Securities and Exchange Commission
Washington, D.C. 20549
Form 10-QSB

(Mark One)
X QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1996

___ TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number 0-8814

PURE CYCLE CORPORATION
(Exact name of small business issuer as specified in its charter)

Delaware	84-0705083
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
5650 York Street, Commerce City, CO	80022
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number(303) 292 - 3456

N/A
(Former name, former address and former fiscal year, if changed since last report.)

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x]; NO [ ]

State the number of shares outstanding of each of the issuer's classes of common equity , as of May 31, 1996:

Common Stock, 1/3 of $.01 Par Value	78,439,763
(Class)	(Number of Shares)

Transitional Small Business Disclosure Format (Check one):
Yes [ ]; No [x]

PURE CYCLE CORPORATION AND SUBSIDIARY

INDEX TO MAY 31, 1996 FORM 10-QSB

PURE CYCLE CORPORATION AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED BALANCE SHEETS
(unaudited)

<TABLE>
<CAPTION>

Assets	May 31 1996	August 31 1995
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$ 242,148	$ 865,803
Marketable securities	3,429	3,429
Note receivable (Note 2)	245,406	119,327
Prepaid expenses and other current assets	10,710	16,037
Total current assets	501,693	1,004,596
Investments in water projects:		
Paradise water rights	5,463,984	5,462,457
Rangeview water commercialization agreement (Rangeview WCA)	5,989,895	5,856,194
Sellers Gulch water rights	--	31,997
Equipment, at cost, net of accumulated depreciation of $11,527 and $9,514	5,711	5,359
Patents, net of accumulated amortization of $35,460 and $34,776 in 1996 and 1995, respectively	--	684
Other assets	22,596	22,596
	$ 11,983,879	$ 12,383,883
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt (Note 3)	$ --	$ 185,460
Accounts payable	51,568	60,450
Total current liabilities	51,568	245,910
Long-term debt payable to related parties, less current maturities	3,010,203	2,888,296
Other non-current liabilities	125,583	120,228
Minority interest in Rangeview WCA	4,020,630	4,020,630
Stockholders' equity:		
Preferred stock, par value $.001 per share; authorized - 25,000,000 shares:		
Series A - 1,600,000 shares issued and outstanding	1,600	1,600
Series B - 432,513 shares issued and outstanding	433	433
Common stock, par value 1/3 of $.01 per share; authorized - 135,000,000 shares; issued and outstanding 78,439,763 shares	261,584	261,584
Additional paid-in capital	23,615,561	23,615,561
Deficit accumulated during development stage	(6,376,911)	(6,043,987)
Deficit accumulated prior to September 1, 1986	(12,726,372)	(12,726,372)
Total stockholders' equity	4,775,895	5,108,819
Contingency (Note 4)		

	$ 11,983,879	$ 12,383,883

</TABLE>
[FN]
See Accompanying Notes to the Consolidated Financial Statements

PURE CYCLE CORPORATION AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<TABLE>
<CAPTION>

	Three Months Ended May 31 1996	Three Months Ended May 31 1995
<S>	<C>	<C>
Expenses:		
General, administrative and marketing	$(79,155)	$(90,114)
Interest	(50,731)	(51,531)
Total Expenses	(129,886)	(141,645)
Interest income	9,000	9,064
Net loss	$(120,886)	$(132,581)
Net Loss per common share	$ --*	$ --*

* less than $.01 per share

</TABLE>
[FN]
See Accompanying Notes to the Consolidated Financial Statements

PURE CYCLE CORPORATION AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended May 31 1996	Nine Months Ended May 31 1995	Cumulative Sept. 1, 1986 to May 31,1996
<S>	<C>	<C>	<C>
General and administrative expenses	$(249,403)	$(254,959)	$(3,749,123)
Other income (expense):			
Interest expense	(132,530)	(145,524)	(1,841,723)
Loss on abandonment of option on water rights	--	--	(850,000)
Financing expense on purchase of water rights option	--	--	(200,000)
Financing cost for issuance of stock below market price	--	--	(187,500)
Loss on abandonment of power plant equipment	--	--	(242,500)
Gain from waived put options	--	--	40,950
Expiration of option to purchase water rights	(31,997)	--	(31,997)
Gain on sale of marketable securities	--	(3,611)	24,809

Interest income	32,778	--	71,019
Other, net	--	--	29,503
Net loss before extraordinary item	(381,152)	(404,094)	(6,936,562)
Extraordinary gain on extinguishment of debt (Note 3)	48,228	--	559,651
Net loss	$(332,924)	$(404,094)	$(6,376,911)
Net Loss per common share	$ --*	$ --*	

* less than $.01 per share

</TABLE>
[FN]
See Accompanying Notes to the Consolidated Financial Statements

PURE CYCLE CORPORATION AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended May 31 1996	Nine Months Ended May 31 1995	Cumulative Sept. 1, 1986 to May 31, 1996
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	$(332,924)	$(404,094)	$(6,376,911)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	2,697	3,669	30,982
Amortization of debt issuance costs	--	4,600	23,000
(Loss)/gain on sale of marketable securities	--	3,611	(24,809)
Accretion of discount on long-term debt	--	11,750	69,630
Common shares issued as additional interest expense	--	--	25,000
Extraordinary gain on extinguishment of debt	(48,228)	--	(559,651)
Loss on abandonment of option on water rights	--	--	750,000
Financing expense on purchase of water option	--	--	200,000
Financing costs for issuance of stock options below market price	--	--	187,500
Gain on put options waived	--	--	(40,950)
Loss on abandonment of power plant equipment	--	--	62,500
Payment for services and expenses with common stock donated by President	--	--	298,250
Other unrealized loss on marketable securities	--	--	1,143
Increase in accrued interest on note receivable	(12,769)	(784)	(16,096)
Other	--	--	(1,065)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	5,327	(6,667)	(5,760)
Accounts payable and other non-current liabilities	(3,527)	13,397	432,418

Accrued interest	127,175	139,800	1,545,294
Net cash used in operating activities	$(262,249)	$(234,718)	$(3,399,525)

(continued)

</TABLE>

PURE CYCLE CORPORATION AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)

<TABLE>
<CAPTION>

	Nine Months Ended May 31 1996	Nine Months Ended May 31 1995	Cumulative Sept. 1, 1986 to May 31, 1996
<S>	<C>	<C>	<C>
Cash flows from investing activities:			
Investments in water rights	$(103,231)	$(84,800)	$(2,288,859)
Purchase of marketable securities	--	(300,000)	(2,000,000)
Proceeds from sale of marketable securities	--	1,278,289	2,024,809
Increase in note receivable	(113,310)	679	(229,310)
Purchase of equipment	(2,365)	(71,000)	(17,237)
Increase in other assets	--	--	(106,595)
Net cash provided by (used in) investing activities	(218,906)	821,810	(2,617,192)
Cash flows from financing activities:			
Proceeds from issuance of debt	--	--	2,677,629
Repayments of debt	(142,500)	--	(1,167,190)
Proceeds from sale of common stock	--	--	2,900,000
Proceeds from sale of Series A convertible Preferred stock	--	--	1,600,000
Proceeds from issuance of redeemable common stock	--	--	245,000
Proceeds from issuance of stock options	--	--	100,000
Repurchase of stock options	--	--	(100,000)
Net cash provided by (used in) financing activities	(142,500)	--	6,255,439
Net increase (decrease) in cash and cash equivalents	(623,655)	587,092	238,722
Cash and cash equivalents beginning of period	365,803	122,441	3,426
Cash and cash equivalents end of period	$ 242,148	$ 709,533	$ 242,148

</TABLE>

[FN]
See Accompanying Notes to the Consolidated Financial Statements

PURE CYCLE CORPORATION AND SUBSIDIARY
(A DEVELOPMENT STAGE ENTERPRISE)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING PRINCIPLES

The consolidated balance sheet as of May 31, 1996 and August 31, 1995, the consolidated statements of operations for the three and nine months ended May 31, 1996 and May 31, 1995 and the consolidated statements of cash flows for the nine months ended May 31, 1996 and May 31, 1995, have been prepared by the Company, without an audit. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows at May 31, 1996 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's 1995 Annual Report on Form 10-KSB. The results of operations for interim periods presented are not necessarily indicative of the operating results for the full year.

NOTE 2 - NOTE RECEIVABLE

In April 1995, the Company extended short-term credit to the Rangeview Metropolitan District. The loan permits borrowings up to $250,000, is unsecured, bears interest based on the prevailing prime rate plus 2% and, matures on December 31, 1996.

NOTE 3 - CURRENT MATURITIES OF LONG-TERM DEBT

During January 1996, the Company reached an agreement with a creditor to retire a note payable, totaling $190,728 with accrued interest, for payment of $142,500. The difference in the face value of the note and the cash paid to retire the debt of $48,228 has been reflected as an extraordinary gain on the consolidated statement of operations for the nine months ended May 31, 1996.

NOTE 4 - CONTINGENCY

In 1988, the Company initiated efforts to acquire approximately 10,000 acre feet of non-tributary ground water rights from the Rangeview Metropolitan District (the "District"). Since that time, the Company, together with other investors, has purchased certain real property, municipal notes and bonds, and options to purchase water related to this project.

In October of 1994, the Company joined in a lawsuit initiated by others including the District, against the Colorado State Board of Land Commissioners (the "Board") seeking a Declaratory Judgment affirming that the lease between the Board and the District was valid and binding.

In May of 1996, the parties to the lawsuit agreed to a settlement (the "Settlement"). The Settlement was subject to obtaining a final non-appealable order of the trial court approving the Settlement. The trial court order was signed subsequent to the end of the quarter on June 14, 1996 and will be non-appealable on July 29, 1996.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

General and administrative expenses for the nine months ended May 31, 1996 were approximately $5,555 lower than for the period ended May 31, 1995, primarily because of a decrease in facility costs and administrative salaries. Interest expense decreased for

the nine months ended May 31, 1996 by approximately $28,630 compared to the period ended May 31, 1995 due to a lower average outstanding balance of notes payable in the first nine months of fiscal 1996 compared to the same period in fiscal 1995. Net loss for the nine months ended May 31, 1996 decreased approximately $71,170 compared to the nine months ended May 31, 1995 primarily because of the combined effects of the recognition of an extraordinary gain on the extinguishment of debt, higher interest income and lower interest expense offset by the expiration of an option to purchase certain water rights.

Liquidity and Capital Resources

At May 31, 1996, current assets exceed current liabilities by approximately $450,125 and, the Company had cash and cash equivalents of $242,148.

The Company is aggressively pursuing the sale and development of its water rights. The Company cannot provide any assurances that it will be able to sell its water rights. In the event a sale of the Company's water rights is not forthcoming and the Company is not able to generate revenues from the sale or development of its technology, the Company may sell additional portions of the Company's profit interest pursuant to the WCA, incur short or long-term debt obligations or seek to sell additional shares of Common Stock, Preferred Stock or stock purchase warrants as deemed necessary by the Company to generate operating capital.

Development of any of the water rights that the Company has, or is seeking to acquire, will require substantial capital investment by the Company. Any such additional capital for the development of the water rights is anticipated to be financed through the sale of water taps and water delivery charges to a city or municipality. A water tap charge refers to a charge imposed by a municipality to permit a water user to access a water delivery system (i.e. a single-family home's tap into the municipal water system), and a water delivery charge refers to a water user's monthly water bill generally based on a per 1,000 gallons of water consumed.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

In 1988, the Company initiated efforts to acquire approximately 10,000 acre feet of non-tributary ground water rights located in the four principal aquifers known as the Denver Basin Aquifers from the Rangeview Metropolitan District (the "District"). Since that time, the Company, together with other investors, has purchased certain real property, municipal notes and bonds, and options to purchase water related to this project.

In October of 1994, the Company joined in a lawsuit initiated by others including the District, against the Colorado State Board of Land Commissioners (the "Board") seeking a Declaratory Judgment affirming that the lease between the Board and the District was valid and binding. Under the lease, the Board granted development rights to the ground water located on and beneath certain land owned by the Board.

In May of 1996, the parties to the lawsuit agreed to a settlement (the "Settlement"). The Settlement, among other things, provides for the retirement of all of the District's outstanding Water Revenue Notes and Bonds, and clarifies the Board's royalty participation in a new lease of the ground water. The Company negotiated agreements to acquire the remainder of the District's outstanding Water Revenue Notes and Bonds not already owned by the Company with a principal value of $24,914,058 in exchange for participation interests in the Company's Water Rights Commercialization Agreement ("WCA"). Commitments with respect to the WCA will increased from approximately $31,00,000 to approximately $32,026,000 as a result of the Settlement. The Settlement was subject to obtaining a final non-appealable order of the trial court approving the Settlement. The trial court order was signed subsequent to the end of the quarter on June 14, 1996 and will be non-appealable on July 29, 1996.

Pursuant to the Settlement, the Company will deliver all of the outstanding Notes and Bonds to the District in exchange for

ownership of 11,650 acre feet of tributary and non-tributary ground water, 12,000 acre feet of surface storage rights, and an 85 year Service Agreement between the District and the Company. The Service Agreement provides for the Company to design, develop, operate, and maintain the District's water system which will deliver water to customers within the District's 24,000 acre service area. The District has reserved approximately 14,000 acre feet of water to provide water service to future customers within its service area. The Company will receive approximately 85% of the District's tap fees, user fees, and system development fees in exchange for the Company's commitments under the Service Agreement.

The Company is currently negotiating with several Denver area water providers to sell portions of the 11,650 acre feet of water and with certain property owners within the District's Service Area for development of the District's water system

Item 2 - Exhibits and Reports on Form 8-K

(a) Exhibits - The following exhibits are included herewith.

10.1 Settlement Agreement and Mutual Release, dated April 11, 1996, by and among the Colorado State Board of Land Commissioners (the "Land Board"), Rangeview Metropolitan District ("Rangeview"), the Company, INCO Securities Corporation ("Inco"), and Apex Investment Fund II, L.P., Landmark Water Partners, L.P., Landmark Water Partners II, L.P., Environmental Venture Fund, L.P., Environmental Private Equity Fund II, L.P., The Productivity Fund II, L.P., Proactive Partners, L.P., Warwick Partners, L.P., Auginco, Anders C. Brag, Amy Leeds, and D.W Pettyjohn (collectively the "Bondholders"), and ("OAR"), Willard G. Owens and H. F. Riebesell, Jr. (collectively the "Owens Group Bondholders").

10.2 Service Agreement, dated April 11, 1996, by and between the Company and Rangeview.

10.3 Agreement for Sale of Export Water, dated April 11, 1996, by and between the Company and Rangeview.

10.4 Amended and Restated Option and Purchase Agreement, dated April 11, 1996, by and among OAR, the Company and INCO.

10.5 Amended and Restated Option and Purchase Agreement, dated April 11, 1996, by and among the Land Board, Riebesell, the Company and Inco.

10.6 Second Amended and Restated Closing Escrow Instructions Willard Owens Transaction, dated April 11, 1996, by and among OAR, the Company, the Land Board, H. F. Riebesell, Jr., and Colorado National Bank.

10.7 Comprehensive Amendment Agreement No. 1, dated April 11, 1996, by and among Inco, the Company, the Bondholders, Gregory M. Morey, Newell Augur, Jr., Bill Peterson, Stuart Sundlun, Alan C. Stormo, Beverly A. Beardslee, Bradley Kent Beardslee, Robert Douglas Beardslee, Asra Corporation, International Properties, Inc., and the Land Board.

(b) The Company has not filed any reports on Form 8-K during the quarter.

PURE CYCLE CORPORATION
SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PURE CYCLE CORPORATION

Date:

July 12, 1996 /S/ Thomas P. Clark

Thomas P. Clark, President

Date:

July 12, 1996 /S/ Mark W. Harding

Mark W. Harding,
Chief Financial Officer

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS DOCUMENT CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S 10-QSB DATED MAY 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>

<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	AUG-31-1996
<PERIOD-END>	MAY-31-1996
<CASH>	242,148
<SECURITIES>	3,429
<RECEIVABLES>	0
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	501,693
<PP&E>	17,238
<DEPRECIATION>	11,527
<TOTAL-ASSETS>	11,983,879
<CURRENT-LIABILITIES>	51,568
<BONDS>	0
<COMMON>	261,584
<PREFERRED-MANDATORY>	0
<PREFERRED>	2,033
<OTHER-SE>	4,512,278
<TOTAL-LIABILITY-AND-EQUITY>	11,983,879
<SALES>	0
<TOTAL-REVENUES>	0
<CGS>	0
<TOTAL-COSTS>	249,403
<OTHER-EXPENSES>	31,997
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	132,530
<INCOME-PRETAX>	(381,152)
<INCOME-TAX>	0
<INCOME-CONTINUING>	(381,152)
<DISCONTINUED>	0
<EXTRAORDINARY>	48,228
<CHANGES>	0
<NET-INCOME>	(332,924)
<EPS-PRIMARY>	(0.01)
<EPS-DILUTED>	0

</TABLE>

==========
DOCUMENT 10.6
==========

AMENDED ESCROW INSTRUCTIONS

April 11, 1996

Colorado National Bank
950 17th Street, Suite 2410
Denver, Colorado 80202

Attention: Corporate Trust Services

Re: Second Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction

Ladies and Gentlemen:

This letter contains instructions to Colorado National Bank (the "Escrow Agent") with respect to the closing of certain transactions described in the Option and Purchase Agreement by and between OAR, Incorporated and INCO Securities Corporation (the "OAR Agreement"); the Option and Purchase Agreement by and between Colorado Water Consultants, Incorporated and INCO Securities Corporation (the "CWC Agreement") each dated November 8, 1990, and amended August 12, 1991, August 12, 1992, and the date hereof. Subject to Paragraph D, this letter completely amends and restates the Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction dated August 12, 1992 (the "1992 Instructions"), but specifically does not amend or restate the Escrow Agreement dated August 12, 1991, by and between the Escrow Agent, OAR, Incorporated ("OAR"), Willard G. Owens ("Owens"), Colorado Water Consultants, Incorporated ("CWC"), INCO Securities Corporation ("INCO") and the other parties listed in the signature page thereof (the "Escrow Agreement"). The transaction originally consisted of the sale and conveyance of $8,041,371 of Rangeview Metropolitan District Water Revenue Bonds, Series 1988 M (the "Rangeview Bonds"); $5,000,000 Lowry Range Metropolitan Water District Revenue Notes, Series 1987 A-L (the "Lowry Notes"); and $2,142,858 of Rangeview Metropolitan District Water Revenue Notes, Series 1988 A-L (the "Rangeview Notes") by OAR, CWC, Carlton Allderdice ("Allderdice") and H.F. Riebesell, Jr. ("Riebesell") to INCO.

The State of Colorado, acting by and through the State Board of Land Commissioners (the "State"), is the assignee of all rights of Allderdice and CWC, now known as Colorado Financial Consultants, Inc., in the Rangeview Bonds, Lowry Notes and Rangeview Notes. A copy of such assignment is attached hereto as Schedule 1.

Pure Cycle Corporation ("Pure Cycle") is the assignee of all rights and obligations of INCO pursuant to the OAR Agreement, the CWC Agreement and the Escrow Agreement. A copy of such assignment is attached hereto as Schedule 2. In addition, Pure Cycle has agreed to assume the obligation of OAR, the State (formerly CWC and Allderdice) and Owens set forth in paragraph 7 of the Escrow Agreement to pay one-half of the Escrow Agent's Fees and Expenses (as those terms are defined in the Escrow Agreement). A copy of such assumption is attached hereto as Schedule 3.

Pursuant to paragraph 8 of the Escrow Agreement, the State, Pure Cycle and Riebesell hereby notify the Escrow Agent that their new addresses for notice are as set forth on Schedule 4 attached hereto.

If any date referenced herein as a deadline for the delivery of any documents required to be delivered hereunder is a Saturday, Sunday or federal legal holiday, such deadline shall be extended until the end of the next day which is not a Saturday, Sunday or federal legal holiday.

It is specifically acknowledged by all of the parties hereto that the Escrow Agent is not a party to and shall not be bound by any agreements between any or all of the parties hereto except the Escrow Agreement and this Second Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction.

84. SALE AND CONVEYANCE OF FINAL CLOSING BONDS

(1) Parties to Sale and Conveyance of Final Closing Bonds. The parties involved in the sale and conveyance of the Rangeview Bonds, the Lowry Notes and the Rangeview Notes (collectively, the "Bonds") are OAR, the State and Riebesell (collectively, "Bond Sellers"); Pure Cycle; Escrow Agent; the Attorney General of the State of Colorado ("State's Attorney"); and Davis, Graham & Stubbs LLP ("Pure Cycle's Attorney").

