

CONSTRUCTION AND MAINTENANCE AGREEMENT

THIS CONSTRUCTION AND MAINTENANCE AGREEMENT (Agreement) is made this 31st day of March, 2026, and is between the **REDLANDS WATER AND POWER COMPANY ("RWP")**, a Colorado nonprofit corporation (hereafter "RWP"), whose address is 2216 South Broadway, Grand Junction, Colorado 81507, and **REDLANDS THREE-SIXTY, LLC. ("R360")** whose address is 422 East Vermijo Avenue, Suite 100, Colorado Springs, CO. 80903 and the **CITY OF GRAND JUNCTION ("City")**, whose address is 250 North 5th Street, Grand Junction, CO. 81501. Collectively RWP, LICENSEE(S) and the City shall be referred to as the "Parties" and separately referred to as a "Party."

RECITALS:

- A. RWP is the owner and operator of a system of irrigation canals and related facilities located in Mesa County, Colorado for the delivery of irrigation water to its shareholders (Canal Facilities) including all easements, rights-of-way and fee-title owned land in connection therewith. The Canal Facilities include, but are not limited to, the canal and ditch beds, banks, embankments, erosion control, access roads, head gates, flumes, pipes, siphon's, bridges and all other equipment, structures, improvements, and facilities appurtenant thereto or used in connection therewith. The 23 Road Siphon is a part of the Canal Facilities. Whenever the term ("Canal Facilities") is used herein it shall include the 23 Road Siphon.
- B. Redlands Three Sixty, LLC is in the owner of certain real property located within Mesa County, Colorado consisting of Redlands 360 Filing 3 Subdivision, City of Grand Junction, County of Mesa, State of Colorado ("Property"). The Canal Facilities pass through portions of the Property.
- C. R360 is in the process of developing Redlands 360 Filing 3 Subdivision in Mesa County, Colorado. As part of the development of Redlands 360 Filing 3 Subdivision, R360 seeks to construct and install an eighteen-inch Storm Sewer Pipeline, SD Line G ("PIPELINE") across and under RWP's Siphon located in Tract A.3 of said Filing 3 at the intersection of 23 Road and South Broadway ("Siphon") hereafter referred to as the ("PROJECT") according to the Construction Plan Set for Redlands 360 Filing 3; Project # 1988-033; as shown on Sheet C25 ("Plans and Specifications"). Issued: 1-29-2026 and accepted by the City on 2-19-2026.
- D. Following construction, seasoning, and testing of the Pipeline and acceptance of Redlands 360 Subdivision and its' improvements into the City as part of its public utilities. The City will perpetually maintain and repair the Pipeline, subject to annual appropriations.
- E. To avoid dispute over the Pipeline, R360 seeks an agreement to construct, install and for the City to perpetually maintain and repair the Pipeline, subject to annual appropriation, within that portion of RWP's Siphon depicted in the Plans and Specifications, hereafter the ("Project Area.")

NOW THEREFORE, in consideration of the Recitals above, and the mutual covenants and promises below, the parties agree as follows:

1. Plans and Specifications. R360 has caused certain Plans and Specifications for the Pipeline to be prepared for the review and approval of RWP identified as Sheet C25, REDLANDS 360 FILING 3 Storm Drain Plan & Profile; SD Line G prepared by River City Consultants,

Project No. 1988-033, issued: 01-29-2026, incorporated herein by this reference. R360 agrees as follows:

- a. To the best of R360's knowledge, the Plans and Specifications are free from material errors, defects, or omissions, are suitable for the construction and installation of the Pipeline and that once installed, the Pipeline will function according to its intended purpose and will not interfere with or hinder the operation, maintenance, and repair, of the Siphon and the delivery of irrigation water to RWP shareholders.
- b. RWP's review and/or approval of the Plans and Specifications, including but not limited to, the review of the same by any consultant engaged by RWP for such purpose, is solely and only for the use and benefit of RWP and is not intended and may not be construed as RWP's or its consultant's warranty, certification, or representation, expressed or implied, that the Plans and Specifications are accurate, free from material errors or defects or are suitable for construction of the Pipeline in the Project Area. R360 waives any claim against RWP arising from or related to RWP's or its consultant's review and/or acceptance of the Plans and Specifications.
- c. R360 is familiar with the Project Area. R360 assumes the risk related to the accuracy and suitability of the Plans and Specifications for the Pipeline including any subsurface condition affecting the construction, installation, or function of the Pipeline.

