

BLF77SEW

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: CONTRACT

NAME OF CONTRACTOR: THE BLUFFS WEST, INC.

SUBJECT/PROJECT: SEWER SERVICE AGREEMENT
THE PARTIES DESIRE THAT THE CITY OPERATE AND
MAINTAIN THE WORKS AND COLLECTION SYSTEM.
ALSO CONTAINS SUBSEQUENT SEWER TAP
AGREEMENTS MADE BETWEEN THE BLUFFS, LTD., AND
REAL PROPERTY OWNERS

CITY DEPARTMENT: UTILITIES AND STREETS

YEAR: 1977

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

STATE OF COLORADO, COUNTY OF MESA
 RECORDED AT 417 O'CLOCK P. FEB 24 1977
 RECEPTION NO. 1126307 KARL SAWYER, RECORDER

SEWER SERVICE AGREEMENT

THIS SEWER SERVICE AGREEMENT is made and entered into as of the 17 day of February, 1977 by and between THE BLUFFS WEST, INC., a Colorado corporation, hereinafter referred to as "The Bluffs," and the CITY OF GRAND JUNCTION, a Colorado municipal corporation, hereinafter referred to as "City";

WITNESSETH:

WHEREAS, The Bluffs is desirous of constructing a sewage treatment works, hereinafter the "Works," and collection system, hereinafter the "Collection System," to serve certain real property situated in Sections 7 and 8, Township 1 South, Range 1 West, Ute Meridian, Mesa County, Colorado, more particularly shown and described as Parcel 1 (containing approximately 66 acres) and Parcel 2 (containing approximately 55 acres) on the map attached hereto as Exhibit A, which exhibit is incorporated herein by this reference; and

WHEREAS, the parties desire that the City operate and maintain the Works and Collection System upon the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the premises and of the covenants herein contained, it is mutually agreed as follows:

1. The Bluffs agrees that its obligations and responsibilities in connection herewith shall be as follows:

A. To design and construct in accordance with Colorado Department of Health regulations a sewage treatment facility (the Works) adequate to service, at a minimum, Parcels 1 and 2 described on Exhibit A. The Bluffs represents to the City that the design and cost studies show the Works to be feasible and construction thereof is currently underway. The Works may be constructed in two or more phases in coordination with the development of the property being served thereby.

B. To design and construct in accordance with Colorado Department of Health regulations all sewage collection and trunk lines which will transport sewage to the site of the sewage treatment works (the Collection System).

C. To submit to the City for review and approval prior to construction all engineering and design plans and specifications for the Works and Collection System. The City shall have the right to inspect all installation of the Works and Collection System.

D. To grant, dedicate or obtain for the use of the City such adequate easements and licenses as are requested by the City to give the City full and complete access and right of control over the Works and Collection System, together with any lands involved therewith, any such easements or licenses so granted to be conveyed by the City to The Bluffs, or its designee, in the event any part thereof is no longer needed or used by the City in the operation of the Works and Collection System.

E. To provide within one month after completion of the Works and of each segment of the Collection System, "as built" plans of the Works and of each segment of the Collection System upon mylar plats to the City for its use.

F. To perform prior to acceptance of each segment of the Collection System for maintenance by the City, an exfiltration test upon such segment of the Collection System, and the exfiltration rate shall not exceed 200 gallons per inch of diameter per mile per day.

G. To assure the City that the constructed Works shall meet all State of Colorado noise level standards. The City shall have the opportunity to operate the Works and each segment of the Collection System for a period of thirty (30) days before acceptance thereof for operation and maintenance. During such thirty-day period, The Bluffs shall take all such

action as is necessary to make such Works, or segment of the Collection System, fully operative. The Bluffs represents to the City that the person who has sold and is in the process of installing the Works has given The Bluffs a warranty against defects in materials and workmanship which will not terminate as to such Works until one year after the end of the thirty-day trial period referred to above. The Bluffs shall enforce such warranty on behalf of the City. Each piece of equipment replaced under the warranty shall have an additional warranty of one year from the date of replacement.

H. To give a copy of this agreement to each person to whom The Bluffs sells a parcel of property within Parcels 1 and 2 described on Exhibit A, and in the event such purchaser is a home builder, such purchaser shall be instructed to deliver a copy of this agreement to the first home purchaser.

2. The City agrees that its obligations and responsibilities in connection herewith shall be as follows:

A. To secure as promptly as possible all necessary state and federal discharge permits and approvals.

B. To promptly review all plans and specifications submitted to it by The Bluffs and periodically inspect all work during construction.

C. (1) To operate and maintain the Works at the cost and expense of the City upon completion of the Works in accordance with the approved plans and specifications therefore and acceptance for operation of same by the City after the thirty-day trial period referred to above.

(2) To operate and maintain the Collection System at the cost and expense of the City upon completion of the Collection System in accordance

with the approved plans and specifications therefore and acceptance for operation of the same by the City after the thirty-day trial period referred to above.

(3) Anything herein to the contrary notwithstanding, it is not the intention of the parties to provide that operation and maintenance of the Works and Collection System shall be subsidized by the City. The Bluffs, on behalf of itself, its successors and assigns, agrees that it will reimburse to the City monthly (or otherwise as the City may determine) any difference between the cost to the City of operating and maintaining the Works and Collection System and the revenue generated therefrom by the City, until such time as all or any part of the area served by the Works and Collection System is annexed to the City, or until such time as the area served by the Works is served by a sewer treatment facility of the City other than the Works.

D. To permit all improvements constructed within Parcels 1 and 2 described on Exhibit A, and adjoining areas served by the Works and Collection System pursuant to paragraph numbered 5 below, to tap onto such Collection System and make use of the Works without the payment of plant investment fees or similar tap or hook-up fees or charges, except as specifically provided in paragraph numbered 4 below.

E. To operate and maintain the Works and Collection System in accordance with good and accepted practices and, subject to the provisions of subparagraph C.(3), pay all costs of said operation and maintenance. In the event that the City establishes other means of treatment of sewage without the necessity of using the Works, the City shall continue to operate and maintain the Collection System and

pay all costs of operation and maintenance of such Collection System at its sole expense and without any right of reimbursement from The Bluffs as is provided in subparagraph C.

F. To bill not less frequently than monthly all users of the Works and Collection System in accordance with its usual billing procedures and in the amount of the out-of-city rate, together with any such amounts as are necessary to pay extraordinary expenses incurred by the City in operation of the Works and Collection System. For the purposes of this agreement, in particular for the purposes of subparagraph C.(3), all amounts so billed shall be deemed collected by the City. In the event of annexation to the City of lands served by the Works and Collection System, the users of such Works and Collection System shall thereafter be charged in-city rates.

3. In the event that the City establishes other means of treatment of sewage without the necessity of using the Works, then the City may purchase the Works at the then fair market value of the Works from The Bluffs. In the event the City does purchase the Works, the City shall remove same from the works site as soon as feasible and in no event later than one year from date of purchase. In the event the City does not desire to purchase the Works, then The Bluffs may make such use of and dispose of such Works in any manner that it deems advisable.

4. A. The City contemplates installation of a substantial sewage treatment facility downstream from the Works. To avoid the proliferation of small sewage treatment facilities, it will be desirable to have the sewage to be treated by the Works treated at such proposed plant. The City shall have the right to cease using the Works and to transport all sewage from the Works site to its proposed plant. The City shall be responsible for installation of such trunk lines as are necessary from the Works to such proposed sewage treatment plant,

without cost to The Bluffs or persons served by the Works, except as otherwise provided herein. At the time of commencement of treatment of the sewage at such proposed plant, the City shall become the owner of the Collection System, subject to this agreement.

B. At such time as each tap is made into the Works and Collection System, the person making such tap shall pay directly to the City the City's current sewage plant investment fee, which amount shall be deemed to be the sewage plant investment fee to tap into the City's proposed plant. In the event the City does not construct such proposed plan and service the area served by the Works and Collection System on or before twelve years from date hereof, the City shall become the owner of the Works and Collection System and shall use such sewage plant investment fee for maintenance and replacement, as necessary, of the Works and Collection System.

5. With the consent of the City, which consent shall not be unreasonably withheld, The Bluffs may add adjoining areas to Parcels 1 and 2 described on Exhibit A to the area to be served by the Works and Collection System. Any such adjoining area included within this agreement shall be subject to all the terms and conditions of this agreement. In addition, The Bluffs shall have the right to increase the capacity of the Works and to use such increased capacity on parcels other than Parcels 1 and 2. The City shall have the same rights and obligations as are set forth herein with regard to any alterations to the Works to obtain such increased capacity.

6. The Bluffs shall execute a power of attorney to the City providing for the annexation to the City of the lands within Parcels 1 and 2 described on Exhibit A, and the City agrees to exercise such power of attorney upon petition and in accordance with the procedures set forth in Colorado Revised Statutes 1973, as amended, 31-8-107(5). In addition, the owner or owners of any adjoining areas included within the terms of this agreement pursuant to paragraph numbered 5 above as a condition of using the Works and Collection System referred to herein, shall execute a similar power of attorney

in favor of the City.

7. Only ordinary household sewage shall be treated by the Works. The maximum sewage parameters shall be established at (a) 360 gallons per single family connection, or the equivalent thereof, per day; (b) suspended solids not in excess of 280 p.p.m., and (c) B.O.D. not in excess of 280 p.p.m. In the event that toxic or other deleterious material is permitted to enter the Collection System, the City shall have the right to shut off and discontinue service to the person or persons causing or allowing such substances to enter the Collection System. The Collection System shall not be used as a storm drain, or as a place to discharge irrigation water or waste irrigation water.

8. The Bluffs has designed certain size sewer lines for various parts of the Collection System. The City has determined that it may be in its best interest to request that the size of certain of such lines be increased. Accordingly, the City shall have until the 15th day of March, 1977 to notify The Bluffs as to which lines it desires to have the size increased, and the amount of increase in size. Lines of the size requested by the City shall be installed by The Bluffs, and The Bluffs shall deliver an accounting to the City showing the additional cost of materials and installation incurred by The Bluffs in installing such extra-sized lines, which amount shall be promptly paid by the City to The Bluffs, or credited to The Bluffs on tap fees, upon receipt of such accounting.

9. The Bluffs has determined that it may be able to utilize the water in the retention pond (a part of the Works) for irrigation purposes. In the event The Bluffs determines this to be feasible, The Bluffs shall be allowed, subject to discontinuance at the request of the State of Colorado, to utilize said water at no cost or liability to the City and

without any payment to the City. The Bluffs also anticipates that it may be able to use the digested sewage sludge for land improvement. In the event The Bluffs determines this to be feasible, The Bluffs shall be allowed, subject to discontinuance at the request of the State of Colorado, to utilize said digested sewage sludge at no cost or liability to the City and without any payment to the City. Any sludge not so utilized by The Bluffs shall be the responsibility of the City and shall be removed and disposed of under normal operating procedures.

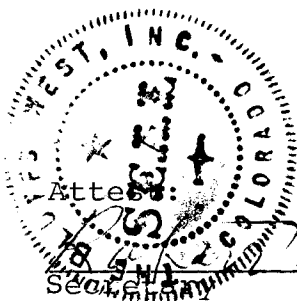
10. The City agrees to save and hold The Bluffs harmless from any and all claims and demands arising out of the operation and maintenance by the City of the Works and Collection System. The City represents and warrants to The Bluffs that it has the right and authority to enter into this agreement.

11. The terms and provisions of this agreement shall be specifically enforceable by either party hereto, and the parties agree that in the event a court action becomes necessary to enforce any one or more of the provisions hereof, the prevailing party shall be entitled to its costs incurred in connection with such action, including reasonable attorneys' fees, as a part of the judgment entered therein.

12. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The City shall not assign its rights or obligations under this agreement except to a governmental entity.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

THE BLUFFS WEST, INC., a Colorado corporation,



By Joe Willoughby
President

[Signature]

CITY OF GRAND JUNCTION, a
Colorado municipal corporation,

By Lawrence L. Rojicek
Mayor

Attest:

Veva B. Lockhart
City Clerk

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

Subscribed and sworn to before me this 15 day of
February, 1977 by Joe Willoughby as
President and Robert Engelke as Secretary
The Bluffs West, Inc., a Colorado corporation.

Witness my hand and official seal.

My commission expires: April 9, 1979

Richard H. A. ...



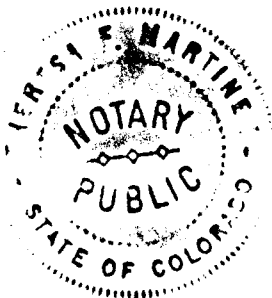
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

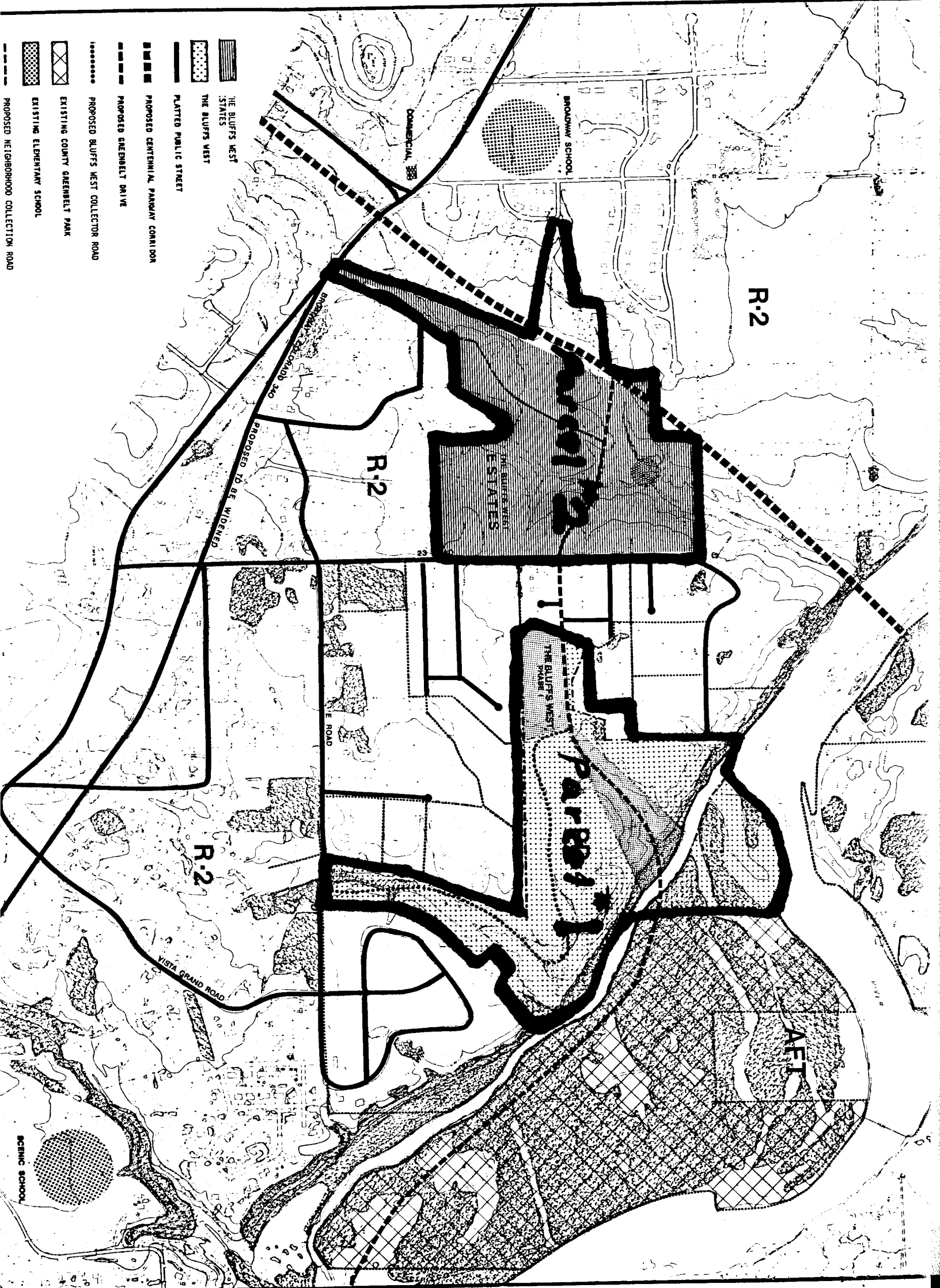
Subscribed and sworn to before me this 22 day of
February, 1977 by Lawrence L. Rojicek as
Mayor and Veva B. Lockhart as City Clerk of the
City of Grand Junction, a Colorado municipal corporation.










Witness my hand and official seal.

Theresa L. Martinez

My commission expires: June 13, 1979





-  THE BLUFFS WEST ESTATES
-  THE BLUFFS WEST
-  PLATTED PUBLIC STREET
-  PROPOSED CENTENNIAL PARKWAY CORRIDOR
-  PROPOSED GREENBELT DRIVE
-  PROPOSED BLUFFS WEST COLLECTOR ROAD
-  EXISTING COUNTY GREENBELT PARK
-  EXISTING ELEMENTARY SCHOOL
-  PROPOSED NEIGHBORHOOD COLLECTOR ROAD

R-2

R-2

R-2

A-E1

THE BLUFFS WEST PHASE 1

THE BLUFFS WEST ESTATES

VISTA GRAND ROAD

PROPOSED TO BE WIDENED

E ROAD

COMMERCIAL 388

BROADWAY SCHOOL

SCENIC SCHOOL

SEWER TAP AGREEMENT

THIS AGREEMENT is made and entered into as of the 21st day of May, 1979, by and between THE BLUFFS, Ltd., a Colorado limited partnership, hereinafter referred to as "The Bluffs", and ROBERT R. SAXE and EDWARD A. ARMSTRONG, hereinafter referred to as "Saxe-Armstrong".

W I T N E S S E T H:

WHEREAS, The Bluffs have constructed a sewer plant facility approved for 100,000 gallons per day extended aeration waste water treatment plant (hereinafter the "Sewer Plant"), and, The Bluffs is in the process of obtaining approval for capacity up to 246,000 gallons per day contact stabilization, the Sewer Plant being situate in Goat Wash in the Southeast Quarter, Section 7, Township One South, Range One West, Ute Meridian, Mesa County, Colorado;

WHEREAS, Saxe-Armstrong owns real property which can be served by the Sewer Plant, which property is described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Saxe-Armstrong has agreed to pay to The Bluffs the sum of \$150,000 for the right to make certain usage of the Sewer Plant upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, it is mutually agreed as follows:

1. Purchase of Sewer Taps.

A. Agreement. The Bluffs agrees to sell and Saxe-Armstrong agrees to purchase 150 single family residential sewer taps to service 150 single family residences to be constructed on the property of Saxe-Armstrong described on Exhibit "A".

B. Purchase Price and Payment. The purchase price shall be \$150,000, \$12,500 paid upon the execution hereof, and the balance of \$137,500 to be paid by Saxe-Armstrong to The Bluffs according to the Promissory

Note secured by a Deed of Trust executed contemporaneously herewith.

C. Issuance of Taps. The Bluffs shall issue to Saxe-Armstrong one tap for each \$1,000 paid against the principal balance due, all prepayments of principal and scheduled principal installments being credited towards Saxe-Armstrong's entitlement to sewer taps. Promptly upon the payments of principal provided herein, The Bluffs shall issue to Saxe-Armstrong a written receipt or other document customarily used by The Bluffs to evidence payment for and title to such sewer taps on behalf of Saxe-Armstrong, and further to enable Saxe-Armstrong to pay any City of Grand Junction plant investment fees as required, defined in City of Grand Junction Code of Ordinances, Chapter 25.

D. Default in Payment. In the event of a default in payment pursuant to the Promissory Note or Deed of Trust executed contemporaneously herewith, The Bluffs shall give Saxe-Armstrong notice of such default within ten (10) days of the occurrence of the same, and Saxe-Armstrong shall have twenty (20) days after notice of such default in which to cure the same. In the event Saxe-Armstrong fails to cure the default as provided herein, The Bluffs' obligation to commit taps (i.e. hold the remaining taps committed hereunder available for continued purchase by Saxe-Armstrong) shall be held in abeyance pursuant to the terms and provisions of this Subparagraph D. In the event The Bluffs elects to foreclose upon the real property described in the Deed of Trust only (i.e. does not seek personal judgment against Saxe-Armstrong), taps committed hereunder shall be held in abeyance until such time as the Public Trustee or other official officer's sale occurs. If the proceeds received on sale are insufficient to pay the balance of the note in full, The Bluffs may elect

to either refund to Saxe-Armstrong all monies received from the foreclosure sale, less costs and expenses incurred for the same including a reasonable attorney's fee, and terminate their obligation to sell further taps to Saxe-Armstrong or, in the alternative, The Bluffs may retain the proceeds on foreclosure and continue efforts to collect remaining amounts due, in which latter event The Bluffs' obligation to commit sewer taps shall remain in full force and effect. In the event, however, The Bluffs elects to seek enforcement of the Promissory Note in full against Saxe-Armstrong, either in the form of a deficiency judgment upon foreclosure sale, or in the form of a suit upon Promissory Note, The Bluffs' obligation to commit taps hereunder shall remain in full force and effect undisturbed by the default of Saxe-Armstrong, and Saxe-Armstrong shall receive issuance of sewer taps upon payment of amounts applied against principal balance at the same rate as provided in Subparagraph C hereof.

2. Installation of Trunk Line. Saxe-Armstrong shall run a trunk sewer line from its property described on Exhibit "A" to the nearest collector manhole at its sole cost and expense. Any disruption or repair of pavement and/or landscaping would also be the sole cost and expense of Saxe-Armstrong. The sewer trunk line shall be constructed in accordance with plans and specifications to be furnished to and approved by the City of Grand Junction and will be subject to the City of Grand Junction's supervision and inspection during installation. Notwithstanding the foregoing, such line will be constructed of such materials and installed in such a manner that such line will meet all City of Grand Junction, Mesa County and State of Colorado's specifications. After construction, "as built" plans and drawings thereof shall be delivered by Saxe-Armstrong to the City of Grand Junction and to The Bluffs on Mylar reproduceable material.

3. Conditions of Agreement. It shall be a condition of this

Agreement that:

A. The Colorado State Water Quality Board give written approval to the expansion of the Sewer Plant from 100,000 gallons per day extended aeration capacity to approximately 200,000 gallons per day contact stabilization capacity on or before May 31, 1979; and

B. The appropriate officer of the City of Grand Junction approve this Agreement on or before ~~May 31~~ ^{July 15}, 1979.

In the event the conditions hereinabove are not satisfied, The Bluffs shall return all consideration paid by Saxe-Armstrong to The Bluffs, and this contract shall be null and void and of no further legal force or effect.