(2) Documents. The following fully executed original documents (the "Documents") have been delivered to Escrow Agent.

1. Rangeview Bonds

a. Certificate or certificates, issued in the name of OAR, representing Rangeview Bonds in the face amount of $5,628,960.

b. Certificate or certificates, issued in the name of Riebesell, representing Rangeview Bonds in the face amount of $1,206,205.

c. Certificate or certificates, issued in the name of Carlton E. Allderdice ("Allderdice"), representing Rangeview Bonds in the face amount of $1,206,206.

d. Assignment or assignments signed by OAR, with a signature guaranty assigning Rangeview Bonds in the face amount of $5,628,960 in blank ("Rangeview Bond OAR Assignments").

e. Assignment or assignments signed by Riebesell with a signature guaranty assigning Rangeview Bonds in the face amount of $1,206,205 in blank ("Rangeview Bonds Riebesell Assignments").

f. Assignment or assignments signed by Allderdice with a signature guaranty assigning Rangeview Bonds in the face amount of $1,206,206 in blank (the "Rangeview Bonds Allderdice Assignments").

2. Lowry Notes

a. Certificate or certificates, issued in the name of OAR, representing Lowry Notes in the face amount of $5,000,000.

b. Assignment or Assignments signed by OAR with a signature guaranty assigning Lowry Notes in the face amount of $5,000,000 in blank ("Lowry Assignments").

3. Rangeview Notes

a. Certificate or certificates, issued in the name of Colorado Water Consultants, Incorporated ("CWC"), representing Rangeview Notes in the face amount of $942,858.

b. Assignment or Assignments signed by CWC with a signature guaranty assigning Rangeview Notes in the face amount of $942,858 in blank ("Rangeview Notes CWC Assignment or Assignments").

c. Certificate or certificates, issued in the name of Allderdice, representing Rangeview Notes in the face amount of $600,000.

d. Assignment or assignments signed by Allderdice with a signature guaranty assigning Rangeview Notes in the face amount of $600,000 in blank ("Rangeview Notes Allderdice Assignments").

e. Certificate or certificates, issued in the name of Riebesell, representing Rangeview Notes in the face amount of $600,000.

f. Assignment or assignments signed by Riebesell with a signature guaranty assigning Rangeview Notes in the face amount of $600,000 in blank ("Rangeview Notes Riebesell Assignments").

4. Letter from Jensen Byrne Parsons Ruh & Tilton P.C. identifying any and all encumbrances on the Bonds or stating

that no encumbrances exist ("Bond Encumbrance Letter").

(3) Closing Instructions. Escrow Agent is authorized, directed and agrees to take the following actions:

Upon (i) notification to Escrow Agent by fax or original writing, in the form attached hereto as Schedule 5, from State's Attorney and Pure Cycle's Attorney to proceed with the Closing Instructions in accordance with this Section C and (ii) receipt of a release from Guaranty Bank and Trust Company releasing the encumbrance identified in the Bond Encumbrance Letter, Escrow Agent shall deliver the certificates representing the Rangeview Bonds, the Lowry Notes and the Rangeview Notes, together with the Rangeview Bonds OAR Assignments, the Rangeview Bonds Riebesell Assignments, the Rangeview Bonds Allderdice Assignments, the Lowry Assignments, the Rangeview Notes CWC Assignments, the Rangeview Notes Riebesell Assignments and the Rangeview Notes Allderdice Assignments, to the Rangeview Metropolitan District at the following address:

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

(4) Termination. The parties to the original transaction are parties in a lawsuit pending in the District Court for the City and County of Denver, State of Colorado, styled Apex Investment Fund II, L.P. et al. v. Colorado State Board of Land Commissioners, et al., Case No. 94-CV-5405, Courtroom I (the "Litigation"). The parties to the Litigation have reached a settlement agreement (the "Settlement Agreement") which is subject to certain conditions. If those conditions do not occur, the Settlement Agreement will be terminated, and these instructions will not be required. Therefore, if, (a) Escrow Agent receives notification by fax or original writing from State's Attorney and Pure Cycle's Attorney that the Settlement Agreement has been terminated or (b) on or before 5:00 p.m. on August 12, 1996, notifications from the State's Attorney and Pure Cycle's Attorney and the release from Guaranty Bank and Trust Company have not been received by Escrow Agent in accordance with Section C Closing Instructions, whichever is earlier, these instructions shall be null and void ab initio and shall have no force and effect. Escrow Agent shall thereafter continue to hold the Documents in accordance with the 1992 Instructions.

Please indicate your acceptance of and agreement to the terms and provisions of these Second Amended and Restated Closing Escrow Instructions by signing nine copies hereof and returning the same to the undersigned.

Sincerely,

OAR, Incorporated

By:
Willard G. Owens,
President

Pure Cycle Corporation

By:
Thomas P. Clark,
President

Approved as to Form:

State of Colorado State Board of
Land Commissioners

_____
Gale A. Norton
Attorney General of the
State of Colorado

President

Engineer

Register

H.F. Riebesell, Jr.

ACCEPTED AND AGREED to this _____ day of April, 1996.

COLORADO NATIONAL BANK
as Escrow Agent

By:_____
Title:_____

SCHEDULE 1 TO DOCUMENT 10.6
==========

ASSIGNMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned do hereby assign to The Colorado State Board of Land Commissioners (or its designee), hereinafter the "Assignee," all of the undersigneds' right, title and interest in and to any and all Rangeview Metropolitan District Water Revenue Bonds and Notes, and also any other direct or indirect interest that they or either of them presently may have in the exploration, developing or leasing of the ground water resources which are the subject of that certain civil action filed in the District Court, City and County of Denver, State of Colorado, bearing Case No. 94-CV-5405. The foregoing shall include, without limitation:

85. Certificate or Certificates, issued in the name of Carlton Allderdice, representing Rangeview Bonds in the face amount of $1,206,206.00 (including, without limitation, the Bond identified as Series 1988M);

86. Certificate or Certificates, issued in the name of Carlton Allderdice, representing Rangeview Notes in the face amount of $600,000.00 (including, without limitation, the Note identified as Series 1988L);

87. Certificate or Certificates, issued in the name of Colorado Water Consultants, Inc. (now named Colorado Financial Consultants, Inc.), representing Rangeview Notes in the face amount of $942,858.00 (including, without limitation, the notes identified as Series 1988A-K, inclusive).

The foregoing assignment is subject to (1) that certain Option Purchase Agreement entered into as of November 8, 1990, and amended as of February 12, 1991, and as of August 12, 1992, that certain Escrow Agreement dated August 12, 1991, those certain Escrow Closing Instructions, amended and restated as of August 12, 1992 and certain related and closing documents, (2) the lien of the Guaranty Bank and Trust Company which is the subject of that certain "Bond Encumbrance Letter" from Jensen Byrne Parsons Ruh & Tilton, P.C. to INCO Securities Corporation dated August 12, 1991, and also (3) the $27,000 assignment described in that certain letter agreement dated August 12, 1992 between INCO Securities Corporation, OAR Incorporated, and Colorado Water Consultants, Incorporated.

The Assignee specifically does not assume or agree to perform any of the obligations of the undersigned with respect to any of the documents or agreements referred to herein.

Dated: April 28, 1995.

COLORADO FINANCIAL CONSULTANTS, INC.

By: /s/ Carlton E. Allderdice, President
Carlton E. Allderdice, President

/s/ Carlton E. Allderdice
Carlton E. Allderdice

SCHEDULE 2 TO DOCUMENT 10.6
==========

ASSUMPTION

Pure Cycle Corporation, a Delaware Corporation, hereby assumes all obligations of any party to that certain Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers, in his individual and representative capacities, Carlton Allderdice, H. F. Riesbesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991 ("Agreement"), to pay all fees and expenses of the Escrow Agent under the Agreement which have not been paid as of the date of this Assumption and which hereafter accrue and become due and payable.

Executed and delivered this ___ day of April, 1996.

PURE CYCLE CORPORATION

By:
Thomas P. Clark, President

SCHEDULE 3 TO DOCUMENT 10.6
==========

ASSUMPTION

Pure Cycle Corporation, a Delaware Corporation, hereby assumes all obligations of any party to that certain Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers, in his individual and representative capacities, Carlton Allderdice, H. F. Riesbesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991 ("Agreement"), to pay all fees and expenses of the Escrow Agent under the Agreement which have not been paid as of the date of this Assumption and which hereafter accrue and become due and payable.

Executed and delivered this ___ day of April, 1996.

PURE CYCLE CORPORATION

By:
Thomas P. Clark, President

ASSIGNMENT

The undersigned irrevocably assigns to Pure Cycle Corporation, a Delaware corporation, this 11th day of April, 1996, all of the undersigned's right, title and interest in the following:

(1) Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers in his individual and representative capacities, Carlton Allderdice, H. F. Riebesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991, and those certain Escrow Closing Instructions, amended and restated as of August 12, 1992;

(2) Option and Purchase Agreement by and among OAR, Incorporated, a Colorado corporation, and INCO Securities Corporation, a Delaware corporation, as amended by Amendment No. 1 on February 12, 1991 and Amendment No. 2 on August 12, 1992 (the "OAR Option Agreement");

(3) Option and Purchase Agreement, by and between Colorado

Water Consultants, Incorporated, a Colorado corporation, and INCO Securities Corporation, a Delaware corporation, dated as of November 8, 1990, as amended by Amendment No. 1 on February 12, 1991 and Amendment No. 2 on August 12, 1992 (the "CWC Option Agreement");

(4) Option Agreement for Sale and Operation of Production Right, by and between Rangeview Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, and INCO Securities Corporation, dated as of November 14, 1990, as amended by Amendment No. 1 on February 12, 1991;

(5) All of the undersigned's rights to receive all accrued but unpaid interest owed by the Rangeview Metropolitan District, Arapahoe County, Colorado, associated with the Lowry Range Metropolitan District Water Revenue Notes, Series 1987 A-D, dated August 7, 1987, to the extent of $63,000;

(6) All of the undersigned's rights to receive all accrued but unpaid interest owed by the Rangeview Metropolitan District, Arapahoe County, Colorado, associated with the Rangeview Metropolitan District Water Revenue Notes, Series 1988 A-D, dated December 7, 1988, to the extent of $27,000;

(7) Right of First Refusal Agreement by and among INCO Securities Corporation and Richard F. Meyers, Mark W. Harding, Thomas P. Clark, Thomas Lamm and Rowena Rogers dated August 12, 1992; and

(8) The assignment to Pure Cycle Corporation hereunder includes the right of Pure Cycle Corporation to exercise the options granted under the OAR Option Agreement and the CWC Option Agreement and INCO Securities Corporation waives performance of the provisions of Section 5.04 of the Water Rights Commercialization Agreement dated as of December 11, 1990, amended February 12, 1991, and further amended August 12, 1992.

IN WITNESS WHEREOF, this Assignment has been executed as of the date first set forth above.

INCO SECURITIES CORPORATION

By:
Title:

SCHEDULE 4 TO DOCUMENT 10.6
==========

SCHEDULE 4

Notices:

88. If to State:

Board of Land Commissioners
Attn: Register
620 Centennial Building
1313 Sherman Street
Denver, Colorado 80203
Telecopy: (303) ___-____

With a copy to:

Office of Attorney General
Attn: State Land Board Attorney
1525 Sherman Street, Fifth Floor
Denver, Colorado 80203
Attn: David F. Steinhoff
Telecopy: (303) 866-3558

89. If to Pure Cycle:

Pure Cycle Corporation
5650 York Street
Commerce City, Colorado 80022
Attn: Mark W. Harding
Telecopy: (303) 292-3475

90. If to Riebesell:

H.F. Riebesell, Jr., Esq.
Hall & Evans, L.L.C.
1200 Seventeenth Street, Suite 1700
Denver, Colorado 80202
Telecopy: (303) 628-3368

</TEXT>
</DOCUMENT>
<DOCUMENT>
<TYPE>EX-10
<SEQUENCE>9
<TEXT>

==========
DOCUMENT 10.7
==========

COMPREHENSIVE AMENDMENT AGREEMENT NO. 1

THIS COMPREHENSIVE AMENDMENT AGREEMENT NO. 1 (the "Agreement") is made and entered into as of the 11th day of April, 1996, by and among Inco Securities Corporation, a Delaware corporation ("INCO"), Pure Cycle Corporation, a Delaware corporation ("PureCycle"), Landmark Water Partners, L.P., a Delaware limited partnership ("Landmark I"), Landmark Water Partners II, L.P., a Delaware limited partnership ("Landmark II"), Warwick Partners, L.P., a Delaware partnership ("Warwick"), Auginco, a Colorado general partnership ("Auginco"), Gregory M. Morey ("Morey"), Amy Leeds ("Leeds"), Anders C. Brag ("Brag"), Newell Augur, Jr. ("Augur"), Bill Peterson ("Peterson"), Stuart Sundlun ("Sundlun"), Alan C. Stormo ("Stormo"), D.W. Pettyjohn ("Pettyjohn"), Beverly A. Beardslee ("BAB"), Bradley Kent Beardslee ("BKB"), Robert Douglas Beardslee ("RDB"), Apex Investment Fund II, L.P., a Delaware limited partnership ("Apex"), The Environmental Venture Fund, L.P., a Delaware limited partnership ("EV Fund"), The Environmental Private Equity Fund II, L.P., a Delaware limited partnership ("EV Fund II"), Productivity Fund II, L.P., a Delaware limited partnership ("PFund"), Proactive Partners, L.P., a California limited partnership ("Proactive"), Asra Corporation, a Delaware corporation ("ASRA"), and International Properties, Inc., a Delaware corporation ("IPI"), OAR, Incorporated, a Colorado corporation ("OAR"), Willard G. Owens ("Owens"), H.F. Riebesell, Jr. ("Riebesell"), and the State of Colorado acting through the State Board of Land Commissioners (the "State"). Apex, EV Fund, EV Fund II, and PFund are collectively referred to herein as the "Apex Group." The Apex Group, Landmark II, Warwick, Auginco, Morey, Leeds, and Brag are collectively referred to herein as the "August 1992 Funding Group". ASRA, IPI, Apex, EV Fund, and PFund are collectively referred to herein as the "PureCycle Funding Group." Apex, EV Fund II, Auginco, Brag, Augur, Peterson, Sundlun, and Proactive are collectively referred to herein as the "Series A Stockholders."

Par Def: 1=A.RECITALS

91. INCO and OAR are parties to a certain Option and Purchase Agreement dated as of November 8, 1990, amended February 12, 1991, and further amended August 12, 1992, and INCO, PureCycle and OAR are parties to an Amended and Restated Option Purchase Agreement dated April 11, 1996, pursuant to which INCO has assigned all of its rights and obligations under the Option Purchase Agreement to PureCycle and PureCycle, in consideration of the sale of the OAR Closing Assets (as defined in the Amended and Restated Option Purchase Agreement) to it by OAR as part of the settlement of the Lawsuit (as defined in Recital F), is granting OAR the right to a portion of the proceeds from the sale of certain water rights as provided in this Agreement (the Option and Purchase Agreement, as amended, and the Amended and Restated Option Agreement are collectively referred to herein as the "OAR Option Agreement") and INCO is a party to a certain Option and Purchase Agreement dated as of November 8, 1990, amended February 12, 1991, further amended August 12, 1992, and further amended April 11, 1996, between INCO and Colorado Water Consultants, Incorporated (the "CWC Option Agreement" and, together with the OAR Option Agreement, the "Rangeview Option Agreements"), pursuant to which INCO has acquired an option to purchase certain outstanding bonds and notes issued by the

Rangeview Metropolitan District in an aggregate principal amount of $24,914,058 (which notes and bonds are referred to as the "Rangeview Bonds"), a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). Colorado Water Consultants, Incorporated ("CWC"), has assigned its rights to a portion of the Rangeview Bonds to Carlton Allderdice ("Allderdice") and Riebesell. Carlton Allderdice and CWC have assigned their remaining rights in the Rangeview Bonds to the State. The State has assumed no obligations of CWC or Allderdice under the CWC Option Agreement or any other agreement to which CWC or Allderdice is a party.

92. INCO is a party to a certain Option Agreement For Sale and Operation of Production Right with the District, dated as of November 14, 1990 and amended by Amendment No. 1 on February 12, 1991 and by a District board resolution in December 1993 (the "Inco Agreement"), pursuant to which INCO has acquired certain rights to 10,000 acre-feet of water per year (the "Original Water Rights"). By executing this Agreement, the State does not concede that INCO acquired such rights, which issue has been resolved by the Settlement Agreement (as defined in Recital F).

93. PureCycle and INCO entered into a certain Water Rights Commercialization Agreement (the "Commercialization Agreement") dated as of December 11, 1990, amended February 12, 1991, and further amended August 12, 1992, providing for, among other things, the development and marketing of the Original Water Rights and an agreed upon distribution of proceeds in the event of a sale of the Original Water Rights.

94. PureCycle has sold a portion of its profit interest in the Commercialization Agreement pursuant to the following agreements:

(a) Interim Funding Agreement (the "Interim Funding Agreement") entered into August 12, 1991 among INCO, PureCycle, Landmark I, and CPV, Inc. ("CPV") (CPV's interest in the Interim Funding Agreement has since been acquired by Owens);

(b) Investment Agreement entered into September 23, 1991 among PureCycle, Stormo, and Pettyjohn;

(c) Investment Agreement entered into September 30, 1991 between PureCycle and BAB;

(d) Investment Agreement entered into September 30, 1991 among PureCycle, BKB, and RDB;

(e) Investment Agreement entered into November 20, 1991 between PureCycle and ASRA;

(f) Investment Agreement entered into November 20, 1991 between PureCycle and IPI;

(g) Investment Agreement entered into December 10, 1991 among PureCycle, Apex, EV Fund, and PFund;

(h) Funding Agreement (the "Funding Agreement") entered into August 12, 1992 among INCO, PureCycle, and the August 1992 Funding Group;

(i) Stock Purchase Agreement (the "Stock Purchase Agreement") entered into May 25, 1994 among PureCycle and the Series A Stockholders.

The Investment Agreements described in (b) through (g) above are collectively referred to herein as the "Investment Agreements."

The Interim Funding Agreement, the Investment Agreements, the Funding Agreement, and the Stock Purchase Agreement are collectively referred to herein as the "Rangeview Profit Agreements."

95. Pursuant to the conveyance of the OAR Closing Assets and the CWC Closing Assets (as defined in the CWC Agreement) under the OAR Option Agreement and the CWC Option Agreement as part of the settlement of the Lawsuit, the Interim Funding Agreement, the Funding Agreement, and an Agreement dated October 27, 1994 among PureCycle, the Apex Group, Proactive, Auginco, Brag, Leeds and Pettyjohn (the "Assignment Agreement"), the following parties own Rangeview Bonds in the following amounts:

Bondholders	Face Value of Rangeview Bonds
INCO	$2,101,841
PureCycle	$16,836,966
Landmark I	$1,213,994
Owens	$1,213,994
Landmark II	$728,000
Warwick	$520,000
Apex	$802,833
EV Fund	$288,629
EV Fund II	$555,056
PFund	$244,225
Proactive	$222,022
Auginco	$ 42,184
Brag	$ 55,506
Leeds	$ 44,404
Pettyjohn	$ 44,404
	$24,914,058

The foregoing parties are collectively referred to herein as the "Rangeview Bondholders."

96. The District's right to sell the Original Water Rights derive from a lease between the District and the State denominated Lease Number S-37280, dated April 26, 1982 and amended at various subsequent times (the "Lease"). A lawsuit was filed in the District Court in and for the City and County of Denver, State of Colorado (the "Denver District Court") on October 28, 1994 styled Apex Investment Fund II, L.P., et al. v. Colorado State Board of Land Commissioners, et al., Case No. 94-CV-5405 (Courtroom I) (the "Lawsuit"), in which the parties have asserted various claims relating to the status and validity of the Lease and the Rangeview Bonds. The parties to the Lawsuit have reached a settlement agreement, to which this Agreement is attached as Exhibit 8 (the "Settlement Agreement"), which requires, among other things, (i) an amended and restated Lease which is attached to the Settlement Agreement as Exhibit 1 (the "Amended and Restated Lease"), (ii) superseding the Inco Agreement with a new agreement for sale of export water (the "Export Water Agreement") which is attached to the Amended and Restated Lease as Exhibit C, (iii) amending the Rangeview Profit Agreements, and (iv) conveyance of the Rangeview Bonds by PureCycle to the District for cancellation.

