

RED07TEN

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEVELOPMENT IMPROVEMENTS AGREEMENT
NAME OF CONTRACTOR:	REDLANDS MESA LLC
PROJECT/SUBDIVISION:	TEN OVERLOOK
ADDRESS:	HILLVIEW AND RIDGE CIRCLE
TAX PARCEL NO:	2945-202-46-015
FILE #:	FPP-2006-143
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2007
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

April 4, 2007

Redlands Mesa Development, LLC
C/O Ms. Rochelle Mullen
2299 West Ridges Blvd.
Grand Junction, CO 81503

RE: AMENDED Initial Acceptance – Ten Overlook Sub. (FPP-2006-143)

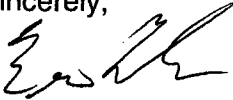
Ms. Mullen,

A final inspection of the public improvements for the referenced project was conducted and a list of items to be corrected and/or furnished was given to the project representative. Subsequent inspections have revealed that these items have been satisfactorily completed.

Your warranty obligation, for all materials and workmanship performed within the public right-of-way or otherwise dedicated to the City of Grand Junction, is for a period of one year beginning with the date of initial acceptance. The date of initial acceptance is November 27, 2006. The City will re-inspect the project prior to the end of the warranty period. Any defects discovered during this re-inspection must be corrected. The City will then establish a new acceptance date and an extended warranty period. The warranty period will expire and the Maintenance Guarantee will be released upon final acceptance by the City.

Thank you for your cooperation in the completion of the work on this project.

Sincerely,



Eric Hahn, P.E.
City Development Engineer

Cc: Doug Cline
Walt Hoyt
File

MAINTENANCE GUARANTEE

1. **Parties:** The parties to this Maintenance Guarantee ("the Guarantee" or "Guarantee") are Redlands Mesa, LLC ("the Developer") and the City of Grand Junction, Colorado ("the City" or "City"). Collectively the Developer and the City may be referred to as the Parties.

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

2. **Effective Date:** The Effective Date of the Guarantee will be the date that it is signed and accepted by the City.

RECITALS

The Developer has constructed, installed and is required to warrant and maintain certain improvements ("Improvements" or "the Improvements") which were made necessary by virtue of development on property within the City. The Property, known as Ten Overlook has been reviewed and approved under Community Development file # FPP-2006-143 and as necessary or required to construe this guarantee, that file(s) is incorporated by this reference.

The City seeks to protect the health, safety and general welfare of the community by requiring that the Improvements, once constructed, be maintained. The purpose of this guarantee is to protect the City from having to repair the Improvements at its cost. The Agreement is not executed for the benefit of materialmen, laborers or others providing work, services or material to the Developer and/or the Property or for the benefit of the owners, purchasers or users of the Property. The mutual promises, covenants and obligations contained in this guarantee are authorized by law, the Colorado Constitution, the Charter and the City's ordinances.

DEVELOPER'S OBLIGATION

3. **Improvements:** The Developer or its successor(s) or assign(s) shall maintain and guarantee the Improvements, at his/her/its own expense, against defects in workmanship and materials for a period of one year from the date of City acceptance of the Improvements. The Developer's obligation is and will be independent of any obligations of the City.

4. **Security:** To secure the performance of its obligations the Developer is required to post security in an amount of \$ 42,924.53 (Line G2, Exhibit B, City Security).

4a. The Developer has posted security to guarantee the Improvements in an amount, form and with terms acceptable to the City.

4b. In addition to that security all warranties and/or guarantees (those incident to construction or as provided by the contractor and/or manufacturer of installed equipment) are hereby assigned to the City.

4c. The Developer shall to the extent necessary or required by the City take whatever action is necessary or required to assign all warranties and/or guarantees (those incident to construction or as provided by the contractor and/or manufacturer of installed equipment) to the City. A copy of those warranties or a memorandum of the same is attached as Exhibit A.

4d. The Developer for itself, its successors and assigns agrees that if the Improvements are not maintained to City standards that the City shall notify the Developer in writing of the defect(s) in accordance with paragraph 8 hereof.

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

6. **Warranty:** The Developer hereby warrants that the Improvements, each and every one of them, will be maintained in accordance with the Standards in paragraph 5 for the period of this guarantee.

7. **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 guarantee. When necessary to protect the public health, safety or welfare, the Developer shall be subject to laws, ordinances and regulations that become effective after acceptance of the Improvements.

8. **Notice of Defect/Default:** The City shall provide timely notice to the Developer whenever routine inspection reveals that an Improvement and/or maintenance of the same does not conform to City standards and any specifications approved or required in or by the development or that an Improvement(s) is otherwise defective.

8a. As provided herein the City shall provide written notice to the Developer at the address stated in paragraph 22. Notice is and shall be deemed effective

two calendar days after mailing thereof by first class United States mail, postage prepaid.

