

RDM00RDM

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: **DEVELOPMENT IMPROVEMENTS AGREEMENT**

NAME OF APPLICANT OR DEVELOPER: REDLANDS MESA, LLC, A COLORADO LIMITED LIABILITY COMPANY

PROJECT/SUBDIVISION: REDLANDS MESA PLANNED DEVELOPMENT

LOCATION: BLOCKS 1 THROUGH 6, REDLANDS MESA PLANNED DEVELOPMENT FILING 1

PARCEL NO.: 2945-201-00-071

FILE NO.: FPP-1999-142

CITY DEPARTMENT: COMMUNITY DEVELOPMENT

YEAR: 2000

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

DEVELOPMENT IMPROVEMENTS AGREEMENT

1957572 07/17/00 0228PM
MONIKA TODD CLK&REC MESA COUNTY CO
REC FEE \$60.00

1. **Parties:** The parties to this Development Improvements Agreement ("the Agreement" or "Agreement") are Redlands Mesa, LLC, a Colorado Limited Liability Company ("the Developer") and **THE CITY OF GRAND JUNCTION, Colorado** ("the City" or "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 is {03 /07 /2000 (mm/dd/yy)}.

RECITALS

The Developer seeks permission to develop property within the City to be known as Redlands Mesa Planned Development, which property is more particularly described on Exhibit A attached and incorporated by this reference ("the Property" or "Property"). The City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements in the Property 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 Developer and/or the Property or for the benefit of the owners, purchasers or users of the Property. The mutual promises, covenants, and obligations contained in this 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 Improvements" or "Improvements"). The Developer agrees to pay the City for inspection services performed by the City, in addition to amounts shown on Exhibit B. The hourly rate of "in-house" inspection services is \$45.00 per hour. The scope of this project is such that the City may have to engage independent consultant(s) to adequately provide inspection services; Developer agrees to pay such costs, in addition to all others. 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 shall supply a financial guarantee, in a form and with terms acceptable to the City as indicated below:

- _____ (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, or
- _____ (IV) other: _____

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 last improvement completed by the Developer.

7. **Commencement, Completion and Abandonment Periods:** The Developer will commence work on the Improvements within 45 days from the Effective Date of this Agreement ("the Commencement Period") and the Improvements, each and every one of them, shall be completed by the end of the 9th month from the Effective Date of this Agreement {12 / 07 / 2000 (mm/dd/yy)} (the "Completion Period"). The Developer shall not cease construction activities for any period of more than 60 consecutive days ("the Abandonment Period").

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

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. The City may grant reasonable extensions.

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. **Reduction of Security:** After the acceptance of any Improvement, the amount which the City is entitled to draw on the guarantee will be reduced by an amount equal to 90 percent of the estimated cost of the Improvement as shown in Exhibit B. At the written request of the Developer, the City will execute a certificate verifying the acceptance of the Improvement and waiving its right to draw on the guarantee to the extent of such amount. A Developer in default under this Agreement will have no right to such certification. Upon the acceptance of all of the Improvements the remaining balance that may be drawn under the guarantee shall be available to the City for 90 days after the expiration of the warranty period.

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

13. **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 time schedule provided in paragraph number seven (7.), above;
- b. Developer's failure to demonstrate reasonable intent to correct defective construction of any Improvement within the applicable correction period;
- 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.

Unless specifically provided herein the City may not declare a default until written notice has been sent to the Developer at the address on file with the development application. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail, postage prepaid.

14. **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. Administrative 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 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.

15. **City's Rights Upon Default:** When any event of default occurs, the City may draw on the letter of credit, escrowed collateral, or 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 lender) who has acquired the Property 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 to the City 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.

16. **Indemnification:** The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the performance or non-performance of work at the Property or the Property being developed pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance or non-performance of work pursuant to this 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.

17. **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 the City and the 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.

18. **Amendment or Modification:** The parties to this Agreement may amend or modify the 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.

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, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If relief is awarded to both parties, the attorney's fees may be equitably divided between the parties by the decision maker.

20. **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 the Property being developed.

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

22. **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.

23. **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.

24. **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.

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. 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 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. When the Improvements are completed and approved by the City, the City agrees to state same in writing, with appropriate acknowledgments. The City will 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 will be deemed effective two calendar days after deposit with the United States Postal Service, first class, postage prepaid and addressed as follows:

If to Developer: Ronald D. Austin, Manager
600 E. Hopkins Ave, Suite 205, Aspen, CO 81611
David R. Slemon, Manager
900 Valley Road, Carbondale, CO 81623

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

27. **Recordation:** Developer will pay for all costs to record this Agreement or a Memorandum thereof in the Clerk and Recorder's Office of Mesa County, Colorado.

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, 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.

30. 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 finally accepted by the City.

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.

- c. 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 specification; (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 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.

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

Kathleen M. Poston 3/13/00
Community Development date

Attest:

Stephanie Key 3/13/00
City Clerk date

Developer:

By: Ronald Olanstein, Manager 3/13/00
date

Print name: Redlands Mesa, LLC, 600 E. Hopkins Ave, Suite 205, Aspen, CO 81611

Attest: _____
Secretary date

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

EXHIBIT A

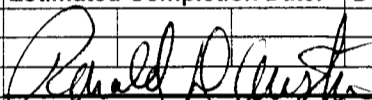
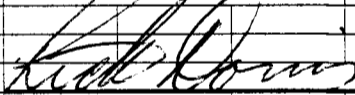
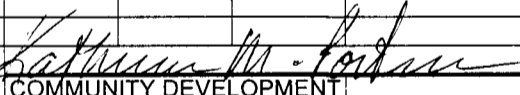
Blocks 1 through 6, Redlands Mesa Planned Development Filing 1, Grand Junction, Colorado,
according to the Recorded Plat thereof, Recorded in Book 17 at Page 354-362 of the
records of Mesa County, Colorado.

8/13/98


8

03/06/2000							
				Unit			Total
General:				Units	Price	Quantity	Price
1	Mobilization		LS	55000		1	\$55,000.00
2	Dust Abatement		LS	15000		1	\$15,000.00
3	Stormwater Management		LS	13000		1	\$13,000.00
Sub-total General Items:							\$83,000.00
Water system:				Units	Unit Price	Quantity	
1	Connect Water		EA	2500.00		3	\$7,500.00
2	Removal of Manhole		EA	700.00		1	\$700.00
3	4" Waterline		LF	15.00		195	\$2,925.00
4	4" Fittings w/Thrust Blocks		EA	125.00		4	\$500.00
5	4" Gate Valves & Boxes		EA	550.00		1	\$550.00
6	8" Waterline		LF	22.00		6928	\$152,416.00
7	8" Fittings w/Thrust Blocks		EA	260.00		27	\$7,020.00
8	8" Gate Valves & Boxes		EA	800.00		10	\$8,000.00
9	Water Service		EA	190.00		78	\$14,820.00
10	3/4" Type K Service Line		LF	9.00		3047	\$27,423.00
11	Fire Hydrant Assemblies		EA	2200.00		12	\$26,400.00
Sub-total Water Items:							\$248,254.00
Sanitary Sewer system:				Units	Unit Price	Quantity	Total Price
1	Connect Sewer		EA	900.00		4	\$3,600.00
2	8" PVC Sewer		LF	24.00		6546	\$157,104.00
3	San. Sew. Manholes		EA	1550.00		40	\$62,000.00
4	Concrete Sewer Encasement		LF	30.00		276	\$8,280.00
5	4" Service Tap		EA	125.00		78	\$9,750.00
6	4" Service Line		LF	8.60		3945	\$33,927.00
7	Pressure Main		LF	14.00		1360	\$19,040.00
8	Pressure Main Cleanouts		EA	550.00		3	\$1,650.00
9	Lift Station		EA	50000.00		1	\$50,000.00
Sub-total Sewer Items:							\$345,351.00
Storm Sewer system:				Units	Unit Price	Quantity	Total Price
1	12" Storm Sewer (RCP) incl FES		LF	25.00		100	\$2,500.00
2	18" Storm Sewer (HDPE) incl. FES		LF	25.00		553	\$13,825.00
3	24" Storm Sewer (HDPE)		LF	35.00		198	\$6,930.00
4	36" Storm Sewer (HDPE)		LF	40.00		1066	\$42,640.00
5	Inlet w/Curb Opening		EA	1200.00		9	\$10,800.00
6	Removal of Culvert		EA	500.00		4	\$2,000.00
7	Rip-Rap		CY	80.00		81	\$6,480.00
8	Detention Structures		EA	1800.00		2	\$3,600.00
9	Type D Inlet		EA	2000.00		1	\$2,000.00
Sub-total Storm Sewer Items:							\$90,775.00

