

DEVELOPMENT IMPROVEMENTS AGREEMENT

1. **Parties:** The parties to this Development Improvements Agreement ("Agreement") are RIVER TRAIL, ("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 Public Works & Planning 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 RIVER TRAIL PHASE I has been reviewed and approved under Planning file # 2010-100 ("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 \$ 821,497.36 (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 \$ 136,916.23 (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: 12/15/10
Completion Date: 12/15/12

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 \$ 684,581.13 (Line G1, Exhibit B, Total Improvement Costs).

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: KEVIN REIMER - RIVER TRAIL Name -Developer/Company
225 MAIN ST Address (Street and Mailing)
GRAND JUNCTION, CO. 81501 City, State & Zip Code
(970) 260-6332 Telephone and Fax Numbers
(970) 248-0295
Kevin.Reimer@DPSnet.net E-mail

Cc:

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

Cc: Public Works & Planning 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.

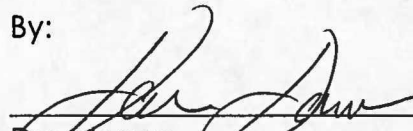
30c. The City shall not issue its written Acceptance with regard to any Improvement(s) including any street, storm drainage facility, sewer, water facility or other required Improvement(s), until the Developer:

(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
KEVIN REIMER
Name (printed)

Corporate Attest:

Name Date

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



Public Works & Planning Dept. Date
12.20.10

5/15/2007

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

EXHIBIT A

A certain parcel of land located in the Northeast Quarter of the Northwest Quarter (NE1/4 NW1/4) of Section 22, Township 1 South, Range 1 East of the Ute Principal Meridian, County of Mesa, State of Colorado and being more particularly described as follows:

COMMENCING at the Northeast corner of the NE1/4 NW1/4 of said Section 22, and assuming the East line of the NE1/4 NW1/4 of said Section 22 to bear $S00^{\circ}28'30''W$ with all bearings contained herein relative thereto; thence $S00^{\circ}28'30''W$, along the East line of the NE1/4 NW1/4 of said Section 22, a distance of 363.01 feet to the Southeast corner of that certain parcel of land as described in Book 2433, Page 133, Public Records, Mesa County, Colorado and also being the POINT OF BEGINNING; thence $S00^{\circ}28'30''W$, along said East line of the NE1/4 NW1/4 a distance of 956.87 feet to the Southeast corner of said NE1/4 NW1/4; thence $N89^{\circ}53'19''W$, along the South line of said NE1/4 NW1/4 a distance of 705.08 feet to the Southwest corner of that certain parcel of land as described in Book 4134, Page 917, Public Records, Mesa County, Colorado; thence $N00^{\circ}14'12''E$ along the West line of said parcel a distance of 1021.85 feet to the Southwest corner of that certain parcel of land as described in Book 2228, Pages 755-756, Public Records, Mesa County, Colorado; thence $S89^{\circ}53'18''E$ a distance of 265.00 feet to the Southeast corner of said parcel; thence $N00^{\circ}14'12''E$ along the East line of said parcel a distance of 268.00 feet to a point on the South line of D Road; thence $S89^{\circ}53'17''E$ along said South line, being a line 30.00 feet South of and parallel with the North line of the NE1/4 NW1/4 of said Section 22, a distance of 205.45 to a point on the West line of said parcel as recorded in Book 2433, Page 133, Public Records, Mesa County, Colorado; thence $S00^{\circ}28'30''W$ along said West line a distance of 333.01 to the Southwest corner of said parcel; thence $S89^{\circ}53'18''E$ along the South line of said parcel a distance of 240.00 feet, more or less, to the POINT OF BEGINNING.

IMPROVEMENTS COST ESTIMATE

DATE: 4/30/2010

DEVELOPMENT NAME: River Trail Subdivision - Phase I

LOCATION: D Road

PRINTED NAME OF PERSON PREPARING: Gerald Fox

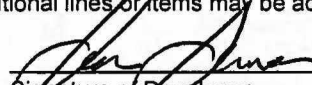
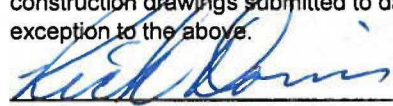