8b. The Developer will have twelve (12) calendar days from the date of the notice to correct the defect.

8c. The City may grant reasonable extensions in writing to the time for correction of defect(s), however, it is not obligated to do so nor is it obligated to provide any notice of a defect(s) if it becomes aware of the defect(s) in or during an emergency. Furthermore, the City is not obligated to inspect the Improvements but may do so as it would any other improvement.

9. **Acceptance:** Prior to acceptance of any Improvement(s), the Developer shall demonstrate in writing to the satisfaction of the City Attorney that it owns the Improvements in fee simple or that there are no liens, encumbrances or other restrictions other than those that have been accepted by the City Attorney 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 or maintenance of the same that is detected or which occurs after approval and/or acceptance. All warranties and/or guarantees shall be for a period of no less than 12 months from the date of acceptance of the Improvements.

10. **Funds:** Funds drawn, guaranteed or collected by the City under this agreement shall be used for the purpose of correcting defects in and/or repairing or replacing failure(s) of the Improvement(s).

11. **Defect/Default Events:** The following conditions, occurrences or actions will constitute a defect and/or default:

11a. Developer's failure to maintain each and every one of the Improvements in conformance with this guarantee and/or as required by code, law, rule, ordinance or regulation;

11b. Developer's failure to correct defective construction of any Improvement within the applicable guarantee period;

11c. Developer's failure to maintain security in a form and amount required/provided by this guarantee.

11d. As provided herein the City shall provide written notice 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.

12. **Measure of Cost/Expenses:** The measure of costs and or expenses chargeable by the City under this guarantee will be the reasonable cost of satisfactorily repairing and/or replacing the Improvements plus reasonable City administrative expenses (in the amount of 20% of the repair, replacement and/or warranty work) all of which may exceed the amount of the security provided for in paragraph 4. The amount of the security provided for in paragraph 4 does not set, limit, establish or provide the Developer's maximum financial obligation.

12a. City administrative expenses for which the Developer is obligated to pay include but are not limited to personnel costs, including benefits, overtime, callback, standby and other extraordinary compensation, materials, equipment, third-party contracting costs, collection costs and the value of engineering, legal and administrative staff time devoted to the repair and/or replacement of the Improvements and/or enforcement of this guarantee and all initial warranty(ies) or guarantee(s) assigned to the City by the Developer.

13. **City's Rights:** When any defect or default occurs, the City may after notice and the Developer's failure and/or refusal to repair or replace the Improvements, proceed to collect the amount of the cost or expense incidental or necessary to affect the repair or replacement of the Improvements. The City will have the right to reconstruct, rebuild or otherwise maintain 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. This remedy is cumulative in nature and is in addition to any other remedy the City has at law or in equity.

14. **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 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 guarantee. 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 guarantee except where such suit is brought by the Developer against the City. The Developer is, however, not an agent or employee of the City.

15. **No Waiver:** No waiver of any provision of this Agreement by the City will be deemed to or constitute a waiver of any other provision, nor will it be deemed to 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 defect or default under this guarantee be deemed a waiver of any subsequent defect(s) or default(s) 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 defect(s), defaults(s) or Improvement(s).

16. **Amendment or Modification:** The Parties may amend or modify the Agreement only by written instrument executed on behalf of the City by the Public Works and Utilities Director 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.

17. **Attorney's Fees:** Should either party be required to resort to litigation to enforce the terms of this guarantee, 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. The value of the City's in-house legal counsel is agreed to be \$125.00 per hour.

18. **Integration:** This guarantee, 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.

19. **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.

20. **Severability:** If any part, term or provision of this guarantee 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 right of the parties will be construed as if the part, term or provision was never part of the agreement.

21. **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 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.

22. 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: Redlands Mesa, LLC Name -Developer/Company
2299 W. Ridges Blvd. Address (Street and Mailing)
Grand Junction, CO 81503 City, State & Zip Code
(970) 255-7400 Telephone and Fax Numbers
(970) 245-6055
info@redlandsmesa.com E-mail

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

Cc: Public Works and Utilities Department
250 North 5th Street
Grand Junction, CO 81501

23. Recordation: Developer will pay for all costs to record a memorandum of this guarantee in the Clerk and Recorder's Office of Mesa County, Colorado.

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

25. 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, 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.

