



STORM CHANNEL MAINTENANCE AGREEMENT

This Storm Channel Maintenance Agreement ("Agreement") is entered into this 25th day of July, 2003 by and between Sonoma & Pinnacle, LLC, a Colorado limited liability company ("S&P"), Western VII Investment, LLC, a Delaware limited liability company ("Western") and the City of Longmont, Colorado ("City") with respect to the following:

RECTIALS

A. Western is the owner of certain real property located immediately southeast of the intersection of Highway 66 and Pace Street in the City of Longmont, Colorado commonly known as Parcel Q of Spring Valley Phase 10 ("Parcel Q"). Parcel Q is more specifically described in Exhibit B attached hereto.

B. S&P is the owner of certain real property immediately adjacent to Parcel Q, located generally southeast of the intersection of Highway 66 and Pace Street in the City of Longmont, Colorado, and commonly known as Parcel P of Spring Valley Phase 8 ("Parcel P") and Parcel R of Spring Valley Phase 10 ("Parcel R"). Parcel P is more specifically described in Exhibit C, and Parcel R is more specifically described in Exhibit D, both of which are attached hereto.

C. City is the owner and operator of certain real property located within the City of Longmont, Colorado, and more commonly known as the Ute Creek Golf Course ("Golf Course Property").

D. The Parcel P is located immediately adjacent to the second and third holes of the Golf Course Property, with the two properties physically separated by the storm channel which is the subject of this Agreement. The location of the storm channel, and the relationship between the various properties described above, is more specifically shown on Exhibit A attached hereto.

E. As a condition to the development of any or all of the Parcels, City has required the design, construction and installation of a storm drainage channel designed to accommodate storm water runoff from each of the Parcels, as well as other sites in the area adjacent to the Parcels. The storm drainage channel is generally located along the northernmost boundary of Parcel Q and the easternmost boundary of Parcel P. A portion of the storm drainage channel is located upon the Golf Course Property.

F. In order to clarify and memorialize the duties and obligations of the parties with respect to the ongoing maintenance and upkeep of the storm channel, S&P, Western and City have entered into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, S&P, Western and City hereby agree as follows:

19/04



1. City will be responsible for the ongoing maintenance, upkeep and repair of the easternmost one-half of the storm channel in the area where the storm channel is immediately adjacent to the Golf Course property. For the purposes of this Agreement, the easternmost one-half of the storm channel shall be deemed to include all bank, slope and channel basin to the center line of the storm channel, regardless of which entity may own the portion of the property upon which the storm channel may exist.

2. Western and S&P will be responsible for the ongoing maintenance, upkeep and repair of the westernmost one-half of the storm channel in the area where the storm channel is immediately adjacent to Parcel P. Western and S&P will pay the costs and expenses relating to the ongoing maintenance, upkeep and repair of the remaining portion of the storm channel as reflected within Exhibit A, including, but not limited to, periodic mowing and cleaning of the channel, as may be required by the City of Longmont. The costs and expenses for the portion of the storm channel maintenance and repair which is the responsibility of Western and S&P shall be allocated among the parties as follows:

S&P - Parcel P	27.33%
Western - Parcel Q	37.66%
S&P - Parcel R	35.01%

To the extent that either S&P's or Western's portion of the maintenance and repair costs and expenses is advanced by the other party, the amount so advanced shall be reimbursed to the advancing party within thirty (30) days following the delivery of written verification from the project engineer that the improvements have been completed in substantial conformance with the plans and specifications therefore, and itemized invoices relating to such installation to such party.

The liability insurance policy with respect to the portion of Parcel P which is within the storm channel shall name City as an additional insured, and said policy shall not be terminated without 30 prior written notice to City. S&P shall install and maintain warning signs along the western bank of the storm channel providing notification of the dangers associated with activity within the storm channel.

3. The City of Longmont has established the following minimum maintenance requirements for the storm drainage channel:

Mowing: At least once per year (generally during late summer) to a height of approximately 6 inches. More frequent mowing may be required in order to provide weed control.



Weed control: Four applications of a broadleaf herbicide per year. One application each spring, two each summer and one each fall.

Fertilizer: One application per year (late spring) of a balanced N-P-K fertilizer at a rate of one pound of nitrogen per 1,000 square feet of area. The product used should contain at least 40% slowly available nitrogen.

Trash removal: At least once per month, or more frequently as needed. Trash shall be removed from the site and disposed of properly.

Miscellaneous maintenance: As may be required by the City from time to time.

4. Upon the formation of a homeowners association with respect to Parcel P and a homeowners association with respect to Parcel R, S&P may assign its obligations under this Agreement regarding such Parcel(s) to such homeowners association(s). Upon the sale or transfer of Parcel Q to another entity, or upon the establishment of an owner's association with respect to Parcel Q, Western may assign its obligations under this Agreement regarding Parcel Q to such entity or association. Any such assignments shall be in writing, delivered to the other parties then obligated hereunder. Any such assignments shall include a written assumption of the obligations hereunder by such association. Upon any assignment and assumption, the party making the assignment shall be discharged and released from all ongoing and future obligations under this Agreement.

