

SGH06B25

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEVELOPMENT IMPROVEMENTS AGREEMENT
NAME OF CONTRACTOR:	SGH COMPANY LLC
PROJECT/SUBDIVISION:	SPYGLASS SUBDIVISION FILING #2
ADDRESS:	B ¼ ROAD AND 27 ROAD
TAX PARCEL NO:	2945-264-00-038
FILE #:	FP-2005-306
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2006
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

DEVELOPMENT IMPROVEMENTS AGREEMENT

*Com: Kathy Partner
CE: Paula Lambert
(30,40,90)
DGA*

1. **Parties:** The parties to this Development Improvements Agreement ("Agreement") are SGH Company, LLC, ("Developer") and the **City of Grand Junction**, Colorado ("City").

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

2. **Effective Date:** The Effective Date of the Agreement shall be the date that it is signed by the Community Development Director, which shall be no sooner than recordation of the final plat or final plan approval whichever first occurs.

RECITALS

The Developer seeks permission to develop property, described on Exhibit A attached and incorporated by this reference ("the Property" or "Property"). The Property, known as Spyglass Subdivision Filing No. 2 has been reviewed and approved under Community Development file # FP-2005-306 ("Development" or "the Development").

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

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

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

DEVELOPER'S OBLIGATION

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

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

litigation, this agreement and/or the approved development plan. Making disbursements and calling/collecting Guarantees are Administration and Inspection services and shall be charged at \$45.00/hour. See, paragraph 19 concerning attorneys' litigation fees.

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

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

4. Security: To secure the performance of its obligations under this Agreement the Developer shall supply a guarantee. The Developer is required to post security in an amount of \$ 2,840,880.21 (120% of the amount for the Improvements) in a form and with terms acceptable to the City ("Guarantee"). The Guarantee shall be in the form of a cash deposit made to the City, a letter of credit or a disbursement agreement in a form and with content approved by the City Attorney. The Guarantee specific to this Agreement is attached as Exhibit C and is incorporated by this reference as if fully set forth.

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

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

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

6a. Upon Acceptance the Developer shall provide a Maintenance Guarantee in an amount of \$ 473,480.03 (Line G2, Exhibit B, City Security).

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

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

7a. The Developer shall complete the Improvements by the end of the twelfth month from the Effective Date of this Agreement; that date is known as the "Completion Date."

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

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

Commencement Date: May 1, 2006
Completion Date: December 31, 2006

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

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


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

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

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

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

11. **Reduction of Security:** Upon Acceptance of any Improvement(s) the amount which the City is entitled to draw on the Guarantee shall be reduced by an amount of \$2,367,400.17 (Line G1, Exhibit B, Total Improvement Costs).

 \$2,367,400.17 *cc*

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

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

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

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

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

13c. 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;

13d. Notification to the City, by any lender with a lien on the Property, of a default by Developer on any obligation to such lender. In such event, the City may immediately declare a default without prior notification to the Developer.

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

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

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

14. **Measure of Damages:** The measure of damages for breach of this Agreement by the Developer shall be the reasonable cost of satisfactorily completing the Improvements, plus reasonable expenses. Expenses may include but are not limited to

contracting costs, collection costs and the value of planning, engineering, legal and administrative staff time devoted to the collection/completion of the Improvements. For Improvements upon which construction has not begun, the estimated costs of the Improvements as shown on Exhibit B shall be *prima facie* evidence of the minimum cost of completion; however, the maximum amount of the Developer's liability shall not be established by that amount or the amount of the Guarantee.

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

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

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

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

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

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

16. Indemnification: The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns ("City") harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained by any person or entity in connection with or on account of the performance or non-performance of work at the Property and/or the Improvements and/or the Development that is being done pursuant to this Agreement.

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

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

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

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

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

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

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

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

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

24. **Severability:** If any part, term or provision of this Agreement is held by a court of competent jurisdiction to be illegal or otherwise unenforceable, such illegality or

unenforceability shall not affect the validity of any other part, term or provision. The rights of the parties shall be construed as if the part, term or provision was never part of the Agreement.

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

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

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

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

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

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

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

If to Developer:	<u>SGH Company, LLC</u>	Name -Developer/Company
	<u>C/O David G. Behrhorst</u>	Address (Street and Mailing)
	<u>1280 Ute Avenue, Suite 32</u>	
	<u>Aspen, CO 81611</u>	City, State & Zip Code
	<u>(970) 379-5882</u>	Telephone and Fax Numbers
	<u>(970) 925-7035/ (970) 544-0423</u>	
	<u>skipb@sopris.net</u>	E-mail

Cc: Golden, Mumby, Summers & Livingston
C/O Richard Livingston
P.O. Box 398
Grand Junction, CO 81502

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

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

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

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

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

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

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

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


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

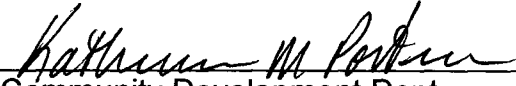
30c. The City shall not issue its written Acceptance with regard to any Improvement(s) including any street, storm drainage facility, sewer, water facility or other required Improvement(s), until the Developer:

- (i) furnishes to the City Engineer as-built drawings in reproducible form, blue line stamped and sealed by a professional engineer and in computer disk form and copies of results of all construction control tests required by City specification;
- (ii) provides written evidence to the City Engineer under signature of a qualified expert that the earth, soils, lands and surfaces upon in and under which the Improvement(s) have been constructed or which are necessary for the Improvements are free from toxic, hazardous and other regulated substances or materials;

(iii) provides written evidence to the City Attorney that the title to lands underlying the Improvements are free and clear from all liens and encumbrances, except those items and encumbrances which may be approved in writing by the City Attorney; and
(iv) provides written evidence, certified by the Developer's engineer, that the work was systematically inspected and tested and that the materials and the compaction of the materials that are required to be compacted, were in conformance with Cityapproved plans and specifications.

By:

SGH Company, LLC April 25, 2005
Developer Date

Name (printed) DAVID G. BEHRHORST, MANAGER
Corporate Attest:

Name Date
City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501
 5-2-06
Community Development Dept. Date

6/13/2003

EXHIBIT A

Block 1 of Spyglass Ridge Filing No. One according to the plat recorded at Reception No. 2279698 of the Mesa Count Records, City of Grand Junction, Mesa County, Colorado.

A handwritten signature or set of initials, possibly "JD", located in the bottom right corner of the page.

