

COB96SUB

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: DEVELOPMENT IMPROVMENTS AGREEMENT

NAME OF AGENCY OR CONTRACTOR: COBBLESTONE COMMUNITIES, INC.

STREET ADDRESS/PARCEL NAME/SUBDIVISION/PROJECT: COBBLESTONE
RIDGES, PHASE 1 - STREETS, UTILITIES, ETC.

CITY DEPARTMENT: COMMUNITY DEVELOPMENT

YEAR: 1997

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

4

1778370 0302PM 11/19/96
MONIKA TODD CLK&REC MESA COUNTY CO

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. Parties: The parties to this Development Improvements Agreement ("the Agreement") are Cobblestone Communities, Inc. ("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 Plat
Cobblestone Ridges.

RECITALS

The Developer seeks permission to develop property within the City to be known as Phase 1, Cobblestone Ridges, 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.

Recorded by
First American Title

120491

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 12 months 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 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 or 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 by any person or entity in connection with, or on account of 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 as a defendant in an action concerning the performance of work 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 of work pursuant to this Agreement except where such suit is brought by the Developer against the City. 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 may 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. If the court awards relief to both parties, the attorney's fees may be equitably divided between the parties by the decision maker.

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:** 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 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: Cobblestone ^{Ridges, LLC} Communities, Inc. 
P.O. Box 1267
Grand Junction, CO 81502

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

25. **Recordation:** Developer will 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 sovereign 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. The improvements guarantee required by the City Code to ensure that the improvements described in the improvements agreement are constructed to City standards may be in one of the following forms:

XX (1) disbursement agreement between a bank doing business in Mesa County and the

City, or

- _____ (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.
- _____ (IV) other; see attached.

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.

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.

Exhibit C, attached hereto and incorporated herein by this reference as if fully set forth, is the City approved and accepted guarantee for this project.

- 29. a. Conditions of 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 improvements shall have been accepted by the City.

Prior to requesting final acceptance of streets, storm drainage facilities, or other required improvements, the Developer shall 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.

- b. 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.

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

BOOK 2280 PAGE 537

Lathem M. Postum
Director of Community Development

11/5/96
Date



Stephanie Nye
Stephanie Nye
City Clerk

11-5-96
Date

By *Steven E. Craun for*
Developer

11/4/96
Date

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

Cobblestone Ridges LLC

By: ~~*Steven E. Craun*~~
Cobblestone Communities, Inc.

Its Manager

By *Steven E. Craun*

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

Parcel 1:

Lot 3,
The Ridges Filing 6B as shown on Plat recorded December 2, 1994, in Plat Book 14 at
Page 302, and as disclosed on Plat for The Ridges, Filing No. Six

Parcel 2:

Lot 1,
Block 23,
Replat of Lots 48A through 73A, Block Nine; Lots 31B through 56A, Block Thirteen; Lots
3B through 40A, Block Twenty-Three; Lots 1A through 7A, Block Twenty-Eight; The
Ridges Filing No. Six

MESA COUNTY, COLORADO

EXHIBIT "B"

IMPROVEMENTS LIST/DETAIL

DATE: 11/04/96
 NAME OF DEVELOPMENT: **COBBLESTONE RIDGES (PHASE I)**
 LOCATION: S 1/2 SEC. 17, N 1/2 SEC. 20, T1S, R1W, UTE MERIDIAN
 GRAND JUNCTION, COLORADO
 PRINTED NAME OF PERSON PREPARING **James E. Langford**

CONSTRUCTION COST ESTIMATE:

	Units	Quantity	Unit Price	Total Price
Water system:				
1 2" Waterline	LF	159	10.00	\$1,590.00
2 8" Waterline	LF	934	14.00	\$13,076.00
3 Fire Hydrant Assemblies	EA	3	1,900.00	\$5,700.00
4 2" Gate Valve and Boxes	LS	1	350.00	\$350.00
5 8" Gate Valve and Boxes	LS	2	650.00	\$1,300.00
6 8" Bends or Tees	EA	5	250.00	\$1,250.00
7 3/4" Copper Service tap	EA	26	150.00	\$3,900.00
8 3/4" Copper Service line	LF	1238	10.00	\$12,380.00
			Sub-total Potable Water:	\$39,546.00