4. Plant Investment Fees. It is anticipated that the City of Grand Junction will operate the Sewer Plant pursuant to a Sewer Service Agreement that The Bluffs West, Inc. entered into with the City of Grand Junction dated February 17, 1977, a copy of such agreement having been delivered to Saxe-Armstrong by The Bluffs. The Bluffs and Saxe-Armstrong agree that the terms of such agreement shall be extended to cover sewage facilities installed by Saxe-Armstrong. Pursuant to this agreement, and pursuant to the City's historical practice, Saxe-Armstrong shall pay such plant investment fees as are defined in the City of Grand Junction Code of Ordinances, Chapter 25, to be paid at such time as each residence is connected to the Sewer Plant or on obtaining a building permit for each residence, which plant investment fee amount shall be set by the City of Grand Junction from time to time and be payable to the City of Grand Junction. In the event Saxe-Armstrong shall sell or assign taps purchased pursuant to this agreement, Saxe-Armstrong shall pass the obligation to pay all sewer plant investment fees to such successor owners and furnish them with copies of this agreement and the Sewer Service Agreement between The Bluffs West, Inc. and the City of Grand Junction referenced above.

5. Household Sewer Charges. Each household situate within the property described on Exhibit "A" which has a tap into the Sewer Plant will pay a monthly service charge to the operator

(whether The Bluffs or the City of Grand Junction) thereof, which amount shall be collected by the operator. Saxe-Armstrong shall place a copy of this contract of record such as to bind the acreage described on Exhibit "A" as a covenant running with the land to pay the monthly sewer service charges as provided herein.

6. Operation Costs. It is anticipated that the operational costs to the operator of the Sewer Plant will exceed service fee revenues for some period of time. Those persons, including The Bluffs and Saxe-Armstrong, who hold taps committed for development purposes (those sewer taps which are not in use by an occupied single family residence or designated for single family residence under construction) shall pay the difference between the operational costs and service fees received by the operator in proportion to the number of taps so held by them. For example, if all users, including Saxe-Armstrong, held 550 taps total, and Saxe-Armstrong held 150 taps, Saxe-Armstrong would pay 22.27% of such cost difference to the operator. The parties agree that the Sewer Plant has a capacity of 550 single family residential sewer taps based on planned expansion approval.

7. City of Grand Junction Plant. It is anticipated that the City of Grand Junction will construct a sewer plant facility downstream from the Sewer Plant and that an interceptor line will be run by the City of Grand Junction into Goat Wash to accommodate effluent generated within the drainage of the Goat Wash Sewer Plant. At such time as such line is available in Goat Wash, use of the Sewer Plant shall terminate and all effluent shall go directly into such line of the City of Grand Junction. By the purchase of taps, Saxe-Armstrong obtains no interest in or rights to the ownership of the Sewer Plant, or the land upon which it is sited. At such time as such line of the City of Grand Junction is available, The Bluffs shall have the right to dispose of the Sewer Plant and retain any proceeds from such plant disposition. In the event Saxe-Armstrong has unused taps at the time the effluent is directed to such a line of the City

of Grand Junction, Saxe-Armstrong shall be entitled to no refund of amounts paid The Bluffs hereunder and will not be relieved of obligations to pay amounts to The Bluffs pursuant to this Agreement or the Note or Deed or Trust executed contemporaneously herewith.

8. Character of Effluent. Only ordinary household effluent shall be placed in the sewer line from the property of Saxe-Armstrong to the Sewer Plant. The maximum effluent parameters shall be established at (a) 360 gallons per single family connection per day; (b) suspended solids not in excess of 280 p.p.m., and (c) B.O.D. not in excess of 280 p.p.m. In the event that toxic or other deleterious material is permitted into such line, the operator of the Sewer Plant shall have the right to shut off and discontinue service to the area serviced by the Saxe-Armstrong sewer line. Such sewer line shall not be used as a storm drain, or as a place to discharge irrigation water, or waste irrigation water.

9. The Bluffs Right of Tap. The Bluffs shall have the right to tap into the sewer line of Saxe-Armstrong without cost, provided such tap is made at The Bluffs' own cost and expense.

10. Right of Assignment. ~~It is mutually acknowledged that~~ Saxe-Armstrong has sold a portion of the property described on Exhibit to Old Homestead Realty together with a commitment of up to 75 sewer taps purchased hereunder. The Bluffs hereby consent to the assignment by Saxe-Armstrong of its entitlement to up to 75 sewer taps purchased hereunder to Old Homestead Realty, and, in turn, Old Homestead Realty may sell such taps to builders in connection with the construction of single family residences upon the portion of Exhibit "A" sold to Old Homestead Realty, or sell such taps in connection with the sale of undeveloped single family residential lots for eventual residential construction. It is further mutually acknowledged that Saxe-Armstrong has granted an option to purchase an additional 40 acres of the real ~~property described on Exhibit "A" to Old Homestead Realty, together~~

J.S.W.
J.S.B.
S.A.

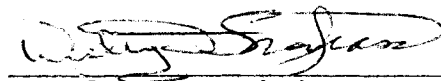
~~with an additional commitment of up to 75 sewer taps purchased~~
hereunder, representing the balance of sewer taps to which Saxe-
Armstrong is entitled. In the event Old Homestead Realty shall
exercise such option to purchase, The Bluffs hereby consent to
the assignment by Saxe-Armstrong of the remainder of its entitle-
ment of 75 sewer taps hereunder to Old Homestead Realty and, in
turn, Old Homestead Realty may sell such taps to builders in
connection with the construction of single family residences upon
the portion of Exhibit "A" real property subject to the option to
purchase to Old Homestead Realty, or sell such taps in connection
with the sale of undeveloped single family residential lots for
~~eventual residential construction.~~ However, ^{DB 800 J.E.W.} It is expressly
^{gpa J.E.W. DB} prohibited that any taps purchased hereunder be ~~otherwise~~ assigned
~~than as provided hereunder~~ without the prior written consent of
The Bluffs, and, no sewer taps purchased hereunder may be used
upon property other than that within the property described on
Exhibit "A" attached hereto. Provided, however, Saxe-Armstrong may sell*

11. Modification, Assignment and Benefit. Except as pro-
vided above, this agreement may not be modified or assigned
without the prior written consent of both parties first had and
obtained. Further, this agreement shall inure to the benefit of
and be binding upon the respective parties' successors, representa-
tives and assigns.

IN WITNESS WHEREOF, the parties set their hands and seals
the day and year first above written.

THE BLUFFS, LTD., A COLORADO
LIMITED PARTNERSHIP

ATTEST:

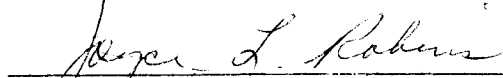

Carolyn L. Behrhorst,
Assistant Secretary


BY DESTINATION PROPERTIES, INC.,
GENERAL PARTNER

By 
David G. Behrhorst, President

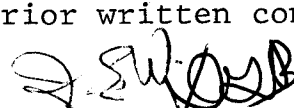

MONUMENT LAND DEVELOPMENT CO., INC.,
GENERAL PARTNER

ATTEST:


Dennis L. Granum
Secretary

By 
Dennis L. Granum, President

* and transfer its rights to sewer taps herein at the rate of
one tap per subdivided single family residential lot in con-
nection with the purchase of such lots to the consumers or
builders, not to exceed 5 taps per builder or consumer at
any one time without prior written consent of The Bluffs, Lt

Robert R. Saxe
Robert R. Saxe

Edward A. Armstrong
Edward A. Armstrong

APPROVED:

THE CITY OF GRAND JUNCTION

By James E. Wyzanski

ATTEST:

Karen S. Martiny
Deputy City Clerk

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 29th day of June, 1979, by David G. Behrhorst, as President, and Catalyn L. Behrhorst, as Assistant Secretary, of Destination Properties, Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: 8-10-82.

Fred R. Alford
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 7 day of June, 1979 by Dennis L. Granum, as President, and Joseph S. Rabine as Secretary, of Monument Land Development Co., Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: 9-5-1982.

Charles B. Woprey
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 21 day of May, 1979, by Robert R. Saxe.

Witness my hand and official seal.

My commission expires: 8-10-82.

Fred R. Alford
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 21 day of May, 1979, by Edward A. Armstrong.

Witness my hand and official seal.

My commission expires: 8-10-82.

Paul R. Allen
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 9th day of July, 1979, by James E. Wysocki, City Manager of The City of Grand Junction.

Witness my hand and official seal.

My commission expires: June 13, 1983.

Theresa J. Martinez
Notary Public

BOOK 1175 PAGE 206

Beginning at the East Quarter corner of Section Eighteen (18), Township One (1) South, Range One (1) West of the Ute Meridian, thence South 0°14' East 1311.4 feet to the Southeast corner of the North Half of the Southeast Quarter of said Section Eighteen (18), thence North 89°53'30" West 2629.6 feet to the Southwest corner of the North Half of the Southeast Quarter of said Section Eighteen (18), thence North 0°05' West 1318.3 feet to the Northwest corner of the North Half of the Southeast Quarter of said Section Eighteen (18), thence North 89°44'30" West 1131.2 feet along the South line of the Southeast Quarter of the Northwest Quarter of said Section Eighteen (18) to the center of the Redlands Water and Power Company Second Lift Canal, thence along center line of said canal North 39°03' West 134.15 feet, thence North 8°42' West 192.56 feet, thence North 2°22' East 108.17 feet, thence North 20°31' East 228.2 feet, thence North 31°07' West 341.77 feet to a point on center line of First Lift Canal, thence along centerline of First Lift Canal North 55°26' East 403.97 feet, thence North 65°54' East 442.16 feet to a point on the North line of said Southeast Quarter of the Northwest Quarter, thence along said North line South 89°54' East 598.35 feet to the Northeast corner of the Southeast Quarter of the Northwest Quarter, thence North 22°00' West 361.43 feet to the center of said First Lift Canal, thence along centerline of said canal North 49°01' East 56.08 feet, thence North 22°05' East 53.96 feet to the South boundary of ^{South} Easter Hill Subdivision, thence along said boundary South 58°30' East 246.83 feet, thence South 31°56' East 329 feet, thence South 5°43' West 68.1 feet, thence South 7°13' West 230.3 feet, thence South 67°57' East 165 feet, thence South 74°15' East 130.1 feet, thence North 44°27' East 866.2 feet, thence North 40°51' East 91.6 feet, thence leaving said boundary South 49°09' East 200 feet, thence South 76°04' East 149.86 feet, thence North 21°45' East 102.82 feet, thence North 40°51' East 185 feet to a point on the South right of way line of the County Road (South Broadway), thence along South line South 49°09' East 592.5 feet to a point on the North line of South Half of the Northeast

(Continued on next page)

TRANSAMERICA FIRE INSURANCE CO

EXHIBIT "A" Continued -2

Quarter of said Section Eighteen (18), thence along said North line South 89°38' East 512.32 feet to the Northeast corner of said South Half of the Northeast Quarter, thence South 0°22' West 1320.22 feet to the East Quarter corner of said Section Eighteen (18), the place of beginning, EXCEPT tract as described in Warranty Deed recorded in Book 896 on Page 392.

EXCEPT easement to the Ute Water Conservancy District as described in document recorded in Book 851 on Page 251;

AND EXCEPT tract deeded to County of Mesa, State of Colorado as described in Quit Claim Deed recorded in Book 940 on Page 201.

