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TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEVELOPMENT IMPROVEMENTS AGREEMENT
NAME OF CONTRACTOR:	SHADOW RUN LLLP.
PROJECT/SUBDIVISION:	SHADOW RUN TOWNHOMES
ADDRESS:	RIDGES BLVD AT LAKERIDGE DRIVE
TAX PARCEL NO:	2945-201-10-001
FILE #:	FPP -2006-039
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2006
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

JUN 29 2006

COMMUNITY DEVELOPMENT
DIV.**DEVELOPMENT IMPROVEMENTS AGREEMENT**

1. **Parties:** The parties to this Development Improvements Agreement ("Agreement") are Shadow Run, LLLP, ("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 Shadow Run Townhomes has been reviewed and approved under Community Development file # FPP-2006-039 ("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 \$ 643,866.00 (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) 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 \$ 107,311.00 (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: 10 days following the effective date Ad 8/9/06
Completion Date: 12 months from effective date Ad 8/9/06

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 ~~\$526,555.~~ (Line G1, Exhibit B, Total Improvement Costs).

Ad 8/9/06

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>Shadow Run, LLLP</u>	Name -Developer/Company
	<u>399 Perry St. Ste 300</u>	Address (Street and Mailing)
	<u>Castle Rock, CO 80104</u>	City, State & Zip Code
	<u>(303) 663-8170</u>	Telephone and Fax Numbers
	<u>(303) 663-8058</u>	
	<u>steve@harvestholdingsgroup.com</u>	E-mail

Cc:

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.

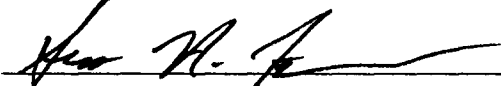
By:



Developer Date
6/19/06
Alan Westfall

Name (printed)

Corporate Attest:



Name Date
6/19/06

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



Community Development Dept. Date
9-29-06

6/13/2003

EXHIBIT B

IMPROVEMENTS COST ESTIMATE

DATE: June 19, 2006 REVISED
 DEVELOPMENT NAME: Shadow Run at the Ridges
 LOCATION: Lakeridge Dr. & W. Ridges Blvd
 PRINTED NAME OF PERSON PREPARING: Zachary Collins

Item#	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8 " PVC Sanitary Sewer Main	LF	1109	\$ 20.00	\$ 22,180.00
2	" PVC Sanitary Sewer Main	LF	0	\$ -	\$ -
3	" PVC Sanitary Sewer Main	LF	0	\$ -	\$ -
4	Sewer Services	EA or LF	32	\$ 200.00	\$ 6,400.00
5	Sanitary Sewer Manhole	EA	14	\$ 3,000.00	\$ 42,000.00
6	Saintry Sewer Drop Manhole	EA	0	\$ -	\$ -
7	Connection to Existing Manhole	EA	2	\$ 1,000.00	\$ 2,000.00
8	Concrete Encasement	LF	0	\$ -	\$ -
Subtotal Part A - Sanitary Sewer					\$ 72,580.00
B. DOMESTIC WATER					
1	8 " PVC Water Main	LF	1557	\$ 15.00	\$ 23,355.00
2	4 " PVC Water Main	LF	156	\$ 12.00	\$ 1,872.00
3	" PVC Water Main	LF	0	\$ -	\$ -
4	8 " Gatevalve	EA	10	\$ 250.00	\$ 2,500.00
5	" Gatevalve	EA	0	\$ -	\$ -
6	" Gatevalve	EA	0	\$ -	\$ -
7	Water Services	EA or LF	32	\$ 300.00	\$ 9,600.00
8	Connect to Existing Water Line	EA	2	\$ 750.00	\$ 1,500.00
9	Fire Hydrant with Valve (w/ 6" lateral, valve, & CTRB)	EA	5	\$ 1,200.00	\$ 6,000.00
10	Utility Adjustments	EA	0	\$ -	\$ -
11	Blowoff (4")	EA	1	\$ 1,000.00	\$ 1,000.00
Subtotal Part B - Domestic Water					\$ 45,827.00