				Unit		Total	
Roadway Improvements				Units	Price	Quantity	Price
	1	Clearing and Grubbing		LS	10000.00	2	\$20,000.00
	2	Unclassified Excavation		CY	2.50	26,312	\$65,780.00
	3	Unclassified Embankment		CY	3.00	3002	\$9,006.00
	4	8' Detached Walk		LF	18.00	1951	\$35,118.00
	5	10' Detached Walk		LF	21.00	1949	\$40,929.00
	6	Concrete V-pan (10")		SY	43.00	18	\$774.00
	7	Colored Patterned Concrete		SY	54.00	95	\$5,130.00
	8	2'-6" Driveover Curb/Gutter		LF	9.00	7086	\$63,774.00
	9	2'-6" Vertical Curb/Gutter		LF	9.00	1159	\$10,431.00
	10	6'-6" Mountable Curb/Gutter		LF	14.00	5824	\$81,536.00
	11	3" Asphalt Pavement		SY	6.00	620	\$3,720.00
	12	4" Asphalt Pavement		SY	8.00	25845	\$206,760.00
	13	6" Aggregate Base Course (CL.6)		SY	4.00	25621	\$102,484.00
	14	10" Aggregate Base Course (CL.6)		SY	6.00	8161	\$48,966.00
	15	Street Signs (Special)		EA	180.00	5	\$900.00
	16	Stop Signs		EA	120.00	5	\$600.00
	17	End of Road Markers		EA	240.00	9	\$2,160.00
	18	Postal Box Pads w/anchor bolts		EA	370.00	2	\$740.00
	19	Curb Ramp		SF	4.00	1600	\$6,400.00
				Sub-total Roadway Items:			\$705,208.00
				Units	Unit Price	Quantity	Total Price
Irrigation (includes misc. fittings)							
	1	8" Class 160 SDR 26 PVC Pipe		LF	12.00	871	\$10,452.00
	2	8" Bends/Tees		EA	20.00	5	\$100.00
	3	8" Gate Valves and Boxes		EA	250.00	1	\$250.00
	4	8" Air Release Valve		EA	200.00	1	\$200.00
	5	16"x6"x16" Tee		EA	50.00	1	\$50.00
	6	6" Class 160 SDR 26 PVC Pipe		LF	8.00	1734	\$13,872.00
	7	6" Bends/Tees		EA	20.00	10	\$200.00
	8	6" Gate Valves and Boxes		EA	200.00	2	\$400.00
	9	4" Class 160 SDR 26 PVC Pipe		LF	6.00	3500	\$21,000.00
	10	4" Bends/Tees		EA	20.00	18	\$360.00
	11	4" Gate Valves and Boxes		EA	150.00	6	\$900.00
	12	2" Class 160 SDR 26 PVC Pipe		LF	4.00	1167	\$4,668.00
	13	2" Bends/Tees		EA	10.00	7	\$70.00
	14	2" Gate Valves and Boxes		EA	100.00	3	\$300.00
	15	10"x4"10" Tee		EA	100.00	1	\$100.00
	16	10"x2"10" Tee		EA	100.00	1	\$100.00
	17	Riser Assembles (see plan detail)		EA	100.00	78	\$7,800.00
				Sub-total Irrigation Items:			\$60,822.00
				Units	Unit Price	Quantity	Total Price
Miscellaneous							
	1	Rock Excavation		CY	27.00	2316	\$62,532.00
	2	Entry Feature(s)		LS	50000.00	1	\$50,000.00
	3	Signage		LS	10000.00	1	\$10,000.00
	4	Landscaping		SF	1.80	54,000	97,200
				Sub-total Miscellaneous Items:			\$219,732.00
Mariposa Access/Water Line				Units	Unit Price	Quantity	Total Price
	1	Connect Water		EA	2,800	1	\$2,800.00
	2	8" Waterline		LF	22	80	\$1,760.00
	3	8" Fittings w/Thrust Blocks		EA	260	3	\$780.00
	4	8" Gate Valves & Boxes		EA	800	2	\$1,600.00
	5	10" Waterline		LF	28	2050	\$57,400.00
	6	10" Fittings w/Thrust Blocks		EA	320	1	\$320.00

7	10" Gate Valves & Boxes	EA	1,400	4	\$5,600.00
8	Fire Hydrant Assemblies	EA	2,700	1	\$2,700.00
1	Clearing and Grubbing	LS	5,000	1	\$5,000.00
2	Unclassified Excavation	CY	2.5	6600	\$16,500.00
3	Unclassified Embankment	CY	3.0	1070	\$3,210.00
4	13" Aggregate Base Course (CL.6)	SY	8	6317	\$50,536.00
5	Street Signs	EA	0	0	\$0.00
Sub-total Mariposa:					\$148,206.00
Future Parcel Sewer Dry-line					
1	Connect Sewer	EA	700.00	1	\$700.00
2	8" PVC Sewer	LF	24.00	2090	\$50,160.00
3	San. Sew. Manholes	EA	1550.00	8	\$12,400.00
4	Cap/Steel Marker Post	EA	40.00	3	\$120.00
Sub-total Sewer Dry-line					\$63,380.00
Total Construction Costs					\$1,964,728.00
Construction Fees					
1	Construction Phase Engineering			1.50%	\$29,470.92
2	Construction Phase Surveying			1.75%	\$34,382.74
3	Development Inspection Costs			1.25%	\$24,559.10
4	Quality Control			1.00%	\$19,647.28
5	City Inspection			0.50%	\$9,823.64
6	As-built survey and drawing revision			LS	\$7,500.00
Sub-total Miscellaneous Items:					\$125,383.68
Total Project Estimate:					\$2,090,111.68
Estimated Start Date:		March 7,2000			
Estimated Completion Date:		December 7,2000			
 SIGNATURE OF DEVELOPER					3/7/00 DATE
I HAVE REVIEWED THE ESTIMATED COSTS AND TIME SCHEDULE SHOWN ABOVE AND, BASED ON THE PLANNED LAYOUTS SUBMITTED TO DATE AND THE CURRENT COSTS OF CONSTRUCTION TAKE NO EXCEPTION TO THE ABOVE.					
 CITY ENGINEER					3-10-00 DATE
 COMMUNITY DEVELOPMENT					3/13/00 DATE

MEMORANDUM

TO: Stephanie Nye
FROM: Kathy Portner 
DATE: April 13, 2001
RE: Redlands Mesa, Filing 1 Letter of Credit

The City has agreed to a reduction in the Letter of Credit for Redlands Mesa, Filing 1. Please release the original Letter of Credit to me. I will be hand delivering it to the Bank of Colorado where a replacement in a lesser amount will be made.

REIMBURSEMENT AGREEMENT

This Agreement is made and entered into this 1st day of October, 1999, by and between the City of Grand Junction, a Colorado home rule municipality ("City"), and Redlands Mesa, LLC, hereinafter referred to as Developer.

RECITALS

1957573 07/17/00 0228PM
MONIKA TODD CLK&REC MESA COUNTY CO
REC FEE \$50.00

Developer is in the process of obtaining City approvals for the development of its land known as "Redlands Mesa," situated in the City, consisting of Four Hundred Ninety-four (494) acres, as described on Exhibit "1," attached hereto, which has received an Outline Development Plan approval and a Preliminary Plan Approval for the First Phase by the City. Developer is submitting its request for Final Plat Approval of Filings 1 and 2 of its First Phase on May 26, 1999. As part of the approvals for Developer, the City has required that Developer construct the street known as Mariposa Drive ("Mariposa"), from its existing location near Shadow Lake where it terminates, to a connection with Monument Road, through City property. Developer desires to recoup some of its cost incurred in the construction of Mariposa from the Owners of Property who will subsequently develop their property, use Mariposa and receive a benefit from the use of Mariposa as constructed by the Developer. Such Property Owners are termed "Future Owners" and are those persons who develop within the area shown on attached Exhibit "2" and who are deemed to benefit from their connection to and use of "Mariposa."

The City has determined that it is in the best interest of the Redlands region to construct Mariposa in a manner so that it will serve the Developer's property and future users who develop subsequently to the Developer. The City recognizes that future users will receive some benefit from this Developer's construction because future users will not have to construct Mariposa themselves.

The Developer wants the City to collect payments/reimbursement from Future Users when/if such Future Users utilize Mariposa as provided for herein. However, the City is only willing to collect money for reimbursement to the Developer if the City is not at risk, even for its own negligence and if the City is paid as provided herein.

THE PARTIES HAVE AGREED AS FOLLOWS:

1. The above Recitals are intended to state the intent of the parties, and shall constitute substantive terms of this agreement. In addition, the Recitals shall form a basis to construe the several provisions herein in the event that there is an ambiguity or the intent of the parties is otherwise unclear. Any rule such that any ambiguities shall be construed against the drafter shall not apply to this agreement; the parties agree that each is fully capable of engaging its own attorneys and other experts to understand and negotiate the language hereof.

2. Developer and the City have agreed that Developer will complete the construction of Mariposa in two (2) stages. The first stage shall be constructed during Phase One of the Redlands Mesa development in accordance with the requirements of the approved Preliminary Plan. Under such requirements Mariposa will be completed for emergency and construction traffic, said improvements to consist of an engineered all weather surface to approximate final design for

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horizontal and vertical alignments. Completion of Mariposa will be done in the second stage at the time required by said approved Preliminary Plan. Completion of construction shall include final grading, pavement, curb, gutter, sidewalk, and associated appurtenances.

In the event another developer (Future Owner) is required by the City to complete Mariposa before Developer is obligated to complete Mariposa, then the City and Developer shall attempt to reach an agreement with Future Owner as to an appropriate and fair method to allocate construction costs and reimbursements as between Developer and Future Owner. If no such agreement is reached then the City shall require completion of Mariposa by Future Owner and allocate reimbursement as between Developer and Future Owner as the City determines is fair and reasonable.

3. Upon substantial completion of Mariposa in accordance with the engineering standards then applicable, as determined by the City Engineer, the City shall accept Mariposa as part of the Public Street system of the city. Pending such acceptance, Developer agrees to (1) hold harmless and indemnify the City, its officers, agents and employees from and with respect to any and all claims arising out of the construction of Mariposa excepting only causes of action or claims resulting from the sole misconduct of the City; (2) hold harmless from and indemnify the City for all reasonable attorneys' fees incurred by the City, or the value thereof, including experts, fees and costs; (3) with respect to the matters provided for in, or reasonably arising out of, this Agreement, indemnify and hold harmless the City, from claims by the Developer, any successor of the Developer, and any third party, whether or not any such claim or cause of action is frivolous. This provision shall apply only to the time after the City accepts Mariposa.

