

SUBDIVISION IMPROVEMENTS GUARANTEE AND PAYMENT AGREEMENT

THIS AGREEMENT is made this 16th day of November 2020, between the City of Grand Junction (hereafter "City") and LenderCo LLC and W.T. Hall Trust (hereafter "Owner" or "Developer" as required by context) and is subject to the following recitals, which are material and enforceable terms of the agreement.

RECITALS

The Developer has applied to subdivide the property located at 756 22 Road, an approximately 40-acre parcel, that is to be platted into 3 lots ("Subdivision" or "the Subdivision"), in Grand Junction, Colorado. As a condition of approval of the Subdivision, the Developer is required to construct or secure certain water, sewer, street, sidewalk and related infrastructure Improvements (hereafter "Improvements") all of which are required and established by the City's Zoning and Development Code ("Code.")

Because the Improvements are required as a condition of approval of the Subdivision, and the size of the lots proposed to be platted in the Subdivision are such that they will likely be further subdivided, the City and the Developer ("Parties" or "the Parties") desire that the Developer, under specific, negotiated and mutually agreeable terms, secure the payment for some of the Improvements that may reasonably not be constructed with the platting of the Subdivision. Together those Improvements are referred to hereafter as the Deferred Improvements.

Any and all Improvements required to use/develop Lot 1 of the Subdivision shall not be deferred and instead shall be constructed by the user/owner/developer of that Lot. The Developer affirmatively represents to the City that written notice has been provided to the intended successor in interest of Lot 1 that the successor in interest to that lot is obligated to construct the Improvements necessary or required by the City for use of Lot 1 and that such obligation is or shall not be impaired or otherwise affected by the existence of this Agreement.

The Parties enter into this Agreement providing terms for the provision of irrevocable security for the construction or payment of money for the Deferred Improvements, all as more particularly described herein and on the three-page exhibit, attached hereto and incorporated herein by this reference as if fully set forth, titled *Improvements Cost Estimate* ("Estimate.")

In order to secure the payment for the cost of or construction of the Deferred Improvements, as the same are presently valued and will escalate over time, the Developer or any successor in interest to the Owner agrees that the cost of the Deferred Improvements, as provided in the Estimate is due on sale of either or Lot 2 or Lot 3 of the Subdivision or that the Deferred Improvements be constructed by the Owner or Developer prior to expiration of this Agreement.

Furthermore, and as additional security to ensure that the Deferred Improvements are constructed or the Estimate as it escalates over time, is paid to the City, the Owner agrees that the City shall not approve further subdivision of Lot 2 and/or Lot 3 until the then value of the Estimate, and other applicable development fees, charges and costs, is paid in full to the City or the Deferred Improvements are constructed in accordance with City Code then in effect.

The City and the Owner and the Developer stipulate and agree that there is sufficient consideration for the making and enforcement of this Agreement.

NOW THEREFORE, the City and the Developer agree as follows:

1. The foregoing recitals are incorporated herein and are material terms to making, understanding and enforcing this Agreement.
2. As of the date of this Agreement, the Deferred Improvements have a value of \$1,272,092.46, which value shall be inflated annually beginning January 1, 2022 by 5%. The value of the Deferred Improvements, together with the annual inflation is hereafter referred to as Security or the Deferred Improvements Security.
3. To ensure that the Deferred Improvements are constructed or the Security is paid to the City, the City shall not a) approve further subdivision of Lot 2 and/or Lot 3 or b) issue a planning clearance/building permit for Lot 2 and/or Lot 3 until the Deferred Improvements Security and other applicable development fees and charges including but not limited to the Maintenance Guarantee as required by the Code for constructed Improvements, have been paid in full.
4. To ensure that the Deferred Improvements are constructed or the Security is paid to the City, the Owner and the Developer further stipulate and agree that if Lot 2 and/or Lot 3 or both Lots, or any interest in either or both Lots are sold or transferred without the City's prior written consent, the City may, at its option, require immediate payment of the Security or construction of the Deferred Improvements.

