

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into this 22nd day of June 2010, by and between Rick L. Hunt (hereinafter "Lessee"), and the Town of Elizabeth, a Colorado Municipal Corporation.

WHEREAS, the Town of Elizabeth operates the Gold Creek Wastewater Treatment Plant in the County of Elbert, State of Colorado, which process effluent and discharge water as a product of such treatment, discharging to Gold Creek, a portion of which water the Town of Elizabeth desires to lease to Lessee according to the terms and conditions stated herein, and,

WHEREAS, Lessee desires to lease from the Town of Elizabeth for a period of one (1) year, with annual renewals as provided below, water discharged from the Elizabeth waste water treatment plant.

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

The Town of Elizabeth leases to Lessee twenty (20) acre-feet annually of nontributary effluent attributable to the water right more particularly described in "Exhibit A", attached hereto and incorporated by this reference, for a period of one (1) calendar year starting on the 1st day of January, 2010, and terminating on the 31st day of December, 2010, subject to annual renewals as provided below.

The lease price payable by Lessee to the Town of Elizabeth shall be \$125 for each metered acre-foot of water discharged from the Town of Elizabeth's waste water treatment plant for Lessee's use under this lease agreement. The \$125 price shall be adjusted each January 1st by the percentage change in the Consumer Price Index for the Boulder-Denver Metropolitan Area for the preceding calendar year.

Lessee shall be billed annually for water delivered under this lease and payments shall be made by Lessee to the Town of Elizabeth within 15 days of the date of statement. Any payment not made by the due date shall bear interest at the rate of 1.5% per month until paid.

Lessee shall use the water delivered to Lessee under this agreement for lawful purposes only under the laws of the State of Colorado. The uses contemplated by Lessee are for augmentation and substitute supply.

Lessee shall obtain and pay for any decrees or orders of Court or permits or approvals required for Lessee to apply the water leased hereunder to use under any plan of augmentation or plan for substitute water supply. Lessee shall also pay the cost of providing any new meter which may be required be placed to measure the leased water outflowing from the Elizabeth waste water treatment plant.

The leased water from the Town of Elizabeth's waste water treatment plant is accepted by Lessee without warranty by the Town of Elizabeth that the quality of said water is fit for any intended purpose whatsoever. The Town of Elizabeth makes no warranty, either expressed or

implied, that the quality of the water discharged from its waste water treatment plant is fit for any intended purpose whatsoever.

Any party to this lease agreement shall have the right to terminate this agreement upon 60 days notice in writing given by the terminating party and received by the other party. This lease agreement shall be deemed void by the parties in the event either the State Engineer or the Water Court for Water Division No. 1 shall not allow the lease of the water for the purposes stated herein.

Provided no termination notice has occurred under paragraph 7, above, this lease agreement shall be extended for an additional calendar year beginning on January 1 of 2011, and on January 1 of each succeeding year. If prior to ninety (90) days before the end of any calendar year either party has given written notice of its intent not to renew the lease for the succeeding calendar year, then this lease agreement shall terminate on the following January 1st.

Notices, statements, and other writings provided by one party to another party under this lease agreement shall be deemed received when sent by United States mail, postage prepaid, or facsimile, to the following:

If to Lessor to:

Town of Elizabeth
Town Administrator
P.O. Box 159
Elizabeth, Colorado 80107
Facsimile Number: 303-646-9434

With a copy to:

Corey Hoffmann, Esq.
Town Attorney
Hayes, Phillips, Hoffmann & Carberry, P.C.
1530 Sixteenth Street, Suite 200
Denver, Colorado 80202
Facsimile Number: 303-825-1269

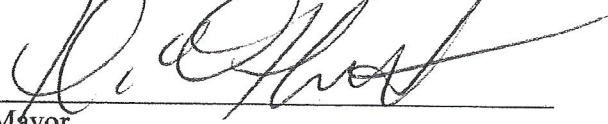
If to Lessee to:

Rick L. Hunt
43160 County Road 17-21
Elizabeth, Colorado 80107
Facsimile Number: 303-646-9233

The Town of Elizabeth warrants, covenants and agrees that it has a good and sufficient title in and to the water which is the subject matter of this agreement.

This lease agreement is made in Elbert County, State of Colorado on the date set out above and shall be construed under the laws of the State of Colorado. Venue for any action regarding this lease shall be in the District Court for Elbert County.

THE TOWN OF ELIZABETH, COLORADO



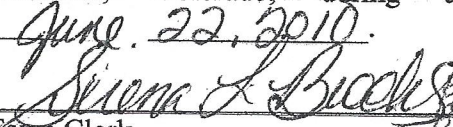
Mayor



Lessee, Rick L. Hunt

ATTEST:

The foregoing lease agreement was approved by the Board of Trustees for the Town of Elizabeth, Colorado, during a regular meeting of the Board held on

June 22, 2010.


Town Clerk



EXHIBIT A

Non-tributary groundwater in the Arapahoe Formation decreed by the District Court in and for Water Division No. 1 on February 7, 1985 in Case No. 81CW122, and withdrawn by means of the Town of Elizabeth Bishop Well A, originally permitted under Permit No. 16210-F, and in the Lower Dawson Formation decreed by the District Court in and for the Water Division No. 1 on February 5, 1985 in Case No 81CW123, and withdrawn by means of the Town of Elizabeth Well DA-15617-F, originally permitted under Permit No., 15617-F, and now operating under replacement well Permit No. 15617-FR.