By:

Rochelle Mullen
Developer

March 23, 2007
Date

Name (printed): Rochelle Mullen

Title (position): Manager of Redlands Mesa Development, LLC
which entity is Manager of Red Junction, LLC
and Redlands Mesa, LLC

Attest:

Carol A. Pauere
Secretary

3.23.2007
Date

City of Grand Junction

Dmitry Antonov
Project Planner

MARCH 23, 2007
Date

[Signature]
Dept. of Public Works and Utilities

3/23/07
Date

GUARANTEE2003

6/13/2003

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: July 21, 2006
 DEVELOPMENT NAME: 10 Overlook
 LOCATION: Redlands Mesa

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC Sanitary Sewer Main	LF	779	\$ 45.00	\$ 35,055.00
2	" PVC Sanitary Sewer Main	LF			\$ -
3	" PVC Sanitary Sewer Main	LF			\$ -
4	Sewer services	EA	6	\$ 175.00	\$ 1,050.00
5	Sanitary Sewer Manhole	EA	6	\$ 1,750.00	\$ 10,500.00
6	Sanitary Sewer Drop Manhole	EA			\$ -
7	Connection to Existing Manhole	EA	1	\$ 600.00	\$ 600.00
8	Concrete Encasement	LF			\$ -
Subtotal Part A Sanitary Sewer					\$ 47,205.00
B. DOMESTIC WATER					
1	8 " PVC Water Main	LF	589	\$ 25.00	\$ 14,725.00
2	" PVC Water Main	LF			\$ -
3	" PVC Water Main	LF			\$ -
4	" Gatevalve	EA			\$ -
5	8 " Gatevalve	EA	1	\$ 800.00	\$ 800.00
6	8 " Fittings (Incl thrust blks)	EA	1	\$ 330.00	\$ 330.00
7	Water Services	EA	6	\$ 350.00	\$ 2,100.00
8	Connect to Existing Water Line	EA	2	\$ 650.00	\$ 1,300.00
9	Fire Hydrant with Valve	EA		\$ 2,500.00	\$ -
10	Utility Adjustments	EA			\$ -
11	Blowoff	EA			\$ -
					\$ -
					\$ -
					\$ -
Subtotal Part B - Domestic Water					\$ 19,255.00
C1 STREETS					
1	4" PVC Utility/Irrigation sleeves	LF	800	\$ 6.00	\$ 4,800.00
2	" PVC Utility/Irrigation sleeves	LF			\$ -
3	Reconditioning	SY	2464	\$ 2.00	\$ 4,928.00
4	Aggregate Base Course (Class 3)	TN			\$ -
5	Aggregate Base Course (Class 6) (16" Compacted Thickness)	SY	2464	\$ 15.00	\$ 36,960.00

6	Aggregate Base Course (Class 6) (___" Compacted Thickness)	SY			\$	-
7	Hot Bituminous Paving, Grading (3" thick)	SY	1911	\$ 12.15	\$	23,218.65
8	Hot Bituminous Paving, Grading (___" thick)	SY			\$	-
9	Hot Bituminous Paving, Patching (___" Thick)	SY			\$	-
10	Geotextile	SY			\$	-
11	Concrete Curb (___" Wide by ___" High)	LF			\$	-
12	Concrete Curb and Gutter (2' wide)	LF	513	\$ 12.00	\$	6,156.00
13	Concrete Curb and Gutter (1.5' wide)	LF			\$	-
14	Monolithic, Vertical Curb, Gutter and Sidewalk (___' Wide)	LF			\$	-
15	Drive Over Curb, Gutter, and Sidewalk (___' Wide)	LF	505	\$ 16.50	\$	8,332.50
16	Concrete Sidewalk (___' Wide)	LF			\$	-
17	Concrete Gutter and Driveway Section (___" Thick)	SY			\$	-
18	Concrete Drainage Pan (___' Wide, ___" Thick)	LF			\$	-
19	Concrete Corner Fillet	SY			\$	-
20	Concrete Curb Ramp	SY			\$	-
21	Complete Concrete Corner	SY			\$	-
22	Concrete Driveway (___" Thick)	SY			\$	-
23	Driveway/Concrete Repair	SY			\$	-
24	Retaining Walls	LF			\$	-
25	Street Signs	EA	2	\$ 300.00	\$	600.00
25	Street Signs (parking)	EA	2	\$ 300.00	\$	600.00
26	Striping (New, Remove/Replace)	LF			\$	-
27	Street Lights	EA			\$	-
28	Signal Construction or Reconstruction	LS			\$	-
29	Flowable Fill	CY			\$	-
					\$	-
					\$	-
C2	BRIDGES					
					\$	-
1	Box Culvert Pre-Cast	LS			\$	-
2	Box Culvert Cast-in-Place	LS			\$	-
3	Wingwalls	LS			\$	-
4	Parapet Wall	LS			\$	-
5	Railing (handrail, guardrail)	LS			\$	-
					\$	-
					\$	-
	Subtotal Part C - Streets and Bridges				\$	85,595.15
D1	EARTHWORK					
					\$	-
1	Mobilization	LS			\$	-
2	Clearing and Grubbing	AC or LS			\$	-