Item#	Item Description	Unit	Quantity	Unit Price	Extended Price
C1	STREETS				
1	6 " PVC Utility/Irrigation Sleeves	LF	1120	\$ 13.00	\$ 14,560.00
2	4 " PVC Utility/Irrigation Sleeves	LF	0	\$ 8.00	\$ -
3	Reconditioning	SY	0	\$ -	\$ -
4	Aggregate Base Course (Class 3)	TN	0	\$ -	\$ -
5	Aggregate Base Course (Class 6) (6 " Compacted Thickness)	SY	806	\$ 30.00	\$ 24,180.00
6	Aggregate Base Course (Class 6) (" Compacted Thickness)	SY	0	\$ -	\$ -
7	Hot Bitumniuous Paving, Grading SX (3 " Thick)	SY	358	\$ 40.00	\$ 14,320.00
8	Hot Bitumniuous Paving, Grading (" Thick)	SY	0	\$ -	\$ -
9	Hot Bitumniuous Paving, Grading (" Thick)	SY	0	\$ -	\$ -
10	Geotextile	SY	0	\$ -	\$ -
11	Concrete Curb (" Wide by " High)	LF	0	\$ -	\$ -
12	Concrete Curb and Gutter (2' Wide)Vertical 'Carry'	LF	194	\$ 10.00	\$ 1,940.00
13	Concrete Curb and Gutter (1.5' Wide)Vertical 'Spill'	LF	370	\$ 9.00	\$ 3,330.00
14	Monolithic, Vertical Curb, Gutter, and Sidewalk (' Wide)	LF	0	\$ -	\$ -
15	Drive-Over 'Carry' Concrete Curb and Gutter (3 ' Wide)	LF	3290	\$ 14.00	\$ 46,060.00
16	Concrete Sidewalk (5 ' Wide)	LF	1220	\$ 10.00	\$ 12,200.00
17	Concrete Gutter and Driveway Section (" Thick)	SY	0	\$ -	\$ -
18	Concrete Drainage Pan (4 ' Wide, 6 " Thick)	LF	250	\$ -	\$ -
19	Concrete Corner Fillet	SY	0	\$ -	\$ -
20	Concrete Curb Ramp	SY	0	\$ -	\$ -
21	Complete Concrete Corner	SY	0	\$ -	\$ -
22	Concrete Driveway (6 " Thick)	SY	285	\$ 10.00	\$ 2,850.00
23	Driveway/Concrete Repair	SY	0	\$ -	\$ -
24	Retaining Walls	LF	2000	\$ 12.00	\$ 24,000.00
25	Street Signs	EA	8	\$ 500.00	\$ 4,000.00
26	Striping (New, Remove/Replace)	LF	0	\$ -	\$ -
27	Street Lights	EA	1	\$ 10,000.00	\$ 10,000.00
28	Signal Construction or Reconstruction	LS	0	\$ -	\$ -
29	Flowable Fill	CY	0	\$ -	\$ -
30	Sleeves, " , PVC	LF	0	\$ -	\$ -

Item#	Item Description	Unit	Quantity	Unit Price	Extended Price
C2 BRIDGES					
1	Box Culvert Pre-Cast	LS	0	\$ -	\$ -
2	Box Culvert Cast-in-Place	LS	0	\$ -	\$ -
3	Wingwalls	LS	0	\$ -	\$ -
4	Parapet Wall	LS	0	\$ -	\$ -
5	Railing (handrail, guardrail)	LS	0	\$ -	\$ -
Subtotal Part C - Streets and Bridges					\$ 157,440.00
D1 EARTHWORK					
1	Mobilization	LS	0	\$ -	\$ -
2	Cleaning and Grubbing	AC	4998	\$ 2.00	\$ 9,996.00
3	Unclassified Excavation	CY	250	\$ 5.00	\$ 1,250.00
4	Unclassified Embankment	CY	0	\$ -	\$ -
5	Silt Fence	LF	1000	\$ 5.00	\$ 5,000.00
6	Watering (Dust Control)	AC or LS	0	\$ -	\$ -
D2 REMOVALS AND RESETTING					
1	Removal of Asphalt	SY	0	\$ -	\$ -
2	Removal of Miscellaneous Concrete	SY	0	\$ -	\$ -
3	Remove Curb and Gutter	LF	0	\$ -	\$ -
4	Removal of Culverts	LF	0	\$ -	\$ -
5	Remove Structures	EA	0	\$ -	\$ -
6	Remove Signs	EA	0	\$ -	\$ -
7	Remove Fence	LF	0	\$ -	\$ -
8	Adjust Manhole	EA	0	\$ -	\$ -
9	Adjust Valvebox	EA	0	\$ -	\$ -
10	Relocate or Adjust Utilities	LS	0	\$ -	\$ -
D3 SEEDING AND SOIL RETENTION					
1	Sod	SY	0	\$ -	\$ -
2	Seeding (Native)	AC	1.00	\$ 15,000.00	\$ 15,000.00
3	Seeding (Bluegrass/Lawn)	AC	2.05	\$ 10,000.00	\$ 20,500.00
4	Hydraulic Seed and Mulching	SY or AC	0	\$ -	\$ -
5	Soil Retention Blanket	SY	0	\$ -	\$ -