	Units	Quantity	Unit Price	Total Price
Sewer system:				
1 8-inch PVC Sewer	LF	1043	14.00	\$14,602.00
2 San. Sew. Manholes	EA	8	1,200.00	\$9,600.00
3 4-inch single family service tap	EA	26	70.00	\$1,820.00
4 4-inch single family service line	LF	1238	11.00	\$13,618.00
5 Asphalt Cut and Patch	LS	2	450.00	\$900.00
			Sub-total Sanitary Sewer:	\$40,540.00

	Units	Quantity	Unit Price	Total Price
Site paving and grading				
1 Clearing and Grubbing	LS	1.2 ACRES	600.00	\$720.00
2 Roadway excavation	CY	2851.00	2.50	\$7,127.50
3 Roadway embankment	CY	314.00	2.50	\$785.00
4 10" Class-6	CY	1328.00	17.50	\$23,240.00
5 3" Asphalt	SY	3042.00	6.50	\$19,773.00
6 2.0' Median Curb and Gutter	LF	307.00	9.25	\$2,839.75
7 2.5' Mountable Curb and Gutter	LF	1572.00	9.50	\$14,934.00
8 6.5' Mountable C, G & SW	LF	425.00	15.00	\$6,375.00
9 6' Drainage crossspan	LF	28.00	22.50	\$630.00
10 Intersection radii & aprons	SY	65.00	33.00	\$2,145.00
11 8' Offset Concrete Path	LF	290.00	16.50	\$4,785.00
12 Asphalt removal and disposal	SY	216.00	3.00	\$648.00
13 Concrete Mailbox Pads	SY	0.00	0.00	\$0.00
14 4" Asphalt	SY	125.00	9.00	\$1,125.00
15 Street Lights	LS	3.00	1500.00	\$4,500.00
			Sub-total Paving and Grading:	\$89,627.25

Drainage	Units	Quantity	Unit Price	Total Price
1 Detention Pond Berm	CY	300.00	4.00	\$1,200.00
2 Outlet Structure	LS	1.00	8,600.00	\$8,600.00
3 Curb opening inlets - double	EA	2.00	2,200.00	\$4,400.00
4 18" Storm Sewer Laterals	LF	31.00	30.00	\$930.00
5 24" Storm Sewer Outfall	LF	208.00	32.00	\$6,656.00
6 Drainage Swale	LF	255.00	2.00	\$510.00
7 24" Flared end Section with Riprap	LS	1.00	900.00	\$900.00
8 Outlet riprap	CY	22.00	20.00	\$440.00
9 Detention basin revegetation	LS	1.00	550.00	\$550.00
Sub-total Drainage:				\$24,186.00

Landscape and Irrigation	Units	Quantity	Unit Price	Total Price
1 6" PVC irrig. line w/PVC fittings	LF	160.00	5.00	\$800.00
2 4" PVC irrig. line w/PVC fittings	LF	686.00	4.50	\$3,087.00
3 4" Connection to Stm. Swr.	LS	1.00	350.00	\$350.00
4 1" SERVICES	EA	27.00	75.00	\$2,025.00
5 1" Service Line	LF	1238.00	2.00	\$2,476.00
6 Tee's & Bends	EA	5.00	75.00	\$375.00
7 6" GV&B	EA	2.00	480.00	\$960.00
8 4" GV&B	EA	1.00	400.00	\$400.00
9 Landscaping	SF	14593.00	1.25	\$18,241.25
Sub-total Landscape and Irrigation:				\$28,714.25

