

SGH07SPY

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEVELOPMENT IMPROVEMENTS AGREEMENT
NAME OF CONTRACTOR:	SGH COMPANY LLC
PROJECT/SUBDIVISION:	SPYGLASS RIDGE – FILING 3
ADDRESS:	215 27 ROAD
TAX PARCEL NO:	2945-264-46-001
FILE #:	FP-2007-002
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2007
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

COPY

*Not required DIA
can be used for other projects
LLC*

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("Agreement") are Slit 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 Ridge - Filing 3 has been reviewed and approved under Community Development file # EP-2007-002 ("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 \$ 1,423,919.18 (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 *Plat Hold* 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 \$ 237,319.86 (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: June 1, 2007
Completion Date: June 1, 2009

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 \$_____ (Line G1, Exhibit B, Total Improvement Costs).

1,186,599.32

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: SCH COMPANY, LLC 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
SKIP B @ SOPRIS.NET E-mail

Cc: RICHARD LIVINGSTON, Esq
PO 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 City-approved plans and specifications.

By:  6-5-07
Developer Date
DAVID G. BEHRHORST
Name (printed) MANAGER/OWNER

Corporate Attest:

Name Date

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

 JUNE 5, 2007
Community Development Dept. Date

6/13/2003

EXHIBIT A

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

Block 2, Spyglass Ridge Filing No. 2, City of Grand Junction, Mesa County, Colorado.

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

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: April 13, 2007
 DEVELOPMENT NAME: Spyglass Ridge Filing No. Three
 LOCATION: Orchard Mesa

