

HAL06DES

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEVELOPMENT IMPROVEMENTS AGREEMENT
NAME OF CONTRACTOR:	HALLIBURTON ENERGY SERVICES
PROJECT/SUBDIVISION:	DESIGN & CONSTRUCTION OF 31 5/8 ROAD
ADDRESS:	3199 D ROAD
TAX PARCEL NO:	2943-221-01-003
FILE #:	CUP-2005-311
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2006
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("Agreement") are Halliburton Energy Services, Inc., ("Developer") and the **City of Grand Junction, Colorado** ("City").

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

2. **Effective Date:** The Effective Date of the Agreement shall be the date that it is signed by the Community Development Director.

RECITALS

The Developer seeks permission to develop property, described on Exhibit A attached and incorporated by this reference ("the Property" or "Property"). The Property, known as 3199 D Road, Grand Junction, Colorado has been reviewed and approved under Community Development file # CUP-2005-311 ("Development" or "the Development").

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

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

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

DEVELOPER'S OBLIGATION

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

3a. On and after the Effective Date of this Agreement the Developer agrees to pay the City for its Administration and Inspection of the Development. The hourly rate for those services is \$45.00/hour. Administration and Inspection includes but is not limited to the time expended by the City's planner, engineer, construction inspector and attorney in directing, advising, correcting and enforcing by means other than litigation, this Agreement and/or the approved development plan. Making

disbursements and calling/collecting Guarantees are Administration and Inspection services and shall be charged at \$45.00/hour. See, paragraph 19 concerning attorneys' / litigation fees.

3b. The scope of this project is such that the City may have to engage independent consultants(s) to adequately provide inspection services; Developer agrees to pay such costs up to the amount of \$10,000.00, in addition to all others for which Developer is responsible hereunder.

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

4. **Security:** To secure the performance of its obligations under this Agreement the Developer shall supply a guarantee. The Developer is required to post security in an amount of \$1,413,674.32 (139.2% of the amount for the Improvements, including estimated inflation for costs of improvements and City Security) in a form and with terms acceptable to the City ("Guarantee"). The Guarantee shall be in the form of a cash deposit made to the City, a letter of credit or a disbursement agreement in a form and with content approved by the City Attorney. The Guarantee specific to this Agreement is attached as Exhibit C and is incorporated by this reference as if fully set forth.

Select one: Cash _____ Letter of Credit (LOC) Disbursement Agreement _____

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

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

6a. Upon Acceptance the Developer shall provide a Maintenance Guarantee in an amount of \$203,114.13 (Line G2, Exhibit B, City Security).

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

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

7a. The Developer shall complete and receive City approval of the design and construction plans for the Improvements on or before April 1, 2007, and complete the Improvements by the end of the twelfth month from the Effective Date of this Agreement; that date is known as the "Completion Date."

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

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

Commencement Date: 12/13/06
Completion Date: 12/13/07

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

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

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

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

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

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

11. Reduction of Security: Upon Acceptance of any Improvement(s) the amount which the City is entitled to draw on the Guarantee shall be reduced by an amount of \$1,015,570.64 (Line G1, Exhibit B, Total Improvement Costs plus 16%).

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

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

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

13a. Developer's failure to receive City approval of the design and construction plans for the Improvements on or before April 1, 2007.

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

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

13d. 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;

13e. Notification to the City, by any lender with a lien on the Property which, if uncured within ten days after notice given by the City to Developer, or if reasonably disputed by Developer, not secured by a bond or other reasonable security instrument pending resolution of such dispute, of a default by Developer on any obligation to such lender. In such event, the City may immediately declare a default without prior notification to the Developer.