Miscellaneous	Units	Quantity	Unit Price	Total Price
1 Construction Engineering	1.50% LS	1.00	2,908.49	\$2,908.49
2 Construction Surveying	2.00% LS	1.00	3,877.99	\$3,877.99
3 Developer's Inspection Costs	1.25% LS	1.00	2,423.74	\$2,423.74
4 Quality Control Testing	1.00% LS	1.00	1,938.99	\$1,938.99
5 City Inspection Fees	0.50% LS	1.00	969.50	\$969.50
Sub-total Miscellaneous:				\$12,118.70

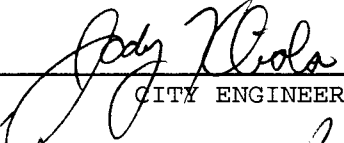
Total Estimated Cost of Improvements:

\$234,732.20

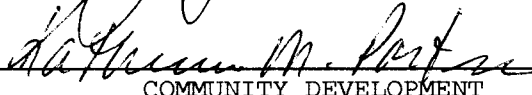
Steven E. Craven
 SIGNATURE OF DEVELOPER

11/5/96
 DATE

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



CITY ENGINEER



COMMUNITY DEVELOPMENT

11-5-96
DATE

11/5/96
DATE

ADDENDUM TO
DEVELOPMENT IMPROVEMENTS AGREEMENT

THIS ADDENDUM TO DEVELOPMENT IMPROVEMENTS AGREEMENT (Addendum) is between COBBLESTONE COMMUNITIES, INC. (Developer) and the CITY OF GRAND JUNCTION (City), and is attached to and made a part of that certain Development Improvements Agreement (Agreement) between Developer and the City.

FOR VALUABLE CONSIDERATION, the parties agree to modify those portions of the Agreement in the particulars set forth below:

1. Paragraph 5 of the Agreement shall be modified by the addition of the following sentence: "Standards and specifications required by the City Engineer or as adopted by the City for the construction of Improvements shall be pursuant to the approval of the final plan of the Property."

2. Paragraph 12.e. of the Agreement shall be modified to read in its entirety as follows:

Initiation of any foreclosure action of any lien or initiation of mechanic's lien procedures against the Property or a portion of the Property or assignment or conveyance of the Property in lieu of foreclosure, the City may declare a default following 30 days written notice given to the Developer; provided, however, nothing contained herein shall prevent the Developer from contesting in good faith any asserted or filed mechanic's lien or arranging for bonding of the same in accordance with the Colorado General Mechanic's Lien Act.

3. Paragraph 15 of the Agreement shall be modified by the addition of the following sentence: "The indemnity given by the Developer to the City hereunder shall exclude any negligent acts or omissions of the City or the City's officers, employees, agents or assigns."

DISBURSEMENT AGREEMENT
(Improvements Guarantee)

Book 2281 Page 117

DEVELOPER: COBBLESTONE RIDGES, LLC

11/20/93 11:00AM 11/20/93
ALPINE BANK, GRAND JUNCTION, CO

BANK: ALPINE BANK, GRAND JUNCTION

PROPERTY: COBBLESTONE RIDGES, PHASE 1

DISBURSEMENT AMOUNT: For the construction of improvements to the Property in an amount not to exceed \$ 234,732.20

This Agreement is entered into by and between COBBLESTONE RIDGES, LLC ("Developer"), ALPINE BANK, GRAND JUNCTION ("Bank") and the City of Grand Junction, Colorado ("City").

RECITALS

Developer has been required by the City to construct certain improvements to COBBLESTONE RIDGES, PH. 1 ("Improvements") in accordance with the Zoning and Development Code, Improvements Agreement and subdivision approval.

The Bank has agreed to loan funds to the Developer for construction of the Improvements.

The City Engineer has approved an estimate of the costs of the Improvements and that amount or an amount not to exceed \$234,732.20, whichever is greater, shall be referred to as the "Funds."

The parties desire to secure the full and complete performance of the Developer's obligations and to secure that the Funds are disbursed only to pay for the Improvements.

NOW, THEREFORE, THE PARTIES AGREE:

1. **BANK PROMISES.** Bank shall dedicate or set aside the Funds on behalf of Developer and for the City's benefit within twenty-four hours of execution of this Disbursement Agreement.

