

THH03DRD

TYPE OF RECORD: PERMANENT

CATEGORY OF RECORD: **DEVELOPMENT IMPROVEMENTS AGREEMENT**

NAME OF CONTRACTOR: THH – BENCHMARK LLC

SUBJECT/PROJECT: WESTLAND ESTATES SUBDIVISION – FILING TWO

LOCATION: 2986 D ROAD

TAX PARCEL #: 2943-174-00-130

FILE #: FP-2002-160

CITY DEPARTMENT: COMMUNITY DEVELOPMENT

YEAR: 2003

EXPIRATION DATE: NONE

DESTRUCTION DATE: NONE

Date: 5-19-04

City of Grand Junction
Attn: KRISTEN ASHBECK
Community Development Department
250 N. 5th Street
Grand Junction, CO 81501

Re: Development Improvements Agreement Extension
Extension of Security for the DIA
Project: WESTLAND ESTATES - FLG. 2

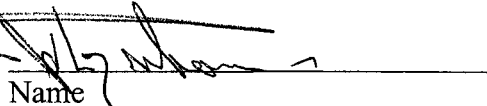
Dear KRIS:

An extension of the Development Improvements Agreement ("DIA") and security for the DIA are required for the project captioned above. The completion date set forth in the DIA is 5/27/04. Additional time is needed to complete all required improvements. Attached is the revised development schedule. It is requested that the DIA be extended for an additional TWELVE days/months/year (circle the appropriate period). The necessary bank/issuer/disburser has acknowledged and consented to the extension of the letter of credit or disbursement agreement as requested. (No bank/issuer/disburser signature is required if the security is cash.)

Developer:



Acknowledge and consent to extension of security for the DIA:



Name
Tom Graham, Vice President 5/24/04
Title Date
VECTRA BANK Colorado, National Association
Company/Bank

NOTE:
FENCE WORK IS SUBSTANTIALLY COMPLETE
D-ROAD SOUTH SIDE WIDENING IS IN PROGRESS 5/19
PLANTING MATERIALS ARE ORDERED
IRRIGATION TO PLANTING IS SUBSTANTIALLY COMPLETE

WESTLAND ESTATES SUBDIVISION - FILING TWO

(UPDATED TO 4-26-03 FOR
RECORDING OF THE PLAT)

FP-2002-160

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("the Agreement" or "Agreement") are THH - Benchmark LLC ("the Developer") and **THE CITY OF GRAND JUNCTION**, Colorado ("the City" or "City").

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

2. **Effective Date:** The Effective Date of the Agreement will be the date that this agreement is signed 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 within the City to be known as WESTLAND ESTATES SUBDIVISION - Filing Two, which property is more particularly described on Exhibit A attached and incorporated by this reference ("the Property" or "Property"). The City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements in the Property and limiting the harmful effects of substandard developments. The purpose of this Agreement is to protect the City from the cost of completing necessary improvements itself and is not executed for the benefit of materialmen, laborers, or others providing work, services or material to the Developer and/or the Property or for the benefit of the owners, purchasers or users of the Property. The mutual promises, covenants, and obligations contained in this Agreement are authorized by state law, the Colorado Constitution and the City's land development ordinances.

DEVELOPER'S OBLIGATION

3. **Improvements:** The Developer will design, construct and install, at its own expense, those on-site and off-site improvements listed on Exhibit B attached and incorporated by this reference ("the Improvements" or "Improvements"). The Developer agrees to pay the City for inspection services performed by the City, in addition to amounts shown on Exhibit B. The hourly rate of "in-house" City inspection services is \$45.00 per hour. The scope of this project is such that the City may have to engage independent consultant(s) to adequately provide inspection services; Developer agrees to pay such costs, in addition to all others for which Developer is responsible hereunder. The Developer's obligation to complete the improvements is and will be independent of any obligations of the City contained herein.

4. **Security:** To secure the performance of its obligations under this Agreement the Developer shall supply a guarantee in a form and with terms acceptable to the City. A copy of which or a memorandum thereof is attached as Exhibit C.