5. If the Owner and/or the Developer fails to pay the Security or construct the Deferred Improvements on or before October 31, 2025, the City may declare the Owner and/or the Developer in breach of this Agreement and the City may initiate an action against either or both the Owner and/or the Developer for any and all claims in law and equity that the City has or may have. The City shall be entitled to all of its fees and costs incurred to enforce the terms of this Agreement, including attorney's fees and the value of in-house counsel, from the Owner and/or the Developer.
6. Construction of required Improvements for the use/development of Lot 1 as required by the City's 2020 Zoning and Development, or such Code in existence at the time of development, are the obligation of the successor in interest of the Developer in Lot 1. The Owner shall contractually obligate the successor to construct the necessary and required Improvements for the use/development of Lot 1. The Owner affirmatively represents to the City that written notice has been provided to the intended successor in interest of Lot 1 that the successor is on notice of the obligation to construct the Improvements required by the Code for use of Lot 1. In the event Lot 1 is not sold to the current intended successor in interest notice shall be afforded to any subsequent successor in interest.
7. The Owner and the Developer, for itself and for its successors, assigns and for all persons claiming through the Owner and the Developer, agree that it shall defend all efforts and claims by the City to hold, or attempt to hold, the Owner and/or the Developer and/or the successor in interest to Lot 1, and its/their respective officers, employees and agents, legally responsible for full and complete enforcement of the terms of this Agreement.
8. A declaration of breach of this Agreement shall be exercised by the City providing written notice to the Owner and the Developer that the Agreement has not been satisfied in full by October 31, 2025. Notice shall be by First class US Mail in care of Douglas A. Colaric, 1154 N. 4th Street, Grand Junction, Colorado 81501.
9. Except as otherwise specifically provided herein, this Agreement may be altered, amended or modified in writing only, signed by the Parties hereto.
10. If any part, term or provision of this Agreement is held by a court or courts of competent jurisdiction to be illegal or otherwise unenforceable, such illegality or unenforceability will not affect the validity of any other part, term or provision and the rights of the parties will be constructed as if the part, term or provision was never part of the Agreement.

W.T. Hall Trust

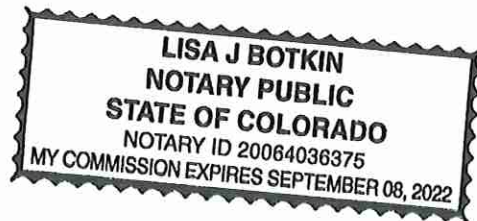
By: [Signature]
Bryce Palo
Trustee, W.T Hall Trust

State of Colorado)
)ss.
County of Mesa)

The foregoing SUBDIVISION IMPROVEMENTS GUARANTEE AND PAYMENT AGREEMENT was acknowledged before me this 12th day of November 2020 by Bryce Palo Trustee, W.T Hall Trust.

My commission expires 9/8/2022.
Witness my hand and official seal.

[Signature]
Notary Public



CITY OF GRAND JUNCTION

By: [Signature]
Tamra Allen
Director, Grand Junction Community Development Department

By: [Signature] 11-13-2020
Rick Dorris
Development Engineer, Grand Junction Community Development Department

EXHIBIT B**IMPROVEMENTS COST ESTIMATE**

NOTE: THIS ESTIMATE IS BASED ON ASSUMED COSTS.
NO FINAL DESIGN OR SUBSURFACE INVESTIGATION HAVE BEEN PERFORMED.