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
A. SANITARY SEWER					
1	8" SDR-35 PVC Sanitary Sewer Main (Sewer < 8' Deep)	LF	882	\$ 22.00	\$ 19,404.00
2	8" SDR-35 PVC Sanitary Sewer Main (Sewer 8' to 14' Deep)	LF	348	\$ 30.00	\$ 10,440.00
3	8" SDR-35 PVC Sanitary Sewer Main (Sewer 14' to 20' Deep)	LF	813	\$ 55.00	\$ 44,715.00
4	10" SDR-35 PVC Sanitary Sewer Main (Over 20' Deep)	LF	0	\$ 75.00	\$ -
5	4" SDR-35 PVC Sanitary Sewer Service	LF	1276	\$ 13.50	\$ 17,226.00
6	Sanitary Sewer Taps	EA	40	\$ 75.00	\$ 3,000.00
7	Sanitary Sewer Manhole	EA	5	\$ 1,500.00	\$ 7,500.00
8	Sanitary Sewer Manhole (Over 8' Deep)	EA	3	\$ 2,000.00	\$ 6,000.00
9	Sanitary Sewer Drop Manhole	EA	2	\$ 2,500.00	\$ 5,000.00
10	Connection to Existing Manhole	EA	0	\$ 500.00	\$ -
11	Concrete Encasement	LF	0	\$ 9.00	\$ -
12	Lift Station Complete (Williams est)	EA	0	\$ -	\$ -
Subtotal Part A Sanitary Sewer					\$ 113,285.00
B. DOMESTIC WATER					
1	8" PVC Water Main	LF	1509	\$ 24.00	\$ 36,216.00
2	6" PVC Water Main	LF	127	\$ 18.00	\$ 2,286.00
3	8" Gatevalve	EA	11	\$ 950.00	\$ 10,450.00
4	6" Gatevalve	EA	2	\$ 700.00	\$ 1,400.00
5	8" Fittings (including Thrustblocks)	EA	24	\$ 375.00	\$ 9,000.00
6	Water Service TAPS & Clifton Meter Sets	EA	31	\$ 425.00	\$ 13,175.00
7	3/4" Copper Service Line	LF	1113	\$ 10.50	\$ 11,686.50
8	Hot Tap Connect to Existing Water Line	EA	1	\$ 4,500.00	\$ 4,500.00
9	Fire Hydrant with Valve	EA	3	\$ 3,200.00	\$ 9,600.00
10	Utility Adjustments	EA			\$ -
11	Blowoff	EA	5	\$ 300.00	\$ 1,500.00
12	Water Quality Sampling Station	LS	1	\$ 800.00	\$ 800.00
Subtotal Part B - Domestic Water					\$ 100,613.50

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
C1	STREETS				
1	4" PVC Utility/Irrigation sleeves	LF	54	\$ 13.50	\$ 729.00
2	" PVC Utility/Irrigation sleeves	LF			\$ -
3	Reconditioning	SY			\$ -
4	Aggregate Base Course (Class 3)	TN			\$ -
5	Aggregate Base Course (Class 6) (11" Compacted Thickness)	CY	2,631	\$ 39.00	\$ 102,623.44
6	Aggregate Base Course (Class 6) (12" Compacted Thickness)	CY	410	\$ 39.00	\$ 15,981.33
7	Hot Bituminous Paving, Grading__ (3" thick)	SY	5,089	\$ 12.40	\$ 63,107.73
8	Hot Bituminous Paving, Grading__ (" thick)	SY			\$ -
9	Hot Bituminous Paving, Patching (" Thick)	SY			\$ -
10	Geotextile	SY			\$ -
11	Concrete Curb (" Wide by " High)	LF			\$ -
12	Concrete Curb and Gutter (2' wide)	LF			\$ -
13	Concrete Curb and Gutter (1.5' wide)	LF			\$ -
14	Monolithic, Vertical Curb, Gutter and Sidewalk (' Wide)	LF			\$ -
15	Drive Over Curb, Gutter, and Sidewalk (6.5' Wide)	LF	3,272	\$ 16.50	\$ 53,988.00
16	Concrete Sidewalk (' Wide)	LF			\$ -
17	Concrete Gutter and Driveway Section (" Thick)	SY			\$ -
18	Concrete Drainage Pan (6' Wide,8" Thick)	LF			\$ -
19	Concrete Corner Fillet	SY			\$ -
20	Concrete Curb Ramp	SY			\$ -
21	Concrete Corner Radii, Apron & Pan	SY	210	\$ 49.00	\$ 10,290.00
22	Concrete Driveway (" Thick)	SY			\$ -
23	Driveway/Concrete Repair	SY			\$ -
24	Retaining Walls	LF			\$ -
25	Street Signs	EA	8	\$ 300.00	\$ 2,400.00
26	Striping (New, Remove/Replace)	LF			\$ -
27	Street Lights	EA	4	\$ 2,400.00	\$ 9,600.00
28	Survey Intersection Monuments	EA			\$ -
29	Signal Construction or Reconstruction	LS			\$ -
30	Flowable Fill	CY	2	\$ 25.00	\$ 50.00
31	"End of Road" Markers	EA	6	\$ 400.00	\$ 2,400.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
C2	BRIDGES				
					\$ -
1	Box Culvert Pre-Cast	LS			\$ -
2	Box Culvert Cast-in-Place	LS			\$ -
3	Wingwalls	LS			\$ -
4	Parapet Wall	LS			\$ -
5	Railing (handrail, guardrail)	LS			\$ -
	Subtotal Part C - Streets and Bridges				\$ 261,169.51
D1	EARTHWORK				
1	Mobilization	LS	1	\$ 12,000.00	\$ 12,000.00
2	Clearing and Grubbing	AC or LS	10	\$ 800.00	\$ 8,000.00
3	Unclassified Excavation	CY	4319	\$ 2.50	\$ 10,797.50
4	Unclassified Embankment	CY	5925	\$ 3.50	\$ 20,737.50
5	Silt Fence	LF	3724	\$ 1.50	\$ 5,586.00
6	Inlet Protection	EA	3	\$ 150.00	\$ 450.00
7	Mud Traps	EA	1	\$ 1,200.00	\$ 1,200.00
8	Watering (Dust Control)	AC or LS	1	\$ 3,000.00	\$ 3,000.00
D2	REMOVALS AND RESETTING				
1	Removal of Asphalt	SY	9	\$ 3.00	\$ 27.00
2	Removal of Miscellaneous Concrete	SY			\$ -
3	Remove Curb and Gutter	LF			\$ -
4	Removal of Culverts	LF			\$ -
5	Remove Structures	EA			\$ -
6	Remove Signs	EA			\$ -
7	Remove Fence	LF			\$ -
8	Adjust Manhole	EA			\$ -
9	Adjust Valvebox	EA			\$ -
10	Relocate or Adjust Utilities	LS			\$ -