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: 03/07/06

DEVELOPMENT NAME: Spyglass Ridge Filing No. Two

LOCATION: Orchard Mesa

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC SDR-35 Main	LF	6209	\$ 19.90	\$ 123,559.10
2	4" C900 CL150 PVC Force Main	LF	1176	\$ 14.60	\$ 17,169.60
3	4" PVC SDR-35 Service Line	LF	3968	\$ 11.30	\$ 44,838.40
4	Services	EA	100	\$ 55.00	\$ 5,500.00
5	Standard Manholes	EA	46	\$ 1,494.00	\$ 68,724.00
6	Drop Manholes	EA	1	\$ 4,178.00	\$ 4,178.00
7	4" Force Main Fittings & TB	EA	10	\$ 888.00	\$ 8,880.00
8	Force Main Clean Outs	EA	1	\$ 1,948.00	\$ 1,948.00
9	Force Main Air Valve	EA	0		\$ -
10	Lift Station (Complete) incl paving/bldg etc.	EA	1	\$ 122,294.80	\$ 122,294.80
11	Low Exposure H2S Manhole Coating	EA	1	\$ 432.00	\$ 432.00
12	4" Flush Drain Valve and Wye	EA	1	\$ 1,036.00	\$ 1,036.00
Subtotal Part A Sanitary Sewer					\$ 398,559.90
B. DOMESTIC WATER - ON SITE					
1	Connect to Existing 2" Ute Line	EA	1	by others	
2	8" CL 150 Main	LF	5697	\$ 20.10	\$ 114,509.70
3	4" CL 150 Main	LF	1340	\$ 12.55	\$ 16,817.00
4	8" Fittings	EA	36	\$ 236.00	\$ 8,496.00
5	4" Fittings	EA	3	\$ 178.00	\$ 534.00
6	4" Cap	EA	5	\$ 114.00	\$ 570.00
7	8" Gate Valves	EA	13	\$ 846.00	\$ 10,998.00
8	4" Gate Valves	EA	3	\$ 491.00	\$ 1,473.00
9	Fire Hydrant Assembly	EA	11	\$ 2,728.00	\$ 30,008.00
10	Services	EA	101	\$ 178.00	\$ 17,978.00
11	3/4" Copper Service Line	LF	4386	\$ 10.65	\$ 46,710.90
Subtotal Part B - Domestic Water					\$ 248,094.60
C1 STREETS/EARTHWORK					
1	4" Sch 40 PVC Utility/Irrigation sleeves	LF	2000	\$ 3.60	\$ 7,200.00
2	Dry Utility Trenching	LF	12000	\$ 3.80	\$ 45,600.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
3	Exc Unadjusted (incl slope benching)	CY	50000	\$ 3.00	\$ 150,000.00
4	Emb Unadjusted	CY	44000	incl in exc quantity	
5	Onsite Spoil Unadjusted	CY	6000	incl in exc quantity	
6	Subgrade Prep.	SY	33665	\$ 1.75	\$ 58,913.75
7	3" AC	SY	15321	\$ 8.50	\$ 130,228.50
8	4" AC	SY	8085	\$ 11.60	\$ 93,786.00
9	6" ABC (Under AC)	SY	15321	\$ 6.40	\$ 98,054.40
10	9" ABC	SY	8085	\$ 9.00	\$ 72,765.00
11	GeoGrid	SY	22194	\$ 3.70	\$ 82,117.80
12	6" ABC Under Conc.	SY	10259	6.20	\$ 63,605.80
13	42" Treated Subgrade	CY	25893	\$ 3.00	\$ 77,679.00
14	24" Treated Subgrade	CY	7647	\$ 3.00	\$ 22,941.00
15	7' Vert. C,G, & SW	LF	593	\$ 20.35	\$ 12,067.55
16	6.5' Mount. C,G, & SW	LF	10522	\$ 14.50	\$ 152,569.00
17	3' Mount. C & G	LF	550	\$ 12.05	\$ 6,627.50
18	2' Vert. C & G	LF	2130	\$ 9.70	\$ 20,661.00
19	8" Thick Conc. Corners/Ramps	SY	751	\$ 42.70	\$ 32,067.70
20	8" Thick Patterned Colored Conc.	SY	31	\$ 71.50	\$ 2,216.50
21	12" Thick Conc. Mail Pads	SY	14	\$ 176.00	\$ 2,464.00
22	Retaining Walls & Structures	SF	2580	\$ 25.00	\$ 64,500.00
23	Stop Signs	EA	6	\$ 200.00	\$ 1,200.00
24	Street Signs (mount on stop)	EA	6	\$ 200.00	\$ 1,200.00
25	No Parking Signs	EA	10	\$ 200.00	\$ 2,000.00
26	Speed Limit Signs	EA	3	\$ 200.00	\$ 600.00
27	Pedestrian Crossing Sign (W11-2)	EA	2	\$ 200.00	\$ 400.00
28	Remove and Replace Asphalt	SF	331	\$ 6.85	\$ 2,267.35
					\$ -
					\$ -
C2	BRIDGES				
					\$ -
					\$ -
	Subtotal Part C - Streets and Bridges				\$ 1,203,731.85
D1	STORM WATER MANAGEMENT				
1	Silt Fence/Berm	LF	3536	\$ 5.00	\$ 17,680.00
2	Straw Bales	LF	50	\$ 5.00	\$ 250.00
3	Inlet Protection (Pre pave)	EA	9	\$ 250.00	\$ 2,250.00
4	Inlet Protection (Post pave)	EA	9	\$ 250.00	\$ 2,250.00
5	Outlet Protection Trap	EA	6	\$ 750.00	\$ 4,500.00
6	Mud Traps	EA	2	\$ 750.00	\$ 1,500.00
7	Rock Check Dams	EA	5	\$ 1,500.00	\$ 7,500.00
8	Straw Rolls	LF	709	\$ 7.50	\$ 5,317.50
9	Watering (Dust Control) incl in exc	LS			\$ -
10	Maintenance	LS	1	\$ 2,500.00	\$ 2,500.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
D2	REMOVALS AND RESETTING				
1	Adjust Manhole	EA	49	\$ 400.00	\$ 19,600.00
2	Adjust Valvebox	EA	29	\$ 150.00	\$ 4,350.00
D3	SEEDING AND SOIL RETENTION (SEE LANDSCAPING ITEM)				
D4	STORM DRAINAGE FACILITIES				
1	Finish Grading (incl. Channels, Swales, and Ponds) included in excavation	CY			\$ -
2	2" Sch 40 (control and power)	LF			\$ -
3	3" CL 200 (pond discharge)	LF			\$ -
4	4" Perforated drain line, incl 1 1/2 screened rock and cleanouts	LF			\$ -
5	12" HDPE Storm Drain Pipe	LF	35	\$ 21.40	\$ 749.00
6	15" HDPE Storm Drain Pipe	LF	341	\$ 26.20	\$ 8,934.20
7	18" HDPE Storm Drain Pipe	LF	294	\$ 29.30	\$ 8,614.20
8	24" HDPE Storm Drain Pipe	LF	340	\$ 39.40	\$ 13,396.00
9	30" HDPE Storm Drain Pipe	LF			\$ -
10	36" HDPE Storm Drain Pipe	LF			\$ -
11	12" Flared End Section	EA	0		\$ -
12	15" Flared End Section	EA	2	\$ 482.00	\$ 964.00
12	18" Flared End Section	EA	2	\$ 624.00	\$ 1,248.00
13	24" Flared End Section	EA	2	\$ 710.00	\$ 1,420.00
14	30" Flared End Section	EA			\$ -
15	36" Flared End Section	EA			\$ -
16	48" Storm Drain Manhole	EA	3	\$ 1,348.00	\$ 4,044.00
17	60" Storm Drain Manhole	EA	5	\$ 2,182.00	\$ 10,910.00
18	72" Storm Drain Manhole	EA			\$ -
19	Manhole with Box Base	EA			\$ -
20	Connection to Existing MH	EA			\$ -
21	Single Curb Opening Storm Drain Inlet	EA	10	\$ 1,364.00	\$ 13,640.00
22	Double Curb Opening Storm Drain Inlet	EA			\$ -
23	Triple Curb Opening Storm Drain Inlet	EA			\$ -
24	Area Storm Drain Inlet (CDOT Type C)	EA			\$ -
25	Pond Outlet structure	EA			\$ -
26	Rip-Rap D ₅₀ = 6"	SF	110	\$ 16.50	\$ 1,815.00
27	Rip-Rap D ₅₀ = 9"	SF	15	\$ 18.00	\$ 270.00
28	Rip-Rap D ₅₀ = 24"	SF			\$ -
29	Sidewalk Trough Drain	EA			\$ -
30	Pump Systems including Electrical	LS			\$ -
31	3" Gate Valve	EA			\$ -
32	NAG P550 Turf Reinforcement Mat	SY			\$ -
33	4" PVC Lift Station Underdrain	LF	75	\$ 14.20	\$ 1,065.00
Subtotal Part D - Grading and Drainage					\$ 134,766.90

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
E1	IRRIGATION				
1	Connect to Existing Pipe	LS			\$ -
2	3" Class 200 Irrigation Pipe	LF	2174	\$ 5.94	\$ 12,913.56
3	4" Class 200 Irrigation Pipe	LF	1963	\$ 6.80	\$ 13,348.40
4	Gate valves (3")	EA	10	\$ 421.00	\$ 4,210.00
5	Services	EA			\$ -
6	Pump System and Structure	LS			\$ -
7	Irrigation Structure	EA			\$ -
8	3" PRV	EA	1	\$ 1,566.00	\$ 1,566.00
9	2" Sch 40 Sleeves	LF	650	\$ 1.65	\$ 1,072.50
10	4" Sch 40 Sleeves	LF	325	\$ 3.60	\$ 1,170.00
11	6" Sch 40 Sleeves	LF	650	\$ 7.40	\$ 4,810.00
12	3" Fittings	EA	10	\$ 94.00	\$ 940.00
13	4" Gate valve & box	EA	1	\$ 492.00	\$ 492.00
E2	LANDSCAPING				
1	Design/Architecture	LS	1	\$ 2,000.00	\$ 2,000.00
2	Signage	LS	1	\$ 10,000.00	\$ 10,000.00
3	Shrub Bed (grading, rock mulch, fabric)	SF	10000	\$ 1.00	\$ 10,000.00
4	Hardscape Features (swale rock, edger)	LS	1	\$ 5,000.00	\$ 5,000.00
5	Plant Material & Planting	LS	1	\$ 25,000.00	\$ 25,000.00
6	Irrigation System - Turf Areas	LS	1	\$ 3,500.00	\$ 3,500.00
7	Irrigation System - Native Areas	LS	1	\$ 3,000.00	\$ 3,000.00
8	Reveg./Seeding	AC	23	\$ 660.00	\$ 15,180.00
9	1 Year Maintenance Agrmnt.	LS	1	\$ 2,500.00	\$ 2,500.00
10	Topsoil	CY	100	\$ 25.00	\$ 2,500.00
					\$ -
					\$ -
E	Subtotal Part E - Landscaping and Irrigation				\$ 119,202.46
	Subtotal Construction Costs			\$	2,104,355.71

