

## REIMBURSEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 18th day of February, 2003, by and between the CITY OF LOVELAND, COLORADO, a municipal corporation, hereinafter called the "City" and **Hartford Homes, Inc.** hereinafter called the "Developer",

### WITNESETH

WHEREAS, the Developer finds it necessary and desirable to provide for the installation of certain water and sewer improvements ("Improvements") which are the subjects of this Agreement in order to properly develop lands owned by the Developer, which are known as **Hunters Run P.U.D.**; and

WHEREAS, the City has adopted the Water and Sewer Line Extension Policy ("Policy"), attached hereto as Exhibit A, which sets forth the City's policy concerning the extension of water and sewer facilities to the Developer's property;

NOW THEREFORE, in consideration of the mutual covenants contained herein, it is agreed as follows:

#### 1. REFUNDING

It is agreed that the Developer shall have an opportunity to recoup from subsequent future development along the line of the Improvements portion of the actual costs of the Improvements. The Improvements are shown on attached **Exhibit B** and described as:

*Installation of 2036 LF of 12" PVC sewer line starting at MH 2.2G and running south along Wilson Avenue for approximately 1762 LF and then turning west for approximately 274 LF to MH 2.2A as shown on the construction plans prepared by Sear Brown dated 8/05/99 and shown on Exhibit B.*

For the purpose of providing an opportunity for reimbursement to the Developer, the City agrees, subject to the provisions contained in this Agreement, to collect certain sums of money as set forth herein, in addition to all other fees and sums collected by the City, from those persons who commence subsequent future development along the line of the Improvements as set forth in section 1.3.3.1 of the Policy.

The properties along the line of the Improvements which are subject to this Agreement are located in the NE quarter of Section 4, Township 5 North and Range 69 West of the 6<sup>th</sup> P.M., in the City of Loveland, County of Larimer, State of Colorado and can be seen in Exhibit B.

Any portions, lots, or pieces of property that result from the splitting, subdividing or replatting of any of the above described properties are subject to this Agreement.

At the time that a water or sanitary sewer service line or extension, which serves all or any of the above described properties, is installed, regardless of whether or not the service or line extension is connected to the Improvements, the City shall attempt to collect from the person(s) installing said water or sanitary sewer service line or extension, the following described fee(s):

~     Sewer Line:

- ~     The reimbursement due to the Developer is \$ 27.58 per lineal foot of land adjacent to the sewer line installed by the Developer. This cost is based on the information shown in Exhibit E. The Developer identified one (1) property that could ultimately benefit from the construction of this 12" sanitary sewer main. The determination and allocation of the reimbursement cost for this property and the current owner are shown in Exhibit D.
- b)     The sum of money, as calculated above, shall be increased or decreased to reflect fluctuations in the construction cost index (20 city average) as published in the most recent issue of the Engineering News Record (ENR). The base cost index shall be the index in effect at the time the construction quote or bid is obtained: November 22, 2000, ENR Index.
- c)     The fee shall be collected by the City, and shall be payable to the Developer as reimbursement for the costs of installing the Improvements. The City's obligation to pay the collected fees shall be conditioned upon the Developer making written request to the City Water and Power Department Director for payment of the fees within one year of their collection by the City. Failure to make such a request shall result in the collected fees becoming the sole property of the City.
- d)     The Developer shall be responsible for recording and paying for the costs for recording this Agreement with the Larimer County Clerk and Recorder.
- e)     Summary of Exhibits
- a.     Exhibit A – Water and Sewer Line Extension Policy
  - b.     Exhibit B – Construction Plan Extract
  - c.     Exhibit C – Bid Quotes
  - d.     Exhibit D – Property Owner Name and Address
  - e.     Exhibit E – Summary of Cost Analysis
  - f.     Exhibit F – Acceptance of Improvements

2. **TERM, EFFECT AND INTEGRATION**

It is expressly understood and agreed that the terms of this Agreement shall be binding upon and inure to the benefit of the heirs, successors, representatives, and assigns of the parties hereto; and that the reimbursement provisions of this Agreement shall be in force and effect only for a period of twenty (20) years from the date of acceptance, which in this case was on January 22, 2001 or until maximum reimbursement is made.