5. Each party under this Agreement hereby grants to each other party permission and license to enter upon each others property to the extent reasonably necessary to carry out and perform the maintenance, upkeep and repair of the storm channel as required under the terms of this Agreement.

6. This Agreement, together with the Exhibits hereto, incorporates all of the terms and conditions of all agreements between the parties to this Agreement with respect to the subject matter hereof. Any and all prior agreements and understandings pertaining thereto, whether written or oral, have been merged and integrated into this Agreement. There are no other promises, agreements or representations with respect to the subject matter hereof, except as outlined herein. Except as expressly stated in this Agreement, no party has made any promises to induce any other party to enter into this Agreement.

7. This Agreement may be recorded against Parcels P, Q and R, in the official records of Boulder County, Colorado.

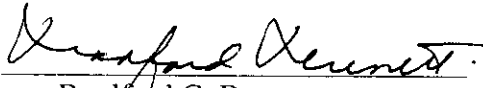


8. Notwithstanding any other term or provision of this Agreement, to the extent that any party is required to institute any action or legal proceeding in order to collect under or enforce the terms of this Agreement, such party shall be entitled to recover all costs and fees incurred in connection therewith, including, but not limited to attorneys fees.

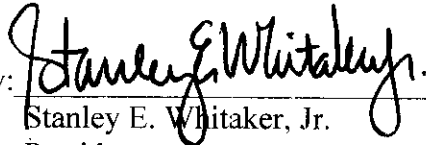
9. This Agreement is entered into for the benefit of the parties hereto, and shall not be construed or interpreted as creating any benefit for any third party.

Sonoma & Pinnacle, LLC
A Colorado limited liability company

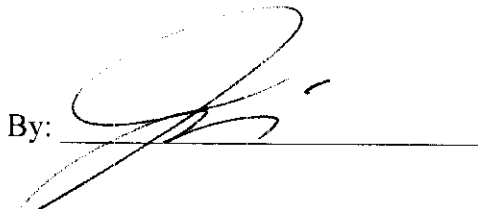
Western VII Investment, LLC
A Delaware limited liability company


Bradford C. Bennett
Manager

By: Western Property Advisors, Inc.
a Colorado Corporation
Its Attorney-in-Fact

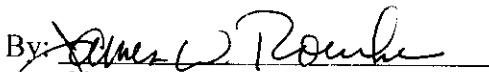
By: 
Stanley E. Whitaker, Jr.
President

City of Longmont, Colorado

By: 
Approved as to form:

Attest:
Valeria G. Skibb
City Clerk



By: 
City Attorney



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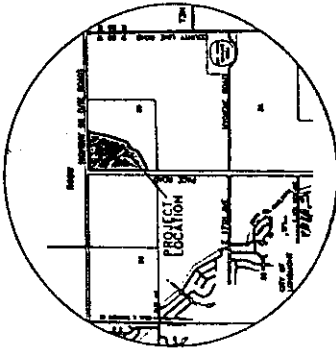
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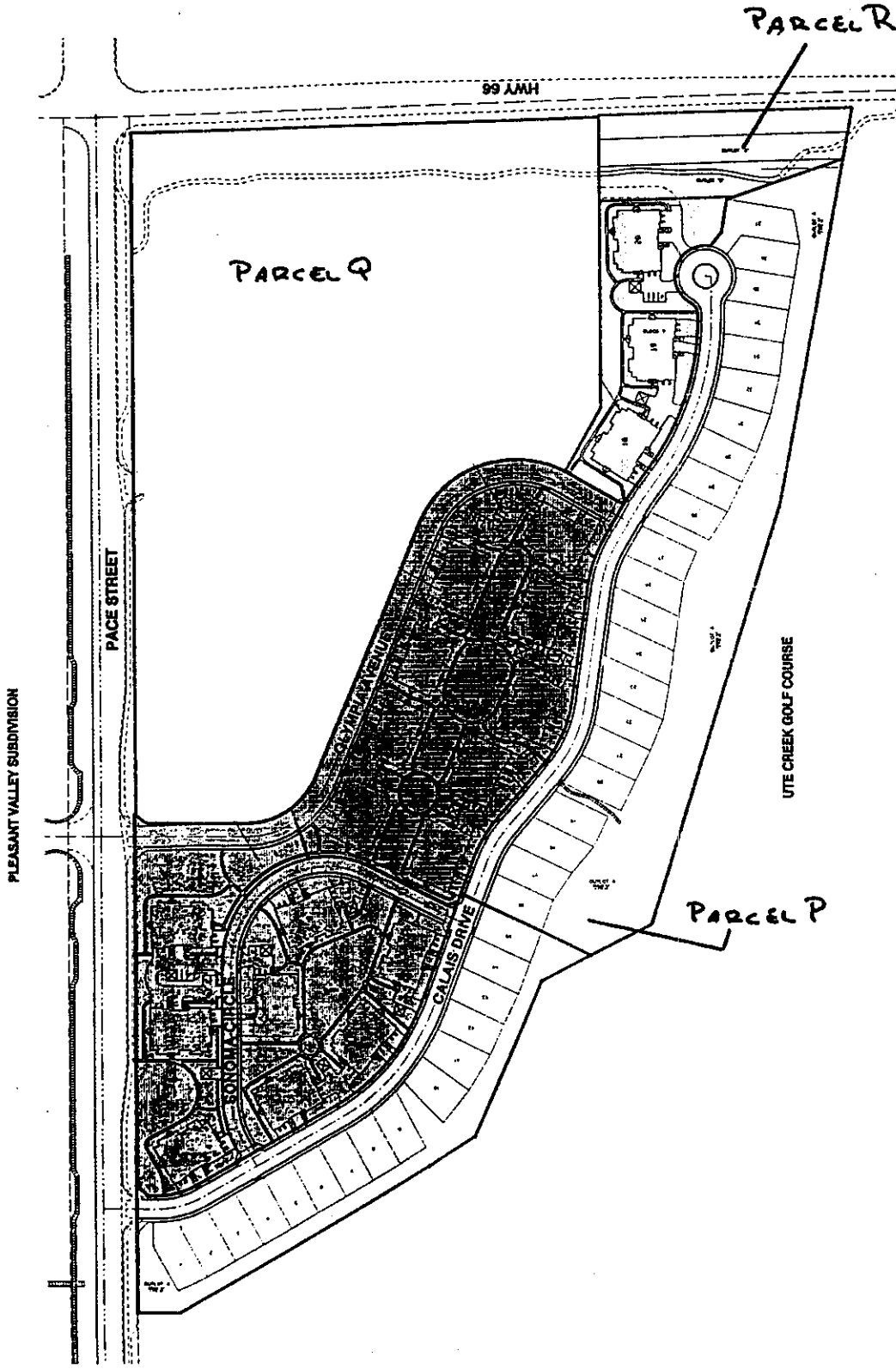
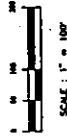
EXHIBIT A

Boulder County Clerk, CO AG

R 41.00



NEARBY MAP
SEE PG 1002



PLEASANT VALLEY SUBDIVISION

PACE STREET

HWY 66

PARCEL Q

PARCEL R

UTE CREEK GOLF COURSE

PARCEL P

SONOMA CHICOLE

CALAIS DRIVE

**Parcel Q Legal Description**

A parcel of land located in the Northwest Quarter of Section 25, Township 3 North, Range 69 West of the 6th P.M., City of Longmont, County of Boulder, State of Colorado, Being more particularly described as follows:

Commencing at the Northwest corner of said Section 25, whence the West one-quarter corner of said Section 25 bears South 00°04'26" West 2653.38 feet, said line forming the basis of bearings for this description; thence along said line South 00°04'26" West 123.36 feet; thence South 89°55'34" East 60.00 feet to the True Point of Beginning;

Thence South 00°04'26" West 1182.08 feet; thence South 44°55'34" East 28.28 feet; thence South 89°55'34" East 191.21 feet; thence along the arc of a curve to the left (said curve having a radius of 153.00 feet, a central angle of 66°04'44", and a chord which bears North 57°02'04" East 166.84 feet) a distance of 176.45 feet; thence North 23°59'42" East 513.93 feet; thence along the arc of a curve to the right (said curve having a radius of 197.00 feet, a central angle of 93°46'20" and a chord which bears North 70°52'53" East 287.62 feet) a distance of 322.42 feet; thence North 29°47'11" East 139.72 feet; thence North 00°04'26" East 385.76 feet; thence North 88°27'39" East 249.12 feet; thence South 70°32'01" West 211.17 feet; thence North 88°27'39" East 1348.90 feet to the True Point of Beginning.

Said Parcel of Land contains 18.768 acres.



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Boulder County Clerk, CO RG

R 41.00

EXHIBIT C

Parcel P Legal Description

Spring Valley Phase 8, Parcel P as shown upon the Plat recorded on May 7, 2002, at Reception No. 2285376 in the records of the office of the Clerk and Recorder of the County of Boulder, State of Colorado.



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EXHIBIT L

Boulder County Clerk, CO AG

R 41.00

Parcel R Legal Description

Spring Valley Phase 10, Parcel R as shown upon the Plat recorded on May 7, 2002, at Reception No. 2285379 in the records of the office of the Clerk and Recorder of the County of Boulder, State of Colorado.