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

6. **Warranty:** The Developer warrants that the Improvements, each and every one of them, will be free from defects for a period of twelve (12) months from the date that the City Engineer accepts or approves the last Improvement completed by the Developer.

7. **Commencement, Completion and Abandonment Periods:** The Developer will commence work on the Improvements within 14 days from the Effective Date of this Agreement 5.27.03 (set date) ("the Commencement Period") and the Improvements, each and every one of them, shall be completed by the end of the 12 month from the Effective Date of this Agreement 5.27.04 (set date) (the "Completion Period"). The Developer shall not cease construction activities for any period of more than 60 consecutive days ("the Abandonment Period").

8. **Compliance with Law:** The Developer shall comply with all applicable federal, state and local laws, ordinances and regulations in effect at the time of final approval when fulfilling its obligations under this Agreement. When necessary to protect the public health, safety or welfare, the Developer shall be subject to laws, ordinances and regulations that become effective after final development approval.

9. **Notice of Defect:** The Developer's Engineer shall provide timely notice to the Developer, contractor, issuer of security and the City Engineer whenever inspection reveals, or the Developer's Engineer otherwise has knowledge, that an improvement does not conform to City standards and any specifications approved in the development application or is otherwise defective. The Developer will have thirty (30) days from the issuance of such notice to correct the defect. The City may grant reasonable extensions.

10. **Acceptance of Improvements:** The City's final acceptance and/or approval of Improvements will not be given or obtained until the Developer presents a document or documents, for the benefit of the City, showing that the Developer owns the Improvements in fee simple or as accepted by the City Attorney and 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 that is detected or which occurs after approval and/or acceptance.

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

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

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

- a. Developer's failure to complete each portion of the Improvements in conformance with the time schedule provided in paragraph number seven (7.), above;
- b. Developer's failure to demonstrate reasonable intent to correct defective construction of any Improvement within the applicable correction period;
- c. Developer's insolvency, the appointment of a receiver for the Developer or the filing of a voluntary or involuntary petition in bankruptcy respecting the Developer; in such event the City may immediately declare a default without prior notification to the Developer;
- d. Notification to the City, by any lender with a lien on the property, of a default on an obligation; the City may immediately declare a default without prior notification to the Developer;
- e. Initiation of any foreclosure action of any lien or initiation of mechanics lien(s) procedure(s) against the Property or a portion of the Property or assignment or conveyance of the Property in lieu of foreclosure; the City may immediately declare a default without prior notification to the Developer.

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

14. **Measure of Damages:** The measure of damages for breach of this Agreement by the Developer will be the reasonable cost of satisfactorily completing the Improvements plus reasonable City administrative expenses. Administrative expenses may include but are not limited to contracting costs, collection costs and the value of planning, engineering, legal and administrative staff time devoted to the collection/completion of the Improvements. For Improvements upon which construction has not begun, the estimated costs of the Improvements as shown on Exhibit B will be *prima facie* evidence of the minimum cost of completion, however, neither that amount or the amount of a letter of credit, the subdivision improvements disbursement agreement or cash escrow or other guarantee establish the maximum amount of the Developer's liability.

15. City's Rights Upon Default: When any event of default occurs, the City may draw on the letter of credit, escrowed collateral, or proceed to collect any other security to the extent of the face amount of the credit or full amount of escrowed collateral, cash, or security less ninety percent (90%) of the estimated cost (as shown on Exhibit B) of all Improvements previously accepted by the City or may exercise its rights to disbursement of loan proceeds or other funds under the improvements disbursement agreement. The City will have the right to complete Improvements itself or it may contract with a third party for completion, and the Developer grants to the City, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Property for the purposes of constructing, reconstructing, maintaining and repairing such Improvements. Alternatively, the City may assign the proceeds of the letter of credit, the improvements disbursement agreement, the escrowed collateral, cash, or other funds or assets to a subsequent developer (or lender) who has acquired the Property by purchase, foreclosure or otherwise who will then have the same rights of completion as the City if and only if the subsequent developer (or lender) agrees in writing to complete the unfinished Improvements and provides to the City reasonable security for the obligation. In addition, the City may also enjoin the sale, transfer, or conveyance of lots within the development, until the Improvements are completed or accepted. These remedies are cumulative in nature and are in addition to any other remedies the City has at law or in equity.