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC SDR-35 Main	LF	2552	\$ 19.90	\$ 50,784.80
2	8" PVC SDR-26 Main	LF	821	\$ 19.90	\$ 16,337.90
3	4" C900 CL150 PVC Force Main	LF			\$ -
4	4" PVC SDR-35 Service Line	LF	2413	\$ 11.30	\$ 27,266.90
5	Services	EA	59	\$ 55.00	\$ 3,245.00
6	Services - Connect to existing Main	EA	1	\$ 250.00	\$ 250.00
7	Connect Main to Existing Manhole	EA	1	\$ 1,100.00	\$ 1,100.00
8	PVC Bell Service Coupling	EA	1	\$ 500.00	\$ 500.00
9	Standard Manholes	EA	22	\$ 1,494.00	\$ 32,868.00
10	Drop Manholes	EA	2	\$ 4,178.00	\$ 8,356.00
11	Low Exposure H2S Manhole Coating	EA	1	\$ 432.00	\$ 432.00
12	8" Joint Restraints	EA	30	\$ 150.00	\$ 4,500.00
13	Concrete Encasement	LF	78	\$ 25.00	\$ 1,950.00
14	Flow Fill Abandoned Sewer Main	CY	6	\$ 120.00	\$ 720.00
15	3" Asphalt Patch	SF	94	\$ 5.00	\$ 470.00
16	Remove Existing Manhole	EA	1	\$ 500.00	\$ 500.00
17	Remove Existing Service	EA	1	\$ 250.00	\$ 250.00
Subtotal Part A Sanitary Sewer					\$ 149,530.60
B. DOMESTIC WATER - ON SITE					
1	Connect to Existing 2" Ute Line	EA	1	by others	
2	8" CL 150 Main	LF	3005	\$ 20.10	\$ 60,400.50
3	4" CL 150 Main	LF	651	\$ 12.55	\$ 8,170.05
4	8" Fittings	EA	25	\$ 236.00	\$ 5,900.00
5	4" Fittings	EA			\$ -
6	4" Cap	EA	3	\$ 114.00	\$ 342.00
7	8" Gate Valves	EA	12	\$ 846.00	\$ 10,152.00
8	4" Gate Valves	EA	2	\$ 491.00	\$ 982.00
9	Fire Hydrant Assembly	EA	4	\$ 2,728.00	\$ 10,912.00
10	Services	EA	62	\$ 178.00	\$ 11,036.00
11	3/4" Copper Service Line	LF	2705	\$ 10.65	\$ 28,808.25
12	6" Pressure Reducing Valve and Vault	EA	1	\$ 3,500.00	\$ 3,500.00
13	8" Mega Lug Joint Restraints at Fitting	EA	9	\$ 150.00	\$ 1,350.00
14	8" Mega Lug Joint Restraints on Line	EA	12	\$ 150.00	\$ 1,800.00
Subtotal Part B - Domestic Water					\$ 143,352.80
C1 STREETS/EARTHWORK					
1	4" Sch 40 PVC Utility/Irrigation sleeves	LF	2000	\$ 3.60	\$ 7,200.00
2	Dry Utility Trenching	LF	6200	\$ 3.80	\$ 23,560.00
3	Exc Unadjusted (incl slope benching)	CY	23298	\$ 3.00	\$ 69,894.00
4	Emb Unadjusted	CY		incl in exc quantity	
5	Onsite Spoil Unadjusted	CY		incl in exc quantity	
6	Subgrade Prep.	SY	17190	\$ 1.75	\$ 30,082.50
7	3" AC	SY	4591	\$ 8.50	\$ 39,023.50
8	4" AC	SY	7265	\$ 11.60	\$ 84,274.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
9	10" ABC	SY	4591	\$ 10.00	\$ 45,910.00
10	9" ABC	SY	7265	\$ 9.00	\$ 65,385.00
11	GeoGrid	SY			\$ -
12	6" ABC Under Conc.	SY	5734	6.20	\$ 35,550.80
13	42" Treated Subgrade	CY			\$ -
14	24" Treated Subgrade	CY	10576	\$ 3.00	\$ 31,728.00
15	7' Vert. C,G, & SW	LF	533	\$ 20.35	\$ 10,846.55
16	6.5' Mount. C,G, & SW	LF	5537	\$ 14.50	\$ 80,286.50
17	3' Mount. C & G	LF			\$ -
18	2' Vert. C & G	LF	550	\$ 9.70	\$ 5,335.00
19	8" Thick Conc. Corners/Ramps	SY	340	\$ 42.70	\$ 14,518.00
20	4" Thick Concrete Path	SY	338	\$ 35.00	\$ 11,830.00
21	12" Thick Conc. Mail Pads	SY	9	\$ 176.00	\$ 1,584.00
22	Retaining Walls & Structures	SF	511	\$ 25.00	\$ 12,775.00
23	Stop Signs	EA	5	\$ 200.00	\$ 1,000.00
24	Street Signs (mount on stop)	EA	5	\$ 200.00	\$ 1,000.00
25	No Parking Signs	EA	2	\$ 200.00	\$ 400.00
26	Speed Limit Signs	EA	1	\$ 200.00	\$ 200.00
27	Pedestrian Crossing Sign (W11-2)	EA	2	\$ 200.00	\$ 400.00
28	Remove and Replace Asphalt	SF	138	\$ 6.85	\$ 945.30
29	Removable Bollards	EA	2	\$ 350.00	\$ 700.00
30	Stabilizaiton of Slope Failure Area	CY	500	\$ 10.00	\$ 5,000.00
					\$ -
					\$ -
C2	BRIDGES				\$ -
					\$ -
	Subtotal Part C - Streets and Bridges				\$ 579,428.15
D1	STORM WATER MANAGEMENT				
1	Silt Fence/Berm	LF	1000	\$ 5.00	\$ 5,000.00
2	Straw Bales	LF	50	\$ 5.00	\$ 250.00
3	Inlet Protection (Pre pave)	EA	6	\$ 250.00	\$ 1,500.00
4	Inlet Protection (Post pave)	EA	6	\$ 250.00	\$ 1,500.00
5	Outlet Protection Trap	EA	1	\$ 750.00	\$ 750.00
6	Mud Traps	EA	2	\$ 750.00	\$ 1,500.00
7	Rock Check Dams	EA			\$ -
8	Straw Rolls	LF			\$ -
9	Watering (Dust Control) incl in exc	LS			\$ -
10	Maintenance	LS	1	\$ 2,500.00	\$ 2,500.00
D2	REMOVALS AND RESETTNG				
1	Adjust Manhole	EA	24	\$ 400.00	\$ 9,600.00
2	Adjust Valvebox	EA	18	\$ 150.00	\$ 2,700.00
3	Remove Abandoned Water Line	LF	622	\$ 25.00	\$ 15,550.00
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			\$ -