2. Consent to Construction.

- a. RWP agrees that R360 may enter the Project Area for the purpose of constructing the Pipeline. RWP further agrees that the City may enter upon the Project Area and inspect the construction and, when complete and accepted, perpetually maintain, and repair the Pipeline to City standards subject to annual appropriation. RWP's consent to the construction, operation, maintenance, and repair of the Pipeline and access to the Project Area is limited to R360, the City and their employees or contractors performing such tasks. Neither R360 nor the City shall grant, convey, assign, delegate, or otherwise transfer any right, title or interest of Canal Facilities situated within the Project Area without RWP's express written consent.
- b. The foregoing agreements are made without RWP's representation or warranty of any type, whether expressed or implied, as to RWP's legal interest in the Project Area or the suitability of any physical condition of the surface or subsurface of the Project Area. R360 and the City assumes all risks regarding the physical condition of the Project Area for the purpose authorized in this Agreement.
- c. RWP expressly reserves, without limitation or modification by the execution of this Agreement, it rights to operate, maintain, and repair the Canal Facilities.

3. Construction of the Pipeline.

- a. The Work. R360 shall perform, contract, engage, obtain, or otherwise provide for, all labor, materials, equipment, supplies, and permits, including permission of any landowners affected by the Pipeline, that are reasonable or necessary for the commencement and completion of the Pipeline, hereafter collectively referred to as the "Work."

- b. Construction Schedule. Prior to the commencement of any Work, R360 shall provide RWP with a construction schedule, including the anticipated times, dates or points of construction requiring inspection by any governmental entity having jurisdiction over the Work.
- c. Commencement, Completion and Construction. Work in the Project Area shall commence on _____, 2026, and all Work affecting the Project Area and the Canal Facilities shall be conducted during the winter months, if possible, so as to avoid interference with the operation of the Canal Facilities. The timing, sequence and staging of the Work shall be coordinated with RWP and R360 shall ensure that all Work does not interfere with RWP's use, operation and maintenance of the Canal Facilities and that the Pipeline will be completed as set forth herein.
- d. Conditions of Construction.
 - i. The Work shall (A) be constructed in conformance with the Plans and Specifications unless deviations are approved by RWP by written change order, (B) be pursued with diligence and in a good and workmanlike manner, and (C) comply with all laws, ordinances, rules, regulations, and orders of any applicable governmental authority bearing on the performance of the Work, including any applicable building or construction codes. Non-conforming Work shall be timely corrected by R360 at its sole expense.
 - ii. R360 shall pay all costs, expenses, and fees, which are reasonable or necessary for the performance of the Work in a timely manner.
 - iii. R360 will be solely responsible for all construction means, methods, techniques and sequences and procedures, subject to R360's obligation to coordinate with RWP, and to complete all Work in accordance with this Agreement. R360 shall further be solely responsible for obtaining or contracting for all labor, materials, equipment, tools, machinery, utilities, transportation, and other services or items necessary for the proper execution and completion of the Work and shall be solely obligated to pay any costs or expenses, therefore.
 - iv. R360 shall ensure that all employees or subcontractors performing the Work shall always observe and conduct themselves in a disciplined and professional manner. R360 shall not employ or engage any person, contractor, or subcontractor, or suffer or permit the employment of any employee of any contractor or subcontractor that is not skilled in the task assigned to him or her. R360 shall be responsible for initiating, maintaining, and supervising reasonable safety precautions and programs in connection with the Work to endeavor to prevent bodily injury, death, or property damage to any person or property and damage to the Canal Facilities, and/or the Project Area.
 - v. R360 shall not cause or suffer any mechanic's lien or other encumbrance to be placed upon the Project Area, or any part of the Canal Facilities in connection with the performance of the Work or in the case of the operation, maintenance, or repair of the Pipeline by the City. In the event any mechanic's lien or other encumbrance is asserted or filed on the Project Area

or any part of the Canal Facilities, R360 and the City shall immediately cause the removal thereof by payment of the lien or substituting a bond under the Colorado Mechanic's Lien Act.