16. Indemnification: The Developer expressly agrees to indemnify and hold the City, its officers, employees, agents and assigns harmless from and against all claims, costs and liabilities of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the performance or non-performance of work at the Property or the Property being developed pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance or non-performance of work pursuant to this Agreement. The Developer further agrees to aid and defend the City in the event that the City is named as a defendant in an action concerning the performance of work pursuant to this Agreement except where such suit is brought by the Developer against the City. The Developer is not an agent or employee of the City.

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

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

19. **Attorney's Fees:** Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If relief is awarded to both parties, the attorney's fees may be equitably divided between the parties by the decision maker.

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

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

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

23. **Time:** For the purpose of computing the Abandonment and Completion Periods, and time periods for City action, such times in which war, civil disasters, or acts of God occur or exist will not be included if such times prevent the Developer or City from performing its obligations under the Agreement.

24. **Severability:** If any part, term, or provision of this Agreement is held by a court or courts of competent jurisdiction to be illegal or otherwise unenforceable, such illegality or unenforceability will not affect the validity of any other part, term, or provision and the rights of the parties will be construed as if the part, term, or provision was never part of the Agreement.

25. **Benefits:** The benefits of this Agreement to the Developer are personal and may not be assigned without the express written approval of the City. Such approval may not be unreasonably withheld, but any unapproved assignment is void. Notwithstanding the foregoing, the burdens of this Agreement are personal obligations of the Developer and also will be binding on the heirs, successors and assigns of the Developer and shall be a covenant(s) running with the Property. There is no prohibition on the right of the City to assign its rights under this Agreement. The City will expressly release the original Developer's guarantee or obligations if it accepts new security from any developer or lender who obtains the Property, however, no other act of the City will constitute a release of the original Developer from his liability under this Agreement. When the Improvements are completed and approved by the City, the City agrees to state same in writing, with appropriate acknowledgments. The City will sign a release only after all warranty periods, as extended by litigation, repair or alteration work, have expired.

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

If to Developer: THH - Benchmark LLC
Richard Traver, Manager
2967 D $\frac{1}{2}$ Road
Grand Junction, Colorado 81504

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

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

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

29. **Personal Jurisdiction and Venue:** Personal jurisdiction and venue for any action commenced by either party to this Agreement whether arising out of or relating to the Agreement, letter of credit, improvements disbursements agreement, or cash escrow agreement or any action to collect security will be deemed to be proper only if such action is commenced in Mesa County, Colorado. The Developer expressly waives his right to bring such action in or to remove such action to any other court whether state or federal.

30. a. **Conditions of Acceptance:** The City shall have no responsibility or liability with respect to any street, or other improvement(s), notwithstanding the use of the same by the public, unless the street or other improvements shall have been finally accepted by the City.

b. **Phased Development:** If the City allows a street to be constructed in stages, the Developer of the first one-half street opened for traffic shall construct the adjacent curb, gutter and sidewalk in the standard location and shall construct the required width of pavement from the edge of gutter on his side of the street to enable an initial two-way traffic operation without on-street parking. That Developer is also responsible for end-transitions, intersection paving, drainage facilities, and adjustments to existing utilities necessary to open the street to traffic.

c. Prior to requesting final acceptance of any street, storm drainage facility, or other required improvement(s), the Developer shall: (i) furnish to the City engineer as-built drawings in reproducible form, blue-line stamped and sealed by a professional engineer and in computer disk form and copies of results of all construction control tests required by City specification; (ii) provide written evidence to the City Engineer under signature of a qualified expert that the earth, soils, lands and surfaces upon, in and under which the improvements have been constructed, or which are necessary for the improvements, are free from toxic, hazardous or other

regulated substances or materials: (iii) provide written evidence to the City Attorney that the title to lands underlying the improvements are free and clear from all liens and encumbrances, except those items and encumbrances which may be approved in writing by the City Attorney.

