

**DEVELOPMENT IMPROVEMENTS AGREEMENT**  
**Planning File SUB-2012-531**

**1. Parties:** The parties to this Development Improvements Agreement (“Agreement”) are **Heritage Estates, LLC**, (“Developer”) and the **City of Grand Junction, Colorado** (“City”).

For valuable consideration, the receipt and adequacy of which is acknowledged, the Parties agree as follows:

**2. Effective Date:** The Effective Date of the Agreement shall be the date that it is signed by the Public Works & Planning Director, which shall be no sooner than recordation of the final plat or final plan approval whichever first occurs.

**RECITALS**

The Developer seeks permission to develop property, described on Exhibit A attached and incorporated by this reference (“the Property” or “Property”). The Property, known as **Heritage Estates Subdivision - Filing 2** has been reviewed and approved under Community Development file # **SUB-2012-531** (“Development” or “the Development”).

The City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements to the Property and limiting the harmful effects of substandard development.

A further purpose of this Agreement is to protect the City from the cost of completing necessary improvements itself; this Agreement is not executed for the benefit of materialmen, laborers or others providing work, services or material to the Developer and/or the Property or for the benefit of the owner(s), purchaser(s) or user(s) of the Property.

The mutual promises, covenants and obligations contained in this Agreement are authorized by state law, the Colorado Constitution and City’s land development ordinances and regulations.

**DEVELOPER’S OBLIGATION**

**3. Improvements:** The Developer shall design, construct and install, at its own expense, those on-site and off-site improvements listed on Exhibit B attached and incorporated by this reference (“Improvements” or “the Improvements”).

3a. On and after the Effective Date of this Agreement the Developer agrees to pay the City for its Administration and Inspection of the Development. The hourly rate for those services is \$45.00/hour. Administration and Inspection includes but is not limited to the time expended by the City’s planner, engineer, construction inspector and attorney in directing, advising, correcting and enforcing by means other than litigation, this agreement and/or the approved development plan. Making disbursements and calling/collecting Guarantees are Administration and Inspection services and shall be charged at \$45.00/hour. See, paragraph 19 concerning attorneys’/ litigation fees.

3b. The scope of this project is such that the City may have to engage independent consultants(s) to adequately provide inspection services; Developer agrees to pay such costs, in addition to all others for which Developer is responsible hereunder.

3c. The Developer's obligation to complete the Improvements is and shall be independent of any obligations of the City contained herein.

**4. Security:** To secure the performance of its obligations under this Agreement the Developer shall supply a guarantee. The Developer is required to post security in an amount of **\$397,971.88** (120% of the amount for the Improvements) in a form and with terms acceptable to the City ("Guarantee"). The Guarantees shall be in the form of a cash deposit made to the City, a letter of credit or a disbursement agreement in a form and with content approved by the City Attorney. The Guarantee specific to this Agreement is attached as Exhibit C and are incorporated by this reference as if fully set forth.

**Select one: Disbursement Agreement**

**5. Standards:** The Developer shall construct the Improvements according to the City's standards and specifications.

**6. Warranty:** The Developer shall warrant the Improvements for one year following Acceptance by the City. "Warrant" or "Warranty" as used herein means the Developer shall take such steps and incur such costs as may be needed so that the Improvements or any portion or phase thereof as repaired and/or replaced, shall comply with the Development's construction plans and/or site plan, City standards and specifications at the end of the warranty period. The Developer shall warrant each repaired and/or replaced Improvement or any portion or phase thereof for one year following Acceptance of such repair and/or replacement.

6a. Upon Acceptance the Developer shall provide a Maintenance Guarantee in an amount of **\$66,328.65** (Line G2, Exhibit B, City Security).

6b. The Maintenance Guarantee shall be secured by a letter of credit, cash escrow or other form acceptable to the City.

**7. Commencement, Completion and Abandonment Periods:** The Developer shall commence work on the Improvements within 30 days from the Effective Date of this Agreement; that date is known as the "Commencement Date."

7a. The Developer shall complete the Improvements by the end of the twelfth month from the Effective Date of this Agreement; that date is known as the "Completion Date."

7b. The Developer shall not cease construction for any period of more than 60 consecutive days. If construction is ceased for 60 or more consecutive days the Director may deem the Development abandoned ("the Abandonment Period").

7c. The Commencement date and the Completion Date are as follows:

**Commencement Date: 02/01/2013**

**Completion Date: 02/01/2014**

**8. Compliance with Law:** The Developer shall comply with all applicable federal, state and local laws, ordinances and regulations when fulfilling its obligations under their Agreement. When necessary to protect the public health, safety or welfare, the Developer shall be subject to laws, ordinances and regulations that become effective after the Effective Date.

**9. Notice of Defect:** The Developer by and through his/her/its engineer shall provide timely written notice to the issuer of the Guarantee and the Director when the Developer and/or his/her/its engineer has knowledge, that an Improvement or any part or portion of any Improvement either does not conform to City standards or is otherwise defective.

9a. The Developer shall correct all non-conforming construction and/or defects within thirty (30) days from the issuance of the notice by his/her/its engineer of a/the defect.

**10. Acceptance of Improvements:** The City shall not accept and/or approve any or all of the Improvements until the Developer presents a document or documents for the benefit of the City showing that the Developer owns the Improvements in fee simple, or as accepted by the City Attorney, and that there are no liens, encumbrances or other restrictions on the Improvements other than those that have been accepted by the City Attorney.

10a. Approval and/or acceptance of any Improvement(s) does not constitute a waiver by the City of any right(s) that it may have on account of any defect in or failure of the Improvement that is detected or which occurs after approval and/or acceptance.

10b. Acceptance by the City shall only occur when the City Engineer, sends a writing to such effect ("Acceptance").

**11. Reduction of Security:** Upon Acceptance of any Improvement(s) the amount which the City is entitled to draw on the Guarantee shall be reduced by an amount of **\$331,643.24** (Line GI, Exhibit B, Total Improvement Costs).

11a. At the written request of the Developer, the City shall execute a certificate verifying Acceptance of the Improvement and thereafter waiving its right to draw on the Guarantee to the extent of such amount. A Developer in default under this Agreement has no right to such certification.

**12. Use of Proceeds:** The City shall use funds deposited with it, drawn or guaranteed pursuant to this Agreement only for the purpose of completing the Improvements or correcting defects in or failure of the Improvements or paying Administration and Inspection fees.