- vi. At all times during the performance of the Work, R360 shall keep the Project Area and any land immediately adjoining to the Project Area affected by construction of the Pipeline free from the accumulation of waste materials or rubbish. Upon completion of the Work, R360 shall remove all waste material and rubbish from the Project Area, as well as all tools, construction equipment, machinery and surplus machinery and, to the extent that the R360 disturbs any of the Canal Facilities or other property adjacent to the Pipeline, to restore all the land and facilities affected by the Pipeline including land adjacent to the Canal Facilities to the condition existing prior to the commencement of construction, except as is specifically provided in the Plans and Specifications.
- e. Subcontractors. R360 shall cause each contractor and each subcontractor to maintain insurance complying with the laws of the State of Colorado for workers' compensation, unemployment compensation, and occupational diseases. Prior to the commencement of the Work, R360 shall within 10 days of a written request provide to RWP certificates of insurance showing such coverage in effect and also providing that such insurance will not be canceled or modified except upon thirty (30) days' written notice to RWP.
- f. Notice of Inspection, Covering of the Work. R360 shall give RWP timely notice of readiness for inspection of any aspects of the Work or any features thereof that require inspection by any governmental entity having authority over the same, or on which RWP or its consultant(s) request inspection. For any aspect of the Work requiring inspection, R360 shall furnish RWP with all required certificates of inspection, testing, or approval. The conduct of any inspections, tests, or approvals by RWP or its engineer shall not relieve R360 from any warranty or obligation under this Agreement. R360 shall not cover up or backfill any aspect of the Work requiring inspection, testing, or approval prior to such inspection. If any aspect of the Work is covered up or backfilled contrary to the provisions hereof, or before it has been inspected, tested, or approved, or in the event the R360 fails to deliver any required documentation of inspection, testing, or approval, then RWP or its consultant(s) may require R360 to uncover such Work to conduct such observation, inspection, testing, or approval at R360's expense.
- g. Reimbursement of RWP's Costs and Consulting Fees. R360 agrees to reimburse RWP for the internal administrative time of its Superintendent at the hourly rate of \$75.00, and for all other employees at the hourly \$45.00, for their time spent in the inspection and approval of the Work under this Agreement. R360 also agrees to reimburse RWP for third-party consulting fees that RWP pays or incurs for engineering, legal or other consultant(s) providing services to RWP related to the Project including, but not limited to, Project review and supervision, document preparation, and other Project administrative services. Legal fees will be paid on an hourly basis at \$250.00/hour. R360 shall reimburse RWP for such costs and consulting fees within thirty (30) days following RWP's submittal of an invoice for the same, attaching supporting invoices and documentation if requested.

4. Maintenance, and Repair of Pipeline. Following the construction, seasoning, testing, and acceptance of the Pipeline by the City, the City shall undertake, subject to annual appropriation, the perpetual maintenance and repair of the Pipeline so that it functions according to its intended purpose according to the Plans and Specifications. All maintenance and repairs performed by the City shall be coordinated with RWP and shall be undertaken and completed as follows:
 - a. Emergencies. An emergency situation shall mean any event, including a break, leak, or failure for any reason in the Pipeline or the Canal Facilities related thereto that creates a danger to persons, property, and/or the environment as reasonably determined by the City, any governmental entity or agency having or asserting jurisdiction of the Pipeline, or RWP. In the event of an emergency situation, the City and/or RWP and/or other governmental entity or agency shall immediately undertake such action as is reasonable or necessary to commence repair of the Pipeline, and to diligently pursue repair efforts so as to eliminate, minimize and reduce the actual or threat of loss or damage to persons, property and/or the environment.
5. Insurance. During the time that the Pipeline is under construction within the Project Area, R360 shall purchase and maintain general commercial liability insurance in an amount reasonably acceptable to RWP and name RWP as an additional insured against any and all loss, liability, claim, or damage, including, but not limited to, claims for bodily injury, property damage or death, arising from or caused by errors or omissions in the Plans and Specifications or the construction, installation, seasoning, and testing of the Pipeline. Insurance shall include claims based on the acts or omissions of R360 and its agents and employees, and all persons or entities engaged by R360 for any aspect of the Project or the Work, including the creation of the Plans and Specifications and any contractor, subcontractor of other person or entity engaged for the purpose of performing the Work or repairing, maintaining, or operating the Pipeline. The City's immunity under the Governmental Immunity Act shall not limit the City's contractual obligations to RWP under this Agreement in the event of a default by the City under this Agreement regarding the maintenance or repairs; provided, however, nothing contained herein shall limit the City in asserting the defense of governmental immunity with respect to claims by third parties against the City or RWP.
6. Default and Remedies. Time is of the essence for the performance of the obligations under this Agreement. A default shall be deemed to have occurred in the event a Party fails or refuses to begin performance of any task, duty, or other obligation provided in this Agreement following seven (7) days' advance written notice of such failure or refusal and diligently pursue the same thereafter. In the event of a default, RWP may, in its sole and absolute discretion, and without limitation on any other remedies available to RWP at law or in equity, undertake any one or all of the following remedies:
 - a. To seek a declaratory judgment to determine any question of fact or law applicable to this Agreement including the interpretation of this Agreement, or the performance or nonperformance of any duty or obligation arising out of or under this Agreement.
 - b. To seek appropriate legal and/or equitable relief, including temporary restraining orders, preliminary or permanent injunctions, specific performance, and/or compensatory damages.
 - c. Other than in the case of an emergency, after the expiration of thirty (30) days following written notice, to exercise self-help to cure a default including but not

