

PEARSON ENGINEERING, INC.

P.O. Box 1308
Frisco, CO 80443
970-668-5067
970-668-3073 (fax)
www.pecivil.com
gray@pecivil.com

Consulting
Civil Engineering
Development
Planning

February 1, 2001

Board of Directors
Alpensee Water District

Re: Engineer's Opinion Concerning Certain Public Improvements

Members of the Board:

Pearson Engineering, Inc. ("Firm") has been engaged by Farmer's Korner, Inc. ("FKI") in connection with the proposed acquisition by the District of the public improvements listed on Exhibit A, which is attached hereto and incorporated herein by reference ("Public Improvements"). The District has requested that this Firm provide its professional opinion, based upon sound engineering principles, concerning a number of items relating to the acquisition of the Public Improvements. The Firm has inspected the Public Improvements, the plans and specifications, and all relevant documents. It is the professional opinion of this Firm, as of the date hereof, that:

1. The Public Improvements for which the Developers now seek reimbursement from the District have been completed except for:

Pressure testing, adjusting hydrants to grade, installation of air release valves and manholes, chlorination & flushing, and water plant connections

according to the plans and specifications in a good and workmanlike manner and that the expenditures related to construction are reasonable and proper.

2. The contractor(s) that provided labor and materials for the Public Improvements may reasonably be expected to perform any required warranty work. This is not a warranty or guarantee that this Firm will undertake such duties if the contractor(s) fail to perform.
3. The Public Improvements are located within public rights-of-way, District easements, or on District property or in areas that are able to be conveyed as such.
4. Upon completion (including those items yet to be completed as described in Paragraph 1 above), the Public Improvements are reasonably expected to conform to all applicable governmental laws, regulations, codes, and permits, specifically including any and all requirements of Summit County and the State of Colorado.
5. This Firm has received documentation, satisfactory to this Firm, showing that the cost of the Public Improvements on completion is reasonably expected to be one million six hundred thousand Dollars (\$1,600,000.00), as summarized in Exhibit A, attached hereto and incorporated herein by this reference. In the professional opinion of this Firm, upon completion of the fair market value of the Public Improvements will equal or exceed such cost. The cost of the Public Improvements indicated above does not include the cost of any interest in real property.
6. This Firm has no knowledge of any outstanding liens, claims, or demands by the contractor(s), subcontractor(s), materialmen, or others arising from the Public Improvements or the provision of labor or materials therefore that are not reasonably expected to be resolved prior to the conveyance of the Public Improvements to a public entity.

This opinion is for the use of the District only. No third party may rely upon this opinion without the written consent of this Firm.


Professional Engineer