3	Unclassified Excavation	CY	871	\$ 6.50	\$ 5,661.50
4	Unclassified Embankment	CY	632	\$ 3.00	\$ 1,896.00
5	Storm Water Management	LS	1	\$ 8,000.00	\$ 8,000.00
6	Watering (Dust Control)	AC or LS			\$ -
D2	REMOVALS AND RESETTING				
1	Removal of Asphalt	SY	822	\$ 3.00	\$ 2,466.00
2	Removal of Miscellaneous Concrete	SY			\$ -
3	Remove Curb and Gutter	LF			\$ -
4	Removal of Culverts	LF			\$ -
5	Remove Structures (2 MH, 140 LF Pipe)	LS	1	\$ 1,000.00	\$ 1,000.00
6	Remove Signs	EA			\$ -
7	Remove Fence	LF			\$ -
8	Adjust Manhole	EA			\$ -
9	Adjust Valvebox	EA			\$ -
10	Relocate or Adjust Utilities	LS			\$ -
D3	SEEDING AND SOIL RETENTION				
1	Sod	SY			\$ -
2	Seeding (Native)	SY or AC			\$ -
3	Seeding (Bluegrass/Lawn)	SY or AC			\$ -
4	Hydraulic Seed and Mulching	SY or AC			\$ -
5	Soil Retention Blanket	SY			\$ -
D4	STORM DRAINAGE FACILITIES				
1	Finish Grading (incl. Channels, Swales, and Ponds)	CY			\$ -
2	12" HDPE Storm Drain Pipe incl FES	LF	165	\$ 30.00	\$ 4,950.00
3	" Storm Drain Pipe	LF			\$ -
4	" Storm Drain Pipe	LF			\$ -
5	" Storm Drain Pipe	LF			\$ -
6	" Storm Drain Pipe	LF			\$ -
7	12" Flared End Section	EA	1	\$ 350.00	\$ 350.00
8	" Flared End Section	EA			\$ -
9	48" Storm Drain Manhole	EA	1	\$ 2,000.00	\$ 2,000.00
10	60" Storm Drain Manhole	EA			\$ -
11	72" Storm Drain Manhole	EA			\$ -
12	Manhole with Box Base	EA			\$ -
13	Connection to Existing MH	EA			\$ -
14	Single Curb Opening Storm Drain Inlet	EA	2	\$ 1,500.00	\$ 3,000.00
15	Double Curb Opening Storm Drain Inlet	EA			\$ -
16	Area Storm Drain Inlet	EA		\$ 1,800.00	\$ -
17	Detention Area Outlet structure	EA			\$ -
18	Rip-Rap D ₅₀ = 18"	CY	60	\$ 75.00	\$ 4,500.00
19	Sidewalk Trough Drain	EA			\$ -
20	Pump Systems including Electrical	LS			\$ -

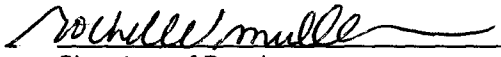
Subtotal Part D - Grading and Drainage					\$ 33,823.50
E1	IRRIGATION				
1	Connect to Existing Pipe	LS	1	\$ 250.00	\$ 250.00
2	6" Class 200 Irrigation Pipe	LF	585	\$ 10.00	\$ 5,850.00
3	Fittings and Valves (6")	EA	1	\$ 450.00	\$ 450.00
4	Services	EA	6	\$ 300.00	\$ 1,800.00
5	Pump System and Concrete Vault	LS			\$ -
6	Irrigation Structure	EA			\$ -
7	Vacuum Relief and/or Air Release Valve	EA			\$ -
E2	LANDSCAPING				
1	Design/Architecture	LS			\$ -
2	Earthwork	CY			\$ -
3	Hardscape Features	LS			\$ -
4	Plant Material & Planting	LS			\$ -
5	Irrigation System	LS			\$ -
6	Curbing	LF			\$ -
7	Retaining Walls & Structures	LS			\$ -
8	1 Year Maintenance Agrmnt.	LS			\$ -
9	Topsoil				\$ -
					\$ -
					\$ -
E	Subtotal Part E - Landscaping and Irrigation				\$ 8,350.00
Subtotal Construction Costs					\$ 194,228.65
F.	Miscellaneous Items				
1	Construction staking/surveying	%	3.00%	\$ 194,228.65	\$ 5,826.86
2	Developer's inspection cost	%		\$ 194,228.65	\$ -
3	General construction supervsn	%	3.00%	\$ 194,228.65	\$ 5,826.86
4	Quality control testing	%	2.00%	\$ 194,228.65	\$ 3,884.57
5	Construction traffic control	%		\$ 194,228.65	\$ -
6	City inspection fees	%	0.50%	\$ 194,228.65	\$ 971.14
7	As-builts	%	2.00%	\$ 194,228.65	\$ 3,884.57
E	Subtotal Part F - Miscellaneous Items				\$ 20,394.01
<small>% = Percentage of total site construction costs</small>					
G.	COST SUMMARY				
1	Total Improvement Costs				\$ 214,622.66
2	City Security (20%)				\$ 42,924.53