No assignment by the Developer of any rights under this Agreement shall be effective with respect to the City until written notification from the Developer of such assignment is received by the City's Water and Power Department Director

3. **CITY'S OBLIGATION TO COLLECT REIMBURSEMENT FEES**

The obligations of the City under this Agreement in attempting to assess and collect the reimbursement fees described herein are offered solely as an accommodation to the Developer. Accordingly, the City shall not be liable to the Developer for the City's failure in any fashion to collect the monies specified herein and shall have no obligation to commence litigation for the purpose of attempting to make such collection. In the event the City's attempt to collect such charge, including without limitation the City's withholding of building permits, results in the filing of any claim against the City and/or the commencement of litigation against the City, Developer agrees to pay all costs and fees incurred by the City in defense of the same, including without limitation, reasonable attorneys fees. Developer further agrees to indemnify and hold harmless the City from any damages or awards arising from or relating to any such claim or litigation. Prior to the City being required to litigate any claim under this Agreement, the City may require the Developer to pay to the City cash funds or provide the City other collateral acceptable to the City sufficient to cover the amount of any damages sought in the litigation as well as a reasonable amount to cover the City's anticipated costs and attorneys' fees in the litigation or, if damages are not sought in the lawsuit, then such amount as the City may consider reasonably necessary to ensure payment of all the City's costs and attorneys fees which may result therefrom. *Notwithstanding the foregoing, the City shall not commence any litigation to collect any charge under this Agreement without the prior written consent of the Developer.*

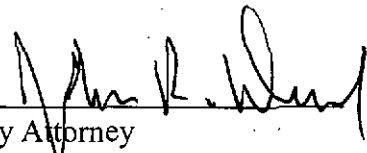
4. **CITY'S RIGHT OF OFFSET**

In the event that the Developer is in default with regard to any other obligation to the City, the City shall have the right to set off any reimbursement which may be due to the Developer hereunder to satisfy, in whole or in part, any such default.

This Agreement constitutes the entire Agreement of the parties, and may be altered, amended or revised only by written agreement of the parties hereto.

APPROVED AS TO FORM:


**THE CITY OF LOVELAND**  
A Municipal Corporation

  
\_\_\_\_\_  
City Attorney


  
\_\_\_\_\_  
Water and Power Department Director

ATTEST:



  
\_\_\_\_\_  
City Clerk

**DEVELOPER:**  
Hartford Homes, Inc.  
1218 West Ash  
Suite A  
Windsor, CO 80550

By:   
\_\_\_\_\_  
President

ATTEST (if a corporation)

[SEAL]

\_\_\_\_\_  
Corporate Secretary

Exhibit

A

Water and Sewer Line  
Extension Policy

## EXHIBIT "A"

### 1.3 WATER AND SEWER LINE EXTENSION POLICY

#### 1.3.1 Introduction

1.3.1.1 Statement of Purpose -- It is the purpose of this policy to provide a fair and equitable distribution of the costs of installing water and sewer lines to all the parties benefiting from their installation. This policy covers most cases, but a recognition is made that special cases may occur. When special cases do occur, deviations may be made from the specifics of the policy, provided the final arrangements maintain the fair and equitable intent. Such arrangements can be made through the mutual consent of the Director of the Water/Wastewater Department and the owner or developer of the property. Such arrangements shall be contained in a development agreement executed by the developer and the City.

#### 1.3.1.2 Definitions

- A. "City" means the City of Loveland, Colorado.
- B. "Developer" means the subdivision developer, parcel owner or any other party or parties who are having a water or sewer line installed within the City's service area.
- C. "Property" means the subdivision, parcel, lot, tract or any other described piece of land for which the water or sewer line is being installed.
- D. "Utility Director" means the Director of the City of Loveland Water/Wastewater Department.

#### 1.3.2 Line Installation Policy

1.3.2.1 In order to facilitate the orderly continuation of the City water distribution and sewage collection systems, water and sewer mains shall be installed to the furthest point or points of a property and within all rights-of-way if it is determined by the Water/Wastewater Department that those lines are needed to provide service to other properties beyond the subject property.

