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February 17, 1986

HAND DELIVERED

Gerald J. Ashby  
City Attorney  
250 N. 5th Street  
Grand Junction, CO 81501

Re: Vineyards - Bluffs

Dear Jerry:

This letter is written on behalf of Robert Gardner, Oxford Avenue, Ltd., and Aryl Aldred, the current and former owners of The Vineyards Subdivision. Gardner and Roger W. Ladd were the general partners of Oxford Avenue, Ltd. at the time of the development of The Vineyards.

As you know, Gardner, Ladd and Aldred are defendants in a lawsuit brought by The Bluffs, Ltd. for the purpose of recovering the balance of an agreement concerning the purchase and sale of sewer taps. We have informally discussed the possibility that the City of Grand Junction may be willing to help us resolve the litigation and clear up the ownership of the sewer lines in question. On behalf of our clients, we purpose the following for your consideration:

1. Oxford Avenue, Ltd. paid the entire cost of construction of all sewer facilities within The Vineyards Subdivision, including all lines and a lift station located in the northwest corner of the property. In addition, Oxford Avenue, Ltd. paid the entire cost of construction of a collector line running from The Vineyards Subdivision east along Broadway to the point where The Bluffs package plant was located near Goat Wash. Construction costs were approximately \$129,000.00. Oxford Avenue, Ltd. would be given the right to recover its costs of construction, up to a maximum of \$129,000.00, from the payment of tap fees from any persons, within and without the Subdivision, who tap into the line constructed by Oxford Avenue after the effective date of the agreement.

2. The tap fees would equal the fees charged by the City of Grand Junction at the time a tap is applied for, and would be assessed regardless of whether the City or the owner

*Ralph: Would you see it  
we have any plans  
for the lines. Also  
doesn't the tap fee just cover  
the physical cost of making the  
How are they going  
to recover \$129,000  
from tap fees?*

*JJK*

actually constructs the tap. The fees would be collected by the City and remitted to Oxford Avenue, Ltd., less a service fee to the City of 10% of the amount collected. The City, of course, would collect and retain the Plant Investment Fee. This procedure would continue until the sum of \$129,000.00 had been collected and remitted to Oxford Avenue, Ltd. or March 1, 1996, whichever would first occur.

3. Oxford Avenue, Ltd., as the current owner of the sewer line, would formally turn over the ownership of the sewer line and lift station to the City of Grand Junction. The City would continue maintenance of these facilities, as it apparently is doing at the present even in the absence of a formal turnover agreement.

4. It is contemplated that Oxford Avenue, Ltd. would offer the benefits under this agreement to one or more of its creditors in full or partial satisfaction of its obligations. Accordingly, the agreement would need to be freely assignable by Oxford Avenue, Ltd.

Please let us know at your early convenience whether an agreement of this nature is something the City would consider.


Sincerely,



William M. Kane



Joseph Coleman



Harry Tucker, Jr.

WMK:wk