4. Upon completion of the first phase of construction, the Developer shall be entitled to be reimbursed by Future Users for some of the reasonable and necessary costs incurred by the Developer for actual construction costs, as approved by the City Engineer, as follows:

- a. Reimbursable costs are those Costs actually paid which may include reasonable engineering fees, but no legal or other consulting fees, paid by the Developer and actually required to design, construct, and inspect Mariposa.
- b. For a period of ten years following the paving of Mariposa, as evidenced by a writing from the City, or until the Developer is reimbursed for those costs set forth in (b) above, whichever first occurs, the City agrees that it will not authorize any other person to use the system unless each Future User first pays, in addition to all other applicable charges and fees, a Reimbursement Amount ("RA") which sum is calculated as follows:

$$RA = \frac{RC}{A} + \frac{(RC \times i)}{A} + B$$

where:

- RC = actual reimbursable costs incurred by Developer and approved by the City Engineer. RC = \$ _____
- B = $(RC/A) \times 10\%$ (this represents the amount to be paid to the City for administration of this agreement and will be paid by each Future User to the City).
- x = multiply
- A = Number of lots/EQUs that could be served by Mariposa (including those users who have purchased Developer's lots or are Developer's successors) as determined by the City Engineer. A = ____ lots.

Once the reimbursable costs have been approved by the City Engineer, the reimbursement amount established by the above formula, plus any interest as provided, will be calculated and paid by each Future User. Thus, the Developer's property and lots/EQU's created from the Developer's property will be allowed to connect to Mariposa without payment of the amounts/charges provided form this Agreement.

- c. To be entitled to be reimbursed, Developer shall present to the City Engineer adequate documentation so that the City Engineers may determine the actual costs of construction.

5. If the City makes any collections pursuant to this agreement, the City shall be obligated only to mail a check to the Developer, or his properly designated assignee, to the last known address of the Developer or assignee. The City has no duty or obligation to locate a proper payee.

In the event that any claim is made or cause of action is filed by any person alleging that this agreement is unconstitutional, unenforceable, or otherwise contrary to law, or that any interest or other money payable to the Developer hereunder from any Future User or other person is excessive, improper, or is not enforceable, the City is not obligated to defend or resist any such claim or cause of action; rather, the City may settle any such matter regarding any City interest or obligation. Developer agrees that it shall be bound by any settlement of such claim or cause of action, whether or not Developer or his assigns is a party thereto if Developer has reasonable notice thereof. The foregoing notwithstanding, Developer may, at its sole option, defend against any such claim on its own behalf and that of the City, and at Developer's sole cost.

Developer waives and holds the City (including its officers, employees and other agents, hereinafter "City") harmless from, and indemnifies the City with respect to, any claims the Developer, or Developer's heirs, successors or assigns may have with regard to the act or failure to act of the City regarding any collection of any such fee, charge or reimbursement amount. Developer hereby waives and releases the City, its officers, agents and employees from any claims or causes of action Developer may have due to the failure of the City to abide by or enforce this agreement.

In the event that the City fails to collect the fee from any Future User, the Developer has the right to sue such Future User. The City agrees to cooperate, without expense to the City, in any such collection efforts of the Developer.

6. Upon request from the Developer during the term of this agreement which request shall not occur more than once every twelve months, the City shall provide an accounting. Said accounting shall consist of a listing of each RA collected during the preceding twelve months, the name and address of the remitter of said RA, the property address for the RA was paid, a current balance of the RC, and total interest credited to the Developer's account. The City shall pay all fees collected within the preceding twelve months at the time of each accounting, less amounts paid to or retained by the City for costs of administration and less any other amounts which may be retained by the City pursuant to law or this agreement.

7. In the event that the Developer is in default with regard to any other obligation of the Developer as it relates to this agreement and the several rights and duties of the parties reasonably related hereto, the City shall have the right to set off any reimbursements that may be due hereunder to satisfy in whole or in part any such default, expense or cost, in addition to any other remedy which the City may have.

8. In the event that the Developer receives any RA directly from any Future User, owner or developer of any property the Developer shall immediately notify the City Utility Engineer in writing of the amount collected, the name and address of the person from whom collection was made, and the property to which the collection is applicable.

9. This agreement shall bind the signatory parties and their respective heirs, successors and assigns.

10. Upon non-performance by the City pursuant to this Agreement, the Developer shall give written notice of default specifying the action giving cause to said default to the City Engineer and to the City Attorney. The City shall have thirty (30) days from receipt of the later of the two notices to correct the alleged default. If the City does not correct the default within the prescribed time, Developer may sue to enforce its rights hereunder by specific performance or other remedy at law and/or equity; in no event shall the Developer have a claim, no matter how it is stated, for damages or the payment of money (except RA amounts in the possession of the City and except

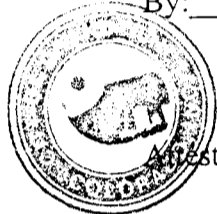
reasonable attorney fees and costs incurred if Developer prevails). Upon the correction of said default as provided, the agreement shall be restored and all terms and conditions will be in full force and effect.

11. In the event the Developer does not substantially complete the Initial Construction of Mariposa within two years of the execution of this agreement, with the approval of such Initial Construction by the City Utility Engineer, this agreement shall terminate and shall be of no further force and effect, unless extended by mutual agreement of the parties in writing.

12. Developer may assign its rights pursuant to this agreement; however, any such assignment shall not be effective until notice of such assignment, with the address of the assignee, is made by certified mail to the City, in care of the City Utility Engineer.

13. The parties agree that the construction cost for Mariposa satisfies the Traffic Capacity Payment that would otherwise be due from Redlands Mesa, and there will be no separate Traffic Capacity Payment due from Developer or from lot owners in Redlands Mesa obtaining building permits.

CITY OF GRAND JUNCTION



By: Mark Cohen
City Manager

Date: 9/23/99

Attest: Stephanie Ny
City Clerk

Date: 9/23/99

REDLANDS MESA, LLC

By: Ronald D Austin, Manager

Date: 10/1/99

By: W B Allen - Manager

Date: 10/1/99

Address: 600 East Hopkins Ave,
Suite 205
Aspen, Co, 81611

ReimMesa
14-Sep-99

PROPERTY DESCRIPTION

A parcel of land situated in portions of Sections 17, 19, and 20. Township 1 South, Range 1 West of the Ute Meridian, County of Mesa, State of Colorado, being more particularly described as follows:

Commencing at 36" aluminum pipe with a 3 1/2" aluminum cap marked 'PLS 18480' for the east quarter corner of said Section 20 whence a Mesa County Survey Marker brass cap for the south sixteenth corner on the east line of said Section 20 bears South 01°14'38" West with all bearings contained herein relative thereto;

Thence along the east line of the northeast quarter of the southeast quarter of said Section 20 South 01°14'38" West, a distance of 130.74 feet to the Point of Beginning;

Thence continuing along said line South 01°14'38" West, a distance of 1162.17 feet to the south one-sixteenth corner on the east boundary of said Section 20, a Mesa County Survey Marker brass cap;

Thence along the east line of the southeast quarter of the southeast quarter of said Section 20, South 01°16'22" West, a distance of 1267.75 feet to a point whence the southeast corner of said Section 20, a B.L.M. brass cap, bears South 01°16'22" West, a distance of 24.59 feet;

Thence South 89°07'30" West, a distance of 1224.69 feet to the east one-sixteenth corner on the north boundary of Section 29, T.1 S., R.1 W., a Mesa County Survey Marker brass cap;

Thence North 89°06'43" West, a distance of 95.80 feet to the east one-sixteenth corner on the south boundary of said Section 20, a B.L.M. Cadastral Survey brass cap;

Thence North 89°46'17" West, a distance of 1318.92 feet to the south one-quarter corner of said Section 20, a B.L.M. Cadastral Survey brass cap;

Thence North 89°36'43" West, a distance of 1320.84 feet to the west one-sixteenth corner on the south boundary of said Section 20, a B.L.M. Cadastral Survey brass cap;

Thence North 89°44'02" West, a distance of 1320.20 feet to the southwest corner of said Section 20, a B.L.M. Cadastral Survey brass cap;

Thence North 00°11'02" East along the westerly line of said Section 20, a distance of 897.11 feet to a found metal disk marker stamped LS 5933.set in stone;

Thence North 89°49'40" West, a distance of 500.09 feet to a #5 rebar and cap marked 'L.S. 5933';

Thence North 00°09'08" East, a distance of 324.98 feet to a #5 rebar and cap marked 'L.S. 5933';

Thence North 15°11'41" East, a distance of 1021.99 feet to a #5 rebar and cap marked 'L.S. 5933';

Thence North 30°11'54" East, a distance of 470.92 feet to a Mesa County Survey Marker brass cap, marking the one-quarter corner common to Sections 20 and 19;

Thence South 89°46'44" West, distance of 1300.13 feet to a Mesa County Survey Marker brass cap, marking the center-east one-sixteenth corner of said Section 19;

Thence North 01°44'46" East, a distance of 1291.50 feet to a Mesa County Survey Marker brass cap, marking the northeast one-sixteenth corner of said Section 19;

Thence North 89°53'22" East, a distance of 613.13 feet to a found #5 rebar;