97. Pursuant to a deed granted pursuant to the Export Water Agreement (the "Export Water Deed"), PureCycle will acquire certain rights to 1,165,000 acre-feet of water (the "Export Water") in lieu of the Original Water Rights.

98. The parties hereto believe the settlement of the Lawsuit is in their best interest because it will, among other things, enable the Export Water to be marketed and sold without further dispute from the State; and therefore, the parties are desirous of entering into this Agreement to facilitate the settlement of the Lawsuit.

AGREEMENT

Now, therefore, in consideration of the recitals, covenants herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

99. Effective Date. This Agreement shall be binding on the date it is fully executed and delivered by the parties hereto subject only, as a condition subsequent, to the occurrence of the Effective Date (as that term is defined in the Settlement Agreement). If the Settlement Agreement is terminated, this Agreement shall be null and void ab initio and shall have no force and effect.

100. Application of Rangeview Proceeds.

(1) The first $32,026,232 of Gross Proceeds (as defined in Section 2.4) from the marketing, sale or other disposition of the Export Water by INCO, PureCycle, or the Export Water Contractor (as defined in Section 6.1 of the Amended and Restated Lease), after payment of royalties pursuant to the Amended and Restated Lease, shall, as a condition of any sales documents entered into between the Export Water Contractor and the Export Water Purchaser (as defined in the Amended and Restated Lease), be deposited by the Export Water Purchaser directly into a trust account with Davis, Graham & Stubbs LLP ("DGS") (or a successor

who shall be appointed in accordance with the procedures set forth in Section 16 of the Settlement Agreement) who shall disburse the proceeds within ten (10) business days in the following manner and order:

1. the first $8,000,000 - to OAR (provided OAR has provided DGS with the Termination of Memorandum required by the OAR Option Agreement), Riebesell (provided Riebesell has provided DGS with the release required by the CWC Option Agreement), and the State (provided the State has provided DGS with a release of its mortgage on the Export Water to the extent of such payment) on a pro rata basis with 70% of all funds available for distribution going to OAR, 11.895% going to Riebesell, and 18.105% going to the State until OAR has received $5,600,000, Riebesell has received $951,600, and the State has received $1,448,400;

2. the next $1,110,232 - to the State;

3. the next $2,450,000 - to INCO, Landmark I, and Owens (the "Interim Funding Group") on a pro rata basis with 59.2% of all funds available for distribution going to INCO, 20.4% going to Landmark I, and 20.4% going to Owens until INCO has received $1,450,000 and Landmark I and Owens have each received $500,000;

4. the next $200,000 - to Stormo and Pettyjohn on a pro rata basis with 50% of all funds available for distribution going to Stormo and 50% going to Pettyjohn until each has received $100,000;

5. the next $50,000 - to BAB;

6. the next $50,000 - to BKB and RDB on a pro rata basis with 50% of all funds available for distribution going to BKB and 50% going to RDB until each has received $25,000;

7. the next $300,000 - to ASRA and IPI on a pro rata basis with 50% of all funds available for distribution going to ASRA and 50% going to IPI until each has received $150,000;

8. the next $175,500 - to PureCycle

9. the next $3,475,000 - to the August 1992 Funding Group on a pro rata basis with 71.94% of all funds available for distribution going to the Apex Group, 10.07% going to Landmark II, 7.19% going to Warwick, 2.16% going to Auginco, 2.88% going to Morey, 2.88% going to Leeds, and 2.88% going to Brag until the Apex Group has received $2,500,000, Landmark II has received $350,000, Warwick has received $250,000, Auginco has received $75,000, Morey has received $100,000, Leeds has received $100,000 and Brag has received $100,000;

10. the next $2,450,000 - to the members of the Interim Funding Group on a pro rata basis as described in (c) above;

11. the next $200,000 - to Stormo and Pettyjohn on a pro rata basis as described in (d) above;

12. the next $50,000 - to BAB;

13. the next $50,000 - to BKB and RDB on a pro rata basis as described in (f) above;

14. the next $300,000 - to ASRA and IPI on a pro rata basis as described in (g) above;

15. the next $74,500 - to PureCycle;

16. the next $101,000 - to Apex, EV Fund, and PFund on a pro rata basis with 66 2/3% of all funds available for distribution going to Apex, 20% going to EV Fund, AND 13 1/3% going to PFund until Apex has received $67,333.67, EV Fund has received $20,200.00, and PFund has received $13,466.33;

17. the next $1,150,000 - to Apex, EV Fund, and PFund on a pro rata basis with 66 2/3% of all funds available for distribution going to Apex, 20% going to EV Fund, and 13 1/3% going to PFund until Apex has received $766,670.50, EV Fund has received $230,000.00, and PFund has received $153,329.50;

18. the next $2,850,000 - to the August 1992 Funding Group on a pro rata basis as described in (i) above until the Apex Group has received $2,050,290, Landmark II has received $286,995, Warwick has received $204,915, Auginco has received $61,560, Morey has received $82,080, Leeds has received $82,080 and Brag has received $82,080.

The remaining up to $8,990,000 of proceeds shall be divided 50% to the August 1992 Funding Group and the other parties described in (t) below in the proportions described in (t) below and the remaining 50% shall be divided equally among (i) INCO, (ii) the members of the Interim Funding Group, and (iii) the members of the PureCycle Funding Group and paid on an equal basis with no group or party having priority over the other as set forth in the following example:

19. (i) $1,498,334 - to INCO;

a. $1,498,334 - to the members of the Interim Funding Group on a pro rata basis with 20% of all funds available for distribution going to INCO, 40% going to Landmark I, and 40% going to Owens until INCO has received $299,667 and Landmark I and Owens have each received $599,333;

b. $1,498,333 - to the members of the PureCycle Funding Group and the then current holders of PureCycle Series A Convertible Preferred Stock on a pro rata basis with 22.69% of all funds available for distribution going to ASRA, 22.69% going to IPI, 34.26% going to Apex, 10.28% going to EV Fund, 6.85% going to PFund and 3.23% going to the then current holders of PureCycle Series A Convertible Preferred Stock until ASRA and IPI have each received $339,966.50, Apex has received $513,269.23, EV Fund has received $153,980.00, PFund has received $102,650.77, and the then current holders of PureCycle Series A Convertible Preferred Stock have received $48,500;

20. (i) $4,495,000 - to the August 1992 Funding Group, the then current holders of PureCycle Series A Convertible Preferred Stock, and PureCycle on a pro rata basis with 10% of all funds available for distribution going to the Apex Group, 9.19% going to Landmark II, 6.56% going to Warwick, .3% going to Auginco, .4% going to Morey, .4% going to Leeds, .4% going to Brag, and 70.11% going to the then current holders of PureCycle Series A Convertible Preferred Stock, and 2.64% going to PureCycle until the Apex Group has received $449,710, Landmark II has received $413,005, Warwick has received $295,085, Auginco has received $13,440, Morey has received $17,920, Leeds has received $17,920, Brag has received $17,920, the then current holders of PureCycle Series A Convertible Preferred Stock have received $3,151,500, and PureCycle has received $118,500.

Upon payment to a party hereto of the amounts specified in Section 2.1, the Rangeview Profit Agreements applicable to such party and this Agreement shall be terminated with respect to such party and such party shall not have any further interest in the Rangeview Profit Agreements, this Agreement, or the projects related to the Export Water contemplated thereby and hereby. Nothing in the preceding sentence shall affect the rights of the State under the Amended and Restated Lease.

(2) As of the Effective Date, each Rangeview Bondholder (other than PureCycle) hereby sells, transfers and assigns unto PureCycle all right, title and interest free and clear of all liens, security interests, and other encumbrances in and to Rangeview Bonds in the principal amount set forth opposite such Rangeview Bondholder's name in Recital E hereof, plus all accrued interest thereon. Each Rangeview Bondholder further agrees to execute any further documentation (such as an assignment form with the signature guaranteed under the Securities Transfer Agents Medallion Program) which may be required to effectively transfer title and record ownership in such Rangeview Bonds to PureCycle. Upon execution of this Agreement, each Rangeview

Bondholder (other than PureCycle) shall deliver such bondholders' Rangeview Bonds and any assignments requested pursuant to this section to PureCycle to be delivered to the Escrow Agent (as that term is defined in the Settlement Agreement) to be held pursuant to the terms of the Settlement Agreement.

(3) Sections 2.1 and 2.2 amend and supersede Sections 6.02 and 6.05 of the Commercialization Agreement, Section 5 of the Interim Funding Agreement, Section 1.3 of the Investment Agreements, Section 4 of the Funding Agreement, and Exhibit B to the Stock Purchase Agreement in their entirety. In addition, Section 1.2 supersedes Section 4 of the Assignment Agreement. Any reference to Sections 6.02 or 6.05 in the Commercialization Agreement, Section 5 in the Interim Funding Agreement, Section 1.3 in the Investment Agreements, Section 4 in the Funding Agreement, and Exhibit B in the Stock Purchase Agreement shall hereafter be deemed to be a reference to Sections 2.1 and 2.2 of this Agreement. Except as specifically set forth herein, the Rangeview Profit Agreements remain in full force and effect. The parties acknowledge that OAR represents that it is not a party to the Commercialization Agreement or the Rangeview Profit Agreements, nor shall it be deemed a party to such agreements as a result of executing this Agreement. OAR assumes no obligations under any agreements to which it is not a party by entering into this Agreement. OAR's rights to distributions under Section 2.1(a) arise out of this Agreement, the OAR Option Agreement and the Settlement Agreement.

(4) For purposes of this Agreement, the term "Gross Proceeds" shall mean the total funds received from the sale of Export Water to one or more Export Water Purchasers for Cash Equivalent (as defined Section 4.1 hereof) reduced only by the amount of the Obligations to the State (as defined in Section 4.1). The term "Gross Revenues" as defined and used in the Amended and Restated Lease shall control the determination of the Obligations to the State but otherwise shall have no bearing and effect on the definition of Gross Proceeds used in this Agreement. In the case of an installment sale of the Export Water, Gross Proceeds shall be deemed to be received only to the extent of actual funds (but not including negotiable promissory notes evidencing such installment sale) deposited in the trust account maintained by DGS as provided in Section 2.1 hereof. The parties hereto agree that, notwithstanding the definition of "Gross Revenues" as set forth in Article I and Section 7.2(c) of the Amended and Restated Lease, no costs (other than the Obligations to the State) directly or indirectly incurred in connection with the withdrawal, treatment, delivery, marketing or sale of the Export Water shall be deducted from the Gross Proceeds so long as the amount set forth in Section 2.1 remains unpaid.

101. PureCycle Series A Convertible Preferred Stock. Each Series A Stockholder acknowledges that the remaining adjusted purchase price of the Rangeview Bonds pursuant to the Option Agreements (as that term is defined in the Certificate of Designations, Powers, Preferences and Rights of Series A Convertible Preferred Stock filed by PureCycle with the Secretary of State of Delaware on May 25, 1994 (the "Series A Certificate")) with PPI or Purchase Price Interest (as those terms are defined in the Series A Certificate) is $9,110,232 and that PPI is $1,026,232. Each Series A Stockholder agrees that such Series A Stockholder will not transfer the shares of PureCycle Series A Convertible Preferred Stock owned by such Series A Stockholder until the transferee of such shares acknowledges that PPI is $1,026,232. Each Series A Stockholder further agrees to return the stock certificate(s) representing such stockholder's PureCycle Series A Convertible Preferred Stock to PureCycle to be legended with a reference to the foregoing agreements.

102. Conditions on Sale of Export Water; Lease Amendments.

(1) The parties, including PureCycle, agree that until Gross Proceeds in an amount of $8,000,000 have been deposited in the trust account with DGS and have been distributed by DGS in accordance with Section 2.1(a) hereof and all payments then due and payable to the State for royalties as provided under the Amended and Restated Lease have been paid in full ("Obligations to the State"), the Export Water shall be sold or otherwise disposed of to one or more purchasers only for cash, cashier's check, certified funds, wire transfer or negotiable promissory note(s) adequately secured by a perfected security interest in the Export Water sold to cover any amount owed under such note(s) (referred to herein collectively as "Cash Equivalent") in either

(i) a lump sum payment or (ii) installment payments providing for a down payment of not less than the Obligations to the State then due with respect to the sales, plus (a) twenty percent (20%) of the total contract price or (b) twenty percent (20%) of $8,000,000, if less than the contract price, with the final payment being required to be made no later than five (5) years after the closing date of such sale.

(2) PureCycle further agrees that it will not sell or otherwise dispose of the Export Water in a transaction where the price received per acre foot for the portion of the Export Water sold or otherwise disposed of would result in Gross Proceeds of less than $8,000,000, if all of the Export Water were sold at that price.

(3) Pursuant to the Export Water Deed, the District has agreed that it shall not enter into any amendments to the Amended and Restated Lease that affect PureCycle's rights and/or obligations under the Export Water Deed without PureCycle's prior written approval. PureCycle agrees that it will not approve of any amendments to the Amended and Restated Lease which would adversely affect the right of the parties to receive the payments contemplated pursuant to Section 2.1(a) of this Agreement.

(4) PureCycle shall provide the parties in Section 2.1(a) with written notice of and access to contemplated sales documents for the sale or other disposition of the Export Water ten (10) days in advance of such sale or other disposition.

(5) The provisions of this Section 4 may be amended or waived only with the consent of all of the parties entitled to payment of the proceeds to be paid pursuant to Section 2.1(a).

103. Records. PureCycle shall prepare and keep full, complete, and proper books, records and accounts of all Export Water sales or dispositions and shall document such transactions. Said books, records, and accounts shall be open at all reasonable times, upon fourteen (14) days' prior written notice, to the inspection of a designated representative of the parties hereto other than PureCycle (collectively, the "Investors") for the purpose of verifying the accuracy of payments made pursuant to Section 2.1. The designated representative may, at the Investors' expense, copy, extract and/or audit all or a portion of said books, records, and accounts for a period of up to five (5) years after the date such books, records and accounts are made. Any deficiency in the payment of amounts due pursuant to Section 2.1 determined upon such inspection or audit shall be immediately due and payable by PureCycle, together with interest at the prime rate specified in the Wall Street Journal, Western Edition (the "Prime Rate"), plus two percent (2%) from the date or dates such amounts should have been paid.

104. Right to Cure. In the event PureCycle takes or fails to take any action which, unless cured, would result in a termination of PureCycle's rights to any portion of the Export Water, PureCycle shall provide written notice to a designated representative of the Investors within five (5) days following the occurrence of any such action or failure, and the Investors, or any of them, may, without prejudice to any other remedies such Investors may have, cure such action or failure on PureCycle's behalf and shall be entitled to reimbursement from PureCycle for any amount paid to cure such action or failure plus all costs and damages associated therewith and interest at the Prime Rate, plus two percent (2%), from the date or dates such amounts were paid.

105. No Agency, Partnership or Joint Venture. The parties hereto are independent contractors and nothing contained in this Agreement shall be deemed to create the relationship of partners, joint venturers, or of principal and agent, or of any association or relationship between the parties other than as expressly provided in this Agreement. Each party acknowledges that it does not have, and it shall not make representations to any third party, either directly or indirectly, indicating that it has any authority to act for or on behalf of any other party or to obligate them in any way whatsoever.

106. Press Releases.

(1) Each party shall limit any comments to the public or the press regarding this Agreement to the terms and benefits of the Settlement Agreement.

(2) This Section 8 shall not, however, be construed to (i) prohibit disclosure to the Denver District Court as

contemplated by the Settlement Agreement, (ii) prohibit any party from making any disclosures which it is required to make by law, rule, regulation or court order (including applicable securities laws) or which it is advised by counsel to make to comply with such law, rule, regulation or court order or from filing this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party, and (iii) prohibit any party from disclosing to its partners, investors and broker/dealers such terms of this transaction as would customarily be disclosed to them in connection with transactions of the type contemplated hereby.

107. Release. Upon execution of this Agreement, each party to this agreement who is not a party to the Settlement Agreement shall execute and deliver to PureCycle a release in the form of Exhibit A attached hereto. Such releases shall be delivered by PureCycle to the Escrow Agent to be held pursuant to the terms of the Settlement Agreement.

108. Brokers. Each party represents to the others that it has not engaged a broker in connection with this transaction, and no brokerage fees are payable by any party on account hereof.

109. Expenses. All legal and other costs and expenses incurred in connection with the preparation of this Agreement and the consummation of the transactions contemplated hereby shall be paid by the party incurring such expenses.

110. Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

111. Amendment. This Agreement may be amended only by a writing signed by the parties affected by such amendment.

112. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall together constitute one and the same instrument.

113. Governing Law. With respect to relationships among PureCycle, OAR, Riebesell, and the State, this Agreement shall be governed by Colorado law. With respect to relationships between PureCycle and each other party, the governing law provision of the applicable Rangeview Profit Agreement shall govern.

114. Attorneys' Fees. In the event any party finds it necessary to employ legal counsel or to bring an action at law or other proceeding against another party to enforce any of the terms, covenants, or conditions of this Agreement, the party prevailing in any such action or other proceeding shall be paid all reasonable attorneys' fees by such other party, and in the event any judgment is secured by such prevailing party, all such attorneys' fees, as determined by a court and not by jury, shall be included in any such judgment.

115. Recitals. The parties acknowledge that the State represents that it is not a party to the Rangeview Profit Agreements, the Commercialization Agreement or the Rangeview Option Agreements except the April __, 1996 amendment to the CWC Option Agreement and that the State represents that it does not have knowledge as to the accuracy of the Recitals except with respect to the last two sentences of Recital A, the last sentence of Recital B and Recitals F-H.

116. State Obligations. The parties acknowledge and agree that the State is a party to this Agreement merely to facilitate the contemplated amendments and to receive the payments under Sections 2.1(a) and (b) and that the State assumes no obligations under any agreements to which it is not a party.

117. Inconsistencies. To the extent any provisions of this Agreement are inconsistent with the provisions of the Commercialization Agreement or the Rangeview Profit Agreements, the terms of this Agreement shall control.

118. Indemnity. PureCycle, its successors and assigns, shall indemnify, defend and hold harmless the Investors, their respective officers, directors, shareholders, partners, successors and assigns ("Indemnitees") from and against all claims and costs (including reasonable attorneys' fees) actually incurred by any such Indemnitee as a result of a breach by PureCycle, its successors and assigns, of this Agreement, the Export Water Agreement or the payment of Obligations to the State which results in a nonpayment of Gross Proceeds to the Investors

under Section 2.1 of this Agreement when such Gross Proceeds are or were available from the sale or other disposition of Export Water.

IN WITNESS WHEREOF, this Comprehensive Amendment Agreement No. 1 has been executed on behalf of each of the parties hereto as of the day and date first above written.

INCO SECURITIES CORPORATION,
a Delaware corporation

By:
Title:

PURE CYCLE CORPORATION,
a Delaware corporation

By:
Thomas P. Clark, President

LANDMARK WATER PARTNERS, L.P.

By: COMPTON CAPITAL, LTD.,
its general partner

By:
Earl A. Samson, III,
President

LANDMARK WATER PARTNERS II, L.P.,
a Delaware limited partnership

By: COMPTON CAPITAL PARTNERS,
INC., its general partner

By:
Earl A. Samson, III,
President

WARWICK PARTNERS, L.P.,
a Delaware limited partnership

By: PROVIDENCE PARTNERS, L.P.,
its general partner

By: PACIFIC EQUITY LIMITED,
its general partner

By:
Herbert A. Denton, authorized
officer

AUGINCO,
a Colorado general partnership

By:
Harrison H. Augur, general
partner

Gregory M. Morey

Amy Leeds

Anders C. Brag

Newell Augur, Jr.

Bill Peterson

Stuart Sundlun

Alan C. Stormo

D.W. Pettyjohn

Beverly A. Beardslee

Robert Douglas Beardslee

Bradley Kent Beardslee

APEX INVESTMENT FUND II, L.P.,
a Delaware limited partnership

By: Apex Management Partnership, L.P., General Partner of Apex Investment Fund II, L.P.

By:
George Middlemas, General Partner

THE ENVIRONMENTAL VENTURE FUND, L.P.,
a Delaware limited partnership

By: Environmental Venture Management, L.P., General Partner of The Environmental Venture Fund, L.P.

By: First Analysis Corporation, General Partner of Environmental Venture Management, L.P.

By:
Bret Maxwell, General Partner

THE ENVIRONMENTAL PRIVATE EQUITY FUND II, L.P.,
a Delaware limited partnership

By: Environmental Private Equity Management II, L.P., General Partner of The Environmental Private Equity Fund II, L.P.