DATE: November 11, 2020

DEVELOPMENT NAME: HallCo II Subdivision - 756 22 Road

PRINTED NAME OF PERSON PREPARING: Steve Sharpe - Sharper Engineering

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC Sanitary Sewer Main	LF	2230	\$ 24.00	\$ 53,520.00
2	4" PVC Sanitary Sewer Service	LF	232	\$ 15.00	\$ 3,480.00
3	4" Sewer Fittings (wyes, bends etc.)	EA	25	\$ 91.00	\$ 2,275.00
4	Sanitary Sewer Manhole (H=5' to 8')	EA	7	\$ 2,000.00	\$ 14,000.00
5	Connect to Existing Manhole	EA	1	\$ 300.00	\$ 300.00
Subtotal Part A - Sanitary Sewer					\$ 73,575.00
B. DOMESTIC WATER					
1	12" PVC Water Main	LF	1600	\$ 34.00	\$ 54,400.00
2	12" Gate Valve	EA	2	\$ 2,000.00	\$ 4,000.00
3	Connect to Existing Water Line	EA	1	\$ 400.00	\$ 400.00
4	Fire Hydrant Assembly incl. Tee, 6" Gate Valve, 6" Lead & Thrust Restraint	EA	3	\$ 4,200.00	\$ 12,600.00
5	Furnish/Install 3/4" Service Lines, Ute furnished Pit/Ypke & Poly Service Stub	EA	6	\$ 800.00	\$ 4,800.00
6	Furnish & Install 4" Blow-offs	EA	1	\$ 400.00	\$ 400.00
Subtotal Part B - Domestic Water					\$ 76,600.00
C. STREETS					
1	4" PVC Utility sleeves	LF	1140	\$ 7.00	\$ 7,980.00
2	Dry Utility Trenching & Backfill	LF	3200	\$ 5.00	\$ 16,000.00
3	Dry Utility Cost - Grand Valley Power	LS	1	\$ 63,000.00	\$ 63,000.00
4	Dry Utility Cost - Xcel Energy	LS	1	\$ 8,000.00	\$ 8,000.00
5	Subgrade Preparation - HallCo Drive	SY	7635	\$ 1.65	\$ 12,597.75
6	Subgrade Preparation - 10' Ped Path	SY	3442	\$ 1.65	\$ 5,679.30
7	Aggregate Base Course (Class 6) (12" Under Road; Compacted)	Ton	4640	\$ 23.00	\$ 106,720.00
8	Aggregate Base Course (Class 6) (6" Under Ped. Path; Compacted)	Ton	719	\$ 23.00	\$ 16,537.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
9	Hot Bitumin. Paving Road, 5" Grade C	Ton	1794	\$ 104.00	\$ 186,576.00
10	10' Concrete Pedestrian Path (4" Thick)	LF	2816	\$ 53.00	\$ 149,248.00
11	2ft. Vertical Curb & Gutter	LF	3300	\$ 15.00	\$ 49,500.00
12	Ranchmens Ditch Crossing Structure	LS	0.5	\$ 68,000.00	\$ 34,000.00
13	End of Road Signs	EA	3	\$ 115.00	\$ 345.00
14	Street Lights	EA	3	\$ 1,500.00	\$ 4,500.00
	Subtotal Part C - Streets				\$ 660,683.05
D1	EARTHWORK				
1	Mobilization	LS	1	\$ 2,795.00	\$ 2,795.00
2	Clearing and Grubbing	LS	1	\$ 1,821.00	\$ 1,821.00
3	Unclassified Excavation	CY	1550	\$ 1.95	\$ 3,022.50
4	Unclassified Embankment	CY	1550	\$ 2.85	\$ 4,417.50
5	Watering (Dust Control)	LS	1	\$ 1,000.00	\$ 1,000.00
6	Stormwater BMP installation/maint.	LS	1	\$ 1,400.00	\$ 1,400.00
D2	REMOVALS AND RESETTING				
1	Adjust Manhole	EA	6	\$ 930.00	\$ 5,580.00
2	Adjust Valvebox	EA	4	\$ 60.00	\$ 240.00
D3	STORM DRAINAGE FACILITIES				
1	24" RCP Storm Drain Pipe	LF	600	\$ 55.00	\$ 33,000.00
2	18" RCP Storm Drain Pipe	LF	27	\$ 42.00	\$ 1,134.00
3	15" RCP Storm Drain Pipe	LF	9	\$ 40.00	\$ 360.00
4	24" Flared End Section	EA	1	\$ 1,200.00	\$ 1,200.00
5	Single Grate w/Vertical Curb Opening	EA	2	\$ 1,800.00	\$ 3,600.00
6	48" Storm Drain Manhole	EA	2	\$ 1,800.00	\$ 3,600.00
7	Detention Pond & Outlet Structure	LS	1	\$ 15,000.00	\$ 15,000.00
	Subtotal Part D - Grading and Drainage				\$ 78,170.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
E. Construction Cost Subtotal Part A - Part D					\$ 889,028.05
10% Contingency - Future Construction Costs					\$ 88,902.81
Total Construction Cost + 10% Contingency					\$ 977,930.86
F. Miscellaneous Items					
1	Construction staking/surveying	%	1.4%	\$	13,691.03
2	Developer's observation cost	%	1.0%	\$	9,779.31
3	General construction supervision	%		\$	-
4	Quality control testing	%	1.0%	\$	9,779.31
5	Engineering Design	%	4.0%	\$	39,117.23
6	City inspection fees	%		\$	-
7	Construction Drawings of Record	%	1.0%	\$	9,779.31
Subtotal Part F - Miscellaneous Items					\$ 82,146.19
G. COST SUMMARY					
1	Total Improvement Costs				\$ 1,060,077.05
2	City Security (20%)				\$ 212,015.41
3	Total Guarantee Amount				\$ 1,272,092.46

NOTES

- All prices shall be for items complete in place and accepted.
- Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere.
- Units can be changed if desired, simply annotate what is used.
- Additional lines or items may be added as needed.

LENDERCO, LLC
Douglas Colarik MGR 11/11/20
 Signature of Developer / OWNER Date
 (If corporation, to be signed by President and attested to by Secretary together with the corporate seals.)

W.T. HALL TRUST
Trustee
 Signature of Developer / OWNER Date

I have reviewed the estimated costs and time schedule shown above and, based on the construction drawings submitted to date and the current cost of construction, I take no exception to the above.

Nick Davis 11-13-2020
 City Development Engineer Date

T. [Signature] 11/14/2020
 Community Development Date