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

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

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

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

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

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

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

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

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

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

16. **Indemnification:** The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns ("City") harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or

sustained by any person or entity in connection with or on account of the Developer's or Developer's agent or agents' negligence or willful misconduct in connection with its performance or non-performance of work at the Property and/or the Improvements and/or the Development that is being done pursuant to this Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If to Developer:	Halliburton Energy Services, Inc. Attention: Woody Kemp 10200 Bellaire Boulevard Houston, TX 77072 (281) 575-4139	Name -Developer/Company Address (Street and Mailing) City, State & Zip Code Telephone and Fax Numbers
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(281)575-5776 FAX

Cc: Law Department
Halliburton Energy Services
2101 City West Blvd.
Building 2
Houston, TX 77042

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

Cc: Community Development Department
250 North 5th Street
Grand Junction, CO 81501

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

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

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

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

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

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

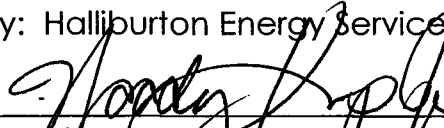
30b. Developer shall also construct and pay for end-transitions, intersection paving, drainage facilities and adjustments to existing utilities necessary to open the street to traffic.

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

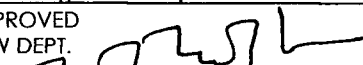
- (i) furnishes to the City Engineer as-built drawings in reproducible form, blue line stamped and sealed by a professional engineer and in computer disk form and copies of results of all construction control tests required by City specification;
- (ii) provides written evidence to the City Engineer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

31. **Ambiguities.** Developer and the City have each obtained the advice of its own legal counsel regarding this Agreement or have knowingly declined to do so. The parties agree that the rule of construing ambiguities against the drafter shall have no application to this Agreement.

By: Halliburton Energy Services, Inc.

 11/29/2006
Developer Date

Woody Kemp Jr
Name (printed)

APPROVED
LAW DEPT.
BY: 
DATE: 11/28/06

Woody Kemp, Jr.
Real Estate Services
Attorney-In-Fact

Corporate Attest:

Name Date

City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501

 12-13-06
Community Development Dept. Date

EXHIBIT B**IMPROVEMENTS COST ESTIMATE**DATE: October 27, 2006DEVELOPMENT NAME: Halliburton Energy ServicesLOCATION: 3199 D Road & 365 32 RoadPRINTED NAME OF PERSON PREPARING: Janet Carter

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC Sanitary Sewer Main	LF			\$ -
2	" PVC Sanitary Sewer Main	LF			\$ -
3	" PVC Sanitary Sewer Main	LF			\$ -
4	Sewer services	EA or LF	2	\$600.00	\$ 1,200.00
5	Sanitary Sewer Manhole	EA			\$ -
6	Sanitary Sewer Drop Manhole	EA			\$ -
7	Connection to Existing Manhole	EA			\$ -
8	Concrete Encasement	LF			\$ -
Subtotal Part A Sanitary Sewer					\$ 1,200.00
B. DOMESTIC WATER					
1	2" PVC Water Main	LF	550	\$6.00	\$ 3,300.00
2	4" PVC Water Main	LF			\$ -
3	8" PVC Water Main	LF	1200	\$20.00	\$ 24,000.00
4	2" Gatevalve	EA	2	\$500.00	\$ 1,000.00
5	4" Gatevalve	EA	1	\$600.00	\$ 600.00
6	8" Gatevalve	EA	2	\$800.00	\$ 1,600.00
7	Water Services	EA or LF			\$ -
8	Connect to Existing Water Line	EA	1	\$800.00	\$ 800.00
9	Fire Hydrant with Valve	EA	1	\$2,500.00	\$ 2,500.00
10	Utility Adjustments	EA			\$ -
11	Blowoff	EA	1	\$500.00	\$ 500.00
Subtotal Part B - Domestic Water					\$ 34,300.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
C1	STREETS				
1	4" PVC Utility/Irrigation sleeves	LF		\$	-
2	8" PVC Utility/Irrigation sleeves	LF		\$	-
3	Reconditioning	SY	2570	\$1.50	\$ 3,855.00
4	Aggregate Base Course (Class 3)	TN		\$	-
5	Aggregate Base Course (Class 6) 4" Compacted Thickness)	SY	850	\$7.29	\$ 6,196.50
6	Aggregate Base Course (Class 6) (9" Compacted Thickness)	SY	1300	\$14.50	\$ 18,850.00
7	Hot Bituminous Paving, Grading (4" thick)	SY	1300	\$33.75	\$ 43,875.00
8	Hot Bituminous Paving, Grading (" thick)	SY		\$	-
9	Hot Bituminous Paving, Patching (" Thick)	SY		\$	-
10	Geotextile	SY		\$	-
11	Concrete Curb (" Wide by " High)	LF		\$	-
12	Concrete Curb and Gutter (2' wide)	LF		\$	-
13	Concrete Curb and Gutter (1.5' wide)	LF		\$	-
14	Monolithic, Vertical Curb, Gutter and Sidewalk 7' Wide)	LF	640	\$22.50	\$ 14,400.00
15	Drive Over Curb, Gutter, and Sidewalk (' Wide)			\$	-
16	Concrete Sidewalk (' Wide)	LF		\$	-
17	Concrete Gutter and Driveway Section (" Thick)	SY		\$	-
18	Concrete Drainage Pan (' Wide, " Thick)	LF	15	\$30.00	\$ 450.00
19	Concrete Corner Fillet	SY	40	\$40.00	\$ 1,600.00
20	Concrete Curb Ramp	SY	10	\$40.00	\$ 400.00
21	Complete Concrete Corner	SY		\$	-
22	Concrete Driveway (8" Thick)	SY	6000	\$90.00	\$ 540,000.00
23	Driveway/Concrete Repair	SY		\$	-
24	Retaining Walls	LF		\$	-
25	Street Signs	EA	1	\$300.00	\$ 300.00
26	Striping (New, Remove/Replace)	LF		\$	-
27	Street Lights	EA	1	\$3,000.00	\$ 3,000.00
28	Signal Construction or Reconstruction	LS		\$	-
29	Flowable Fill	CY		\$	-
30	Sleeves, ", 4 PVC	LF		\$	-
				\$	-
				\$	-