By: First Analysis EPEF Management II, L.P., General Partner of Environmental Private Equity Management II, L.P.

By: First Analysis Corporation, General Partner of First Analysis EPEF Management II, L.P.

By:
Bret Maxwell, General Partner

PRODUCTIVITY FUND II, L.P.,
a Delaware limited partnership

By: First Analysis Management Company II, L.P., General Partner of Productivity Fund II, L.P.

By: First Analysis Corporation, General Partner of First Analysis Management Company II, L.P.

By:
Bret Maxwell, General Partner

PROACTIVE PARTNERS, L.P.,
a California limited partnership

By:
Charles McGettigan, General Partner

ASRA CORPORATION,
a Delaware corporation

By:
Title:

INTERNATIONAL PROPERTIES, INC.,
a Delaware corporation

By:
Title:

OAR, Incorporated,
a Colorado corporation

By:
Willard G. Owens, President

Willard G. Owens

H. F. Riebesell, Jr.

STATE OF COLORADO STATE BOARD OF
LAND COMMISSIONERS

President

Engineer

Register

Approved as to form:

GALE A. NORTON
Attorney General of the State of Colorado

STEPHEN K. ERKENBRACK
Chief Deputy Attorney General
TIMOTHY M. TYMKOVICH
Solicitor General

Richard A. Westfall
Special Deputy Solicitor General

For purposes of Section 2 only:

DAVIS GRAHAM & STUBBS LLP

By:
Wanda J. Abel, Partner

EXHIBIT A TO DOCUMENT 10.7
==========

Exhibit A

RELEASE

In consideration for ten dollars ($10.00) and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned on behalf of themselves, their parents, subsidiaries, affiliates and all other related companies and their successors, and assigns, fully, finally and unequivocally release the Colorado State Board of Land Commissioners, the past and present Land Board Commissioners, the State of Colorado, and Rangeview Metropolitan District, and their directors, employees, agents, attorneys, advisors, successors, and assigns, from any and all claims, controversies, actions, causes of actions, suits, demands, obligations, debts, losses, damages, or liabilities which may exist in law or equity, whether known or unknown, fixed or contingent, asserted or unasserted, presently existing or arising in the future, including, but not limited to claims which are or could have been raised based on acts or omissions to date, of any kind and nature whatsoever arising out of or in any way connected with (1) any matters that were or could have been raised in the lawsuit pending in the District Court for the City and County of Denver, styled Apex Investment Fund II L.P., et al. v. Colorado State Board of Land commissioners, et al., Case No. 94-CV-5405 (the "Litigation"), and (2) any matters arising out of or in any way related to the Lease between the Land Board and Rangeview Metropolitan District and its predecessor OAR, Incorporated, the Rangeview Notes and Bonds, the Lowry Range, and the Rangeview Metropolitan District.

This Release shall be effective on the Effective Date of the Settlement Agreement and Mutual Release dated _____ between the Land Board and the other parties to the Litigation.

Dated:_____

By:

Its:

RELEASE

In consideration for ten dollars ($10.00) and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned on behalf of themselves, their parents, subsidiaries, affiliates and all other related companies and their successors, and assigns, fully, finally and

unequivocally release the Colorado State Board of Land Commissioners, the past and present Land Board Commissioners, the State of Colorado, and Rangeview Metropolitan District, and their past and present directors, employees, agents, attorneys, advisors, successors, and assigns, from any and all claims, controversies, actions, causes of actions, suits, demands, obligations, debts, losses, damages, or liabilities which may exist in law or equity, whether known or unknown, fixed or contingent, asserted or unasserted, presently existing or arising in the future, including, but not limited to claims which are or could have been raised based on acts or omissions to date, of any kind and nature whatsoever arising out of or in any way connected with (1) any matters that were or could have been raised in the lawsuit pending in the District Court for the City and County of Denver, styled Apex Investment Fund II L.P., et al. v. Colorado State Board of Land commissioners, et al., Case No. 94-CV-5405 (the "Litigation"), and (2) any matters arising out of or in any way related to the Lease between the Land Board and Rangeview Metropolitan District and its predecessor OAR, Incorporated, the Rangeview Notes and Bonds, the Lowry Range, and the Rangeview Metropolitan District.

This Release shall be effective on the Effective Date of the Settlement Agreement and Mutual Release dated _____ between the Land Board and the other parties to the Litigation.

Dated:_____

By:

Its:

==========
DOCUMENT 10.6
==========

AMENDED ESCROW INSTRUCTIONS

April 11, 1996

Colorado National Bank
950 17th Street, Suite 2410
Denver, Colorado 80202

Attention: Corporate Trust Services

Re: Second Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction

Ladies and Gentlemen:

This letter contains instructions to Colorado National Bank (the "Escrow Agent") with respect to the closing of certain transactions described in the Option and Purchase Agreement by and between OAR, Incorporated and INCO Securities Corporation (the "OAR Agreement"); the Option and Purchase Agreement by and between Colorado Water Consultants, Incorporated and INCO Securities Corporation (the "CWC Agreement") each dated November 8, 1990, and amended August 12, 1991, August 12, 1992, and the date hereof. Subject to Paragraph D, this letter completely amends and restates the Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction dated August 12, 1992 (the "1992 Instructions"), but specifically does not amend or restate the Escrow Agreement dated August 12, 1991, by and between the Escrow Agent, OAR, Incorporated ("OAR"), Willard G. Owens ("Owens"), Colorado Water Consultants, Incorporated ("CWC"), INCO Securities Corporation ("INCO") and the other parties listed in the signature page thereof (the "Escrow Agreement"). The transaction originally consisted of the sale and conveyance of $8,041,371 of Rangeview Metropolitan District Water Revenue Bonds, Series 1988 M (the "Rangeview Bonds"); $5,000,000 Lowry Range Metropolitan Water District Revenue Notes, Series 1987 A-L (the "Lowry Notes"); and $2,142,858 of Rangeview Metropolitan District Water Revenue Notes, Series 1988 A-L (the "Rangeview Notes") by OAR, CWC, Carlton Allderdice ("Allderdice") and H.F. Riebesell, Jr. ("Riebesell") to INCO.

The State of Colorado, acting by and through the State Board of Land Commissioners (the "State"), is the assignee of all rights of Allderdice and CWC, now known as Colorado Financial Consultants, Inc., in the Rangeview Bonds, Lowry Notes and Rangeview Notes. A copy of such assignment is attached hereto as Schedule 1.

Pure Cycle Corporation ("Pure Cycle") is the assignee of all rights and obligations of INCO pursuant to the OAR Agreement, the CWC Agreement and the Escrow Agreement. A copy of such assignment is attached hereto as Schedule 2. In addition, Pure Cycle has agreed to assume the obligation of OAR, the State (formerly CWC and Allderdice) and Owens set forth in paragraph 7 of the Escrow Agreement to pay one-half of the Escrow Agent's Fees and Expenses (as those terms are defined in the Escrow Agreement). A copy of such assumption is attached hereto as Schedule 3.

Pursuant to paragraph 8 of the Escrow Agreement, the State, Pure Cycle and Riebesell hereby notify the Escrow Agent that their new addresses for notice are as set forth on Schedule 4 attached hereto.

If any date referenced herein as a deadline for the delivery of any documents required to be delivered hereunder is a Saturday, Sunday or federal legal holiday, such deadline shall be extended until the end of the next day which is not a Saturday, Sunday or federal legal holiday.

It is specifically acknowledged by all of the parties hereto that the Escrow Agent is not a party to and shall not be bound by any agreements between any or all of the parties hereto except the Escrow Agreement and this Second Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction.

84. SALE AND CONVEYANCE OF FINAL CLOSING BONDS

(1) Parties to Sale and Conveyance of Final Closing Bonds. The parties involved in the sale and conveyance of the Rangeview Bonds, the Lowry Notes and the Rangeview Notes (collectively, the "Bonds") are OAR, the State and Riebesell (collectively, "Bond Sellers"); Pure Cycle; Escrow Agent; the Attorney General of the State of Colorado ("State's Attorney"); and Davis, Graham & Stubbs LLP ("Pure Cycle's Attorney").

(2) Documents. The following fully executed original documents (the "Documents") have been delivered to Escrow Agent.

1. Rangeview Bonds

a. Certificate or certificates, issued in the name of OAR, representing Rangeview Bonds in the face amount of $5,628,960.

b. Certificate or certificates, issued in the name of Riebesell, representing Rangeview Bonds in the face amount of $1,206,205.

c. Certificate or certificates, issued in the name of Carlton E. Allderdice ("Allderdice"), representing Rangeview Bonds in the face amount of $1,206,206.

d. Assignment or assignments signed by OAR, with a signature guaranty assigning Rangeview Bonds in the face amount of $5,628,960 in blank ("Rangeview Bond OAR Assignments").

e. Assignment or assignments signed by Riebesell with a signature guaranty assigning Rangeview Bonds in the face amount of $1,206,205 in blank ("Rangeview Bonds Riebesell Assignments").

f. Assignment or assignments signed by Allderdice with a signature guaranty assigning Rangeview Bonds in the face amount of $1,206,206 in blank (the "Rangeview Bonds Allderdice Assignments").

2. Lowry Notes

a. Certificate or certificates, issued in the name of OAR, representing Lowry Notes in the face amount of $5,000,000.

b. Assignment or Assignments signed by OAR with a signature guaranty assigning Lowry Notes in the face amount of $5,000,000 in blank ("Lowry Assignments").

3. Rangeview Notes

a. Certificate or certificates, issued in the name of Colorado Water Consultants, Incorporated ("CWC"), representing Rangeview Notes in the face amount of $942,858.

b. Assignment or Assignments signed by CWC with a signature guaranty assigning Rangeview Notes in the face amount of $942,858 in blank ("Rangeview Notes CWC Assignment or Assignments").

c. Certificate or certificates, issued in the name of Allderdice, representing Rangeview Notes in the face amount of $600,000.

d. Assignment or assignments signed by Allderdice with a signature guaranty assigning Rangeview Notes in the face amount of $600,000 in blank ("Rangeview Notes Allderdice Assignments").

e. Certificate or certificates, issued in the name of Riebesell, representing Rangeview Notes in the face amount of $600,000.

f. Assignment or assignments signed by Riebesell with a signature guaranty assigning Rangeview Notes in the face amount of $600,000 in blank ("Rangeview Notes Riebesell Assignments").

4. Letter from Jensen Byrne Parsons Ruh & Tilton P.C. identifying any and all encumbrances on the Bonds or stating

that no encumbrances exist ("Bond Encumbrance Letter").

(3) Closing Instructions. Escrow Agent is authorized, directed and agrees to take the following actions:

Upon (i) notification to Escrow Agent by fax or original writing, in the form attached hereto as Schedule 5, from State's Attorney and Pure Cycle's Attorney to proceed with the Closing Instructions in accordance with this Section C and (ii) receipt of a release from Guaranty Bank and Trust Company releasing the encumbrance identified in the Bond Encumbrance Letter, Escrow Agent shall deliver the certificates representing the Rangeview Bonds, the Lowry Notes and the Rangeview Notes, together with the Rangeview Bonds OAR Assignments, the Rangeview Bonds Riebesell Assignments, the Rangeview Bonds Allderdice Assignments, the Lowry Assignments, the Rangeview Notes CWC Assignments, the Rangeview Notes Riebesell Assignments and the Rangeview Notes Allderdice Assignments, to the Rangeview Metropolitan District at the following address:

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

(4) Termination. The parties to the original transaction are parties in a lawsuit pending in the District Court for the City and County of Denver, State of Colorado, styled Apex Investment Fund II, L.P. et al. v. Colorado State Board of Land Commissioners, et al., Case No. 94-CV-5405, Courtroom I (the "Litigation"). The parties to the Litigation have reached a settlement agreement (the "Settlement Agreement") which is subject to certain conditions. If those conditions do not occur, the Settlement Agreement will be terminated, and these instructions will not be required. Therefore, if, (a) Escrow Agent receives notification by fax or original writing from State's Attorney and Pure Cycle's Attorney that the Settlement Agreement has been terminated or (b) on or before 5:00 p.m. on August 12, 1996, notifications from the State's Attorney and Pure Cycle's Attorney and the release from Guaranty Bank and Trust Company have not been received by Escrow Agent in accordance with Section C Closing Instructions, whichever is earlier, these instructions shall be null and void ab initio and shall have no force and effect. Escrow Agent shall thereafter continue to hold the Documents in accordance with the 1992 Instructions.

Please indicate your acceptance of and agreement to the terms and provisions of these Second Amended and Restated Closing Escrow Instructions by signing nine copies hereof and returning the same to the undersigned.

Sincerely,

OAR, Incorporated

By:
Willard G. Owens,
President

Pure Cycle Corporation

By:
Thomas P. Clark,
President

Approved as to Form:

State of Colorado State Board of
Land Commissioners

_____
Gale A. Norton
Attorney General of the
State of Colorado

President

Engineer

Register

H.F. Riebesell, Jr.

ACCEPTED AND AGREED to this _____ day of April, 1996.

COLORADO NATIONAL BANK
as Escrow Agent

By:_____
Title:_____

SCHEDULE 1 TO DOCUMENT 10.6
==========

ASSIGNMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned do hereby assign to The Colorado State Board of Land Commissioners (or its designee), hereinafter the "Assignee," all of the undersigneds' right, title and interest in and to any and all Rangeview Metropolitan District Water Revenue Bonds and Notes, and also any other direct or indirect interest that they or either of them presently may have in the exploration, developing or leasing of the ground water resources which are the subject of that certain civil action filed in the District Court, City and County of Denver, State of Colorado, bearing Case No. 94-CV-5405. The foregoing shall include, without limitation:

85. Certificate or Certificates, issued in the name of Carlton Allderdice, representing Rangeview Bonds in the face amount of $1,206,206.00 (including, without limitation, the Bond identified as Series 1988M);

86. Certificate or Certificates, issued in the name of Carlton Allderdice, representing Rangeview Notes in the face amount of $600,000.00 (including, without limitation, the Note identified as Series 1988L);

87. Certificate or Certificates, issued in the name of Colorado Water Consultants, Inc. (now named Colorado Financial Consultants, Inc.), representing Rangeview Notes in the face amount of $942,858.00 (including, without limitation, the notes identified as Series 1988A-K, inclusive).

The foregoing assignment is subject to (1) that certain Option Purchase Agreement entered into as of November 8, 1990, and amended as of February 12, 1991, and as of August 12, 1992, that certain Escrow Agreement dated August 12, 1991, those certain Escrow Closing Instructions, amended and restated as of August 12, 1992 and certain related and closing documents, (2) the lien of the Guaranty Bank and Trust Company which is the subject of that certain "Bond Encumbrance Letter" from Jensen Byrne Parsons Ruh & Tilton, P.C. to INCO Securities Corporation dated August 12, 1991, and also (3) the $27,000 assignment described in that certain letter agreement dated August 12, 1992 between INCO Securities Corporation, OAR Incorporated, and Colorado Water Consultants, Incorporated.

The Assignee specifically does not assume or agree to perform any of the obligations of the undersigned with respect to any of the documents or agreements referred to herein.

Dated: April 28, 1995.

COLORADO FINANCIAL CONSULTANTS, INC.

By: /s/ Carlton E. Allderdice, President
Carlton E. Allderdice, President

/s/ Carlton E. Allderdice
Carlton E. Allderdice

SCHEDULE 2 TO DOCUMENT 10.6
==========

ASSUMPTION

Pure Cycle Corporation, a Delaware Corporation, hereby assumes all obligations of any party to that certain Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers, in his individual and representative capacities, Carlton Allderdice, H. F. Riesbesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991 ("Agreement"), to pay all fees and expenses of the Escrow Agent under the Agreement which have not been paid as of the date of this Assumption and which hereafter accrue and become due and payable.

Executed and delivered this ___ day of April, 1996.

PURE CYCLE CORPORATION

By:
Thomas P. Clark, President

SCHEDULE 3 TO DOCUMENT 10.6
==========

ASSUMPTION

Pure Cycle Corporation, a Delaware Corporation, hereby assumes all obligations of any party to that certain Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers, in his individual and representative capacities, Carlton Allderdice, H. F. Riesbesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991 ("Agreement"), to pay all fees and expenses of the Escrow Agent under the Agreement which have not been paid as of the date of this Assumption and which hereafter accrue and become due and payable.

Executed and delivered this ___ day of April, 1996.

PURE CYCLE CORPORATION

By:
Thomas P. Clark, President

ASSIGNMENT

The undersigned irrevocably assigns to Pure Cycle Corporation, a Delaware corporation, this 11th day of April, 1996, all of the undersigned's right, title and interest in the following:

(1) Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers in his individual and representative capacities, Carlton Allderdice, H. F. Riebesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991, and those certain Escrow Closing Instructions, amended and restated as of August 12, 1992;

(2) Option and Purchase Agreement by and among OAR, Incorporated, a Colorado corporation, and INCO Securities Corporation, a Delaware corporation, as amended by Amendment No. 1 on February 12, 1991 and Amendment No. 2 on August 12, 1992 (the "OAR Option Agreement");

(3) Option and Purchase Agreement, by and between Colorado

Water Consultants, Incorporated, a Colorado corporation, and INCO Securities Corporation, a Delaware corporation, dated as of November 8, 1990, as amended by Amendment No. 1 on February 12, 1991 and Amendment No. 2 on August 12, 1992 (the "CWC Option Agreement");

(4) Option Agreement for Sale and Operation of Production Right, by and between Rangeview Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, and INCO Securities Corporation, dated as of November 14, 1990, as amended by Amendment No. 1 on February 12, 1991;

(5) All of the undersigned's rights to receive all accrued but unpaid interest owed by the Rangeview Metropolitan District, Arapahoe County, Colorado, associated with the Lowry Range Metropolitan District Water Revenue Notes, Series 1987 A-D, dated August 7, 1987, to the extent of $63,000;

(6) All of the undersigned's rights to receive all accrued but unpaid interest owed by the Rangeview Metropolitan District, Arapahoe County, Colorado, associated with the Rangeview Metropolitan District Water Revenue Notes, Series 1988 A-D, dated December 7, 1988, to the extent of $27,000;

(7) Right of First Refusal Agreement by and among INCO Securities Corporation and Richard F. Meyers, Mark W. Harding, Thomas P. Clark, Thomas Lamm and Rowena Rogers dated August 12, 1992; and

(8) The assignment to Pure Cycle Corporation hereunder includes the right of Pure Cycle Corporation to exercise the options granted under the OAR Option Agreement and the CWC Option Agreement and INCO Securities Corporation waives performance of the provisions of Section 5.04 of the Water Rights Commercialization Agreement dated as of December 11, 1990, amended February 12, 1991, and further amended August 12, 1992.

IN WITNESS WHEREOF, this Assignment has been executed as of the date first set forth above.