3 Total Guarantee Amount

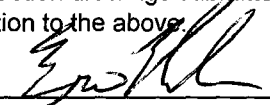
\$ 257,547.19

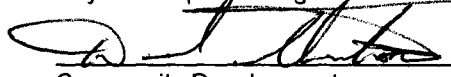
NOTES

1. All prices shall be for items complete in place and accepted.
2. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction.
3. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere.
4. All concrete items shall include Aggregate Base Course where required by the drawings.
5. Reconditioning shall be calculated to at least 6" outside of back of walk on both sides.

 3/23/07
Signature of Developer Date
(If corporation, to be signed by President and attested to by Secretary together with the corporate seals.)

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

 3/23/07
City Development Engineer Date

 3/23/07
Community Development Date



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

Irrevocable Letter of Credit No. 2689004904

Dated: March 12, 2007

Expiration: November 27, 2007 subject to the automatic extensions stated below

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 2689004904 in favor of the City of Grand Junction at the request of and for the account of Redlands Mesa, LLC (Developer) in the amount of Forty Two Thousand, Nine Hundred & Twenty-four Dollars & 53/100 (\$42,924.53) U.S. dollars.

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

- 1) it is effective upon signature
2) it expires on November 27, 2007 subject to the automatic extensions discussed below;
3) this Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Bank of Colorado (Bank) Letter of Credit No. 2689004904 dated March 12, 2007";
4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the Redlands Mesa, LLC (Developer) being obligated to pay or perform in accordance with the provisions of the Grand Junction Zoning and Development Code;
5) the following statement signed by an authorized designee of the City of Grand Junction must accompany the sight draft;
6) (Developer) has failed to comply with the terms, conditions, provisions and requirements of the Grand Junction Zoning and Development Code and/or plans, specifications or agreements relating to the construction of improvements required by the City of Grand Junction. The monies received from this drawing are required to construct those improvements. The City of Grand Junction therefore requests the payment of \$.
7) It is a condition of this Letter of Credit that it will be automatically extended for a period of six (6) months from the present or any future expiration date unless; (a) the underlying obligation has been performed, released, or satisfied, (b) this Letter of Credit has been called in full or (c) the Bank notifies the City of Grand Junction at 250 N. 5th Street, Grand Junction, CO 81501, by certified mail return receipt requested, at least twenty (90) days

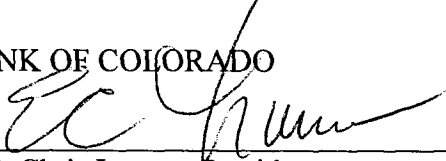
1000 F Road
P.O. Box 968
Grand Junction
Colorado 81504
Tel (970) 245-1600
Fax (970) 263-2101

prior to such expiration date that we elect not to further extend this Letter of Credit.


- 8) Except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of Community Development or his designee;
- 9) this Letter of Credit is neither negotiable nor assignable;
- 10) partial drawings are permitted;
- 11) we hereby agree that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored on due presentation and delivery of documents, which may be done by first class mail, facsimile, in person or by any other reasonable business practice on or prior to the expiration or any extension thereof of this Letter of Credit;
- 12) except as otherwise stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) and to the extent that it does not conflict with Article 5 of the Uniform Commercial Code of the State of Colorado

BANK OF COLORADO

By


E. Chris Launer, President

By


Michael Mast, Vice President

RECORDING MEMORANDUM
Exhibit D

City of Grand Junction
Public Works and Planning Department
File: #FPP-2006-143

This memorandum relates to and confirms that certain Development Improvements Agreement and/or Maintenance Guarantee concerning land in Mesa County, Colorado. The Agreement is by and between Redlands Mesa, LLC (Developer) and the City of Grand Junction (City) pertaining to Ten Overlook (Project), located at 10th Fairway at Redlands Mesa.

(Subject subdivision is more particularly depicted and described in the recording found at Reception 2372371)

The Developer of the Project was required by law to install and construct certain public and private improvements, the completion of which was guaranteed by a Development Improvements Agreement and/or Maintenance Guarantee. The Project is required to be constructed in accordance with the approval by the City pursuant to and in accordance with the Zoning and Development Code all as more fully detailed and described in City of Grand Junction development file #FPP-2006-143.