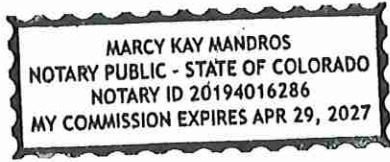
limited to, the seasoning, testing and any corrective work to the Pipeline; repairing, maintaining or restoring any aspect of the Pipeline or Canal Facilities damaged or impaired by the default under this Agreement; or the undertaking of repairs and/or maintenance to the Pipeline, including the use of RWP's personnel or equipment or the engagement of independent parties or contractors to accomplish such purpose or objective.

- d. To recover all costs and expenses that RWP reasonably pays or incurs or is advanced by RWP in the exercise of any remedy provided herein, including compensatory damages. Such costs and expenses may include the cost of any materials, labor equipment or fees to correct or cure and default, any damages paid or incurred to third parties caused by a default and any consulting fees, costs and any other fees paid or incurred by RWP in exercising its remedies hereunder, including RWP's use of its own equipment and personnel, RWP's internal administrative expenses and the fees and payments to any independent contractor or party engaged for the purposes and objectives described above.

7. Miscellaneous.

- a. Benefit. The terms of this Agreement shall inure to the benefit of and be binding upon the Parties and their successors, legal representatives, and assigns.
- b. Modification. This Agreement may not be modified except in writing signed by all the Parties hereto. Verbal modifications shall have no force or effect.
- c. Notice. Whenever required hereunder notice shall be deemed sufficiently given if in writing, upon mailing, United States mail, postage prepaid, certified, and return receipt requested, to the Parties addresses set forth below in the first paragraph of this Agreement.
- d. Integration. This Agreement is intended to be the full, complete, and integrated expression of the Parties' agreements regarding the subject matter hereof, all prior agreements, negotiations and discussions being merged herein.
- e. Venue. This Agreement shall be governed by and construed pursuant to Colorado law. With respect to any action arising out of or under this Agreement, venue shall be exclusively in the courts in and for Mesa County, Colorado.

DATED the year and date first above written.



REDLAND WATER AND POWER COMPANY

By: [Signature]
Jon Mauch, President of the Board of Directors

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 31st day of March, 2026 by Jon Mauch, President of Redlands Water and Power Company.

Witness my hand and official seal.
My commission expires: April 29, 2027

[Signature]
Notary Public

DATED the year and date first above written.

REDLANDS THREE SIXTY. LLC.

By; La Plata Communities, Inc.

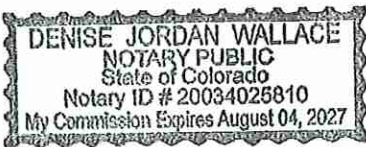
By: B. Douglas Quimby
B. Douglas Quimby, President of La Plata Communities, Inc.

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 16th day of March, 2026 by B. Douglas Quimby, President of La Plata Communities, Inc., Manager of Redlands Three Sixty, LLC.

Witness my hand and official seal.
My commission expires: 8/4/27

Denise Jordan Wallace
Notary Public



DATED the year and date first above written.

CITY OF GRAND JUNCTION

By: _____

Laurel Lutz
Laurel Lutz, President of City Council

STATE OF COLORADO)

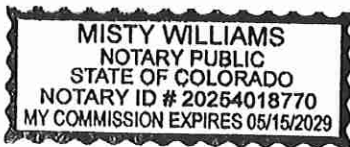
COUNTY OF) ss.

)

The foregoing instrument was acknowledged before me this 15th day of June, 2020 by Laurel Lutz, President of the City Council of the City of Grand Junction.

Witness my hand and official seal.

My commission expires: 5/15/2029



Misty Williams
Notary Public