

GRA07RES

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEED (BARGAIN AND SALE)
NAME OF PROPERTY OWNER OR GRANTOR:	THE GRAND MESA RESERVOIR COMPANY
PURPOSE:	STOCK SHARE TRANSFER
ADDRESS:	GRAND MESA RESERVOIR #1
PARCEL NO:	N/A
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2007
EXPIRATION:	NONE
DESTRUCTION:	NONE

BARGAIN AND SALE DEED

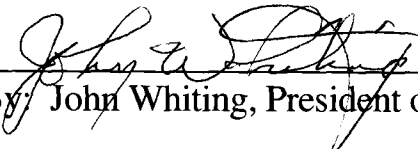
The Grand Mesa Reservoir Company ("Company"), whose address is 100 Whiting Road, Whitewater, Mesa County, Colorado, for the consideration of 254 shares of stock in the Grand Mesa Reservoir Company and other good and valuable consideration, the Company, hereby sells and conveys to the City of Grand Junction, a Colorado Home Rule municipality, whose street address is 250 North 5th Street, Grand Junction, Mesa County, Colorado, Grand Mesa Reservoir #1. The real property being described and situate to wit:

Legal description: Reservoir is located within Section 15, Township 12S South, Range 96 West of the 6th Principal Meridian and as set forth and described in water decree 195 of Division 4 records. All as more particularly described in any permit(s), license(s) and/or easements by and between the Company and the United States Forest Service and/or the United States Department of Agriculture.

The property and water rights are sold by the Company without exception or reservation.

Executed and delivered this 13th day of July, 2007.

Grand Mesa Reservoir Company

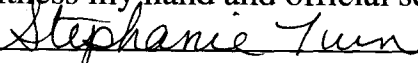

By: John Whiting, President of the Company

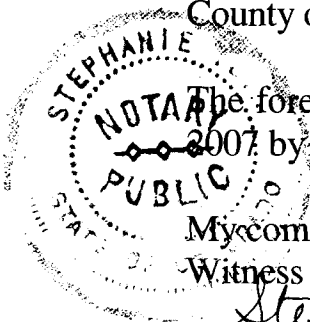
State of Colorado)
County of Mesa)

The foregoing instrument was acknowledged before me this 13th day of July, 2007 by John Whiting.

My commission expires 10-10-10.

Witness my hand and official seal.


Notary Public





INCORPORATED UNDER THE LAWS OF

State of Colorado

No

Shares

GRAND MESA RESERVOIR COMPANY

THIS CERTIFIES THAT City of Grand Junction, Colo is the owner of Two Hundred Fifty Four - Shares of the Capital Stock of GRAND MESA RESERVOIR COMPANY

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation

this 23rd day of June A.D. 19 97

John L. Whitney

W.D. Radburn Secy

CERTIFICATE

GRAND MESA

GRAND MESA RESERVOIR
COMPANY

Jerry Franklin

Grand Mesa Reservoir Co.

7-13-07

Stephanie Twin

Jerry Franklin

GRAND MESA RESERVOIR COMPANY
1000 E. 1000 N. COVINGTON, WY 83001
PHONE: 307-233-1111 FAX: 307-233-1112
WWW.GMR.CO

GRAND MESA RESERVOIR ACQUISITION AGREEMENT

THIS AGREEMENT made this 13th day of July 2007, between the City of Grand Junction (hereafter "City") and the Grand Mesa Reservoir Company (hereafter "Company") and is subject to the following recitals, agreements, terms and understandings:

RECITALS

The City and the Company have agreed to convey the Company's Reservoir #1 located in Mesa County, Colorado to the City. The City is a stockholder in the Grand Mesa Reservoir Company and participated in a recent improvement project of and for the Company's reservoirs. That project consisted of replacing portions of the outlet piping, slip lining other portions and replacing the outlet valves and structures on Grand Mesa Reservoir #1 and Grand Mesa Reservoir #9. The City financed the costs of these improvements with a repayment obligation from the Company shareholders to the City. In order to relieve the financial burden of the Company of those improvements costs, the City offered an exchange and the Company agreed to the exchange wherein the Company will transfer all of its right, title and interest in the Company's Grand Mesa Reservoir #1 to the City and the City will transfer to the Company its 254 shares of stock in the Grand Mesa Reservoir Company.