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

Pat Leis 6/3/03
Director of Community Development date

Attest:

City Clerk date

Richard Traver 4-25-03
By: Richard Traver 9-24-02
Developer date

By: William L. Gibson 5/14/03
Vectra Bank Colorado

Name: William L. Gibson
Position: Sr. Vice President

Name (printed): Richard Traver

Its (position): Manager/Developer

Attest:

Secretary date

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

EXHIBIT A

Tax Schedule Reference: (2943-174-00-130) 2943-174-23-001

That portion of the west 990 feet of that part of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ lying south of the Grand Valley Irrigation Company Canal, in Section 17, Township 1 South, Range 1 East, of the Ute Meridian, Mesa, Colorado, known as Block 4, Lot One of the Westland Estates Subdivision, as recorded in Book 18, Pages 398 & 399, with the Mesa County Clerk and Recorder on May 9, 2002.

EXHIBIT B

IMPROVEMENTS LIST/DETAIL

(Page 1 of 3)

DATE: APRIL 26, 2003
 NAME OF DEVELOPMENT: WESTLAND ESTATES - FILING TWO
 LOCATION: 2986 D - ROAD, GRAND JCT., CO
 PRINTED NAME OF PERSON PREPARING: JOHN KORNFELD, P.E.

	UNITS	TOTAL QTY.	UNIT PRICE	TOTAL AMOUNT	% COMPL.	TOTAL BALANCE
I. SANITARY SEWER						
1. Clearing and grubbing	SY		INCL. IN SURFACE PREP.			0
2. Cut and remove asphalt	LF	100	2.50	250.	100	0
3. PVC sanitary sewer main (incl. trenching, bedding & backfill)	LF	1660	15.00	24,900.	100	0
4. Sewer Services (incl. trenching, bedding, & backfill)	EA	25	400	10,000.	100	0
5. Sanitary sewer manhole(s)	EA	11	1400	15,400.	100	0
6. Connection to existing manhole(s)	EA	1	3000	3,000.	100	0
7. Aggregate Base Course	T	6	15	90.	0	90.
8. Pavement replacement	SY	50	12	600.	100	0
9. Driveway restoration	-	0		0.		0.
10. Utility adjustments	-	0		0.		0.
				54,250.		
II. DOMESTIC WATER						
1. Clearing and grubbing	SY		INCL. IN SURF. PREP.			0
2. Cut and remove asphalt	LF	0.		0.		0
3. Water Main (incl. excavation, bedding, backfill, valves and appurtenances)	LF	1550	18.00	27,900.	100	0
	LS	1	11,000.	11,000.	100	0
4. Water services (incl. excavation, bedding, backfill, valves, and appurtenances)	EA	21	450	9,450.	100	0
5. Connect to existing water line	EA	1	750.	750.	100	0
6. Aggregate Base Course	T	5	15	75.	100	0
7. Pavement Replacement	SY	10	10	100.	100	0
8. Utility adjustments	LS	1	250	250.	100	0
				49,525.		
III. STREETS						
1. Clearing and grubbing	SY	8,000.	.20	1,600.	100	0
2. Earthwork, including excavation and embankment construction	CY	2,500.	2.00	5,000.	100	0
3. Utility relocations	EA	0		0		0
4. Aggregate sub-base course (square yard)	T	0		0		0