Thence North 65°17'32" East, a distance of 535.96 feet to a found #5 rebar;

Thence North 41°55'06" East, a distance of 592.54 feet to a found #5 rebar;

Thence North 58°16'03" East, a distance of 495.53 feet to a found #5 rebar;

Thence North 78°07'01" East, a distance of 666.98 feet to a found #5 rebar;

Thence North 33°06'25" East, a distance of 350.67 feet;

Thence South 68°41'19" East, a distance of 588.44 feet;

Thence South 23°37'49" West, a distance of 430.49 feet;

Thence North 89°41'49" East, a distance of 72.15 feet to the westerly boundary of the Ridges Filing No. 6;

Thence along the westerly and southerly boundary of the Ridges Filing No. 6 the following seven (7) courses:

1. South 00°00'00" East, a distance of 122.33 feet
2. South 44°10'50" East, a distance of 244.94 feet
3. South 69°22'18" East, a distance of 54.27 feet
4. South 48°35'48" East, a distance of 55.79 feet
5. South 85°06'40" East, a distance of 92.27 feet
6. North 17°21'30" East, a distance of 92.69 feet
7. South 82°14'50" East, a distance of 30.14 feet;

Thence South 25°33'11" East, a distance of 117.30 feet;

Thence South 66°34'51" East, a distance of 133.09 feet to the westerly line of a parcel described in Book 1843 page 698;

Thence South 10°16'01" East along said westerly line, a distance of 95.31 feet;

Thence South 68°50'18" East along said westerly line, a distance of 72.62 feet to a found rebar/cap L.S. 12770;

Thence departing said westerly line, 104.65 feet along the arc of a 50.00 foot radius non-tangent curve to the left, through a central angle of 119°55'32", with a chord bearing South 25°03'53" East, a distance of 86.57 feet;

Thence 283.58 feet along the arc of a 444.99 foot radius non-tangent curve to the right, through a central angle of 36°30'48", with a chord bearing South 56°03'20" West, a distance of 278.81 feet;

Thence 130.87 feet along the arc of a 150.00 foot radius curve to the left, through a central angle of 49°59'21", with a chord bearing South 49°19'02" West, a distance of 126.76 feet;

Thence South 24°19'20" West, a distance of 97.00 feet;

Thence North 65°40'40" West, a distance of 50.00 feet;

Thence 31.41 feet along the arc of a 20.00 foot radius non-tangent curve to the right, through a central angle of 90°00'00", with a chord bearing South 69°19'20" West, a distance of 28.28 feet;

Thence North 65°40'40" West, a distance of 49.00 feet;

Thence South 24°19'20" West, a distance of 139.60 feet;

Thence North 65°40'40" West, a distance of 35.82 feet;

Thence South 00°00'00" East, a distance of 95.00 feet;

Thence South 61°02'00" West, a distance of 328.41 feet to the southerly and westerly boundary line of The Ridges Filing No. 5;

Thence along the southerly and westerly boundary of The Ridges Filings No. 5 and 4 the following thirteen (13) courses:

1. South 28°58'00" East, a distance of 43.04 feet
2. 148.29 feet along the arc of a 260.00 foot radius curve to the right, through a central angle of 32°40'46", with a chord bearing South 12°37'37" East, a distance of 146.29 feet
3. 437.11 feet along the arc of a 290.00 foot radius curve to the left, through a central angle of 86°21'34", with a chord bearing South 39°28'01" East, a distance of 396.89 feet
4. South 30°57'29" East, a distance of 145.53 feet
5. South 39°51'00" East, a distance of 121.67 feet
6. South 36°13'27" East, a distance of 244.71 feet
7. South 73°52'00" East, a distance of 335.71 feet
8. North 50°31'05" East, a distance of 317.42 feet
9. North 14°29'37" West, a distance of 381.25 feet
10. South 81°52'12" East, a distance of 71.57 feet
11. 482.20 feet along the arc of a 1040.00 foot radius curve to the left, through a central angle of 26°33'55", with a chord bearing North 84°50'51" East, a distance of 477.89 feet
12. North 71°33'54" East, a distance of 360.00 feet
13. 111.41 feet along the arc of a 540.00 foot radius curve to the left, through a central angle of 11°49'15", with a chord bearing North 65°39'17" East, a distance of 111.21 feet to the westerly boundary line of a parcel of land described in Book 1499 at Page 144;

Thence along the westerly and southerly boundary of said parcel the following five (5) courses:

1. South 18°35'50" West, a distance of 335.00 feet
2. South 34°39'50" East, a distance of 150.00 feet
3. South 84°28'10" East, a distance of 272.64 feet
4. North 55°13'20" East, a distance of 220.00 feet
5. North 38°34'30" East, a distance of 120.00 feet to the southerly boundary line of The Ridges Filing No. 3;

Thence along the southerly boundary line of The Ridges Filing No. 3 the following nine (9) courses:

1. South 90°00'00" East, a distance of 143.35 feet
2. 103.76 feet along the arc of a 800.00 foot radius curve to the left, through a central angle of 07°25'53", with a chord bearing North 86°17'03" East, a distance of 103.69 feet
3. South 07°25'54" East, a distance of 110.00 feet
4. North 82°34'06" East, a distance of 240.00 feet
5. South 89°18'55" East, a distance of 87.26 feet
6. South 53°14'24" East, a distance of 119.27 feet
7. South 26°05'44" East, a distance of 251.58 feet
8. North 63°56'00" East, a distance of 110.00 feet
9. South 26°04'00" East, a distance of 160.00 feet to the Point of Beginning.

Containing 494.075 acres more or less.

EXCEPT a parcel in the southeast quarter of the southeast quarter of said Section 20 conveyed to the County of Mesa by instrument recorded at Book 964 Page 653 for road right-of-way, containing 0.968 acres more or less.

Resulting in a net area of 493.107 acres more or less.

2 PAGE DOCUMENT

AGREEMENT FOR RESTRICTIONS ON THE USE OF
OPEN SPACE IN REDLANDS MESA PLANNED DEVELOPMENT

THIS AGREEMENT is entered into the 6th day of December, 1999, between Redlands Mesa, LLC, a Colorado limited liability company ("Developer") and the City of Grand Junction, Colorado ("City").

WHEREAS, Developer is conveying by deed certain lands (the description of which is attached hereto as Exhibit A, and incorporated herein), located within the area known as the Redlands Mesa Plan Planned Development, which received Outlined Development Plan Approval from the City on December 16, 1998, and,

WHEREAS, the Parties have agreed to certain restrictions on the use of the open space by the City and wish to set forth those restrictions in this Agreement;

NOW THEREFORE, the Parties agree as follows:

1. Unimproved, single-track trails have been located and are to be constructed in the open space consistent with the locations approved by the City throughout the approval process, and throughout the development of Redlands Mesa Planned Development in a manner so as to provide the best experience for the users of the trails, and to avoid adverse impact upon the residents of Redlands Mesa Planned Development and the individual lot owners therein. While it is agreed that the trails may be realigned or relocated by agreement between the City and the Developer or the Developer's successor, e.g. Homeowners Association in some areas to accommodate additional use and to provide safer and easier trails, it is acknowledged and agreed that the realignment or relocation shall be such as to minimize impacts on privacy of the lot owners in Redlands Mesa Planned Development.
2. No playgrounds, recreational equipment or facilities, or recreational structures will be placed upon any of the open space within the development without the consent of Developer or the Homeowner's Association.
3. The terms of this Agreement shall be perpetual and shall run with the land. This Agreement shall be recorded in the Real Property Records of Mesa County, Colorado, and shall be binding upon the parties hereto, their heirs, successors and assigns.
4. The terms and conditions hereof may be enforced by seeking judicial relief in the nature of specific performance, injunctive relief, and such other relief as is appropriate and available in equity and in law, but damages shall not be a remedy available against the City. Reasonable attorneys' fees and cost incurred shall be awarded to the prevailing party in the event of a dispute resulting in court action and a judgment being entered.
5. Individual Lot owners are not third party beneficiaries of this agreement. The enforcement of this agreement shall be only by The City, the Developer or the Homeowner's Association.

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RECORDER NOTE: POOR QUALITY DOCUMENT
PROVIDED FOR REPRODUCTION

6. The City Manager of Grand Junction, Colorado has been authorized by appropriate action of the City Council to execute this Agreement on behalf of the City.

CITY OF GRAND JUNCTION



By: Mark Kleber
City Manager

Date: 12/6/99

Stephanie Nye
City Clerk

Date: 12/6/99

REDLANDS MESA, LLC

By: Ronald D Austin
Manager

Date: 12/2/99

By: _____
Manager

Date: _____

Address: 600 East Hopkins Ave.
Suite 205
Aspen, Co. 81611

SUBDIVISION BOND

Bond No. 929128901

KNOW ALL MEN BY THESE PRESENTS, that we RANDALL & BLAKE, INC.

4901 So. Windermere Street - Littleton, CO 80120

as Principal, and NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

authorized to do business in the State of Connecticut, as Surety, are held and firmly bound unto CITY OF GRAND JUNCTION, COLORADO

as Oblige, in the penal sum of Seventy Nine Thousand Two Hundred and 00/100 -----
----- (\$ 79,200.00) DOLLARS, lawful money of
the United States of America, for the payment of which well and truly to be made, we bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, RANDALL & BLAKE, INC.

has agreed to construct in City of Grand Junction, Colorado in connection with the Redlands Mesa Golf Course

the following improvements: Revegetation with native seed and mulch

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall
construct, or have constructed, the improvements herein described and shall save the Oblige harmless from any loss, cost or
damage by reason of its failure to complete said work, then this obligation shall be null and void; otherwise to remain in full
force and effect.

