0.00	0.00	00.0	0.00
MAR	-1.31	-1.15	-1.12	-1.04	-0.96	-0.79	-0.76	-0.76	-0.33	-0.54	-0.46	-0.08	-0.01	0.00	0.00	0.00	0.00
FEB	-1.04	-0.89	-0.86	-0.85	-0.82	-0.67	-0.64	-0.63	-0.24	-0.64	-0.13	-0.09	-0.01	0.00	0.00	0.00	0.00
JAN	-0.90	-0.80	-0.75	-0.75	-0.73	-0.63	-0.57	-0.57	-0.26	-0.79	-0.15	-0.12	-0.01	0.00	0.00	0.00	0.00
YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

lotes:

For the 2000 - 2011 period, the following parameters were used in the AWAS Model: W -= 4,000 ft, Transmissivity = 50,000, Specific Yield = 0.2, X = 250 ft For the 2013-2014 period, the following parameters were used in the AWAS Model: W -= 4,000 ft, Transmissivity = 50,000, Specific Yield = 0.2, X = 550 ft For 2012, the following parameters were used in the AWAS Model: W -= 4,000 ft, Transmissivity = 50,000, Specific Yield = 0.2, X = 1,700 ft

Table 4Kauffman Pit #1
Jake Kauffman and Son, Inc.

2014 Water Balance - Lagged Depletions and Replacement Supplies from City of Loveland

	Consumptive	Lagged	City of Loveland	Total Water Required
Month	Use	Depletions	Transit Losses	from City of Loveland
	(ac-ft)	(ac-ft)	(ac-ft)	(ac-ft)
January	0.00	-0.15	-0.01	-0.16
February	0.00	-0.13	-0.01	-0.13
March	0.68	-0.46	-0.02	-0.48
April	0.66	-0.59	-0.02	-0.61
May	0.68	-0.62	-0.02	-0.64
June	0.66	-0.63	-0.03	-0.66
July	0.68	-0.64	-0.03	-0.67
August	0.68	-0.65	-0.03	-0.67
September	0.66	-0.64	-0.03	-0.67
October	0.68	-0.66	-0.03	-0.68
November	0.00	-0.30	-0.01	-0.32
December	0.00	-0.15	-0.01	-0.16
Totals	5.38	-5.62	-0.22	-5.84

WATER LEASE

THIS WATER LEASE ("Lease") is made and entered into this 13 day of November, 2012, by and between the CITY OF LOVELAND, COLORADO, a home rule municipality, whose address is 500 East Third Street, Loveland, Colorado 80537 ("City"), and JAKE KAUFFMAN & SON, INC., a Colorado corporation, whose address is 808 South County Road 9E, Loveland, Colorado 80537 ("Lessee").

WHEREAS, Lessee desires to acquire augmentation water for the purpose of augmenting certain wells, ponds, or pumps along the Big Thompson River; and

WHEREAS, the City is the owner of certain water that may be used for the purpose of augmentation; and

WHEREAS, the City is willing to lease, on a temporary basis, a portion of its water, which may include, but is not limited to, Windy Gap re-use water or water stored in the Loveland Storage Reservoir (commonly known as Green Ridge Glade Reservoir) under the terms and conditions of the Transfer Decree entered in Case No. 82CW202A to Lessee on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

- 1. <u>Term.</u> This Lease shall be effective for a term of three (3) years commencing January 1, 2013 and ending December 31, 2015, unless sooner terminated as provided herein.
- 2. <u>Water</u>. The City shall supply up to sixty-five (65) acre-feet of augmentation water per year to Lessee's temporary substitute supply plan(s) for replacement of depletions, including evaporation, at Kauffman #1 Pit and Wagner/Kauffman #3 Pit, M-99-069, at Kauffman Pit M-78-327 (also known as Great Western Pit #1), or as directed by the River Commissioner or the Office of the State Engineer.

3. <u>Annual Lease Payment.</u>

- a. Regardless of water supply source, Lessee shall annually pay the City Four Hundred Dollars (\$400) per acre-foot of water delivered under this Lease.
- b. The Lessee's engineer shall supply to the City an anticipated schedule of replacement for the calendar year, by November 1 of the previous calendar year. The Lessee is responsible for notifying the City if this schedule changes.
- c. The City shall coordinate replacement of the water to the Big Thompson River with the River Commissioner or the Office of the State Engineer. Accounting of such will be made available to the River Commissioner and the Office of the State Engineer.

- d. The City will submit a bill to the Lessee for all water replaced to the Big Thompson River, in accordance with this Lease.
- e. Lessee shall pay said amount to the City within thirty (30) days of receiving the City's bill.
- 4. <u>Termination by City</u>. In the event the City has an urgent need for water, as determined in the sole discretion of the City, for reasons including, but not limited to, drought, the City may terminate this Lease. The City will endeavor to give Lessee thirty (30) days notice of such termination, but shall not be required to do so. In the event of such termination, Lessee shall be liable to pay the City for augmentation water received to the effective date of termination.
- 5. <u>Termination of Delivery for Nonpayment</u>. In the event Lessee fails to pay for augmentation water when payment is due as set forth in paragraph 3, above, the City, in addition to seeking recovery of sums due, may terminate delivery of augmentation water to Lessee.
- 6. <u>Lease Contingent Upon Plan Approval</u>. The parties understand and agree that this Lease shall be contingent upon approval of Lessee's temporary substitute supply plan by the Office of the State Engineer.
- 7. <u>No Warranties</u>. Delivery of water by the City under this Lease shall be on an "as is" basis only, and the City neither expressly nor impliedly warrants the quality of the water. The water leased hereunder is not warranted as suitable for any particular purpose.
- 8. <u>Notices</u>. Written notices required under this Lease and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested:

If to the City:

City of Loveland Water and Power Department

Attention: Stephen C. Adams, Director

200 North Wilson Avenue Loveland, Colorado 80537

If to Lessee:

Jake Kauffman & Son, Inc. Attention: Mary Kauffman 808 South County Road 9E Loveland, Colorado 80537

- 9. <u>Governing Law and Venue</u>. This Lease shall be governed by the laws of the State of Colorado, and venue shall be in the County of Larimer, State of Colorado.
- 10. Severability. In the event a court of competent jurisdiction holds any provision of this lease invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Lease.

- Headings. Paragraph headings used in this Lease are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Lease.
- Assignability. Lessee shall not assign this Lease without the City's prior written 12. consent.
- Binding Effect. This Lease shall be binding upon, and shall inure to the benefit 13.

of, the parties hereto and their respective heirs, personal representatives, successors, and assigns. Entire Agreement. This Lease contains the entire agreement of the parties 14. relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties. IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written. CITY OF LOVELAND, COLORADO Stephen C. Adams Department of Water and Power ATTEST: APPROVED AS TO FORM: Assistant City Attorney JAKE KAUFFMAN & SON, INC. Frank Kauffman, Owner President COUNTY OF LARIMER The foregoing Lease was acknowledged before me this day of November, 2012, by Frank Kauffman as Owner/President of Jake Kauffman & Son Inc. Witness my hand and official seal. Mariene A. Wickizer Notary Public- Arizona Maricopa County Commission Expires December 6, 2012

My commission expires 12-06-12