RECEPTION#: 3172596
10/6/2026 1:59:31 PM, 1 of 7
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Bobbie Gross, Mesa County, CO.
CLERK AND RECORDER

ADU Production Program

COVENANT AGREEMENT FORM

RECORDING REQUESTED BY:

City of Grand Junction

AFTER RECORDING, PLEASE MAIL THIS INSTRUMENT TO:

City of Grand Junction

250 North 5th Street

Grand Junction, CO 81501

ATTN: CITY CLERK

COVENANT AGREEMENT RESTRICTING OCCUPANCY FOR AN ACCESSORY DWELLING UNIT AND PROVIDING FOR ENFORCEMENT CERTAIN TERMS AND CONDITIONS

This Covenant Agreement Restricting Occupancy for an Accessory Dwelling Unit ("Agreement') is made and entered into as of 7/28/2026 ("Reference Date"), by and between the City of Grand Junction, a Colorado Home Rule municipality ("City"), and Thaddeus Paul Pruss Jr and Renee Lynn Pruss Revocable Living Trust, the owner of real property ("Owner"), located at 926 Hill Ave ("Property"). Collectively the City and the Owner may be referred to as Parties.

RECITALS

1. Owner owns the Property, which is currently developed with, or will be developed with, a single-family residence. Owner has been approved by the City to construct on the Property an Accessory Dwelling Unit ("ADU") as that term is defined in 21.04.040 of Grand Junction Zoning and Development Code ("Code").

2. Ordinarily certain city Fees, collectively known as Development Impact Fees (Fire, Police, Parks and Transportation), Persigo Wastewater and City Water Plant Investment Fee (PIFs) ("Fees") will be paid by Owner as a condition of the development of an ADU under the Code. Pursuant to this agreement, the Owner may be excused from paying the Fees if the Owner, for a period of five (5) years, agrees to limit occupancy of the ADU per the terms of this Agreement and not use any Dwelling Unit on the Property as a short-term rental as "a type of lodging wherein a dwelling unit, either in full or in part, is rented to a temporary occupant(s) for monetary consideration for fewer than 30 consecutive days."

   For owner-occupied (living on the Property) Properties, an additional incentive of up to $15,000 total including Fee waiver may be included for an additional two (2) year commitment (7 years total) to not utilize the unit and not use any Dwelling Unit on the Property as a short-term rental and commits the ADU to long-term rental.

3. The Owner agrees to fully construct the ADU within one-calendar year from the issuance of the Planning Clearance.

Owner has reviewed and accepted the terms of this Agreement and has by signing agrees to comply with this Agreement.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. The City agrees to pay as consideration for the Owner's commitments, and the Owner agrees that the consideration is adequate to support the making and enforcement of the Agreement.

2. AMOUNT OF PAID FEES

The amount of Fees to be waived pursuant to this Agreement, in total, equal to **$9,278.68**("PAID Fees") and/or **$5,721.32** (additional incentive, if applicable).

3. EXECUTION AND RECORDATION OF AGREEMENT

Before the City issues a Planning Clearance for an approved ADU and agrees to pay Fees, the Owner must execute and notarize this Agreement. Following Owner's execution and notarization of this Agreement, the City will sign and record the Covenant Agreement in the office of the Mesa County Clerk and Recorder. The Agreement shall touch, concern and affect the Property as described in ExhibitA and shall be a covenant that runs with the land until released by the City.

The Agreement shall begin upon the issuance of a Planning Clearance for the ADU, have a term of **twelve (12) months** from the issuance of the Planning Clearance to complete construction and have issued a Certificate of Occupancy, and have a term of seven years from the date of a Certificate of Occupancy for the ADU ("Commencement Date") and ending on the **seventh (7th) anniversary** of the Commencement Date, unless the Parties hereto mutually terminate the Agreement earlier as provided in Section 8 ("Term").

4. EARLY TERMINATION OF THIS AGREEMENT

Owner may terminate this Agreement at any time by providing a signed written termination notice to the City and paying a Termination Fee, calculated as ((Termination Fee equal to 20% of the total incentive + (total incentive/total term years)x remaining term years)).

The following example illustrates how the Termination Fee is calculated:
If the total incentive paid to the Owner was $15,000, and the Owner terminates the Agreement with three full or partial years remaining in the original seven-year term, the Termination Fee would be $9,428.57.
This is calculated as follows:
(1) $3,000, representing 20% of the $15,000 incentive; plus
(2) $6,428.57, representing the prorated amount for the remaining term:
$15,000 ÷ 7 years = $2,142.86 per year
$2,142.86 × 3 years = $6,428.57

5. SALE OR TRANSFER OF TITLE

If the Property is voluntarily or involuntarily transferred or sold, the Owner must pay the Termination Fee at time of transfer or sale closing or the successor to the Owner must execute and record to the City's satisfaction a new Covenant Agreement for the remaining days/months/years. A Covenant Agreement must be executed by the new Owner and submitted to the City on terms determined by and to the City's satisfaction.

In accordance with City Code the City has a right to be paid all Fees and Extra Incentive disbursed, committed, or paid by the City for or on behalf of the Owner for the ADU, and penalties for Termination/default of any condition of this Covenant Agreement. In the event of Termination, the value of all Fees and Additional Incentive, Termination Fee, all as defined, described and made applicable by this Covenant, the Agreement and/or Ordinance and/or Resolution of the City, together with costs of collection, shall constitute a perpetual real estate lien equivalent to general property taxes.

6. DELIVERY OF OCCUPANCY CERTIFICATION FORMS AND LEASE MATERIALS TO CITY; ADDITIONAL REPORTS

(A) Within ten (10) calendar days of the date of having an initial occupant, the Owner shall provide the City (1) a fully executed long-term lease, and (2) the Occupancy Certification Forms executed by the Owner, along with any documentation provided in conjunction with the forms; and,

(B) Within ten (10) calendar days of an Annual Certification Date following an initial occupancy, the owner shall provide the City with the following (1) a copy of an executed lease for the ADU; and (2) the complete Occupancy Certification Forms executed by the Owner, along with any certification documentation provided in conjunction with those forms.

(C) The City shall keep the Occupancy Certification Forms in confidence to the extent permitted by law.

7. VIOLATIONS AND REMEDIES

(A) The Parties agree that each remedy allowed by this Agreement and the Code is a cumulative remedy and is not exclusive of any other remedy available pursuant to this Agreement, the Code or other legal authority.

(B) Owner agrees that: (1) a violation of this Agreement also constitutes both a permit violation and a Code violation for purposes of the Grand Junction Municipal Code; and (2) any violation of this Agreement may also be enforced through the issuance of administrative citation(s) in accordance with the Grand Junction Municipal Code.

(C) For purposes of this paragraph an "Event of Default" occurs if the City notifies the Owner of a violation of this Agreement and the Owner does not fully cure the violation within ten (10) calendar days following the date of the notice, or if such a cure

cannot be accomplished with diligent action within ten (10) days, within no more than sixty (60) days. If an Event of Default occurs, the City may provide written notice to the Owner that the City is terminating the Agreement and requiring the Owner to pay the City the full termination fee provided in Section 5, with a penalty of twenty percent (20%) of the paid Impact Fees ("Termination Fee and Penalty"). Until the Termination Fee and Penalty are fully paid, no use of the ADU may occur. Each day on which a use of the ADU is made, prior to payment of the Termination Fee and Penalty shall also constitute both a permit violation and a code violation.

8. ADDITIONAL TERMS

(A) The Owner shall not permit occupancy of the ADU in a manner not in compliance with Grand Junction Municipal Code or adopted Building, Fire or other life safety and/or health code.

(8) The Owner shall assure that any occupancy of the ADU occurs in a manner that satisfies all applicable laws.

9. NOTICES

Any notices pursuant to this Agreement shall be in writing and sent (i) by an established express delivery service which maintains delivery records, (ii) by hand delivery, by United States Post first class mail, postage prepaid; or (iii) by certified or registered mail, postage prepaid, return receipt requested, to the following addresses:

To City: City of Grand Junction
Attn: Housing Manager
250 N 5th Street
Grand Junction, Co. 81501

To Owner: **C/O Thaddeus Pruss**
The Thaddeus Paul Pruss Jr and Renee Lynn Pruss
Revocable Living Trust
926 Hill Ave
Grand Junction, CO 81501

City and Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land and shall bind all successors in title to the property. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property or any covenants or restrictions contained in this Agreement whether such covenants or restrictions are set forth in such contract, or deed.

(A) No waiver of any nature, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of such condition or of any breach, or a waiver of any other condition or breach of any other term of this Agreement.

(B) The following Exhibits are attached and incorporated herein by this reference:

Exhibit A: Legal Description of Property

"OWNER" Name: Thaddeus Pruss

BY (Owner Signature): _____

Date: 10-05-26

Notary Public

State of Colorado

County of Mesa

The foregoing Agreement was acknowledged before me this 5th day of October, 2026, by Thaddeus Pruss

My commission expires: 2/28/27

Witness my hand and official seal.

_____

Nicholas Gumpert
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094025203
MY COMMISSION EXPIRES 02/28/2027

"CITY"
City of Grand Junction

BY: _____

Mike Bennett, City Manager

ATTEST: _____

Selestina Sandoval, City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE City of Grand Junction COUNTY OF, Mesa AND IS DESCRIBED AS FOLLOWS:

grantee, their heirs and assigns forever, all the real property together with improvements, if any, situate, lying and being in the County of Mesa, State of Colorado described as follows:

Lots 27 and 28 in Block 25 of City of Grand Junction.
County of Mesa, State of Colorado.

STATEMENT OF AUTHORITY

1. This Statement of Authority relates to an entity[1] named THADDEUS PAUL PRUSS JR AND ROSE LYNN PRUSS REVOCABLE TRUST and is executed on behalf of the entity pursuant to the provisions of Section 38-30-172, C.R.S.

2. The type of entity is a:

☒ trust	☐ registered limited liability partnership
☐ nonprofit corporation	☐ registered limited liability limited partnership
☐ limited liability company	☐ limited partnership association
☐ general partnership	☐ government or governmental subdivision or agency
☐ limited partnership	☐ corporation
☐	

3. The entity is formed under the laws of COLORADO

4. The mailing address for the entity is 926 HILL AVE
GRAND JUNCTION, CO 81501

5. The ☒ name ☐ position of each person authorized to execute instruments conveying, encumbering, or otherwise affecting title to real property on behalf of the entity is THADDEUS PRUSS.

6.[2] The authority of the foregoing person (s) to bind the entity is ☒ not limited ☐ limited as follows: N/A.

7. Other matters concerning the manner in which the entity deals with interests in real property: N/A

Executed this OCTOBER 05, 2026.

Signature

Signature

STATE OF COLORADO
COUNTY OF MESA } SS:

The foregoing instrument was acknowledged before me this 5th day of October 2026, by Thaddeus Pruss.

Witness my hand and official seal.

Notary Public

My commission expires: 2/28/27

[1]This form should not be used unless the entity is capable of holding title to real property.
[2]The absence of any limitation shall be prima facie evidence that no such limitation exists.
[3]The statement of authority must be recorded to obtain the benefits of the statute.

Nicholas Gumpert
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20094025203
MY COMMISSION EXPIRES 02/28/2027