May 16, 2001

City of Fort Collins
Community Planning and Environmental Services Administration
281 North College Avenue
Fort Collins, Colorado 80524

RE: Old Town North Development

Dear

Palladian Construction Company, a Colorado corporation, is the owner and developer of the property being planned as Old Town North. To satisfy certain City of Fort Collins storm drainage detention and discharge requirements, it will be necessary to obtain an easement from the Colorado Department of Transportation ("CDOT") to drain stormwater runoff from Old Town North across property owned by the CDOT for discharge into the lake canal located to the south of the Old Town North property.

Palladian Construction Company agrees to act in good faith and use reasonable efforts to acquire an easement across the CDOT property to discharge storm drainage runoff from Old Town North into the lake canal. If necessary, Palladian Construction Company will pay to CDOT fair and reasonable compensation for such easement, not to exceed the fair market value of the easement determined by appraisal.

PALLADIAN CONSTRUCTION COMPANY, a Colorado Corporation

By: Monica Sweere, President