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
D3 SEEDING AND SOIL RETENTION					
1	Sod	SY			\$ -
2	Seeding (Native)	SY or AC			\$ -
3	Seeding (Bluegrass/Lawn)	SY or AC			\$ -
4	Hydraulic Seed and Mulching	SY or AC			\$ -
5	Soil Retention Blanket	SY			\$ -
D4 STORM DRAINAGE FACILITIES					
1	Finish Grading (incl. Channels, Swales, and Ponds)	CY			\$ -
2	30" HDPE Storm Drain Pipe	LF	175	\$ 55.00	\$ 9,625.00
3	24" HDPE Storm Drain Pipe	LF	255	\$ 49.00	\$ 12,495.00
4	18" HDPE Storm Drain Pipe	LF	250	\$ 36.00	\$ 9,000.00
5	15" HDPE Storm Drain Pipe	LF	0	\$ 23.00	\$ -
6	12" PVC Storm Drain Pipe	LF	0	\$ 18.00	\$ -
7	8" SDR-35 PVC Storm Drain Pipe	LF	0	\$ 14.00	\$ -
8	60" RCP Storm Drain Pipe	LF	0	\$ 140.00	\$ -
9	" Storm Drain Pipe	LF			\$ -
10	" Storm Drain Pipe	LF			\$ -
11	60" Flared End Section	EA	0	\$ 2,300.00	\$ -
12	18" Flared End Section	EA	0	\$ 450.00	\$ -
13	12" Flared End Section	EA	0	\$ 400.00	\$ -
14	48" Storm Drain Manhole	EA	1	\$ 2,300.00	\$ 2,300.00
15	60" Storm Drain Manhole	EA	3	\$ 2,600.00	\$ 7,800.00
16	72" Storm Drain Manhole	EA			\$ -
17	Connection to Existing MH	EA			\$ -
18	Single Curb Opening Storm Drain Inlet	EA	3	\$ 1,800.00	\$ 5,400.00
19	Double Curb Opening Storm Drain Inlet	EA			\$ -
20	Area Storm Drain Inlet	EA			\$ -
21	10" In-Line Drains	EA	0	\$ 200.00	\$ -
22	12" PVC Fittings	EA	0	\$ 250.00	\$ -
23	8" PVC Fittings Including Risers	EA	0	\$ 175.00	\$ -
24	Vortensity HS96 Stormwater System	LS	1	\$ 31,000.00	\$ 31,000.00
25	6'X12'X12" Reno Mattress	SY	8	\$ 45.00	\$ 360.00
26	Sidewalk Trough Drain	EA			\$ -
27	Pump Systems including Electrical	LS			\$ -
28	Cobbled Swale	LF	480	\$ 10.00	\$ 4,800.00
Subtotal Part D - Grading and Drainage					\$ 144,578.00