**13. Events of Default:** The following conditions, occurrences or actions shall constitute a default by the Developer:

13a. Developer's failure to complete each portion of the Improvements on or before the Completion Date;

13b. Developer's failure to demonstrate reasonable intent to correct defective construction of any Improvements within the applicable warranty period;

13c. Developer's insolvency, the appointment of a receiver for the Developer or the filing of a voluntary or involuntary petition in bankruptcy respecting the Developer. In such event the City may immediately declare a default without prior notification to the Developer;

13d. Notification to the City, by any lender with a lien on the Property, of a default by Developer on any obligation to such lender. In such event, the City may immediately declare a default without prior notification to the Developer.

13e. With regard to the Property or any portion thereof: initiation of any foreclosure action regarding any lien or encumbrance; or initiation of mechanics lien(s) procedure(s); or assignment or conveyance of the Property in lieu of foreclosure. In such event the City may immediately declare a default without prior notification to the Developer.

13f. Notification to the City from the bank issuing the Guarantee that it will not renew the Guarantee at a time when security is still required hereunder and no substitute collateral acceptable to the City has been provided by the Developer.

13g. Except as provided, the City may not declare a default until written notice has been sent to the Developer at the address shown in the development file. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail, postage prepaid.

**14. Measure of Damages:** The measure of damages for breach of this Agreement by the Developer shall be the reasonable cost of satisfactorily completing the Improvements, plus reasonable expenses. Expenses may include but are not limited to contracting costs, collection costs and the value of planning, engineering, legal and administrative staff time devoted to the collection/completion of the Improvements. For Improvements upon which construction has not begun, the estimated costs of the Improvements as shown on Exhibit B shall be *prima facie* evidence of the minimum cost of completion; however, the maximum amount of the Developer's liability shall not be established by that amount or the amount of the Guarantee.

**15. City's Rights Upon Default:** When any event of default occurs, the City may draw on the Guarantee or proceed to collect any other security to the extent of the face amount of the Guarantee less eighty percent (80%) of the estimated cost (as shown on Exhibit B) of all Improvements for which the City has given its Acceptance and no warranty work is reasonably required. The City may also exercise its rights to disbursement of loan proceeds or other funds under the City improvements disbursement agreement.

15a. The City shall have the right to complete Improvements itself or it may contract with a third party for completion.

15b. The Developer grants to the City, its successors, assigns, agents, contractors and employees, a nonexclusive right and easement to enter the Property for the purposes of constructing, reconstructing, maintaining, inspecting and repairing the Improvements.

15c. The City may assign the proceeds of the Guarantee or other funds or assets that it may receive in accordance with this Agreement to a subsequent developer or lender that has acquired the Property by purchase, foreclosure or otherwise.

15d. That developer or lender shall then have the same rights of completion as the City if and only if the subsequent developer or lender agrees in writing to complete or correct the Improvements and provides to the City reasonable security for that obligation.

15e. These remedies are cumulative in nature and are in addition to any other remedies the City has at law or in equity.

**16. Indemnification:** The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns ("City") harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained by any person or entity in connection with or on account of the performance or non-performance of work at the Property and/or the Improvements and/or the Development that is being done pursuant to this Agreement.

16a. The Developer further agrees to aid and defend the City in the event that the City and/or the Improvements is named as a defendant in an action concerning the performance of work pursuant to this Agreement except for a suit wherein the Developer states claim(s) against the City.

16b. The Developer is not an agent, partner, joint venturer or employee of the City.

**17. No Waiver:** No waiver of any provision of this Agreement by the City shall be deemed or constitute a waiver of any other provision nor shall it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both the City and the Developer; nor shall the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The City's failure to exercise any right under this Agreement shall not constitute the approval of any wrongful or other act by the Developer or the acceptance of any Improvement.

**18. Amendment or Modification:** The parties to this Agreement may amend or modify this Agreement only by written instrument executed on behalf of the City by the City Manager or his designee and by the Developer or his/her/its authorized officer. Such amendment or modification shall be properly notarized before it may be deemed effective.

**19. Attorney's Fees:** Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, shall be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. The City shall be entitled to claim the value of its in-house attorneys at the rate of

\$125.00 per hour. If relief is awarded to both parties the attorney's fees may be equitably divided between the parties by the decision maker.

**20. Vested Rights:** This Agreement does not guarantee, represent or certify that the Developer is entitled to any other approval(s) required by the City, before the Developer is entitled to commence development beyond the scope of this Agreement or to transfer ownership of the Property being developed.

**21. Integration:** This Agreement, together with the exhibits and attachments thereto constitutes the entire Agreement between the parties. No statement(s), promise(s) or inducements(s) that is/are not contained in this Agreement shall be binding on the parties.

**22. Third Party Rights:** No person or entity who or which is not a party to this Agreement shall have any right of action under or be a beneficiary of this Agreement.

**23. Time:** For the purpose of computing the Abandonment Period and Commencement and Dates, such times in which war, civil disasters or acts of God occurs or exist shall not be included if such prevents the Developer or City from performing its obligations under the Agreement. The Developer must notify the City in writing if/when it asserts impossibility of performance under this paragraph. The City may reject the Developer's assertion, if it finds, in writing that the condition(s) that the Developer asserts do not exist.

**24. Severability:** If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or otherwise unenforceable, such illegality or unenforceability shall not affect the validity of any other part, term or provision. The rights of the parties shall be construed as if the part, term or provision was never part of the Agreement.

**25. Benefits:** The benefits of this Agreement to the Developer are personal and may not be assigned without the express written approval of the City. Such approval may not be unreasonably withheld but any unapproved assignment is void.

**25a.** Notwithstanding the foregoing, the burdens of this Agreement are personal obligations of the Developer and also shall be binding on the heirs, successors and assigns of the Developer and shall be a covenant(s) running with the Property.

**25b.** There is no prohibition on the right of the City to assign its rights under this Agreement.

**25c.** Upon written request from the Developer the City shall expressly release the original Developer's Guarantee and/or contract obligations if it accepts new security from any developer or lender who obtains the Property, however, no other act of the City shall constitute a release of the original Developer from his liability under this Agreement.

**25d.** When the City has issued its Acceptance regarding the Improvements, the City agrees to state the same in writing, with appropriate acknowledgments.

25e. The City shall sign a release only after all warranty periods, as extended by litigation, repair or alteration work, have expired.