Item#	Item Description	Unit	Quantity	Unit Price	Extended Price
D4	STORM DRAINAGE FACILITIES				
1	Finish Grading (incl. Channels, Swales, and Ponds)	CY	50	\$ 10.00	\$ 500.00
2	18 " RCP Storm Drain Pipe	LF	250	\$ 30.00	\$ 7,500.00
3	" Storm Drain Pipe	LF	0	\$ -	\$ -
4	" Storm Drain Pipe	LF	0	\$ -	\$ -
5	" Storm Drain Pipe	LF	0	\$ -	\$ -
6	" Storm Drain Pipe	LF	0	\$ -	\$ -
7	18 " Flared End Section	EA	3	\$ 250.00	\$ 750.00
8	" Flared End Section	EA	0	\$ -	\$ -
9	48" Storm Drain Manhole	EA	0	\$ -	\$ -
10	60" Storm Drain Manhole	EA	0	\$ -	\$ -
11	72" Storm Drain Manhole	EA	0	\$ -	\$ -
12	Manhole with Box Base	EA	0	\$ -	\$ -
13	Connection to Existing MH	EA	0	\$ -	\$ -
14	Single Curb Opening Storm Drain Inlet	EA	2	\$ 2,500.00	\$ 5,000.00
15	Double Curb Opening Storm Drain Inlet	EA	0	\$ -	\$ -
16	Area Storm Drain Inlet	EA	0	\$ -	\$ -
17	Detention Area Outlet Structure	EA	0	\$ -	\$ -
18	Rip-Rap D ₅₀ = 12"	CY	63.4	\$ 30.00	\$ 1,902.00
19	Sidewalk Trough Drain	EA	0	\$ -	\$ -
20	Pump Systems including Electrical	LS	0	\$ -	\$ -
	Subtotal Part D - Grading and Drainage				\$ 67,398.00

Item#	Item Description	Unit	Quantity	Unit Price	Extended Price
E1	IRRIGATION				
1	Connection to Existing Pipeline	LS	1	\$ 3,000.00	\$ 3,000.00
2	4 " PVC Irrigation Pipe	LF	1	\$ 2,000.00	\$ 2,000.00
3	" Irrigation Pipe	LF	1	\$ 2,000.00	\$ 2,000.00
4	Fittings and Valves	LS	1	\$ 26,500.00	\$ 26,500.00
5	Services	EA	1	\$ -	\$ -
6	Pump System and Concrete Vault	LS	1	\$ 6,000.00	\$ 6,000.00
7	Irrigation Structure	EA	0	\$ -	\$ -
8	Vacuum Relief and/or Air Release Valve	EA	1	\$ 1,000.00	\$ 1,000.00
E2	LANDSCAPING				
1	Design/Architecture	LS	1	\$ 5,000.00	\$ 5,000.00
2	Earthwork	CY	1	\$ 12,000.00	\$ 12,000.00
3	Hardscape Features	LS	0	\$ -	\$ -
4	Plant Material & Planting	LS	1	\$ 60,000.00	\$ 60,000.00
5	Irrigation System	LS	1	\$ 36,000.00	\$ 36,000.00
6	Curbing	LF	0	\$ -	\$ -
7	Retaining Walls & Structures	LS	0	\$ -	\$ -
8	1 Year Maintenance Agreement	LS	0	\$ -	\$ -
9	Topsoil		1	\$ 6,000.00	\$ 6,000.00
E	Subtotal Part E - Landscaping and Irrigation				\$ 159,500.00