EXCEPT for County Road rights of way along East line and through NE part of said S½NE¼, and also subject to a 20 foot wide easement lying adjacent to above described centerlines of First and Second Lift Canals. TOGETHER WITH a utility and right of way easement over the following described property: Beginning at a point on the southerly right of way of Easter Hill Drive being North 40°36' West 2,163.31 feet and South 40°51' West 15.60 feet from the E½ corner of Section 18, Township 1 South, Range 1 West, U.M., thence South 40°51' West 37.02 feet; thence South 08°09' West 85.86 feet, thence South 22°40' East 64.50 feet; thence South 66°39' East 64.03 feet; thence North 73°08' East 17.86 feet; thence North 28°16' West 20.40 feet; thence South 73°08' West 6.51 feet; thence North 66°39' West 48.64 feet; thence North 22°40' West 50.91 feet; thence North 03°09' East 111.49 feet to the point of beginning. AND EXCEPT for pipeline easement over the following described property:

Beginning at the NE corner of the SE½NW¼, Section 18, Township 1 South, Range 1 West, Ute Meridian, running thence North 22°00' West 361.43 feet, to the center of the Redlands Water and Power Company First Lift Canal, thence along the center line of said canal North 49°01' East 63 feet, thence Easterly 2 feet more or less to a 6 inch pipe in canal wall for point of beginning of easement;

Extending easterly from said point of beginning along a 6 inch pipe 32 feet to a settling pit with approximate overall dimensions of 70 feet by 70 feet, and with a pump house and pump located near the SW corner of said settling pit;

EXHIBIT "A" Continued -3

Running from said pump house along a 4 inch water line South 25° East 153 feet to a point, thence South 12° East 143 feet to a point, thence South 5° East 92 feet to a point, thence South 3° West 141 feet to a steel storage tank 18 feet in diameter; and extending from the NE corner of said water tank North 55° East 295 feet along a 6 inch pipe to where said pipe intersects the West line of Easter Hill Drive.

The area of said easement shall extend 10 feet on each side of said water lines, 35 feet around the exterior of said settling pit and 30 feet around the exterior of said water storage tank.

AND EXCEPT for an easement for access over the following described property:

Easement 20 feet in width, extending from said water storage tank to the Southline of Easter Hill Drive;

AND EXCEPT for an easement for Power Poles over the following described property:

Easement 15 feet on each side of the Public Service Company of Colorado power line presently installed for delivering power to said pump house.

Copies for Paul Stearns
10/1/81

SEWER TAP AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of October, 1981, by and between THE BLUFFS, LTD., a Colorado limited partnership, hereinafter referred to as "The Bluffs", and STEVEN E. ALLEN and ROY W. NESS, hereinafter referred to as "Allen/Ness".

W I T N E S S E T H:

WHEREAS, The Bluffs have constructed a sewer plant facility approved for 246,000 gallons per day contact stabilization waste water treatment plant (hereinafter the "Sewer Plant") the Sewer Plant being situate in Goat Wash in the Southeast Quarter, Section 7, Township One South, Range One West, Ute Meridian, Mesa County, Colorado;

WHEREAS, Allen/Ness owns real property which can be served by the Sewer Plant, which property is described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Allen/Ness has agreed to pay to The Bluffs the sum of \$27,000 for the right to make certain usage of the Sewer Plant upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, it is mutually agreed as follows:

1. Purchase of Sewer Taps.

A. Agreement. The Bluffs agrees to sell and Allen/Ness agrees to purchase 18 single family residential sewer taps to service 18 single family residences to be constructed on the property of Allen/Ness described on Exhibit "A".

B.1 Purchase Price and Payment. The purchase price shall be \$27,000, if property is rezoned to accomodate 18 dwelling units by June 15, 1982. \$10,000 paid upon the execution hereof, and the balance of \$17,000 to be paid by Allen/Ness to The Bluffs according to the Promissory Note secured by a Deed of Trust executed contemporaneously herewith.

B.2 Purchase Price and Payment Alternate. If property has not been rezoned to accomodate 18 dwelling units by June 15, 1982, then the purchase price and Promissory Note shall be reduced by \$1500 by each lot not so approved. In any event, the minimum purchase price shall be \$18,000.

C. Issuance of Taps. The Bluffs shall issue to Allen/Ness one tap for each \$1,500 paid against the principal balance due, all prepayments of principal and scheduled principal installments being credited towards Allen/Ness entitlement to sewer taps. Promptly upon the payments of principal provided herein, The Bluffs shall issue to Allen/Ness a written receipt or other document customarily used by

The Bluffs to evidence payment for and title to such sewer taps on behalf of Allen/Ness, and further to enable Allen/Ness to pay any City of Grand Junction plant investment fees as required, defined in City of Grand Junction Code of Ordinances, Chapter 25.

D. Default in Payment. In the event of a default in payment pursuant to the Promissory Note or Deed of Trust executed contemporaneously herewith, The Bluffs shall give Allen/Ness notice of such default within ten (10) days of the occurrence of the same, and Allen/Ness shall have twenty (20) days after notice of such default in which to cure the same. In the event Allen/Ness fails to cure the default as provided herein, The Bluffs' obligation to commit taps (i.e., hold the remaining taps committed hereunder available for continued purchase by Allen/Ness) shall be held in abeyance pursuant to the terms and provisions of this Subparagraph D. In the event The Bluffs elects to foreclose upon the real property described in the Deed of Trust only (i.e. does not seek personal judgment against Allen/Ness), taps committed hereunder shall be held in abeyance until such time as the Public Trustee or other official officer's sale occurs. If the proceeds received on sale are insufficient to pay the balance of the note in full, The Bluffs may elect to either refund to Allen/Ness all monies received from the foreclosure sale, less costs and expenses incurred for the same including a reasonable attorney's fee, and terminate their obligation to sell further taps to Allen/Ness or, in the alternative, The Bluffs may retain the proceeds on foreclosure and continue efforts to collect remaining amounts due, in which latter event The Bluffs' obligation to commit sewer taps shall remain in full force and effect. In the event, however, The Bluffs elects to seek enforcement of the Promissory Note in full against Allen/Ness, either in the form of a deficiency judgment upon foreclosure sale, or in the form of a suit upon Promissory Note, The Bluffs' obligation to commit taps hereunder shall remain in full force and effect undisturbed by the default of Allen/Ness, and Allen/Ness shall receive issuance of sewer taps upon payment of amounts applied against principal balance at the same rate as provided in Subparagraph C hereof.

2. Installation of Trunk Line. Allen/Ness shall run a trunk sewer line from its property described on Exhibit "A" to the nearest collector manhole at its sole cost and expense. Any disruption or repair of pavement and/or landscaping would also be the sole cost and expense of Allen/Ness. The sewer trunk line shall be constructed in accordance with plans and specifications to be furnished to and approved by the City of Grand Junction and will be

subject to the City of Grand Junction's inspection upon completion of construction. Notwithstanding the foregoing, such line will be constructed of such materials and installed in such a manner that such line will meet all City of Grand Junction, Mesa County and State of Colorado's specifications. A registered engineer selected by and at the sole expense of Allen/Ness will provide inspection during construction and certify to the City of Grand Junction that such line was constructed according to the approved plans and that the line meets the specifications of the City of Grand Junction. After construction, "as built" plans and drawings thereof shall be delivered by Allen/Ness to the City of Grand Junction and to The Bluffs on Mylar reproducible material.

3. Conditions of Agreement. It shall be a condition of this Agreement that:

A. The appropriate officer of the City of Grand Junction approve this Agreement on or before December 3, 1981.

In the event the conditions hereinabove are not satisfied, The Bluffs shall return all consideration paid by Allen/Ness to The Bluffs, and this contract shall be null and void and of no further legal force or effect.

4. Plant Investment Fees. It is anticipated that the City of Grand Junction will operate the Sewer Plant pursuant to a Sewer Service Agreement that The Bluffs West, Inc. entered into with the City of Grand Junction dated February 17, 1977, a copy of such agreement having been delivered to Allen/Ness by The Bluffs. The Bluffs and Allen/Ness agree that the terms of such agreement shall be extended to cover sewage facilities installed by Allen/Ness. Pursuant to this agreement, and pursuant to the City's historical practice, Allen/Ness shall pay such plant investment fees as are defined in the City of Grand Junction Code of Ordinances, Chapter 25, to be paid upon obtaining a building permit for each residence, which plant investment fee amount shall be set by the City of Grand Junction from time to time and be payable to the City of Grand Junction. In the event Allen/Ness shall sell or assign taps purchased pursuant to this agreement, Allen/Ness shall pass the obligation to pay all sewer plant investment fees to such successor owners and furnish them with copies of this agreement and the Sewer Service Agreement between The Bluffs West, Inc. and the City of Grand Junction referenced above.

5. Household Sewer Charges. Each household situate within the property described on Exhibit "A" which has a tap into the Sewer Plant will pay a monthly service charge to the operator (whether The Bluffs or the City of Grand Junction) thereof, which amount shall be collected by the operator. Allen/Ness shall place a copy of this contract of record such as to bind the acreage described on Exhibit "A" as a covenant running with the land to pay the monthly sewer service charges as provided herein.

Handwritten signature and initials, possibly "DJP" and "SEA", in the bottom right corner of the page.

6. Operation Costs. It is anticipated that the operational costs to the operator of the Sewer Plant will exceed service fee revenues for some period of time. Those persons, including The Bluffs and Allen/Ness, who hold taps committed for development purposes (those sewer taps which are not in use by an occupied single family residence or designated for single family residence under construction) shall pay the difference between the operational costs and service fees received by the operator in proportion to the number of taps so held by them. For example, if all users, including Allen/Ness, held 730 taps total, and Allen/Ness held 18 taps, Allen/Ness would pay 2.46% of such cost difference to the operator.

7. City of Grand Junction Plant. It is anticipated that the City of Grand Junction will construct a sewer plant facility downstream from the Sewer Plant and that an interceptor line will be run by the City of Grand Junction into Goat Wash to accommodate effluent generated within the drainage of the Goat Wash Sewer Plant. At such time as such line is available in Goat Wash, use of the Sewer Plant shall terminate and all effluent shall go directly into such line of the City of Grand Junction. By the purchase of taps, Allen/Ness obtains no interest in or rights to the ownership of the Sewer Plant, or the land upon which it is sited. At such time as such line of the City of Grand Junction is available, The Bluffs shall have the right to dispose of the Sewer Plant and retain any proceeds from such plant disposition. In the event Allen/Ness has unused taps at the time the effluent is directed to such a line of the City of Grand Junction, Allen/Ness shall be entitled to no refund of amounts paid The Bluffs hereunder and will not be relieved of obligations to pay amounts to The Bluffs pursuant to this Agreement or the Note or Deed of Trust executed contemporaneously herewith.

8. Character of Effluent. Only ordinary household effluent shall be placed in the sewer line from the property of Allen/Ness to the Sewer Plant. The maximum effluent parameters shall be established at (a) 360 gallons per single family connection per day; (b) suspended solids not in excess of 280 p.p.m., and (c) B.O.D. not in excess of 280 p.p.m. In the event that toxic or other deleterious material is permitted into such line, the operator of the Sewer Plant shall have the right to shut off and discontinue service to the area serviced by the Allen/Ness sewer line. Such sewer line shall not be used as a storm drain, or as a place to discharge irrigation water, or waste irrigation water.

9. The Bluffs Right of Tap. The Bluffs shall have the right to tap into the sewer line of Allen/Ness without cost, provided such tap is made at The Bluffs' own cost and expense.

10. Right of Assignment. It is expressly prohibited that any taps purchased hereunder be assigned without prior written consent of The Bluffs, such written consent shall not be unreasonably withheld, and no sewer taps purchased hereunder may be used upon property other than that within the property described on Exhibit "A" attached hereto. Provided, however, Allen/Ness may sell and transfer its rights to sewer taps herein at the rate of one tap per subdivided single family residential lot in connection with the purchase of such lots to consumers or builders.

11. Notices. Any notices required herein between the parties may be delivered in person to The Bluffs, Ltd., or mailed by certified mail to The Bluffs, Ltd., at 825 Rood Avenue, Grand Junction, Colorado 81501. Notice to Allen/Ness under the terms hereof shall be in writing and may be delivered in person to them or may be mailed by certified mail to Steve Allen or Roy Ness at 2150 Apple Court, Grand Junction, Colorado 81501. Either party shall have the right to designate, in writing, a different address to which notice is to be mailed.

