

THIRD AMENDMENT TO SUBDIVISION IMPROVEMENTS AGREEMENT

This third amendment agreement is made and entered into between the TOWN OF CARBONDALE, COLORADO ("Town"), and HENDRICK RANCH ASSOCIATES, LIMITED LIABILITY COMPANY ("Developer") to become effective on the date executed by all parties.

RECITALS

1. The parties entered into a Subdivision Improvements Agreement for Phase I, Hendrick Ranch Subdivision, dated September 27, 1994, and recorded as Reception No. 471034 of the Garfield County records ("Subdivision Improvements Agreement").

2. The parties entered into an Amendment to Subdivision Improvements Agreement dated March 3, 1995, and recorded as Reception No. 475249 of the Garfield County records. The parties entered into a Second Amendment to Subdivision Improvements Agreement dated July 18, 1995, and recorded as Reception No. 481450 of the Garfield County records.

3. The Developer wishes to obtain a release of a substantial portion of the cash collateral securing the obligations of the Developer as set forth in paragraph 14 of the Subdivision Improvements Agreement. The Board of Trustees of the Town of Carbondale has approved the release request, subject to the terms and conditions set forth below.

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Paragraph 14 of the Subdivision Improvements Agreement shall be amended by the following additional provisions:

"dd. Ditch and Headwall Repairs. In the fall of 1995, after the water is turned out of the Weaver-Leonhardy Ditch, the Developer shall taper the headwall at all ditch culverts with riprap on the inlet side so that a satisfactory wing wall is formed to channel water into the culvert pipe. If the Town determines during the 1996 irrigation season that the riprap wall does not function satisfactorily, the Developer will replace the riprap with a concrete wing wall in a fashion that is acceptable to the Town. The Developer shall also inspect the depth of the secondary irrigation water line and any other utility line that is located under the Weaver-Leonhardy Ditch. If any line is less than two feet below the bottom of the ditch, prior to the 1996 irrigation season, such lines shall be relocated by the Developer at a depth at least two feet below the bottom of the ditch. The Developer shall also remove riprap at

the outlet of the Melissa Court culvert that has fallen into the ditch and replace it on the bank to reestablish the bank's original condition."

2. As part of the warranty work to be performed by the Developer, the Developer shall maintain all dry wells constructed on the property free of silt and other blockages throughout the warranty period so that the dry wells at all times percolate at a rate comparable to other dry wells found in and around Carbondale. A percolation test shall be performed at the end of the warranty period.

3. The Developer acknowledges that the warranty period for improvements required by the Developer under the terms of the Subdivision Improvements Agreement shall begin September 12, 1995, and shall continue for a two year period thereafter.

4. The Town shall retain \$2,786.00 of the cash collateral to secure the performance of the remaining obligations of the Developer relating to Phase I improvements.

5. All sidewalk encroachments within Phase I shall be resolved in a fashion satisfactory to the Town on or before November 1, 1995.

6. The Developer shall be responsible to pay the cost of repair of an area on Eighth Street near Highway 133 approximately three feet by ninety feet. The Town will seek reimbursement from the Developer for such repair at the time the Town performs its next resurfacing of this roadway.

7. The Developer or homeowners association shall submit to the Town an annual operating and maintenance report on the irrigation system for a period of five years.

8. The Town may require the Developer to install handicap ramps which meet ADA requirements for the sidewalk adjacent to Regional Bank if the present handicap ramps are damaged during the warranty period.

9. The Developer shall be required to replace the flexible delineators at the Graceland/Oak Run easement if these delineators are not effective in eliminating traffic from the area during the warranty period. The replacement delineators to be installed shall be approved by Town staff.

In all other respects, the Subdivision Improvements Agreement as previously amended shall remain unchanged and in full force and effect.

THE TOWN OF CARBONDALE

By: S. Randall Vanderhurst  
S. Randall Vanderhurst  
Mayor

ATTEST:

Suzanne Cerise  
Suzanne Cerise, Town Clerk

HENDRICK RANCH ASSOCIATES,  
LIMITED LIABILITY COMPANY

By: Jon David Seigle  
Jon David Seigle, Manager

By: Frank Taverna  
Frank Taverna, Manager

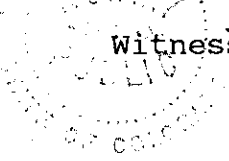
GUARANTOR:

Jon David Seigle  
Frank Taverna

STATE OF COLORADO )  
                          ) SS.  
COUNTY OF GARFIELD )

Subscribed, sworn to, and acknowledged before me this 30th day of April, 1997 by S. Randall Vanderhurst as Mayor of the Town of Carbondale and Suzanne Cerise as Town Clerk.

Witness my hand and official seal.

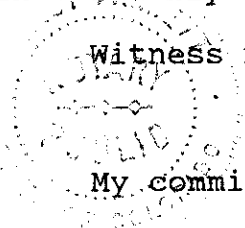


Nancy Barnett  
Notary Public

My commission expires: 7-30-97

STATE OF COLORADO )  
 ) ss.  
COUNTY OF GARFIELD )

Subscribed, sworn to, and acknowledged before me this 30<sup>TH</sup>  
day of APRIL, 1996, by Jon David Seigle and Frank Taverna,  
individually and as Managers of Hendrick Ranch Associates, LLC.



Witness my hand and official seal.

[Signature]  
Notary Public

My commission expires: 7-30-97