Item#	Item Description	Unit	Quantity	Unit Price	Extended Price
F. Miscellaneous Items					
1	Construction Staking/Surveying	%	2.00%	\$ 20,000.00	\$ 400.00
2	Developers Inspection Cost	%	100.00%	\$ 10,000.00	\$ 10,000.00
3	General Construction Supervision	%	100.00%	\$ 20,000.00	\$ 20,000.00
4	Quality Control Testing	%	2.00%	\$ 15,000.00	\$ 300.00
5	Construction Traffic Control	%	100.00%	\$ 3,000.00	\$ 3,000.00
6	City Inspection Fees	%	0.50%	\$ 10,000.00	\$ 50.00
7	As-Builts	%	2.00%	\$ 3,000.00	\$ 60.00
Subtotal Part F - Miscellaneous Items					\$ 33,810.00
% = Percentage of total site construction costs					
G. COST SUMMARY					
1	Total Improvement Costs				\$ 536,555.00
2	City Security (20%)				\$ 107,311.00
3	Total Guarantee Amount				\$ 643,866.00

NOTES

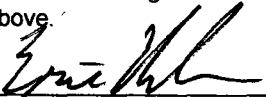
1. All prices shall be for items complete in place and accepted.
2. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction.
3. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenance, not itemized elsewhere.
4. All concrete items shall include 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.



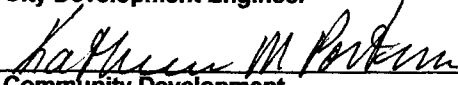
 Signature of Developer Date

(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

COLORADO CAPITAL
BANK
CHERRY CREEK

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

Irrevocable Letter of Credit No. 95006374
Dated: June 16, 2006
Expiration: June 16, 2007 subject to the automatic extensions stated below

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 95006374 in favor of the City of Grand Junction at the request of and for the account of Shadow Run, LLLP in the amount of six hundred seventy-four thousand eight hundred eighty-four and 80/100 (\$674,884.80) 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 June 16, 2007 subject to the automatic extensions discussed below;
- 3) this Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Colorado Capital Bank Letter of Credit No. 95006374 dated June 16, 2006";
- 4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the Shadow Run, LLLP 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 signed draft;
- 6) **Shadow Run, LLLP 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 automatically extend for a period of six (6) months from the present or any future expiration dates 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.

COLORADO CAPITAL
BANK
CHERRY CREEK

- 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.



Martin P. May, Senior Vice President

**RECORDING MEMORANDUM
Exhibit D**

City of Grand Junction
Community Development Department Community Development
File: # FFP-2006-039

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 Shadow Run, LLLP (Developer) and the City of Grand Junction (City) pertaining to Shadow Run at the Ridges (Project), located at Lakeridge Dr. & W. Ridges Blvd.

(Subject subdivision is more particularly depicted and described in the recording found at Plat Book 4263, Pages 201.)

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 # FFP-2006-039.

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:  6/9/2006
Date

(Print Name) Alan Westfall

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.

 9-29-06
Community Development Department Date

DEVELOPMENT IMPROVEMENTS SCHEDULE EXTENTION AGREEMENT

This Agreement is entered into this 17th day of August, 2007, by and between Shadow Run LLLP (Developer) and the City of Grand Junction (City).

Developer and City entered into a Development Improvements Agreement (DIA) for the following project, with a Completion Date as referenced here:

Project Name: Shadow Run at the Ridges

Planning Department File No: FPP-2006-039

Project Completion Date in DIA: August 9, 2007

As additional time is needed to complete required improvements, Developer has requested an extension of the completion date for the development improvements referenced in said DIA.

The development schedule is revised as follows: Site improvements are scheduled to be completed by September 30, 2007.

The Completion Date is extended as follows: December 19, 2007

The security bank/issuer/disburser has acknowledged and consented to the extension of the letter of credit or disbursement agreement as requested, as evidenced by the bank/issuer/disburser signature below.

Developer: [Signature] Shadow Run LLLP

City: [Signature] Planner

Scott H. FRIEDMAN Print Name

Development Engineer

STATE OF COLORADO) COUNTY OF DOUGLAS) ss

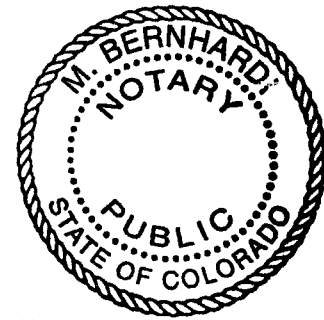
Acknowledged before me and subscribed in my presence by Scott H. Friedman on this the 17th day of August 2007.