Signed, sealed and dated this 23rd day of December, 1999.

RANDALL & BLAKE, INC.
4901 So. Windermere Street - Littleton, CO 80120

By: [Signature] Principal
v.p.

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

By: [Signature]
Debbie Poppe Attorney-in-Fact

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That CONTINENTAL CASUALTY COMPANY, an Illinois corporation, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a Connecticut corporation, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a Pennsylvania corporation (herein collectively called "the CCC Surety Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signature and seals herein affixed hereby make, constitute and appoint

William M. O'Connell, Jr., Sarah Finn, Sue Wood, Debbie Poppe, Shelley Czajkowski, Kimberly D. Johnson, Individually

of Denver, Colorado

their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CCC Surety Companies have caused these presents to be signed by their Group Vice President and their corporate seals to be hereto affixed on this 15th day of September, 1999.



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Marvin J. Cashion

Marvin J. Cashion Group Vice President

State of Illinois, County of Cook, ss:

On this 15th day of September, 1999

, before me personally came Marvin J. Cashion, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



Diane Faulkner

My Commission Expires September 17, 2001

Diane Faulkner Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of each corporation printed on the reverse hereof are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seals of the said corporations this 23rd day of December, 1999.



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Mary A. Ribikawskis

Mary A. Ribikawskis Assistant Secretary

SUBDIVISION BOND

Bond No. 929128901

KNOW ALL MEN BY THESE PRESENTS, that we RANDALL & BLAKE, INC.

4901 So. Windermere Street - Littleton, CO 80120

as Principal, and NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

authorized to do business in the State of Connecticut, as Surety, are held and firmly bound unto CITY OF GRAND JUNCTION, COLORADO

as Obligee, in the penal sum of Seventy Nine Thousand Two Hundred and 00/100 -----
----- (\$ 79,200.00) DOLLARS, lawful money of
the United States of America, for the payment of which well and truly to be made, we bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, RANDALL & BLAKE, INC.

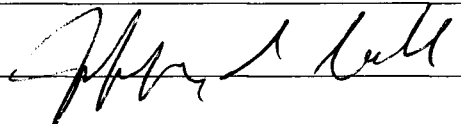
has agreed to construct in City of Grand Junction, Colorado in connection with the Redlands Mesa Golf Course

the following improvements: Revegetation with native seed and mulch

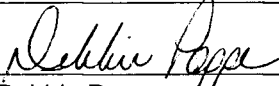
NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall
construct, or have constructed, the improvements herein described and shall save the Obligee harmless from any loss, cost or
damage by reason of its failure to complete said work, then this obligation shall be null and void; otherwise to remain in full
force and effect.

Signed, sealed and dated this 23rd day of December, 1999.

RANDALL & BLAKE, INC.
4901 So. Windermere Street - Littleton, CO 80120

By:  ^{Principal} v.p.

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

By: 
Debbie Poppe ^{Attorney-in-Fact}

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That CONTINENTAL CASUALTY COMPANY, an Illinois corporation, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a Connecticut corporation, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a Pennsylvania corporation (herein collectively called "the CCC Surety Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signature and seals herein affixed hereby make, constitute and appoint

William M. O'Connell, Jr., Sarah Finn, Sue Wood, Debbie Poppe, Shelley Czajkowski, Kimberly D. Johnson, Individually

of Denver, Colorado

their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Laws and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CCC Surety Companies have caused these presents to be signed by their Group Vice President and their corporate seals to be hereto affixed on this 15th day of September, 1999



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Marvin J. Cashion

Marvin J. Cashion Group Vice President

State of Illinois, County of Cook, ss:

On this 15th day of September, 1999, before me personally came Marvin J. Cashion, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



Diane Faulkner

My Commission Expires September 17, 2001

Diane Faulkner Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, and AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of each corporation printed on the reverse hereof are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seals of the said corporations this 23rd day of December, 1999.



CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

Mary A. Ribikawskis

Mary A. Ribikawskis Assistant Secretary

AGREEMENT FOR MAINTENANCE OF GOLF CART PATH

Red Junction LLC, a Colorado limited liability company, hereby enters into an agreement with the City of Grand Junction, Colorado ("City") this 10th day of December, 2000.

WHEREAS, Red Junction, LLC is the owner of the golf club property at Redlands Mesa planned development, City of Grand Junction, Colorado, and Redlands Mesa, LLC, a Colorado limited liability company, is the owner of the development property around the golf course property, and

WHEREAS, it has been agreed that the City may use the golf cart paths where necessary and appropriate on Red Junction, LLC's golf property for access to the sewer manholes serving the development at Redlands Mesa, and

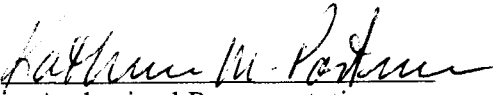
WHEREAS, Red Junction, LLC was to have increased the thickness of the cart path along Hole #1 to accommodate the weight of trucks and equipment of the City to the manholes along Hole #1, but Red Junction, LLC neglected to increase the thickness and the parties now wish to provide for the repair, maintenance and replacement of the cart path if necessitated by damage caused by any trucks and equipment of the City servicing the manholes benefitting the development property.

NOW, THEREFORE, for and in consideration of the approval of the golf cart path by the City, Red Junction, LLC agrees as follows:


1. The City shall have access to the golf cart path along Hole #1, as well as other cart paths as are necessary and appropriate for the servicing and maintenance of the manholes along and near those cart paths;
2. Any damage caused to the golf cart path along Hole #1 by the trucks and equipment of the City accessing the manholes near the cart path, which is caused because the cart path is not thick enough for the weight of the trucks and equipment, shall be the sole responsibility of Red Junction, LLC for the repair, maintenance and replacement as necessary, all at the sole cost and expense of Red Junction, LLC. Damage caused on any other cart path by the City shall be its sole responsibility to repair, maintain or replace;
3. The terms of this Agreement shall remain in full force and effect until and unless the owner of the golf course property shall replace the golf cart path along Hole #1 with a thicker layer of concrete reasonably sufficient to handle the weight of the trucks and equipment of the City;
4. The terms and provisions of this Agreement shall be enforceable by the City by any appropriate legal or equitable action in the District Court for Mesa County, Colorado. In the event of litigation, the prevailing party shall be awarded reasonable attorney's fees and costs;
5. This Agreement and its terms shall be binding upon the successors and assigns of the parties hereto.

PAGE 2
AGREEMENT FOR MAINTENANCE OF GOLF CART PATH

CITY OF GRAND JUNCTION, COLORADO

By: 
Authorized Representative

RED JUNCTION LLC
ITS MANAGER:
AMERIGOLF LLC

By: 
Richard A. Randall, Manager

REDLANDS MESA LLC

By: 
Manager

**FIRST AMENDMENT
TO
DEVELOPMENT IMPROVEMENTS AGREEMENT
FOR
REDLANDS MESA FILING 1**

THIS FIRST AMENDMENT to Development Improvements Agreement for Redlands Mesa Filing 1 ("First Amendment") amends that certain Development Improvements Agreement ("DIA") dated 03/07/2000 between REDLANDS MESA LLC ("the Developer") and THE CITY OF GRAND JUNCTION, Colorado ("the City") recorded in Book 2730 at Page 23 of the Mesa County, Colorado records.

RECITALS

- A. The Developer has proposed, and the City has agreed, that the amount of the Letter of Credit securing the Developer's Obligations under the DIA may be reduced to the extent that the Developer has completed certain Filing 1 improvements; and
- B. Red Junction LLC, the operator of the Golf Club at Redlands Mesa and the owner of Golf Blocks 12 through 17 according to the final plat of Redlands Mesa Filing 1 recorded in Plat Book 17 at Page 354, Mesa County, Colorado records, intends to commence construction of a clubhouse and maintenance facilities on Golf Block 14; and
- C. The City requires security in the form of a Letter of Credit to guarantee construction of a water system booster station to provide additional water flows and pressure to the clubhouse and maintenance facilities and to certain areas of the Developer's land; and
- D. The Developer, in cooperation with Red Junction LLC, has agreed to provide the required security for the completion of the pump station.

NOW THEREFORE, for valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree to amend the DIA for Redlands Mesa Filing 1 as follows:

- 1. Remaining Letter of Credit Security. The improvements described in Exhibit "A" entitled "Remaining Filing 1 Improvements" attached hereto, which includes the required water system booster station, shall be secured by the Letter of Credit, a copy of which is attached. The amount of the Letter of Credit securing all Redlands Mesa Filing 1 Improvements and the warranty obligation on those improvements that have been completed by the Developer but not accepted by the City shall be no less than \$1,073,815.50, unless and until suitable security for the warranty(ies) has been negotiated and agreed to by the Developer and the City.
- 2. Water System Booster Station. The Developer shall design, construct, and install the required water system booster station and related facilities. Completion and acceptance by the City of said facilities shall be a condition precedent to the issuance of a certificate of occupancy for the clubhouse and golf maintenance facilities. The parties intend that said facilities shall be owned and operated by Ute Water Conservancy District.