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
C2	BRIDGES				
					\$ -
1	Box Culvert Pre-Cast	LS			\$ -
2	Box Culvert Cast-in-Place	LS	1	\$12,500.00	\$ 12,500.00
3	Wingwalls	LS	1	\$6,000.00	\$ 6,000.00
4	Parapet Wall	LS			\$ -
5	Railing (handrail, guardrail)	LS			\$ -
6	State Property Steadfast Steel Bridge	LS	1	\$50,000.00	\$ 50,000.00
7	State Property Bridge Foundation Design	LS	1	\$1,000.00	\$ 1,000.00
					\$ -
	Subtotal Part C - Streets and Bridges				\$ 702,426.50
D1	EARTHWORK				
1	Mobilization	LS	1	\$60,000.00	\$ 60,000.00
2	Clearing and Grubbing	AC or LS			\$ -
3	Unclassified Excavation	CY	943	\$4.00	\$ 3,772.00
4	Unclassified Embankment	CY			\$ -
D2	REMOVALS AND RESETTING				
1	Removal of Asphalt	SY	100	\$300.00	\$ 30,000.00
2	Removal of Miscellaneous Concrete	SY	1	\$500.00	\$ 500.00
3	Remove Curb and Gutter	LF			\$ -
4	Removal of Culverts	EA	2	\$250.00	\$ 500.00
5	Remove Structures	EA			\$ -
6	Remove Signs	EA			\$ -
7	Remove Fence	LF	1850	\$5.00	\$ 9,250.00
8	Adjust Manhole	EA			\$ -
9	Adjust Valvebox	EA			\$ -
10	Relocate or Adjust Utilities	LS	1	\$8,000.00	\$ 8,000.00