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

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

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

DEVELOPER:

By: Rochelle Mullen March 23, 2007
Date

(Print Name) Rochelle Mullen

CITY OF GRAND JUNCTION:

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

[Signature] MARCH 29, 2007
Public Works & Planning Department Date

April 4, 2007

Redlands Mesa Development, LLC
C/O Ms. Rochelle Mullen
2299 West Ridges Blvd.
Grand Junction, CO 81503

RE: AMENDED Initial Acceptance – Ten Overlook Sub. (FPP-2006-143)

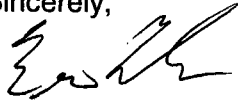
Ms. Mullen,

A final inspection of the public improvements for the referenced project was conducted and a list of items to be corrected and/or furnished was given to the project representative. Subsequent inspections have revealed that these items have been satisfactorily completed.

Your warranty obligation, for all materials and workmanship performed within the public right-of-way or otherwise dedicated to the City of Grand Junction, is for a period of one year beginning with the date of initial acceptance. The date of initial acceptance is November 27, 2006. The City will re-inspect the project prior to the end of the warranty period. Any defects discovered during this re-inspection must be corrected. The City will then establish a new acceptance date and an extended warranty period. The warranty period will expire and the Maintenance Guarantee will be released upon final acceptance by the City.

Thank you for your cooperation in the completion of the work on this project.

Sincerely,



Eric Hahn, P.E.
City Development Engineer

Cc: Doug Cline
Walt Hoyt
File

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: July 21, 2006

DEVELOPMENT NAME: 10 Overlook

LOCATION: Redlands Mesa

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC Sanitary Sewer Main	LF	779	\$ 45.00	\$ 35,055.00
2	" PVC Sanitary Sewer Main	LF			\$ -
3	" PVC Sanitary Sewer Main	LF			\$ -
4	Sewer services	EA	6	\$ 175.00	\$ 1,050.00
5	Sanitary Sewer Manhole	EA	6	\$ 1,750.00	\$ 10,500.00
6	Sanitary Sewer Drop Manhole	EA			\$ -
7	Connection to Existing Manhole	EA	1	\$ 600.00	\$ 600.00
8	Concrete Encasement	LF			\$ -
Subtotal Part A Sanitary Sewer					\$ 47,205.00
B. DOMESTIC WATER					
1	8 " PVC Water Main	LF	589	\$ 25.00	\$ 14,725.00
2	" PVC Water Main	LF			\$ -
3	" PVC Water Main	LF			\$ -
4	" Gatevalve	EA			\$ -
5	8 " Gatevalve	EA	1	\$ 800.00	\$ 800.00
6	8 " Fittings (Incl thrust blks)	EA	1	\$ 330.00	\$ 330.00
7	Water Services	EA	6	\$ 350.00	\$ 2,100.00
8	Connect to Existing Water Line	EA	2	\$ 650.00	\$ 1,300.00
9	Fire Hydrant with Valve	EA		\$ 2,500.00	\$ -
10	Utility Adjustments	EA			\$ -
11	Blowoff	EA			\$ -
					\$ -
					\$ -
					\$ -
Subtotal Part B - Domestic Water					\$ 19,255.00
C1 STREETS					
1	4" PVC Utility/Irrigation sleeves	LF	800	\$ 6.00	\$ 4,800.00
2	" PVC Utility/Irrigation sleeves	LF			\$ -
3	Reconditioning	SY	2464	\$ 2.00	\$ 4,928.00
4	Aggregate Base Course (Class 3)	TN			\$ -
5	Aggregate Base Course (Class 6) (16" Compacted Thickness)	SY	2464	\$ 15.00	\$ 36,960.00

6	Aggregate Base Course (Class 6) (___" Compacted Thickness)	SY			\$	-
7	Hot Bituminous Paving, Grading (3" thick)	SY	1911	\$	12.15	\$ 23,218.65
8	Hot Bituminous Paving, Grading (___" thick)	SY				\$ -
9	Hot Bituminous Paving, Patching (___" Thick)	SY				\$ -
10	Geotextile	SY				\$ -
11	Concrete Curb (___" Wide by ___" High)	LF				\$ -
12	Concrete Curb and Gutter (2' wide)	LF	513	\$	12.00	\$ 6,156.00
13	Concrete Curb and Gutter (1.5' wide)	LF				\$ -
14	Monolithic, Vertical Curb, Gutter and Sidewalk (___' Wide)	LF				\$ -
15	Drive Over Curb, Gutter, and Sidewalk (___' Wide)	LF	505	\$	16.50	\$ 8,332.50
16	Concrete Sidewalk (___' Wide)	LF				\$ -
17	Concrete Gutter and Driveway Section (___" Thick)	SY				\$ -
18	Concrete Drainage Pan (___' Wide, ___" Thick)	LF				\$ -
19	Concrete Corner Fillet	SY				\$ -
20	Concrete Curb Ramp	SY				\$ -
21	Complete Concrete Corner	SY				\$ -
22	Concrete Driveway (___" Thick)	SY				\$ -
23	Driveway/Concrete Repair	SY				\$ -
24	Retaining Walls	LF				\$ -
25	Street Signs	EA	2	\$	300.00	\$ 600.00
25	Street Signs (parking)	EA	2	\$	300.00	\$ 600.00
26	Striping (New, Remove/Replace)	LF				\$ -
27	Street Lights	EA				\$ -
28	Signal Construction or Reconstruction	LS				\$ -
29	Flowable Fill	CY				\$ -
						\$ -
						\$ -
C2	BRIDGES					
						\$ -
1	Box Culvert Pre-Cast	LS				\$ -
2	Box Culvert Cast-in-Place	LS				\$ -
3	Wingwalls	LS				\$ -
4	Parapet Wall	LS				\$ -
5	Railing (handrail, guardrail)	LS				\$ -
						\$ -
						\$ -
	Subtotal Part C - Streets and Bridges					\$ 85,595.15
D1	EARTHWORK					
1	Mobilization	LS				\$ -
2	Clearing and Grubbing	AC or LS				\$ -