NOW THEREFORE, the City and the Company agree as follows:

1. For the following consideration, the sufficiency of which is acknowledged and fully supports the making of this Agreement, the Company conveys to the City all right, title and interest in the Grand Mesa Reservoir #1.
 - 1a. After Closing, the Company shall not be liable for the cost of the repairs completed by the City on Grand Mesa Reservoir #1.
 - 1b. The City shall repay the shareholders of the Company \$88,000.00 for the sums the Company paid to the City for construction costs for repair work completed on Grand Mesa Reservoir #1 and #9 during the summer of 2004. The City shall reimburse the shareholders of the Company \$26,000.00 for sums the Company paid to Buckhorn Geotech Engineering for engineering services for the needed repair work to be performed during 2007. Payment of these sums shall be made by checks as set forth on the attached exhibit. .
 - 1c. The City will annually for a term of 20 years from the date of this Agreement, offer to lease to the Company, for the use and benefit of its stockholders 50% of the stored water in Grand Mesa Reservoir #1, not to exceed 200 acre feet in any year. The water that may be leased to the Company shall be at no charge for the first five annual leases; \$5.00 per

acre foot per year for the five annual leases thereafter; \$7.50 per acre foot per year for the final ten annual leases.

1d. The City, upon closing will no longer be a shareholder in the Grand Mesa Reservoir Company or be responsible for any operational and maintenance costs on the remaining Company reservoirs, these reservoirs being Scales #1 & #3 and Grand Mesa #6, #8 & #9. The Grand Mesa Reservoir Company retains ownership and associated rights to the remaining reservoirs and ditches that feed out of them.

1e. The Grand Mesa Reservoir #1 water right will be administered in conformance with court decrees, the priority system and Colorado State Statutes.

2. The Company agrees to convey to the City, by bargain and sale deed, the following real property in the County of Mesa, State of Colorado, to wit, hereinafter "Reservoir #1":

Legal description: Reservoir is located within Section 15, Township 12S South, Range 96 West of the 6th Principal Meridian and as set forth and described in water decree 195 of Division 4 records. All as more particularly described in any permit(s), license(s) and/or easements by and between the Company and the United States Forest Service and/or the United States Department of Agriculture.

3. The conveyance of Reservoir #1 shall include all improvements thereon and appurtenant thereto, and any and all other rights appurtenant to the property, including but not limited to historic access, ingress and egress and all other right and interest as provided or established by the permit(s), license(s) easement(s) and other form(s) of agreement from, by and with the United States Forest Service and/or the United States Department of Agriculture. Reservoir #1 shall be conveyed free and clear of all taxes, special assessments, liens, mortgages and encumbrances. The Company shall convey and otherwise transfer the surface rights and permits, water and water rights, ditches and ditch rights, which comprise and/or are attributed to Reservoir #1.

4. The date of closing shall be the date for delivery of deed as provided below. The hour and place of closing shall be designated by mutual Agreement between the parties hereto, in Grand Junction. Changes in time, place and date may be made with the consent of both parties. Each party shall pay its respective closing costs at closing, except as otherwise provided herein. Each party shall sign and complete all customary or required documents at or before closing.

5. Subject to full and complete compliance by both parties with the terms and provisions hereof, closing and possession shall occur on July 13, 2007 or by mutual agreement, at a different date.

6. At closing the Company shall execute and deliver a bargain and sale deed to the City and shall deliver possession of Reservoir #1 free and clear of all taxes; all liens for special improvements installed as of the date of closing, whether assessed or not; all liens, mortgages and encumbrances; any covenants, restrictions or reversionary provisions not

accepted by the receiving party. The City shall upon delivery of the deed at closing, release in writing in a form acceptable to the Company, the Company's obligation to pay, repay or fund the cost of its share of the improvements to Reservoir # 1. The City shall return to the Company all stock certificates for the Grand Mesa Reservoir Company held by the City.

7. Except as provided in the preceding sub-paragraph, if the City fails to give notice of any unsatisfactory physical condition then the City shall be deemed to have accepted the physical condition of the property, as is, in its present condition.

8. Time is of the essence hereof. If any obligation hereunder is not performed as provided, the non-defaulting party shall only have the following specified remedies, except as otherwise provided in this Agreement: (a) to treat this Contract as terminated, but no damages may be recoverable, or (b) to treat this Contract as being in full force and effect together with the right to an action for specific performance, but no damages shall be recoverable.

9. If a party engages or pays for an attorney to pursue any remedy hereunder, such party shall pay for its own attorney's fees and charges.

10. The parties represent to each other that this sale was brought about without the efforts of any brokers or agents. Each party agrees to defend, indemnify and hold the other harmless from any claim for real estate brokerage commissions or finder's fees asserted by any third party as a result of the sale pursuant to this Agreement.

11. All notices and communications required or regarding this Agreement shall be in writing delivered to the parties by first class United States mail, certified with return receipt requested, and shall be deemed served upon the receiving party as of the date of receipt shown on the return receipt, addressed as follows:

To the City: Greg Trainor
 City Utilities and Streets Manager
 250 North 5th Street
 Grand Junction, CO 81501-2668
 with a copy to

 John Shaver
 City Attorney
 250 North 5th Street
 Grand Junction, CO 81501-2668

To Company: John Whiting
 President, Grand Mesa Reservoir Company
 100 Whiting Road
 Whitewater, CO 81527

The parties may, by notice as provided above, designate a different address to which notice shall be given.