- 3. Acceptance of Improvements. To the extent that this First Amendment provides for the reduction or amendment of security for all Filing 1 Improvements, it shall not be construed as acceptance by the City of any Filing 1 Improvements. At the time of acceptance the Developer shall post, in a form acceptable to the City, a Financial Guarantee for the requisite warranty(ies).
- 4. Third Party Rights. This First Amendment provides security for, among other things, the full, timely and complete construction of the water system booster station. It shall not be construed by the parties hereto, nor shall any other person or entity be entitled to construe this instrument as an agreement, waiver, concession, or acknowledgment that the Developer should be obligated, at its cost, to provide pump station facilities for Ute Water Conservation District. Nothing contained herein shall create a contractual relationship with, or any rights in favor of, any third party.
- 5. Substitute Security. It is agreed that the Developer, and/or Red Junction LLC, may with the City's written consent substitute a separate Development Improvements Agreement and security for the water system booster station obligations, warranty obligations or other requirements of the Developer contained herein and the amount(s) of its security, Letter of Credit shall be adjusted accordingly.
- 6. Survival of Development Improvements Agreement Provisions. All other terms and conditions of the DIA shall remain in full force and effect, except as modified above.

Entered into effective the 12th day of April, 2001

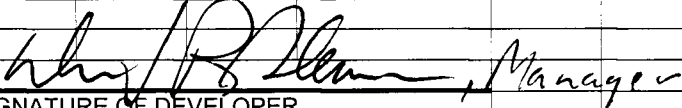
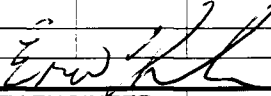
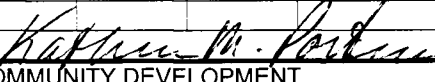
CITY OF GRAND JUNCTION

By: Kathleen M. Pedersen
Community Development

REDLAND MESA LLC

By: David R. Slemon
David R. Slemon, Manager
900 Valley Road, Carbondale, CO 81623

Exhibit A

	Units	Unit Price	Quantity	Total Price
Roadway Improvements				
1 Concrete V-pan (10")	SY	43.00	18	\$774.00
2 Colored Patterned Concrete	SY	54.00	95	\$5,130.00
3 2'-6" Driveover Curb/Gutter	LF	9.00	7086	\$63,774.00
4 2'-6" Vertical Curb/Gutter	LF	9.00	1159	\$10,431.00
5 6'-6" Mountable Curb/Gutter	LF	14.00	5824	\$81,536.00
6 3" Asphalt Pavement	SY	6.00	620	\$3,720.00
7 4" Asphalt Pavement	SY	8.00	25845	\$206,760.00
8 6" Aggregate Base Course (CL.6)	SY	4.00	25621	\$102,484.00
9 10" Aggregate Base Course (CL.6)	SY	6.00	8161	\$48,966.00
10 Curb Ramp	SF	4.00	1600	\$6,400.00
Sub-total Roadway Items:				\$529,975.00
Miscellaneous				
1 Entry Feature(s)	LS	50000.00	1	\$50,000.00
2 Signage	LS	10000.00	1	\$10,000.00
3 Landscaping	SF	1.80	54,000	\$97,200.00
4 Water System Booster Station	LS	1.00	110,000	\$110,000.00
5 Utility Trench Reconstruction	LS	1.00	213,500	\$213,500.00
Sub-total Miscellaneous Items:				\$480,700.00
Total Construction Costs				\$1,010,675.00
Construction Fees				
1 Construction Phase Engineering			1.50%	\$15,160.13
2 Construction Phase Surveying			1.75%	\$17,686.81
3 Development Inspection Costs			1.25%	\$12,633.44
4 Quality Control			1.00%	\$10,106.75
5 City Inspection			0.50%	\$5,053.38
6 As-built survey and drawing revision			LS	\$2,500.00
Sub-total Miscellaneous Items:				\$63,140.50
Total Project Estimate:				\$1,073,815.50
 SIGNATURE OF DEVELOPER			3/2/01	DATE
I HAVE REVIEWED THE ESTIMATED COSTS AND TIME SCHEDULE SHOWN ABOVE AND, BASED ON THE PLANNED LAYOUTS SUBMITTED TO DATE AND THE CURRENT COSTS OF CONSTRUCTION TAKE NO EXCEPTION TO THE ABOVE.				
 CITY ENGINEER			4/13/01	DATE
 COMMUNITY DEVELOPMENT			4-13-01	DATE



**FIRST AMENDMENT TO
LETTER OF CREDIT #2688290085**

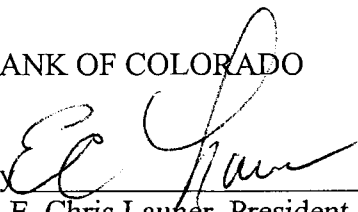
DATE: April 13, 2001

Our Letter of Credit #2688290085 dated December 20, 1999 is hereby amended in the following way:

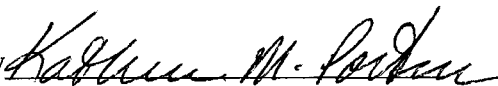
1. The amount is lowered from \$2,100,000.00 to \$1,073,815.00.

All other terms and conditions remain the same.

BANK OF COLORADO

By 
E. Chris Launer, President

CITY OF GRAND JUNCTION

By 

200 Grand Avenue
P.O. Box 968
Grand Junction
Colorado 81502
Tel (970) 245-1600
Fax (970) 245-9538

2903 F Road
Grand Junction
Colorado 81504
Tel (970) 245-1600
Fax (970) 263-2101

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit No. 2688290085
Issued: December 20, 1999
Expiration Date: December 20, 2000

CUSTOMER:
REDLANDS MESA, L.C.C.
CLARENCE L. WERNER
900 VALLEY ROAD
CARBONDALE, CO 81623

ISSUING FINANCIAL INSTITUTION:
BANK OF COLORADO-WESTERN SLOPE
200 GRAND AVENUE
GRAND JUNCTION, CO 81501

BENEFICIARY:
CITY OF GRAND JUNCTION
250 N. 5TH STREET
GRAND JUNCTION, CO 81501

LETTER OF CREDIT: 2688290085 **AMOUNT: \$2,100,000**

EXPIRATION DATE: December 20, 2001

TO BE AVAILABLE BY
DRAFTS DRAWN AT: **Bank of Colorado-Western Slope**
200 Grand Avenue
Grand Junction, CO 81501

Dear Sirs:

We hereby open our irrevocable credit in your favor available by your drafts(s) at sight on us for a sum not exceeding \$2,100,000 for the account of Redlands Mesa, L.L.C. ("Developer"), to be accepted by your signed statement that drawing is due to default or failure to perform by Developer with respect to Improvements required on or before September 20, 2000 in Redlands Mesa Planned Development, a development occurring within the City of Grand Junction, Colorado. Acting through the City Attorney you will notify us when either:

- 1. The Improvements have been timely completed and the warranty period has terminated and the credit may be released; or
- 2. The Developer has failed to perform or is in default. Notice shall be signed by the City Attorney or the Attorney's designee. Proof of default or a statement from any other party shall not be required.

All drafts drawn hereunder must be by sight draft marked: "Drawn under Bank of Colorado - Western Slope, Credit No. 2688290085, dated December 20, 1999."

The original of the credit must be presented along with any such draft.

The amount of any draft drawn under this credit must, concurrently with negotiation be endorsed on the reverse side hereof and the presentment of any such draft will be a warranty by the negotiating bank that such endorsement has been made and that document(s) have been forwarded as herein required.

Except so far as other wise expressly stated herein, this credit is subject to the Uniform Customs and Practices for Commercial Documentary Credits fixed by the 13th Congress of the International Chamber of Commerce.

We hereby agree with the drawers, endorsers and bona fide holders of drafts under and in compliance with the terms of this credit that the same will be duly honored and payment made no later than 3 (three) days after due presentation of the credit and delivery of document(s) as specified on or before the date written in the first paragraph above or as the same may be extended.

BANK OF COLORADO - WESTERN SLOPE

By: *E. Chris Launer* *Pres.*
E. Chris Launer, President

Attest:

By: *[Signature]*

MEMORANDUM

TO: Stephanie Tuin
FROM: Kathy Portner *KP*
DATE: October 15, 2001
RE: Redlands Mesa, Filings 1 and 2 LOCs

You should have on file the original Letters of Credit for Redlands Mesa, Filings 1 and 2. Please release those LOCs to Community Development. We will be exchanging them for a Letter of Credit of a lesser amount to cover the remaining improvements for both filings. Thank you.

2 orig's given to Kathy P 10-16-01
new LOC rec'd from Kathy P 10-16-01



Bank of Colorado

GRAND JUNCTION

Affiliate of Pinnacle Bancorp

**FIRST AMENDMENT TO
LETTER OF CREDIT #2688290085**

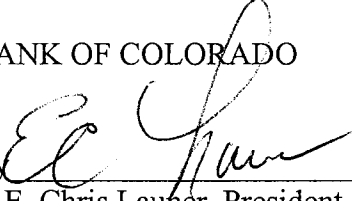
DATE: April 13, 2001

Our Letter of Credit #2688290085 dated December 20, 1999 is hereby amended in the following way:

1. The amount is lowered from \$2,100,000.00 to \$1,073,815.00.

All other terms and conditions remain the same.