1.3.2.2 All mains which are necessary for the service to or within a property or as required in Section 1.3.2.1 shall be installed at the cost of the developer, except for the following conditions:

- A. If the line is installed along the side of the property the developer may be eligible for reimbursement of half of the cost of that line as provided in Section 1.3.3.

B. Mains larger than those required to serve the property but required by the City shall be subject to the provisions of Section 1.3.4.

1.3.2.3 Prior to construction, plans and specifications for the water and sewer systems to be installed shall be reviewed and approved by the Water/Wastewater Department.

1.3.2.4 The developer shall be responsible for payment of the City's inspection costs. Such costs shall be in accordance with the schedule adopted by the Utility Director showing the cost for inspection by lineal footage of the water or sewer main to be inspected. Payment of such costs shall be made prior to issuance of any building permits.

1.3.2.5 Upon completion of the work and acceptance by the City the water distribution and sewage collection systems shall become the property of the City.

A. The City shall own and maintain the water mains, water main appurtenances, fire hydrants, service lines to the meter pit or curb stop, the meter pit or vault and the meter and other appurtenances in the pit or vault. For fire service lines the City ownership ends at the valve on the main or the point of connection to the last domestic service off the line.

B. The City shall own and maintain the sewer mains, manholes and regional sewage lift stations. The sewer services are owned and maintained to the sewer main by the property owners.

1.3.2.6. All workmanship and materials shall be warranted by the developer against any defects for a period of one year from the date of acceptance by the City. Any repair or reconstruction performed during such warranty period as a result of defects in material and/or workmanship shall be warranted for a period of one year from the acceptance of such repair or reconstruction by the City.

1.3.2.7 Areas which are served by private lines that were not constructed according to City approved plans and specifications shall have mains complying to the City standards installed and extended to serve the areas and the cost thereof shall be paid by the owners served, or assessed against the owners in accordance with applicable laws.

1.3.2.8 No mains shall be extended outside the Urban Growth Boundary, except as may be necessary to serve the property within the City or upgrade service to existing customers, without the express consent and approval of the City Council.

### 1.3.3 Reimbursement Policy and Procedure

1.3.3.1 Reimbursement for Line Extensions Through Undeveloped Property -- A developer may find it necessary to install a water or sewer line through undeveloped property to obtain service. Such person may request the establishment of a reimbursement agreement to recover a portion of the line installation costs from subsequent future development along the line.

A. The establishment of a reimbursement agreement is optional and must be requested

by the developer prior to construction of the line.

- B. The developer shall obtain three independent written quotes or bids for the line. The lowest bid shall be the reimbursable amount, regardless of whether the low bidder performs the work or not. The quotes or bids shall be obtained for doing the work in a reasonable but not an accelerated time period.
- C. The reimbursable amount shall be increased or decreased to reflect fluctuations in the "Engineering News Record" construction cost index (20 city average). The date of the construction quote or bid shall establish the initial index value.
- D. The reimbursement agreement shall expire after a period of twenty (20) years from the acceptance of the line.
- E. Reimbursement payments shall be due and payable prior to the installation of any service or line extension to the undeveloped parcel, regardless of whether or not the service or line extension is connected to the line eligible for reimbursement.
- F. If the line is installed through or adjacent to more than one property, the future developers shall pay for their proportional share based on the footage of line through or adjacent to their property.
- G. If the line is installed in a right-of-way or in an easement along a property line between two parcels, the developer on each side shall pay fifty percent of the reimbursement amount.

**1.3.3.2 Reimbursement for Installation of Lines in Adjacent Right-of-Way --** A developer may be required under Section 1.3.2.1 to install a water or sewer main in a right-of-way adjacent to the property being developed. Such person may request the establishment of a reimbursement agreement to recover fifty percent of the line installation costs from the future developer of the adjacent property. The provisions of Section 1.3.3.1.A through 1.2.2.1.F shall apply.