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
5	12" HDPE Storm Drain Pipe	LF	69	\$ 15.00	\$ 1,035.00
6	15" HDPE Storm Drain Pipe	LF			\$ -
7	18" HDPE Storm Drain Pipe	LF	1433	\$ 29.30	\$ 41,986.90
8	24" HDPE Storm Drain Pipe	LF	127	\$ 38.50	\$ 4,889.50
9	30" HDPE Storm Drain Pipe	LF			\$ -
10	36" HDPE Storm Drain Pipe	LF			\$ -
11	12" Flared End Section (Concrete)	EA	2	\$ 350.00	\$ 700.00
12	15" Flared End Section	EA			\$ -
12	18" Flared End Section	EA			\$ -
13	24" Flared End Section	EA			\$ -
14	30" Flared End Section	EA			\$ -
15	36" Flared End Section	EA			\$ -
16	48" Storm Drain Manhole	EA	8	\$ 1,250.00	\$ 10,000.00
17	60" Storm Drain Manhole	EA			\$ -
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	1	\$ 1,364.00	\$ 1,364.00
22	Double Curb Opening Storm Drain Inlet	EA	2	\$ 1,750.00	\$ 3,500.00
23	Triple Curb Opening Storm Drain Inlet	EA	2	\$ 2,250.00	\$ 4,500.00
24	Area Storm Drain Inlet (CDOT Type D)	EA	1	\$ 2,750.00	\$ 2,750.00
25	Pond Outlet structure	EA			\$ -
26	Rip-Rap D ₅₀ = 6"	SF	48	\$ 15.00	\$ 720.00
27	Rip-Rap D ₅₀ = 12"	SF			\$ -
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			\$ -
Subtotal Part D - Grading and Drainage					\$ 112,295.40
E1	IRRIGATION				
1	Connect to Existing Pipe	LS			\$ -
2	4" Class 200 Irrigation Pipe	LF			\$ -
3	3" Class 200 Irrigation Pipe	LF	1350	\$ 6.80	\$ 9,180.00
4	Gate valves (3")	EA	3	\$ 421.00	\$ 1,263.00
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			\$ -
10	4" Sch 40 Sleeves	LF	50	\$ 3.60	\$ 180.00
11	6" Sch 40 Sleeves	LF	50	\$ 5.50	\$ 275.00
12	3" Fittings	EA	6	\$ 94.00	\$ 564.00
E2	LANDSCAPING				
1	Design/Architecture	LS	1	\$ 2,000.00	\$ 2,000.00
2	Signage	LS	1	\$ 4,000.00	\$ 4,000.00
3	Shrub Bed (grading, rock mulch, fabric)	SF	5000	\$ 1.00	\$ 5,000.00
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	7	\$ 660.00	\$ 4,620.00
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				\$ 70,148.00
Subtotal Construction Costs				\$	1,054,754.95

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
F. Miscellaneous Items					
1	Construction staking/surveying	%	3.00%	\$ 1,054,754.95	\$ 31,642.65
2	Developer's inspection cost	%	2.00%	\$ 1,054,754.95	\$ 21,095.10
3	General construction supervsn	%	3.00%	\$ 1,054,754.95	\$ 31,642.65
4	Quality control testing	%	2.00%	\$ 1,054,754.95	\$ 21,095.10
5	Construction traffic control	%		\$ 1,054,754.95	\$ -
6	City inspection fees	%	0.50%	\$ 1,054,754.95	\$ 5,273.77
7	As-builts	%	2.00%	\$ 1,054,754.95	\$ 21,095.10
E	Subtotal Part F - Miscellaneous Items			\$	131,844.37
% = Percentage of total site construction costs					
G.	COST SUMMARY				
	1 Total Improvement Costs			\$	1,186,599.32
	2 City Security (20%)			\$	237,319.86
	3 Total Guarantee Amount			\$	1,423,919.18
<p>NOTES</p> <ol style="list-style-type: none"> All prices shall be for items complete in place and accepted. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere. All concrete items shall include Aggregate Base Course where required by the drawings. Fill in the pipe type for irrigation pipe and sleeves. Reconditioning shall be calculated to at least 6" outside of back of walk on both sides. Units can be changed if desired, simply annotate what is used. Additional lines or items may be added as needed. <p><i>James D. Schloer</i> 6-5-07 Signature of Developer Date (If corporation, to be signed by President and attested to by Secretary together with the corporate seals.)</p> <p>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.</p> <p><i>Kenneth G. Fischer</i> 6/5/07 City Development Engineer Date</p> <p><i>D. J. [Signature]</i> June 5, 2007 Community Development Date</p> <p style="text-align: right; font-size: 2em; font-weight: bold;">COPY</p>					

N/A

Letter of Credit Form

Instructions for Letter of Credit:

- 1) Letters of Credit must not vary in substance. Please provide a copy of this sample to your bank.
- 2) The Letter of Credit must be on Bank Letterhead.
- 3) The Letter of Credit must be addressed to:
City of Grand Junction
c/o Director of Community Development
250 N. 5th Street
Grand Junction, CO 81501
- 4) The Letter of Credit must have a title, date and expiration.
Expiration is subject to the automatic extension provisions stated therein.
Irrevocable Letter of Credit No. ____
Dated: ____
Expiration: ____ subject to the automatic extensions stated below
- 5) The Letter of Credit must have the dollar amount stated in numbers and in words
- 6) The Bank shall fill in all blanks except those in the drawing statement (paragraph 6.) The drawing statement is in **bold print**. Do not fill in the drawing statement.
- 7) The information to be included and format to be used either for wire transfer or electronic funds transfer will be provided by the City at the time a drawing is made and the City requests funds be deposited that way.
- 8) If available please include the American Bank Association number on the Letter of Credit.
- 9) Type name under authorized signature.
- 10) Use the following text:

PLAT Hold
FOR SPYGLASS RIDGE
FILINGS NO THREE
FP-2007-002
DS Belubost 6/5/07

Required Text (On Bank Letterhead):

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

Irrevocable Letter of Credit No. _____

Dated: _____

Expiration: _____ subject to the automatic extensions stated below

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. _____ in favor of the City of Grand Junction at the request of and for the account of _____ (Developer) in the amount of _____ (\$*****) 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 _____ subject to the automatic extensions discussed below;
- 3) this Letter of Credit is available by sight draft(s) drawn and marked "Drawn under _____ (Bank name) Letter of Credit No. ____ dated (MM/DY/YR)";
- 4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the _____ (Developer) being obligated to pay or perform in accordance with the provisions of the Grand Junction Zoning and Development Code;
- 5) the following statement signed by an authorized designee of the City of Grand Junction must accompany the sight draft;
- 6) "**_____ (Developer) has failed to comply with the terms, conditions, provisions and requirements of the Grand Junction Zoning and Development Code and/or plans, specifications or agreements relating to the construction of improvements required by the City of Grand Junction. The monies received from this drawing are required to construct those improvements. The City of Grand Junction therefore requests the payment of \$_____.**
- 7) It is a condition of this Letter of Credit that it will be automatically extended for a period of six (6) months from the present or any future expiration date unless: (a) the underlying obligation has been performed, released or satisfied, (b) this Letter of Credit has been called in full or (c) the Bank notifies the City of Grand Junction at 250 N. 5th Street Grand Junction CO 81501, by certified mail return receipt requested, at least 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 on due presentation and delivery of documents, which may be done by first class mail, facsimile, in person or by any other reasonable business practice on or prior to the expiration or any extension thereof of this Letter of Credit;
- 12) except as otherwise stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) and to the extent that it does not conflict with Article 5 of the Uniform Commercial Code of the State of Colorado.

Signature
Type name and title

Initial Acceptance Checklist

Date: December 21, 2007
Project Number: FP-2007-002
Project Name: Spy Glass Ridge, Filing 3
Developer / Rep.: Skip Behrhurst
Development Engineer: Ken Fischer

Initial acceptance inspection punch list:

An initial acceptance inspection was conducted on December 20, 2007. The following deficiencies were noted during the inspection and shall be corrected by the Developer:

1. The entrance into Filing 3 at the mailboxes: the gutter may need to be removed and replaced (R&R) as it appears to hold water in the gutter exceeding City Standards. Due to the sediment in the gutter, this should be cleaned and will be evaluated at a later date.
2. At Whisper Court and Hideaway Lane, the northwest ramp has two issues:
 - a. Concrete cracking at bulb out pad.
 - b. Joints need crack filling.
3. Whisper Court V-pan: There is cracking at the second joint downstream of the top fillet and will need R&R.
4. Whisper Court, Lot 39 & 40: The curb, gutter and sidewalk will need to be reinspected after the snow and ice melts.
5. Whisper Court, Lot 38 & 39: Lip of gutter is chipped. In the field, it was suggested that we watch this area. However, since other areas will require concrete R&R, I would like to see this problem R&R.
6. Grouting between all inlet frames and the concrete boxes.
7. The southern end of Secret Canyon Court will need further evaluation once snow and ice melts or is removed.
8. Secret Canyon Lane: The gutter will need further evaluation once snow and ice melts or is removed.
9. R&R the curb, gutter and sidewalk stone approximately 50 feet down the hill from MH G4 on the south side of Secret Canyon Lane. Section was gouged on the sidewalk surface.
10. Hideaway Lane @ Lot 29: The curb, gutter and sidewalk will need to be reinspected after the snow and ice melts.
11. Whisper Lane @ Lot 4: Confirmation that the gutter drains properly, west of the inlet, is needed due to ice in the gutter.

In general, due to problems associated with weather conditions, either the site will be re-inspected once surfaces are clear of snow and ice or concrete will be scheduled for late winter or early spring when weather permits.

The Developer shall notify the Development Engineer when all of the deficiencies have been corrected. The Development Engineer and/or the Development Inspector will conduct a follow up inspection.

Initial acceptance submittal requirements:

The Developer shall submit one set of as-built drawings to the Development Engineer for review. The set shall be a paper copy on 24" x 36" paper. The Development Engineer will notify the Developer if the plans are okay or will advise the Developer of any changes or corrections that need to be made.