Witness my hand and seal. My commission expires: 02/12/2011

[Signature] Notary Public

Acknowledge and consent to extension of security for the DIA:

[Signature] v.p. James C. HARVEY Print Name Vice President 8-21-07 Title Date Colorado Capital Bank Company/Bank



My Commission Expires 02/12/2011



June 27, 2008

Mr. Allen Westfall
Shadow Run LLLP
399 Perry Street Suite 300
Castle Rock, Colorado 80104

RE: Project Name: Shadow Run Townhomes
Project Number: FPP-2006-039

Dear Mr. Westfall:

An initial inspection of the subdivision for initial acceptance was completed on June 23, 2008. The following punch list of items needs to be completed before initial acceptance of the project is granted:

Concrete

Item 1: The curb and gutter is broken at the south return of Cliff View Drive and Ridges Boulevard and needs to be replaced.

Asphalt

Item 1: The second lift of asphalt needs to be placed before the intersections with Ridges Boulevard and East Lakeridge Drive can be accepted of initial warranty.

Storm Drain System

Item 1: The drainage swale along Ridges Boulevard needs to be reestablished to provide storm drainage to the north. This is not a driveway for construction activities on the site.

Item 2: The intersection grading at East Lakeridge Drive does not appear to be correct. It appears that the cross pan is too high to provide storm drainage from south to north on the east side of East Lakeridge Drive. The City will need a drawing of the intersection showing elevations of the drainage paths from the south to the north along East Lakeridge Drive. It appears that there is a swale on the south side of the intersection that needs to be considered. This intersection grading will need to be corrected before initial acceptance of the development can be started.

Item 3: There was a 6" pvc pipe that used to provide storm drainage from East Lakeridge Drive plugged with a rock. The developer will need to either reroute this pipe to a better location or regrade the ditch to convey the historic storm water along East Lakeridge Drive.

Traffic

Item 1: Install street name signs and stop signs at all of the intersections as needed.

Retaining Wall

Item 1: The engineer of record will need to provide to the City a letter certifying that the retaining walls constructed on the site were built to the design parameters for the soils conditions at the site.

June 16, 2010

Colorado Capital Bank
90 Madison Street, Suite 102
Denver, CO 80206

RE: Shadow Run, LLLP, Shadow Run Townhomes
Irrevocable Letter of Credit No. 95006374
Certified Mail #7008 2810 0000 5413 6711


Dear Sir/Madam:

The Bank of Colorado has provided a letter of credit in the amount of \$674,884.80 for certain improvements to be constructed by Shadow Run, LLLP, Alan Westfall, Manager (Developer), in connection with a development within the City of Grand Junction known as Shadow Run Townhomes.

This letter shall constitute NOTICE by the City of Grand Junction that the Improvements have not been satisfactorily and timely constructed by the Developer and as well as a DEMAND that the Bank of Colorado immediately release and tender funds in the amount of \$674,884.80 to the City of Grand Junction pursuant to the terms of the letter of credit and the Development Improvements Agreement executed by Shadow Run, LLLP, copies of which are attached hereto..

OFFICE OF THE CITY ATTORNEY

CITY ENGINEER



Shelly S. Dackonish, Senior Staff Attorney



Eric Hahn, Engineer

Encl.

Cc: Alan Westfall, Developer
Greg Moberg, Planning Services Supervisor
Tim Moore, Public Works & Planning Director
Leslie Ankrum, Sr. Administrative Assistant



CMR Investments
Michael Bosma
1885 Quince Ave,
Boulder, CO 80304

September 7, 2010

RE: **Notice of Final Acceptance**
Project: Shadow Run – Phase 1 (FPP-2006-039)

The City has conducted a warranty inspection of the Project and any needed follow-up inspections. The public infrastructure improvements have been found to be in satisfactory condition. All requirements for the Final Acceptance of the Project have been fulfilled. The Developer's warranty obligations, for all materials and workmanship, have concluded and are hereby released.

The following public improvements are accepted for future maintenance by the City:

Public streets:

- N/A, all streets are private and must be maintained by the Shadow Run HOA.

Storm drainage system:

- All storm facilities within the private development, including inlets, culverts, storm mains, manholes, etc., must be maintained by the Shadow Run HOA. Storm drain pipe outlets within the public right of way will be maintained as part of the overall public street system.