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
F. Miscellaneous Items					
1	Construction staking/surveying	%	3.00%	\$ 2,104,355.71	\$ 63,130.67
2	Developer's inspection cost	%	2.00%	\$ 2,104,355.71	\$ 42,087.11
3	General construction supervsn	%	3.00%	\$ 2,104,355.71	\$ 63,130.67
4	Quality control testing	%	2.00%	\$ 2,104,355.71	\$ 42,087.11
5	Construction traffic control	%		\$ 2,104,355.71	\$ -
6	City inspection fees	%	0.50%	\$ 2,104,355.71	\$ 10,521.78
7	As-builts	%	2.00%	\$ 2,104,355.71	\$ 42,087.11
E	Subtotal Part F - Miscellaneous Items			\$	263,044.46
% = Percentage of total site construction costs					
G.	COST SUMMARY				
1	Total Improvement Costs			\$	2,367,400.17
2	City Security (20%)			\$	473,480.03
3	Total Guarantee Amount			\$	2,840,880.21

NOTES

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

[Handwritten Signature] **Manager for SGH COMPANY, LLC**
 Signature of Developer Date **4/25/06**
 (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.

[Handwritten Signature] **5/2/06**
 City Development Engineer Date
[Handwritten Signature] **5-2-06**
 Community Development Date



Alpine Bank

Grand Junction

225 N. 5th Street
Grand Junction, Colorado 81501
970-243-5600
Fax 970-243-5778

City of Grand Junction
C/O Director of Community Development
250 North 5th Street
Grand Junction, CO 81501

COPY

Date of Issue: April 25, 2006
Amount: \$2,840,880.21
Number: 7160420833
Expiration Date: October 25, 2007

Applicant: SGH Company, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420833 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$2,840,880.21 (Two Million Eight Hundred Forty Thousand Eight Hundred Eighty and 21/100's 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 October 25, 2007 subject to the automatic extensions described below;
- 3) This Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Alpine Bank Letter of Credit No. 7160420833 dated Aril 25, 2006";
- 4) This letter of credit is established for the use and benefit of the City of Grand Junction by reason of the SGH Company, LLC 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 may accompany the sight draft;
- 6) SGH Company, LLC failed to comply with the terms, conditions, provision 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 North 5th Street, Grand Junction,

CO 81501, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit;

- 8) Except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of 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 or 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.

Approved: Alpine Bank

By: _____

AARON MILLER, VICE PRESIDENT

COPY

RECORDING MEMORANDUM
Exhibit D

2314796 BK 4147 PG 160
05/02/2006 01:34 PM
Janice Ward CLK&REC Mesa County, CO
RecFee \$5.00 SurChg \$1.00

City of Grand Junction
Community Development Department Community Development
File: # FP-2005-306

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 SGH Company, LLC (Developer) and the City of Grand Junction (City) pertaining to Spyglass Ridge- Filing 2 (Project), located at B & 1/4 Road and 27 Road.

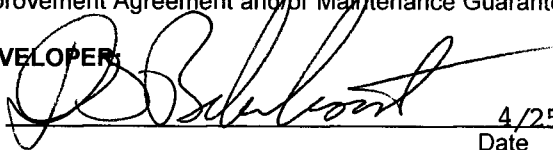
(Subject subdivision is more particularly depicted and described in the recording found at Plat Book 4147, Pages 148-153)

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 # FP-2005-306

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:  4/25/2006
Date

(Print Name) David G. Behmorst

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.

 5-2-06
Community Development Department Date

DISBURSEMENT AGREEMENT
(Improvements Guarantee)

DEVELOPER: SGH Company, LLC

BANK: Alpine Bank

PROPERTY: Spyglass Subdivision - Filing #2

DISBURSEMENT AMOUNT: For the construction of improvements to the Property in an amount not to exceed \$ 2,840,880.21.

This Agreement is entered into by and between SGH Company, LLC ("Developer"), Alpine Bank ("Bank") and the City of Grand Junction, Colorado ("City").

RECITALS

Developer has been required by the City to construct certain improvements to Spyglass Subdivision Filing #2 ("Improvements") in accordance with the Zoning and Development Code, Improvements Agreement and subdivision approval.

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

The City Engineer has approved an estimate of the costs of the Improvements and that amount or an amount not to exceed \$ 2,840,880.21, whichever is greater, shall be referred to as the "Funds."

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

NOW, THEREFORE, THE PARTIES AGREE:

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

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

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

procedures:

(a) **Request for Advance.** Developer shall deliver to the Bank a written request for the disbursement of funds on forms acceptable to the Bank. Such requests shall be signed by Developer, Developer's General Contractor, Project Engineer and Architect, if applicable, and the City Engineer. By signing the request for disbursement the Developer is certifying: that all costs for which the advance is being requested have been incurred in connection with the construction of the Improvements on the Property; that all work performed and materials supplied are in accordance with the plans and specifications submitted to and approved by the City; that the work has been performed in a workmanlike manner; that no funds are being requested for work not completed, nor for material not installed; the Project Engineer has inspected the Improvements for which payment is requested; and that such improvements have been completed in accordance with all terms, specifications and conditions of the approved plans. Attached hereto is the list of those individuals, and their respective signatures, required to sign the above described request(s) for disbursement of funds.

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

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

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

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

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

(d) **Disbursement to City.** In the event the Improvements are not satisfactorily and timely constructed, or upon any default or event of default, the City Engineer shall notify

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

3. **DEVELOPER CONSENT:** The Developer, by the signature of David G Behrhorst, Manager (name & title), consents to disbursements and other actions authorized and provided for by the terms of this Agreement and/or the Improvements Agreement.

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

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

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

Dated this 25 day of April, 2006

(BANK)

By: [Signature]
Title Aaron Miller
Vice President

225 N 5th Street, GJ, CO 81501
Address

(DEVELOPER)

By: [Signature]
Title David G. Behrhorst
Manager - SGH Company, LLC


1280 Ute Avenue, Aspen, CO 81611
Address suite 32

CITY OF GRAND JUNCTION

By: [Signature]
Director of Community Development

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

DEVELOPER:

David G. Behrhorst 
(name) Manager (signature)

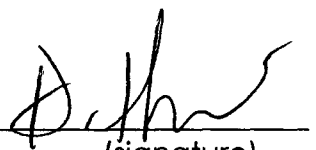
N/A _____
(name) (signature)

N/A _____
(name) (signature)

DEVELOPER'S GENERAL CONTRACTOR:

N/A _____
(name) (signature)

DEVELOPER'S PROJECT ENGINEER:

Doug Thies 
(name) Thompson - Langford (signature)

DEVELOPER'S ARCHITECT:

N/A _____
(name) (signature)

CITY ENGINEER:

(name) (signature)

revised: February 18, 2004

original delivered to Admin.
12-13-06

Date: NOVEMBER 28, 2006

City of Grand Junction
Attn: LAURA LAMBERTY, Development Engineer
Community Development Department
250 N. 5th Street
Grand Junction, CO 81501

Re: Development Improvements Agreement Extension
Extension of Completion Date for the DIA
Project: FP-2005-306, Name of project: SPYGLASS RIDGE - Filing No Two

Dear LAURA:

An extension of the Completion Date for the Development Improvements Agreement ("DIA") is being requested for the project captioned above. The completion date set forth in the DIA is DECEMBER 31, 2006. Additional time is needed to complete required improvements. **Attached is the revised development schedule.** It is requested that the Completion Date be extended for an additional ONE days/months/(year) (circle the appropriate period). The necessary bank/issuer/disburser has acknowledged and consented to the extension of the letter of credit or disbursement agreement as requested. (No bank/issuer/disburser signature is required if the security is cash.)