The Developer shall submit the following items as a single submittal packet:

1. One paper copy of the as-built plans stamped by a Professional Engineer.
2. A computer disk with the as-built plans as both .dwg and .dwf files.
3. A maintenance agreement
4. A financial guarantee equivalent to 20% of the cost of the infrastructure improvements.
5. The final testing results including asphalt and concrete testing and materials certifications.
6. Letter of acceptance from the Ute Water District.
7. Letter of acceptance from the Orchard Mesa Sanitation District.
8. A detention basin certification from Professional Engineer.

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 DECEMBER 20, 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. THREE has been reviewed and approved under Public Works & Planning file # FP-2007-02 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 \$237,319.86 (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 LITE 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

DECEMBER 20, 2007

Developer

Date

Name (printed):

DAVID G. BEHRHORST

Title (position):

MANAGER / OWNER

Attest:

Secretary

Date

City of Grand Junction

Project Planner

Date

Dept. of Public Works and Planning

Date

GUARANTEE2007

5/15/2007

City of Grand Junction

Page 1

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: April 13, 2007
 DEVELOPMENT NAME: Spyglass Ridge Filing No. Three
 LOCATION: Orchard Mesa

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" PVC SDR-35 Main	LF	2552	\$ 19.90	\$ 50,784.80
2	8" PVC SDR-26 Main	LF	821	\$ 19.90	\$ 16,337.90
3	4" C900 CL150 PVC Force Main	LF			\$ -
4	4" PVC SDR-35 Service Line	LF	2413	\$ 11.30	\$ 27,266.90
5	Services	EA	59	\$ 55.00	\$ 3,245.00
6	Services - Connect to existing Main	EA	1	\$ 250.00	\$ 250.00
7	Connect Main to Existing Manhole	EA	1	\$ 1,100.00	\$ 1,100.00
8	PVC Bell Service Coupling	EA	1	\$ 500.00	\$ 500.00
9	Standard Manholes	EA	22	\$ 1,494.00	\$ 32,868.00
10	Drop Manholes	EA	2	\$ 4,178.00	\$ 8,356.00
11	Low Exposure H2S Manhole Coating	EA	1	\$ 432.00	\$ 432.00
12	8" Joint Restraints	EA	30	\$ 150.00	\$ 4,500.00
13	Concrete Encasement	LF	78	\$ 25.00	\$ 1,950.00
14	Flow Fill Abandoned Sewer Main	CY	6	\$ 120.00	\$ 720.00
15	3" Asphalt Patch	SF	94	\$ 5.00	\$ 470.00
16	Remove Existing Manhole	EA	1	\$ 500.00	\$ 500.00
17	Remove Existing Service	EA	1	\$ 250.00	\$ 250.00
Subtotal Part A Sanitary Sewer					\$ 149,530.60
B. DOMESTIC WATER - ON SITE					
1	Connect to Existing 2" Ute Line	EA	1	by others	
2	8" CL 150 Main	LF	3005	\$ 20.10	\$ 60,400.50
3	4" CL 150 Main	LF	651	\$ 12.55	\$ 8,170.05
4	8" Fittings	EA	25	\$ 236.00	\$ 5,900.00
5	4" Fittings	EA			\$ -
6	4" Cap	EA	3	\$ 114.00	\$ 342.00
7	8" Gate Valves	EA	12	\$ 846.00	\$ 10,152.00
8	4" Gate Valves	EA	2	\$ 491.00	\$ 982.00
