

LINE EXTENSION AGREEMENT

This Agreement is made this 23rd day of September, 1982, by and between the FRISCO SANITATION DISTRICT (the District), and Miner's Creek Associates, Ltd., a Colorado limited partnership (Developer).

W I T N E S S E T H:

WHEREAS, the Frisco Sanitation District, a quasi-municipal corporation, is a sanitation district organized and existing under and by virtue of the laws of the State of Colorado; and

WHEREAS, Developer intends to develop that certain property more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), containing approximately 37.838 acres which said property Developer intends to subdivide and sell as single and multi-family lots and expects to obtain sewer service for the Property from the Frisco Sanitation District; and

WHEREAS, no oversizing, transmission line construction, or excess contribution is expected to be required as referenced in the Inclusion Agreement, thus obviating the necessity to establish any provisions for reimbursement; and

WHEREAS, District and Developer acknowledge that tap fees for 100 equivalent single-family units, equating to \$250,000 at current rates, have been prepaid and said prepaid taps shall be deemed to be the first made.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration, the parties hereto agree as follows:

1. Line Extension Construction. Developer shall construct, at its sole cost and expense, the sewer line extension from the Property to the District's existing Sewer Main located adjacent to the Property.

2. District's Standards.

A. Developer will, at its expense, employ licensed professional engineers to design such line extension as will comply with the Rules and Regulations of the District and to furnish such drawings therefore from which an appropriate extension line can be laid which will connect the Property described above to the District's sewer line at the point described above.

B. The plans and specifications for such extensions shall be submitted by Developer to the District for its approval before construction bids are awarded for such sewer line extension. The District agrees to promptly review such plans and specifications. Upon their approval by the District the Developer may seek construction bids for such extension and all subsequent construction shall be in strict conformance with said plans and specifications. Any subsequent modifications to the plans and specifications shall be submitted to the District for its approval before such modifications are undertaken. The District's approval required by this paragraph shall not be unreasonably withheld.

C. The Developer agrees to engage a competent contractor to build the extension in accordance with the plans and specifications as described above. The work in progress shall be open to inspection by the District at all reasonable times.

D. The Developer agrees to require the contractor to provide a performance bond in a form acceptable to the District equal to the bid price of the project. The Bond shall remain in effect for one year following the formal acceptance of the line extension. No construction shall begin until a duly executed copy of the bond is on file at the Frisco Sanitation District office.

E. The Developer agrees to be responsible for furnishing "as built" drawings of the completed line extension, and all necessary easements, to the District. The District hereby acknowledges that it has no reason to believe that the publicly dedicated utility easements contained in the Plat of the Property

recorded August 13, 1982, at Reception No. 243733 in the Office of the Clerk and Recorder of Summit County are not sufficient for the repair, maintenance and replacement of the sewer line extension. The Developer shall also cause the line extension to be conveyed to the District by Bill of Sale.

3. District's Rules and Regulations. The Developer and all persons ultimately receiving sewer service by means of such sewer line extension agree to be bound by the Rules and Regulations of the District in effect at the time of the execution of this Agreement and as they may be subsequently amended.

4. Acceptance of Line Extensions. Promptly after the Developer has paid for and discharged any and all obligations arising from its construction of the line extensions, the District agrees to accept the line extension, which acceptance shall not be unreasonably withheld, upon finding that:

a. The Developer has submitted acceptable as built drawings to the District for such line extension.

b. The line extension meets, in all respects, the requirements set forth in the sewer design and construction standards established by the District.

c. The Developer has conveyed to the District such easements as are determined by the District to be necessary for the installation, construction, repair, maintenance and replacement of the sewer line extension.

d. The Developer has conveyed the line extension to the District free and clear of all liens and encumbrances, properly described by certified survey.

e. No physical connections for sewer service shall be made until the line extension has been accepted by the District.

5. Warranty of Workmanship and Materials. The Developer hereby warrants and guarantees to the District for a period of one year, from the date of acceptance by the District, all workmanship and materials performed in connection with or incorporated into the line extension. Developer agrees that it shall, at its sole

cost and expense, correct all defects in materials and workmanship appearing in or resulting from the construction of the line extension to be performed by Developer under this Agreement.

6. Attorney, Engineering and Inspection Fees. It is understood that the District will incur legal fees associated with the line extension sought by Developer. Therefore on or before the commencement of construction of the line extension, the Developer shall deliver to the District a cash deposit (the "Deposit") in the amount of two thousand dollars and no/100 (\$2,000.00). The Deposit shall be applied by the District toward such fees that are reasonably incurred by the District. Any unused portion of the Deposit shall be refunded to Developer by the District upon the acceptance of the line extension. In the event the District reasonably incurs legal fees that are in excess of the Deposit, the Developer shall promptly pay such fees upon receipt of a proper invoice from the District reflecting the fees that have been incurred. All engineering and inspection costs associated with the line extension incurred by the District will be paid directly to the District's engineer by the Developer.

7. Recording, Successors and Assigns. This Agreement shall run with the land and be binding upon and inure to the benefit of the heirs, administrators, successors, personal representatives and assigns of the parties hereto. The Agreement may be recorded with the County Clerk and Recorder.

8. Governing Law. This Agreement shall be interpreted under the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth above.

ATTEST:

FRISCO SANITATION DISTRICT

By: Florence Reed
Secretary

By: John H. Sprauer
President

MINER'S CREEK ASSOCIATES, LTD.,
a Colorado limited partnership

By: Feldman & Simpson
Investments, a Colorado
general partnership,
General Partner

By: Lawrence Feldman
General Partner of
Feldman & Simpson Investments