12. This Contract embodies the complete Agreement between the parties hereto and cannot be changed or modified except by a written instrument subsequently executed by the parties hereto. No spoken or oral promises or changes to this Agreement will apply or be enforced. This Contract and the terms and conditions hereof apply to and are binding upon the heirs, successors and assigns of both parties.

13. This Agreement shall be governed and construed by the laws of the State of Colorado. Venue for any action shall be in Mesa County, Colorado.

14. Each party has obtained the advice of its own legal and tax counsel and, therefore, the rule of construing ambiguities against the drafter shall have no application to this Agreement.

15. The promises, agreements to pay money, assume liabilities and other agreements herein that must be performed after the closing shall remain enforceable despite the transfer of title. The doctrine of merger shall not apply.

16. The persons signing this Agreement represent and warrant that each has the authority to sign and that the entity for which he/she signs shall be bound to the terms hereof.



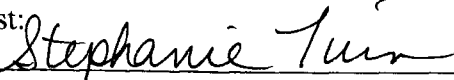
John Whiting, President
Grand Mesa Reservoir Company

Grand Mesa Reservoir Company

City of Grand Junction



Laurie Kadrach, Acting City Manager

Attest: 

Stephanie Tuin, City Clerk



Name	Shares Owned as of 7/11/2007	Shares Owned when paying construction costs	Construction Reimbursement	Shares Owned when paying engineering costs	Engineering Reimbursement	Total Reimbursement	Address	City	State	Zip	
City of Grand Junction	254	254	\$ -	254	\$ -	\$ -	10001 Kannah Creek Road	Whitewater	Co	81527	Secretary
John Whiting	336	209	\$ 20,828.99	361	\$ 10,629.67	\$ 31,458.66	100 Whiting Road	Whitewater	Co	81527	President
Harriet Whiting	84	84	\$ 8,371.46	84	\$ 2,473.39	\$ 10,844.85	151 Whiting Road	Whitewater	Co	81527	
Rodney Whiting	108	208	\$ 20,729.33	108	\$ 3,180.07	\$ 23,909.40	140 Whiting Road	Whitewater	Co	81527	
Michael Bradbury	87	87	\$ 8,670.44	87	\$ 2,561.72	\$ 11,232.16	4612 Hwy 50	Whitewater	Co	81527	Board
Jim Dyer, LLC	25	0	\$ -	0	\$ -	\$ -	P.O. Box 3112	Grand Junct	Co	81502	
Pat Dalton	40	40	\$ 3,986.41	40	\$ 1,177.80	\$ 5,164.21	131 Divide Road	Whitewater	Co	81527	
Steve Bonnell	40	40	\$ 3,986.41	40	\$ 1,177.80	\$ 5,164.21	3872 Kannah Creek Road	Whitewater	Co	81527	
Judy Davis	25	25	\$ 2,491.51	25	\$ 736.13	\$ 3,227.63	4250 Whitewater Creek Road	Whitewater	Co	81527	
Chuck Hudson	6	6	\$ 597.96	6	\$ 176.67	\$ 774.63	3580 Kannah Creek Road	Whitewater	Co	81527	
Lee Wynne	10	10	\$ 996.60	10	\$ 294.45	\$ 1,291.05	4710 Kannah Creek Rd.	Whitewater	Co	81527	Vice Pres
Mike Anderson	3	3	\$ 298.98	3	\$ 88.34	\$ 387.32	9460 Kannah Creek Road	Whitewater	Co	81527	
Bill Harrison	25	25	\$ 2,491.51	25	\$ 736.13	\$ 3,227.63	1051 Kannah Creek Road	Whitewater	Co	81527	
Bob Black	25	25	\$ 2,491.51	25	\$ 736.13	\$ 3,227.63	1115 Purdy Mesa Road	Whitewater	Co	81527	Board
Forbes Davidson	5	5	\$ 498.30	5	\$ 147.23	\$ 645.53	4668 Lands End Road	Whitewater	Co	81527	
Pat Bonnell	59	64	\$ 6,378.26	64	\$ 1,884.48	\$ 8,262.74	3005 Purdy Mesa Road	Whitewater	Co	81527	
Kip Ravan	5	0	\$ -	0	\$ -	\$ -	3109 Purdy Mesa Rd	Whitewater	Co	81527	
Bill Blair	0	52	\$ 5,182.33	0	\$ -	\$ 5,182.33	2500 Blair Road	Whitewater	Co	81527	
	1137	1137	\$ 88,000.00	1137	\$ 26,000.00	\$ 114,000.00					

John Whiting paid the engineering assessment on all of Bill Blairs 52 shares in the purchase of 27 shares.