Developer:
SGH COMPANY, LLC
David G. Behrhorst

DAVID G. BEHRHORST, MANAGE
Print Name

STATE OF COLORADO)
) ss
COUNTY OF MESA Pitkin)

Acknowledged before me and subscribed in my presence by DAVID G. BEHRHORST
as MANAGER for SGH Company, LLC on this the 28th
day of NOVEMBER 2006.

Witness my hand and seal.
My commission expires: 4/21/2008

[Signature]
Notary Public

Acknowledge and consent to extension of security for the DIA:

[Signature]

Signature
AARON MILLER
Print Name
SUP 12/5/06
Title Date
ALPINE BANK
Company/Bank

November 28, 2006

Spyglass Ridge Filing No. Two (FP-2005-306)
Revised Development Schedule

<u>Task</u>	<u>Estimated Completion Date</u>
Earthwork	Complete
Domestic Water	Complete
Sewer	Complete
Storm Water Drainage Facilities	Complete
Dry Utilities	3/15/07
Streets	6/1/07
Removals and Resetting	6/1/07
Storm water management	6/15/07
Sewer Lift Station	6/1/07
Irrigation and Landscaping	7/15/07
Seeding and Soil Retention	8/15/07
Engineering and As-builts	8/1/07
Quality Control Testing Reports	8/1/07

Completion date: 11-20-08

Lisa Cox
Ken Fischer
Shelly Dackonish
Greg Moberg

MAINTENANCE GUARANTEE

1. **Parties:** The parties to this Maintenance Guarantee ("the Guarantee" or "Guarantee") are SGH COMPANY, 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 NOVEMBER 19, 2007

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 SPYGLASS RIDGE FILING NO. TWO has been reviewed and approved under Public Works & Planning file # FP-2005-306 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 \$ 473,480.03 (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: SGH COMPANY, LLC
c/o DAVID G. BEHRHORST Name -Developer/Company
1280 UTE AVE SUITE 32 Address (Street and Mailing)

ASPEN, CO 81611 City, State & Zip Code
(970) 379-5882 Telephone and Fax Numbers
(970) 925-7035 (FAX)
SKIPB @ SOPRIS.NET E-mail

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

Cc: Public Works and Planning 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: David G. Behrhorst NOVEMBER 19, 2007
Developer Date

Name (printed): DAVID G. BEHRHORST

Title (position): MANAGER / OWNER

Attest:

Secretary

Date

City of Grand Junction

Risa E Cox
Project Planner

1-10-2008
Date

Kenneth E Fischer
Dept. of Public Works and Planning

1/10/08
Date

GUARANTEE2007

5/15/2007

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: 03/07/06

DEVELOPMENT NAME: Spyglass Ridge Filing No. Two

LOCATION: Orchard Mesa

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC SDR-35 Main	LF	6209	\$ 19.90	\$ 123,559.10
2	4" C900 CL150 PVC Force Main	LF	1176	\$ 14.60	\$ 17,169.60
3	4" PVC SDR-35 Service Line	LF	3968	\$ 11.30	\$ 44,838.40
4	Services	EA	100	\$ 55.00	\$ 5,500.00
5	Standard Manholes	EA	46	\$ 1,494.00	\$ 68,724.00
6	Drop Manholes	EA	1	\$ 4,178.00	\$ 4,178.00
7	4" Force Main Fittings & TB	EA	10	\$ 888.00	\$ 8,880.00
8	Force Main Clean Outs	EA	1	\$ 1,948.00	\$ 1,948.00
9	Force Main Air Valve	EA	0		\$ -
10	Lift Station (Complete) incl paving/bldg etc.	EA	1	\$ 122,294.80	\$ 122,294.80
11	Low Exposure H2S Manhole Coating	EA	1	\$ 432.00	\$ 432.00
12	4" Flush Drain Valve and Wye	EA	1	\$ 1,036.00	\$ 1,036.00
Subtotal Part A Sanitary Sewer					\$ 398,559.90
B. DOMESTIC WATER - ON SITE					
1	Connect to Existing 2" Ute Line	EA	1	by others	
2	8" CL 150 Main	LF	5697	\$ 20.10	\$ 114,509.70
3	4" CL 150 Main	LF	1340	\$ 12.55	\$ 16,817.00
4	8" Fittings	EA	36	\$ 236.00	\$ 8,496.00
5	4" Fittings	EA	3	\$ 178.00	\$ 534.00
6	4" Cap	EA	5	\$ 114.00	\$ 570.00
7	8" Gate Valves	EA	13	\$ 846.00	\$ 10,998.00
8	4" Gate Valves	EA	3	\$ 491.00	\$ 1,473.00
9	Fire Hydrant Assembly	EA	11	\$ 2,728.00	\$ 30,008.00
10	Services	EA	101	\$ 178.00	\$ 17,978.00
11	3/4" Copper Service Line	LF	4386	\$ 10.65	\$ 46,710.90
Subtotal Part B - Domestic Water					\$ 248,094.60
C1 STREETS/EARTHWORK					
1	4" Sch 40 PVC Utility/Irrigation sleeves	LF	2000	\$ 3.60	\$ 7,200.00
2	Dry Utility Trenching	LF	12000	\$ 3.80	\$ 45,600.00

City of Grand Junction

Page 2

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
3	Exc Unadjusted (incl slope benching)	CY	50000	\$ 3.00	\$ 150,000.00
4	Emb Unadjusted	CY	44000	incl in exc quantity	
5	Onsite Spoil Unadjusted	CY	6000	incl in exc quantity	
6	Subgrade Prep.	SY	33665	\$ 1.75	\$ 58,913.75
7	3" AC	SY	15321	\$ 8.50	\$ 130,228.50
8	4" AC	SY	8085	\$ 11.60	\$ 93,786.00
9	6" ABC (Under AC)	SY	15321	\$ 6.40	\$ 98,054.40
10	9" ABC	SY	8085	\$ 9.00	\$ 72,765.00
11	GeoGrid	SY	22194	\$ 3.70	\$ 82,117.80
12	6" ABC Under Conc.	SY	10259	\$ 6.20	\$ 63,605.80
13	42" Treated Subgrade	CY	25893	\$ 3.00	\$ 77,679.00
14	24" Treated Subgrade	CY	7647	\$ 3.00	\$ 22,941.00
15	7' Vert. C,G, & SW	LF	593	\$ 20.35	\$ 12,067.55
16	6.5' Mount. C,G, & SW	LF	10522	\$ 14.50	\$ 152,569.00
17	3' Mount. C & G	LF	550	\$ 12.05	\$ 6,627.50
18	2' Vert. C & G	LF	2130	\$ 9.70	\$ 20,661.00
19	8" Thick Conc. Corners/Ramps	SY	751	\$ 42.70	\$ 32,067.70
20	8" Thick Patterned Colored Conc.	SY	31	\$ 71.50	\$ 2,216.50
21	12" Thick Conc. Mail Pads	SY	14	\$ 176.00	\$ 2,464.00
22	Retaining Walls & Structures	SF	2580	\$ 25.00	\$ 64,500.00
23	Stop Signs	EA	6	\$ 200.00	\$ 1,200.00
24	Street Signs (mount on stop)	EA	6	\$ 200.00	\$ 1,200.00
25	No Parking Signs	EA	10	\$ 200.00	\$ 2,000.00
26	Speed Limit Signs	EA	3	\$ 200.00	\$ 600.00
27	Pedestrian Crossing Sign (W11-2)	EA	2	\$ 200.00	\$ 400.00
28	Remove and Replace Asphalt	SF	331	\$ 6.85	\$ 2,267.35
					\$ -
					\$ -
C2	BRIDGES				\$ -
					\$ -
	Subtotal Part C - Streets and Bridges				\$ 1,203,731.85
D1	STORM WATER MANAGEMENT				
1	Silt Fence/Berm	LF	3536	\$ 5.00	\$ 17,680.00
2	Straw Bales	LF	50	\$ 5.00	\$ 250.00
3	Inlet Protection (Pre pave)	EA	9	\$ 250.00	\$ 2,250.00
4	Inlet Protection (Post pave)	EA	9	\$ 250.00	\$ 2,250.00
5	Outlet Protection Trap	EA	6	\$ 750.00	\$ 4,500.00
6	Mud Traps	EA	2	\$ 750.00	\$ 1,500.00
7	Rock Check Dams	EA	5	\$ 1,500.00	\$ 7,500.00
8	Straw Rolls	LF	709	\$ 7.50	\$ 5,317.50
9	Watering (Dust Control) incl in exc	LS			\$ -
10	Maintenance	LS	1	\$ 2,500.00	\$ 2,500.00