INCO SECURITIES CORPORATION

By:
Title:

SCHEDULE 4 TO DOCUMENT 10.6
==========

SCHEDULE 4

Notices:

88. If to State:

Board of Land Commissioners
Attn: Register
620 Centennial Building
1313 Sherman Street
Denver, Colorado 80203
Telecopy: (303) ___-____

With a copy to:

Office of Attorney General
Attn: State Land Board Attorney
1525 Sherman Street, Fifth Floor
Denver, Colorado 80203
Attn: David F. Steinhoff
Telecopy: (303) 866-3558

89. If to Pure Cycle:

Pure Cycle Corporation
5650 York Street
Commerce City, Colorado 80022
Attn: Mark W. Harding
Telecopy: (303) 292-3475

90. If to Riebesell:

H.F. Riebesell, Jr., Esq.
Hall & Evans, L.L.C.
1200 Seventeenth Street, Suite 1700
Denver, Colorado 80202
Telecopy: (303) 628-3368

</TEXT>
</DOCUMENT>
<DOCUMENT>
<TYPE>EX-10
<SEQUENCE>9
<TEXT>

==========
DOCUMENT 10.7
==========

COMPREHENSIVE AMENDMENT AGREEMENT NO. 1

THIS COMPREHENSIVE AMENDMENT AGREEMENT NO. 1 (the "Agreement") is made and entered into as of the 11th day of April, 1996, by and among Inco Securities Corporation, a Delaware corporation ("INCO"), Pure Cycle Corporation, a Delaware corporation ("PureCycle"), Landmark Water Partners, L.P., a Delaware limited partnership ("Landmark I"), Landmark Water Partners II, L.P., a Delaware limited partnership ("Landmark II"), Warwick Partners, L.P., a Delaware partnership ("Warwick"), Auginco, a Colorado general partnership ("Auginco"), Gregory M. Morey ("Morey"), Amy Leeds ("Leeds"), Anders C. Brag ("Brag"), Newell Augur, Jr. ("Augur"), Bill Peterson ("Peterson"), Stuart Sundlun ("Sundlun"), Alan C. Stormo ("Stormo"), D.W. Pettyjohn ("Pettyjohn"), Beverly A. Beardslee ("BAB"), Bradley Kent Beardslee ("BKB"), Robert Douglas Beardslee ("RDB"), Apex Investment Fund II, L.P., a Delaware limited partnership ("Apex"), The Environmental Venture Fund, L.P., a Delaware limited partnership ("EV Fund"), The Environmental Private Equity Fund II, L.P., a Delaware limited partnership ("EV Fund II"), Productivity Fund II, L.P., a Delaware limited partnership ("PFund"), Proactive Partners, L.P., a California limited partnership ("Proactive"), Asra Corporation, a Delaware corporation ("ASRA"), and International Properties, Inc., a Delaware corporation ("IPI"), OAR, Incorporated, a Colorado corporation ("OAR"), Willard G. Owens ("Owens"), H.F. Riebesell, Jr. ("Riebesell"), and the State of Colorado acting through the State Board of Land Commissioners (the "State"). Apex, EV Fund, EV Fund II, and PFund are collectively referred to herein as the "Apex Group." The Apex Group, Landmark II, Warwick, Auginco, Morey, Leeds, and Brag are collectively referred to herein as the "August 1992 Funding Group". ASRA, IPI, Apex, EV Fund, and PFund are collectively referred to herein as the "PureCycle Funding Group." Apex, EV Fund II, Auginco, Brag, Augur, Peterson, Sundlun, and Proactive are collectively referred to herein as the "Series A Stockholders."

Par Def: 1=A.RECITALS

91. INCO and OAR are parties to a certain Option and Purchase Agreement dated as of November 8, 1990, amended February 12, 1991, and further amended August 12, 1992, and INCO, PureCycle and OAR are parties to an Amended and Restated Option Purchase Agreement dated April 11, 1996, pursuant to which INCO has assigned all of its rights and obligations under the Option Purchase Agreement to PureCycle and PureCycle, in consideration of the sale of the OAR Closing Assets (as defined in the Amended and Restated Option Purchase Agreement) to it by OAR as part of the settlement of the Lawsuit (as defined in Recital F), is granting OAR the right to a portion of the proceeds from the sale of certain water rights as provided in this Agreement (the Option and Purchase Agreement, as amended, and the Amended and Restated Option Agreement are collectively referred to herein as the "OAR Option Agreement") and INCO is a party to a certain Option and Purchase Agreement dated as of November 8, 1990, amended February 12, 1991, further amended August 12, 1992, and further amended April 11, 1996, between INCO and Colorado Water Consultants, Incorporated (the "CWC Option Agreement" and, together with the OAR Option Agreement, the "Rangeview Option Agreements"), pursuant to which INCO has acquired an option to purchase certain outstanding bonds and notes issued by the

Rangeview Metropolitan District in an aggregate principal amount of $24,914,058 (which notes and bonds are referred to as the "Rangeview Bonds"), a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). Colorado Water Consultants, Incorporated ("CWC"), has assigned its rights to a portion of the Rangeview Bonds to Carlton Allderdice ("Allderdice") and Riebesell. Carlton Allderdice and CWC have assigned their remaining rights in the Rangeview Bonds to the State. The State has assumed no obligations of CWC or Allderdice under the CWC Option Agreement or any other agreement to which CWC or Allderdice is a party.

92. INCO is a party to a certain Option Agreement For Sale and Operation of Production Right with the District, dated as of November 14, 1990 and amended by Amendment No. 1 on February 12, 1991 and by a District board resolution in December 1993 (the "Inco Agreement"), pursuant to which INCO has acquired certain rights to 10,000 acre-feet of water per year (the "Original Water Rights"). By executing this Agreement, the State does not concede that INCO acquired such rights, which issue has been resolved by the Settlement Agreement (as defined in Recital F).

93. PureCycle and INCO entered into a certain Water Rights Commercialization Agreement (the "Commercialization Agreement") dated as of December 11, 1990, amended February 12, 1991, and further amended August 12, 1992, providing for, among other things, the development and marketing of the Original Water Rights and an agreed upon distribution of proceeds in the event of a sale of the Original Water Rights.

94. PureCycle has sold a portion of its profit interest in the Commercialization Agreement pursuant to the following agreements:

(a) Interim Funding Agreement (the "Interim Funding Agreement") entered into August 12, 1991 among INCO, PureCycle, Landmark I, and CPV, Inc. ("CPV") (CPV's interest in the Interim Funding Agreement has since been acquired by Owens);

(b) Investment Agreement entered into September 23, 1991 among PureCycle, Stormo, and Pettyjohn;

(c) Investment Agreement entered into September 30, 1991 between PureCycle and BAB;

(d) Investment Agreement entered into September 30, 1991 among PureCycle, BKB, and RDB;

(e) Investment Agreement entered into November 20, 1991 between PureCycle and ASRA;

(f) Investment Agreement entered into November 20, 1991 between PureCycle and IPI;

(g) Investment Agreement entered into December 10, 1991 among PureCycle, Apex, EV Fund, and PFund;

(h) Funding Agreement (the "Funding Agreement") entered into August 12, 1992 among INCO, PureCycle, and the August 1992 Funding Group;

(i) Stock Purchase Agreement (the "Stock Purchase Agreement") entered into May 25, 1994 among PureCycle and the Series A Stockholders.

The Investment Agreements described in (b) through (g) above are collectively referred to herein as the "Investment Agreements."

The Interim Funding Agreement, the Investment Agreements, the Funding Agreement, and the Stock Purchase Agreement are collectively referred to herein as the "Rangeview Profit Agreements."

95. Pursuant to the conveyance of the OAR Closing Assets and the CWC Closing Assets (as defined in the CWC Agreement) under the OAR Option Agreement and the CWC Option Agreement as part of the settlement of the Lawsuit, the Interim Funding Agreement, the Funding Agreement, and an Agreement dated October 27, 1994 among PureCycle, the Apex Group, Proactive, Auginco, Brag, Leeds and Pettyjohn (the "Assignment Agreement"), the following parties own Rangeview Bonds in the following amounts:

Bondholders	Face Value of Rangeview Bonds
INCO	$2,101,841
PureCycle	$16,836,966
Landmark I	$1,213,994
Owens	$1,213,994
Landmark II	$728,000
Warwick	$520,000
Apex	$802,833
EV Fund	$288,629
EV Fund II	$555,056
PFund	$244,225
Proactive	$222,022
Auginco	$ 42,184
Brag	$ 55,506
Leeds	$ 44,404
Pettyjohn	$ 44,404
	$24,914,058

The foregoing parties are collectively referred to herein as the "Rangeview Bondholders."

96. The District's right to sell the Original Water Rights derive from a lease between the District and the State denominated Lease Number S-37280, dated April 26, 1982 and amended at various subsequent times (the "Lease"). A lawsuit was filed in the District Court in and for the City and County of Denver, State of Colorado (the "Denver District Court") on October 28, 1994 styled Apex Investment Fund II, L.P., et al. v. Colorado State Board of Land Commissioners, et al., Case No. 94-CV-5405 (Courtroom I) (the "Lawsuit"), in which the parties have asserted various claims relating to the status and validity of the Lease and the Rangeview Bonds. The parties to the Lawsuit have reached a settlement agreement, to which this Agreement is attached as Exhibit 8 (the "Settlement Agreement"), which requires, among other things, (i) an amended and restated Lease which is attached to the Settlement Agreement as Exhibit 1 (the "Amended and Restated Lease"), (ii) superseding the Inco Agreement with a new agreement for sale of export water (the "Export Water Agreement") which is attached to the Amended and Restated Lease as Exhibit C, (iii) amending the Rangeview Profit Agreements, and (iv) conveyance of the Rangeview Bonds by PureCycle to the District for cancellation.

97. Pursuant to a deed granted pursuant to the Export Water Agreement (the "Export Water Deed"), PureCycle will acquire certain rights to 1,165,000 acre-feet of water (the "Export Water") in lieu of the Original Water Rights.

98. The parties hereto believe the settlement of the Lawsuit is in their best interest because it will, among other things, enable the Export Water to be marketed and sold without further dispute from the State; and therefore, the parties are desirous of entering into this Agreement to facilitate the settlement of the Lawsuit.

AGREEMENT

Now, therefore, in consideration of the recitals, covenants herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

99. Effective Date. This Agreement shall be binding on the date it is fully executed and delivered by the parties hereto subject only, as a condition subsequent, to the occurrence of the Effective Date (as that term is defined in the Settlement Agreement). If the Settlement Agreement is terminated, this Agreement shall be null and void ab initio and shall have no force and effect.

100. Application of Rangeview Proceeds.

(1) The first $32,026,232 of Gross Proceeds (as defined in Section 2.4) from the marketing, sale or other disposition of the Export Water by INCO, PureCycle, or the Export Water Contractor (as defined in Section 6.1 of the Amended and Restated Lease), after payment of royalties pursuant to the Amended and Restated Lease, shall, as a condition of any sales documents entered into between the Export Water Contractor and the Export Water Purchaser (as defined in the Amended and Restated Lease), be deposited by the Export Water Purchaser directly into a trust account with Davis, Graham & Stubbs LLP ("DGS") (or a successor

who shall be appointed in accordance with the procedures set forth in Section 16 of the Settlement Agreement) who shall disburse the proceeds within ten (10) business days in the following manner and order:

1. the first $8,000,000 - to OAR (provided OAR has provided DGS with the Termination of Memorandum required by the OAR Option Agreement), Riebesell (provided Riebesell has provided DGS with the release required by the CWC Option Agreement), and the State (provided the State has provided DGS with a release of its mortgage on the Export Water to the extent of such payment) on a pro rata basis with 70% of all funds available for distribution going to OAR, 11.895% going to Riebesell, and 18.105% going to the State until OAR has received $5,600,000, Riebesell has received $951,600, and the State has received $1,448,400;

2. the next $1,110,232 - to the State;

3. the next $2,450,000 - to INCO, Landmark I, and Owens (the "Interim Funding Group") on a pro rata basis with 59.2% of all funds available for distribution going to INCO, 20.4% going to Landmark I, and 20.4% going to Owens until INCO has received $1,450,000 and Landmark I and Owens have each received $500,000;

4. the next $200,000 - to Stormo and Pettyjohn on a pro rata basis with 50% of all funds available for distribution going to Stormo and 50% going to Pettyjohn until each has received $100,000;

5. the next $50,000 - to BAB;

6. the next $50,000 - to BKB and RDB on a pro rata basis with 50% of all funds available for distribution going to BKB and 50% going to RDB until each has received $25,000;

7. the next $300,000 - to ASRA and IPI on a pro rata basis with 50% of all funds available for distribution going to ASRA and 50% going to IPI until each has received $150,000;

8. the next $175,500 - to PureCycle

9. the next $3,475,000 - to the August 1992 Funding Group on a pro rata basis with 71.94% of all funds available for distribution going to the Apex Group, 10.07% going to Landmark II, 7.19% going to Warwick, 2.16% going to Auginco, 2.88% going to Morey, 2.88% going to Leeds, and 2.88% going to Brag until the Apex Group has received $2,500,000, Landmark II has received $350,000, Warwick has received $250,000, Auginco has received $75,000, Morey has received $100,000, Leeds has received $100,000 and Brag has received $100,000;

10. the next $2,450,000 - to the members of the Interim Funding Group on a pro rata basis as described in (c) above;

11. the next $200,000 - to Stormo and Pettyjohn on a pro rata basis as described in (d) above;

12. the next $50,000 - to BAB;

13. the next $50,000 - to BKB and RDB on a pro rata basis as described in (f) above;

14. the next $300,000 - to ASRA and IPI on a pro rata basis as described in (g) above;

15. the next $74,500 - to PureCycle;

16. the next $101,000 - to Apex, EV Fund, and PFund on a pro rata basis with 66 2/3% of all funds available for distribution going to Apex, 20% going to EV Fund, AND 13 1/3% going to PFund until Apex has received $67,333.67, EV Fund has received $20,200.00, and PFund has received $13,466.33;

17. the next $1,150,000 - to Apex, EV Fund, and PFund on a pro rata basis with 66 2/3% of all funds available for distribution going to Apex, 20% going to EV Fund, and 13 1/3% going to PFund until Apex has received $766,670.50, EV Fund has received $230,000.00, and PFund has received $153,329.50;

18. the next $2,850,000 - to the August 1992 Funding Group on a pro rata basis as described in (i) above until the Apex Group has received $2,050,290, Landmark II has received $286,995, Warwick has received $204,915, Auginco has received $61,560, Morey has received $82,080, Leeds has received $82,080 and Brag has received $82,080.

The remaining up to $8,990,000 of proceeds shall be divided 50% to the August 1992 Funding Group and the other parties described in (t) below in the proportions described in (t) below and the remaining 50% shall be divided equally among (i) INCO, (ii) the members of the Interim Funding Group, and (iii) the members of the PureCycle Funding Group and paid on an equal basis with no group or party having priority over the other as set forth in the following example:

19. (i) $1,498,334 - to INCO;

a. $1,498,334 - to the members of the Interim Funding Group on a pro rata basis with 20% of all funds available for distribution going to INCO, 40% going to Landmark I, and 40% going to Owens until INCO has received $299,667 and Landmark I and Owens have each received $599,333;

b. $1,498,333 - to the members of the PureCycle Funding Group and the then current holders of PureCycle Series A Convertible Preferred Stock on a pro rata basis with 22.69% of all funds available for distribution going to ASRA, 22.69% going to IPI, 34.26% going to Apex, 10.28% going to EV Fund, 6.85% going to PFund and 3.23% going to the then current holders of PureCycle Series A Convertible Preferred Stock until ASRA and IPI have each received $339,966.50, Apex has received $513,269.23, EV Fund has received $153,980.00, PFund has received $102,650.77, and the then current holders of PureCycle Series A Convertible Preferred Stock have received $48,500;

20. (i) $4,495,000 - to the August 1992 Funding Group, the then current holders of PureCycle Series A Convertible Preferred Stock, and PureCycle on a pro rata basis with 10% of all funds available for distribution going to the Apex Group, 9.19% going to Landmark II, 6.56% going to Warwick, .3% going to Auginco, .4% going to Morey, .4% going to Leeds, .4% going to Brag, and 70.11% going to the then current holders of PureCycle Series A Convertible Preferred Stock, and 2.64% going to PureCycle until the Apex Group has received $449,710, Landmark II has received $413,005, Warwick has received $295,085, Auginco has received $13,440, Morey has received $17,920, Leeds has received $17,920, Brag has received $17,920, the then current holders of PureCycle Series A Convertible Preferred Stock have received $3,151,500, and PureCycle has received $118,500.

Upon payment to a party hereto of the amounts specified in Section 2.1, the Rangeview Profit Agreements applicable to such party and this Agreement shall be terminated with respect to such party and such party shall not have any further interest in the Rangeview Profit Agreements, this Agreement, or the projects related to the Export Water contemplated thereby and hereby. Nothing in the preceding sentence shall affect the rights of the State under the Amended and Restated Lease.

(2) As of the Effective Date, each Rangeview Bondholder (other than PureCycle) hereby sells, transfers and assigns unto PureCycle all right, title and interest free and clear of all liens, security interests, and other encumbrances in and to Rangeview Bonds in the principal amount set forth opposite such Rangeview Bondholder's name in Recital E hereof, plus all accrued interest thereon. Each Rangeview Bondholder further agrees to execute any further documentation (such as an assignment form with the signature guaranteed under the Securities Transfer Agents Medallion Program) which may be required to effectively transfer title and record ownership in such Rangeview Bonds to PureCycle. Upon execution of this Agreement, each Rangeview

Bondholder (other than PureCycle) shall deliver such bondholders' Rangeview Bonds and any assignments requested pursuant to this section to PureCycle to be delivered to the Escrow Agent (as that term is defined in the Settlement Agreement) to be held pursuant to the terms of the Settlement Agreement.

(3) Sections 2.1 and 2.2 amend and supersede Sections 6.02 and 6.05 of the Commercialization Agreement, Section 5 of the Interim Funding Agreement, Section 1.3 of the Investment Agreements, Section 4 of the Funding Agreement, and Exhibit B to the Stock Purchase Agreement in their entirety. In addition, Section 1.2 supersedes Section 4 of the Assignment Agreement. Any reference to Sections 6.02 or 6.05 in the Commercialization Agreement, Section 5 in the Interim Funding Agreement, Section 1.3 in the Investment Agreements, Section 4 in the Funding Agreement, and Exhibit B in the Stock Purchase Agreement shall hereafter be deemed to be a reference to Sections 2.1 and 2.2 of this Agreement. Except as specifically set forth herein, the Rangeview Profit Agreements remain in full force and effect. The parties acknowledge that OAR represents that it is not a party to the Commercialization Agreement or the Rangeview Profit Agreements, nor shall it be deemed a party to such agreements as a result of executing this Agreement. OAR assumes no obligations under any agreements to which it is not a party by entering into this Agreement. OAR's rights to distributions under Section 2.1(a) arise out of this Agreement, the OAR Option Agreement and the Settlement Agreement.

(4) For purposes of this Agreement, the term "Gross Proceeds" shall mean the total funds received from the sale of Export Water to one or more Export Water Purchasers for Cash Equivalent (as defined Section 4.1 hereof) reduced only by the amount of the Obligations to the State (as defined in Section 4.1). The term "Gross Revenues" as defined and used in the Amended and Restated Lease shall control the determination of the Obligations to the State but otherwise shall have no bearing and effect on the definition of Gross Proceeds used in this Agreement. In the case of an installment sale of the Export Water, Gross Proceeds shall be deemed to be received only to the extent of actual funds (but not including negotiable promissory notes evidencing such installment sale) deposited in the trust account maintained by DGS as provided in Section 2.1 hereof. The parties hereto agree that, notwithstanding the definition of "Gross Revenues" as set forth in Article I and Section 7.2(c) of the Amended and Restated Lease, no costs (other than the Obligations to the State) directly or indirectly incurred in connection with the withdrawal, treatment, delivery, marketing or sale of the Export Water shall be deducted from the Gross Proceeds so long as the amount set forth in Section 2.1 remains unpaid.

101. PureCycle Series A Convertible Preferred Stock. Each Series A Stockholder acknowledges that the remaining adjusted purchase price of the Rangeview Bonds pursuant to the Option Agreements (as that term is defined in the Certificate of Designations, Powers, Preferences and Rights of Series A Convertible Preferred Stock filed by PureCycle with the Secretary of State of Delaware on May 25, 1994 (the "Series A Certificate")) with PPI or Purchase Price Interest (as those terms are defined in the Series A Certificate) is $9,110,232 and that PPI is $1,026,232. Each Series A Stockholder agrees that such Series A Stockholder will not transfer the shares of PureCycle Series A Convertible Preferred Stock owned by such Series A Stockholder until the transferee of such shares acknowledges that PPI is $1,026,232. Each Series A Stockholder further agrees to return the stock certificate(s) representing such stockholder's PureCycle Series A Convertible Preferred Stock to PureCycle to be legended with a reference to the foregoing agreements.

102. Conditions on Sale of Export Water; Lease Amendments.

(1) The parties, including PureCycle, agree that until Gross Proceeds in an amount of $8,000,000 have been deposited in the trust account with DGS and have been distributed by DGS in accordance with Section 2.1(a) hereof and all payments then due and payable to the State for royalties as provided under the Amended and Restated Lease have been paid in full ("Obligations to the State"), the Export Water shall be sold or otherwise disposed of to one or more purchasers only for cash, cashier's check, certified funds, wire transfer or negotiable promissory note(s) adequately secured by a perfected security interest in the Export Water sold to cover any amount owed under such note(s) (referred to herein collectively as "Cash Equivalent") in either

(i) a lump sum payment or (ii) installment payments providing for a down payment of not less than the Obligations to the State then due with respect to the sales, plus (a) twenty percent (20%) of the total contract price or (b) twenty percent (20%) of $8,000,000, if less than the contract price, with the final payment being required to be made no later than five (5) years after the closing date of such sale.

(2) PureCycle further agrees that it will not sell or otherwise dispose of the Export Water in a transaction where the price received per acre foot for the portion of the Export Water sold or otherwise disposed of would result in Gross Proceeds of less than $8,000,000, if all of the Export Water were sold at that price.