26. **Notice:** Any notice required or permitted by this Agreement shall be deemed effective two calendar days after deposit with the United States Postal Service, first class, postage prepaid and addressed as follows:

If to Developer:	<b>Heritage Estates, LLC</b> <b>2350 G Road</b> <b>Grand Junction, Co. 81505</b> <b>(970) 255-8853</b> <b>(970)245-1452</b> <b><u>kkerk@BlueStarIndustries.com</u></b>	Name -Developer/Company Address (Street and Mailing) City, State & Zip Code Telephone Number Fax Number E-mail
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If to City:                   Office of the City Attorney  
250 North 5<sup>th</sup> Street  
Grand Junction, CO 81501

Cc:                           Public Works & Planning Department  
250 North 5<sup>th</sup> Street  
Grand Junction, CO 81501

27. **Recordation:** Developer shall pay the costs to record a memorandum of this Agreement (Exhibit D) in the records of the Mesa County Clerk and Recorder's Office. The Developer may, at his/her/its option record the entire agreement.

28. **Immunity:** Nothing contained in this Agreement constitutes a waiver of the City's sovereign or other immunity under any applicable law.

29. **Personal Jurisdiction and Venue:** Personal jurisdiction and venue for any action commenced by either party to this Agreement whether arising out of or relating to the Agreement, the Guarantee, the Maintenance Guarantee or any action based arising out of or under this Agreement shall be deemed to be proper only if such action is commenced in Mesa County, Colorado.

29a. The Developer expressly waives his/her/its right to bring such action in or to remove such action to any other court whether state or federal.

30. **Liability before Acceptance:** The City shall have no responsibility or liability with respect to any street or other Improvement(s), notwithstanding the use of the same by the public, unless the street or other Improvement shall have received Acceptance by the City.

30a. If the City allows a street to be constructed in stages, the Developer of the first one-half street opened for traffic shall construct the adjacent curb, gutter and sidewalk in the standard location and shall construct the required width of pavement from the edge of gutter on the side of the street nearest the property to enable an initial two-way traffic operation without on-street parking.

30b. Developer shall also construct and pay for end-transitions, intersection paving, drainage facilities and adjustments to existing utilities necessary to open the street to traffic.

30c. The City shall not issue its written Acceptance with regard to any Improvement(s) including any street, storm drainage facility, sewer, water facility or other required Improvement(s), until the Developer:

- (i) furnishes to the City Engineer as-built drawings in reproducible form, blue line stamped and sealed by a professional engineer and in computer disk form and copies of results of all construction control tests required by City specification;
- (ii) provides written evidence to the City Engineer under signature of a qualified expert that the earth, soils, lands and surfaces upon in and under which the improvement(s) have been constructed or which are necessary for the improvements are free from toxic, hazardous and other regulated substances or materials;
- (iii) provides written evidence to the City Attorney that the title to lands underlying the improvements are free and clear from all liens and encumbrances, except those items and encumbrances which may be approved in writing by the City Attorney; and
- (iv) provides written evidence, certified by the Developer's engineer, that the work was systematically inspected and tested and that the materials and the compaction of the materials that are required to be compacted, were in conformance with City-approved plans and specifications.

By:

  
 \_\_\_\_\_  
 Developer's Signature

11-05-12  
 \_\_\_\_\_  
 Date

Developer's Name: L. John Davis

Corporate Attest:

\_\_\_\_\_  
 Name Date

City of Grand Junction  
 250 North 5th Street  
 Grand Junction, CO 81501

  
 \_\_\_\_\_

Effective Date: 11-5-2012

Public Works & Planning Dept. Date



## EXHIBIT B

### IMPROVEMENTS COST ESTIMATE

DATE:

October 18, 2012

Revised January 3, 2013

DEVELOPMENT NAME:

**HERITAGE ESTATES FILING 2**

LOCATION:

24 3/4 Road, Grand Junction, CO

PERSON PREPARING:

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
<b>A. SANITARY SEWER</b>					
1	8" PVC Sanitary Sewer Main	LF	1,613	\$ 23.00	\$ 37,099.00
2	" PVC Sanitary Sewer Main	LF			\$ -
3	" PVC Sanitary Sewer Main	LF			\$ -
4	Sewer services	EA	20	\$ 565.00	\$ 11,300.00
5	Sanitary Sewer Manhole	EA	9	\$ 1,630.00	\$ 14,670.00
6	Sanitary Sewer Drop Manhole	EA	1	\$ 2,500.00	\$ 2,500.00
7	Connection to Existing Manhole	EA	1	\$ 2,510.00	\$ 2,510.00
8	Concrete Encasement	LF	60	\$ 10.00	\$ 600.00
<b>Subtotal Part A Sanitary Sewer</b>					<b>\$ 68,679.00</b>
<b>B. DOMESTIC WATER</b>					
1	4 " PVC Water Main	LF			\$ -
2	8" PVC Water Main	LF	838	\$ 28.60	\$ 23,966.80
3	10" PVC Water Main	LF	250	\$ 30.00	\$ 7,500.00
4	4 " Gatevalve	EA			\$ -
5	8" Gatevalve	EA	5	\$ 1,276.00	\$ 6,380.00
6	10" Gatevalve	EA	1	\$ 1,500.00	\$ 1,500.00
7	Water Services (copper)	EA	18	\$ 948.00	\$ 17,064.00
8	Connect to Existing Water Line	EA	3	\$ 245.00	\$ 735.00
9	Fire Hydrant with Valve	EA	1	\$ 3,948.00	\$ 3,948.00
10	Water Valve Adjustments	EA	6	\$ 55.00	\$ 330.00
11	Blowoff	EA	3	\$ 500.00	\$ 1,500.00
12	UTE Water Tap Fee	EA			\$ -
<b>Subtotal Part B - Domestic Water</b>					<b>\$ 62,923.80</b>
<b>C1 STREETS</b>					
1	4" PVC Utility/Irrigation sleeves	LF	440	\$ 10.00	\$ 4,400.00
2	Dry Utility Trenching	LF	1,130	\$ 5.00	\$ 5,650.00
3	Xcel (Gas & Electric) Services	EA			\$ -
4	Qwest and Bresnan Services	EA			\$ -
5	Aggregate Base Course (Class 6) (6" Compacted Thickness)	CY			\$ -
6	Aggregate Base Course (Class 6) (12" Compacted Thickness)	CY	1,305	\$ 18.30	\$ 23,881.50
7	Hot Bituminous Paving, Grading (3" thick)	TON	402	\$ 99.60	\$ 40,039.20
8	Hot Bituminous Paving, Grading ( " thick)	TON			\$ -
9	Hot Bituminous Paving, Patching ( " Thick)	SY			\$ -
10	Geotextile	SY			\$ -
11	Concrete Curb ( " Wide by " High)	LF			\$ -
12	Concrete Curb and Gutter (2' wide)	LF			\$ -
13	Concrete Curb and Gutter (1.5' wide)	LF			\$ -
14	Monolithic, Vertical Curb, Gutter and Sidewalk (6.5' Wide)	LF			\$ -
15	Drive Over Curb, Gutter, and Sidewalk (6.5' Wide)	LF	1,538	\$ 18.10	\$ 27,837.80