BANK OF COLORADO

By 
E. Chris Launer, President

CITY OF GRAND JUNCTION

By 

200 Grand Avenue
P.O. Box 968
Grand Junction
Colorado 81502
Tel (970) 245-1600
Fax (970) 245-9538

2903 F Road
Grand Junction
Colorado 81504
Tel (970) 245-1600
Fax (970) 263-2101

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit No. 2688290085
Issued: December 20, 1999
Expiration Date: December 20, 2000

CUSTOMER:
REDLANDS MESA, L.C.C.
CLARENCE L. WERNER
900 VALLEY ROAD
CARBONDALE, CO 81623

ISSUING FINANCIAL INSTITUTION:
BANK OF COLORADO-WESTERN SLOPE
200 GRAND AVENUE
GRAND JUNCTION, CO 81501

BENEFICIARY:
CITY OF GRAND JUNCTION
250 N. 5TH STREET
GRAND JUNCTION, CO 81501

LETTER OF CREDIT: 2688290085

AMOUNT: \$2,100,000

EXPIRATION DATE: December 20, 2001

TO BE AVAILABLE BY
DRAFTS DRAWN AT:

Bank of Colorado-Western Slope
200 Grand Avenue
Grand Junction, CO 81501

Dear Sirs:

We hereby open our irrevocable credit in your favor available by your drafts(s) at sight on us for a sum not exceeding \$2,100,000 for the account of Redlands Mesa, L.L.C. ("Developer"), to be accepted by your signed statement that drawing is due to default or failure to perform by Developer with respect to Improvements required on or before September 20, 2000 in Redlands Mesa Planned Development, a development occurring within the City of Grand Junction, Colorado. Acting through the City Attorney you will notify us when either:

1. The Improvements have been timely completed and the warranty period has terminated and the credit may be released; or
2. The Developer has failed to perform or is in default. Notice shall be signed by the City Attorney or the Attorney's designee. Proof of default or a statement from any other party shall not be required.

All drafts drawn hereunder must be by sight draft marked: "Drawn under Bank of Colorado - Western Slope, Credit No. 2688290085, dated December 20, 1999."

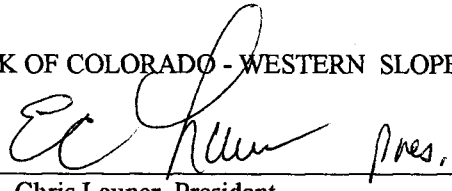
The original of the credit must be presented along with any such draft.

The amount of any draft drawn under this credit must, concurrently with negotiation be endorsed on the reverse side hereof and the presentment of any such draft will be a warranty by the negotiating bank that such endorsement has been made and that document(s) have been forwarded as herein required.

Except so far as other wise expressly stated herein, this credit is subject to the Uniform Customs and Practices for Commercial Documentary Credits fixed by the 13th Congress of the International Chamber of Commerce.

We hereby agree with the drawers, endorsers and bona fide holders of drafts under and in compliance with the terms of this credit that the same will be duly honored and payment made no later than 3 (three) days after due presentation of the credit and delivery of document(s) as specified on or before the date written in the first paragraph above or as the same may be extended.

BANK OF COLORADO - WESTERN SLOPE

By:  Pres.
E. Chris Launer, President

Attest:

By: 

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit No. 2688290089
Issued: October 16, 2001
Expiration Date: December 28, 2003

CUSTOMER:
REDLANDS MESA, L.L.C.
900 VALLEY ROAD
CARBONDALE, CO 81623

ISSUING FINANCIAL INSTITUTION:
BANK OF COLORADO
P.O. BOX 968
GRAND JUNCTION, CO 81502

BENEFICIARY:
CITY OF GRAND JUNCTION

LETTER OF CREDIT: #2688290089 AMOUNT: \$210,000.00

EXPIRATION DATE: December 28, 2003

TO BE AVAILABLE BY
DRAFTS DRAWN AT: Bank of Colorado
200 Grand Avenue
Grand Junction, CO 81501

Dear Sirs:

We hereby open our irrevocable credit in your favor available by your draft(s) at sight on us for a sum not exceeding \$210,000.00 for the account of Redlands Mesa, L.L.C. ("Developer"), to be accepted by your signed statement that drawing is due to default or failure to perform by Developer with respect to Improvements required on or before April 1, 2002 in Redlands Mesa Planned Development, a development occurring within the City of Grand Junction, Colorado. Acting through the City Attorney you will notify us when either:

1. The Improvements have been timely completed and the warranty period has terminate and the credit may be released; or
2. The Developer has failed to perform or is in default. Notice shall be signed by the City Attorney or the Attorney's designee. Proof of default or a statement from any other party shall not be required.

All drafts drawn hereunder must be by sight draft marked: "Drawn under Bank of Colorado, Credit No. 2688290089, dated October 16, 2001."

The original of the credit must be presented along with any such draft.

The amount of any draft drawn under this credit must, concurrently with negotiation be endorsed on the reverse side hereof and the presentment of any such draft will be a warranty by the negotiating bank that such endorsement has been made and that document(s) have been forwarded as herein required.

Except so far as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practices for Commercial Documentary Credits fixed by the 13th Congress of the International Chamber of Commerce.

We hereby agree with the drawers, endorsers and bona fide holders of drafts under and in compliance with the terms of this credit that the same will be duly honored and payment made no later than 3 (three) days after due presentation of the credit and delivery of document(s) as specified on or before the date written in the first paragraph above or as the same may be extended.

BANK OF COLORADO

By: 

E. Chris Launer, President

Attest:

By: 

ORIGINAL TO
BPC.

16th

October 11, 2001

Mr. E. Chris Launer, President,
Bank of Colorado-Western Slope
200 Grand Avenue
Grand Junction, Colorado 81501

Re: Letters of Credit for Redlands Mesa, LLC

Dear Mr. Launer:

This letter constitutes the authority by the City of Grand Junction to take the following actions with respect to Letters of Credit issued on behalf of Redlands Mesa, LLC, for the benefit of the City of Grand Junction for the guarantee of development improvements in Redlands Mesa Planned Development.

1. The original Letter of Credit for Filing 1 securing the Development Improvements Agreement dated March 7, 2000, which was issued December 20, 1999, in the amount of \$2,100,000.00, can now be reduced to the sum of \$210,000.00 with an expiration date of December 28, 2003. We are herewith submitting the original Letter of Credit to the bank in exchange for the issuance of a new Letter of Credit in accordance with the above terms.

2. The original Letter of Credit for Filing 2 securing the Development Improvements Agreement dated January 10, 2001 securing Filing 2 may be reduced to the sum of \$150,000.00 to expire December 28, 2002. We are herewith submitting the original Letter of Credit to the bank in exchange for the issuance of a new Letter of Credit in accordance with the above terms.

3. A new Development Improvements Agreement dated October 16, 2001 requires a Letter of Credit in the amount of \$931,000.00 with an expiration date of July 1, 2003. We are submitting to the bank the fully executed Development Improvements Agreement to secure improvements for Filings 3 and 4.

Thank you for your assistance in this matter.

CITY OF GRAND JUNCTION

By: Don E. Wieg
Authorized Representative
CITY ATTORNEY

/jr

LIMITED EXTENDED WARRANTY AGREEMENT

This Agreement is made this 16th day of October, 2001, between Redlands Mesa, L.L.C., a Colorado limited liability company ("Redlands Mesa") and the City of Grand Junction, Colorado ("City").

Recitals.

Redlands Mesa is the owner and developer of the Redlands Mesa Planned Development in Grand Junction, Colorado. The public improvements for the infrastructure for Filing I of Redlands Mesa Planned Development have been completed, however, Redlands Mesa must do some corrective work, repairs and replacements regarding some of the improvements. The City agrees with Redlands Mesa that it is acceptable to delay a substantial portion of such work until the summer of 2002.

The City is willing to accept the improvements along West Ridges Boulevard and High Desert Road at the present time. The parties agree that the City's required customary one-year warranty by Redlands Mesa may now begin for such improvements, as of the effective date hereof.

The corrective work referenced above needs to be completed in Blocks 1, 2, and 3, Filing I, known as the Shadow Lake Road parcels, and because of the agreed upon delay in completion, the warranty period should be extended as provided herein.

NOW THEREFORE, for and in consideration of the benefits to be derived by the parties hereto by the performance of the provisions contained herein, the parties agree as follows:

1. West Ridges Boulevard and High Desert Road. The public improvements in this area of Filing I have been approved and accepted by the City, and accordingly it is agreed that the warranty by Redlands Mesa for those improvements shall continue to and terminate on September 30, 2002, unless before such date there is further corrective work to be done that is not presently obvious. All of the customary provisions of the warranty shall apply, except that the length of the warranty is extended to September 30, 2002.

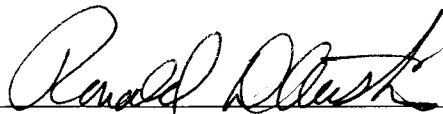
2. Shadow Lake Road Area. Corrective, replacement and repair work is necessary in this area, including asphalt overlay on a part of Shadow Lake Road. The specifics of the work to be provided hereunder are set forth in the memorandum from Doug Thies to Eric Hahn dated September 28, 2001, a copy of which is attached hereto. The City agrees with Redlands Mesa that it is preferable to delay the milling and overlay of asphalt until the summer of 2002 and so it is agreed that the work shall be delayed until then. The remainder of the corrective, replacement and repair work may be completed at any time between the date of this Agreement and September 30, 2002. All of the work to be performed hereunder shall be the subject of an extended warranty terminating on the anniversary date one year after the day the City accepts, in writing, such work.

3. Securing Letter of Credit. Redlands Mesa shall deliver a Letter of Credit in the amount of \$210,000.00 to secure the work to be performed and any warranties hereunder, through the extended warranty period provided for in this Agreement.

4. Default and Warranty Remedies. Either party may institute litigation in the District Court for Mesa County, Colorado, which is agreed to be the appropriate court of jurisdiction and venue, to enforce or to clarify any term hereof. The laws of the State of Colorado shall apply and the substantially prevailing party shall receive an award of its reasonable attorneys fees and court costs incurred. In addition to other remedies, the parties shall be entitled to specific performance.