(3) Pursuant to the Export Water Deed, the District has agreed that it shall not enter into any amendments to the Amended and Restated Lease that affect PureCycle's rights and/or obligations under the Export Water Deed without PureCycle's prior written approval. PureCycle agrees that it will not approve of any amendments to the Amended and Restated Lease which would adversely affect the right of the parties to receive the payments contemplated pursuant to Section 2.1(a) of this Agreement.

(4) PureCycle shall provide the parties in Section 2.1(a) with written notice of and access to contemplated sales documents for the sale or other disposition of the Export Water ten (10) days in advance of such sale or other disposition.

(5) The provisions of this Section 4 may be amended or waived only with the consent of all of the parties entitled to payment of the proceeds to be paid pursuant to Section 2.1(a).

103. Records. PureCycle shall prepare and keep full, complete, and proper books, records and accounts of all Export Water sales or dispositions and shall document such transactions. Said books, records, and accounts shall be open at all reasonable times, upon fourteen (14) days' prior written notice, to the inspection of a designated representative of the parties hereto other than PureCycle (collectively, the "Investors") for the purpose of verifying the accuracy of payments made pursuant to Section 2.1. The designated representative may, at the Investors' expense, copy, extract and/or audit all or a portion of said books, records, and accounts for a period of up to five (5) years after the date such books, records and accounts are made. Any deficiency in the payment of amounts due pursuant to Section 2.1 determined upon such inspection or audit shall be immediately due and payable by PureCycle, together with interest at the prime rate specified in the Wall Street Journal, Western Edition (the "Prime Rate"), plus two percent (2%) from the date or dates such amounts should have been paid.

104. Right to Cure. In the event PureCycle takes or fails to take any action which, unless cured, would result in a termination of PureCycle's rights to any portion of the Export Water, PureCycle shall provide written notice to a designated representative of the Investors within five (5) days following the occurrence of any such action or failure, and the Investors, or any of them, may, without prejudice to any other remedies such Investors may have, cure such action or failure on PureCycle's behalf and shall be entitled to reimbursement from PureCycle for any amount paid to cure such action or failure plus all costs and damages associated therewith and interest at the Prime Rate, plus two percent (2%), from the date or dates such amounts were paid.

105. No Agency, Partnership or Joint Venture. The parties hereto are independent contractors and nothing contained in this Agreement shall be deemed to create the relationship of partners, joint venturers, or of principal and agent, or of any association or relationship between the parties other than as expressly provided in this Agreement. Each party acknowledges that it does not have, and it shall not make representations to any third party, either directly or indirectly, indicating that it has any authority to act for or on behalf of any other party or to obligate them in any way whatsoever.

106. Press Releases.

(1) Each party shall limit any comments to the public or the press regarding this Agreement to the terms and benefits of the Settlement Agreement.

(2) This Section 8 shall not, however, be construed to (i) prohibit disclosure to the Denver District Court as

contemplated by the Settlement Agreement, (ii) prohibit any party from making any disclosures which it is required to make by law, rule, regulation or court order (including applicable securities laws) or which it is advised by counsel to make to comply with such law, rule, regulation or court order or from filing this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party, and (iii) prohibit any party from disclosing to its partners, investors and broker/dealers such terms of this transaction as would customarily be disclosed to them in connection with transactions of the type contemplated hereby.

107. Release. Upon execution of this Agreement, each party to this agreement who is not a party to the Settlement Agreement shall execute and deliver to PureCycle a release in the form of Exhibit A attached hereto. Such releases shall be delivered by PureCycle to the Escrow Agent to be held pursuant to the terms of the Settlement Agreement.

108. Brokers. Each party represents to the others that it has not engaged a broker in connection with this transaction, and no brokerage fees are payable by any party on account hereof.

109. Expenses. All legal and other costs and expenses incurred in connection with the preparation of this Agreement and the consummation of the transactions contemplated hereby shall be paid by the party incurring such expenses.

110. Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

111. Amendment. This Agreement may be amended only by a writing signed by the parties affected by such amendment.

112. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall together constitute one and the same instrument.

113. Governing Law. With respect to relationships among PureCycle, OAR, Riebesell, and the State, this Agreement shall be governed by Colorado law. With respect to relationships between PureCycle and each other party, the governing law provision of the applicable Rangeview Profit Agreement shall govern.

114. Attorneys' Fees. In the event any party finds it necessary to employ legal counsel or to bring an action at law or other proceeding against another party to enforce any of the terms, covenants, or conditions of this Agreement, the party prevailing in any such action or other proceeding shall be paid all reasonable attorneys' fees by such other party, and in the event any judgment is secured by such prevailing party, all such attorneys' fees, as determined by a court and not by jury, shall be included in any such judgment.

115. Recitals. The parties acknowledge that the State represents that it is not a party to the Rangeview Profit Agreements, the Commercialization Agreement or the Rangeview Option Agreements except the April __, 1996 amendment to the CWC Option Agreement and that the State represents that it does not have knowledge as to the accuracy of the Recitals except with respect to the last two sentences of Recital A, the last sentence of Recital B and Recitals F-H.

116. State Obligations. The parties acknowledge and agree that the State is a party to this Agreement merely to facilitate the contemplated amendments and to receive the payments under Sections 2.1(a) and (b) and that the State assumes no obligations under any agreements to which it is not a party.

117. Inconsistencies. To the extent any provisions of this Agreement are inconsistent with the provisions of the Commercialization Agreement or the Rangeview Profit Agreements, the terms of this Agreement shall control.

118. Indemnity. PureCycle, its successors and assigns, shall indemnify, defend and hold harmless the Investors, their respective officers, directors, shareholders, partners, successors and assigns ("Indemnitees") from and against all claims and costs (including reasonable attorneys' fees) actually incurred by any such Indemnitee as a result of a breach by PureCycle, its successors and assigns, of this Agreement, the Export Water Agreement or the payment of Obligations to the State which results in a nonpayment of Gross Proceeds to the Investors

under Section 2.1 of this Agreement when such Gross Proceeds are or were available from the sale or other disposition of Export Water.

IN WITNESS WHEREOF, this Comprehensive Amendment Agreement No. 1 has been executed on behalf of each of the parties hereto as of the day and date first above written.

INCO SECURITIES CORPORATION,
a Delaware corporation

By:
Title:

PURE CYCLE CORPORATION,
a Delaware corporation

By:
Thomas P. Clark, President

LANDMARK WATER PARTNERS, L.P.

By: COMPTON CAPITAL, LTD.,
its general partner

By:
Earl A. Samson, III,
President

LANDMARK WATER PARTNERS II, L.P.,
a Delaware limited partnership

By: COMPTON CAPITAL PARTNERS,
INC., its general partner

By:
Earl A. Samson, III,
President

WARWICK PARTNERS, L.P.,
a Delaware limited partnership

By: PROVIDENCE PARTNERS, L.P.,
its general partner

By: PACIFIC EQUITY LIMITED,
its general partner

By:
Herbert A. Denton, authorized
officer

AUGINCO,
a Colorado general partnership

By:
Harrison H. Augur, general
partner

Gregory M. Morey

Amy Leeds

Anders C. Brag

Newell Augur, Jr.

Bill Peterson

Stuart Sundlun

Alan C. Stormo

D.W. Pettyjohn

Beverly A. Beardslee

Robert Douglas Beardslee

Bradley Kent Beardslee

APEX INVESTMENT FUND II, L.P.,
a Delaware limited partnership

By: Apex Management Partnership, L.P., General Partner of Apex Investment Fund II, L.P.

By:
George Middlemas, General Partner

THE ENVIRONMENTAL VENTURE FUND, L.P.,
a Delaware limited partnership

By: Environmental Venture Management, L.P., General Partner of The Environmental Venture Fund, L.P.

By: First Analysis Corporation, General Partner of Environmental Venture Management, L.P.

By:
Bret Maxwell, General Partner

THE ENVIRONMENTAL PRIVATE EQUITY FUND II, L.P.,
a Delaware limited partnership

By: Environmental Private Equity Management II, L.P., General Partner of The Environmental Private Equity Fund II, L.P.

By: First Analysis EPEF Management II, L.P., General Partner of Environmental Private Equity Management II, L.P.

By: First Analysis Corporation, General Partner of First Analysis EPEF Management II, L.P.

By:
Bret Maxwell, General Partner

PRODUCTIVITY FUND II, L.P.,
a Delaware limited partnership

By: First Analysis Management Company II, L.P., General Partner of Productivity Fund II, L.P.

By: First Analysis Corporation, General Partner of First Analysis Management Company II, L.P.

By:
Bret Maxwell, General Partner

PROACTIVE PARTNERS, L.P.,
a California limited partnership

By:
Charles McGettigan, General Partner

ASRA CORPORATION,
a Delaware corporation

By:
Title:

INTERNATIONAL PROPERTIES, INC.,
a Delaware corporation

By:
Title:

OAR, Incorporated,
a Colorado corporation

By:
Willard G. Owens, President

Willard G. Owens

H. F. Riebesell, Jr.

STATE OF COLORADO STATE BOARD OF
LAND COMMISSIONERS

President

Engineer

Register

Approved as to form:

GALE A. NORTON
Attorney General of the State of Colorado

STEPHEN K. ERKENBRACK
Chief Deputy Attorney General
TIMOTHY M. TYMKOVICH
Solicitor General

Richard A. Westfall
Special Deputy Solicitor General

For purposes of Section 2 only:

DAVIS GRAHAM & STUBBS LLP

By:
Wanda J. Abel, Partner

EXHIBIT A TO DOCUMENT 10.7
==========

Exhibit A

RELEASE

In consideration for ten dollars ($10.00) and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned on behalf of themselves, their parents, subsidiaries, affiliates and all other related companies and their successors, and assigns, fully, finally and unequivocally release the Colorado State Board of Land Commissioners, the past and present Land Board Commissioners, the State of Colorado, and Rangeview Metropolitan District, and their directors, employees, agents, attorneys, advisors, successors, and assigns, from any and all claims, controversies, actions, causes of actions, suits, demands, obligations, debts, losses, damages, or liabilities which may exist in law or equity, whether known or unknown, fixed or contingent, asserted or unasserted, presently existing or arising in the future, including, but not limited to claims which are or could have been raised based on acts or omissions to date, of any kind and nature whatsoever arising out of or in any way connected with (1) any matters that were or could have been raised in the lawsuit pending in the District Court for the City and County of Denver, styled Apex Investment Fund II L.P., et al. v. Colorado State Board of Land commissioners, et al., Case No. 94-CV-5405 (the "Litigation"), and (2) any matters arising out of or in any way related to the Lease between the Land Board and Rangeview Metropolitan District and its predecessor OAR, Incorporated, the Rangeview Notes and Bonds, the Lowry Range, and the Rangeview Metropolitan District.

This Release shall be effective on the Effective Date of the Settlement Agreement and Mutual Release dated _____ between the Land Board and the other parties to the Litigation.

Dated:_____

By:

Its:

RELEASE

In consideration for ten dollars ($10.00) and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned on behalf of themselves, their parents, subsidiaries, affiliates and all other related companies and their successors, and assigns, fully, finally and

unequivocally release the Colorado State Board of Land Commissioners, the past and present Land Board Commissioners, the State of Colorado, and Rangeview Metropolitan District, and their past and present directors, employees, agents, attorneys, advisors, successors, and assigns, from any and all claims, controversies, actions, causes of actions, suits, demands, obligations, debts, losses, damages, or liabilities which may exist in law or equity, whether known or unknown, fixed or contingent, asserted or unasserted, presently existing or arising in the future, including, but not limited to claims which are or could have been raised based on acts or omissions to date, of any kind and nature whatsoever arising out of or in any way connected with (1) any matters that were or could have been raised in the lawsuit pending in the District Court for the City and County of Denver, styled Apex Investment Fund II L.P., et al. v. Colorado State Board of Land commissioners, et al., Case No. 94-CV-5405 (the "Litigation"), and (2) any matters arising out of or in any way related to the Lease between the Land Board and Rangeview Metropolitan District and its predecessor OAR, Incorporated, the Rangeview Notes and Bonds, the Lowry Range, and the Rangeview Metropolitan District.

This Release shall be effective on the Effective Date of the Settlement Agreement and Mutual Release dated _____ between the Land Board and the other parties to the Litigation.

Dated:_____

By:

Its:

==========
DOCUMENT 10.6
==========

AMENDED ESCROW INSTRUCTIONS

April 11, 1996

Colorado National Bank
950 17th Street, Suite 2410
Denver, Colorado 80202

Attention: Corporate Trust Services

Re: Second Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction

Ladies and Gentlemen:

This letter contains instructions to Colorado National Bank (the "Escrow Agent") with respect to the closing of certain transactions described in the Option and Purchase Agreement by and between OAR, Incorporated and INCO Securities Corporation (the "OAR Agreement"); the Option and Purchase Agreement by and between Colorado Water Consultants, Incorporated and INCO Securities Corporation (the "CWC Agreement") each dated November 8, 1990, and amended August 12, 1991, August 12, 1992, and the date hereof. Subject to Paragraph D, this letter completely amends and restates the Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction dated August 12, 1992 (the "1992 Instructions"), but specifically does not amend or restate the Escrow Agreement dated August 12, 1991, by and between the Escrow Agent, OAR, Incorporated ("OAR"), Willard G. Owens ("Owens"), Colorado Water Consultants, Incorporated ("CWC"), INCO Securities Corporation ("INCO") and the other parties listed in the signature page thereof (the "Escrow Agreement"). The transaction originally consisted of the sale and conveyance of $8,041,371 of Rangeview Metropolitan District Water Revenue Bonds, Series 1988 M (the "Rangeview Bonds"); $5,000,000 Lowry Range Metropolitan Water District Revenue Notes, Series 1987 A-L (the "Lowry Notes"); and $2,142,858 of Rangeview Metropolitan District Water Revenue Notes, Series 1988 A-L (the "Rangeview Notes") by OAR, CWC, Carlton Allderdice ("Allderdice") and H.F. Riebesell, Jr. ("Riebesell") to INCO.

The State of Colorado, acting by and through the State Board of Land Commissioners (the "State"), is the assignee of all rights of Allderdice and CWC, now known as Colorado Financial Consultants, Inc., in the Rangeview Bonds, Lowry Notes and Rangeview Notes. A copy of such assignment is attached hereto as Schedule 1.

Pure Cycle Corporation ("Pure Cycle") is the assignee of all rights and obligations of INCO pursuant to the OAR Agreement, the CWC Agreement and the Escrow Agreement. A copy of such assignment is attached hereto as Schedule 2. In addition, Pure Cycle has agreed to assume the obligation of OAR, the State (formerly CWC and Allderdice) and Owens set forth in paragraph 7 of the Escrow Agreement to pay one-half of the Escrow Agent's Fees and Expenses (as those terms are defined in the Escrow Agreement). A copy of such assumption is attached hereto as Schedule 3.

Pursuant to paragraph 8 of the Escrow Agreement, the State, Pure Cycle and Riebesell hereby notify the Escrow Agent that their new addresses for notice are as set forth on Schedule 4 attached hereto.

If any date referenced herein as a deadline for the delivery of any documents required to be delivered hereunder is a Saturday, Sunday or federal legal holiday, such deadline shall be extended until the end of the next day which is not a Saturday, Sunday or federal legal holiday.

It is specifically acknowledged by all of the parties hereto that the Escrow Agent is not a party to and shall not be bound by any agreements between any or all of the parties hereto except the Escrow Agreement and this Second Amended and Restated Closing Escrow Instructions -- Willard Owens Transaction.

84. SALE AND CONVEYANCE OF FINAL CLOSING BONDS

(1) Parties to Sale and Conveyance of Final Closing Bonds. The parties involved in the sale and conveyance of the Rangeview Bonds, the Lowry Notes and the Rangeview Notes (collectively, the "Bonds") are OAR, the State and Riebesell (collectively, "Bond Sellers"); Pure Cycle; Escrow Agent; the Attorney General of the State of Colorado ("State's Attorney"); and Davis, Graham & Stubbs LLP ("Pure Cycle's Attorney").

(2) Documents. The following fully executed original documents (the "Documents") have been delivered to Escrow Agent.

1. Rangeview Bonds

a. Certificate or certificates, issued in the name of OAR, representing Rangeview Bonds in the face amount of $5,628,960.

b. Certificate or certificates, issued in the name of Riebesell, representing Rangeview Bonds in the face amount of $1,206,205.

c. Certificate or certificates, issued in the name of Carlton E. Allderdice ("Allderdice"), representing Rangeview Bonds in the face amount of $1,206,206.

d. Assignment or assignments signed by OAR, with a signature guaranty assigning Rangeview Bonds in the face amount of $5,628,960 in blank ("Rangeview Bond OAR Assignments").

e. Assignment or assignments signed by Riebesell with a signature guaranty assigning Rangeview Bonds in the face amount of $1,206,205 in blank ("Rangeview Bonds Riebesell Assignments").

f. Assignment or assignments signed by Allderdice with a signature guaranty assigning Rangeview Bonds in the face amount of $1,206,206 in blank (the "Rangeview Bonds Allderdice Assignments").

2. Lowry Notes

a. Certificate or certificates, issued in the name of OAR, representing Lowry Notes in the face amount of $5,000,000.

b. Assignment or Assignments signed by OAR with a signature guaranty assigning Lowry Notes in the face amount of $5,000,000 in blank ("Lowry Assignments").

3. Rangeview Notes

a. Certificate or certificates, issued in the name of Colorado Water Consultants, Incorporated ("CWC"), representing Rangeview Notes in the face amount of $942,858.

b. Assignment or Assignments signed by CWC with a signature guaranty assigning Rangeview Notes in the face amount of $942,858 in blank ("Rangeview Notes CWC Assignment or Assignments").

c. Certificate or certificates, issued in the name of Allderdice, representing Rangeview Notes in the face amount of $600,000.

d. Assignment or assignments signed by Allderdice with a signature guaranty assigning Rangeview Notes in the face amount of $600,000 in blank ("Rangeview Notes Allderdice Assignments").

e. Certificate or certificates, issued in the name of Riebesell, representing Rangeview Notes in the face amount of $600,000.

f. Assignment or assignments signed by Riebesell with a signature guaranty assigning Rangeview Notes in the face amount of $600,000 in blank ("Rangeview Notes Riebesell Assignments").

4. Letter from Jensen Byrne Parsons Ruh & Tilton P.C. identifying any and all encumbrances on the Bonds or stating

that no encumbrances exist ("Bond Encumbrance Letter").

(3) Closing Instructions. Escrow Agent is authorized, directed and agrees to take the following actions:

Upon (i) notification to Escrow Agent by fax or original writing, in the form attached hereto as Schedule 5, from State's Attorney and Pure Cycle's Attorney to proceed with the Closing Instructions in accordance with this Section C and (ii) receipt of a release from Guaranty Bank and Trust Company releasing the encumbrance identified in the Bond Encumbrance Letter, Escrow Agent shall deliver the certificates representing the Rangeview Bonds, the Lowry Notes and the Rangeview Notes, together with the Rangeview Bonds OAR Assignments, the Rangeview Bonds Riebesell Assignments, the Rangeview Bonds Allderdice Assignments, the Lowry Assignments, the Rangeview Notes CWC Assignments, the Rangeview Notes Riebesell Assignments and the Rangeview Notes Allderdice Assignments, to the Rangeview Metropolitan District at the following address:

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

(4) Termination. The parties to the original transaction are parties in a lawsuit pending in the District Court for the City and County of Denver, State of Colorado, styled Apex Investment Fund II, L.P. et al. v. Colorado State Board of Land Commissioners, et al., Case No. 94-CV-5405, Courtroom I (the "Litigation"). The parties to the Litigation have reached a settlement agreement (the "Settlement Agreement") which is subject to certain conditions. If those conditions do not occur, the Settlement Agreement will be terminated, and these instructions will not be required. Therefore, if, (a) Escrow Agent receives notification by fax or original writing from State's Attorney and Pure Cycle's Attorney that the Settlement Agreement has been terminated or (b) on or before 5:00 p.m. on August 12, 1996, notifications from the State's Attorney and Pure Cycle's Attorney and the release from Guaranty Bank and Trust Company have not been received by Escrow Agent in accordance with Section C Closing Instructions, whichever is earlier, these instructions shall be null and void ab initio and shall have no force and effect. Escrow Agent shall thereafter continue to hold the Documents in accordance with the 1992 Instructions.

Please indicate your acceptance of and agreement to the terms and provisions of these Second Amended and Restated Closing Escrow Instructions by signing nine copies hereof and returning the same to the undersigned.