Water distribution system:

- NA, Ute Water

Sanitary sewer:

- All sewer mains installed in public easements as part of this project.

The City Planner will release the Development Improvements Agreement, the Maintenance Agreement and any financial security attached to the project.

Sincerely,

Eric Hahn, PE
Development Engineer

EC: Greg Moberg, Planning Services Supervisor
Shelly Dackonish, Staff Attorney
Larry Brown, Sanitary Sewer System
Ed Tolen, Ute Water
Andrew Leemhuis, AGR Building

Mark Barslund, Development Inspector
Chris Spears, Streets & Storm Drainage System
Lori Bowers, Senior Planner
Leslie Ankrum, Sr. Administrative Assistant



Public Works & Planning
Planning Division

September 10, 2010

Colorado Capital Bank
90 Madison Street, Suite 102
Denver, CO 80206

Re: Cancellation of Letter of Credit #**95006374**, **Shadow Run, LLP**
Internal Reference: **Shadow Run Townhouses FPP-2006-039**

To Whom It May Concern:

Enclosed please find the original Letter of Credit #**95006374** for **Shadow Run, LLP**. 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,

A handwritten signature in cursive script that reads "Lisa E. Cox".

Lisa E. Cox, Planning Manager

Encl. Letter of Credit #**95006374**

Pc: Planning File FPP-2006-039
Peggy Sharpe, Planning

Developer:
CMR Investments
Attn: Mr. Michael Bosma
1885 Quince Avenue
Boulder, CO 80304

COLORADO CAPITAL
BANK
CHERRY CREEK

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

Irrevocable Letter of Credit No. 95006374

Dated: June 16, 2006

Expiration: June 16, 2007 subject to the automatic extensions stated below

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. 95006374 in favor of the City of Grand Junction at the request of and for the account of Shadow Run, LLLP in the amount of six hundred seventy-four thousand eight hundred eighty-four and 80/100 (\$674,884.80) 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 June 16, 2007 subject to the automatic extensions discussed below;
- 3) this Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Colorado Capital Bank Letter of Credit No. 95006374 dated June 16, 2006";
- 4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the Shadow Run, LLLP 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 signed draft;
- 6) **Shadow Run, LLLP 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 automatically extend for a period of six (6) months from the present or any future expiration dates 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.

COLORADO CAPITAL
BANK
CHERRY CREEK

- 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.



Martin P. May, Senior Vice President

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction
Public Works & Planning Department
FILE: FPP-2006-039

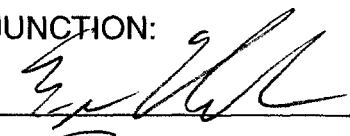
This Release relates to a Recording Memorandum dated September 29, 2006, by and between Shadow Run, LLLP (Developer) and the City of Grand Junction, pertaining to Shadow Run Townhomes (Project), located at Lakeridge Drive & West Ridges Blvd, Grand Junction, CO, recorded at Book 4263, Page 284, Mesa County 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.

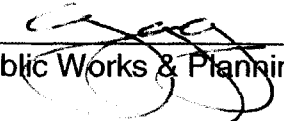
NOW THEREFORE, officials of the City of Grand Junction, duly representing their agencies, possessing and representing by their signatures affixed hereto, that they possess sufficient authority to accept improvements and may release the Development Improvements Agreement and/or Maintenance Guarantee, 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:  Date: 9/9/10


Planner:  Date: 9/9/10

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.

 Public Works & Planning Department Date 9.9.10

The foregoing instrument was executed before me this 9th day of September, 2010, by Greg Moberg, of the Public Works & Planning Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:


Leslie G. Ankrum, Notary Public

My commission expires on 8/21/2013



My Commission Expires 08/21/2013



CMR Investments
Michael Bosma
1885 Quince Ave,
Boulder, CO 80304

September 7, 2010

RE: **Notice of Final Acceptance**
Project: Shadow Run – Phase 1 (FPP-2006-039)

The City has conducted a warranty inspection of the Project and any needed follow-up inspections. The public infrastructure improvements have been found to be in satisfactory condition. All requirements for the Final Acceptance of the Project have been fulfilled. The Developer's warranty obligations, for all materials and workmanship, have concluded and are hereby released.

The following public improvements are accepted for future maintenance by the City:

Public streets:

- N/A, all streets are private and must be maintained by the Shadow Run HOA.