5. Aggregate base course (square yard)	T	2,500.	12	30,000.	80	6,000.
6. Sub-grade stabilization	SY	7,300.	1.00	7,300.	100	0
7. Asphalt or concrete pavement (square yard)	SY	5,350.	7.00	37,450.	0	37,450.
8. Curb, gutter & sidewalk (linear feet)	LF	2,950.	14.	41,300.	100	0
9. Driveway sections (square yard)	SY	0		0		0
10. Crosspans & fillets	SF	1200	8.	9,600.	100	0
11. Retaining walls/structures	LF	0		0		0
12. Storm drainage system	LS	1	6,000.	6,000.	100	0
13. Signs and other traffic control devices	EA	5	150.	750.	0	750.
14. Construction staking	LS	1	5,775.	5,775.	90	578.
15. Dust control	LS	1	1,500.	1,500.	90	150.
16. Street lights (each)	EA	5	INCL. UNDER V13			0
151,275.						
IV. LANDSCAPING						
1. Design/Architecture	LS	0		0		0
2. Earthwork (includes top soil, fine grading, & berming)	LS	1	4000.	4000.	75	1000.
3. Hardscape features (includes walls, fencing, and paving)	LS	1	5,000.	5,000.	0	5,000.
4. Plant material and planting	LS	1	3,500.	3,500.	0	3,500.
5. Irrigation system	LS	1	15,000.	15,000.	10	13,500.
6. Other features (incl. statues, water displays, park equipment, and outdoor furniture)	NA	0		0		0
7. Curbing	LF	0		0		0
8. Retaining walls and structures		0		0		0
9. One year maintenance agreement		0		0		0
27,500.						
V. MISCELLANEOUS						
1. Design/Engineering	LS	1	1500.	1,500.	66	500.
2. Surveying	LS	1	3,150.	3,150.	80	630.
3. Developer's inspection costs	LS	1	1,000.	1,000.	0	1,000.
4. Quality control testing	LS	1		4,500.	80	900.
5. Construction traffic control	LS	1	1,500.	1,500.	67	500.
6. Rights-of-way/Easements	LS	0		0		0
7. City inspection fees @\$45./hr	LS	1		1,350.	0	1350.
8. Permit fees	LS	PREPAID		0		0
9. Recording costs	LS	1	800.	800.	0	800.
10. Bonds	NA			0.		0
11. Newsletters	NA			0.		0
12. General Construction Supervision	NA			0.		0
13,800.						

13. Other	<u>XCEL GAS/ELECT.</u>	LS	1	20,900.	20,900.	100.	0
14. Other	<u>TRENCH FOR M.P. UTILITIES</u>	LF	1,800.	4.00	7,200.	60	2,880.

TOTAL ESTIMATED COST OF IMPROVEMENTS: \$ 324,450.

76,578.

AT THIS STAGE
OF COMPLETION
+ 20% ADD.

SCHEDULE OF IMPROVEMENTS:

I. SANITARY SEWER	<u>54,250.</u>	\$ <u>90.00</u>
II. DOMESTIC WATER	<u>49,525</u>	<u>0.00</u>
III. STREETS	<u>151,275.</u>	<u>44,928.00</u>
IV. LANDSCAPING	<u>27,500.</u>	<u>23,000.00</u>
V. MISCELLANEOUS	<u>41,900.</u>	<u>8,560.00</u>

\$ 91,894.

I have reviewed the estimated costs and time schedule shown above and based on the plans and the current costs of construction agree to construct and install the Improvements as required above.

Richard Laver
SIGNATURE OF DEVELOPER

4-26-03

date

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

John E. Kaufeld, P.E.
Developer's Engineer

Reviewed and approved:

Richard Davis
CITY ENGINEER

5-9-03

date

Pat Cui
COMMUNITY DEVELOPMENT

6/3/03
date

DISBURSEMENT AGREEMENT
(Improvements Guarantee)

DEVELOPER: THH - BENCHMARK, LLC

BANK: VECTRA BANK

PROPERTY: WESTLAND ESTATES SUBDIVISION, FILING II

DISBURSEMENT AMOUNT: For the construction of improvements to the Property in an amount not to exceed \$ 92,000.00.