Sincerely,

OAR, Incorporated

By:
Willard G. Owens,
President

Pure Cycle Corporation

By:
Thomas P. Clark,
President

Approved as to Form:

State of Colorado State Board of
Land Commissioners

_____
Gale A. Norton
Attorney General of the
State of Colorado

President

Engineer

Register

H.F. Riebesell, Jr.

ACCEPTED AND AGREED to this _____ day of April, 1996.

COLORADO NATIONAL BANK
as Escrow Agent

By:_____
Title:_____

SCHEDULE 1 TO DOCUMENT 10.6
==========

ASSIGNMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned do hereby assign to The Colorado State Board of Land Commissioners (or its designee), hereinafter the "Assignee," all of the undersigneds' right, title and interest in and to any and all Rangeview Metropolitan District Water Revenue Bonds and Notes, and also any other direct or indirect interest that they or either of them presently may have in the exploration, developing or leasing of the ground water resources which are the subject of that certain civil action filed in the District Court, City and County of Denver, State of Colorado, bearing Case No. 94-CV-5405. The foregoing shall include, without limitation:

85. Certificate or Certificates, issued in the name of Carlton Allderdice, representing Rangeview Bonds in the face amount of $1,206,206.00 (including, without limitation, the Bond identified as Series 1988M);

86. Certificate or Certificates, issued in the name of Carlton Allderdice, representing Rangeview Notes in the face amount of $600,000.00 (including, without limitation, the Note identified as Series 1988L);

87. Certificate or Certificates, issued in the name of Colorado Water Consultants, Inc. (now named Colorado Financial Consultants, Inc.), representing Rangeview Notes in the face amount of $942,858.00 (including, without limitation, the notes identified as Series 1988A-K, inclusive).

The foregoing assignment is subject to (1) that certain Option Purchase Agreement entered into as of November 8, 1990, and amended as of February 12, 1991, and as of August 12, 1992, that certain Escrow Agreement dated August 12, 1991, those certain Escrow Closing Instructions, amended and restated as of August 12, 1992 and certain related and closing documents, (2) the lien of the Guaranty Bank and Trust Company which is the subject of that certain "Bond Encumbrance Letter" from Jensen Byrne Parsons Ruh & Tilton, P.C. to INCO Securities Corporation dated August 12, 1991, and also (3) the $27,000 assignment described in that certain letter agreement dated August 12, 1992 between INCO Securities Corporation, OAR Incorporated, and Colorado Water Consultants, Incorporated.

The Assignee specifically does not assume or agree to perform any of the obligations of the undersigned with respect to any of the documents or agreements referred to herein.

Dated: April 28, 1995.

COLORADO FINANCIAL CONSULTANTS, INC.

By: /s/ Carlton E. Allderdice, President
Carlton E. Allderdice, President

/s/ Carlton E. Allderdice
Carlton E. Allderdice

SCHEDULE 2 TO DOCUMENT 10.6
==========

ASSUMPTION

Pure Cycle Corporation, a Delaware Corporation, hereby assumes all obligations of any party to that certain Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers, in his individual and representative capacities, Carlton Allderdice, H. F. Riesbesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991 ("Agreement"), to pay all fees and expenses of the Escrow Agent under the Agreement which have not been paid as of the date of this Assumption and which hereafter accrue and become due and payable.

Executed and delivered this ___ day of April, 1996.

PURE CYCLE CORPORATION

By:
Thomas P. Clark, President

SCHEDULE 3 TO DOCUMENT 10.6
==========

ASSUMPTION

Pure Cycle Corporation, a Delaware Corporation, hereby assumes all obligations of any party to that certain Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers, in his individual and representative capacities, Carlton Allderdice, H. F. Riesbesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991 ("Agreement"), to pay all fees and expenses of the Escrow Agent under the Agreement which have not been paid as of the date of this Assumption and which hereafter accrue and become due and payable.

Executed and delivered this ___ day of April, 1996.

PURE CYCLE CORPORATION

By:
Thomas P. Clark, President

ASSIGNMENT

The undersigned irrevocably assigns to Pure Cycle Corporation, a Delaware corporation, this 11th day of April, 1996, all of the undersigned's right, title and interest in the following:

(1) Escrow Agreement, by and among OAR, Incorporated, Willard G. Owens in his individual and representative capacities, Colorado Water Consultants, Incorporated, INCO Securities Corporation, Richard F. Meyers in his individual and representative capacities, Carlton Allderdice, H. F. Riebesell, and Colorado National Bank of Denver as Escrow Agent, dated as of August 12, 1991, and those certain Escrow Closing Instructions, amended and restated as of August 12, 1992;

(2) Option and Purchase Agreement by and among OAR, Incorporated, a Colorado corporation, and INCO Securities Corporation, a Delaware corporation, as amended by Amendment No. 1 on February 12, 1991 and Amendment No. 2 on August 12, 1992 (the "OAR Option Agreement");

(3) Option and Purchase Agreement, by and between Colorado

Water Consultants, Incorporated, a Colorado corporation, and INCO Securities Corporation, a Delaware corporation, dated as of November 8, 1990, as amended by Amendment No. 1 on February 12, 1991 and Amendment No. 2 on August 12, 1992 (the "CWC Option Agreement");

(4) Option Agreement for Sale and Operation of Production Right, by and between Rangeview Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, and INCO Securities Corporation, dated as of November 14, 1990, as amended by Amendment No. 1 on February 12, 1991;

(5) All of the undersigned's rights to receive all accrued but unpaid interest owed by the Rangeview Metropolitan District, Arapahoe County, Colorado, associated with the Lowry Range Metropolitan District Water Revenue Notes, Series 1987 A-D, dated August 7, 1987, to the extent of $63,000;

(6) All of the undersigned's rights to receive all accrued but unpaid interest owed by the Rangeview Metropolitan District, Arapahoe County, Colorado, associated with the Rangeview Metropolitan District Water Revenue Notes, Series 1988 A-D, dated December 7, 1988, to the extent of $27,000;

(7) Right of First Refusal Agreement by and among INCO Securities Corporation and Richard F. Meyers, Mark W. Harding, Thomas P. Clark, Thomas Lamm and Rowena Rogers dated August 12, 1992; and

(8) The assignment to Pure Cycle Corporation hereunder includes the right of Pure Cycle Corporation to exercise the options granted under the OAR Option Agreement and the CWC Option Agreement and INCO Securities Corporation waives performance of the provisions of Section 5.04 of the Water Rights Commercialization Agreement dated as of December 11, 1990, amended February 12, 1991, and further amended August 12, 1992.

IN WITNESS WHEREOF, this Assignment has been executed as of the date first set forth above.

INCO SECURITIES CORPORATION

By:
Title:

SCHEDULE 4 TO DOCUMENT 10.6
==========

SCHEDULE 4

Notices:

88. If to State:

Board of Land Commissioners
Attn: Register
620 Centennial Building
1313 Sherman Street
Denver, Colorado 80203
Telecopy: (303) ___-____

With a copy to:

Office of Attorney General
Attn: State Land Board Attorney
1525 Sherman Street, Fifth Floor
Denver, Colorado 80203
Attn: David F. Steinhoff
Telecopy: (303) 866-3558

89. If to Pure Cycle:

Pure Cycle Corporation
5650 York Street
Commerce City, Colorado 80022
Attn: Mark W. Harding
Telecopy: (303) 292-3475

90. If to Riebesell:

H.F. Riebesell, Jr., Esq.
Hall & Evans, L.L.C.
1200 Seventeenth Street, Suite 1700
Denver, Colorado 80202
Telecopy: (303) 628-3368

</TEXT>
</DOCUMENT>
<DOCUMENT>
<TYPE>EX-10
<SEQUENCE>9
<TEXT>

==========
DOCUMENT 10.7
==========

COMPREHENSIVE AMENDMENT AGREEMENT NO. 1

THIS COMPREHENSIVE AMENDMENT AGREEMENT NO. 1 (the "Agreement") is made and entered into as of the 11th day of April, 1996, by and among Inco Securities Corporation, a Delaware corporation ("INCO"), Pure Cycle Corporation, a Delaware corporation ("PureCycle"), Landmark Water Partners, L.P., a Delaware limited partnership ("Landmark I"), Landmark Water Partners II, L.P., a Delaware limited partnership ("Landmark II"), Warwick Partners, L.P., a Delaware partnership ("Warwick"), Auginco, a Colorado general partnership ("Auginco"), Gregory M. Morey ("Morey"), Amy Leeds ("Leeds"), Anders C. Brag ("Brag"), Newell Augur, Jr. ("Augur"), Bill Peterson ("Peterson"), Stuart Sundlun ("Sundlun"), Alan C. Stormo ("Stormo"), D.W. Pettyjohn ("Pettyjohn"), Beverly A. Beardslee ("BAB"), Bradley Kent Beardslee ("BKB"), Robert Douglas Beardslee ("RDB"), Apex Investment Fund II, L.P., a Delaware limited partnership ("Apex"), The Environmental Venture Fund, L.P., a Delaware limited partnership ("EV Fund"), The Environmental Private Equity Fund II, L.P., a Delaware limited partnership ("EV Fund II"), Productivity Fund II, L.P., a Delaware limited partnership ("PFund"), Proactive Partners, L.P., a California limited partnership ("Proactive"), Asra Corporation, a Delaware corporation ("ASRA"), and International Properties, Inc., a Delaware corporation ("IPI"), OAR, Incorporated, a Colorado corporation ("OAR"), Willard G. Owens ("Owens"), H.F. Riebesell, Jr. ("Riebesell"), and the State of Colorado acting through the State Board of Land Commissioners (the "State"). Apex, EV Fund, EV Fund II, and PFund are collectively referred to herein as the "Apex Group." The Apex Group, Landmark II, Warwick, Auginco, Morey, Leeds, and Brag are collectively referred to herein as the "August 1992 Funding Group". ASRA, IPI, Apex, EV Fund, and PFund are collectively referred to herein as the "PureCycle Funding Group." Apex, EV Fund II, Auginco, Brag, Augur, Peterson, Sundlun, and Proactive are collectively referred to herein as the "Series A Stockholders."

Par Def: 1=A.RECITALS

91. INCO and OAR are parties to a certain Option and Purchase Agreement dated as of November 8, 1990, amended February 12, 1991, and further amended August 12, 1992, and INCO, PureCycle and OAR are parties to an Amended and Restated Option Purchase Agreement dated April 11, 1996, pursuant to which INCO has assigned all of its rights and obligations under the Option Purchase Agreement to PureCycle and PureCycle, in consideration of the sale of the OAR Closing Assets (as defined in the Amended and Restated Option Purchase Agreement) to it by OAR as part of the settlement of the Lawsuit (as defined in Recital F), is granting OAR the right to a portion of the proceeds from the sale of certain water rights as provided in this Agreement (the Option and Purchase Agreement, as amended, and the Amended and Restated Option Agreement are collectively referred to herein as the "OAR Option Agreement") and INCO is a party to a certain Option and Purchase Agreement dated as of November 8, 1990, amended February 12, 1991, further amended August 12, 1992, and further amended April 11, 1996, between INCO and Colorado Water Consultants, Incorporated (the "CWC Option Agreement" and, together with the OAR Option Agreement, the "Rangeview Option Agreements"), pursuant to which INCO has acquired an option to purchase certain outstanding bonds and notes issued by the

Rangeview Metropolitan District in an aggregate principal amount of $24,914,058 (which notes and bonds are referred to as the "Rangeview Bonds"), a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"). Colorado Water Consultants, Incorporated ("CWC"), has assigned its rights to a portion of the Rangeview Bonds to Carlton Allderdice ("Allderdice") and Riebesell. Carlton Allderdice and CWC have assigned their remaining rights in the Rangeview Bonds to the State. The State has assumed no obligations of CWC or Allderdice under the CWC Option Agreement or any other agreement to which CWC or Allderdice is a party.

92. INCO is a party to a certain Option Agreement For Sale and Operation of Production Right with the District, dated as of November 14, 1990 and amended by Amendment No. 1 on February 12, 1991 and by a District board resolution in December 1993 (the "Inco Agreement"), pursuant to which INCO has acquired certain rights to 10,000 acre-feet of water per year (the "Original Water Rights"). By executing this Agreement, the State does not concede that INCO acquired such rights, which issue has been resolved by the Settlement Agreement (as defined in Recital F).

93. PureCycle and INCO entered into a certain Water Rights Commercialization Agreement (the "Commercialization Agreement") dated as of December 11, 1990, amended February 12, 1991, and further amended August 12, 1992, providing for, among other things, the development and marketing of the Original Water Rights and an agreed upon distribution of proceeds in the event of a sale of the Original Water Rights.

94. PureCycle has sold a portion of its profit interest in the Commercialization Agreement pursuant to the following agreements:

(a) Interim Funding Agreement (the "Interim Funding Agreement") entered into August 12, 1991 among INCO, PureCycle, Landmark I, and CPV, Inc. ("CPV") (CPV's interest in the Interim Funding Agreement has since been acquired by Owens);

(b) Investment Agreement entered into September 23, 1991 among PureCycle, Stormo, and Pettyjohn;

(c) Investment Agreement entered into September 30, 1991 between PureCycle and BAB;

(d) Investment Agreement entered into September 30, 1991 among PureCycle, BKB, and RDB;

(e) Investment Agreement entered into November 20, 1991 between PureCycle and ASRA;

(f) Investment Agreement entered into November 20, 1991 between PureCycle and IPI;

(g) Investment Agreement entered into December 10, 1991 among PureCycle, Apex, EV Fund, and PFund;

(h) Funding Agreement (the "Funding Agreement") entered into August 12, 1992 among INCO, PureCycle, and the August 1992 Funding Group;

(i) Stock Purchase Agreement (the "Stock Purchase Agreement") entered into May 25, 1994 among PureCycle and the Series A Stockholders.

The Investment Agreements described in (b) through (g) above are collectively referred to herein as the "Investment Agreements."

The Interim Funding Agreement, the Investment Agreements, the Funding Agreement, and the Stock Purchase Agreement are collectively referred to herein as the "Rangeview Profit Agreements."

95. Pursuant to the conveyance of the OAR Closing Assets and the CWC Closing Assets (as defined in the CWC Agreement) under the OAR Option Agreement and the CWC Option Agreement as part of the settlement of the Lawsuit, the Interim Funding Agreement, the Funding Agreement, and an Agreement dated October 27, 1994 among PureCycle, the Apex Group, Proactive, Auginco, Brag, Leeds and Pettyjohn (the "Assignment Agreement"), the following parties own Rangeview Bonds in the following amounts:

Bondholders	Face Value of Rangeview Bonds
INCO	$2,101,841
PureCycle	$16,836,966
Landmark I	$1,213,994
Owens	$1,213,994
Landmark II	$728,000
Warwick	$520,000
Apex	$802,833
EV Fund	$288,629
EV Fund II	$555,056
PFund	$244,225
Proactive	$222,022
Auginco	$ 42,184
Brag	$ 55,506
Leeds	$ 44,404
Pettyjohn	$ 44,404
	$24,914,058

The foregoing parties are collectively referred to herein as the "Rangeview Bondholders."

96. The District's right to sell the Original Water Rights derive from a lease between the District and the State denominated Lease Number S-37280, dated April 26, 1982 and amended at various subsequent times (the "Lease"). A lawsuit was filed in the District Court in and for the City and County of Denver, State of Colorado (the "Denver District Court") on October 28, 1994 styled Apex Investment Fund II, L.P., et al. v. Colorado State Board of Land Commissioners, et al., Case No. 94-CV-5405 (Courtroom I) (the "Lawsuit"), in which the parties have asserted various claims relating to the status and validity of the Lease and the Rangeview Bonds. The parties to the Lawsuit have reached a settlement agreement, to which this Agreement is attached as Exhibit 8 (the "Settlement Agreement"), which requires, among other things, (i) an amended and restated Lease which is attached to the Settlement Agreement as Exhibit 1 (the "Amended and Restated Lease"), (ii) superseding the Inco Agreement with a new agreement for sale of export water (the "Export Water Agreement") which is attached to the Amended and Restated Lease as Exhibit C, (iii) amending the Rangeview Profit Agreements, and (iv) conveyance of the Rangeview Bonds by PureCycle to the District for cancellation.

97. Pursuant to a deed granted pursuant to the Export Water Agreement (the "Export Water Deed"), PureCycle will acquire certain rights to 1,165,000 acre-feet of water (the "Export Water") in lieu of the Original Water Rights.

98. The parties hereto believe the settlement of the Lawsuit is in their best interest because it will, among other things, enable the Export Water to be marketed and sold without further dispute from the State; and therefore, the parties are desirous of entering into this Agreement to facilitate the settlement of the Lawsuit.

AGREEMENT

Now, therefore, in consideration of the recitals, covenants herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

99. Effective Date. This Agreement shall be binding on the date it is fully executed and delivered by the parties hereto subject only, as a condition subsequent, to the occurrence of the Effective Date (as that term is defined in the Settlement Agreement). If the Settlement Agreement is terminated, this Agreement shall be null and void ab initio and shall have no force and effect.

100. Application of Rangeview Proceeds.

(1) The first $32,026,232 of Gross Proceeds (as defined in Section 2.4) from the marketing, sale or other disposition of the Export Water by INCO, PureCycle, or the Export Water Contractor (as defined in Section 6.1 of the Amended and Restated Lease), after payment of royalties pursuant to the Amended and Restated Lease, shall, as a condition of any sales documents entered into between the Export Water Contractor and the Export Water Purchaser (as defined in the Amended and Restated Lease), be deposited by the Export Water Purchaser directly into a trust account with Davis, Graham & Stubbs LLP ("DGS") (or a successor

who shall be appointed in accordance with the procedures set forth in Section 16 of the Settlement Agreement) who shall disburse the proceeds within ten (10) business days in the following manner and order:

1. the first $8,000,000 - to OAR (provided OAR has provided DGS with the Termination of Memorandum required by the OAR Option Agreement), Riebesell (provided Riebesell has provided DGS with the release required by the CWC Option Agreement), and the State (provided the State has provided DGS with a release of its mortgage on the Export Water to the extent of such payment) on a pro rata basis with 70% of all funds available for distribution going to OAR, 11.895% going to Riebesell, and 18.105% going to the State until OAR has received $5,600,000, Riebesell has received $951,600, and the State has received $1,448,400;

2. the next $1,110,232 - to the State;

3. the next $2,450,000 - to INCO, Landmark I, and Owens (the "Interim Funding Group") on a pro rata basis with 59.2% of all funds available for distribution going to INCO, 20.4% going to Landmark I, and 20.4% going to Owens until INCO has received $1,450,000 and Landmark I and Owens have each received $500,000;

4. the next $200,000 - to Stormo and Pettyjohn on a pro rata basis with 50% of all funds available for distribution going to Stormo and 50% going to Pettyjohn until each has received $100,000;

5. the next $50,000 - to BAB;

6. the next $50,000 - to BKB and RDB on a pro rata basis with 50% of all funds available for distribution going to BKB and 50% going to RDB until each has received $25,000;

7. the next $300,000 - to ASRA and IPI on a pro rata basis with 50% of all funds available for distribution going to ASRA and 50% going to IPI until each has received $150,000;

8. the next $175,500 - to PureCycle

9. the next $3,475,000 - to the August 1992 Funding Group on a pro rata basis with 71.94% of all funds available for distribution going to the Apex Group, 10.07% going to Landmark II, 7.19% going to Warwick, 2.16% going to Auginco, 2.88% going to Morey, 2.88% going to Leeds, and 2.88% going to Brag until the Apex Group has received $2,500,000, Landmark II has received $350,000, Warwick has received $250,000, Auginco has received $75,000, Morey has received $100,000, Leeds has received $100,000 and Brag has received $100,000;

10. the next $2,450,000 - to the members of the Interim Funding Group on a pro rata basis as described in (c) above;

11. the next $200,000 - to Stormo and Pettyjohn on a pro rata basis as described in (d) above;

12. the next $50,000 - to BAB;

13. the next $50,000 - to BKB and RDB on a pro rata basis as described in (f) above;

14. the next $300,000 - to ASRA and IPI on a pro rata basis as described in (g) above;

15. the next $74,500 - to PureCycle;

16. the next $101,000 - to Apex, EV Fund, and PFund on a pro rata basis with 66 2/3% of all funds available for distribution going to Apex, 20% going to EV Fund, AND 13 1/3% going to PFund until Apex has received $67,333.67, EV Fund has received $20,200.00, and PFund has received $13,466.33;

17. the next $1,150,000 - to Apex, EV Fund, and PFund on a pro rata basis with 66 2/3% of all funds available for distribution going to Apex, 20% going to EV Fund, and 13 1/3% going to PFund until Apex has received $766,670.50, EV Fund has received $230,000.00, and PFund has received $153,329.50;

18. the next $2,850,000 - to the August 1992 Funding Group on a pro rata basis as described in (i) above until the Apex Group has received $2,050,290, Landmark II has received $286,995, Warwick has received $204,915, Auginco has received $61,560, Morey has received $82,080, Leeds has received $82,080 and Brag has received $82,080.