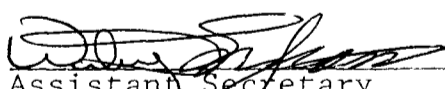
12. Modification, Assignment and Benefit. Except as provided above, this Agreement may not be modified or assigned without the prior written consent of both parties first had and obtained, such written consent shall not be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon the respective parties, their personal representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, the parties set their hands and seals the day and year first above written.

THE BLUFFS, LTD., A COLORADO
LIMITED PARTNERSHIP

BY DESTINATION PROPERTIES, INC.,
GENERAL PARTNER

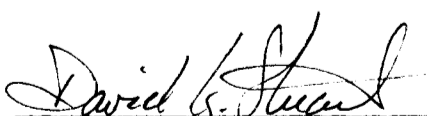
ATTEST:


Assistant Secretary

By 
David G. Behrhorst, President

ATTEST:

MONUMENT LAND DEVELOPMENT CO., INC.,
GENERAL PARTNER


Secretary

By 
Dennis L. Granum, President

Steven E. Allen
STEVEN E. ALLEN

Roy W. Ness
ROY W. NESS

ATTEST:

APPROVED:

THE CITY OF GRAND JUNCTION

Deva L. Lockhart, CM
City Clerk

By *James E. Wysocki*
City Manager

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 28th day of October, 1981, by David G. Behrhorst, as President, and Wiley D. Snodgrass, as Assistant Secretary, of Destination Properties, Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: 2-22-84

Brenda S. Sailer
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 30th day of October, 1981 by Dennis L. Granum, as President, and David G. Stuart, as Secretary, of Monument Land Development Co., Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: My Commission expires October 5, 1985

Beverly A. Turpe
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 28th day of October, 1981, by Steven E. Allen and Roy W, Ness.

Witness my hand and official seal.

My commission expires: Oct. 12, 1983

Adelina Wickham
Notary Public
1335 20 Road
Fruita, CO. 81521

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 2nd day of December, 1981, by James S. Waples City Manager and James S. Waples City Clerk of The City of Grand Junction.

Witness my hand and official seal.
My commission expires: October 16, 1982

Judith A. Chmielewski
Notary Public

EXHIBIT "A"

Beginning at a point that is North $00^{\circ}28'40''$ West 1947.24 feet and East 800 feet from the $S\frac{1}{4}$ corner of Section 7, Township 1 South, Range 1 West of the Ute Meridian,
thence East 540.7 feet,
thence South $30^{\circ}30'$ West 360.9 feet,
thence South $22^{\circ}31'$ West 120.4 feet,
thence North $82^{\circ}26'$ West 200 feet,
thence South $22^{\circ}31'$ West 50 feet,
thence North $82^{\circ}26'$ West 331.27 feet,
thence North $65^{\circ}00'$ West 260 feet,
thence West 51.16 feet,
thence North 50 feet,
thence East 520.77 feet,
thence North $00^{\circ}28'40''$ West 240 feet, more or less to the point of beginning;
EXCEPT tract conveyed to County of Mesa by instrument recorded February 23, 1977 in Book 1095 at Page 443.

SEWER TAP AGREEMENT

THIS AGREEMENT is made and entered into as of the 6th day of June, 1980, by and between THE BLUFFS, Ltd., a Colorado limited partnership, hereinafter referred to as "The Bluffs", and Aryl Aldred, hereinafter referred to as "Aldred".

W I T N E S S E T H:

WHEREAS, The Bluffs have constructed a sewer plant facility approved for 246,000 gallons per day contact stabilization waste water treatment plant (hereinafter the "Sewer Plant") the Sewer Plant being situate in Goat Wash in the Southeast Quarter, Section 7, Township One South, Range One West, Ute Meridian, Mesa County, Colorado;

WHEREAS, Aldred has contracted to purchase real property which can be served by the Sewer Plant, which property is described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Aldred has agreed to pay to The Bluffs the sum of \$120,000 for the right to make certain usage of the Sewer Plant upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, it is mutually agreed as follows:

1. Purchase of Sewer Taps.

A. Agreement. The Bluffs agrees to sell and Aldred agrees to purchase 100 single family residential sewer taps to service 100 single family residences to be constructed on the property of Aldred described on Exhibit "A".

B. Purchase Price and Payment. The purchase price shall be \$120,000, \$20,000 paid upon the execution hereof, and the balance of \$100,000 to be paid by Aldred to The Bluffs according to the Promissory Note secured by a Deed of Trust executed contemporaneously herewith.

C. Issuance of Taps. The Bluffs shall issue to Aldred one tap for each \$1,200 paid against the principal balance due, all prepayments of principal and scheduled principal installments being credited towards Aldred's entitlement to sewer taps. Promptly upon the payments of principal provided herein, The Bluffs shall issue to Aldred a written receipt or other document customarily used by The Bluffs to evidence payment for and title to such sewer taps on behalf of Aldred, and further to enable Aldred to pay any City of Grand Junction plant investment fees as required, defined in City of Grand Junction Code of Ordinances, Chapter 25.

D. Default in Payment. In the event of a default in payment pursuant to the Promissory Note or Deed of Trust executed contemporaneously herewith, The Bluffs shall give Aldred notice of such default within ten (10) days of the occurrence of the same, and Aldred shall have twenty (20) days after notice of such default in which to cure the same. In the event Aldred fails to cure the default as provided herein, The Bluffs' obligation to commit taps (i.e, hold the remaining taps committed hereunder available for continued purchase by Aldred) shall be held in abeyance pursuant to the terms and provisions of this Subparagraph D. In the event The Bluffs elects to foreclose upon the real property described in the Deed of Trust only (i.e. does not seek personal judgment against Aldred), taps committed hereunder shall be held in abeyance until such time as the Public Trustee or other official officer's sale occurs. If the proceeds received on sale are insufficient to pay the balance of the note in full, The Bluffs may elect to either refund to Aldred all monies received from the foreclosure sale, less costs and expenses incurred for the same including a reasonable attorney's fee, and terminate their obligation to sell further taps to Aldred or, in the alternative, The Bluffs may retain the proceeds on

foreclosure and continue efforts to collect remaining amounts due, in which latter event The Bluffs' obligation to commit sewer taps shall remain in full force and effect. In the event, however, The Bluffs elects to seek enforcement of the Promissory Note in full against Aldred, either in the form of a deficiency judgment upon foreclosure sale, or in the form of a suit upon Promissory Note, The Bluffs' obligation to commit taps hereunder shall remain in full force and effect undisturbed by the default of Aldred, and Aldred shall receive issuance of sewer taps upon payment of amounts applied against principal balance at the same rate as provided in Subparagraph C hereof.

2. Installation of Trunk Line. Aldred shall run a trunk sewer line from its property described on Exhibit "A" to the nearest collector manhole at its sole cost and expense. Any disruption or repair of pavement and/or landscaping would also be the sole cost and expense of Aldred. The sewer trunk line shall be constructed in accordance with plans and specifications to be furnished to and approved by the City of Grand Junction and will be subject to the City of Grand Junction's supervision and inspection during installation. Notwithstanding the foregoing, such line will be constructed of such materials and installed in such a manner that such line will meet all City of Grand Junction, Mesa County and State of Colorado's specifications. After construction, "as built" plans and drawings thereof shall be delivered by Aldred to the City of Grand Junction and to The Bluffs on Mylar reproduceable material.

3. Conditions of Agreement. It shall be a condition of this Agreement that:

A. The appropriate officer of the City of Grand Junction approve this Agreement on or before August 1, 1980.

In the event the conditions hereinabove are not satisfied, The Bluffs shall return all consideration paid by Aldred to The Bluffs, and this contract shall be null and void and of no further legal force or effect.

4. Plant Investment Fees. It is anticipated that the City of Grand Junction will operate the Sewer Plant pursuant to a Sewer

Service Agreement that The Bluffs West, Inc. entered into with the City of Grand Junction dated February 17, 1977, a copy of such agreement having been delivered to Aldred by The Bluffs. The Bluffs and Aldred agree that the terms of such agreement shall be extended to cover sewage facilities installed by Aldred. Pursuant to this agreement, and pursuant to the City's historical practice, Aldred shall pay such plant investment fees as are defined in the City of Grand Junction Code of Ordinances, Chapter 25, to be paid at such time as each residence is connected to the Sewer Plant or on obtaining a building permit for each residence, which plant investment fee amount shall be set by the City of Grand Junction from time to time and be payable to the City of Grand Junction. In the event Aldred shall sell or assign taps purchased pursuant to this agreement, Aldred shall pass the obligation to pay all sewer plant investment fees to such successor owners and furnish them with copies of this agreement and the Sewer Service Agreement between The Bluffs West, Inc. and the City of Grand Junction referenced above.

5. Household Sewer Charges. Each household situate within the property described on Exhibit "A" which has a tap into the Sewer Plant will pay a monthly service charge to the operator (whether The Bluffs or the City of Grand Junction) thereof, which amount shall be collected by the operator. Aldred shall place a copy of this contract of record such as to bind the acreage described on Exhibit "A" as a covenant running with the land to pay the monthly sewer service charges as provided herein.

6. Operation Costs. It is anticipated that the operational costs to the operator of the Sewer Plant will exceed service fee revenues for some period of time. Those persons, including The Bluffs and Aldred, who hold taps committed for development purposes (those sewer taps which are not in use by an occupied single family residence or designated for single family residence under construction) shall pay the difference between the operational costs and service fees received by the operator in proportion to the number of taps so held by them. For example, if all users, including Aldred, held 730 taps total, and Aldred held 100 taps, Aldred would

pay 13.7% of such cost difference to the operator. The parties agree that the Sewer Plant has a capacity of 900 single family residential sewer taps.

7. City of Grand Junction Plant. It is anticipated that the City of Grand Junction will construct a sewer plant facility downstream from the Sewer Plant and that an interceptor line will be run by the City of Grand Junction into Goat Wash to accommodate effluent generated within the drainage of the Goat Wash Sewer Plant. At such time as such line is available in Goat Wash, use of the Sewer Plant shall terminate and all effluent shall go directly into such line of the City of Grand Junction. By the purchase of taps, Aldred obtains no interest in or rights to the ownership of the Sewer Plant, or the land upon which it is sited. At such time as such line of the City of Grand Junction is available, The Bluffs shall have the right to dispose of the Sewer Plant and retain any proceeds from such plant disposition. In the event Aldred has unused taps at the time the effluent is directed to such a line of the City of Grand Junction, Aldred shall be entitled to no refund of amounts paid The Bluffs hereunder and will not be relieved of obligations to pay amounts to The Bluffs pursuant to this Agreement or the Note or Deed of Trust executed contemporaneously herewith.

8. Character of Effluent. Only ordinary household effluent shall be placed in the sewer line from the property of Aldred to the Sewer Plant. The maximum effluent parameters shall be established at (a) 360 gallons per single family connection per day; (b) suspended solids not in excess of 280 p.p.m., and (c) B.O.D. not in excess of 280 p.p.m. In the event that toxic or other deleterious material is permitted into such line, the operator of the Sewer Plant shall have the right to shut off and discontinue service to the area serviced by the Aldred sewer line. Such sewer line shall not be used as a storm drain, or as a place to discharge irrigation water, or waste irrigation water.

9. The Bluffs Right of Tap. The Bluffs shall have the right to tap into the sewer line of Aldred without cost, provided such tap is made at The Bluffs' own cost and expense.