4/25/2006

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
D2	REMOVALS AND RESETTING				
1	Adjust Manhole	EA	49	\$ 400.00	\$ 19,600.00
2	Adjust Valvebox	EA	29	\$ 150.00	\$ 4,350.00
D3	SEEDING AND SOIL RETENTION (SEE LANDSCAPING ITEM)				
D4	STORM DRAINAGE FACILITIES				
1	Finish Grading (incl. Channels, Swales, and Ponds) included in excavation	CY			\$ -
2	2" Sch 40 (control and power)	LF			\$ -
3	3" CL 200 (pond discharge)	LF			\$ -
4	4" Perforated drain line, incl 1 1/2 screened rock and cleanouts	LF			\$ -
5	12" HDPE Storm Drain Pipe	LF	35	\$ 21.40	\$ 749.00
6	15" HDPE Storm Drain Pipe	LF	341	\$ 26.20	\$ 8,934.20
7	18" HDPE Storm Drain Pipe	LF	294	\$ 29.30	\$ 8,614.20
8	24" HDPE Storm Drain Pipe	LF	340	\$ 39.40	\$ 13,396.00
9	30" HDPE Storm Drain Pipe	LF			\$ -
10	36" HDPE Storm Drain Pipe	LF			\$ -
11	12" Flared End Section	EA	0		\$ -
12	15" Flared End Section	EA	2	\$ 482.00	\$ 964.00
12	18" Flared End Section	EA	2	\$ 624.00	\$ 1,248.00
13	24" Flared End Section	EA	2	\$ 710.00	\$ 1,420.00
14	30" Flared End Section	EA			\$ -
15	36" Flared End Section	EA			\$ -
16	48" Storm Drain Manhole	EA	3	\$ 1,348.00	\$ 4,044.00
17	60" Storm Drain Manhole	EA	5	\$ 2,182.00	\$ 10,910.00
18	72" Storm Drain Manhole	EA			\$ -
19	Manhole with Box Base	EA			\$ -
20	Connection to Existing MH	EA			\$ -
21	Single Curb Opening Storm Drain Inlet	EA	10	\$ 1,364.00	\$ 13,640.00
22	Double Curb Opening Storm Drain Inlet	EA			\$ -
23	Triple Curb Opening Storm Drain Inlet	EA			\$ -
24	Area Storm Drain Inlet (CDOT Type C)	EA			\$ -
25	Pond Outlet structure	EA			\$ -
26	Rip-Rap D ₅₀ = 6"	SF	110	\$ 16.50	\$ 1,815.00
27	Rip-Rap D ₅₀ = 9"	SF	15	\$ 18.00	\$ 270.00
28	Rip-Rap D ₅₀ = 24"	SF			\$ -
29	Sidewalk Trough Drain	EA			\$ -
30	Pump Systems including Electrical	LS			\$ -
31	3" Gate Valve	EA			\$ -
32	NAG P550 Turf Reinforcement Mat	SY			\$ -
33	4" PVC Lift Station Underdrain	LF	75	\$ 14.20	\$ 1,065.00
Subtotal Part D - Grading and Drainage					\$ 134,766.90

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
E1	IRRIGATION				
1	Connect to Existing Pipe	LS			\$ -
2	3" Class 200 Irrigation Pipe	LF	2174	\$ 5.94	\$ 12,913.56
3	4" Class 200 Irrigation Pipe	LF	1963	\$ 6.80	\$ 13,348.40
4	Gate valves (3")	EA	10	\$ 421.00	\$ 4,210.00
5	Services	EA			\$ -
6	Pump System and Structure	LS			\$ -
7	Irrigation Structure	EA			\$ -
8	3" PRV	EA	1	\$ 1,566.00	\$ 1,566.00
9	2" Sch 40 Sleeves	LF	650	\$ 1.65	\$ 1,072.50
10	4" Sch 40 Sleeves	LF	325	\$ 3.60	\$ 1,170.00
11	6" Sch 40 Sleeves	LF	650	\$ 7.40	\$ 4,810.00
12	3" Fittings	EA	10	\$ 94.00	\$ 940.00
13	4" Gate valve & box	EA	1	\$ 492.00	\$ 492.00
E2	LANDSCAPING				
1	Design/Architecture	LS	1	\$ 2,000.00	\$ 2,000.00
2	Signage	LS	1	\$ 10,000.00	\$ 10,000.00
3	Shrub Bed (grading, rock mulch, fabric)	SF	10000	\$ 1.00	\$ 10,000.00
4	Hardscape Features (swale rock, edger)	LS	1	\$ 5,000.00	\$ 5,000.00
5	Plant Material & Planting	LS	1	\$ 25,000.00	\$ 25,000.00
6	Irrigation System - Turf Areas	LS	1	\$ 3,500.00	\$ 3,500.00
7	Irrigation System - Native Areas	LS	1	\$ 3,000.00	\$ 3,000.00
8	Reveg./Seeding	AC	23	\$ 660.00	\$ 15,180.00
9	1 Year Maintenance Agrmnt.	LS	1	\$ 2,500.00	\$ 2,500.00
10	Topsoil	CY	100	\$ 25.00	\$ 2,500.00
					\$ -
					\$ -
E	Subtotal Part E - Landscaping and Irrigation				\$ 119,202.46
	Subtotal Construction Costs			\$	2,104,355.71

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
F. Miscellaneous Items					
1	Construction staking/surveying	%	3.00%	\$ 2,104,355.71	\$ 63,130.67
2	Developer's inspection cost	%	2.00%	\$ 2,104,355.71	\$ 42,087.11
3	General construction supervsn	%	3.00%	\$ 2,104,355.71	\$ 63,130.67
4	Quality control testing	%	2.00%	\$ 2,104,355.71	\$ 42,087.11
5	Construction traffic control	%		\$ 2,104,355.71	\$ -
6	City inspection fees	%	0.50%	\$ 2,104,355.71	\$ 10,521.78
7	As-builts	%	2.00%	\$ 2,104,355.71	\$ 42,087.11
E	Subtotal Part F - Miscellaneous Items			\$	263,044.46

% = Percentage of total site construction costs

G. COST SUMMARY					
1	Total Improvement Costs			\$	2,367,400.17
2	City Security (20%)			\$	42,087.11
3	Total Guarantee Amount			\$	2,840,880.21

NOTES

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

[Signature] **Manager for SGH COMPANY, LLC**
 Signature of Developer Date 4/25/06
 (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.

[Signature] 5/2/06
 City Development Engineer Date

 Community Development Date

12-31-07

Kathy Partner
Kowalambert
(30,60,98)
BBL

Date: NOVEMBER 28, 2006

City of Grand Junction
Attn: LAURA LAMBERTY, Development Engineer
Community Development Department
250 N. 5th Street
Grand Junction, CO 81501

Re: Development Improvements Agreement Extension
Extension of Completion Date for the DIA
Project: FP-2005-306, Name of project: SPYGLASS RIDGE - Filing No Two

Dear LAURA:

An extension of the Completion Date for the Development Improvements Agreement ("DIA") is being requested for the project captioned above. The completion date set forth in the DIA is DECEMBER 31, 2006. Additional time is needed to complete required improvements. Attached is the revised development schedule. It is requested that the Completion Date be extended for an additional ONE days/months/year (circle the appropriate period). The necessary bank/issuer/disburser has acknowledged and consented to the extension of the letter of credit or disbursement agreement as requested. (No bank/issuer/disburser signature is required if the security is cash.)

Developer:
SGH COMPANY, LLC
David G. Behrhorst

DAVID G. BEHRHORST, MANAGER
Print Name

STATE OF COLORADO)
)
COUNTY OF DESA P.I.K.I.W) ss

Acknowledged before me and subscribed in my presence by DAVID G. BEHRHORST
as MANAGER for SGH COMPANY, LLC on this the 28th
day of NOVEMBER 2006.