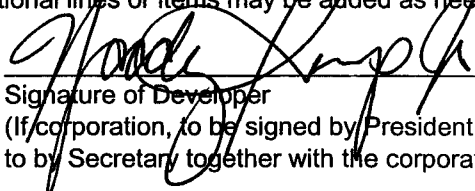
Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
D3 EROSION CONTROL, SEEDING, AND SOIL RETENTION					
1	Sod	SY			\$ -
2	Seeding (Native)	SY or AC			\$ -
3	Seeding (Bluegrass/Lawn)	SY or AC			\$ -
4	Hydraulic Seed and Mulching	SY or AC			\$ -
5	Soil Retention Blanket	SY	700	\$14.00	\$ 9,800.00
6	Silt Fence	LF	260	\$5.00	\$ 1,300.00
7	Straw Waddles	LF			\$ -
8	Temporary Berms	LF			\$ -
9	Inlet Protection	EA	2	\$75.00	\$ 150.00
10	Sediment Trap/Basin	EA	1	\$350.00	\$ 350.00
11	Monthly Maintenance/Inspection	Month			\$ -
12	Watering (Dust Control)	AC or LS			\$ -
13	Temporary Irrigation				\$ -
D4 STORM DRAINAGE FACILITIES					
1	Finish Grading (incl. Channels, Swales, and Ponds)	CY	700	\$3.00	\$ 2,100.00
2	15" Storm Drain Pipe	LF	20	\$25.00	\$ 500.00
3	30" Storm Drain Pipe	LF	200	\$60.00	\$ 12,000.00
4	" Storm Drain Pipe	LF			\$ -
5	" Storm Drain Pipe	LF			\$ -
6	" Storm Drain Pipe	LF			\$ -
7	30" Flared End Section	EA	2	\$350.00	\$ 700.00
8	" Flared End Section	EA			\$ -
9	48" Storm Drain Manhole	EA			\$ -
10	60" Storm Drain Manhole	EA			\$ -
11	72" Storm Drain Manhole	EA			\$ -
12	Manhole with Box Base	EA	2	\$3,000.00	\$ 6,000.00
13	Connection to Existing MH	EA			\$ -
14	Single Curb Opening Storm Drain Inlet	EA			\$ -
15	Double Curb Opening Storm Drain Inlet	EA	2	\$3,000.00	\$ 6,000.00
16	Area Storm Drain Inlet	EA			\$ -
17	Detention Area Outlet structure	EA			\$ -
18	Rip-Rap D ₅₀ = 15"	CY	45	\$75.00	\$ 3,375.00
19	Sidewalk Trough Drain	EA	1	\$600.00	\$ 600.00
20	Pump Systems including Electrical	LS			\$ -
21	State Property Rip-Rap D ₅₀ = 6"	CY	54	\$50.00	\$ 2,700.00
22	State Property Excavation	CY	3.5	\$445.00	\$ 1,557.50
23	State Property Clear and Grub	LS	1	\$1,500.00	\$ 1,500.00
24	State Property Erosion Blanket	SF	510	\$2.25	\$ 1,147.50
Subtotal Part D - Grading and Drainage					\$ 161,802.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
E1	IRRIGATION				
1	Connect to Existing Pipe	LF			\$ -
2	8" Irrigation Pipe	LF	1900	\$8.00	\$ 15,200.00
3	" Irrigation Pipe	LF			\$ -
4	Fittings and Valves	LS			\$ -
5	Services	EA			\$ -
6	Pump System and Concrete Vault	LS			\$ -
7	Irrigation Structure	EA			\$ -
8	Vacuum Relief and/or Air Release Valve	EA			\$ -
E2	LANDSCAPING				
1	Design/Architecture	LS			\$ -
2	Earthwork	CY			\$ -
3	Hardscape Features	LS			\$ -
4	Plant Material & Planting	LS			\$ -
5	Irrigation System	LS			\$ -
6	Curbing	LF			\$ -
7	Retaining Walls & Structures	LS			\$ -
8	1 Year Maintenance Agrmnt.	LS			\$ -
9	Topsoil				\$ -
					\$ -
					\$ -
E	Subtotal Part E - Landscaping and Irrigation				\$ 15,200.00
	Subtotal Construction Costs				\$ 914,928.50