10. Right of Assignment. It is expressly prohibited that any taps purchased hereunder be assigned without prior written consent of The Bluffs, such written consent shall not be unreasonably withheld, and no sewer taps purchased hereunder may be used upon property other than that within the property described on Exhibit "A" attached hereto. Provided, however, Aldred may sell and transfer its rights to sewer taps herein at the rate of one tap per subdivided single family residential lot in connection with the purchase of such lots to consumers or builders, not to exceed 5 taps per builder or consumer at any one time without prior written consent of The Bluffs, Ltd.

11. Option to Purchase Additional Taps. Aldred shall have the option, to be exercised as hereinafter provided, to purchase 50 additional sewer taps at a purchase price of \$66,000 or \$1,320 per tap, upon the condition that there is no default in the performance of any of the conditions of this Agreement, the Installment Note, or the Deed of Trust, as to which a Notice of Default has been given to Aldred. Notice of Aldred's intent to exercise this option shall be given, in writing, to The Bluffs, Ltd. on or before May 6, 1981. Upon the election by Aldred to exercise this option, a closing of the transaction shall take place on or before thirty (30) days after the exercise of said option. The purchase price for such additional taps shall be payable at the closing as follows:

A. \$10,000 cash and the execution of a Sewer Tap Agreement substantially in the form of this Agreement.

B. Execution of an Installment Promissory Note in the amount of \$56,000, which amount shall be added to the then unpaid principal balance of the Note described in paragraph 1-B hereof, and payable according to the terms of said Installment Note.

C. Execution of a Deed of Trust in substantially the form of a Deed of Trust described in paragraph 1-B hereof securing the Installment Note.

12. Notices. Any notices required herein between the parties may be delivered in person to The Bluffs, Ltd., or mailed by certified mail to The Bluffs, Ltd., at 825 Rood Avenue, Grand Junction, Colorado 81501. Notice to Aldred under the terms hereof shall be in writing and may be delivered in person to him

or may be mailed by certified mail to Aryl Aldred, at 547 West Greenwood Drive, Grand Junction, Colorado 81503. Either party shall have the right to designate, in writing, a different address to which notice is to be mailed.

13. Modification, Assignment and Benefit. Except as provided above, this Agreement may not be modified or assigned without the prior written consent of both parties first had and obtained, such written consent shall not be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon the respective parties, their personal representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, the parties set their hands and seals the day and year first above written.

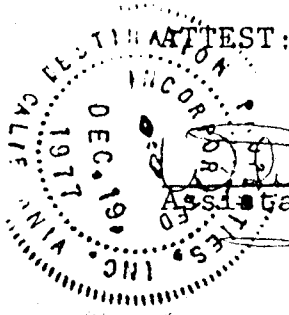
THE BLUFFS, LTD., A COLORADO LIMITED PARTNERSHIP

BY DESTINATION PROPERTIES, INC., GENERAL PARTNER

By David G. Behrhorst
David G. Behrhorst, President

MONUMENT LAND DEVELOPMENT CO., INC., GENERAL PARTNER

By Dennis L. Granum
Dennis L. Granum, President



ATTEST:

David G. Stewart
Secretary



Aryl Aldred
Aryl Aldred

APPROVED:
THE CITY OF GRAND JUNCTION

ATTEST: GHA.

David G. Behrhorst, CMR
City Clerk

By James Z. Wyszcki

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 6th day of June, 1980, by David G. Behrhorst, as President, and Wiley D. Snodgrass, as Assistant Secretary, of Destination Properties, Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.
My commission expires: Oct 20, 1983

Betty Bress
Notary Public

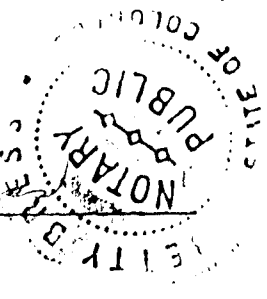


STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 6th day of June, 1980 by Dennis L. Granum, as President, and David A. Stewart, HST, as Secretary, of Monument Land Development Co., Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.
My commission expires: Oct 20, 1983

Betty Bress
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 6th day of June, 1980, by Aryl Aldred.

Witness my hand and official seal.
My commission expires: Oct 20, 1983

Betty Bress
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 12 day of June, 1980, by Neva B. Lockhart CMC & James E. Wysocki, of The City of Grand Junction.

Witness my hand and official seal.

My commission expires: My Commission expires October 24, 1981

Walter P. Derickson
Notary Public



EXHIBIT "A"

1070511

An irregular tract of land comprising parts of Lots Two (2) and Three (3) of Section 7 in Township One (1) South, Range One (1) West of the Ute Meridian; beginning at a point 350 feet East of the West Section line of said Section (7), and on the South line of the Northwest Quarter of the Northwest Quarter of said Section Seven (7), thence South $0^{\circ}56'$ East 1780 feet to the center line of the public highway, thence South $59^{\circ}11'$ East along the center line of the public highway 830 feet, thence North $0^{\circ}58'$ West 750.4 feet, thence South $59^{\circ}11'$ East 270 feet, thence North $0^{\circ}56'$ West 1637.6 feet to the Southeast corner of the Northwest Quarter of the Northwest Quarter of said Section Seven (7), thence West 970 feet to beginning; AND ALSO a tract of land beginning at a point 74 feet East of the Southwest Corner of Lot One (1) of Section Seven (7) in Township One (1) South, Range One (1) West of the Ute Meridian, thence North $19^{\circ}27'$ East 450 feet, thence South $52^{\circ}46'$ East 701 feet to a point on the South line of said Lot One (1), thence West 708 feet, more or less along the South line of said Lot One (1) to the Point of Beginning, in Mesa County, Colorado.

EXCEPT the following tract of land:

From the Northeast Corner of Section 23, Township 11 South, Range 101 West of the 6th Principal Meridian, thence South $01^{\circ}02'$ East 113.52 feet to the Northwest Corner of Section 7, Township 1 South, Range 1 West of the Ute Meridian, thence South $01^{\circ}02'$ East 1736.26 feet along the West line of said Section 7 and East line of said Section 23, thence North $50^{\circ}51'$ East 253.63 feet, thence South $70^{\circ}12'$ East 236.14 feet to the point of beginning, thence South $77^{\circ}28'$ East 109.30 feet, thence South $0^{\circ}56'$ East 1502.73 feet to a point on the Northeast right of way line of State Highway No. 340, thence along said Northeast right of way line North $59^{\circ}11'$ West 898.25 feet, thence North $27^{\circ}22'$ East 286.11 feet, thence North $56^{\circ}27'$ West 117.82 feet, thence North $10^{\circ}13'$ East 610.93 feet, thence North $50^{\circ}51'$ East 356.82 feet, thence South $70^{\circ}12'$ East 236.14 feet to the point of beginning.

poor quality when recorded.

STATE OF COLORADO COUNTY OF MESA
RECORDED AT 9:22 O'CLOCK A.M. JUL 1 1981
RECEPTION NO. 1261541 EARL J. EVER, RECORDER

ADDENDUM TO
SEWER TAP AGREEMENT

This addendum Made and entered into between THE BLUFFS, LTD., a Colorado Limited Partnership, hereinafter referred to as "The Bluffs", and ARYL ALDRED, hereinafter referred to as "Aldred".

WITNESSETH:

WHEREAS, the parties to this addendum previously entered into a Sewer Tap Agreement to which this addendum shall be attached; said Sewer Tap Agreement being executed on the 6th day of June, 1980, and recorded in the office of the Mesa County Clerk and Recorder on June 18, 1980 in Book 1262 at Page 316;

WHEREAS, it is the desire of the parties to the original Sewer Tap Agreement to modify the terms thereof in respect to the legal description contained therein, and it is for this purpose that this addendum is entered into.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is agreed that the legal description contained in Exhibit "A" of said Sewer Tap Agreement shall be modified to read as follows:

Beginning at the Northwest Corner of the SE 1/4 NW 1/4 of Section 7, Township 1 South, Range 1 West of the Ute Meridian, Mesa County, Colorado, thence South 00 degrees 48'00" East along the East line of the W 1/2 NW 1/4 of said Section 7 a distance of 1637.56 feet, thence North 59 degrees 11'00" West 269.49 feet, thence South 00 degrees 48'00" East 710.75 feet to a point on the Northeasterly right of way of Colorado Highway 340, thence North 59 degrees 01'04" West along said Northeasterly right of way a distance of 661.59 feet, thence North 00 degrees 43'52" West 1503.51 feet, thence North 72 degrees 31'13" West 112.02 feet, thence North 00 degrees 42'31" West 332.52 feet, thence South 89 degrees 59'44" East 896.00 feet to the point of beginning, Mesa County, Colorado

Except as provided herein, each and every provision of the Specific Performance Contract shall remain in full force and effect.

This addendum and the original Sewer Tap Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the respective parties.

IN WITNESS WHEREOF, this addendum has been executed this 16th day of June, 1981.

ATTEST:

Carolyn L. Behrhorst
Assistant Secretary

THE BLUFFS, LTD., a Colorado Limited Partnership

BY DESTINATION PROPERTIES, INC. General Partner

By David G. Behrhorst
David G. Behrhorst, President

ATTEST:

David L. Grant
Assistant Secretary

MONUMENT LAND DEVELOPMENT CO., INC., General Partner

By Dennis L. Granum
Dennis L. Granum, President

Aryl Aldred
Aryl Aldred

APPROVED:

THE CITY OF GRAND JUNCTION

By James B. Wysocki

ATTEST:

Theresa J. Martiny

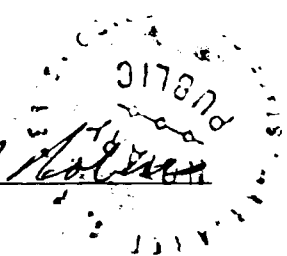
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 16th day of June, 1981, by DAVID G. BEHRHORST, as President, and CAROLYN L. BEHRHORST, as Assistant Secretary of DESTINATION PROPERTIES, INC., a General Partner of THE BLUFFS, LTD., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: Sept. 14, 1983

Margaret A. Holman
Notary Public



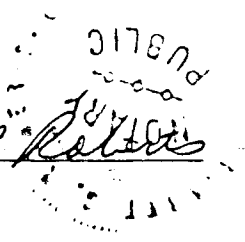
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 19th day of June, 1981, by DENNIS L. GRANUM, as President and DAVID G. STUART, as Assistant Secretary of MONUMENT LAND DEVELOPMENT CO., INC., a General Partner of THE BLUFFS, LTD., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: Sept 11, 1983.

Margaret S. Roberts
Notary Public



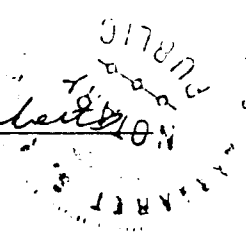
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 16th day of June, 1981, by ARYL ALDRED.

Witness my hand and official seal.

My commission expires: Sept. 11, 1983.

Margaret S. Roberts
Notary Public



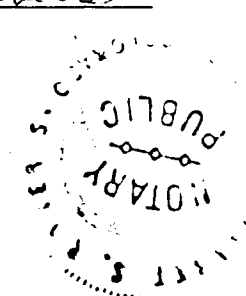
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 22nd day of June, 1980, by James B. Wipke and Theresa F. Masterson of THE CITY OF GRAND JUNCTION.

Witness my hand and official seal.

My commission expires: Sept. 11, 1983.

Margaret S. Roberts
Notary Public



SEWER TAP AGREEMENT

THIS AGREEMENT is made and entered into as of the 16th day of June, 1981, by and between THE BLUFFS, LTD., a Colorado limited partnership, hereinafter referred to as "The Bluffs", and ARYL ALDRED, hereinafter referred to as "Aldred".