Witness my hand and seal.
My commission expires: 4/21/2008

[Signature]
Notary Public

Acknowledge and consent to extension of security for the DIA:

[Signature]
Signature
AARON MILLER
Print Name
SUP 12/5/06
Title Date
ALPINE BANK
Company/Bank

November 28, 2006

**Spyglass Ridge Filing No. Two (FP-2005-306)
Revised Development Schedule**

Task	Estimated Completion Date
Earthwork	Complete
Domestic Water	Complete
Sewer	Complete
Storm Water Drainage Facilities	Complete
Dry Utilities	3/15/07
Streets	6/1/07
Removals and Resetting	6/1/07
Storm water management	6/15/07
Sewer Lift Station	6/1/07
Irrigation and Landscaping	7/15/07
Seeding and Soil Retention	8/15/07
Engineering and As-builts	8/1/07
Quality Control Testing Reports	8/1/07

ADDENDUM TO MAINTENANCE GUARANTEE
FOR SPYGLASS RIDGE FILING NO. TWO
FP-2005-036

This agreement is entered into this 19th day of DECEMBER 2008 by the City of Grand Junction ("City") and SGH Company, LLC ("Developer").

Recitals:

- A. The City and Developer entered into a Maintenance Agreement signed by Developer on November 19, 2007 regarding City required improvements for the Spyglass Ridge Subdivision Filing No. Two.
- B. Ken Fischer, City Development Engineer, completed an inspection of the project. The following items were determined to be defective and/or in need of repair or replacement:

Item	Description	Quantity	Unit	Unit Price	Total Price
1	Grout Inlets throughout Filing 2	10	EACH	\$65.00	\$650.00
2	Rotomilling along the edge of the curb and gutter	315	SY	\$68.25	\$21,498.75
4	Remove & Replace Center Stone in Vpan @ Gunnison & Lookout	56	SF	\$20.00	\$1,120.00
9	Crack Fill	140	LF	\$2.00	\$280.00
10	Crack Fill Alligator areas in Cul-de-sac	130	LF	\$2.00	\$260.00
11	Patch Concrete at West side of N. HC Ramp at Community Center	1	EACH	\$20.00	\$20.00
12	Caulk Joint of Sidewalk at Community Center	1	EACH	\$20.00	\$20.00
16	Remove & Replace Stone in HC Ramp at Skyline Court	52	SF	\$20.00	\$1,040.00
17	Remove & Replace Sidewalk North of Skyline Court	128	LF		
24	Remove and Replace Concrete Triangle in Fillet at Lot #176	20	SF	\$20.00	\$400.00
25	Sawcut Lip of gutter, mill and Patch at Lot 173	10	LF	\$20.00	\$200.00
27	Remove and Replace 3 Stones at Lookout and Spyglass Drive.	198	SF		
31	Remove & Replace curb, gutter & sidewalk @ Lot 123	8	LF	\$65.00	\$520.00
32	Caulk Joint in Sidewalk East of Lot 212	1	EACH	\$20.00	\$20.00
33	Grind and Caulk gutter @ Lot 213	1	EACH	\$25.00	\$25.00
34	Remove and Replace 3 Stones at Bangs Canyon & Ledg	21	LF	\$80.00	\$1,680.00

36	Remove & Replace 1/2 Stone on Bangs Canyon near Lift station	5	LF	\$100.00	\$500.00
37	Grind joint in Gutter and Patch small area by Lift station	1	EACH	\$20.00	\$20.00
38	Remove & Replace curb, gutter & sidewalk @ Lot 208	9	LF	\$90.00	\$810.00
40	Sawcut, grind edges mill & patch Lot 198	1	LS	\$200.00	\$200.00
41	Remove & Replace 2' vertical curb & gutter at wall	28.5	LF	\$45.00	\$1,282.50
44	Grind Vpan edge and Caulk 1/2 of Sidewalk Lot 224	1	LS	\$25.00	\$25.00
45	Remove & Replace curb, gutter & sidewalk at Lot 22	9.5	LF	\$75.00	\$712.50
46	Adjust Manhole at Lot 198 on River Ridge Drive	1	LS	\$550.00	\$550.00
47	Adjust Manhole at Lot 186 on River Ridge Drive	1	LS	\$550.00	\$550.00
48	Remove & Replace Curb & Gutter and re-stamp "S" at	10.5	LF	\$65.00	\$682.50
50	Remove & Replace Sidewalk @ South end of Lot 186	9.5	LF	\$75.00	\$712.50
51	Remove & Replace 1/2 Stone at North end of Lot 186	5	LF	\$80.00	\$400.00
52	Adjust Manhole at Lot 186 on River Ridge Drive	1	LS	\$550.00	\$550.00
X 1	Mobilization	1	LS	\$500.00	\$500.00
X 2	Concrete Testing	1	LS	\$2,000.00	\$2,000.00
Bid Total:					\$37,228.75

- C. The Developer and the City have agreed that the estimated cost for completing the items is \$37,228.75. The Developer agrees that the items listed in B above shall be repaired and/or replaced as soon as weather permits. The Developer further agrees that the items listed in B above shall be warranted for a minimum of one year after initial acceptance of the repair by the City in accordance with the original Development Improvements Agreement and Maintenance Guarantee.
- D. The City is willing to release the Letter of Credit #7160420835 ("LOC") in the original amount of \$473,480.03 with the execution of this agreement and the City's receipt of security in the amount of \$37,228.75.

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

1. The Recitals are a substantive part of this addendum agreement.
2. Upon execution of this agreement and receipt of security acceptable to the City in the amount of \$37,228.75. The City shall release the LOC to Alpine Bank.
3. A purpose of this addendum is to make clear that the release of the LOC does not release the Developer from any obligations that the Developer has under the Maintenance Guarantee (executed on November 19, 2007) and Development Improvements

Agreement signed by the Developer on April 25, 2005. The Developer shall not be released from the obligations of either the Maintenance Guarantee or the Development Improvements Agreement until the City has provided written notice of final acceptance of all of the improvements required for the Spyglass Ridge Filing No. Two subdivision. All other terms of the Maintenance Guarantee and Development Improvements Agreement remain in full force and effect.

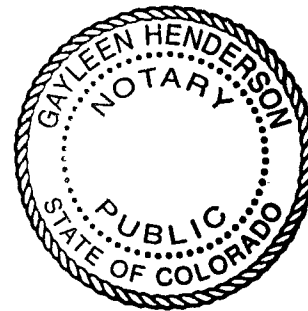
SGH Company, LLC:

David G. Behrhorst
David G. Behrhorst, Manager

City of Grand Junction:

By: Ken Fischer
Ken Fischer, Development Engineer

By: Lisa Cox
Lisa Cox, Planning Manager



State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before on this the 18th day of December 2008, by David G. Behrhorst, Manager of SGH Company, LLC.

Witness my hand and official seal.
My commission expires 10/29/2009

Gayleen Henderson
Notary Public

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before on this the 18th day of December 2008, by Ken Fischer, Development Engineer, and Lisa Cox, Planning Manager for the City of Grand Junction.

Witness my hand and official seal.
My commission expires 10/29/2009

Gayleen Henderson
Notary Public

Handwritten initials

January 14, 2008

Aaron Miller
Vice President
Alpine Bank
225 N. 5th Street
Grand Junction, CO 81501

Re: Cancellation of Disbursement Agreement in the amount of \$2,840,880.21 for
SGH Company, LLC for Spyglass Ridge Filing No. Two

Dear Mr. Miller:

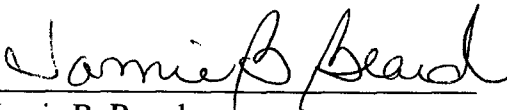
Enclosed is a copy of the Disbursement Agreement (Improvement Guarantee) (“Disbursement Agreement”) entered into between the City of Grand Junction (“City”), SGH Company, LLC (“Developer”), and Alpine Bank for improvements to the development referred to as Spyglass Ridge Filing No. Two under the City’s Planning File #FP-2005-306. The Disbursement Agreement is in the amount of \$2,840,880.21 and was executed by you on or about April 25, 2006.

As beneficiary of the security for a Development Improvements Agreement (“DIA”), the City informs you that the terms for the improvements have been completed by the Developer and the improvements have been initially accepted by the City. A Maintenance Guarantee agreement has been received with new security. The City hereby releases its interest in the Disbursement Agreement security. This letter is being provided at the direction of the Director of Public Works and Planning.

If you have any questions, please inform me.