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
E1	IRRIGATION				
1	Connect to Existing Pipe	LS	1	\$ 200.00	\$ 200.00
2	12" PVC Grav Irrigation Pipe	LF		\$ 18.00	\$ -
3	12" Flared End Section	EA		\$ 400.00	\$ -
4	48" MH w/ Redwood Lid	EA		\$ 2,500.00	\$ -
5	6" Irrigation Pipe	LF			\$ -
6	2" Valve	EA			\$ -
7	3" Valve	EA			\$ -
8	4" Valve	EA			\$ -
9	6" Valve	EA			\$ -
10	Fittings and Valves	LS			\$ -
11	Services	EA	1	\$ 500.00	\$ 500.00
12	Pump System	LS			\$ -
13	Irrigation Structure	EA			\$ -
14	Vacuum Relief and/or Air Release Valve	EA			\$ -
15	Demolition / Removal of existing Structure	LS	1	\$ 300.00	\$ 300.00
E2	LANDSCAPING				
1	Design/Architecture	LS			\$ -
2	Earthwork	CY			\$ -
3	Hardscape Features	LS			\$ -
4	Plant Material & Planting	LS	1	\$ 5,965.50	\$ 5,965.50
5	Irrigation System	LS	1	\$ 5,796.00	\$ 5,796.00
6	Curbing	LF			\$ -
7	Retaining Walls & Structures	LS			\$ -
8	1 Year Maintenance Agrmnt.	LS		\$ 3,000.00	\$ -
9	Topsoil				\$ -
Subtotal Part E - Landscaping and Irrigation					\$ 12,761.50
Subtotal Construction Costs					\$ 632,407.51

Item #	Item Description	Unit	Quantity	Unit Price	Extended Price
F. Miscellaneous Items					
1	Construction staking/surveying	%	2.00%	\$ 632,407.51	\$ 12,648.15
2	Developer's inspection cost	%	1.50%	\$ 632,407.51	\$ 9,486.11
3	General construction supervsn	%		\$ 632,407.51	\$ -
4	Quality control testing	%	2.00%	\$ 632,407.51	\$ 12,648.15
5	Construction traffic control	%	0.75%	\$ 632,407.51	\$ 4,743.06
6	City inspection fees	%		\$ 632,407.51	\$ -
7	As-builts	%	2.00%	\$ 632,407.51	\$ 12,648.15
Subtotal Part F - Miscellaneous Items					\$ 52,173.62
% = Percentage of total site construction costs G. COST SUMMARY					
1 Total Improvement Costs					\$ 684,581.13
2 City Security (20%)					\$ 136,916.23
3 Total Guarantee Amount					\$ 821,497.36
NOTES 1. All prices shall be for items complete in place and accepted. 2. All pipe prices shall include excavation, pipe, bedding, backfill, and compaction. 3. Water main shall include pipe, excavation, bedding, backfill, bends, and appurtenances not itemized elsewhere. 4. All concrete items shall include Aggregate Base Course where required by the drawings. 5. Fill in the pipe type for irrigation pipe and sleeves. 6. Reconditioning shall be calculated to at least 6" outside of back of walk on both sides. 7. Units can be changed if desired, simply annotate what is used. 8. Additional lines or items may be added as needed.					
 _____ 12/15/10 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.					
 _____ 12-17-10 City Development Engineer Date					
 _____ 12.20.10 Community Development Date					

DISBURSEMENT AGREEMENT
(Improvements Guarantee)

DEVELOPER: RIVER TRAIL INVESTMENTS

BANK: TIMBERLINE BANK

PROPERTY: RIVER TRAIL SUBDIVISION - PH I 3141 D ROAD

DISBURSEMENT AMOUNT: For the construction of improvements to the Property in an amount not to exceed \$ 821,497.36.

This Agreement is entered into by and between RIVER TRAIL ("Developer"), TIMBERLINE ("Bank") and the City of Grand Junction, Colorado ("City").

RECITALS

Developer has been required by the City to construct certain improvements to RIVER TRAIL PHASE I ("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 \$ 821,497.36, whichever is greater, shall be referred to as the "Funds."

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

NOW, THEREFORE, THE PARTIES AGREE:

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

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

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

procedures:

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

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

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

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

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

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

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

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

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

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

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

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

Dated this 15th day of DECEMBER, 2010

(BANK)

By: [Signature]
Title President Timberline Bank

633 24 Rd. Grand Jct. CO 81505
Address

(DEVELOPER)

By: [Signature]
Title MANAGER - RIVER TRAIL LLC.