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
F.	Miscellaneous Items				
1	Construction staking/surveying	%	2.00%	\$914,928.50	\$ 18,298.57
2	Developer's inspection cost	%	2.00%	\$914,928.50	\$ 18,298.57
3	General construction supervsn	%		\$914,928.50	\$ -
4	Quality control testing	%	2.00%	\$914,928.50	\$ 18,298.57
5	Construction traffic control	%		\$914,928.50	\$ -
6	City inspection fees	%	0.50%	\$914,928.50	\$ 4,574.64
7	Civil Engineering / Design Fees	%	2.50%	\$914,928.50	\$ 22,873.21
8	As-builts	%	2.00%	\$914,928.50	\$ 18,298.57
E	Subtotal Part F - Miscellaneous Items				\$ 100,642.14
% = Percentage of total site construction costs					
G	COST SUMMARY				
1	Total Improvement Costs				\$ 1,015,570.64
2	City Security (20%)				\$ 203,114.13
3	16% Construction Escelation per city requirements				\$ 194,989.56
	Total Guarantee Amount				\$ 1,413,674.32


NOTES


1. All prices shall be for items complete in place and accepted.
2. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction.
3. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere.
4. All concrete items shall include Aggregate Base Course where required by the drawings.
5. Fill in the pipe type for irrigation pipe and sleeves.
6. Reconditioning shall be calculated to at least 6" outside of back of walk on both sides.
7. Units can be changed if desired, simply annotate what is used.
8. Additional lines or items may be added as needed.


11-29-2006
 Signature of Developer _____ Date
 (If corporation, to be signed by President and attested to by Secretary together with the corporate seals.)

Woody Kemp, Jr.
Real Estate Services
Attorney-In-Fact

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


12-13-06
 City Development Engineer _____ Date


12-13-06
 Community Development _____ Date

AmegyBank of Texas

P.O. Box 27459
Houston, Texas 77227-7459

Office Address:
4400 Post Oak Parkway
Houston, Texas 77027

Swift: SWBKUS44
Phone: (713) 235-8800
Fax: (713) 232-5928

CITY OF GRAND JUNCTION
C/O DIRECTOR OF COMMUNITY DEVELOPMENT
250 N. 5TH STREET
GRAND JUNCTION, CO 81501

IRREVOCABLE LETTER OF CREDIT NO. SC 5056
DATED DECEMBER 7, 2006
EXPIRATION: DECEMBER 6, 2007 SUBJECT TO THE AUTOMATIC EXTENSIONS STATED BELOW

DEAR SIRs:

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. SC 5056 IN FAVOR OF THE CITY OF GRAND JUNCTION AT THE REQUEST OF AND FOR THE ACCOUNT OF HALLIBURTON ENERGY SERVICES, INC., 3199 D ROAD, GRAND JUNCTION, CO 81504 (DEVELOPER) IN THE AGGREGATE AMOUNT OF US\$1,413,674.32 (UNITED STATES DOLLARS ONE MILLION FOUR HUNDRED THIRTEEN THOUSAND SIX HUNDRED SEVENTY-FOUR AND CENTS THIRTY TWO ONLY), EFFECTIVE DECEMBER 7, 2006 AND EXPIRING AT OUR COUNTERS ON THE CLOSE OF BUSINESS DAY OF DECEMBER 6, 2007, SUBJECT TO THE AUTOMATIC EXTENSIONS STATED BELOW. THIS LETTER OF CREDIT IS ESTABLISHED FOR THE USE AND BENEFIT OF THE CITY OF GRAND JUNCTION BY REASON OF THE HALLIBURTON ENERGY SERVICES, INC. (DEVELOPER) BEING OBLIGATED TO PAY OR PERFORM IN ACCORDANCE WITH THE PROVISIONS OF THE GRAND JUNCTION ZONING AND DEVELOPMENT CODE IN CONNECTION WITH ITS DEVELOPMENT IMPROVEMENTS AGREEMENT.

FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU AGAINST PRESENTATION OF YOUR DRAFT DRAWN AT SIGHT ON OURSELVES, MARKED THEREON "DRAWN UNDER AMEGY BANK N.A. LETTER OF CREDIT NO. SC 5056 DATED DECEMBER 7, 2006" AND ACCOMPANIED BY YOUR STATEMENT MANUALLY SIGNED BY AN AUTHORIZED DESIGNEE OF THE CITY OF GRAND JUNCTION STATING THAT:

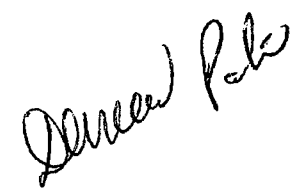
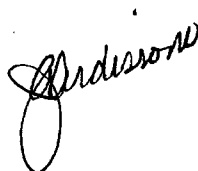
"HALLIBURTON ENERGY SERVICES, INC. (DEVELOPER) HAS FAILED TO COMPLY WITH THE TERMS, CONDITIONS, PROVISIONS AND REQUIREMENTS OF THE GRAND JUNCTION ZONING AND DEVELOPMENT CODE AND/OR PLANS, SPECIFICATIONS OR AGREEMENTS RELATING TO THE CONSTRUCTION OF IMPROVEMENTS REQUIRED BY THE CITY OF GRAND JUNCTION. THE MONIES RECEIVED FROM THIS DRAWING ARE REQUIRED TO CONSTRUCT THOSE IMPROVEMENTS. THE CITY OF GRAND JUNCTION THEREFORE REQUESTS THE PAYMENT OF \$----- (INSERT AMOUNT)".

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF SIX (6) MONTHS FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE UNLESS:

(A) YOU HAVE NOTIFIED US IN WRITING THAT THE UNDERLYING OBLIGATION HAS BEEN PERFORMED, RELEASED OR SATISFIED AND THEREFORE ARE IN AGREEMENT OF CANCELLATION OF THIS LETTER OF CREDIT, OR

(B) THE AMOUNT AVAILABLE FOR DRAWING AGAINST THIS LETTER OF CREDIT HAS BEEN DRAWN IN FULL BY YOURSELVES, OR

(C) WE, THE ISSUING BANK NOTIFIES THE CITY OF GRAND JUNCTION AT 250 N. 5TH STREET, GRAND JUNCTION, CO 81501, BY CERTIFIED MAIL RETURN RECEIPT REQUESTED OR COURIER, AT LEAST NINETY (90) DAYS PRIOR TO SUCH EXPIRATION DATE THAT WE ELECT NOT TO FURTHER EXTEND THIS LETTER OF CREDIT.



AmegyBank of Texas

P.O. Box 27459
Houston, Texas 77227-7459

Office Address:
4400 Post Oak Parkway
Houston, Texas 77027

Swift: SWBKUS44
Phone: (713) 235-8800
Fax: (713) 232-5928

THIS LETTER OF CREDIT IS AN IRREVOCABLE OBLIGATION OF THE BANK AND 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 COMMUNITY DEVELOPMENT OR BY HIS AUTHORIZED DESIGNEE.


PARTIAL DRAWINGS ARE PERMITTED AND THIS LETTER OF CREDIT IS NOT TRANSFERABLE.

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 COURIER, FACSIMILE, FIRST CLASS MAIL, IN PERSON OR ANY OTHER REASONABLE BUSINESS PRACTICE ON OR PRIOR TO THE EXPIRATION DATE OR ANY EXTENSION THEREOF OF THIS LETTER OF CREDIT.

EXCEPT AS OTHERWISE STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500 AND TO THE EXTENT THAT IT DOES NOT CONFLICT WITH ARTICLE 5 OF THE UNIFORM COMMERCIAL CODE OF THE STATE OF COLORADO.



AUTHORIZED SIGNATURE
James A. Ardissono, VP



AUTHORIZED SIGNATURE
Devika Patel, AVP

LETTER OF CREDIT NUMBER SC 5056

PAGE 2 OF 2

RECORDING MEMORANDUM
Exhibit D

City of Grand Junction
Community Development Department Community Development
File: #CUP-2005-311

This memorandum relates to and confirms that certain Development Improvements Agreement and/or Maintenance Guarantee concerning land in Mesa County, Colorado. The Agreement is by and between Halliburton Energy Services (Developer) and the City of Grand Junction (City) pertaining to Halliburton Energy Services – 31 5/8 Road design and construction (Project), located at 3199 D Road.