Sincerely,

OFFICE OF THE CITY ATTORNEY

By: 
Jamie B. Beard
Assistant City Attorney

pc: Tim Moore, Public Works and Planning Director
Lisa Cox, Planning Manager
Planning File #FP-2005-306

January 31, 2008

Aaron Miller
Vice President
Alpine Bank
225 N. 5th Street
Grand Junction, CO 81501

Re: Cancellation of Disbursement Agreement in the amount of \$2,840,880.21 for
SGH Company, LLC for Spyglass Ridge Filing No. Two

Dear Mr. Miller:

Enclosed is a copy of the Disbursement Agreement (Improvement Guarantee) (“Disbursement Agreement”) entered into between the City of Grand Junction (“City”), SGH Company, LLC (“Developer”), and Alpine Bank for improvements to the development referred to as Spyglass Ridge Filing No. Two under the City’s Planning File #FP-2005-306. The Disbursement Agreement is in the amount of \$2,840,880.21 and was executed by you on or about April 25, 2006.

As beneficiary of the security for a Development Improvements Agreement (“DIA”), the City informs you that the terms for the improvements have been completed by the Developer and the improvements have been initially accepted by the City. A Maintenance Guarantee agreement has been received with new security. The City hereby releases its interest in the Disbursement Agreement security. This letter is being provided at the direction of the Director of Public Works and Planning.

If you have any questions, please inform me.

Sincerely,

OFFICE OF THE CITY ATTORNEY

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

pc: Tim Moore, Public Works and Planning Director
Lisa Cox, Planning Manager
Planning File #FP-2005-306



City Attorney

February 13, 2009

Alpine Bank
225 N. 5th Street
Grand Junction, CO 81501

Re: Cancellation of Letter of Credit Number **#7160420835**
SGH Company, LLC
Internal Reference: **Spyglass Ridge Filing #2 FP-2005-306**

Dear Sirs:

Enclosed please find the original Letter of Credit Number **#7160420835** for **Spyglass Ridge Filing #2**. As beneficiary, the City of Grand Junction informs you that the Letter of Credit is being returned to you for cancellation. This letter is being provided at the direction of the Director of Public Works and Planning Department for the City.

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

Sincerely,

OFFICE OF THE CITY ATTORNEY



Shelly Dackonish, City Staff Attorney

Encl. Letter of Credit Number **#7160420835**

Pc: Ken Fischer, Development Engineer
 Peggy Sharpe, Planning

SGH Company, LLC
c/o David Behrhorst
1280 Ute Avenue, Suite 32
Aspen, CO 81611



Alpine Bank

Grand Junction

225 N. 5th Street
Grand Junction, Colorado 81501
970-243-5600
Fax 970-243-5778

City of Grand Junction
C/O Director of Community Development
250 North 5th Street
Grand Junction, CO 81501

Date of Issue: NOVEMBER 19, 2007
Amount: \$473,480.03
Number: 7160420835
Expiration Date: NOVEMBER 19, 2008

Applicant: SGH COMPANY, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420835 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$473,480.03 (Four Hundred Seventy Three Thousand Four Hundred Eighty and 03/100's 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 19, 2008 subject to the automatic extensions described below;
- 3) This Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Alpine Bank Letter of Credit No. 7160420835 dated NOVEMBER 19, 2007";
- 4) This letter of credit is established for the use and benefit of the City of Grand Junction by reason of the SGH Company, LLC 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 may accompany the sight draft;
- 6) SGH Company, LLC failed to comply with the terms, conditions, provision 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 North 5th Street, Grand Junction, CO 81501, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit;

- 8) Except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of 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 or 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.

Approved: Alpine Bank

By: 

AARON MILLER, EXECUTIVE VICE PRESIDENT



City Attorney

February 13, 2009

Alpine Bank
225 N. 5th Street
Grand Junction, CO 81501

Re: Cancellation of Letter of Credit Number **#7160420835**
SGH Company, LLC
Internal Reference: **Spyglass Ridge Filing #2 FP-2005-306**

Dear Sirs:

Enclosed please find the original Letter of Credit Number **#7160420835** for **Spyglass Ridge Filing #2**. As beneficiary, the City of Grand Junction informs you that the Letter of Credit is being returned to you for cancellation. This letter is being provided at the direction of the Director of Public Works and Planning Department for the City.

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

Sincerely,

OFFICE OF THE CITY ATTORNEY


Shelly Dackonish, City Staff Attorney

Encl. Letter of Credit Number **#7160420835**

Pc: Ken Fischer, Development Engineer
Peggy Sharpe, Planning

SGH Company, LLC
c/o David Behrhorst
1280 Ute Avenue, Suite 32
Aspen, CO 81611



Alpine Bank

Grand Junction

225 N. 5th Street
Grand Junction, Colorado 81501
970-243-5600
Fax 970-243-5778

City of Grand Junction
C/O Director of Community Development
250 North 5th Street
Grand Junction, CO 81501

Date of Issue: NOVEMBER 19, 2007
Amount: \$473,480.03
Number: 7160420835
Expiration Date: NOVEMBER 19, 2008

Applicant: SGH COMPANY, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420835 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$473,480.03 (Four Hundred Seventy Three Thousand Four Hundred Eighty and 03/100's 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 19, 2008 subject to the automatic extensions described below;
- 3) This Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Alpine Bank Letter of Credit No. 7160420835 dated NOVEMBER 19, 2007";
- 4) This letter of credit is established for the use and benefit of the City of Grand Junction by reason of the SGH Company, LLC 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 may accompany the sight draft;
- 6) SGH Company, LLC failed to comply with the terms, conditions, provision 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

www.alpinebank.com

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notifies the City of Grand Junction at 250 North 5th Street, Grand Junction, CO 81501, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit;

- 8) Except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of 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 or 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.

Approved: Alpine Bank

By: 
AARON MILLER, EXECUTIVE VICE PRESIDENT



City Attorney

July 29, 2009

Alpine Bank
225 North 5th Street
Grand Junction, CO 81501

Re: Cancellation of Letter of Credit Number **7160420837**
SGH Company, LLC
Internal Reference: **Spyglass Ridge Filing #2: FP-2005-306**

To Whom It May Concern:

Enclosed please find the original Letter of Credit Number **7160420837** for **SGH Company, LLC**. As beneficiary, the City of Grand Junction informs you that the Letter of Credit is being returned to you for cancellation. The letter is being provided at the direction of the Director of Public Works and Planning Department for the City.

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

Sincerely,

OFFICE OF THE CITY ATTORNEY



Shelly Dackonish, Senior Staff Attorney

Encl. Letter of Credit Number **7160420837**

Pc: Planning File FP-2005-306
Peggy Sharpe, Planning

Developer:
SGH Company, LLC
1280 Ute Avenue, Suite 32
Aspen, CO 81611



Alpine Bank

Grand Junction

225 N. 5th Street
Grand Junction, Colorado 81501
970-243-5600
Fax 970-243-5778

City of Grand Junction
C/O Director of Community Development
250 North 5th Street
Grand Junction, CO 81501

Date of Issue: JANUARY 15, 2009
Amount: \$37,229.00
Number: 7160420837
Expiration Date: JANUARY 15, 2010

Applicant: SGH COMPANY, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420837 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$37,229.00 (Thirty Seven Thousand Two Hundred Twenty Nine and 00/100's 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 JANUARY 15, 2010 subject to the automatic extensions described below;
- 3) This Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Alpine Bank Letter of Credit No. 7160420837 dated JANUARY 15, 2009";
- 4) This letter of credit is established for the use and benefit of the City of Grand Junction by reason of the SGH Company, LLC 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 may accompany the sight draft;
- 6) SGH Company, LLC failed to comply with the terms, conditions, provision 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 North 5th Street, Grand Junction, CO 81501, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit;

- 8) Except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of 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 or 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.