9	Fire Hydrant Assembly	EA	4	\$ 2,728.00	\$ 10,912.00
10	Services	EA	62	\$ 178.00	\$ 11,036.00
11	3/4" Copper Service Line	LF	2705	\$ 10.65	\$ 28,808.25
12	6" Pressure Reducing Valve and Vaul	EA	1	\$ 3,500.00	\$ 3,500.00
13	8" Mega Lug Joint Restraints at Fitting	EA	9	\$ 150.00	\$ 1,350.00
14	8" Mega Lug Joint Restraints on Line	EA	12	\$ 150.00	\$ 1,800.00
Subtotal Part B - Domestic Water					\$ 143,352.80
C1 STREETS/EARTHWORK					
1	4" Sch 40 PVC Utility/Irrigation sleeves	LF	2000	\$ 3.60	\$ 7,200.00
2	Dry Utility Trenching	LF	6200	\$ 3.80	\$ 23,560.00
3	Exc Unadjusted (incl slope benching)	CY	23298	\$ 3.00	\$ 69,894.00
4	Emb Unadjusted	CY		incl in exc quantity	
5	Onsite Spoil Unadjusted	CY		incl in exc quantity	
6	Subgrade Prep.	SY	17190	\$ 1.75	\$ 30,082.50
7	3" AC	SY	4591	\$ 8.50	\$ 39,023.50
8	4" AC	SY	7265	\$ 11.60	\$ 84,274.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
9	10" ABC	SY	4591	\$ 10.00	\$ 45,910.00
10	9" ABC	SY	7265	\$ 9.00	\$ 65,385.00
11	GeoGrid	SY			\$ -
12	6" ABC Under Conc.	SY	5734	6.20	\$ 35,550.80
13	42" Treated Subgrade	CY			\$ -
14	24" Treated Subgrade	CY	10576	\$ 3.00	\$ 31,728.00
15	7" Vert. C.G. & SW	LF	533	\$ 20.35	\$ 10,846.55
16	6.5' Mount. C.G. & SW	LF	5537	\$ 14.50	\$ 80,286.50
17	3' Mount. C & G	LF			\$ -
18	2' Vert. C & G	LF	550	\$ 9.70	\$ 5,335.00
19	8" Thick Conc. Corners/Ramps	SY	340	\$ 42.70	\$ 14,518.00
20	4" Thick Concrete Path	SY	338	\$ 35.00	\$ 11,830.00
21	12" Thick Conc. Mail Pads	SY	9	\$ 176.00	\$ 1,584.00
22	Retaining Walls & Structures	SF	511	\$ 25.00	\$ 12,775.00
23	Stop Signs	EA	5	\$ 200.00	\$ 1,000.00
24	Street Signs (mount on stop)	EA	5	\$ 200.00	\$ 1,000.00
25	No Parking Signs	EA	2	\$ 200.00	\$ 400.00
26	Speed Limit Signs	EA	1	\$ 200.00	\$ 200.00
27	Pedestrian Crossing Sign (W11-2)	EA	2	\$ 200.00	\$ 400.00
28	Remove and Replace Asphalt	SF	138	\$ 6.85	\$ 945.30
29	Removable Bollards	EA	2	\$ 350.00	\$ 700.00
30	Stabilization of Slope Failure Area	CY	500	\$ 10.00	\$ 5,000.00
					\$ -
					\$ -
C2	BRIDGES				
					\$ -
					\$ -
	Subtotal Part C - Streets and Bridges				\$ 579,428.15
D1	STORM WATER MANAGEMENT				
1	Silt Fence/Berm	LF	1000	\$ 5.00	\$ 5,000.00
2	Straw Bales	LF	50	\$ 5.00	\$ 250.00
3	Inlet Protection (Pre pave)	EA	6	\$ 250.00	\$ 1,500.00
4	Inlet Protection (Post pave)	EA	6	\$ 250.00	\$ 1,500.00
5	Outlet Protection Trap	EA	1	\$ 750.00	\$ 750.00
6	Mud Traps	EA	2	\$ 750.00	\$ 1,500.00
7	Rock Check Dams	EA			\$ -
8	Straw Rolls	LF			\$ -
9	Watering (Dust Control) incl in exc	LS			\$ -
10	Maintenance	LS	1	\$ 2,500.00	\$ 2,500.00
D2	REMOVALS AND RESETTING				
1	Adjust Manhole	EA	24	\$ 400.00	\$ 9,600.00
2	Adjust Valvebox	EA	18	\$ 150.00	\$ 2,700.00
3	Remove Abandoned Water Line	LF	622	\$ 25.00	\$ 15,550.00
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			\$ -