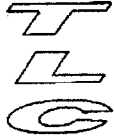
IN WITNESS WHEREOF, the parties have executed this Agreement effective the date first above written.

REDLANDS MESA, L.L.C.

By 
Ronald D. Austin

CITY OF GRAND JUNCTION

By 
Mark Relph
Director of Public Works and Utilities



THOMPSON - LANGFORD CORPORATION
ENGINEERS AND LAND SURVEYORS

tlc@tlcwest.com
Facsimile (970) 241-2845
Telephone: (970) 243-6067
529 25 1/2 Rd, Grand Junction, CO 81505

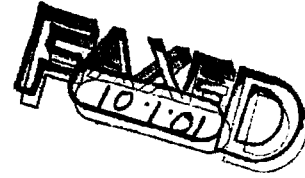
FAX TRANSMITTAL

To: *Eric Hahn, City of Grand Junction*

From: *Doug Thies, Thompson-Langford Corp.*

Subject: *Redlands Mesa – Filing 1 and 2 Final Acceptance*

Date: *September 28, 2001*



Eric, while it was still fresh in my mind I felt it appropriate to note my understanding of the acceptance procedure and criteria resulting from the final inspection earlier today.

Filing 1

1. That portion of Filing 1, referred to as Parcel 5 and consisting of High Desert Road and West Ridgcs Boulevard, is accepted effective today (September 28, 2001) and will be subject to a one-year warranty in accordance with earlier agreements.
2. Redlands Mesa, LLC, is not requesting acceptance of, at this time, that portion of Shadow Lake Road from Station 0+00 to 8+00. Upon repair and/or replacement of items within this section no later than September 28, 2002, and subsequent acceptance by the City, there will be a one-year warranty extending into the year 2003.
3. The other roads in Parcel 2, (including the remainder of Shadow Lake Road, Shadow Lake Court, Claystone Court and Shadow Lake Circle), are accepted effective today and are subject to a 2-year warranty.
4. As a result, all of Parcel 2 will have the same warranty period, which will expire September 28, 2003. This schedule should alleviate concerns associated with accepting portions of roads.
5. A new DIA and security agreement (letter of credit) will be required for that portion of Shadow Lake Road, which is not being considered for acceptance at this time (portions of the concrete and asphalt items from Station 0+00 to 8+00).


Filing 2

1. All improvements in Filing 2 are accepted effective September 28, 2001, and the normal 1-year warranty period will apply.
2. In accordance with the code in affect for this project, "the old code", there will be no additional DIA or security requirements.

In addition, we will redo and update all as-builts and test results for both Filings this next week, so that the City will have the most current data available.

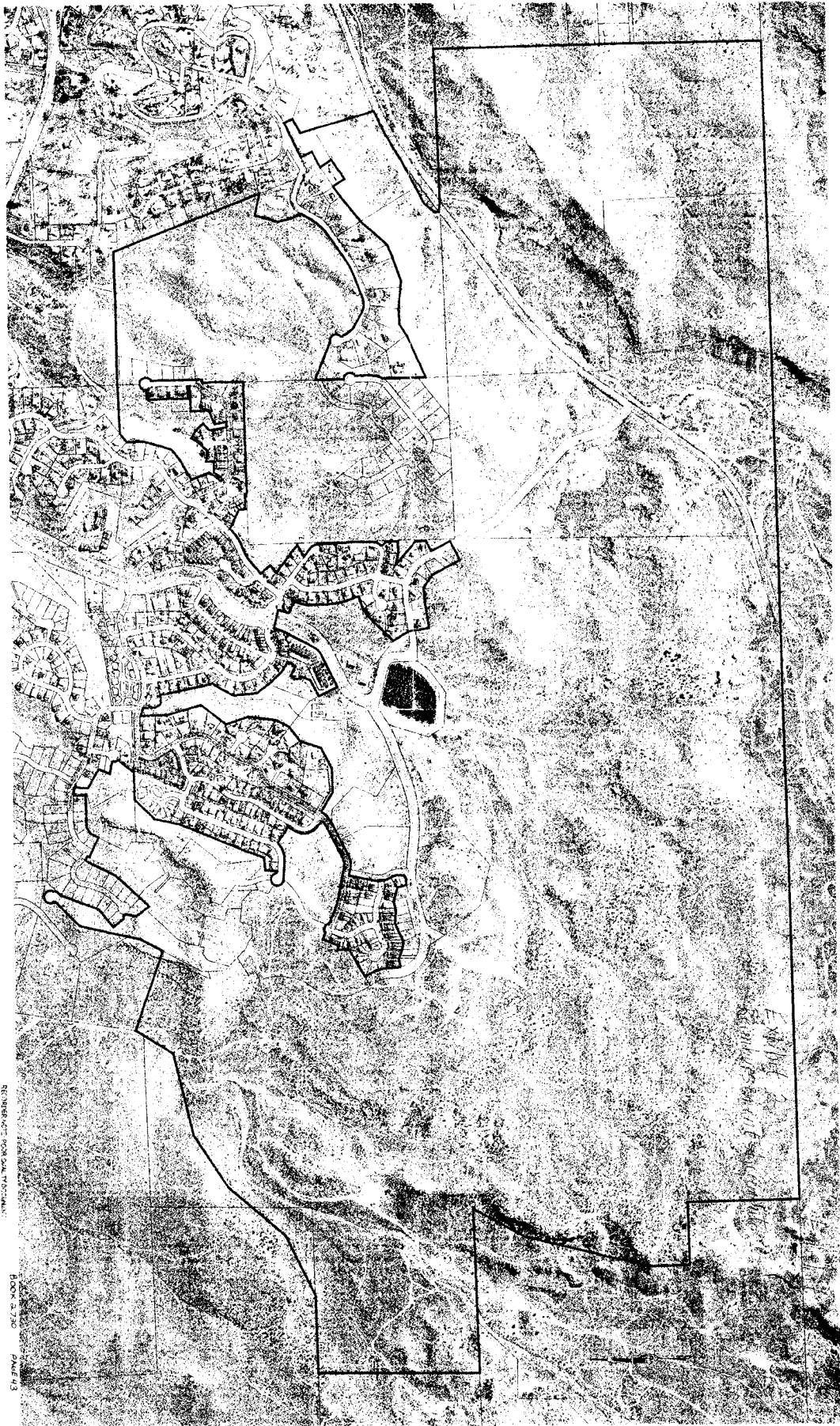
Please contact me at your earliest convenience if you have questions or if your recollection of events and agreements differ from mine.

Thanks,



Douglas A. Thies, PE
Thompson-Langford

Copy: RMLLC, RBI



RENDER OF TOWN OF WINDHAM
NO. 241 2720 1-1-85

BOOK 2720 PAGE 43
2-1-85 1-1-85

Handwritten notes:
E. N. B. 1
2720 2720
1-1-85

RELEASE OF IMPROVEMENTS AGREEMENT & GUARANTEE
Grand Junction Community Development Department
FILE # FPP-1999-142

This memorandum relates to a certain recorded Improvements Agreement and Guarantee dated January 10, 2001 (year) and recorded at Book 2850, Page 988-999 of the land records of Mesa County, Colorado, by and between Redlands Mesa, LLC (Developer) and the City of Grand Junction (City) pertaining to Redlands Mesa, Filing 2 (Project).

Legal Description:

Redlands Mesa, Filing 2, as platted and recorded 16 May, 2001 in the Mesa County Clerk and Recorder's Office in Plat Book No. 18, Page 149, at Reception No. 1996348

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 [Signature] Date 5/19/03
City Utilities Manager [Signature] Date 5/19/03
Fire Marshall Norm Noble Date 5/23/03

UTE WATER:

By: [Signature] Date 27 Jan 04

GRAND JUNCTION DRAINAGE:

By: NA Date _____

OTHER:

By: _____ 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 2850, Page 988-999 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.

Director of Community Development [Signature] Date 2-18-04
Planning Manager

The foregoing instrument was executed before me this 18th day of February, 2004 (year)

by [Signature], Director of Community Development for
the City of Grand Junction, Colorado. *Planning Manager*

Witness my hand & official seal.

Notary Public [Signature]

My commission expires 10/29/2005



My Commission Expires 10/29/2005

**RELEASE OF DEVELOPMENT IMPROVEMENT AGREEMENT/MAINTENANCE
GUARANTEE**

**City of Grand Junction
Community Development Department
FILE # FPP-1999-142**

This Release relates to a Development Improvement Agreement or Maintenance Guarantee dated 3/7, 2000, by and between Redlands Mesa, LLC (Developer) and the City of Grand Junction, pertaining to Redlands Mesa Planned Dev, Phase 1 (Project), located at W. Ridgys Blvd, South of the Ridges, recorded at Book 2730, Pages 23 - 34, Mesa County Clerk and Records Office.

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: 3/14/05

Planner: [Signature] Date: 3-11-05

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]
Community Development Department

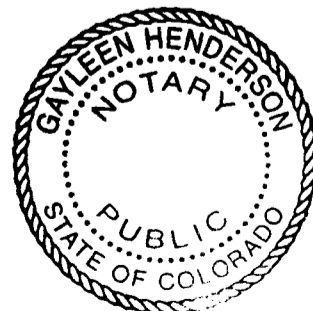
3-15-05
Date

The foregoing instrument was executed before me this 15th day of March, 2005, 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 10/29/2005



My Commission Expires 10/29/2005