225 MAIN ST - GRAND JCT
Address CO. 81501

CITY OF GRAND JUNCTION

By: [Signature]
Director of Public Works & Planning

Pursuant to the terms of the foregoing Disbursement Agreement (Improvements Guarantee) by and between RIVER TRAIL Developer, TIMBERLINK 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:

KEVIN REIMER
(name)

[Signature]
(signature)

(name)

(signature)

(name)

(signature)

DEVELOPER'S GENERAL CONTRACTOR:

(name)

(signature)

DEVELOPER'S PROJECT ENGINEER:

(name)

(signature)

DEVELOPER'S ARCHITECT:

(name)

(signature)

CITY ENGINEER:

RICK DORRIS
(name)

[Signature] 12-17-10
(signature)

RECORDING MEMORANDUM

Exhibit D

City of Grand Junction
Public Works and Planning Department

File Number: **PPP-200-100**

This memorandum relates to and confirms that certain Development Improvements Agreement and/or Maintenance Guarantee concerning land in Mesa County, Colorado, is by and between **River Trail Investments L.L.C.** (Developer) and the City of Grand Junction (City) pertaining to **River Trail Subdivision Filing One** (Project), located at

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 number

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:  _____

Date: 10/30/12

Type Name: **Kevin Reimer**

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, Public Works & Planning Department, 250 North 5th Street, Grand Junction Colorado.

 _____
Public Works and Planning Department

Date: 10.30.12

Recording Fee

Date	October 30, 2012
Project File No.	PFP-2010-100
Project Name	River Trail Subdivision, Filing One
Project Location	3141 D Rd
Purpose of DIA	release of Recording Memo
Payee Name	River Trail Investment LLC
Payee Mailing Address	225 Main St
Payee City, State Zip Code	Grand Junction, CO 81501
Payee Telephone No.	970-242-2525
DIA Expiration Date	
Project Planner	Greg Moberg
Project Engineer	Rick Dorris

ACCOUNTING INFORMATION			
	AMOUNT	DATE	REFERENCE (Cash or Check)
RECORDING FEE COLLECTED	\$ 11.00	10/30/12	check # 2293
RECORDING FEE FOR RECORDING MEMORANDUM			
BALANCE			

PAID
OCT 30 2012
HH

Recording Fee Account No.

100-310-010-4315

DEVELOPMENT IMPROVEMENTS AGREEMENT EXTENSION

Extension of Completion Date for the DIA

Name of Project: RIVER TRAIL PHASE I

Planning File #: PFP-2010-100

An extension of the Completion Date for the Development Improvements Agreement ("DIA") is being requested for the project captioned above. The completion date set forth in the DIA is DECEMBER 15, 2012. Additional time is needed to complete the required improvements. It is requested that the Completion Date be extended an additional
Select one: ONE YEAR to DECEMBER 15, 2013. The necessary bank, issuer or disbursing agent has acknowledged and consented to the extension of the letter of credit or disbursement agreement as requested. (No bank/issuer/dispersing agent signature is required if the security is cash.)

Developer:

[Signature]
Signature

STATE OF COLORADO)
) ss
COUNTY OF MESA)

Acknowledged before me and subscribed in my presence by KEVIN REIMER
as MANAGER for RIVER TRAIL on this 26th day of
November, 20 12.

Witness my hand and seal.
My commission expires: 02/15/15

[Signature]
Notary Public


Bank, issuer or disbursing agent's acknowledgment and consent to extension of security for the DIA:

Company/Bank

Print Name

Title
City of Grand Junction - Public Works & Planning

Project Manager

Signature

Date

Development Engineer

Initial Acceptance Checklist

Date: September 12, 2013
Project Number: PFP-2010-100
Project Name: River Trail, Filing 1
Developer / Rep.: Mike Queally and Kevin Reimer
Development Engineer: Rick Dorris

Initial acceptance inspection punch list:

An initial acceptance inspection was conducted on September 9, 2013. The following deficiencies were noted during the inspection and shall be corrected by the Developer:

1. Settling was noted by some Xcel facilities. Excavate and recompact. If the dry utility trench was not compacted and tested when installed, please do so.
2. Check all inlets to ensure the frames and grates are properly grouted and the pipes are properly trimmed and grouted.
3. Install a stormwater bag at the inlet on the NW corner of the roundabout.
4. The edge of the asphalt, at lip of gutter, has eroded away in much of the subdivision. The eroded areas need to be crack sealed. Please coordinate the limits with Mark Barslund.
5. We did not inspect the storm sewer due to muddy conditions. Please make sure all debris has been removed. This will be inspected when conditions dry up.
6. It is noted the water quality pond fills up and drains with the adjacent drainage ditch. Please confirm with Souder Miller this was intentional and included in their calculations and/or modify as necessary. Please have them address in a letter to me.
7. The southern part of the sanitary sewer could not be televised due to debris in the line. Ben Dowd excavating has ordered jetting of the lines but it is too muddy for the truck to enter. The City will TV the lines after jetting. Any repairs will be reported under separate document.