This Agreement is entered into by and between THH - BENCHMARK LLC ("Developer"), VECTRA ("Bank") and the City of Grand Junction, Colorado ("City").

RECITALS

Developer has been required by the City to construct certain improvements to WESTLAND ESTATES SUBD. ("Improvements") in accordance with the Zoning and Development Code, Improvements Agreement and subdivision approval.

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

The City Engineer has approved an estimate of the costs of the Improvements and that amount or an amount not to exceed \$ 92,000.00, whichever is greater, shall be referred to as the "Funds."

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

NOW, THEREFORE, THE PARTIES AGREE:

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

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

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

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

DISBURSEMENT AGREEMENT

(page 2 of 4)

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

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

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

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

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

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

3. **DEVELOPER CONSENT:** The Developer, by the signature of RICHARD TRAVER ^{MANAGING} ~~MEMBER~~ (name & title), consents to disbursements and other actions authorized and provided for by the terms of this Agreement and/or the Improvements Agreement.

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

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

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

DISBURSEMENT AGREEMENT

(page 3 of 4)

Dated this 12th day of MAY, 2003

(BANK)

By: [Signature]
Title Sr. Vice President
499 28 1/4 Rd
Address Grand Junction, CO 81503

(DEVELOPER)

By: [Signature]
Title MANAGING MEMBER THH-BENCHMARK
2967 D 1/2 RD, GRD. JCT., 81504
Address

CITY OF GRAND JUNCTION

By: [Signature]
Director of Community Development

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

DEVELOPER:

RICHARD TRAVER [Signature]
(name) managing member (signature)

(name) (signature)

(name) (signature)

DEVELOPER'S GENERAL CONTRACTOR:

SORTER CONSTRUCTION
(name)

William R. Oyle
(signature)

DEVELOPER'S PROJECT ENGINEER:

RHINO ENGINEERING
(name)

John E. Kephell P.E.
(signature)

DEVELOPER'S ARCHITECT:

NONE
(name)

(signature)

CITY ENGINEER:

RICK DORRIS
(name)

Rick Dorris
(signature)

RECORDING MEMORANDUM

City of Grand Junction Community Development Department
Community Development File: FP-2002-160

This memorandum relates to and confirms that certain Maintenance Guarantee concerning land in Mesa County, Colorado. The Agreement is by and between Traver/Westland, LLC (Developer) and the City of Grand Junction (City) pertaining to Westland Estates Subdivision Filing 2 (Project), located at west of 30 and D Roads.

Subject subdivision is more particularly depicted and described in the recording found at Plat Book 19, Pages 331-332.

The Developer of the Project were required by law to install and construct certain public and private improvements the completion of which was guaranteed by a Maintenance Guarantee. The Project is required to be constructed in accordance with the approval by the City pursuant to and in accordance with the Zoning and Development Code all as more fully detailed and described in City of Grand Junction development file FP-2002-160.

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 Maintenance Guarantee. Furthermore, the Developer and the City agree that the Maintenance Guarantee is contractual in nature and that the obligations under the 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 Maintenance Guarantee herein characterized.

DEVELOPER:

By: Richard Traver Date: 1-11-05

(Print Name) RICHARD TRAVER

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.

Pat Cui Date: 1/13/05
Community Development

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction Community Development Department
FILE FP-2002-160

This Release relates to a Recording Memorandum dated June 4, 2003, by and between THH – Benchmark LLC (Developer) and the City of Grand Junction, recorded at Book 3376, Page 379 of the records of the Mesa County Clerk and Recorders office, pertaining to Westland Estates Subdivision Filing 2 (Project), located more particularly as depicted and described in the recording found at Plat Book 19, Pages 331-332 Mesa County Clerk and Recorders 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 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 Guarantee, pertaining to the improvements under their jurisdiction, do accept, sign and release said Guarantee.