3	Unclassified Excavation	CY	871	\$ 6.50	\$ 5,661.50
4	Unclassified Embankment	CY	632	\$ 3.00	\$ 1,896.00
5	Storm Water Management	LS	1	\$ 8,000.00	\$ 8,000.00
6	Watering (Dust Control)	AC or LS			\$ -
D2	REMOVALS AND RESETTING				
1	Removal of Asphalt	SY	822	\$ 3.00	\$ 2,466.00
2	Removal of Miscellaneous Concrete	SY			\$ -
3	Remove Curb and Gutter	LF			\$ -
4	Removal of Culverts	LF			\$ -
5	Remove Structures (2 MH, 140 LF Pipe)	LS	1	\$ 1,000.00	\$ 1,000.00
6	Remove Signs	EA			\$ -
7	Remove Fence	LF			\$ -
8	Adjust Manhole	EA			\$ -
9	Adjust Valvebox	EA			\$ -
10	Relocate or Adjust Utilities	LS			\$ -
D3	SEEDING AND SOIL RETENTION				
1	Sod	SY			\$ -
2	Seeding (Native)	SY or AC			\$ -
3	Seeding (Bluegrass/Lawn)	SY or AC			\$ -
4	Hydraulic Seed and Mulching	SY or AC			\$ -
5	Soil Retention Blanket	SY			\$ -
D4	STORM DRAINAGE FACILITIES				
1	Finish Grading (incl. Channels, Swales, and Ponds)	CY			\$ -
2	12" HDPE Storm Drain Pipe incl FES	LF	165	\$ 30.00	\$ 4,950.00
3	" Storm Drain Pipe	LF			\$ -
4	" Storm Drain Pipe	LF			\$ -
5	" Storm Drain Pipe	LF			\$ -
6	" Storm Drain Pipe	LF			\$ -
7	12" Flared End Section	EA	1	\$ 350.00	\$ 350.00
8	" Flared End Section	EA			\$ -
9	48" Storm Drain Manhole	EA	1	\$ 2,000.00	\$ 2,000.00
10	60" Storm Drain Manhole	EA			\$ -
11	72" Storm Drain Manhole	EA			\$ -
12	Manhole with Box Base	EA			\$ -
13	Connection to Existing MH	EA			\$ -
14	Single Curb Opening Storm Drain Inlet	EA	2	\$ 1,500.00	\$ 3,000.00
15	Double Curb Opening Storm Drain Inlet	EA			\$ -
16	Area Storm Drain Inlet	EA		\$ 1,800.00	\$ -
17	Detention Area Outlet structure	EA			\$ -
18	Rip-Rap D ₅₀ = 18"	CY	60	\$ 75.00	\$ 4,500.00
19	Sidewalk Trough Drain	EA			\$ -
20	Pump Systems including Electrical	LS			\$ -