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

Initial acceptance submittal requirements:

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

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

1. An electronic plan set with the as-built plans, stamped by a Professional Engineer, as both .dwg and .pdf files;
2. A maintenance agreement ;
3. A financial guarantee equivalent to 20% of the cost of the infrastructure improvements;
4. The final testing results including asphalt and concrete testing and materials certifications and testing location maps. Please submit in electronic format.
5. Letter of acceptance from the Clifton Water District.
6. A water quality basin certification from a Professional Engineer.

Additional Discussion

We discussed the tree planting in the street planters. The City is concerned about excessive water being introduced to the street section. We agreed to the items listed below.

1. The trees selected will have a small root structure. Meaning the roots won't raise sidewalks and asphalt.
2. The irrigation system will come from the timed sprinkler systems of the adjacent private residences.
3. The irrigation line will be plumbed from the downstream side of the backflow preventer.
4. All trees and irrigation systems for them will be installed at one time when all the adjacent houses are built.

MAINTENANCE GUARANTEE

Planning File No: *PFP 2010-100*

1. **Parties:** The parties to this Maintenance Guarantee ("the Guarantee" or "Guarantee") are *River Trail Investments L.L.C.*, ("the Developer") and the City of Grand Junction, Colorado ("the City" or "City"). Collectively the Developer and the City may be referred to as the Parties.

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

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

RECITALS

The Developer has constructed, Installed and is required to warrant and maintain certain Improvements ("Improvements" or "the Improvements") which were made necessary by virtue of development on property within the City. The Property, known as *River Trail, Filing 1* has been reviewed and approved under Planning file number *PFP 2010-100* and as necessary or required to construe this guarantee, that file(s) is/are incorporated by this reference.

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

DEVELOPER'S OBLIGATION

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

4. **Security:** To secure the performance of its obligations the Developer is required to post security in an amount of *\$136,916.23* (Line G2, Exhibit B, City Security).

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

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

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

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

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

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

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

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

8a. As provided herein the City shall provide written notice to the Developer at the address stated in paragraph 22. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail, postage prepaid.

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

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

9. **Acceptance:** Prior to acceptance of any Improvement(s), the Developer shall demonstrate in writing to the satisfaction of the City Attorney that it owns the Improvements in fee simple or that there are no liens, encumbrances or other restrictions other than those that have been accepted by the City Attorney on the Improvements. Approval and/or acceptance of any Improvements does not constitute a waiver by the City of any rights it may have on account of any defect in or failure of the Improvement or maintenance of the same that is detected or which occurs after approval and/or acceptance. All warranties and/or guarantees shall be for a period of no less than 12

months from the date of acceptance of the Improvements.

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

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

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

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

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

11d. As provided herein the City shall provide written notice to the Developer at the address on file with the development application. Notice is and shall be deemed effective two calendar days after mailing thereof by first class United States mail postage prepaid.

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

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

13. City's Rights: When any defect or default occurs, the City may after notice and the Developer's failure and/or refusal to repair or replace the Improvements, proceed to collect the amount of the cost or expense incidental or necessary to affect the repair or replacement of the Improvements. The City will have the right to reconstruct, rebuild or otherwise maintain Improvements itself or it may contract with a third party for completion and the Developer grants to the City, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Property for the purposes of constructing, reconstructing, maintaining and repairing such Improvements. This remedy is cumulative in nature and is in addition to any other remedy the City has at law or in equity.

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

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

16. Amendment or Modification: The Parties may amend or modify the Agreement only by written instrument executed on behalf of the City by the Public Works and Utilities Director or his designee and by the Developer or his authorized officer. Such amendment or modification shall be properly notarized before it may be deemed effective.

17. Attorney's Fees: Should either party be required to resort to litigation to enforce the terms of this guarantee, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If relief is awarded to both parties, the attorney's fees may be equitably divided between the parties by the decision-maker. The value of the City's in-house legal counsel is agreed to be \$125.00 per hour.