WITNESSETH:

WHEREAS, The Bluffs have constructed a sewer plant facility approved for 246,000 gallons per day contact stabilization waste water treatment plant (hereinafter the "Sewer Plant") the Sewer Plant being situate in Goat Wash in the Southeast Quarter, Section 7, Township One South, Range One West, Ute Meridian, Mesa County, Colorado;

WHEREAS, Aldred owns real property which can be served by the Sewer Plant, which property is described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, Aldred has previously purchased 100 single family residential sewer taps to service 100 single family residences to be constructed on the property owned by Aldred described on Exhibit "A" pursuant to original Sewer Tap Agreement dated June 6, 1980, and recorded June 18, 1980, in Book 1262 at Page 316 of the Mesa County records; and

WHEREAS, said Sewer Tap Agreement hereinabove referenced contained an option to purchase 50 additional sewer taps by Aldred; and

WHEREAS, Aldred now desires to exercise said option pursuant to the provision hereinabove referred.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

1. PURCHASE OF SEWER TAPS.

A. Agreement. The Bluffs agrees to sell and Aldred agrees to purchase 50 additional single family residential sewer

taps to service 50 single family residences to be constructed on the property of Aldred described on Exhibit "A".

B. Purchase Price and Payment. The purchase price shall be \$66,000.00, \$10,000.00 to be paid on June 8, 1981, and the balance of \$56,000.00 to be paid by Aldred to The Bluffs according to a Promissory Note secured by a Deed of Trust executed contemporaneously herewith, which note and Deed of Trust incorporates therein the previous \$100,000.00 agreed upon according to the terms and conditions of original sewer tap agreement hereinabove referenced.

C. Issuance of Taps. The Bluffs shall issue to Aldred one tap for each \$1,320 paid against the principal balance due, all prepayments of principal and scheduled principal installments being credited towards Aldred's entitlement to sewer taps. Promptly upon the payments of principal provided herein, The Bluffs shall issue to Aldred a written receipt or other document customarily used by The Bluffs to evidence payment for and title to such sewer taps on behalf of Aldred, and further to enable Aldred to pay any City of Grand Junction plant investment fees as required, defined in City of Grand Junction Code of Ordinances, Chapter 25.

D. Default in Payment. In the event of a default in payment pursuant to the Promissory Note or Deed of Trust executed contemporaneously herewith, The Bluffs shall give Aldred notice of such default within ten (10) days of the occurrence of the same, and Aldred shall have twenty (20) days after notice of such default in which to cure the same. In the event Aldred fails to cure the default as provided herein, The Bluffs' obligation to commit taps (i.e. hold the remaining taps committed hereunder available for continued purchase by Aldred) shall be held in abeyance pursuant to the terms and provisions of this

Subparagraph D. In the event The Bluffs elects to foreclose upon the real property described in the Deed of Trust only (i.e. does not seek personal judgment against Aldred), taps committed hereunder shall be held in abeyance until such time as the Public Trustee or other official officer's sale occurs. If the proceeds received on sale are insufficient to pay the balance of the note in full, The Bluffs may elect to either refund to Aldred all monies received from the foreclosure sale, less costs and expenses incurred for the same including a reasonable attorney's fee, and terminate their obligation to sell further taps to Aldred or, in the alternative, The Bluffs may retain the proceeds on foreclosure and continue efforts to collect remaining amounts due, in which latter event The Bluffs' obligation to commit sewer taps shall remain in full force and effect. In the event, however, The Bluffs elects to seek enforcement of the Promissory Note in full against Aldred, either in the form of a deficiency judgment upon foreclosure sale, or in the form of a suit upon Promissory Note, The Bluffs' obligation to commit taps hereunder shall remain in full force and effect undisturbed by the default of Aldred, and Aldred shall receive issuance of sewer taps upon payment of amounts applied against principal balance at the same rate as provided in Subparagraph C hereof.

2. INSTALLATION OF TRUNK LINE. Aldred shall run a trunk sewer line from his property described on Exhibit "A" to the nearest collector manhole at his sole cost and expense. Any disruption or repair of pavement and/or landscaping would also be the sole cost and expense of Aldred. The sewer trunk line shall be constructed in accordance with plans and specifications to be furnished to and approved by the City of Grand Junction and will be subject to the City of Grand Junction's supervision and inspection during installation. Notwithstanding the foregoing,

such line will be constructed of such materials and installed in such a manner that such line will meet all City of Grand Junction, Mesa County and State of Colorado's specifications. After construction, "as built" plans and drawings thereof shall be delivered by Aldred to the City of Grand Junction and to The Bluffs on Mylar reproduceable material. SEE EXHIBIT "B"

3. CONDITIONS OF AGREEMENT. It shall be a condition of this Agreement that:

A. The appropriate officer of the City of Grand Junction approve this Agreement on or before August 1, 1981. In the event the conditions hereinabove are not satisfied, The Bluffs shall return all consideration paid by Aldred to The Bluffs, and this contract shall be null and void and of no further legal force or effect.

4. PLANT INVESTMENT FEES. It is anticipated that the City of Grand Junction will operate the Sewer Plant pursuant to a Sewer Service Agreement that The Bluffs West, Inc., entered into with the City of Grand Junction dated February 17, 1977, a copy of such agreement having been delivered to Aldred by The Bluffs. The Bluffs and Aldred agree that the terms of such agreement shall be extended to cover sewage facilities installed by Aldred. Pursuant to this agreement, and pursuant to the City's historical practice, Aldred shall pay such plant investment fees as are defined in the City of Grand Junction Code of Ordinances, Chapter 25, to be paid at such time as each residence is connected to the Sewer Plant or on obtaining a building permit for each residence, which plant investment fee amount shall be set by the City of Grand Junction from time to time and be payable to the City of Grand Junction. In the event Aldred shall sell or assign taps purchasd pursuant to this agreement, Aldred shall pass the obligation to pay all sewer plant investment fees to such

successor owners and furnish them with copies of this agreement and the Sewer Service Agreement between The Bluffs West, Inc., and the City of Grand Junction referenced above.

5. HOUSEHOLD SEWER CHARGES. Each household situate within the property described on Exhibit "A" which has a tap into the Sewer Plant will pay a monthly service charge to the operator (whether The Bluffs or the City of Grand Junction) thereof, which amount shall be collected by the operator. Aldred shall place a copy of this contract of record such as to bind the acreage described on Exhibit "A" as a covenant running with the land to pay the monthly sewer service charges as provided herein.

6. OPERATION COSTS. It is anticipated that the operational costs to the operator of the Sewer Plant will exceed service fee revenues for some period of time. Those persons, including The Bluffs and Aldred, who hold taps committed for development purposes (those sewer taps which are not in use by an occupied single family residence or designated for single family residence under construction) shall pay the difference between the operational costs and service fees received by the operator in proportion to the number of taps so held by them. For example, if all users, including Aldred, held 730 taps total, and Aldred held 100 taps, Aldred would pay 13% of such cost difference to the operator. The parties agree that the Sewer Plant has a capacity of 900 single family residential sewer taps.

7. CITY OF GRAND JUNCTION PLANT. It is anticipated that the City of Grand Junction will construct a sewer plant facility downstream from the Sewer Plant and that an interceptor line will be run by the City of Grand Junction into Goat Wash to accommodate effluent generated within the drainage of the Goat Wash Sewer Plant. At such time as such line is available in Goat Wash, use of the Sewer Plant shall terminate and all effluent shall go

directly into such line of the City of Grand Junction. By the purchase of taps, Aldred obtains no interest in or rights to the ownership of the Sewer Plant, or the land upon which it is sited. At such time as such line of the City of Grand Junction is available, The Bluffs shall have the right to dispose of the Sewer Plant and retain any proceeds from such plant disposition. In the event Aldred has unused taps at the time the effluent is directed to such a line of the City of Grand Junction, Aldred shall be entitled to no refund of amounts paid The Bluffs hereunder and will not be relieved of obligations to pay amounts to The Bluffs pursuant to this Agreement or the Note or Deed of Trust executed contemporaneously herewith.

8. CHARACTER OF EFFLUENT. Only ordinary household effluent shall be placed in the sewer line from the property of Aldred to the Sewer Plant. The maximum effluent parameters shall be established at (a) 360 gallons per single family connection per day; (b) suspended solids not in excess of 280 p.p.m., and (c) B.O.D. not in excess of 280 p.p.m. In the event that toxic or other deleterious material is permitted into such line, the operator of the Sewer Plant shall have the right to shut off and discontinue service to the area serviced by the Aldred sewer line. Such sewer line shall not be used as a storm drain, or as a place to discharge irrigation water, or waste irrigation water.

9. THE BLUFFS RIGHT OF TAP. The Bluffs shall have the right to tap into the sewer line of Aldred without cost, provided such tap is made at The Bluffs' own cost and expense.

10. RIGHT OF ASSIGNMENT. It is expressly prohibited that any taps purchased hereunder be assigned without prior written consent of The Bluffs, such written consent shall not be unreasonably withheld, and no sewer taps purchased hereunder may be used upon property other than that within the property

described on Exhibit "A" attached hereto. Provided, however, Aldred may sell and transfer his rights to sewer taps herein at the rate of one tap per subdivided single family residential lot in connection with the purchase of such lots to consumers or builders, not to exceed 5 taps per builder or consumer at any one time without prior written consent of The Bluffs, Ltd.

11. NOTICES. Any notices required herein between the parties may be delivered in person to The Bluffs, Ltd., or mailed by certified mail to The Bluffs, Ltd., at 825 Rood Avenue, Grand Junction, Colorado 81501. Notice to Aldred under the terms hereof shall be in writing and may be delivered in person to him or may be mailed by certified mail to Aryl Aldred, at 547 West Greenwood Drive, Grand Junction, Colorado 81503. Either party shall have the right to designate, in writing, a different address to which notice is to be mailed.

12. MODIFICATION, ASSIGNMENT AND BENEFIT. Except as provided above, this Agreement may not be modified or assigned without the prior written consent of both parties first had and obtained, such written consent shall not be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon the respective parties, their personal representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, the parties set their hands and seals the day and year first above written.

ATTEST:

Caryn S. Behrhorst
Assistant Secretary

THE BLUFFS, LTD., a Colorado
Limited Partnership

BY DESTINATION PROPERTIES, INC.
General Partner

By David G. Behrhorst
David G. Behrhorst,
President

ATTEST:

David G. Stuart
Assistant Secretary

MONUMENT LAND DEVELOPMENT CO.,
INC., General Partner

By Dennis L. Granum
Dennis L. Granum, President

Aryl Aldred
Aryl Aldred

APPROVED:

THE CITY OF GRAND JUNCTION

By James E. Whelan

ATTEST:

Thomas J. Martinez

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 16th day of June, 1981, by DAVID G. BEHRHORST, as President, and CAROLYN L. BEHRHORST, as Assistant Secretary of DESTINATION PROPERTIES, INC., a General Partner of THE BLUFFS, LTD., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: Sept. 14, 1983.

Margaret A. [Signature]
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 19th day of June, 1981, by DENNIS L. GRANUM, as President and DAVID G. STUART, as Assistant Secretary of MONUMENT LAND DEVELOPMENT CO., INC., a General Partner of THE BLUFFS, LTD., a Colorado Limited Partnership.

Witness my hand and official seal.

My commission expires: Sept. 14, 1983.

Margaret A. [Signature]
Notary Public



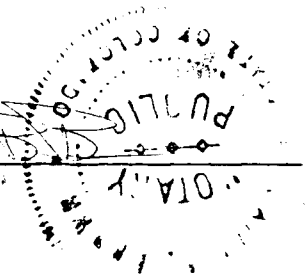
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 16th day of June, 1981, by ARYL ALDRED.