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
16	Concrete Sidewalk ( ' Wide)	LF			\$ -
17	Concrete Gutter and Driveway Section (6" Thick)	SY			
18	Concrete Drainage Pan (6' Wide, 6" Thick)	LF	56	\$ 15.00	\$ 840.00
19	Concrete Corner Fillet	EA			\$ -
20	Concrete Curb Ramp	SY			\$ -
21	8" Comb. Cross pans, Fillets & ADA Ramps	SF	1,735	\$ 5.65	\$ 9,802.75
22	Concrete Driveway ( 6" Thick)	SY			\$ -
23	Driveway/Concrete Repair	SY			\$ -
24	Retaining Walls	LF			\$ -
25	Street Signs	EA	2	\$ 400.00	\$ 800.00
26	Striping (New, Remove/Replace)	LF			\$ -
27	Street Lights	EA			\$ -
28	Signal Construction or Reconstruction	LS			\$ -
29	Flowable Fill	CY			\$ -
30	Sleeves, " PVC	LF			\$ -
31	Irr. Sleeves, 8", C-900 PVC	LF	88	\$ 15.00	\$ 1,320.00
32	Truncated dome ADA mats (Cast iron)	SF	32	\$ 25.55	\$ 817.60
33	12" CBU mailbox pads	SF	40	\$ 9.70	\$ 388.00
<b>C2</b>	<b>BRIDGES</b>				
					\$ -
1	Box Culvert Pre-Cast	LS			\$ -
2	Box Culvert Cast-in-Place	LS			\$ -
3	Wingwalls	LS			\$ -
4	Parapet Wall	LS			\$ -
5	Railing (handrail, guardrail)	LS			\$ -
	<b>Subtotal Part C - Streets and Bridges</b>				<b>\$ 115,776.85</b>
<b>D1</b>	<b>EARTHWORK</b>				
1	Mobilization	LS			\$ -
2	Clearing and Grubbing	AC			\$ -
3	Unclassified Excavation	CY	568	\$ 3.45	\$ 1,959.60
4	Unclassified Embankment	CY	8,753	\$ 3.45	\$ 30,197.85
5	Import Material	CY			\$ -
<b>D2</b>	<b>REMOVALS AND RESETTING</b>				
1	Removal of Asphalt	SY			\$ -
2	Removal of Miscellaneous Concrete	SY			\$ -
3	Remove Curb and Gutter	LF			\$ -
4	Removal of Culverts	LF			\$ -
5	Remove Structures	EA			\$ -
6	Remove Signs	EA			\$ -
7	Remove Fence	LF			\$ -
8	Adjust Manhole	EA	5	\$ 495.00	\$ 2,475.00
9	Adjust Valvebox	EA			\$ -
10	Relocate or Adjust Utilities	LS			\$ -
11	House & Garage Demo	LS			\$ -

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
<b>D3</b>	<b>EROSION CONTROL, SEEDING, AND SOIL RETENTION</b>				
1	Sod	SY			\$ -
2	Seeding (Native)	AC			\$ -
3	Seeding (Bluegrass/Lawn)	SY or AC			\$ -
4	Hydraulic Seed and Mulching	SY or AC			\$ -
5	Soil Retention Blanket	SY			\$ -
6	Silt Fence	LF		\$ 2.00	\$ -
7	Straw Waddles	LF			\$ -
8	Temporary Berms	LF		\$ 2.00	\$ -
9	Inlet Protection	EA		\$ 500.00	\$ -
10	Sediment Trap/Basin	EA			\$ -
11	Monthly Maintenance/Inspection	Month		\$ 60.00	\$ -
12	Watering (Dust Control)	LS			\$ -
13	Temporary Irrigation				\$ -
14	Vehicle tracking control	EA	1	\$ 2,000.00	\$ 2,000.00
<b>D4</b>	<b>STORM DRAINAGE FACILITIES</b>				
1	Finish Grading (incl. Swales, and Ponds)	LS			\$ -
2	18" ADS Storm Drain Pipe	LF			\$ -
3	15" Storm Drain Pipe	LF			\$ -
4	18" RCP Storm Drain Pipe	LF			\$ -
5	30" RCP Storm Drain Pipe	LF	239	\$ 50.00	\$ 11,950.00
6	30" RCP Flared End Section	EA	1	\$ 500.00	\$ 500.00
7	12" ADS Flared End Section	EA			\$ -
8	" Flared End Section	EA			\$ -
9	48" Storm Drain Manhole	EA			\$ -
10	60" Storm Drain Manhole	EA	1	\$ 3,500.00	\$ 3,500.00
11	72" Storm Drain Manhole	EA			\$ -
12	Manhole with Box Base	EA			\$ -
13	Connection to Existing MH	EA			\$ -
14	Single Curb Opening Storm Drain Inlet	EA			\$ -
15	Double Curb Opening Storm Drain Inlet	EA			\$ -
16	Area Storm Drain Inlet	EA			\$ -
17	Detention Area Outlet structure	EA			\$ -
18	Rip-Rap D <sub>50</sub> = 6"	CY	16	\$ 200.00	\$ 3,200.00
19	Sidewalk Trough Drain	EA			\$ -
20	Pump Systems including Electrical	LS			\$ -
21	Concrete V-pan (2' wide x 6" thick)	LF			\$ -
	<b>Subtotal Part D - Grading and Drainage</b>				<b>\$ 55,782.45</b>
<b>E1</b>	<b>IRRIGATION</b>				
1	Connect to Existing Pipe	LS	2	\$ 50.00	\$ 100.00
2	3" PVC Irrigation Pipe	LF	664	\$ 10.00	\$ 6,640.00
3	4" PVC Irrigation Pipe	LF	0		\$ -
4	Fittings and Valves	LS	15	\$ 50.00	\$ 750.00
5	Services	EA	15	\$ 50.00	\$ 750.00
6	Pump System and Concrete Vault	LS			\$ -
7	Irrigation Structure	EA			\$ -
8	Vacuum Relief and/or Air Release Valve	EA			\$ -
<b>E2</b>	<b>LANDSCAPING</b>				
1	Design/Architecture	LS			\$ -
2	Earthwork	CY			\$ -
3	Hardscape Features	LS			\$ -
4	Plant Material & Planting	LS			\$ -
5	Irrigation System	LS			\$ -
6	Curbing	LF			\$ -
7	Retaining Walls & Structures	LF			\$ -
8	1 Year Maintenance Agrmnt.	LS			\$ -
9	Topsoil	CY			\$ -

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
<b>Subtotal Part E - Landscaping and Irrigation</b>					<b>\$ 8,240.00</b>
<b>Subtotal Construction Costs</b>					<b>\$ 311,402.10</b>
<b>F.</b>	<b>MISCELLANEOUS ITEMS</b>				
1	Construction staking/surveying	%	2.00%	\$ 311,402.10	\$ 6,228.04
2	Developer's inspection cost	%		\$ 311,402.10	\$ -
3	General construction supervision	%		\$ 311,402.10	\$ -
4	Quality control testing	%	2.00%	\$ 311,402.10	\$ 6,228.04
5	Construction traffic control	%	0.00%	\$ 311,402.10	\$ -
6	City inspection fees	%	0.50%	\$ 311,402.10	\$ 1,557.01
7	As-builts	%	2.00%	\$ 311,402.10	\$ 6,228.04
<b>Subtotal Part F - Miscellaneous Items</b>					<b>\$ 20,241.14</b>
% = Percentage of total site construction costs					
<b>G.</b>	<b>COST SUMMARY</b>				
1	<b>Total Improvement Costs</b>				<b>\$ 331,643.24</b>
2	<b>City Security (20%)</b>				<b>\$ 66,328.65</b>
3	<b>Total Guarantee Amount</b>				<b>\$ 397,971.88</b>
NOTES					
1. All prices shall be for items complete in place and accepted. 2. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction. 3. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere. 4. All concrete items shall include Aggregate Base Course where required by the drawings. 5. Fill in the pipe type for irrigation pipe and sleeves. 6. Reconditioning shall be calculated to at least 6" outside of back of walk on both sides. 7. Units can be changed if desired, simply annotate what is used. 8. Additional lines or items may be added as needed.					
_____ Signature of Developer                      Date (If corporation, to be signed by President and attested to by Secretary together with the corporate seals.)					
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.					
_____ City Development Engineer                      Date					
_____ Community Development                      Date					

**DEED OF TRUST**

THIS DEED OF TRUST is entered into this 4<sup>th</sup> day of December, 2013 between Sonshine IV Construction & Development, LLC, a Colorado limited liability company (Grantor), whose address is 2350 G Road, Grand Junction Colorado 81505, and the Public Trustee of the County of Mesa, State of Colorado, for the benefit of the City of Grand Junction (Beneficiary), whose address is 250 North 5<sup>th</sup> Street, Grand Junction, Colorado 81501.

**Witness that** the Grantor, to secure the obligations of Developers Blue Star Industries, LLC and Heritage Estates, LLC under those certain Development Improvements Agreements dated 11/5/12 (SUB-2012-531 Filing 2), 12/4/12 (SUB-2012-399 Filing 1), 6/27/13 (SUB-2012-531 Filing 3), and 8/29/13 (SUB-2013-216 Filing 4) between Blue Star Industries, LLC (Filing 1)/Heritage Estates (Filings 2 through 4) and the City of Grand Junction and to secure said Developer's warranty and maintenance obligations for Filings 1 through 4 of Heritage Estates related to the aforementioned Grand Junction Planning File Numbers, hereinafter referred to as Agreements, in the principle sum of One Hundred Seventy Six Thousand Four Hundred Five and 19/100 Dollars (\$176,405.19), hereinafter referred to as the Secured Indebtedness, payable to the Beneficiary, does hereby grant and convey unto said Public Trustee the following described property situate in the County of Mesa in the State of Colorado, to wit:

Lot 1 and Lot 7, Greystone Estates II

referred to herein as "the Property" or "property."

TO HAVE AND TO HOLD the same, together with all appurtenances, in trust nevertheless, in case of default on the obligations in the Agreements, or any part thereof, or in the performance of any covenants hereinafter set forth, then the Beneficiary may demand the property be sold by filing a notice of election and demand for sale with the Public Trustee. The Public Trustee shall mail and publish a combined notice of sale and grantor's rights in compliance with Colorado law. Such legal notice is to be published as required by law in a newspaper in the county or counties where the property is located. A copy of the combined notice shall be mailed to all persons entitled to receive notice as required by law. It shall then be lawful for the Public

Trustee to sell the property at auction for cash, at any proper place designated in the notice of sale. Out of the proceeds of the sale the Trustee shall retain or pay first all fees, charges and costs and all moneys advanced for taxes, insurance and assessments, or on any prior encumbrance, with interest thereon, and pay the principle sum above referenced to the Beneficiary, rendering the overplus, if any, to the Grantor; and the Trustee shall execute and deliver to the purchaser a confirmation deed to the property no later than nine days after the date of sale, or if later, the expiration of all redemption periods and the receipt by the Trustee of all statutory fees and costs. The Beneficiary may purchase the property or any part thereof at such sale.

The Grantor covenants that at the time of the delivery of these presents, Grantor is seized of the property in fee simple, and that the property is free of encumbrances.

The Grantor also covenants that the Grantor will keep all buildings, whether now existing or hereafter constructed, insured with a company approved by the Beneficiary for fire and extended coverage in an amount equal to the Secured Indebtedness with loss payable to the Beneficiary, will deliver a copy of the policy to the beneficiary and will pay all taxes and assessments against the property and amounts due on prior encumbrances. If Grantor fails to pay insurance premiums, taxes and amounts due on prior encumbrances, the Beneficiary may pay the same and all amounts shall become additional indebtedness due hereunder; and in the case of foreclosure, the Grantor will pay attorney's fees of \$1,500.00 for in-house counsel, or the total reasonable attorney's fees charged to Beneficiary by contracted counsel.

Should the Beneficiary be made a party to any action affecting this deed of trust or the title to the property the Grantor agrees that all court costs and reasonable attorney's fees shall become additional indebtedness due hereunder; and the Grantor does hereby waive and release all claims in the property of a homestead exemption or other exemption now or hereafter provided by law.

If all or any part of the property or an interest therein is sold or transferred by the Grantor without Beneficiary's prior written consent excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, of (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, prior to the sale or transfer, Beneficiary and the person to whom the property is to be sold or transferred reach agreement in writing that such person will assume all obligations contained in the Agreements secured hereby.

It is agreed that in the case of default of the Grantor on any of the obligations under the Agreements or a breach of any of the covenants herein, then the Secured Indebtedness may at the

option of the Beneficiary become due and payable at once, anything in the Agreements to the contrary notwithstanding, and possession of the property will thereupon be delivered to the Beneficiary, and on failure to deliver such possession the Beneficiary shall be entitled to a receiver for the property, who may be appointed by any court of competent jurisdiction.

Grantor will continuously maintain its existence as a Colorado Limited Liability Company as currently constituted.

Grantor shall furnish to the Beneficiary copies of all lease forms to be used to lease any portion of the Property. No such lease form shall be effective without the prior written consent of Beneficiary. Such approval shall not be unreasonably withheld.

All the covenants herein shall be binding upon the respective heirs, personal representatives, successors and assigns of the parties hereto.

Executed the day and year first above written.

GRANTOR:

Sonshine IV Construction & Development, LLC,  
a Colorado limited liability company

By: Blue Star Construction, Inc., a Colorado  
corporation, Member

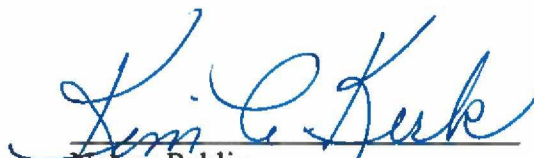
By:   
John Davis, President

STATE OF COLORADO )  
 ) ss  
COUNTY OF MESA )

The foregoing instrument was subscribed and sworn to before me this 4<sup>th</sup> day of December, 2013 by John Davis as president of Blue Star Construction, Inc., a Colorado corporation, a Member of Sonshine IV Construction & Development, LLC, a Colorado limited liability company.

Witness my hand and official seal.  
My commission expires:



  
Notary Public



**Sheila Reiner**  
 Clerk and Recorder  
 200 S. Spruce St.  
 Grand Junction, CO 81501  
 (970)-244-1679



**Print Date:**  
 12/12/2013 4:14:06 PM

Transaction #: 178774  
 Receipt #: 2013072047  
 Cashier Date: 12/12/2013 4:14:06 PM

Mailing Address:  
 P.O. BOX 20,000-5007  
 Grand Junction, CO 81502  
 (970)-244-1679

www.mesacounty.us

Customer Information	Transaction Information	Payment Summary
(CITYOFGJ) CITY OF GRAND JCT  COM DEVELOP 250 N 5TH ST GRAND JCT, CO 81501 Escrow Balance: \$198.00	Date Received: 12/12/2013 Source Code: Over The Counter Return Code: Over The Counter Trans Type: Recording	Total Fees \$21.00 Total Payments \$21.00

#### 1 Payments

CASH	\$21.00
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#### 1 Recorded Items *Heritage Estates # 1 through # 4*

(TD) DEED OF TRUST	BK/PG: 5556/119 Reception Number: 2677168 Date: 12/12/2013 4:14:05 PM From: To:
Recording @ \$10 per page \$1 Surcharge	3 \$21.00

#### 0 Search Items

#### 0 Miscellaneous Items



**MAINTENANCE GUARANTEE**

**Planning File No: SUB-2012-531**

1. **Parties:** The parties to this Maintenance Guarantee ("the Guarantee" or "Guarantee") are **Blue Star Industries, LLC** ("the Developer") and the City of Grand Junction, Colorado ("the City" or "City"). Collectively the Developer and the City may be referred to as the Parties.

FOR valuable consideration, the receipt and adequacy of which is acknowledged, the Parties agree as follows:

2. **Effective Date:** The Effective Date of the Guarantee will be the date that it is signed and accepted by the City.

**RECITALS**

The Developer has constructed, installed and is required to warrant and maintain certain improvements ("Improvements" or "the Improvements") which were made necessary by virtue of development on property within the City. The Property, known as **Heritage Estates Filing 2** has been reviewed and approved under Planning file number **SUB-2012-531** and as necessary or required to construe this guarantee, that file(s) is/are incorporated by this reference.

The City seeks to protect the health, safety and general welfare of the community by requiring that the Improvements, once constructed, be maintained. The purpose of this guarantee is to protect the City from having to repair the Improvements at its cost. The Agreement is not executed for the benefit of materialmen, laborers or others providing work, services or material to the Developer and/or the Property or for the benefit of the owners, purchasers or users of the Property. The mutual promises, covenants and obligations contained in this guarantee are authorized by law, the Colorado Constitution, the Charter and the City's ordinances.

**DEVELOPER'S OBLIGATION**

3. **Improvements:** The Developer or its successor(s) or assign(s) shall maintain and guarantee the Improvements, at his/her/its own expense, against defects in workmanship and materials for a period of one year from the date of City acceptance of the Improvements. The Developer's obligation is and will be independent of any obligations of the City.

4. **Security:** To secure the performance of its obligations the Developer is required to post security in an amount of **\$66,328.65** (Line G2, Exhibit B, City Security).

4a. The Developer has posted security to guarantee the Improvements in an amount, form and with terms acceptable to the City.

4b. In addition to that security all warranties and/or guarantees (those incident to construction or as provided by the contractor and/or manufacturer of installed equipment) are hereby assigned to the City.

4c. The Developer shall to the extent necessary or required by the City take whatever action is necessary or required to assign all warranties and/or guarantees (those incident to construction or as provided by the contractor and/or manufacturer of installed equipment) to the City. A copy of those warranties or a memorandum of the same is attached as Exhibit A.

4d. The Developer for itself, its successors and assigns agrees that if the Improvements are not maintained to City standards that the City shall notify the Developer in writing of the defect(s) in accordance with paragraph 8 hereof.

5. **Standards:** The Developer shall maintain the Improvements according to the standards and specifications required by the City or as otherwise established by the City Engineer.

6. **Warranty:** The Developer hereby warrants that the Improvements, each and every one of them, will be maintained in accordance with the Standards in paragraph 5 for the period of this guarantee.

7. **Compliance with Law:** The Developer shall comply with all applicable federal, state and local laws, ordinances and regulations in effect at the time of final approval when fulfilling its obligations under this guarantee. When necessary to protect the public health, safety or welfare, the Developer shall be subject to laws, ordinances and regulations that become effective after acceptance of the Improvements.

8. **Notice of Defect/Default:** The City shall provide timely notice to the Developer whenever routine inspection reveals that an improvement and/or maintenance of the same does not conform to City standards and any specifications approved or required in or by the development or that an improvement(s) is otherwise defective.

8a. As provided herein the City shall provide written notice to the Developer at the address stated in paragraph 22. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail, postage prepaid.

8b. The Developer will have twelve (12) calendar days from the date of the notice to correct the defect.

8c. The City may grant reasonable extensions in writing to the time for correction of defect(s), however, it is not obligated to do so nor is it obligated to provide any notice of a defect(s) if it becomes aware of the defect(s) in or during an emergency. Furthermore, the City is not obligated to inspect the Improvements but may do so as it would any other improvement.

9. **Acceptance:** Prior to acceptance of any improvement(s), the Developer shall demonstrate in writing to the satisfaction of the City Attorney that it owns the Improvements in fee simple or that there are no liens, encumbrances or other restrictions other than those that have been accepted by the City Attorney on the Improvements. Approval and/or acceptance of any Improvements does not constitute a waiver by the City of any rights it may have on account of any defect in or failure of the Improvement or maintenance of the same that is detected or which occurs after approval and/or acceptance. All warranties and/or guarantees shall be for a period of no less than 12

months from the date of acceptance of the Improvements.

10. **Funds:** Funds drawn, guaranteed or collected by the City under this agreement shall be used for the purpose of correcting defects in and/or repairing or replacing failure(s) of the Improvement(s).

11. **Defect/Default Events:** The following conditions, occurrences or actions will constitute a defect and/or default:

11a. Developer's failure to maintain each and every one of the Improvements in conformance with this guarantee and/or as required by code, law, rule, ordinance or regulation;

11b. Developer's failure to correct defective construction of any Improvement within the applicable guarantee period;

11c. Developer's failure to maintain security in a form and amount required/provided by this guarantee.

11d. As provided herein the City shall provide written notice to the Developer at the address on file with the development application. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail, postage prepaid.

12. **Measure of Cost/Expenses:** The measure of costs and or expenses chargeable by the City under this guarantee will be the reasonable cost of satisfactorily repairing and/or replacing the Improvements plus reasonable City administrative expenses (in the amount of 20% of the repair, replacement and/or warranty work) all of which may exceed the amount of the security provided for in paragraph 4. The amount of the security provided for in paragraph 4 does not set, limit, establish or provide the Developer's maximum financial obligation.

12a. City administrative expenses for which the Developer is obligated to pay include but are not limited to personnel costs, including benefits, overtime, callback, standby and other extraordinary compensation, materials, equipment, third-party contracting costs, collection costs and the value of engineering, legal and administrative staff time devoted to the repair and/or replacement of the Improvements and/or enforcement of this guarantee and all initial warranty(ies) or guarantee(s) assigned to the City by the Developer.

13. **City's Rights:** When any defect or default occurs, the City may after notice and the Developer's failure and/or refusal to repair or replace the Improvements, proceed to collect the amount of the cost or expense incidental or necessary to affect the repair or replacement of the Improvements. The City will have the right to reconstruct, rebuild or otherwise maintain Improvements itself or it may contract with a third party for completion and the Developer grants to the City, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Property for the purposes of constructing, reconstructing, maintaining and repairing such Improvements. This remedy is cumulative in nature and is in addition to any other remedy the City has at law or in equity.

**14. Indemnification:** The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the performance or non-performance of work at the Property pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance or non-performance of work pursuant to this guarantee. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance of work pursuant to this guarantee except where such suit is brought by the Developer against the City. The Developer is, however, not an agent or employee of the City.

**15. No Waiver:** No waiver of any provision of this Agreement by the City will be deemed to or constitute a waiver of any other provision, nor will it be deemed to or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both the City and the Developer; nor will the waiver of any defect or default under this guarantee be deemed a waiver of any subsequent defect(s) or default(s) of the same type. The City's failure to exercise any right under this Agreement will not constitute the approval of any wrongful act by the Developer or the acceptance of any defect(s), defaults(s) or Improvement(s).

**16. Amendment or Modification:** The Parties may amend or modify the Agreement only by written instrument executed on behalf of the City by the Public Works and Utilities Director or his designee and by the Developer or his authorized officer. Such amendment or modification shall be properly notarized before it may be deemed effective.

**17. Attorney's Fees:** Should either party be required to resort to litigation to enforce the terms of this guarantee, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If relief is awarded to both parties, the attorney's fees may be equitably divided between the parties by the decision-maker. The value of the City's in-house legal counsel is agreed to be \$125.00 per hour.

**18. Integration:** This guarantee, together with the exhibits and attachments thereto constitutes the entire agreement between the Parties and no statement(s), promise(s) or inducement(s) that is/are not contained in this agreement will be binding on the parties.

**19. Third Party Rights:** No person or entity who or which is not a party to this agreement will have any right of action under this agreement.

**20. Severability:** If any part, term or provision of this guarantee 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 right of the parties will be construed as if the part, term or provision was never part of the agreement.

**21. Benefits:** The benefits of this agreement to the Developer are personal and may not

be assigned without the express written approval of the City. Such approval may not be unreasonably withheld, but any unapproved assignment is void. Notwithstanding the foregoing, the burdens of this agreement are personal obligations of the Developer and also will be binding on the heirs, successors and assigns of the Developer and shall be a covenant(s) running with

the Property. There is no prohibition on the City to assign its rights under this agreement. The City will expressly release the original Developer's guarantee or obligations if it accepts new security from any Developer or lender who obtains the Property; however, no other act of the City will constitute a release of the original Developer from his liability under this agreement.

**22. Notice:** Any notice required or permitted by this Agreement will be deemed effective two calendar days after deposit with the United States Postal Service, first class, postage prepaid and addressed as follows:

If to Developer:	<b>Blue Star Industries, LLC</b>	Name/Developer/Company (continued)
	<b>2350 G Road</b>	Address (Street and Mailing) Address (continued)
	<b>Grand Junction, CO 81505</b>	City, State & Zip Code
	<b>970-255-8853</b>	Telephone Number
	<b>970-245-1452</b>	Fax Number
	<b>kkerk@bluestarindustries.com</b>	E-mail Address

If to City: Office of the City Attorney  
250 North 5th Street  
Grand Junction, CO 81501

CC: Planning Division  
250 North 5<sup>th</sup> Street  
Grand Junction, CO 81501

**23. Recordation:** Developer will pay for all costs to record a memorandum of this guarantee in the Clerk and Recorder's Office of Mesa County, Colorado.

**24. Immunity:** Nothing contained in this agreement constitutes a waiver of the City's sovereign or other immunity under any applicable law.

**25. Personal Jurisdiction and Venue:** Personal jurisdiction and venue for any action commenced by either party to this agreement whether arising out of or relating to the agreement, will be deemed to be proper only if such action is commenced in Mesa County, Colorado. The Developer expressly waives his right to bring such action in or to remove such action to any other court whether state or federal.

By:



Date: Dec 9, 2013

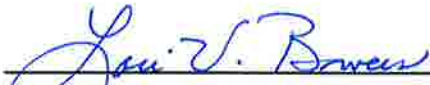
Developer's Signature

Developer's Name: John Davis

Title (position): Manager

Corporate Attest: \_\_\_\_\_

**City of Grand Junction**



Dec. 10, 2013

Date:

Signature

Project Manager



3/11/14

Date:

Signature

Development Engineer



3-11-2014

Date:

Signature

Director or Planning Manager



March 7, 2014

Ms. Kim Kerk  
Heritage Estates, LLC  
2350 G Road  
Grand Junction, Colorado 81505

RE: Initial Acceptance  
Project Name: Heritage Estates, Filing 2  
Project Number: SUB-2012-533

Ms. Kerk,

As the Developer of the referenced Project, you are hereby notified that the requirements for Initial Acceptance of the public infrastructure associated with the Project have been fulfilled. The Developer is responsible for all materials and workmanship for the public infrastructure improvements constructed or installed as part of the Project for **one year** following the Initial Acceptance date. Additionally, any improvements under the jurisdiction of other entities, such as water districts and sewer districts, shall be subject to the warranty requirements of those entities.

The City will conduct a warranty inspection of the above improvements prior to the end of the one-year warranty period. The Developer will be required to correct any deficiencies noted during the warranty period. If a deficient item requires replacement or major repairs under the warranty, the Maintenance Agreement and the full financial guarantee may be extended by one year from the date the item is repaired or replaced.

Please be aware that the City has already identified warranty repair items for this Project. These items will be included in the inspection punchlist to be prepared by City staff after the warranty inspection. Such items include the following:

- At the corner of Chalisa and Waite, the asphalt has settled along the edge of the valley pan, near the water valves.

Initial Acceptance date: **August 1, 2013.**

Amount of financial security for the Maintenance Guarantee: **\$53,573.**

Sincerely,

City of Grand Junction

EC: Shelly Dackonish, Staff City Attorney  
Lori Bowers, Senior Planner  
Dan Thorne – Street Systems  
Chris Spears – Storm Drainage Systems  
Peggy Sharpe, Administrative Assistant

Eric Hahn, City Development Engineer  
Mark Barslund, Development Inspector  
Larry Brown – Sewage Collection Systems  
Leslie Ankrum, Senior Administrative Assistant  
David Priske, Ute Water <dpriske@utewater.org>



Ms. Kim Kerk  
Blue Star Industries, LLC  
637 25 Road  
Grand Junction, CO 81505

July 17, 2014

RE: **Notice of Final Acceptance**

Project Name: Heritage Estates, Filing 2  
Project Number: SUB-2012-533

The City has conducted a warranty inspection of the project and any needed follow-up inspections. The public infrastructure improvements have been found to be in satisfactory condition, and all requirements for Final Acceptance of the project have been fulfilled. The developer's warranty obligation, for all materials and workmanship, has concluded and all warranty obligations are hereby released.

The following improvements within the public right-of-way are accepted for future maintenance by the City:

**Public streets:**

- All public streets constructed within public right-of-way, as shown on the project plat or dedicated by separate instrument.

**Storm drainage system:**

- Storm drain pipes, inlets and manholes within the public right of way.
- Maintenance of the detention pond, outlet works, and water quality features is the responsibility of the developer and/or the home owners association (HOA).

**Water distribution system:**

- N/A – This project is served by Ute Water.

**Sanitary sewer:**

- All sewer mains and manholes within public right-of-way or public easements.

The City Planner will release the Development Improvements Agreement, the Maintenance Agreement, and any financial security attached to the Project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Hahn".

Eric Hahn, PE  
City of Grand Junction - Development Engineer

Electronic copy:

Lori Bowers, Sr. Planner  
Shelly Dackonish, Staff Attorney  
Chris Spears, Streets

Mark Barslund, Development Inspector  
Larry Brown, Sanitary Sewer  
Mary Sparks, Sr. Administrative Assistant



## Mary Sparks - RE: Notice of Final Acceptance - Heritage Estates F2

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**From:** Kim Kerk <kkerk@bluestarindustries.com>  
**To:** Eric Hahn <erich@ci.grandjct.co.us>  
**Date:** 7/17/2014 9:40 AM  
**Subject:** RE: Notice of Final Acceptance - Heritage Estates F2  
**CC:** Chris Spears <chriss@ci.grandjct.co.us>, Larry Brown <larryb@ci.grandjct...>

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Good morning Eric,

Thank you, it is understood that this is an exception to the standard policy to release warranty security. Blue Star Industries and Ben Dowd Excavating will continue to maintain the level of quality and trust we have all strived for. Final paving repairs will be made as stated for Filing 2 in August, 2014.

Regards,  
Kim

Kim A Kerk, gm  
 Development Mgr  
 kkerk@bluestarindustries.com  
 Blue Star Industries, LLC  
 637 25 Rd.  
 Grand Jct., CO 81505  
 970-640-6913 cell  
 970-255-8853 ofc

---

**From:** Eric Hahn [erich@ci.grandjct.co.us]  
**Sent:** Thursday, July 17, 2014 9:20 AM  
**To:** Kim Kerk  
**Cc:** Chris Spears; Larry Brown; Lori Bowers; Mark Barslund; Mary Sparks; Shelly Dackonish; Tim Moore; Ben Dowd  
**Subject:** Notice of Final Acceptance - Heritage Estates F2

Kim,

Attached is the Final Acceptance letter for Heritage Estates, Filing 2. A signed hardcopy WILL follow.

It should be noted that this Acceptance is being issued in good faith, with the understanding that the contractor has committed to making final paving repairs in August of this year and that the developer has significant need for the warranty security to be released prior. This allowance by the City is based on the trust that has been built between the contractor and the City's engineering and construction inspection staff. However, in no way does this indicate a change in policy or an establishment of precedence for future filings.

Eric Hahn, PE  
 Public Works & Planning Dept.  
 City of Grand Junction  
 (970) 244-1443

**Mary Sparks - Notice of Final Acceptance - Heritage Estates F2**

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**From:** Eric Hahn  
**To:** Kim Kerk  
**Date:** 7/17/2014 9:19 AM  
**Subject:** Notice of Final Acceptance - Heritage Estates F2  
**CC:** Barslund, Mark; Ben Dowd; Bowers, Lori; Dackonish, Shelly; Larry Bro...  
**Attachments:** Notice of Final Acceptance - Heritage Estates F2.pdf

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Kim,

Attached is the Final Acceptance letter for Heritage Estates, Filing 2. A signed hardcopy WILL follow.

It should be noted that this Acceptance is being issued in good faith, with the understanding that the contractor has committed to making final paving repairs in August of this year and that the developer has significant need for the warranty security to be released prior. This allowance by the City is based on the trust that has been built between the contractor and the City's engineering and construction inspection staff. However, in no way does this indicate a change in policy or an establishment of precedence for future filings.

Eric Hahn, PE  
Public Works & Planning Dept.  
City of Grand Junction  
(970) 244-1443