**1.3.3.3 Reimbursement for Line Extensions Through Undevelopable Property --** A developer may find it necessary to install a line through an area that cannot be developed to obtain service. The developer may be eligible to establish a reimbursement agreement in the following cases:

- A. If the line is a sewer main that will provide service to other properties adjacent to or upstream of the existing development, the developer may recover a portion of the construction costs from the other property owner. The cost distribution shall be in proportion to the gross developable acreage of all tributary properties, as determined by the developer's engineer and approved by the City.
- B. If the line is a water main, the developer may recover a portion of the construction costs through one of the two following methods.
  - 1. If the water line will serve an identifiable service area, the developer may



recover a portion of the construction costs from the developers of the other properties in the service area. The cost distribution will be in proportion to the gross developable acreage of all the properties in the service area, as determined by the developer's engineer and approved by the City.

2. If the water line will be required as part of the grid of the City's water distribution system, the cost of the line may be paid for by the City, contingent on fund availability. The City's participation will be administered under the procedures of Section 1.3.4.

C. The provisions of this section shall be applicable in cases where the line will be installed through or adjacent to properties that are served or committed to be served by other water or sewer districts.

**1.3.3.4 Reimbursement for Line Extension Through Previously Developed Areas --** A developer may find it necessary to replace an existing undersized or otherwise inadequate line to obtain service. The developer may be eligible to establish a reimbursement agreement in the following cases:

A. If a property adjacent to the replacement line had a tap on the original undersized line and is later subdivided the developer of this second property shall reimburse the original developer an amount determined as follows:

$$L \times C \times (N-T) \times 50\%$$

where: L = Length of frontage

C = Cost per foot of the line

N = Number of lots in the new development

T = Number of taps on the original line

To be eligible for such reimbursement the developer must establish a reimbursement agreement as provided in Section 1.3.3.1.A through 1.3.3.1.F.

B. If the line to be replaced is in such a condition or configuration that it would in the opinion of the Water/Wastewater Department be eligible for replacement, the City may pay the portion of the cost that it would incur to replace or upgrade the line, subject to fund availability. Such City participation shall be administered in accordance with Section 1.3.4.

**1.3.3.5 Reimbursement for Major Structures** -- A developer may find it necessary to install a major structure to obtain water or sewer service. The developer may be eligible to establish a reimbursement agreement.

- A. A reimbursement agreement may be established if the major structure is a component of the water distribution or sewage collection system that will bring direct benefits to an identifiable area. Examples are:
  - 1. Sewage lift stations
  - 2. Water booster pump stations
  - 3. River or highway crossings
- B. Costs shall be distributed in proportion to the developable area being served, as determined by the developer's engineer and approved by the City.
- C. To be eligible for reimbursement, the developer shall establish a reimbursement agreement as provided in Section 1.3.3.1.A through 1.3.3.1.E.

#### **1.3.4 Line Oversizing Policy**

**1.3.4.1 General** -- The purpose of the line oversizing policy is to enable a developer to install an oversized water or sewer line with no expense to that developer beyond what is required for their development or to receive repayment for those extra expenses. The "oversized" portion is the difference between the line size required by the property and the line size required by the City to meet future growth demands. The developer is required to bear the full costs for installing all water and sewer lines up to 8" in diameter, or larger if required to serve the development.

**1.3.4.2 Line Sizing** -- The actual size of water or sewer line required shall be determined by the City. Criteria to be used for this determination shall include, but shall not be limited to the following:

- A. Utility Master Plan requirements.
- B. Potential future demand on the water or sewer system as related to the proposed development.
- C. Hydraulic design criteria of the water or sewer system.

**1.3.4.3 City Participation in Oversizing Project** -- The City may require a developer to install an oversized water or sewer line. If an oversized line is required, the City will participate in the project cost.

- A. If the City has funds available in its oversizing budget and the City's participation is less than \$5000.00, the City will pay its portion to the developer on completion of the project and receipt of the final cost summary.