Storm drainage system:

- All storm facilities within the private development, including inlets, culverts, storm mains, manholes, etc., must be maintained by the Shadow Run HOA. Storm drain pipe outlets within the public right of way will be maintained as part of the overall public street system.

Water distribution system:

- NA, Ute Water

Sanitary sewer:

- All sewer mains installed in public easements as part of this project.

The City Planner will release the Development Improvements Agreement, the Maintenance Agreement and any financial security attached to the project.

Sincerely,

Eric Hahn, PE
Development Engineer

EC: Greg Moberg, Planning Services Supervisor
Shelly Dackonish, Staff Attorney
Larry Brown, Sanitary Sewer System
Ed Tolen, Ute Water
Andrew Leemhuis, AGR Building

Mark Barslund, Development Inspector
Chris Spears, Streets & Storm Drainage System
Lori Bowers, Senior Planner
Leslie Ankrum, Sr. Administrative Assistant



PUBLIC WORKS & PLANNING

September 9, 2010

CMR Investments
Michael Bosma
1885 Quince Ave,
Boulder, CO 80304

RE: Release of funds for Shadow Run (file number FPP-2006-039)

Dear Mr. Bosma:

We are ready to release the funds held as security in the Development Improvements Agreement for Shadow Run, Phase 1. We have prepared the paper work, but we need a check made payable to the Mesa County Clerk and Recorder in the amount of \$11.00 in order complete this process. Thank you for your cooperation in this matter. Should you have any questions please feel free to contact me at 970-256-4033 or by email at lorib@gjcity.org.

Sincerely,

City of Grand Junction

Lori V. Bowers
Senior Planner



Public Works & Planning
Planning Division

September 10, 2010

Colorado Capital Bank
90 Madison Street, Suite 102
Denver, CO 80206

Re: Cancellation of Letter of Credit #95006374, Shadow Run, LLP
Internal Reference: **Shadow Run Townhouses FPP-2006-039**

To Whom It May Concern:

Enclosed please find the original Letter of Credit #95006374 for **Shadow Run, LLP**. 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,

A handwritten signature in cursive script, appearing to read "Lisa E. Cox".

Lisa E. Cox, Planning Manager

Encl. Letter of Credit #95006374

Pc: Planning File FPP-2006-039
Peggy Sharpe, Planning

Developer:
CMR Investments
Attn: Mr. Michael Bosma
1885 Quince Avenue
Boulder, CO 80304

COLORADO CAPITAL
— BANK —
CHERRY CREEK

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

Irrevocable Letter of Credit No. 95006374

Dated: June 16, 2006

Expiration: June 16, 2007 subject to the automatic extensions stated below

Dear Sirs:

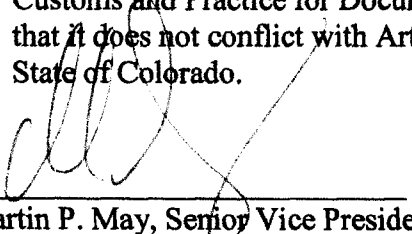
We hereby establish our Irrevocable Letter of Credit No. 95006374 in favor of the City of Grand Junction at the request of and for the account of Shadow Run, LLLP in the amount of six hundred seventy-four thousand eight hundred eighty-four and 80/100 (\$674,884.80) U.S. dollars.

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

- 1) it is effective upon signature;
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- 4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the Shadow Run, LLLP 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 signed draft;
- 6) **Shadow Run, LLLP 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 \$ _____.**
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COLORADO CAPITAL
BANK
CHERRY CREEK

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- 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.



Martin P. May, Senior Vice President

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction
Public Works & Planning Department
FILE: FPP-2006-039

This Release relates to a Recording Memorandum dated September 29, 2006, by and between Shadow Run, LLLP (Developer) and the City of Grand Junction, pertaining to Shadow Run Townhomes (Project), located at Lakeridge Drive & West Ridges Blvd, Grand Junction, CO, recorded at Book 4263, Page 284, 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: [Signature] Date: 9/9/10
Planner: Luigi V. Boman Date: 9/9/10

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

[Signature] Public Works & Planning Department Date 9.9.10

The foregoing instrument was executed before me this 9th day of September, 2010, by Greg Moberg, of the Public Works & Planning Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

[Signature]
Leslie G. Ankrum, Notary Public

My commission expires on 8/21/2013



My Commission Expires 08/21/2013