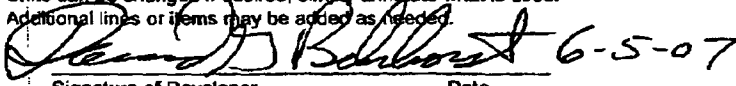
6/5/2007

6/5/2007

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
5	12" HDPE Storm Drain Pipe	LF	69	\$ 15.00	\$ 1,035.00
6	15" HDPE Storm Drain Pipe	LF			\$ -
7	18" HDPE Storm Drain Pipe	LF	1433	\$ 29.30	\$ 41,986.90
8	24" HDPE Storm Drain Pipe	LF	127	\$ 38.50	\$ 4,889.50
9	30" HDPE Storm Drain Pipe	LF			\$ -
10	36" HDPE Storm Drain Pipe	LF			\$ -
11	12" Flared End Section (Concrete)	EA	2	\$ 350.00	\$ 700.00
12	15" Flared End Section	EA			\$ -
12	18" Flared End Section	EA			\$ -
13	24" Flared End Section	EA			\$ -
14	30" Flared End Section	EA			\$ -
15	36" Flared End Section	EA			\$ -
16	48" Storm Drain Manhole	EA	8	\$ 1,250.00	\$ 10,000.00
17	60" Storm Drain Manhole	EA			\$ -
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	1	\$ 1,364.00	\$ 1,364.00
22	Double Curb Opening Storm Drain Inlet	EA	2	\$ 1,750.00	\$ 3,500.00
23	Triple Curb Opening Storm Drain Inlet	EA	2	\$ 2,250.00	\$ 4,500.00
24	Area Storm Drain Inlet (CDOT Type D)	EA	1	\$ 2,750.00	\$ 2,750.00
25	Pond Outlet structure	EA			\$ -
26	Rip-Rap D ₅₀ = 6"	SF	48	\$ 15.00	\$ 720.00
27	Rip-Rap D ₅₀ = 12"	SF			\$ -
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			\$ -
Subtotal Part D - Grading and Drainage					\$ 112,295.40
E1	IRRIGATION				
1	Connect to Existing Pipe	LS			\$ -
2	4" Class 200 Irrigation Pipe	LF			\$ -
3	3" Class 200 Irrigation Pipe	LF	1350	\$ 6.80	\$ 9,180.00
4	Gate valves (3")	EA	3	\$ 421.00	\$ 1,263.00
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			\$ -
10	4" Sch 40 Sleeves	LF	50	\$ 3.60	\$ 180.00
11	6" Sch 40 Sleeves	LF	50	\$ 5.50	\$ 275.00
12	3" Fittings	EA	6	\$ 94.00	\$ 564.00
E2	LANDSCAPING				
1	Design/Architecture	LS	1	\$ 2,000.00	\$ 2,000.00
2	Signage	LS	1	\$ 4,000.00	\$ 4,000.00
3	Shrub Bed (grading, rock mulch, fabric)	SF	5000	\$ 1.00	\$ 5,000.00
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	7	\$ 660.00	\$ 4,620.00
9	1 Year Maintenance Agrmnt.	LS	1	\$ 2,500.00	\$ 2,500.00
10	Topsoil	CY	100	\$ 25.00	\$ 2,500.00
Subtotal Part E - Landscaping and Irrigation					\$ 70,148.00
Subtotal Construction Costs				\$	1,054,754.95

6/5/2007

6/5/2007

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
F. Miscellaneous Items					
1	Construction staking/surveying	%	3.00%	\$ 1,054,754.95	\$ 31,642.65
2	Developer's inspection cost	%	2.00%	\$ 1,054,754.95	\$ 21,095.10
3	General construction supervsn	%	3.00%	\$ 1,054,754.95	\$ 31,642.65
4	Quality control testing	%	2.00%	\$ 1,054,754.95	\$ 21,095.10
5	Construction traffic control	%		\$ 1,054,754.95	\$ -
6	City inspection fees	%	0.50%	\$ 1,054,754.95	\$ 5,273.77
7	As-builts	%	2.00%	\$ 1,054,754.95	\$ 21,095.10
E	Subtotal Part F - Miscellaneous Items			\$	131,844.37
% = Percentage of total site construction costs					
G	COST SUMMARY				
1	Total Improvement Costs			\$	1,186,599.32
2	City Security (20%)			\$	237,319.86
3	Total Guarantee Amount			\$	1,423,919.18
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 of Developer _____ Date <u>6-5-07</u> (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.					
_____ City Development Engineer Date					
_____ 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

Date of Issue: DECEMBER 20, 2007
Amount: \$237,319.86
Number: 7160420834
Expiration Date: DECEMBER 20, 2008

Applicant: SGH COMPANY, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420834 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$237,319.86 (Two Hundred Thirty Seven Thousand Three Hundred Nineteen and 86/100'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 DECEMBER 20, 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. 7160420834 dated DECEMBER 20, 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 **#7160420834**
SGH Company, LLC *3/67 2/18/09*
Internal Reference: **Spyglass Ridge Filing #2 FP-2007-002**

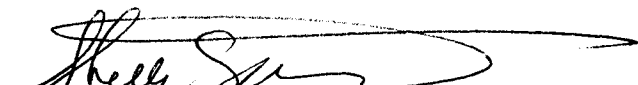
Dear Sirs: *3/67 2/18/09*

Enclosed please find the original Letter of Credit Number **#7160420834** 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 **#7160420834**

Pc: Ken Fischer, Development Engineer
Peggy Sharpe, Planning

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



City Attorney

February 13, 2009

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

Re: Cancellation of Letter of Credit Number **#7160420834**
SGH Company, LLC
Internal Reference: **Spyglass Ridge Filing #~~2~~³ FP-2007-002**

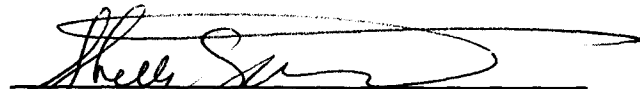
Dear Sirs:

Enclosed please find the original Letter of Credit Number **#7160420834** 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 **#7160420834**

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: DECEMBER 20, 2007
Amount: \$237,319.86
Number: 7160420834
Expiration Date: DECEMBER 20, 2008

Applicant: SGH COMPANY, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420834 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$237,319.86 (Two Hundred Thirty Seven Thousand Three Hundred Nineteen and 86/100'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 DECEMBER 20, 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. 7160420834 dated DECEMBER 20, 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

ADDENDUM TO MAINTENANCE GUARANTEE
FOR SPYGLASS RIDGE FILING NO. THREE
FP-2007-002

This agreement is entered into this 18th 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 December 20, 2007 regarding City required improvements for the Spyglass Ridge Subdivision Filing No. Three.
- 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:

Item	Description	Quantity	Unit	Unit Price	Total Price
1	Grout Inlets throughout Filing 2	2	EACH	\$65.00	\$130.00
2	Rotomilling along the edge of the curb and gutter	25	SY	\$300.00	\$7,500.00
5	Backfill new Concrete sidewalk at Lot 46	1	LS	\$125.00	\$125.00
6	Remove Globbs of Concrete on sidewalk at Lot 46	1	LS	\$65.00	\$65.00
7	Backfill back of sidewalk at Lot 36	1	LS	\$1,000.00	\$1,000.00
8	Concrete grout patch gutter East of drain inlet ad	1	LS	\$125.00	\$125.00
11	Crack Seal edge all of Whisper Court	525	LF	\$2.00	\$1,050.00
12	Caulk Seam at sidewalk and v-pan at Lot 38	1	LS	\$20.00	\$20.00
13	Crack Seal edge of asphalt along South side of Sec	150	LF	\$2.00	\$300.00
14	Crack Seal edge of asphalt and concrete along all	675	LF	\$2.00	\$1,350.00
15	Inscribe "X" on concrete curb for sewer Later Loca	1	LS	\$65.00	\$65.00
16	Crack Seal cracking asphalt along concrete edge at	45	LF	\$2.00	\$90.00
20	Crack Seal between asphalt and concrete from sewer	91	LF	\$2.00	\$182.00
				Bid Total:	\$12,002.00

- C. The Developer and the City have agreed that the estimated cost for completing the items is \$12,002.00. 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 or replacement 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 #7160420834 ("LOC") in the original amount of \$237,319.86 with the execution of this agreement and the City's receipt of security in the amount of \$12,002.00.

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 \$12,002.00. 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 December 20, 2007) and Development Improvements Agreement signed by the Developer on June 5, 2007. 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. Three subdivision. All other terms of the Maintenance Guarantee and Development Improvements Agreement remain in full force and effect.

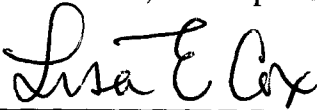
SGH Company, LLC:



David G. Behrhorst, Manager

City of Grand Junction:

By: 
Ken Fischer, Development Engineer

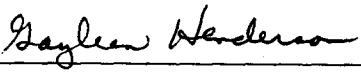
By: 
Lisa Cox, Planning Manager

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




Notary Public

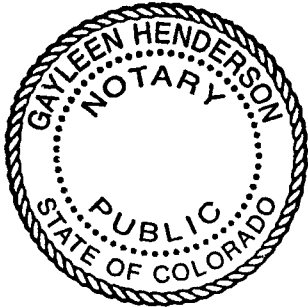


State of Colorado)
)ss.
County of Mesa)

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]



City Attorney

July 29, 2009

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

Re: Cancellation of Letter of Credit Number **7160420838**
SGH Company, LLC
Internal Reference: **Spyglass Ridge Filing #3: FP-2007-002**

To Whom It May Concern:

Enclosed please find the original Letter of Credit Number **7160420838** 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 **7160420838**

Pc: Planning File FP-2007-002
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: \$12,002.00
Number: 7160420838
Expiration Date: JANUARY 15, 2010

Applicant: SGH COMPANY, LLC

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 7160420838 in favor of the City of Grand Junction at the request of and for the account of SGH Company, LLC in the amount of \$12,002.00 (Twelve Thousand Two 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. 7160420838 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 MEMORANDUM
City of Grand Junction
Public Works & Planning Department
FILE #FP-2007-002

This Release relates to a Development Improvements Agreement dated June 5, 2007, by and between SGH Company, LLC, (Developer) and the City of Grand Junction, pertaining to Spyglass Ridge Filing 3 (Project), located at Orchard Mesa, Grand Junction, CO.

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 E Fischer Date: 8/5/09
City Planner: Ri Quirk Date: 7/29/09

In acknowledgement with the above signatures, I hereby certify that the improvements