- B. If the City has funds available in its oversizing budget and the City's participation is greater than \$5000.00, the City will make interim payments based on partial pay estimates for work completed and cost summaries from the developer's project manager or engineer.
- C. If the City does not have funds available in its oversizing budget to participate in the project at the time of construction, the City will reimburse the developer for the cost of the line over a period not to exceed ten years at a rate of eight percent (8%) per annum. An agreement shall be executed by the City and the developer detailing the terms of the reimbursement, to be established at that time.

**1.3.4.4 Initial Oversizing Not Required** -- If the City determines that a line in a certain location will need to be oversized at some point in the future but elects not to require oversizing of the line at the time of initial construction, the developer may elect to either install the size of line needed for the development or install the oversized line.

- A. If the oversized line is not installed the developer will not be eligible for any reimbursements for that line. Any reimbursements that would normally be eligible under the provisions of Section 1.3.3 shall accrue to the City for construction of the oversized line.
- B. If the oversized line is installed the developer will be eligible for certain construction cost reimbursements and for future oversizing participation by the City.
  - 1. The developer will be eligible for reimbursements as provided in Section 1.3.3 for the 8" portion of the oversized line.
  - 2. The City will pay for the oversized portion of the line when it is determined by the City that the line, or a portion thereof, is needed for the service area. A construction cost estimate will be made at that time to determine the amount to be paid by the City.

**1.3.4.5 Determination of Eligible Project Costs**

- A. The costs of the materials and installation of an oversized line shall be shared between the City and the developer in accordance with the following tables.

PERCENTAGE PAID BY THE CITY FOR OVERSIZED WATER LINES										
		Size of Water Line Installed								
		8"	10"	12"	14"	16"	18"	20"	24"	30"
Size of Water Line Needed	8"	0	30	48	62	70	76	80	84	88
	10"		0	27	46	59	66	71	77	82
	12"			0	25	44	54	61	69	76

PERCENTAGE PAID BY THE CITY FOR OVERSIZED SEWER LINES										
		Size of Water Line Installed								
		8"	10"	12"	15"	18"	21"	24"	27"	30"
Size of Sewer Line Needed	8"	0	16	30	49	63	71	78	81	83
	10"		0	18	37	54	66	72	77	79
	12"			0	24	45	59	68	73	76

- B. Only those components of the water or sewer line project that are oversized shall be included for oversizing participation. Eligible costs include those costs to furnish and install the oversized pipe, fittings, valves and service saddles. The costs for design, service lines, manholes, surface repairs and connected lines and appurtenances are not eligible. Sewer manholes will be included if larger than a 4-foot diameter manhole is needed because of the sewer line size.
- C. Construction Quotes -- If the City participation is estimated to be \$5000.00 or less, the developer shall obtain a minimum of three written quotes from qualified contractors for construction of the oversized line. The quotations shall be based on construction of the line in a reasonable but not an accelerated time period. The City and the developer shall agree on a reasonable time frame to be included in the request for quotations. The lowest quote shall be the basis for determining eligible costs. If the City's portion is greater than \$5000.00, the developer may either accept \$5000.00 as the maximum compensation or have a public, competitive bid.
- D. Competitive Bids -- If the City's participation is estimated to be greater than \$5000.00, the developer shall obtain competitive bids for the construction of the oversized line, in accordance with the State laws and City procedures for capital projects. The bids shall be based on construction of the line in a reasonable but not an accelerated time period. The City and the developer shall agree on a reasonable time frame to be included in the request for quotations. The City and the developer have the right to reject any and all bids, for cause.

- E. Determination of Final Cost -- The developer's engineer shall submit to the City a summary of the final eligible project costs. The final costs shall be based on the actual quantities installed and the prices from the lowest quote or bid received for the project.

**1.3.4.6 Water and Sewer Development Agreement** -- If the City agrees to participate in an oversizing project with the developer and shall prepare a Water and Sewer Development Agreement which will include:

- A. An estimate of the oversized line project costs, prepared by a Professional Engineer. Itemization of the cost estimate shall be attached to the agreement.
- B. Distribution of project costs between the City and the developer.
- C. Time schedule or phasing plan(s) which the developer agrees to comply with.
- D. Any reimbursement agreements between the developer and future developers along the oversized line.
- E. The Water and Sewer Development Agreement shall be reviewed and signed by the Utility Director, the City Attorney, and the land owner(s).