CITY OF GRAND JUNCTION:

City Engineer: *Kurt Davis* Date: 1-11-05

City Planner: *Kurt Davis for Krista Collier* Date: 1-11-05

Fire Marshall: *Charles Martin* Date: 1-12-05

UTE WATER:

By: *Phil Toth* District Engineer Date: 27 Dec 04

GRAND JUNCTION DRAINAGE:

By: *John L. Ballagh* MANAGER Date: DEC 27, 2004

CENTRAL GRAND VALLEY SANITATION DISTRICT:

By: *Mike Barch* Date: 1-6-05

In acknowledgement with the above signatures, I hereby certify that the improvements as specified in the 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.

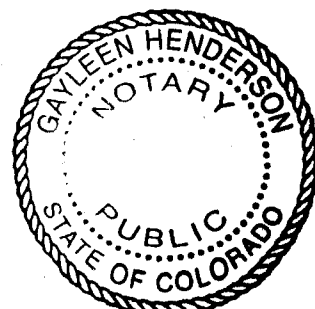
Pat Cecil Date: 1/13/05
Community Development Department

The foregoing instrument was executed before me this 13th day of January, 2005, by Pat Cecil, of the Community Development Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

Gayleen Henderson
Notary Public

My commission expires on 10/29/2005



My Commission Expires 10/29/2005

RECORDING MEMORANDUM

City of Grand Junction Community Development Department
Community Development Files: # FP-2002-160

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 THH - BENCHMARK LLC (Developer) and the City of Grand Junction (City) pertaining to Westland Estates Filing 2 (Project), located at 2986 D Road

(Subject subdivision is more particularly depicted and described in the recording found at Plat Book 19, Pages 331-332)

The Developer of the Project was required by law to install and construct certain public and private improvements, the completion of which was guaranteed by a Development Improvements Agreement and/or Maintenance Guarantee. The Project is required to be constructed in accordance with the approval by the City pursuant to and in accordance with the Zoning and Development Code all as more fully detailed and described in City of Grand Junction development file # FP-2002-160

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: Richard Traver 6.2.03
Date

(Print Name) RICHARD TRAVER

CITY OF GRAND JUNCTION:

By: Pat Ceul 6/3/03
Director of Community Development Date

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.

Pat Ceul 6/3/03
Director of Community Development Date

RELEASE OF RECORDING MEMORANDUM
City of Grand Junction Community Development Department
FILE FP-2002-160

This Release relates to a Recording Memorandum dated January 13, 2005 by and between Traver/Westland LLC (Developer) and the City of Grand Junction, recorded at Book 3818, Page 171 of the records of the Mesa County Clerk and Recorders office, pertaining to Westland Estates Filing 2 (Project), located more particularly as depicted and described in the recording found at Plat Book 19, Pages 331-332, Mesa County Clerk and Recorders 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 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 Guarantee, pertaining to the improvements under their jurisdiction, do accept, sign and release said Guarantee.

CITY OF GRAND JUNCTION:

City Engineer: *Rud Collins* Date: 6-12-06
City Planner: *Kirsten A. Webb* Date: 6/15/06
Ute Water: *Paul W.* Date: 7 Dec 05
Central GV Sanitation: *J. L. Bueh* Date: 12-7-05
City Fire Department: *Frank Masterson* Date: 12-13-05

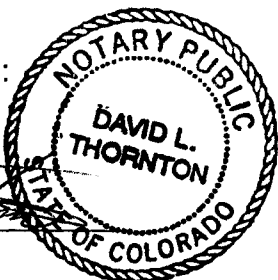
In acknowledgement with the above signatures, I hereby certify that the improvements as specified in the Guarantee have been completed and accepted in accordance with the provisions of the Grand Junction Zoning and Development Code, and are hereby released, subject to the required warranty period.

Pat Cecil Date 6/16/06
Community Development Department

The foregoing instrument was executed before me this 16th day of JUNE, 2006 by PAT Cecil, of the Community Development Department for the City of Grand Junction, Colorado.

Witness my hand and official seal:

David L. Thornton
Notary Public



My commission expires on 8/15/2008