Bank warrants: that the Funds are to be held in trust solely to secure Developer's obligations under the Improvements Agreement; that the Bank shall act as agent of the City in holding the Funds; that the Funds will not be paid out or disbursed to, or on behalf of, the Developer except as set forth in this document and/or as set forth in the Improvements Agreement; and that the Bank may not modify or revoke its obligation to disburse funds to or on behalf of the Developer or the City. The Bank warrants that the Funds are and will be available exclusively for payment of the costs of satisfactory completion of the Improvements.

2. **DISBURSEMENT PROCEDURES.** The Funds shall be advanced for payment of costs incurred for the construction of Improvements on the Property in accordance with the Improvements List/Detail attached to the Improvements Agreement, the terms of which are incorporated by this reference. All disbursements must comply with the following procedures:

(a) **Request for Advance.** Developer shall deliver to the Bank a written request for the disbursement of funds on forms acceptable to the Bank. Such requests shall be signed by Developer, Developer's General Contractor, Project Engineer and Architect, if applicable, and the City Engineer. By signing the request for disbursement the Developer is certifying: that all costs for which the advance is being requested have been incurred

Recorder's Note: Poor Legibility On Document Provided For Recording

in connection with the construction of the Improvements on the Property; that all work performed and materials supplied are in accordance with the plans and specifications submitted to and approved by the City; that the work has been performed in a workmanlike manner; that no funds are being requested for work not completed, nor for material not installed; the Project Engineer has inspected the Improvements for which payment is requested; and that such improvements have been completed in accordance with all terms, specifications and conditions of the approved plans. Attached hereto is the list of those individuals, and their respective signatures, required to sign the above described request(s) for disbursement of funds.

(b) **Documentation, Waivers and Checks.** Each request for disbursement of funds shall be accompanied by: (i) one original and one copy of each invoice to be paid; (ii) checks drawn on Developer's construction loan account with the Bank, made payable to the payee(s) and for the amount of each invoice presented for payment; (iii) lien waivers in a form approved by the Bank prepared for signature by each payee; and (iv) postage paid envelopes addressed to each payee for the mailing of checks presented to the Bank.

The Bank shall verify its receipt of all lien waivers relating to any prior disbursements, which lien waivers shall be properly executed and contain no alterations or modifications from those lien waivers that have been previously presented to the Bank.

Upon approval by Developer, the Project Engineer and the Bank of the invoices being presented to the Bank, the Bank shall advance funds into the checking account designated for the payment of the invoices and mail the checks to the payee(s) in the envelopes presented to the Bank, together with lien waivers and copies of supporting invoices.

Under no circumstances shall the Bank make a disbursement for the payment of an invoice if it in good faith believes that: (i) the work has not been completed; (ii) the work has not been completed in a workmanlike manner; (iii) written approval has not been received from the Project Engineer; or (iv) any lien waiver has been altered or modified or has not been returned to the Bank.

(c) **Default.** Upon default of the Developer on any obligation to the Bank or under the Improvements Agreement, the Bank shall disburse no funds to, or at the direction of, the Developer except to the City under the terms of the Improvements Agreement. The Bank shall immediately notify the City, in writing, of any event of default or event of default as provided for in the Improvements Agreement and/or as provided herein.

(d) **Disbursement to City.** In the event the Improvements are not satisfactorily and timely constructed, or upon any default or event of default, the City Engineer shall notify the Bank to immediately cease disbursement of funds to the Developer and disburse the full amount of the remaining undisbursed funds to the City. Upon such notice, the Bank shall promptly honor the demand of the City Engineer to disburse the Funds to the City or a third party or parties designated in writing by the City. Upon final completion and acceptance of the performance required under the Improvements Agreement, the City shall refund to the Bank any funds disbursed, if any, which are not actually expended to pay all costs, expenses and liabilities, including attorney fees, incurred in completing the Improvements.

3. **DEVELOPER CONSENT:** The Developer, by the signature of COBBLESTONE COMMUNITIES, INC. ITS MANAGER (name & title), consents to disbursements and other actions authorized and provided for by the terms of this Agreement and/or the Improvements Agreement.

