

April 12, 2024

Partners

Barbara R. Butler
Shelly S. Dackonish
William S. DeFord
Nathan A. Keever
Michael A. Kuzminski
Christopher G. McAnany*
Annie D. Murphy*~
Lauren F. O'Dell*
John R. Pierce+
Sam D. Starritt◇

Of Counsel

J. David Reed
Richard B. Tuttle

Associates

Rachel Awalt
Scott D. Goebel
Diane O. Long
Thomas L. Long^
Arie R. Mielkus
William T. Raley*

Retired Partners

William H.T. Frey
Richard H. Krohn
Laird T. Milburn

D. J. Dufford
(1919-1998)

William G. Waldeck
(1923-2009)

^ Also admitted in California
+ Also admitted in Oregon
* Also admitted in Utah
~ Also admitted in Wisconsin
◇ Also admitted in Wyoming

Re: Pending Bureau of Reclamation Contract for Releases from Blue Mesa Reservoir

Dear Mark:

You asked me to summarize the status of your pending water supply contract with the Bureau of Reclamation. As you know, the decree for the Warren Pit in Colorado Division 4 Water Court Case No. 2012CW0038 approves an augmentation plan that addresses all out-of-priority depletions from the pit under Colorado law. One component of that plan is a 2 acre-foot water supply contract from the Bureau of Reclamation for water releases from Blue Mesa Reservoir.

Water supply contracts from the Bureau of Reclamation have historically been issued 4-6 weeks after they are requested, with occasional instances taking as long as 8-10 weeks. Whitewater Building Materials applied for a water supply contract from the Bureau of Reclamation in May of 2023 and might reasonably have expected the final contract to be issued by July or August of that year.

Instead, the Bureau did not send you a draft contract to review until August, which you signed and returned to them on August 11, 2023. At that point, the Bureau sent the contract to its regional office where it typically is signed without significant delay. Unfortunately, your partially signed contract has been stalled at the Bureau of Reclamation's regional office for 8 months. In my 24 years of assisting clients with water supply contracts, this delay is unprecedented.

I have talked with Bureau staff several times about the status of your contract and they have assured me that it is merely a delay due to their internal processes and that there is no reason to doubt that the contract will eventually be issued. The last explanation I received from the Bureau was a bit cryptic: Regional staff had concluded that certain processes that are sometimes required for approval of Blue Mesa contracts were not necessary in your case, but they were waiting for confirmation of this fact from one of their superiors.

Unfortunately, I have several other clients who are now encountering similar delays in the issuance of their Blue Mesa contracts by the Bureau, so Whitewater Building Materials is not the only one encountering this problem. I am told that the pervasive delays now occurring at the Bureau are a result of being short staffed.

Whitewater Building Materials

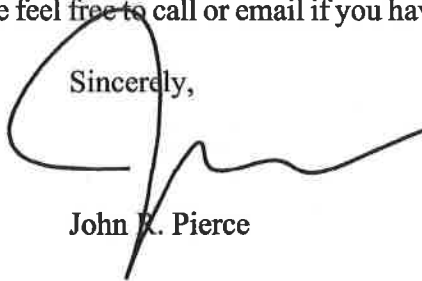
April 12, 2024Date

Page 2

I am continuing to follow-up with the Bureau every week or two in an effort to push them to move this forward. I have recently seen some progress from these efforts with the contracts for some of my other clients, so I am hopeful that yours will be issued soon.

I hope that explanation is helpful. Please feel free to call or email if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "John R. Pierce", written over the printed name.

John R. Pierce