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

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

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

21. Benefits: The benefits of this agreement to the Developer are personal and may not

be assigned without the express written approval of the City. Such approval may not be unreasonably withheld, but any unapproved assignment is void. Notwithstanding the foregoing, the burdens of this agreement are personal obligations of the Developer and also will be binding on the heirs, successors and assigns of the Developer and shall be a covenant(s) running with

the Property. There is no prohibition on the City to assign its rights under this agreement. The City will expressly release the original Developer's guarantee or obligations if it accepts new security from any Developer or lender who obtains the Property; however, no other act of the City will constitute a release of the original Developer from his liability under this agreement.

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

If to Developer:

Name/Developer/Company

(continued)

Address (Street and Mailing)

Address (continued)

City, State & Zip Code

Telephone Number

Fax Number

E-mail Address

Kevin Reimer
River Trail Investments
236 Main St.
Grand Jet. CO 81501
970-260-6332
970-424-5112
Kevin.Reimer@PDRSACR.net

If to City:

Office of the City Attorney

250 North 5th Street

Grand Junction, CO 81501

CC:

Planning Division

250 North 5th Street

Grand Junction, CO 81501

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

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

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

By:



Date: 1/2/14

Developer's Signature

Developer's Name: Kevin Reimer

Title (position): Owner

Corporate Attest: _____

City of Grand Junction



Date: 1/7/14

Signature

Project Manager



Date: 6-30-14

Signature

Development Engineer



Date: 6.30.14

Signature

Director or Planning Manager

Exhibit C

City of Grand Junction
c/o Director of Public Works & Planning
250 N. 5th Street
Grand Junction, CO 81501

Irrevocable Letter of Credit No. #208 _____
Dated: 12/24/2013
Expiration: 12/24/2014 subject to the automatic extensions stated below
Project Name/City File No.: River Trail # PFP2010-100

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. #208 in favor of the City of Grand Junction at the request of and for the account of River Trail Investments, LLC (Developer) in the amount of \$136,916.23 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 12/24/2014 subject to the automatic extensions discussed below;
- 3) this Letter of Credit is available by sight draft(s) drawn and marked "Drawn under Timberline Bank Letter of Credit No. #208, dated 12/24/2013;
- 4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the River Trail Investment, LLC being obligated to pay or perform in accordance with the provisions of the Grand Junction Zoning and Development Code;
- 5) the following statement signed by an authorized designee of the City of Grand Junction must accompany the sight draft;
- 6) "**_____ (Developer) has failed to comply with the terms, conditions, provisions and requirements of the Grand Junction Zoning and Development Code and/or plans, specifications or agreements relating to the construction of improvements required by the City of Grand Junction. The monies received from this drawing are required to construct those improvements. The City of Grand Junction therefore requests the payment of \$_____.**
- 7) It is a condition of this Letter of Credit that it will be automatically extended for a period of six (6) months from the present or any future expiration date unless:
(a) the underlying obligation has been performed, released or satisfied, (b) this Letter of Credit has been called in full or (c) the Bank notifies the City of Grand Junction at 250 N. 5th Street Grand Junction CO 81501, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit.

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


Jim Pedersen, Chief Credit Officer of Timberline Bank

6/13/2003



June 30, 2014

Mr. Mike Queally
River Trail Investment, LLC
1994 Bison Ct.
Grand Junction, CO 81507

Mr. Kevin Reimer
Reimer Development
225 Main St.
Grand Junction, CO 81501

RE: Initial Acceptance
Project Name: River Trail Subdivision, Filing 1
Project Number: PFP-2010-100

Dear Mike and Kevin,

As Developers of the referenced Project, you are hereby notified the requirements for Initial Acceptance of the public infrastructure associated with the Project have been fulfilled. The Developer is responsible for all materials and workmanship for the public infrastructure improvements constructed or installed as part of the Project for one year following the Initial Acceptance date. Additionally, any improvements under the jurisdiction of other entities, such as water districts and sewer districts, shall be subject to the warranty requirements of those entities.

The City will conduct a warranty inspection of the above improvements prior to the end of the one-year warranty period. The Developer will be required to correct any deficiencies noted during the warranty period. If a deficient item requires replacement or major repairs under the warranty, the Maintenance Agreement and the full financial guarantee may be extended by one year from the date the item is repaired or replaced.

Please be aware that the City has already identified warranty repair items, listed below. These items will be included in the inspection punchlist to be prepared by City staff after the warranty inspection.

Warranty Items

1. Sanitary and Storm sewer manholes outside of pavement must have concrete collars installed around the ring and covers.
2. A different trash screen must be installed on the water quality basin outlet structure. The current screen has openings that will allow trash through and clog the orifices in the water quality plate.
3. The water quality orifice plate must be sealed to the structure so it doesn't leak.