	Subtotal Part D - Grading and Drainage				\$ 33,823.50
E1	IRRIGATION				
1	Connect to Existing Pipe	LS	1	\$ 250.00	\$ 250.00
2	6" Class 200 Irrigation Pipe	LF	585	\$ 10.00	\$ 5,850.00
3	Fittings and Valves (6")	EA	1	\$ 450.00	\$ 450.00
4	Services	EA	6	\$ 300.00	\$ 1,800.00
5	Pump System and Concrete Vault	LS			\$ -
6	Irrigation Structure	EA			\$ -
7	Vacuum Relief and/or Air Release Valve	EA			\$ -
E2	LANDSCAPING				
1	Design/Architecture	LS			\$ -
2	Earthwork	CY			\$ -
3	Hardscape Features	LS			\$ -
4	Plant Material & Planting	LS			\$ -
5	Irrigation System	LS			\$ -
6	Curbing	LF			\$ -
7	Retaining Walls & Structures	LS			\$ -
8	1 Year Maintenance Agrmnt.	LS			\$ -
9	Topsoil				\$ -
					\$ -
					\$ -
E	Subtotal Part E - Landscaping and Irrigation				\$ 8,350.00
	Subtotal Construction Costs				\$ 194,228.65
F.	Miscellaneous Items				
1	Construction staking/surveying	%	3.00%	\$ 194,228.65	\$ 5,826.86
2	Developer's inspection cost	%		\$ 194,228.65	\$ -
3	General construction supervsn	%	3.00%	\$ 194,228.65	\$ 5,826.86
4	Quality control testing	%	2.00%	\$ 194,228.65	\$ 3,884.57
5	Construction traffic control	%		\$ 194,228.65	\$ -
6	City inspection fees	%	0.50%	\$ 194,228.65	\$ 971.14
7	As-builts	%	2.00%	\$ 194,228.65	\$ 3,884.57
E	Subtotal Part F - Miscellaneous Items				\$ 20,394.01
% = Percentage of total site construction costs					
G.	COST SUMMARY				
1	Total Improvement Costs				\$ 214,622.66
2	City Security (20%)				\$ 42,924.53

3 Total Guarantee Amount

\$ 257,547.19

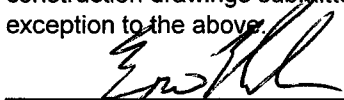
NOTES


1. All prices shall be for items complete in place and accepted.
2. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction.
3. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere.
4. All concrete items shall include Aggregate Base Course where required by the drawings.
5. Reconditioning shall be calculated to at least 6" outside of back of walk on both sides.

 3/23/07
Signature of Developer Date

(If corporation, to be signed by President and attested to by Secretary together with the corporate seals.)

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

 3/23/07
City Development Engineer Date

 3/23/07
Community Development Date



PUBLIC WORKS
& PLANNING

Date: December 10, 2007

GWR Wealth Management
14301 FNB Parkway Suite 115
Omaha, NE 68154
Attn: Rachel Revoir

RE: **Notice of Final Acceptance -**
Project Name: 10 Overlook Subdivision
Project Number: FP-2006-143

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

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

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

Public streets:

- All public streets as shown on the Project plans.

Storm drainage system:

- Storm drain pipes, inlets and manholes within the public right of way.
- Maintenance of the detention pond and outlet works is the responsibility of the homeowners association.

Water distribution system:

- Water mains, fire hydrants, main line valves, service lines up to the meters, water meters, meter pits.

Sanitary sewer:

- Sewer mains, manholes

I will contact the Planner for release of the Development Improvements Agreement, the Maintenance Agreement and any financial security attached to the project.

Sincerely,

Mike Best, Project Specialist

Electronic copy:

Scott Peterson, Senior Planner
Peggy Sharpe, Administrative Assistant
David Van Wagoner, Street System
Ron Key, Water Distribution System
Jamie Beard, Assistant City Attorney

Mark Barslund, Development Inspector
Doug Cline, Streets Manager
Chris Spears, Storm Drainage System
Larry Brown, Sewage Collection System

December 20, 2007

Bank of Colorado
200 Grand Ave
PO Box 968
Grand Junction, CO 81502

Re: Cancellation of Letter of Credit #2689004904

Gentleman:

Enclosed is the Letter of Credit #2689004904. As beneficiary, the City of Grand Junction ("City") informs you that the Letter of Credit is being returned to you for cancellation. This letter is being provided at the direction of the Director of Public Works and Planning, formerly known as Director of Community Development for the City.

If you have any questions, please inform me.

Sincerely,

OFFICE OF THE CITY ATTORNEY

By: Jamie B. Beard
Jamie B. Beard
Assistant City Attorney

Enclosure: Letter of Credit #2689004904

Pc: Rhonda Edwards, Associate Planner
Planning File #FPP-2006-143

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction
Public Works & Planning Department
FILE: #FPP-2006-143

This Release relates to a Recording Memorandum dated March 29, 2007, by and between Redlands Mesa, LLC (Developer) and the City of Grand Junction, pertaining to Ten Overlook (Project), located at 10th Fairway at Redlands Mesa, recorded at Book 4388, Page 743, Mesa County Clerk and Recorders Office. Project is more particularly depicted and described in the recording found at Reception 2372371.

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: Jan. 17, 2008
Planner: [Signature] Date: 17 JAN 08

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

[Signature] Public Works & Planning Department Date: 1.17.08

The foregoing instrument was executed before me this 17th day of January, 2008, by Greg Moberg, of the Public Works & Planning Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

Gayleen Henderson
Notary Public

My commission expires on 10/29/2009