The remaining up to $8,990,000 of proceeds shall be divided 50% to the August 1992 Funding Group and the other parties described in (t) below in the proportions described in (t) below and the remaining 50% shall be divided equally among (i) INCO, (ii) the members of the Interim Funding Group, and (iii) the members of the PureCycle Funding Group and paid on an equal basis with no group or party having priority over the other as set forth in the following example:

19. (i) $1,498,334 - to INCO;

a. $1,498,334 - to the members of the Interim Funding Group on a pro rata basis with 20% of all funds available for distribution going to INCO, 40% going to Landmark I, and 40% going to Owens until INCO has received $299,667 and Landmark I and Owens have each received $599,333;

b. $1,498,333 - to the members of the PureCycle Funding Group and the then current holders of PureCycle Series A Convertible Preferred Stock on a pro rata basis with 22.69% of all funds available for distribution going to ASRA, 22.69% going to IPI, 34.26% going to Apex, 10.28% going to EV Fund, 6.85% going to PFund and 3.23% going to the then current holders of PureCycle Series A Convertible Preferred Stock until ASRA and IPI have each received $339,966.50, Apex has received $513,269.23, EV Fund has received $153,980.00, PFund has received $102,650.77, and the then current holders of PureCycle Series A Convertible Preferred Stock have received $48,500;

20. (i) $4,495,000 - to the August 1992 Funding Group, the then current holders of PureCycle Series A Convertible Preferred Stock, and PureCycle on a pro rata basis with 10% of all funds available for distribution going to the Apex Group, 9.19% going to Landmark II, 6.56% going to Warwick, .3% going to Auginco, .4% going to Morey, .4% going to Leeds, .4% going to Brag, and 70.11% going to the then current holders of PureCycle Series A Convertible Preferred Stock, and 2.64% going to PureCycle until the Apex Group has received $449,710, Landmark II has received $413,005, Warwick has received $295,085, Auginco has received $13,440, Morey has received $17,920, Leeds has received $17,920, Brag has received $17,920, the then current holders of PureCycle Series A Convertible Preferred Stock have received $3,151,500, and PureCycle has received $118,500.

Upon payment to a party hereto of the amounts specified in Section 2.1, the Rangeview Profit Agreements applicable to such party and this Agreement shall be terminated with respect to such party and such party shall not have any further interest in the Rangeview Profit Agreements, this Agreement, or the projects related to the Export Water contemplated thereby and hereby. Nothing in the preceding sentence shall affect the rights of the State under the Amended and Restated Lease.

(2) As of the Effective Date, each Rangeview Bondholder (other than PureCycle) hereby sells, transfers and assigns unto PureCycle all right, title and interest free and clear of all liens, security interests, and other encumbrances in and to Rangeview Bonds in the principal amount set forth opposite such Rangeview Bondholder's name in Recital E hereof, plus all accrued interest thereon. Each Rangeview Bondholder further agrees to execute any further documentation (such as an assignment form with the signature guaranteed under the Securities Transfer Agents Medallion Program) which may be required to effectively transfer title and record ownership in such Rangeview Bonds to PureCycle. Upon execution of this Agreement, each Rangeview

Bondholder (other than PureCycle) shall deliver such bondholders' Rangeview Bonds and any assignments requested pursuant to this section to PureCycle to be delivered to the Escrow Agent (as that term is defined in the Settlement Agreement) to be held pursuant to the terms of the Settlement Agreement.

(3) Sections 2.1 and 2.2 amend and supersede Sections 6.02 and 6.05 of the Commercialization Agreement, Section 5 of the Interim Funding Agreement, Section 1.3 of the Investment Agreements, Section 4 of the Funding Agreement, and Exhibit B to the Stock Purchase Agreement in their entirety. In addition, Section 1.2 supersedes Section 4 of the Assignment Agreement. Any reference to Sections 6.02 or 6.05 in the Commercialization Agreement, Section 5 in the Interim Funding Agreement, Section 1.3 in the Investment Agreements, Section 4 in the Funding Agreement, and Exhibit B in the Stock Purchase Agreement shall hereafter be deemed to be a reference to Sections 2.1 and 2.2 of this Agreement. Except as specifically set forth herein, the Rangeview Profit Agreements remain in full force and effect. The parties acknowledge that OAR represents that it is not a party to the Commercialization Agreement or the Rangeview Profit Agreements, nor shall it be deemed a party to such agreements as a result of executing this Agreement. OAR assumes no obligations under any agreements to which it is not a party by entering into this Agreement. OAR's rights to distributions under Section 2.1(a) arise out of this Agreement, the OAR Option Agreement and the Settlement Agreement.

(4) For purposes of this Agreement, the term "Gross Proceeds" shall mean the total funds received from the sale of Export Water to one or more Export Water Purchasers for Cash Equivalent (as defined Section 4.1 hereof) reduced only by the amount of the Obligations to the State (as defined in Section 4.1). The term "Gross Revenues" as defined and used in the Amended and Restated Lease shall control the determination of the Obligations to the State but otherwise shall have no bearing and effect on the definition of Gross Proceeds used in this Agreement. In the case of an installment sale of the Export Water, Gross Proceeds shall be deemed to be received only to the extent of actual funds (but not including negotiable promissory notes evidencing such installment sale) deposited in the trust account maintained by DGS as provided in Section 2.1 hereof. The parties hereto agree that, notwithstanding the definition of "Gross Revenues" as set forth in Article I and Section 7.2(c) of the Amended and Restated Lease, no costs (other than the Obligations to the State) directly or indirectly incurred in connection with the withdrawal, treatment, delivery, marketing or sale of the Export Water shall be deducted from the Gross Proceeds so long as the amount set forth in Section 2.1 remains unpaid.

101. PureCycle Series A Convertible Preferred Stock. Each Series A Stockholder acknowledges that the remaining adjusted purchase price of the Rangeview Bonds pursuant to the Option Agreements (as that term is defined in the Certificate of Designations, Powers, Preferences and Rights of Series A Convertible Preferred Stock filed by PureCycle with the Secretary of State of Delaware on May 25, 1994 (the "Series A Certificate")) with PPI or Purchase Price Interest (as those terms are defined in the Series A Certificate) is $9,110,232 and that PPI is $1,026,232. Each Series A Stockholder agrees that such Series A Stockholder will not transfer the shares of PureCycle Series A Convertible Preferred Stock owned by such Series A Stockholder until the transferee of such shares acknowledges that PPI is $1,026,232. Each Series A Stockholder further agrees to return the stock certificate(s) representing such stockholder's PureCycle Series A Convertible Preferred Stock to PureCycle to be legended with a reference to the foregoing agreements.

102. Conditions on Sale of Export Water; Lease Amendments.

(1) The parties, including PureCycle, agree that until Gross Proceeds in an amount of $8,000,000 have been deposited in the trust account with DGS and have been distributed by DGS in accordance with Section 2.1(a) hereof and all payments then due and payable to the State for royalties as provided under the Amended and Restated Lease have been paid in full ("Obligations to the State"), the Export Water shall be sold or otherwise disposed of to one or more purchasers only for cash, cashier's check, certified funds, wire transfer or negotiable promissory note(s) adequately secured by a perfected security interest in the Export Water sold to cover any amount owed under such note(s) (referred to herein collectively as "Cash Equivalent") in either

(i) a lump sum payment or (ii) installment payments providing for a down payment of not less than the Obligations to the State then due with respect to the sales, plus (a) twenty percent (20%) of the total contract price or (b) twenty percent (20%) of $8,000,000, if less than the contract price, with the final payment being required to be made no later than five (5) years after the closing date of such sale.

(2) PureCycle further agrees that it will not sell or otherwise dispose of the Export Water in a transaction where the price received per acre foot for the portion of the Export Water sold or otherwise disposed of would result in Gross Proceeds of less than $8,000,000, if all of the Export Water were sold at that price.

(3) Pursuant to the Export Water Deed, the District has agreed that it shall not enter into any amendments to the Amended and Restated Lease that affect PureCycle's rights and/or obligations under the Export Water Deed without PureCycle's prior written approval. PureCycle agrees that it will not approve of any amendments to the Amended and Restated Lease which would adversely affect the right of the parties to receive the payments contemplated pursuant to Section 2.1(a) of this Agreement.

(4) PureCycle shall provide the parties in Section 2.1(a) with written notice of and access to contemplated sales documents for the sale or other disposition of the Export Water ten (10) days in advance of such sale or other disposition.

(5) The provisions of this Section 4 may be amended or waived only with the consent of all of the parties entitled to payment of the proceeds to be paid pursuant to Section 2.1(a).

103. Records. PureCycle shall prepare and keep full, complete, and proper books, records and accounts of all Export Water sales or dispositions and shall document such transactions. Said books, records, and accounts shall be open at all reasonable times, upon fourteen (14) days' prior written notice, to the inspection of a designated representative of the parties hereto other than PureCycle (collectively, the "Investors") for the purpose of verifying the accuracy of payments made pursuant to Section 2.1. The designated representative may, at the Investors' expense, copy, extract and/or audit all or a portion of said books, records, and accounts for a period of up to five (5) years after the date such books, records and accounts are made. Any deficiency in the payment of amounts due pursuant to Section 2.1 determined upon such inspection or audit shall be immediately due and payable by PureCycle, together with interest at the prime rate specified in the Wall Street Journal, Western Edition (the "Prime Rate"), plus two percent (2%) from the date or dates such amounts should have been paid.

104. Right to Cure. In the event PureCycle takes or fails to take any action which, unless cured, would result in a termination of PureCycle's rights to any portion of the Export Water, PureCycle shall provide written notice to a designated representative of the Investors within five (5) days following the occurrence of any such action or failure, and the Investors, or any of them, may, without prejudice to any other remedies such Investors may have, cure such action or failure on PureCycle's behalf and shall be entitled to reimbursement from PureCycle for any amount paid to cure such action or failure plus all costs and damages associated therewith and interest at the Prime Rate, plus two percent (2%), from the date or dates such amounts were paid.

105. No Agency, Partnership or Joint Venture. The parties hereto are independent contractors and nothing contained in this Agreement shall be deemed to create the relationship of partners, joint venturers, or of principal and agent, or of any association or relationship between the parties other than as expressly provided in this Agreement. Each party acknowledges that it does not have, and it shall not make representations to any third party, either directly or indirectly, indicating that it has any authority to act for or on behalf of any other party or to obligate them in any way whatsoever.

106. Press Releases.

(1) Each party shall limit any comments to the public or the press regarding this Agreement to the terms and benefits of the Settlement Agreement.

(2) This Section 8 shall not, however, be construed to (i) prohibit disclosure to the Denver District Court as

contemplated by the Settlement Agreement, (ii) prohibit any party from making any disclosures which it is required to make by law, rule, regulation or court order (including applicable securities laws) or which it is advised by counsel to make to comply with such law, rule, regulation or court order or from filing this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such party, and (iii) prohibit any party from disclosing to its partners, investors and broker/dealers such terms of this transaction as would customarily be disclosed to them in connection with transactions of the type contemplated hereby.

107. Release. Upon execution of this Agreement, each party to this agreement who is not a party to the Settlement Agreement shall execute and deliver to PureCycle a release in the form of Exhibit A attached hereto. Such releases shall be delivered by PureCycle to the Escrow Agent to be held pursuant to the terms of the Settlement Agreement.

108. Brokers. Each party represents to the others that it has not engaged a broker in connection with this transaction, and no brokerage fees are payable by any party on account hereof.

109. Expenses. All legal and other costs and expenses incurred in connection with the preparation of this Agreement and the consummation of the transactions contemplated hereby shall be paid by the party incurring such expenses.

110. Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns.

111. Amendment. This Agreement may be amended only by a writing signed by the parties affected by such amendment.

112. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall together constitute one and the same instrument.

113. Governing Law. With respect to relationships among PureCycle, OAR, Riebesell, and the State, this Agreement shall be governed by Colorado law. With respect to relationships between PureCycle and each other party, the governing law provision of the applicable Rangeview Profit Agreement shall govern.

114. Attorneys' Fees. In the event any party finds it necessary to employ legal counsel or to bring an action at law or other proceeding against another party to enforce any of the terms, covenants, or conditions of this Agreement, the party prevailing in any such action or other proceeding shall be paid all reasonable attorneys' fees by such other party, and in the event any judgment is secured by such prevailing party, all such attorneys' fees, as determined by a court and not by jury, shall be included in any such judgment.

115. Recitals. The parties acknowledge that the State represents that it is not a party to the Rangeview Profit Agreements, the Commercialization Agreement or the Rangeview Option Agreements except the April __, 1996 amendment to the CWC Option Agreement and that the State represents that it does not have knowledge as to the accuracy of the Recitals except with respect to the last two sentences of Recital A, the last sentence of Recital B and Recitals F-H.

116. State Obligations. The parties acknowledge and agree that the State is a party to this Agreement merely to facilitate the contemplated amendments and to receive the payments under Sections 2.1(a) and (b) and that the State assumes no obligations under any agreements to which it is not a party.

117. Inconsistencies. To the extent any provisions of this Agreement are inconsistent with the provisions of the Commercialization Agreement or the Rangeview Profit Agreements, the terms of this Agreement shall control.

118. Indemnity. PureCycle, its successors and assigns, shall indemnify, defend and hold harmless the Investors, their respective officers, directors, shareholders, partners, successors and assigns ("Indemnitees") from and against all claims and costs (including reasonable attorneys' fees) actually incurred by any such Indemnitee as a result of a breach by PureCycle, its successors and assigns, of this Agreement, the Export Water Agreement or the payment of Obligations to the State which results in a nonpayment of Gross Proceeds to the Investors

under Section 2.1 of this Agreement when such Gross Proceeds are or were available from the sale or other disposition of Export Water.

IN WITNESS WHEREOF, this Comprehensive Amendment Agreement No. 1 has been executed on behalf of each of the parties hereto as of the day and date first above written.

INCO SECURITIES CORPORATION,
a Delaware corporation

By:
Title:

PURE CYCLE CORPORATION,
a Delaware corporation

By:
Thomas P. Clark, President

LANDMARK WATER PARTNERS, L.P.

By: COMPTON CAPITAL, LTD.,
its general partner

By:
Earl A. Samson, III,
President

LANDMARK WATER PARTNERS II, L.P.,
a Delaware limited partnership

By: COMPTON CAPITAL PARTNERS,
INC., its general partner

By:
Earl A. Samson, III,
President

WARWICK PARTNERS, L.P.,
a Delaware limited partnership

By: PROVIDENCE PARTNERS, L.P.,
its general partner

By: PACIFIC EQUITY LIMITED,
its general partner

By:
Herbert A. Denton, authorized
officer

AUGINCO,
a Colorado general partnership

By:
Harrison H. Augur, general
partner

Gregory M. Morey

Amy Leeds

Anders C. Brag

Newell Augur, Jr.

Bill Peterson

Stuart Sundlun

Alan C. Stormo

D.W. Pettyjohn

Beverly A. Beardslee

Robert Douglas Beardslee

Bradley Kent Beardslee

APEX INVESTMENT FUND II, L.P.,
a Delaware limited partnership

By: Apex Management Partnership, L.P., General Partner of Apex Investment Fund II, L.P.

By:
George Middlemas, General Partner

THE ENVIRONMENTAL VENTURE FUND, L.P.,
a Delaware limited partnership

By: Environmental Venture Management, L.P., General Partner of The Environmental Venture Fund, L.P.

By: First Analysis Corporation, General Partner of Environmental Venture Management, L.P.

By:
Bret Maxwell, General Partner

THE ENVIRONMENTAL PRIVATE EQUITY FUND II, L.P.,
a Delaware limited partnership

By: Environmental Private Equity Management II, L.P., General Partner of The Environmental Private Equity Fund II, L.P.

By: First Analysis EPEF Management II, L.P., General Partner of Environmental Private Equity Management II, L.P.

By: First Analysis Corporation, General Partner of First Analysis EPEF Management II, L.P.

By:
Bret Maxwell, General Partner

PRODUCTIVITY FUND II, L.P.,
a Delaware limited partnership

By: First Analysis Management Company II, L.P., General Partner of Productivity Fund II, L.P.

By: First Analysis Corporation, General Partner of First Analysis Management Company II, L.P.

By:
Bret Maxwell, General Partner

PROACTIVE PARTNERS, L.P.,
a California limited partnership

By:
Charles McGettigan, General Partner

ASRA CORPORATION,
a Delaware corporation

By:
Title:

INTERNATIONAL PROPERTIES, INC.,
a Delaware corporation

By:
Title:

OAR, Incorporated,
a Colorado corporation

By:
Willard G. Owens, President

Willard G. Owens

H. F. Riebesell, Jr.

STATE OF COLORADO STATE BOARD OF
LAND COMMISSIONERS

President

Engineer

Register

Approved as to form:

GALE A. NORTON
Attorney General of the State of Colorado

STEPHEN K. ERKENBRACK
Chief Deputy Attorney General
TIMOTHY M. TYMKOVICH
Solicitor General

Richard A. Westfall
Special Deputy Solicitor General

For purposes of Section 2 only:

DAVIS GRAHAM & STUBBS LLP

By:
Wanda J. Abel, Partner

EXHIBIT A TO DOCUMENT 10.7
==========

Exhibit A

RELEASE

In consideration for ten dollars ($10.00) and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned on behalf of themselves, their parents, subsidiaries, affiliates and all other related companies and their successors, and assigns, fully, finally and unequivocally release the Colorado State Board of Land Commissioners, the past and present Land Board Commissioners, the State of Colorado, and Rangeview Metropolitan District, and their directors, employees, agents, attorneys, advisors, successors, and assigns, from any and all claims, controversies, actions, causes of actions, suits, demands, obligations, debts, losses, damages, or liabilities which may exist in law or equity, whether known or unknown, fixed or contingent, asserted or unasserted, presently existing or arising in the future, including, but not limited to claims which are or could have been raised based on acts or omissions to date, of any kind and nature whatsoever arising out of or in any way connected with (1) any matters that were or could have been raised in the lawsuit pending in the District Court for the City and County of Denver, styled Apex Investment Fund II L.P., et al. v. Colorado State Board of Land commissioners, et al., Case No. 94-CV-5405 (the "Litigation"), and (2) any matters arising out of or in any way related to the Lease between the Land Board and Rangeview Metropolitan District and its predecessor OAR, Incorporated, the Rangeview Notes and Bonds, the Lowry Range, and the Rangeview Metropolitan District.

This Release shall be effective on the Effective Date of the Settlement Agreement and Mutual Release dated _____ between the Land Board and the other parties to the Litigation.

Dated:_____

By:

Its:

RELEASE

In consideration for ten dollars ($10.00) and other consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned on behalf of themselves, their parents, subsidiaries, affiliates and all other related companies and their successors, and assigns, fully, finally and

unequivocally release the Colorado State Board of Land Commissioners, the past and present Land Board Commissioners, the State of Colorado, and Rangeview Metropolitan District, and their past and present directors, employees, agents, attorneys, advisors, successors, and assigns, from any and all claims, controversies, actions, causes of actions, suits, demands, obligations, debts, losses, damages, or liabilities which may exist in law or equity, whether known or unknown, fixed or contingent, asserted or unasserted, presently existing or arising in the future, including, but not limited to claims which are or could have been raised based on acts or omissions to date, of any kind and nature whatsoever arising out of or in any way connected with (1) any matters that were or could have been raised in the lawsuit pending in the District Court for the City and County of Denver, styled Apex Investment Fund II L.P., et al. v. Colorado State Board of Land commissioners, et al., Case No. 94-CV-5405 (the "Litigation"), and (2) any matters arising out of or in any way related to the Lease between the Land Board and Rangeview Metropolitan District and its predecessor OAR, Incorporated, the Rangeview Notes and Bonds, the Lowry Range, and the Rangeview Metropolitan District.

This Release shall be effective on the Effective Date of the Settlement Agreement and Mutual Release dated _____ between the Land Board and the other parties to the Litigation.

Dated:_____

By:

Its: