

12397N7T

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: DEVELOPMENT IMPROVEMENTS AGREEMENT

NAME OF AGENCY OR CONTRACTOR: 123 GROUP, LLC.

STREET ADDRESS/PARCEL NAME/SUBDIVISION: 123 NORTH  
SEVENTH STREET, LOTS 13, 14, 15 BLOCK 105 AND LOTS 11 AND 12  
BLOCK 105

CITY DEPARTMENT: COMMUNITY DEVELOPMENT

YEAR: 1997

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

MEMORANDUM OF IMPROVEMENTS AGREEMENT & GUARANTEE

Grand Junction Community Development Department

File # FP-1997-008

BOOK 2362 PAGE 643

This memorandum relates to an improvements agreement and guarantee dated September 16 1997, by and between 123 Group L.L.C. (Developer) and the City of Grand Junction (City) pertaining to 123 North Seventh (Project) in the City of Grand Junction..

1814743 0944AM 09/29/97  
MONIKA TODD CLK&REC MESA COUNTY CO

Legal Description:

**Lots 13, 14 and 15, Block 105, City of Grand Junction, Mesa County, Colorado.  
AND  
Lots 11 and 12, Block 105, City of Grand Junction, Mesa County, Colorado.**

Whereas, Developer is required to install and construct certain public and private improvements as a condition of approval of the Project, which completion is guaranteed by an improvements agreement and guarantee in the sum of \$ 38,687.00, and

Whereas, the City of Grand Junction and other agencies possessing regulatory authority over the Project and/or the improvements to be constructed, must inspect the improvements and accept the same before the improvements agreement and guarantee are released or if not constructed the City may use the proceeds or collateral of the guarantee to install the improvements, and

Whereas, the existence of the improvements agreement and guarantee may affect certain rights, responsibilities and actions of the Developer, the City or any other person or entity,

NOW THEREFORE, this memorandum is recorded to be notice to the world of the existence of said improvements agreement and guarantee. This memorandum is not a complete summary of the improvements agreement and guarantee. Provisions of this memorandum shall not be used to interpret the terms or provisions of the improvements agreement and/or guarantee. In the event of conflict between this memorandum and the unrecorded improvements agreement and/or guarantee, the unrecorded improvements agreement and guarantee shall control. The improvements agreement and guarantee may be inspected at the City of Grand Junction Community Development Department, 250 N. 5th Street, Grand Junction, CO.

CITY OF GRAND JUNCTION:

Lafayette M. Parkin 9/18/97  
Director of Community Development date  
*KKA Planning Supervisor*

DEVELOPER:

123 Group - LLC  
by Alan McCalland 1-6-97  
date

After recording mail to:

Kristen Ashbeck  
c/o Community Development Department  
City of Grand Junction  
250 N. 5th Street  
Grand Junction, CO 81501



Post-It® Fax Note	7671	Date	# of pages ▶
To	TOM BENTON	From	AINA M. SUNGLAD
Co./Dept.	NW-GJ	Co.	NW-INTL.
Phone #		Phone #	303-863-6779
Fax #	970-245-2158	Fax #	

NORWEST BANK COLORADO, NA  
 LETTER OF CREDIT DEPARTMENT  
 1740 BROADWAY  
 ONE NORWEST CENTER  
 DENVER, CO 80274-8685  
 TELEX NUMBER 6737198 NORWEST NBC  
 SWIFT ADDRESS: NWNBUS55  
 PHONE (303) 863-6719, FAX (303) 863-4898

IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE NUMBER: S801332  
SEPTEMBER 12, 1997

TO: (BENEFICIARY)  
 THE CITY OF GRAND JUNCTION  
 COLORADO  
 250 NORTH 5TH STREET  
 GRAND JUNCTION, CO 81501-2668

RECORDER NOTE: POOR QUALITY DOCUMENT  
PROVIDED FOR REPRODUCTION

ACCOUNT PARTY:  
 123 GROUP LLC  
 437 MAIN STREET  
 GRAND JUNCTION, CO 81501

WE OPEN IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER S801332 WHICH IS AVAILABLE BY PAYMENT AGAINST BENEFICIARY'S DRAFT(S) AT SIGHT, DRAWN ON NORWEST BANK COLORADO, NATIONAL ASSOCIATION.

IN FAVOR OF YOURSELVES

EXPIRES AT OUR COUNTERS AT 3:00 P.M. DENVER TIME ON MARCH 31, 1998.

THIS CREDIT IS FOR AN AGGREGATE AMOUNT NOT TO EXCEED A TOTAL OF U.S. DOLLAR 39,000.00 ( THIRTY NINE THOUSAND AND 00/100 U.S. DOLLARS). DRAFTS SUBMITTED MUST BE ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

- 1. BENEFICIARY'S SIGNED STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNER STATING: '123 GROUP LLC HAS FAILED TO CONSTRUCT IMPROVEMENTS TO 123 NORTH 7TH AS REQUIRED BY THE CITY

\*\*\*CONTINUED ON NEXT PAGE \*\*\*



Book 2362 PAGE 645

OUR REF. NO. S801332

PAGE 2

OF GRAND JUNCTION, KNOWN ON FILE #FP-1997-008 AND AS PER THE CITY'S ZONING AND DEVELOPMENT CODE AND/OR PLANS, SPECIFICATIONS OR AGREEMENTS. THE MONIES RECEIVED FROM THIS DRAWING ARE REQUIRED TO COMPLETE SUCH IMPROVEMENTS.''

2. THIS ORIGINAL LETTER OF CREDIT FOR ENDORSEMENT.

ALL DRAFTS MUST BE MARKED: DRAWN UNDER NORWEST BANK COLORADO, NATIONAL ASSOCIATION, IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER S801332.

CANCELLATION OF L/C PRIOR TO EXPIRATION:  
THIS LETTER OF CREDIT (AND AMENDMENTS) MUST BE RETURNED TO US FOR CANCELLATION WITH A STATEMENT PURPORTEDLY SIGNED BY THE BENEFICIARY STATING THAT:

"THIS LETTER OF CREDIT IS NO LONGER REQUIRED BY US AND IS HEREBY RETURNED TO THE ISSUING BANK FOR CANCELLATION."

WE HEREBY AGREE TO HONOR EACH DRAFT DRAWN AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT IF DULY PRESENTED (TOGETHER WITH THE DOCUMENTS AS SPECIFIED) TO NORWEST BANK COLORADO, NA, 1740 BROADWAY, ATTN: LETTER OF CREDIT DEPARTMENT, DENVER, CO 80274-8685 ON OR BEFORE THE EXPIRY DATE.

THIS CREDIT IS ISSUED SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

NORWEST BANK COLORADO, NATIONAL ASSOCIATION  
BY:

  
-----  
(AUTHORIZED SIGNATURE)

  
-----  
(AUTHORIZED SIGNATURE)

TOTAL P.02

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("the Agreement") are 123 Group L.L.C. ("the Developer") and THE CITY OF GRAND JUNCTION, Colorado ("the City").

THEREFORE, 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 will be the date that this agreement is recorded, ~~which is not sooner than recordation of the~~ \_\_\_\_\_

RECITALS

The Developer seeks permission to develop property within the City to be known as 123 North Seventh, which property is more particularly described on Exhibit "A" attached and incorporated by this reference (the "Property"). The City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements in the development and limiting the harmful effects of substandard developments. The purpose of this Agreement is to protect the City from the cost of completing necessary improvements itself and is not executed for the benefit of materialmen, laborers, or others providing work, services or material to the development or for the benefit of the purchasers or users of the development. The mutual promises, covenants, and obligations contained in this Agreement are authorized by state law, the Colorado Constitution and the City's land development ordinances.

DEVELOPER'S OBLIGATION

3. **Improvements:** The Developer will 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. The Developer agrees to pay the City the actual amount for inspection services performed by the City. The estimated amount is shown in Exhibit B. The Developer's obligation to complete the improvements is and will be independent of any obligations of the City contained herein.

4. **Security:** To secure the performance of its obligations under this Agreement (except its obligations for warranty under paragraph 6), the Developer will enter into an agreement which complies with either option identified in paragraph 28, or other written agreement between the City and the Developer.

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

6. **Warranty:** The Developer warrants that the Improvements, each and every one of them, will be free from defects for a period of twelve (12) months from the date that the City Engineer accepts or approves the improvements completed by the Developer.

7. **Commencement and Completion Periods:** The improvements, each and every one of them, will be completed within 6 ~~12~~ months from the Effective Date of this Agreement (the "Completion Period").

*ER*

8. **Compliance with Law:** The developer shall comply with all relevant federal, state and local laws, ordinances, and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement.

9. **Notice of Defect:** The Developer's Engineer shall provide timely notice to the Developer, contractor, issuer of security and the City Engineer whenever inspection reveals, or the Developer's Engineer otherwise has knowledge, that an improvement does not conform to City standards and any specifications approved in the development application or is otherwise defective. The developer will have thirty (30) days from the issuance of such notice to correct the defect.

10. **Acceptance of Improvements:** The City's final acceptance and/or approval of improvements will not be given or obtained until the Developer presents a document or documents, for the benefit of the City, showing that the Developer owns the improvements in fee simple and that there are no liens, encumbrances, or other restrictions 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 that is detected or which occurs after approval and/or acceptance.

11. **Use of Proceeds:** The City will use funds deposited with it or drawn pursuant to any written disbursement agreement entered into between the parties only for the purpose of completing the Improvements or correcting defects in or failure of the Improvements.

12. **Events of Default:** The following conditions, occurrences or actions will constitute a default by the Developer during the Completion Period:

- a. Developer's failure to complete each portion of the Improvements in conformance with the agreed upon time schedule; the City may not declare a default until a fourteen (14) calendar day notice has been given to the Developer;
- b. Developer's failure to demonstrate reasonable intent to correct defective construction of any improvement within the applicable correction period; the City may not declare a default until a fourteen (14) calendar day notice has been given to the Developer;
- c. 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;
- d. Notification to the City, by any lender with a lien on the property, of a default on an obligation; the City may immediately declare a default without prior notification to the Developer;
- e. Initiation of any foreclosure action of any lien or initiation of mechanics lien(s) procedure(s) against the Property or a portion of the Property or assignment or conveyance of the Property in lieu of foreclosure; the City may immediately declare a default without prior notification to the Developer.

13. **Measure of Damages:** The measure of damages for breach of this Agreement by the Developer will be the reasonable cost of satisfactorily completing the Improvements plus reasonable City administrative expenses. For improvements upon which construction has not begun, the estimated costs of the Improvements as shown on Exhibit "B" will be prima facie evidence of the minimum cost of completion; however, neither that amount nor the amount of a letter of credit, the subdivision improvements disbursement agreement or cash escrow establish the maximum amount of the Developer's liability.

14. **City's Rights Upon Default:** When any event of default occurs, the City may draw on the letter of credit, escrowed collateral, or proceed to collect any other security to the extent of the face amount of the credit or full amount of escrowed collateral, cash, or security less ninety percent (90%) of the estimated cost (as shown on Exhibit "B") of all improvements previously accepted by the City or may exercise its rights to disbursement of loan proceeds or other funds under the improvements disbursement agreement. The City will have the right to complete 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. Alternatively, the City may assign the proceeds of the letter of credit, the improvements disbursement agreement, the escrowed collateral, cash, or other funds or assets to a subsequent developer (or a lender) who has acquired the development by purchase, foreclosure or otherwise who will then have the same rights of completion as the City if and only if the subsequent developer (or lender) agrees in writing to complete the unfinished improvements and provides reasonable security for the obligation. In addition, the City may also enjoin the sale, transfer, or conveyance of lots within the development, until the improvements are completed or accepted. These remedies are cumulative in nature and are in addition to any other remedies the City has at law or in equity.

15. **Indemnification:** The Developer expressly agrees to indemnify and hold the City, its officers, employees and assigns harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained, or alleged to be received or sustained, by any person or entity in connection with, or on account of, any act or failure to act concerning the performance of work at the development or the Property pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named in an action concerning the performance of work or the failure to perform work pursuant to this Agreement. The Developer is not an agent or employee of the City.

16. **No Waiver:** No waiver of any provision of this Agreement by the City will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both City and Developer; nor will 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 will not constitute the approval of any wrongful act by the Developer or the acceptance of any improvement.

17. **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 authorized officer. Such amendment or modification shall be properly notarized before it shall be deemed effective.

18. **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, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party; any City obligation under this section shall be subject to the overriding provisions of section 15, above. If the court awards relief to both parties, the attorney's fees may be equitably divided between the parties by the decision maker, subject to the overriding provisions of section 15, above.

19. **Vested Rights:** The City does not warrant by this Agreement that the Developer is entitled to any other approval(s) required by the City, if any, before the Developer is entitled to commence development or to transfer ownership of property in the development.

20. **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.

21. **Time:** For the purpose of computing the Abandonment and Completion Periods, and time periods for City action, such times in which war, civil disasters, or acts of God occur or exist will not be included if such times prevent the Developer or City from performing its obligations under the Agreement.

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

23. **Benefits/burdens:** 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 shall 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 right of the City to assign its rights under this Agreement. The City will expressly release the original Developer's guarantee or obligations under the improvements disbursement agreement 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.

24. **Notice:** Any notice required or permitted by this Agreement will be deemed effective when personally delivered in writing or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified, and return receipt requested, and addressed as follows:

If to Developer:

123 Group L.L.C.

437 Main Street

Grand Junction, CO 81501-2511

If to City:

City of Grand Junction  
Community Development Director  
250 N. 5th Street  
Grand Junction, Colorado 81501



25. **Recordation:** Developer shall pay for all costs to record a copy of this Agreement in the Clerk and Recorder's Office of Mesa County, Colorado.

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

27. **Personal Jurisdiction and Venue:** Personal jurisdiction and venue for any civil action commenced by either party to this Agreement whether arising out of or relating to the Agreement, letter of credit, improvements disbursements agreement, or cash escrow agreement or any action to collect security 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.

28. **Improvements guarantee.** The improvements guarantee required by the City to ensure that the improvements described in the improvements agreement are constructed to City standards may be in one of the following forms: (If I or II, then attach as Exhibit C.)

\_\_\_ (I) disbursement agreement between a bank doing business in Mesa County and the City, or

X (II) a good and sufficient letter of credit acceptable to the City, or

\_\_\_ (III) depositing with the City cash equivalent to the estimated cost of construction of the improvements under the following terms:

(a) The Finance Department of the City may act as disbursing agent for disbursements to Developer's contractor(s) as required improvements are completed and accepted if agreed to in writing pursuant to a disbursement agreement; and

(b) The Finance Department of the City will disburse any deposit or any portion thereof, with no more than three checks, at no charge. If disbursements are made in excess of three checks, the developer will be charged \$100 per transaction for every transaction in excess of three.

29. **Conditions of Acceptance.**

a. 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 improvements shall have been accepted by the City. "Acceptance by the City" means a separate writing wherein the City specifies which improvements have been accepted and the date from which warranty(ies) shall run.

b. Prior to requesting final acceptance of any street, storm drainage facility, or other required improvement(s), the Developer shall: (i) furnish 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 specifications; (ii) provide 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 improvements have been constructed, or which are necessary for the improvements, are free

from toxic, hazardous or other regulated substances or materials; (iii) provide written evidence to the City Engineer that the title to lands underlying the improvements are merchantable and free and clear from all liens and encumbrances, except those liens and encumbrances which may be approved in writing by the City Engineer.

30. **Phased Development.** 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 his side of the street to enable an initial two-way traffic operation without on-street parking. That Developer is also responsible for end-transitions, intersection paving, drainage facilities, and adjustments to existing utilities necessary to open the street to traffic.

*Kathleen M. Porten* 9/18/97  
Director of Community Development Date  
*Planning Supervisor*  
City of Grand Junction  
250 North 5th Street  
Grand Junction, CO 81501

*[Signature]* Pres 1/6/97  
Developer Date

(If Corporation, to be signed by President and attested to by Secretary together with the Corporate seals)

*[Signature]* Secretary - I23 Corp L.L.C.  
1/6/97

EXHIBIT "A"

TYPE LEGAL DESCRIPTION BELOW, USING ADDITIONAL SHEETS AS NECESSARY. USE SINGLE SPACING WITH A ONE (1) INCH MARGIN ON EACH SIDE.

\*\*\*\*\*

Lots 13, 14 and 15, Block 105, City of Grand Junction, Mesa County, Colorado

AND

Lots 11 and 12, Block 105, City of Grand Junction, Mesa County, Colorado

EXHIBIT "B"

IMPROVEMENTS LIST/DETAIL

DATE: 1/6/97  
 NAME OF DEVELOPMENT: 123 North Seventh Street  
 LOCATION: 123 N 7th St  
 PRINTED NAME OF PERSON PREPARING: ED CHAMBERLIN

	UNITS	TOTAL QTY.	UNIT PRICE	TOTAL AMT.
<b>I. SANITARY SEWER</b>				
1. Clearing and grubbing	_____	_____	_____	_____
2. Cut and remove asphalt	_____	_____	_____	_____
3. PVC sanitary sewer main (incl. trenching, bedding & backfill)	_____	_____	_____	_____
4. Sewer Services (trenching, bedding, backfill)	_____	_____	_____	_____
5. Sanitary sewer manhole(s)	_____	_____	_____	_____
6. Connection to existing manhole(s)	_____	_____	_____	_____
7. Aggregate Base Course	_____	_____	_____	_____
8. Pavement replacement	_____	_____	_____	_____
9. Driveway restoration	_____	_____	_____	_____
10. Utility adjustments	_____	_____	_____	_____
<b>II. DOMESTIC WATER</b>				
1. Clearing and grubbing	_____	_____	_____	_____
2. Cut and remove asphalt	_____	_____	_____	_____
3. Water Main (incl. excavation, bedding, backfill, valves and appurtenances)	_____	_____	_____	_____
4. Water services (incl. excavation, bedding, backfill, valves, and appurtenances)	_____	_____	_____	_____
5. Connect to existing water line	_____	_____	_____	_____
6. Aggregate Base Course	_____	_____	_____	_____
7. Pavement Replacement	_____	_____	_____	_____
8. Utility adjustments	_____	_____	_____	_____
<b>III. STREETS</b>				
1. Clearing and grubbing <i>DEMO</i>	_____	_____	_____	<u>2,270.</u>
2. Earthwork (excavation, embankment const)	<u>CY</u>	<u>350</u>	<u>1.25</u>	<u>409.</u>
3. Utility relocations	_____	_____	_____	_____
4. Aggregate sub-base course (sq.yd.)	_____	_____	_____	_____
5. Aggregate base course (sq.yd.)	<u>SY</u>	<u>980</u>	<u>8.00</u>	<u>7,840.</u>
6. Sub-grade stabilization	_____	_____	_____	_____
7. Asphalt or concrete pavement (sq.yd.)	<u>SY</u>	<u>980</u>	<u>5.00</u>	<u>4,900.</u>
8. Curb, gutter & sidewalk (linear feet)	_____	_____	_____	<u>10,310.</u>
9. Driveway sections (sq.yd.)	_____	_____	_____	_____
10. Crosspans & fillets	_____	_____	_____	_____
11. Retaining walls/structures	_____	_____	_____	_____

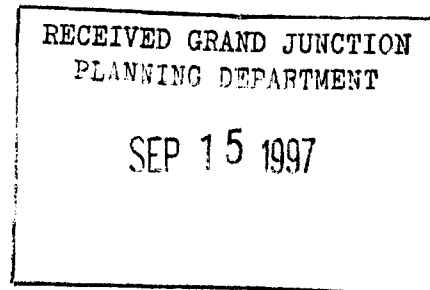
**NORWEST** BANKS

NORWEST BANK COLORADO, NA  
LETTER OF CREDIT DEPARTMENT  
1740 BROADWAY  
ONE NORWEST CENTER  
DENVER, CO 80274-8685  
TELEX NUMBER 6737198 NORWEST NBC  
SWIFT ADDRESS: NWNBUS55  
PHONE (303) 863-6719, FAX (303) 863-4898

IRREVOCABLE STANDBY LETTER OF CREDIT

OUR REFERENCE NUMBER: S801332  
SEPTEMBER 12, 1997

TO: (BENEFICIARY)  
THE CITY OF GRAND JUNCTION  
COLORADO  
250 NORTH 5TH STREET  
GRAND JUNCTION, CO 81501-2668



ACCOUNT PARTY:  
123 GROUP LLC  
437 MAIN STREET  
GRAND JUNCTION, CO 81501

WE OPEN IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER S801332  
WHICH IS AVAILABLE BY PAYMENT AGAINST BENEFICIARY'S DRAFT(S) AT  
SIGHT, DRAWN ON NORWEST BANK COLORADO, NATIONAL ASSOCIATION.

IN FAVOR OF YOURSELVES

EXPIRES AT OUR COUNTERS AT 3:00 P.M. DENVER TIME ON MARCH 31,  
1998.

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U.S. DOLLAR 39,000.00 ( THIRTY NINE THOUSAND AND 00/100 U.S.  
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DOCUMENTS:

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AUTHORIZED SIGNER STATING: '123 GROUP LLC HAS FAILED TO  
CONSTRUCT IMPROVEMENTS TO 123 NORTH 7TH AS REQUIRED BY THE CITY

\*\*\*CONTINUED ON NEXT PAGE \*\*\*

OUR REF. NO. S801332

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THIS LETTER OF CREDIT (AND AMENDMENTS) MUST BE RETURNED TO US FOR CANCELLATION WITH A STATEMENT PURPORTEDLY SIGNED BY THE BENEFICIARY STATING THAT:

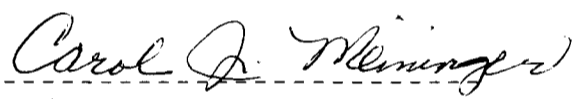
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THIS CREDIT IS ISSUED SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

NORWEST BANK COLORADO, NATIONAL ASSOCIATION  
BY:

  
-----  
(AUTHORIZED SIGNATURE)

  
-----  
(AUTHORIZED SIGNATURE)

RELEASE OF IMPROVEMENTS AGREEMENT & GUARANTEE  
Grand Junction Community Development Department  
FILE # FP-1997-008

This memorandum relates to a certain unrecorded Improvements Agreement and Guarantee dated September 16, 1997, and memorandum of recording at Book 2362, Page 643 of the land records of Mesa County, Colorado, by and between 123 Group L.L.C. (Developer) and the City of Grand Junction (City) pertaining to 123 North 7th Street (Project).

Legal Description: Lots 13, 14, 15, Block 105, City of Grand Junction, Mesa County, Colorado  
AND Lots 11 and 12, Block 105, City of Grand Junction, Mesa County, Colorado

Whereas, Developer has installed and constructed certain public and private improvements at and for the Project, which completion was guaranteed by the execution of an Improvements Agreement and Guarantee, and

Whereas, the City of Grand Junction and all other agencies possessing regulatory authority over the Project and/or the improvements have inspected the improvements and have accepted the same,

NOW THEREFORE, officials of the City of Grand Junction and other officials duly representing their agencies, possessing and representing by their signatures, affixed thereto, that they possess sufficient authority to accept improvements and release the portion of the guarantee pertaining to the improvements under their jurisdiction, do accept, sign and release said improvements agreement and guarantee.

CITY OF GRAND JUNCTION:

1882958 01/08/99 0352PM  
MONIKA TODD CLK&REC MESA COUNTY CO  
REC FEE \$5.00 SURCHG \$1.00

By: [Signature] 12/17/98  
City Engineer Date

NA  
City Utilities Manager Date

NA  
Fire Marshall Date

UTE WATER:

By: NA  
Date

GRAND JUNCTION DRAINAGE:

By: NA  
Date

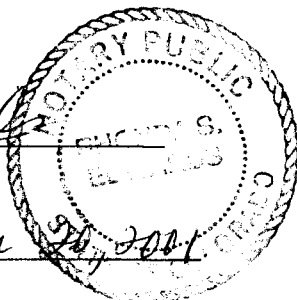
In accordance with the above signatures, I hereby certify that the Improvements Agreement & Guarantee and the recording evidencing the agreement and guarantee, at Book 2362, Page 643 of the Mesa County land records, have been completed and accepted and in accordance with the provisions of the Grand Junction Zoning and Development Code are hereby released, subject to the required warranty period.

[Signature] 12-17-98  
~~Community Development~~ Community Development Dept. Date

The foregoing instrument was executed before me this 17<sup>th</sup> day of December, 1998 by Michael T. Drollinger, ~~Community Development~~ Community Development Dept. for the City of Grand Junction, Colorado.

Witness my hand & official seal.

[Signature]  
Notary Public



My commission expires September 26, 2001.

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("the Agreement") are John Davis ("the Developer") and THE CITY OF GRAND JUNCTION, Colorado ("the City").

THEREFORE, 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 will be the date that this agreement is recorded which is not sooner than recordation of the Valley Meadows East Subdivision, Filings No. 1 & 2 plat.

RECITALS

The Developer seeks permission to develop property within the City to be known as Valley Meadows East Sub, Filing No. 1&2, which property is more particularly described on Exhibit "A" attached and incorporated by this reference (the "Property"). The City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements in the development and limiting the harmful effects of substandard developments. The purpose of this Agreement is to protect the City from the cost of completing necessary improvements itself and is not executed for the benefit of materialmen, laborers, or others providing work, services or material to the development or for the benefit of the purchasers or users of the development. The mutual promises, covenants, and obligations contained in this Agreement are authorized by state law, the Colorado Constitution and the City's land development ordinances.

DEVELOPER'S OBLIGATION

3. **Improvements:** The Developer will 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. The Developer agrees to pay the City for inspection services performed by the City, in addition to amounts shown on Exhibit B. The Developer's obligation to complete the improvements is and will be independent of any obligations of the City contained herein.

4. **Security:** To secure the performance of its obligations under this Agreement (except its obligations for warranty under paragraph 6), the Developer will enter into an agreement which complies with either option identified in paragraph 28, or other written agreement between the City and the Developer.

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

6. **Warranty:** The Developer warrants that the Improvements, each and every one of them, will be free from defects for a period of twelve (12) months from the date that the City Engineer accepts or approves the improvements completed by the Developer.

7. **Commencement and Completion Periods:** The improvements, each and every one of them, will be completed within one year from the Effective Date of this Agreement (the "Completion Period").

8. **Compliance with Law:** The developer shall comply with all relevant federal, state and local laws, ordinances, and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement.

9. **Notice of Defect:** The Developer's Engineer shall provide timely notice to the Developer, contractor, issuer of security and the City Engineer whenever inspection reveals, or the Developer's Engineer otherwise has knowledge, that an improvement does not conform to City standards and any specifications approved in the

RECORDED NOTE. BOOK QUALITY DOCUMENT



RELEASE OF IMPROVEMENTS AGREEMENT & GUARANTEE  
Grand Junction Community Development Department  
FILE # SPR-2000-097

This memorandum relates to a certain unrecorded Improvements Agreement and Guarantee dated JULY 19, 2001, by and between RIVER OF LIFE ALLIANCE CHURCH (Developer) and the City of Grand Junction (City) pertaining to RIVER OF LIFE ALLIANCE CHURCH-LANDSCAPE (Project).

Legal Description: NW CORNER OF 24 1/2 ROAD AND G ROAD, PARCEL #2701-333-00-074, 4.4 ACRES  
(ALSO KNOWN AS 701 24 1/2 ROAD)

Whereas, Developer has installed and constructed certain public and private improvements at and for the Project, which completion was guaranteed by the execution of an Improvements Agreement and Guarantee, and

Whereas, the City of Grand Junction and all other agencies possessing regulatory authority over the Project and/or the improvements have inspected the improvements and have accepted the same,

NOW THEREFORE, officials of the City of Grand Junction and other officials duly representing their agencies, possessing and representing by their signatures, affixed thereto, that they possess sufficient authority to accept improvements and release the portion of the guarantee pertaining to the improvements under their jurisdiction, do accept, sign and release said improvements agreement and guarantee.

CITY OF GRAND JUNCTION:

By: City Engineer Eric Hahn Date 4/4/02  
ERIC HAHN  
City Utilities Manager Trent Prall Date 1/29/02  
TRENT PRALL  
Fire Marshal Hank Masterson Date 1-21-02  
HANK MASTERSON

UTE WATER:

By: N/A Date \_\_\_\_\_

GRAND JUNCTION DRAINAGE:

By: N/A Date \_\_\_\_\_

OTHER:

By: N/A Date \_\_\_\_\_

In accordance with the above signatures, I hereby certify that the Improvements Agreement & Guarantee have been completed and accepted and in accordance with the provisions of the Grand Junction Zoning & Development Code are hereby released, subject to the required warranty period.

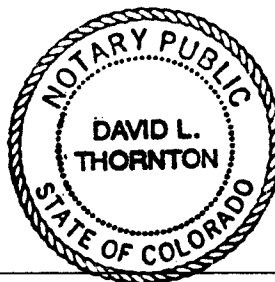
Director of Community Development Pat Cecil Date 4/4/02

The foregoing instrument was executed before me this 4<sup>th</sup> day of April, 2002

by PAT Cecil, Director of Community Development for the City of Grand Junction, Colorado.

Witness my hand & official seal.

David L. Thornton  
Notary Public



My commission expires 8/15/2004

RELEASE OF RECORDING MEMORANDUM  
City of Grand Junction  
Community Development Department  
FILE # PFP-2003-148

Development Improvements Agreement

This Release relates to a ~~Recording Memorandum~~ dated March 5, 2004, by and between Dillon Real Estate Co., Inc. (Developer) and the City of Grand Junction, pertaining to City Market Subdivision (Project), located at 2439 River Road, recorded at Book 3602, Page 438 ~~432 thru~~ Mesa County Clerk and Recorders Office.

COPY

**WHEREAS**, the Developer has installed and constructed certain public and private improvements at and for the Project, which completion was guaranteed by the execution of a Development Improvements Agreement and/or Maintenance Guarantee and provision of a Guarantee, and;

**WHEREAS**, the City of Grand Junction and other agencies possessing authority over the Project, and/or the improvements, have inspected the improvements and have accepted the same.

**NOW THEREFORE**, officials of the City of Grand Junction, duly representing their agencies, possessing and representing by their signatures affixed hereto, that they possess sufficient authority to accept improvements and may release the Development Improvements Agreement and/or Maintenance Guarantee, pertaining to the improvements under their jurisdiction, do accept, sign and release said Development Improvements Agreement and/or Maintenance Guarantee.

CITY OF GRAND JUNCTION:

City Engineer: [Signature] Date: 2-14-06

Planner: Bonnie Edwards APA Date: 2-14-06

In acknowledgement with the above signatures, I hereby certify that the improvements as specified in the Development Improvements Agreement and/or Maintenance Guarantee have been completed and accepted in accordance with the provisions of the Grand Junction Zoning and Development Code, and are hereby released, subject to the required warranty period.

[Signature] Date: 2-14-06  
Community Development Department

The foregoing instrument was executed before me this 14<sup>th</sup> day of February, 2006, by Katherine M. Portner, of the Community Development Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

[Signature]  
Notary Public

My commission expires on 10/29/2009



**RELEASE OF RECORDING MEMORANDUM**  
**City of Grand Junction**  
**Public Works & Planning Department**  
**FILE:           SPR-2003-113**

This Release relates to a Recording Memorandum dated September 8, 2008, by and between Monument Presbyterian Church (Developer) and the City of Grand Junction, pertaining to Monument Presbyterian Church (Project), located at 2020 1/2 South Broadway, Grand Junction, CO, recorded at Book 3504, Page 232, Mesa County Clerk and Recorders Office. Project is more particularly described as

**WHEREAS**, the Developer has installed and constructed certain public and private improvements at and for the Project, which completion was guaranteed by the execution of a Development Improvements Agreement and/or Maintenance Guarantee and provision of a Guarantee, and;

**WHEREAS**, the City of Grand Junction and other agencies possessing authority over the Project, and/or the improvements, have inspected the improvements and have accepted the same.

**NOW THEREFORE**, officials of the City of Grand Junction, duly representing their agencies, possessing and representing by their signatures affixed hereto, that they possess sufficient authority to accept improvements and may release the Development Improvements Agreement and/or Maintenance Guarantee, pertaining to the improvements under their jurisdiction, do accept, sign and release said Development Improvements Agreement and/or Maintenance Guarantee.

CITY OF GRAND JUNCTION:

City Engineer: *[Signature]* Date: 9/8/08  
Planner: *Ronnie Edwards* Date: 9/8/08

In acknowledgement with the above signatures, I hereby certify that the improvements as specified in the Development Improvements Agreement and/or Maintenance Guarantee have been completed and accepted in accordance with the provisions of the Grand Junction Zoning and Development Code, and are hereby released, subject to the required warranty period.

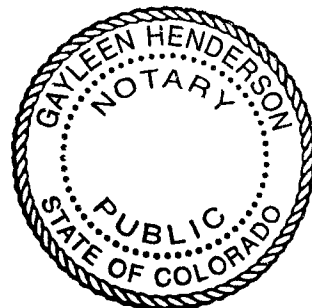
*[Signature]* Date 9.9.08  
Public Works & Planning Department

The foregoing instrument was executed before me this 9th day of September, 2008, by *Greg Moberg*, of the Public Works & Planning Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

*Gaylean Henderson*  
Notary Public

My commission expires on 10/29/2009





City Attorney

October 1, 2008

Timberline Bank  
633 24 Road  
Grand Junction, CO 81505

Re: Cancellation of Letter of Credit Number **#115**  
**Commercial Tire Service**  
Internal Reference: **Commercial Tire Service SPR-2007-130**

Dear Sirs:

Enclosed please find the original Letter of Credit Number **#115** for **Commercial Tire Service**. As beneficiary, the City of Grand Junction informs you that the Letter of Credit is being returned to you for cancellation. This letter is being provided at the direction of the Director of Public Works and Planning Department for the City.

If you have any questions, or need additional information, please inform me.

Sincerely,

OFFICE OF THE CITY ATTORNEY

A handwritten signature in black ink, appearing to read "Shelly", is written over a horizontal line.

Shelly S. Dackonish, Senior Staff Attorney

Encl. Letter of Credit Number **#115**

Pc: Lisa Cox, Planning Division Manager  
Brian Rusche, Planner  
✓Peggy Sharpe, Planning

Richard Nowlin  
725 23 ½ Road  
Grand Junction, CO 81505



Your Community Bank Above The Rest

▲ Grand Junction  
633 24 Road  
Grand Junction, CO 81505  
Office  
970-683-5560  
Fax  
970-257-1248

▲ Aspen  
311 E. Hopkins Avenue  
Aspen, CO 81611  
Office  
970-920-0112  
Fax  
970-920-2492

▲ Montrose  
1414 Hawk Parkway, Unit I-2  
Montrose, CO 81401  
Office  
970-240-5489  
Fax  
970-683-5549

Toll Free  
1-800-331-3757

24-Hour Telephone  
Banking Menu Options  
1-866-405-1192

[www.timberlinebank.com](http://www.timberlinebank.com)



## IRREVOCABLE LETTER OF CREDIT

TO: CITY OF GRAND JUNCTION  
C/O DIRECTOR OF PUBLIC WORKS & UTILITIES  
250 N 5<sup>TH</sup> STREET  
GRAND JUNCTION, COLORADO 81501

LETTER OF CREDIT NO. 115

DATED: **JULY 30, 2007**

EXPIRATION DATE: **JULY 30, 2008**

subject to the automatic extensions stated below

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. **115** in favor of the City of Grand Junction at the request of and for the account of **RICHARD R NOWLIN III** in the amount of **Seven Thousand Six Hundred Thirty Three and 44/100 dollars (\$7,633.44) U.S.Dollars.**

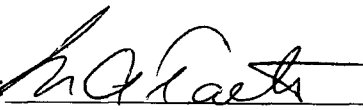
This Letter of Credit is subject to the following terms and conditions:

1. It is effective upon signature;
2. It expires on **July 30, 2008** subject to the automatic extensions discussed below;
3. This Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Timberline Bank Letter of Credit No. **115** dated **July 30, 2007**;
4. This Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the **RICHARD R NOWLIN III (Developer)** being obligated to pay or perform in accordance with the provisions of the Grand Municipal Code;
5. The following statement signed by an authorized designee of the City of Grand Junction must accompany the sight draft;
6. \_\_\_\_\_ (**Developer**) **has failed to comply with the terms, conditions, provisions and requirements of Grand Junction Zoning and Development Code and/or plans, specifications or agreements relating to the construction of improvements required by the City of Grand Junction. The monies received from this drawing are required to construct**

**those improvements. The City of Grand Junction thereof requests the payment of \$\_\_\_\_\_.”**

7. It is a condition of this Letter of Credit that it will be automatically extended for a period of six (6) months from the present or any future expiration date unless: (a) the underlying obligation has been performed, released or satisfied, (b) this Letter of Credit has been called in full, or (c) the Bank notifies the City of Grand Junction at 250 N 5<sup>th</sup> Street, Grand Junction, CO 81505, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit
8. Except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of Public Works and Utilities or his designee;
9. This Letter of Credit is neither negotiable nor assignable;
10. Partial drawings are permitted;
11. We hereby agree that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored on due presentation and delivery of documents, which may be done by first class mail, facsimile, in person or by any other reasonable business practice on or prior to the expiration or any extension thereof of this Letter of Credit.
12. Except as otherwise stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) and to the extent that it does not conflict with Article 5 of the Uniform Commercial Code of the State of Colorado.

Yours very truly,  
TIMBERLINE BANK  
633 24 Road  
Grand Junction, CO 81505

By:  VP  
\_\_\_\_\_  
Authorized Signature & Title