Also please be aware the water quality basin, as currently designed and built, isn't working well. Water passes between the adjacent drain and the basin and there is standing water in the basin continually as evidenced by substantial moss on the surface, see picture below. Because filing 2 is currently in design, I won't require this be fixed for filing 1 acceptance; however, filing 2 must redesign and reconstruct this basin so it doesn't hold water more than 48 hours. This redesign may alleviate warranty items 2 and 3 above.



Stormwater maintenance needs to be improved to be in conformance with the SWMP. Contact Mark Barslund at 201-1362.

Initial Acceptance date: January 2, 2014. The date of the maintenance guarantee and security is being used for initial acceptance even though not all field items were complete at that time.



Amount of financial security for the Maintenance Guarantee: \$136,916.23

Feel free to call with questions.

Sincerely,

Rick

Dorris

Digitally signed by Rick
Dorris
DN: cn=Rick Dorris, o=City
of Grand Junction, CO,
ou=Public Works,
email=rickdo@gjcity.org,
c=US
Date: 2014.06.30 13:02:45
-06'00'

Rick Dorris, PE, CFM
Development Engineer

EC: Shelly Dackonish, Staff City Attorney
Mark Barslund, Development Inspector
Larry Brown – Sewage Collection System
Peggy Sharpe, Administrative Assistant

Brian Rusche, Senior Planner
Dan Thorne – Street System
Chris Spears – Storm Drainage System
Dave Reinertsen, Clifton Water District

July 1, 2014

Timberline Bank
634 24 Road
Grand Junction, CO 81505

**Re: Cancellation of Disbursement Agreement: River Trail Investments
River Trail Subdivision: PFP-2010-100; DIA-2011-921**

To Whom It May Concern:

Enclosed is a copy of the Disbursement Agreement (Improvement Guarantee) entered into between the City of Grand Junction ("City"), **River Trail Investments** ("Developer"), and **Timberline Bank** for improvements to the development referred to as **River Trail Subdivision** under **PFP-2010-100**. As beneficiary of the security for a Development Improvements Agreement ("DIA"), the City informs you that the terms of the improvements have been completed by the Developer and the improvements have been accepted by the City. The City hereby releases its interest in the disbursement agreement security. This letter is being provided at the direction of the Director of Planning.



Greg Moberg, Planning Manager

EC: PFP-2010-100
DIA-2011-921
Mary Sparks, Senior Administrative Assistant

Developer:

Mr. Kevin Reimer
Reimer Development
225 Main Street
Grand Junction, CO 81501

DISBURSEMENT AGREEMENT
(Improvements Guarantee)

DEVELOPER: RIVER TRAIL INVESTMENTS

BANK: TIMBERLINE BANK

PROPERTY: RIVER TRAIL SUBDIVISION - PHASE I 3141 D ROAD

DISBURSEMENT AMOUNT: For the construction of improvements to the Property in an amount not to exceed \$ 821,497.36.

This Agreement is entered into by and between RIVER TRAIL ("Developer"), TIMBERLINE ("Bank") and the City of Grand Junction, Colorado ("City").

RECITALS

Developer has been required by the City to construct certain improvements to RIVER TRAIL PHASE I ("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 \$ 821,497.36, whichever is greater, shall be referred to as the "Funds."

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

NOW, THEREFORE, THE PARTIES AGREE:

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

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

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

procedures:

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

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

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

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

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

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

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

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

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

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

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

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

Dated this 15th day of DECEMBER, 2010

(BANK)

By: [Signature]
Title: President Timberline Bank

633 24 Rd. Grand Jet. CO 81505
Address

(DEVELOPER)

By: [Signature]
Title: MANAGER - RIVER TRAIL LLC

225 MAIN ST - GRAND JCT
Address CO. 81501

CITY OF GRAND JUNCTION

By: [Signature]
Director of Public Works & Planning

Pursuant to the terms of the foregoing Disbursement Agreement (Improvements Guarantee) by and between RIVER TRAIL Developer, TIMBERLINK 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:

KEVIN REIMER
(name)

[Signature]
(signature)

(name)

(signature)

(name)

(signature)

DEVELOPER'S GENERAL CONTRACTOR:

(name)

(signature)

DEVELOPER'S PROJECT ENGINEER:

(name)

(signature)

DEVELOPER'S ARCHITECT:

(name)

(signature)

CITY ENGINEER:

RICK DORRIS
(name)

Rick Dorris 12-17-10
(signature)