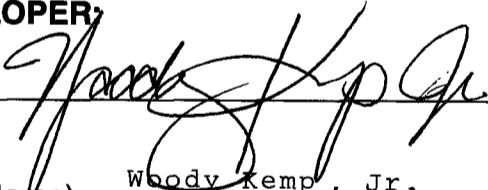
The Developer of the Project was required by law to install and construct certain public and private improvements, the completion of which was guaranteed by a Development Improvements Agreement and/or Maintenance Guarantee. The Project is required to be constructed in accordance with the approval by the City pursuant to and in accordance with the Zoning and Development Code all as more fully detailed and described in City of Grand Junction development file # CUP-2005-311.

The Developer and the City of Grand Junction by and through the signatures of the undersigned have determined and agreed to the type, quality and amount of improvements required and/or necessitated by the approval of the Project and that the improvements are guaranteed by and through the Development Improvements Agreement and /or Maintenance Guarantee. Furthermore, the Developer and the City agree that the Development Improvements Agreement and/or Maintenance Guarantee are contractual in nature and that the obligations under the Development Improvements Agreement and/or Maintenance Guarantee shall not be assigned except as provided in the agreement(s).

By virtue of this notice being recorded in the land records of the Mesa County Clerk and Recorder, subsequent owners and/or those that claim by, through or under the Developer are on notice of the Developer's obligations under the agreement(s).

NOW THEREFORE, the Developer and an official of the City of Grand Junction, both possessing and representing by their signatures that they possess sufficient authority, do hereby memorialize the relative, rights and obligations contained in the Development Improvement Agreement and/or Maintenance Guarantee herein characterized.

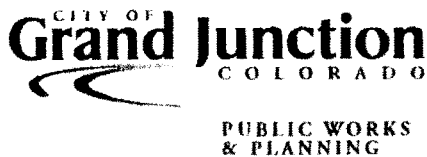
DEVELOPER:

By:  12.21.06
Date
(Print Name) Woody Kemp, Jr.

CITY OF GRAND JUNCTION:

In accordance with the above, I hereby certify that the Development Improvement Agreement and/or Maintenance Guarantee are made of record by this memorandum and that the same may be inspected and/or copied at the City of Grand Junction, Community Development Department, 250 N. 5th Street, Grand Junction Colorado.

 1-3-06
Community Development Department Date



April 9, 2009

Wayne Brookshire
Haliburton
3199 D Road
Grand Junction, CO 81504

RE: Notice of Final Acceptance -
Project Name: Haliburton 31 5/8 Road
Project Number: CUP-2005-311

Because this project was paved over 1 ½ years ago and it has held up so well, to save both parties paperwork and expense, the City has decided not to implement the normal one year warranty period and go straight to final acceptance.

The City conducted a warranty inspection of the project and any needed follow-up inspections. The public infrastructure improvements have been found to be in satisfactory condition. All requirements for the final acceptance for the Project have been fulfilled.

The Developer's warranty obligation, for all materials and workmanship, has concluded and all warranty obligations are hereby released.

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

Public streets:

- All public streets as shown on the Project plans.

Storm drainage system:

- Storm drain pipes, inlets and manholes within the public right of way.

Water distribution system:

- N/A – Served by Clifton Water.

Sanitary sewer:

- N/A – Served by Central Grand Valley Sanitation District.

I have contacted the Planner for release of the Development Improvements Agreement, the Maintenance Agreement and any financial security attached to the Project.