Approved: Alpine Bank

By: 

AARON MILLER, EXECUTIVE VICE PRESIDENT

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction
Public Works & Planning Department
FILE: FP-2005-306

This Release relates to a Recording Memorandum dated May 2, 2006, by and between SGH Company, LLC, (Developer) and the City of Grand Junction, pertaining to Spyglass Ridge Filing 2 (Project), located at B1/4 and 27 Road, Grand Junction, CO, recorded at Book 4147, Page 160, Mesa County Clerk and Recorder's 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: Kenneth J. Fischer Date: 8/5/09

Planner: Quinn Clark Date: 7/29/09

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

[Signature]
Public Works & Planning Department

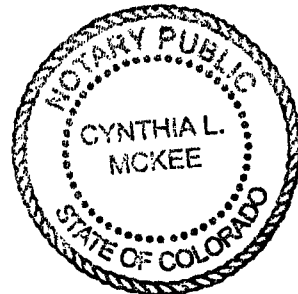
7.29.09
Date

The foregoing instrument was executed before me this 29th day of July, 2009, by Greg Moberg, of the Public Works & Planning Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

Cynthia L. McKee
Notary Public

My commission expires on 9/2/09



HPB ✓

City of Grand Junction Accounts Payable Edit Listing

Vendor/Remittance Address	Number	Description	Invoice Date	G/L Date	Due Date	Confirming EFT G/L Date	Notes	Amounts
1810 - Elam Construction, Inc.	RFD29July2009	Refund/Spyglass Ridge Filing #2 DIA	07/23/2009	07/23/2009	07/29/2009		No	Gross: 20,600.00
								Freight: 0.00
Invoice Department: 06-630 PW&P,Planning		Check Sort Code:	Bank Account: Accounts Payable Clearing			State Tax:		0.00
556 Struthers		Check Code:	Invoice Terms:			County Tax:		0.00
556 Struthers		Manual Check: No			Local/City Tax:		0.00	
Grand Junction, CO 81501-3826		Check Number:			Discount:		0.00	
								Retainage: \$0.00
								Net Amount: \$20,600.00

Detail:	P.O. Number	C/D/F/T/ A/1099	Description	Quantity	U/M	Amount/Unit	Total Amount
		N/N/N/N/N/N	REFUND - Refund/Spyglass Ridge Filing #2 DIA	1.0000	EA	20,600.0000	20,600.00
G/L Distribution:						Expensed	Unencumbered
207.2090 (Transportation Capacity Fund.Deposits Payable)						20,600.00	0.00

Total Invoice Items: 1 Invoice Amount Expensed: \$20,600.00 Invoice Amount Unencumbered: \$0.00

Filing #1 3,960
 Filing #2 16,640

 20,600

HBW

Development Improvements Guarantee Recap Sheet

Check One:	<input type="checkbox"/> Cash Deposit	<input type="checkbox"/> Letter of Credit (LOC)
	<input checked="" type="checkbox"/> Cash Refund	<input type="checkbox"/> LOC Release

Date	July 29, 2009
Project File No.	FP-2005-306
Project Name	Spyglass Ridge Filing #2
Project Location	Orchard Mesa
Purpose of DIA	
Payee Name	Elam Construction, Inc.
Payee Mailing Address	556 Struthers Avenue
Payee City, State Zip Code	Grand Junction, CO 81501
Payee Telephone No.	
DIA Expiration Date	June 16, 2006
Project Planner	Brian Rusche
Project Engineer	Ken Fischer

ACCOUNTING INFORMATION

CASH				LETTER OF CREDIT			
	AMOUNT	DATE	REFERENCE		AMOUNT	DATE	REFERENCE
DEPOSIT	\$20,600.00	02/11/09	Check #270078	LOC Amount	\$ -		
DEPOSIT				Release	\$ -		
DEPOSIT				Release	\$ -		
Refund	\$ 20,600.00	07/29/09		Release	\$ -		
BALANCE	\$0.00			BALANCE	\$ -		

DIA Cash Fund/Account No.	207-2090
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PUBLIC WORKS & PLANNING

July 23, 2009

Elam Construction, Inc.
Attn: Mr. Chad Saunders
556 Struthers Avenue
Grand Junction, CO 81501-3826

Subject: Spyglass Ridge Filing 2 Punch List

Dear Chad:

Per our agreement as related to the November 26, 2008 punch list, the City of Grand Junction has recently inspected punch list items 17 and 27 in Filing 2 and has accepted them.

As such, the City is returning a check for the \$20,600.00 which the City has held in escrow until the punch list items had performed to our satisfaction.

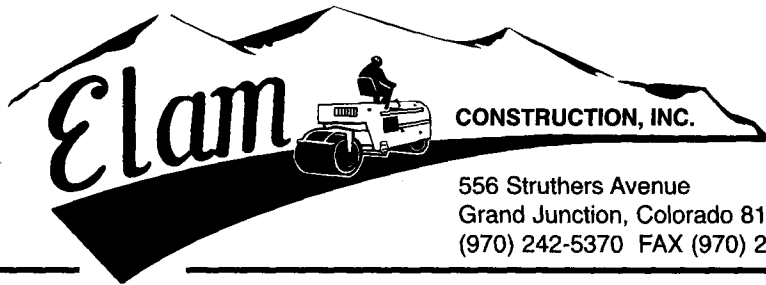
If you have any concerns or questions in reference to this matter or any others, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Ken Fischer".

Ken Fischer, PE
Development Engineer
Public Works and Planning Department

Electronic Copy: Skip Behrhorst, Spyglass Ridge Developer
Ted Eyl, Development Inspector
Leslie Ankrum, Senior Administrative Assistant



556 Struthers Avenue
Grand Junction, Colorado 81501-3826
(970) 242-5370 FAX (970) 245-7716

December 15, 2008

City of Grand Junction
Attention: Ken Fisher
250 North 5th Street
Grand Junction, CO 81501

Subject: Spyglass Filing 2 Punch List

Dear Ken:

Per the request of Skip Behrhorst, Elam Construction, Inc. is correcting punch list items 17 and 27 from the punch list that was provided to us by the City of Grand Junction dated 11/26/08. These items will be corrected at the expense of Elam Construction. The costs for these two items are \$16,640.00 and \$3,960.00 respectively. These items will be corrected as soon as weather permits.

Sincerely,

Chad Saunders
Estimator/Project Manager
Elam Construction, Inc.

CC: Skip Behrhorst

Development Improvements Guarantee Recap Sheet

Check One:	<input checked="" type="checkbox"/> Cash Deposit	<input type="checkbox"/> Letter of Credit (LOC)
	<input type="checkbox"/> Cash Refund	<input type="checkbox"/> LOC Release

Date	February 11, 2009
Project File No.	FP-2005-090 & FP-2005-306
Project Name	Spyglass Ridge Filing 1 and Filing 2
Project Location	Orchard Mesa
Purpose of DIA	
Payee Name	SGH Company LLC, Skip Behrhorst
Payee Mailing Address	1280 Ute Avenue, Suite 32
Payee City, State Zip Code	Aspen, CO 81611
Payee Telephone No.	970-379-5882
DIA Expiration Date	June 16, 2006
Project Planner	Greg Moberg
Project Engineer	Ken Fisher

ACCOUNTING INFORMATION

CASH				LETTER OF CREDIT			
	AMOUNT	DATE	REFERENCE		AMOUNT	DATE	REFERENCE
DEPOSIT	\$20,600.00	02/11/09	Check# 270078	LOC Amount	\$ -		
Refund	\$ -			Release	\$ -		
Refund	\$ -			Release	\$ -		
Refund	\$ -			Release	\$ -		
BALANCE	\$20,600.00			BALANCE	\$ -		

DIA Cash Fund/Account No.	207-2090
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June 26, 2007

Doug Thies
River City Consulting Engineers
744 Horizon Ct., Suite 110
Grand Junction, CO 81506

Project: Spyglass Ridge Filing No. 2

Subject: Sanitary Sewer Lift Station Installation Preliminary Acceptance

Dear Mr. Thies,

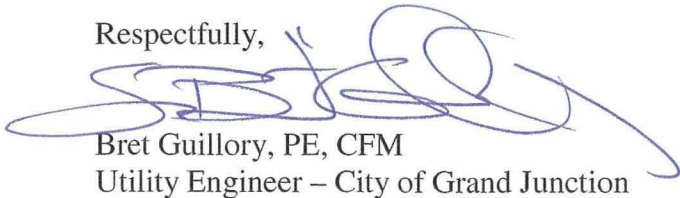
We have completed our initial inspection of the above referenced lift station. There are several items that will need to be addressed prior to final acceptance of the lift station. We will allow interim use of the lift station to serve no more than four (4) homes prior to the following items being completed:

1. The back up generator needs to be installed, inspected, and tested.
2. There is a small amount of cavitation occurring with both pumps near the low water shut off. This should be able to be corrected by installation of a larger diameter impeller. This will be the responsibility of the design engineer and developer to correct prior to acceptance of this lift station.
3. General clean up of the site and appurtenances.

We will complete a final inspection of the lift station once the above items have been addressed.

If you have questions or need further information please contact me.

Respectfully,



Bret Guillory, PE, CFM
Utility Engineer – City of Grand Junction

pc Skip Behrhorst, SGH Company LLC
Ben Dowd, Ben Dowd Excavating
Ken Fisher, City of Grand Junction Development Engineer
Walt Hoyt, City of Grand Junction Construction Inspection Supervisor
development file