4. **LIABILITY FOR LOSS:** If the Bank fails to disburse funds in accordance with the procedures set forth, and the City suffers loss or damage, the Bank shall be liable to the City for the City's direct and consequential damages and all fees, costs and expenses, including attorneys fees.

5. **BINDING EFFECT:** This Agreement shall be binding on the heirs, successors, receivers and assigns of all parties and shall terminate when the City has accepted the Improvements and has recorded a release of the Improvements Agreement.

6. IMMUNITY: Nothing contained in this Agreement constitutes a waiver of the City's sovereign immunity under applicable state law.

Dated this 6th day of November, 1996.

(BANK) Alpine Bank, Grand Junction

By: [Signature]
Title President

225 N. 5th Street, Grand Junction, CO. 81501
Address

(DEVELOPER)

By: [Signature]
~~XXX~~ Cobblestone Communities, Inc., Its Manager, by, Steven E. Craven,
President

P.O. Box 1267, Grand Junction, CO 81502
Address

CITY OF GRAND JUNCTION

By: [Signature]
Director of Community Development

Pursuant to the terms of the foregoing Disbursement Agreement (Improvements Guarantee) by and between Cobblestone Ridges, LLC Developer, Alpine Bank, Grand Junction as Bank, and the City of Grand Junction, the following are the individuals authorized to sign written requests for the disbursement of the Funds:

DEVELOPER:

(name) [Signature]
(signature)

(name) _____
(signature)

(name) _____
(signature)

DEVELOPER'S GENERAL CONTRACTOR:

Sorter Const Inc [Signature]
(name) (signature)

DEVELOPER'S PROJECT ENGINEER:

James B. Langford James B. Langford, Sec 11/5/96
(name) (signature)

DEVELOPER'S ARCHITECT:

N/A _____
(name) (signature)

CITY ENGINEER:

JODY KLISKA Jody Kliska
(name) (signature)

July 19, 1996

RELEASE OF IMPROVEMENTS AGREEMENT & GUARANTEE
Grand Junction Community Development Department
FILE # FPP-96-27-2

This memorandum relates to a certain recorded Improvements Agreement and Guarantee dated NOVEMBER 5 1996, and recording at Book 2280, Page 531-542 of the land records of Mesa County, Colorado, by and between Cobblestone Communities (Developer) and the City of Grand Junction (City) pertaining to Cobblestone Ridges, Phase I (Project).

Legal Description:

Cobblestone Ridges, Phase I

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:	<u>[Signature]</u>	<u>4/8/99</u>
	City Engineer	Date
	<u>[Signature]</u>	<u>4/9/99</u>
	City Utilities Manager	Date
	<u>[Signature]</u>	<u>4/9/99</u>
	Fire Marshall	Date

RECEIVED
APR 13 1999
MESA COUNTY
PLANNING DEPARTMENT

UTE WATER:

By: NA
Date

GRAND JUNCTION DRAINAGE:

By: NA
Date

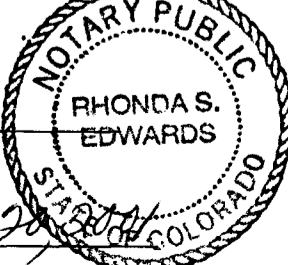
In accordance with the above signatures, I hereby certify that the Improvements Agreement & Guarantee and the recording evidencing the agreement and guarantee, at Book 2280, Pages 31-42 of the Mesa County land records, have been completed and accepted and in accordance with the provisions of the Grand Junction Zoning and Development Code are hereby released, subject to the required warranty period.

<u>[Signature]</u>	<u>4/19/99</u>
Director of Community Development Planning Manager	Date

The foregoing instrument was executed before me this 19th day of April, 1999 by Katherine M. Portner, Director of Community Development for the City of Grand Junction, Colorado. Planning Manager

Witness my hand & official seal.

[Signature]
Notary Public



My commission expires September 20, 2001