Sincerely,

**Rick
Dorris**

Digitally signed by Rick Dorris
DN: cn=Rick Dorris, o=City of
Grand Junction Colorado,
ou=Public Works and Planning,
email=rickdo@gjcity.org, c=US
Date: 2009.04.09 09:00:36
+05'00'

Rick Dorris, PE, CFM
Development Engineer

Electronic copy:

Senta Costello, Senior Planner
Peggy Sharpe, Administrative Assistant
Chris Spears – Storm Drainage System

Mark Barslund, Development Inspector
David Van Wagoner – Street System
Dave Kasnoff – FCI



City Attorney

April 16, 2009

Amegy Bank of Texas
P.O. Box 27459
Houston, Texas 77227-7459

Re: Cancellation of Letter of Credit Number **#SC 5056**
Halliburton Energy Services, Inc.
Internal Reference: **Halliburton Energy Services CUP-2005-311**

Dear Sirs:

Enclosed please find the original Letter of Credit Number **#SC 5056** for **Halliburton Energy Services**. 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



Shelly Dackonish, Staff Attorney

Encl. Letter of Credit Number **#SC 5056**

Pc: Senta Costello, Planner
Peggy Sharpe, Planning

Halliburton Energy Services
3199 D Road
Clifton, CO 81520

Amegy Bank N.A.

P.O. Box 27459
Houston, Texas 77227-7459

Office Address:
4400 Post Oak Parkway
Houston, Texas 77027

Swift: SWBKUS44
Phone: (713) 235-8800
Fax: (713) 232-5928

DATE: FEBRUARY 03, 2009

TO: CITY OF GRAND JUNCTION
C/O DIRECTOR OF COMMUNITY
DEVELOPMENT, 250 N. 5TH STREET
GRAND JUNCTION, CO 81501

OUR REFERENCE NUMBER: SC 5056

YOUR REFERENCE: NONE

SENT VIA FEDERAL EXPRESS COURIER

ISSUED FOR THE ACCOUNT OF:
HALLIBURTON ENERGY SERVICES, INC.

AMOUNT: USD 1,413,674.32

DEAR SIR OR MADAM:

WE HEREBY GIVE FORMAL NOTICE THAT IN ACCORDANCE WITH THE TERMS OF THE ABOVE MENTIONED IRREVOCABLE STANDBY LETTER OF CREDIT ISSUED BY US ON DECEMBER 7, 2006, WE ELECT NOT TO FURTHER EXTEND THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

IN ORDER TO COMPLETE OUR FILES, WE WOULD APPRECIATE THE RETURN OF THE ORIGINAL LETTER OF CREDIT TO THE ATTENTION OF THE UNDERSIGNED ON OR AFTER ITS PRESENT EXPIRY DATE OF JUNE 07, 2009, OR ALTERNATIVELY, IF EARLIER TOGETHER WITH YOUR LETTER THAT YOU ARE RETURNING THE ORIGINAL LETTER OF CREDIT FOR EARLY CANCELLATION AS IT IS NO LONGER REQUIRED. IT IS OUR UNDERSTANDING THAT HALLIBURTON WILL BE REPLACING THIS LETTER OF CREDIT.

WE APPRECIATE YOUR COOPERATION.

AMEGY BANK N.A.

SINCERELY,



AUTHORIZED SIGNATURE
James A. Ardissono, VP

CC: HALLIBURTON ENERGY SERVICES, INC.
3199 D ROAD
GRAND JUNCTION, CO 81504

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction
Public Works & Planning Department
FILE: CUP-2005-311

This Release relates to a Recording Memorandum dated January 3, 2007, by and between Halliburton Energy Services, Inc. (Developer) and the City of Grand Junction, pertaining to Halliburton Energy Services (Project), located at 3199 D Road, Clifton CO, recorded at Book 4394, Page 77, 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:

Kick Davis

Date:

4-16-09

Planner:

Ante Costello

Date:

4/16/09

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]
Public Works & Planning Department

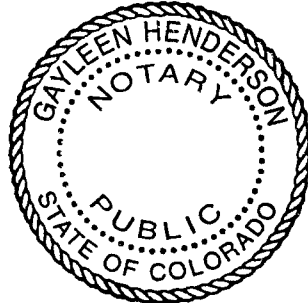
Date

4.16.09

The foregoing instrument was executed before me this 16th day of April, 2008 by Greg Moberg, of the Public Works & Planning Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

Gayleen Henderson
Notary Public



My commission expires on

10/29/2009