Witness my hand and official seal.

My commission expires: March 24, 1984.

[Signature]
Notary Public




STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 22nd day of June, 1980, by James B. Weisheit and Theresia F. Matting of THE CITY OF GRAND JUNCTION.

Witness my hand and official seal.

My commission expires: Sept 11, 1983.

[Signature]
Notary Public



Beginning at the NW Corner of the SE 1/4 NW 1/4 of section 7, T.1 S., R.1 W. of the Ute Meridian, Mesa County, Colorado; Thence S 00 degrees 48'00" E along the east line of the W 1/2 NW 1/4 of said Section 7 a distance of 1637.56 feet; Thence N 59 degrees 11'00" W 269.49 feet; Thence S 00 degrees 48'00" E 710.75 feet to a point on the northeasterly right of way of Colorado Highway 340; Thence N 59 degrees 01'04" W along said northeasterly right of way a distance of 661.59 feet; Thence N 00 degrees 43'52" W 1503.51 feet; Thence N 72 degrees 31'13" W 112.02 feet; Thence N 00 degrees 42'31" W 332.52 feet; Thence S 89 degrees 59'44" E 896.00 feet to the point of beginning, Mesa County, Colorado.

EXHIBIT "B"

Notwithstanding statements to the contrary as contained on page 3 and 4, paragraph 2 of the Sewer Tap Agreement to which this Exhibit "B" is attached, it is understood that the intent of the parties is as follows:

The City of Grand Junction shall have no duty or obligation to inspect or supervise the installation of the sewer trunk line to be constructed as referred to in said paragraph 2. Further, after construction, "as built" plans and drawings thereof shall be delivered by Aldred to the City of Grand Junction and to The Bluffs on Mylar reproducible material, with a letter from a professional engineer stating that the line was constructed according to the approved plans and that infiltration does not exceed City standards.

Ute Meridian

SEWER TAP AGREEMENT

THIS AGREEMENT is made and entered into as of 21st day of NOVEMBER, 1980, by and between THE BLUFFS, LTD., a Colorado limited partnership, hereinafter referred to as "The Bluffs", and Mesa County Valley School District No. 51, hereinafter referred to as "School District 51".

W I T N E S S E T H

WHEREAS, The Bluffs have constructed a sewer plant facility approved for 246,000 gallons per day contact stabilization waste water treatment plant (hereinafter the "Sewer Plant") the Sewer Plant being situated in Goat Wash in the Southeast Quarter, Section 7, Township One South, Range One West, Ute Meridian, Mesa County, Colorado;

WHEREAS, which property is described on Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, School District 51 has agreed to pay to The Bluffs the sum of \$11,000 for the right to make certain usage of the Sewer Plant upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter contained, it is mutually agreed as follows:

1. Purchase of Sewer Taps.

A. Agreement. The Bluffs agrees to sell and School District 51 agrees to purchase a sewer tap to service Broadway School.

B. Purchase Price and Payment. The purchase price shall be \$11,000 paid upon the execution hereof.

C. Issuance of Taps. The Bluffs shall issue to School District 51 one tap.

2. Installation of Trunk Line. School District 51 and Aryl Aldred shall run a trunk sewer line from the property described on Exhibit "A" to the nearest collector manhole at their sole cost and expense. Any disruption or repair of pavement and/or landscaping would also be the sole cost and expense of School District 51 and Aryl Aldred. The sewer trunk line shall be constructed in accordance with plans and specifications to be furnished to and approved by the City of Grand Junction and will be subject to the City of Grand Junction's supervision and inspection during installation. Notwithstanding the foregoing, such line will be constructed of such materials and installed in such a manner that such line will meet all City of Grand Junction, Mesa County and State of Colorado's specifications. After construction, "as built" plans and drawings thereof shall be delivered by School District 51 and Aryl Aldred to the City of Grand Junction and to The Bluffs on Mylar reproduceable material.

3. Conditions of Agreement. It shall be a condition of this Agreement that:

A. The appropriate officer of the City of Grand Junction approve this Agreement on or before JANUARY 15, 1981.

In the event the conditions hereinabove are not satisfied, The Bluffs shall return all consideration paid by School District 51 to The Bluffs, and this contract shall be null and void and of no further legal force or effect.

4. Plant Investment Fees. The City of Grand Junction is currently operating the Sewer Plant pursuant to a Sewer Service Agreement that the Bluffs West, Inc. entered into with the City of Grand Junction dated February 17, 1977, a copy of such agreement having been delivered to School District 51 by The Bluffs. The Bluffs and School District 51 agree that the terms of such agreement shall be extended to cover sewage facilities installed by School District 51. Pursuant to this agreement, and pursuant to the City's historical practice, School District 51 shall pay such plant investment fees as are defined in the City of Grand Junction Code of Ordinances, Chapter 25, to be paid at such time as Broadway School is connected to the Sewer Plant.

5. Sewer Charges. The annual operation service fee shall be based on the following formula as established by the City of Grand Junction for public schools: "E.P.A. Factor" times number of currently enrolled students times current single family monthly rate times twelve months. The "E.P.A. Factor" sewer service standard guideline adopted by the City of Grand Junction for public schools is a base of .04 plus .02 if there is a cafeteria on premises plus .02 if there are shower facilities on premises. The service fee shall be pre-paid annually on the anniversary date of this agreement based on the previous September total student enrollment at Broadway School and the current single family monthly rate for the Sewer Plant and/or future sewer plants which should service this effluent run by the City of Grand Junction or Mesa County.

6. Operation Costs. It is anticipated that the operational costs to the operator of the Sewer Plant will exceed service fee revenues for some period of time. Those persons including The Bluffs and School District 51 who hold taps committed for development purposes (those taps which are not in use) shall pay the difference between the operational costs and service fees received by the operator in proportion to the single family equivalent of 350 gallons to the projected daily gallon usage by the taps held.

7. City of Grand Junction Plant. It is anticipated that the City of Grand Junction will construct a sewer plant facility downstream from the Sewer Plant and that an interceptor line will be run by the City of Grand Junction into Goat Wash to accommodate effluent generated within the drainage of the Goat Wash Sewer Plant. At such time as such line is available in Goat Wash, use of the Sewer Plant shall terminate and all effluent shall go directly into such line of the City of Grand Junction. By the purchase of taps, School District 51 obtains no interest in or rights to the ownership of the Sewer Plant, or the land upon which it is sited. At such time as such line of the City of Grand Junction is available, The Bluffs shall have the right to dispose of the Sewer Plant and retain any proceeds from such plant disposition.

8. Character of Effluent. Only ordinary elementary school effluent shall be placed in the sewer line from the property of School District 51 to the Sewer Plant. The maximum effluent parameters shall be established at (a) 360 gallons per single family connection per day; (b) suspended solids not in excess of 280 p.p.m., and (c) B.O.D. not in excess of 280 p.p.m. In the event that toxic or other deleterious material is permitted into such line, the operator of the Sewer Plant shall have the right to shut off and discontinue service to the area serviced by the School District 51 sewer line. Such sewer line shall not be used as a storm drain, or as a place to discharge irrigation water, or waste irrigation water.

9. The Bluffs Right of Tap. The Bluffs shall have the right to tap into the sewer line of School District 51 and Aryl Aldred without cost, provided such tap is made at The Bluffs' own cost and expense.

10. Right of Assignment. It is expressly prohibited that any taps purchased hereunder be assigned without prior written consent of The Bluffs, such written consent shall not be unreasonably withheld, and no sewer taps purchased hereunder may be used upon property other than that within the property described on Exhibit "A" attached hereto.

11. Notices. Any notices required herein between the parties may be delivered in person to The Bluffs, Ltd., or mailed by certified mail to The Bluffs, Ltd., at 825 Rood Avenue, Grand Junction, Colorado 81501. Notice to School District 51 under the terms hereof shall be in writing and may be delivered in person to School District 51 Central Administration Office or may be mailed by certified mail to School District 51, 2115 Grand Avenue, Grand Junction, Colorado 81501. Either party shall have the right to designate, in writing, a different address to which notice is to be mailed.

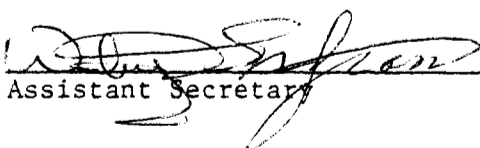
12. Modification, Assignment and Benefit. Except as provided above, this Agreement may not be modified or assigned without the prior written consent of both parties first had and obtained, such written consent shall not be unreasonably withheld. This Agreement shall inure to the benefit of and be binding upon the respective parties, their personal representatives, heirs, successors and assigns.

IN WITNESS WHEREOF, the parties set their hands and seals the day and year first above written.

THE BLUFFS, LTD., A COLORADO
LIMITED PARTNERSHIP

BY DESTINATION PROPERTIES, INC.,
GENERAL PARTNER

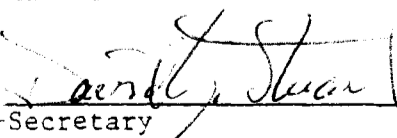
ATTEST:



Assistant Secretary

By 
David G. Behrhorst, President

BY MONUMENT LAND DEVELOPMENT CO., INC.,
GENERAL PARTNER

ATTEST:


Asst. Secretary

By 
Dennis L. Granum, President

MESA COUNTY VALLEY SCHOOL DISTRICT 51

ATTEST:

Dina G. Audino

By Robert W. McCormick
Dr. Robert W. McCormick, Superintendent

APPROVED:

ATTEST:

THE CITY OF GRAND JUNCTION

Heresa E. Martinez
Deputy City Clerk

By James E. Wypocki

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 9th day of December, 1980, by David G. Behrhorst, as President, and Wiley D. Snodgrass, as Assistant Secretary, of Destination Properties, Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.
My commission expires: 2-22-84.

Brenda S. Sadler
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 15th day of December, 1980, by Dennis L. Granum, as President, and David H. Stuart, as ^{Asst.} Secretary, of Monument Land Development Co., Inc., a General Partner of The Bluffs, Ltd., a Colorado Limited Partnership.

Witness my hand and official seal.
My commission expires: 2-22-84.

Brenda S. Sadler
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me this 21 day of November, 1980, by Dr. Robert W. McCormick, as Superintendent, and Dina G. Audino, of Mesa County Valley School District 51.

Witness my hand and official seal.
My commission expires: 4/4/81.

Vicki Mae Sea
NOTARY PUBLIC

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing Sewer Tap Agreement was subscribed and sworn to before me
this 18th day of December, 1980, by James E. Wozniak
as City Manager and Theresa Martinez as Deputy City Clerk
of the City of Grand Junction.

Witness my hand and official seal.

My commission expires: October 16, 1982

Janet A. Chmelinski
NOTARY PUBLIC

EXHIBIT "A"

Legal Description

Broadway School

Beginning at a point from whence the South $\frac{1}{4}$ corner of Section 7 Township 1 South Range 1 West of the Ute Meridian bears South $03^{\circ}59'24''$ East a distance of 815.88 feet; thence along an 858.6 foot radius curve to the left an arc distance of 209.3 feet, the chord of which arc bears North $52^{\circ}03'30''$ West 208.78 feet; thence North $59^{\circ}02'30''$ West 581.82 feet; thence North $00^{\circ}28'40''$ West 455.94 feet; thence North $89^{\circ}31'20''$ East 660.00 feet; thence South $00^{\circ}28'40''$ East 889.13 feet to the place of beginning. (The southerly boundary of the above described tract is common with the northerly right-of-way line of Colorado State Highway No. 340.).