Exhibit

B

Construction Plan  
Extract





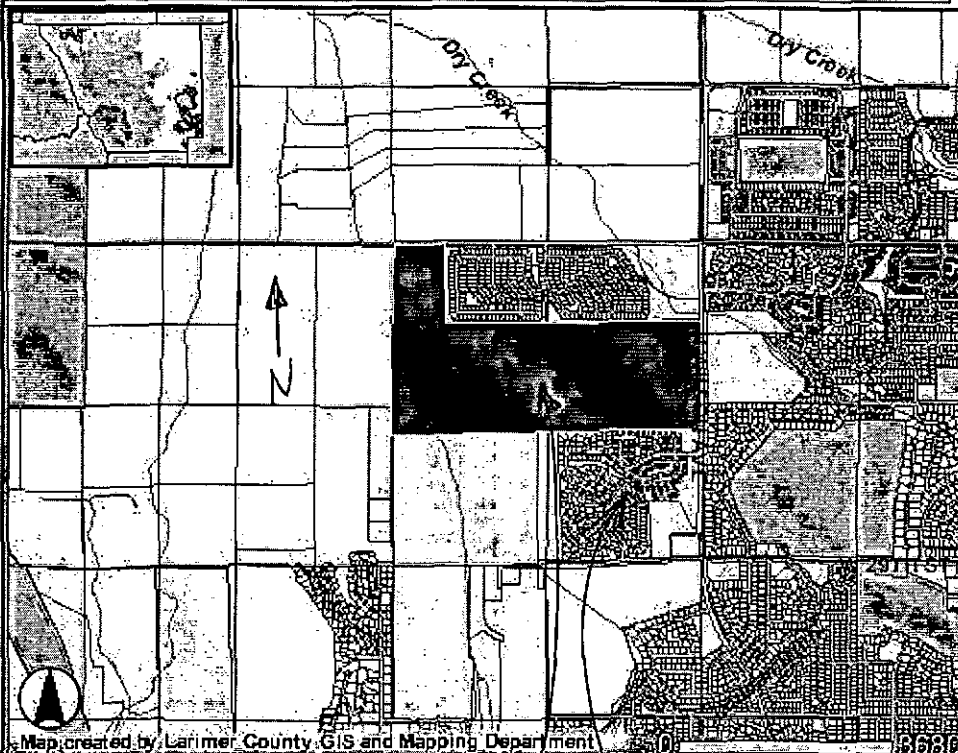


# Larimer County Parcel Locator

GIS Home

Select Parcel	Zoom In	Full View	↑	→	Toggle Overview Map
Clear Parcel	Zoom Out	Last View	↓	←	How Do I Use This?

Select by Data



- ### Legend
- Highlighted Feature
  - Major Roads
  - Road System
  - Railroad
  - Township/Range Lines
  - Section Lines
  - Quartersection Lines
  - Parcel Lines
  - Airports
  - grass
  - pavement
  - Lakes/Ponds/Reservoir
  - Rivers/Streams
  - School
  - Larimer County Parks/Openspace/Protected Areas
  - City Parks
  - Bureau of Land Management
  - Bureau of Land Mgmt.
  - Incorporated Areas
  - Berthoud
  - Estes Park
  - Fort Collins
  - Johnstown
  - Loveland
  - Timnath
  - Wellington
  - Windsor
  - National Forest
  - National Forest
  - National Park
  - Colorado State Lands
  - State Environmental Area
  - State Forest
  - State Open Space
  - State Park
  - State School Section
  - State Trust Land
  - State Wildlife Area
  - Larimer County Boundary
  - County Boundaries

HUNTERS RUN P.U.D.

APPROXIMATE LOCATION OF ADJACENT PROPERTY

Zoom In

Exhibit

C

Bid Quotes

# Proposal

## Coulson Excavating Co., Inc.

Phone 970 667-2178 \* Fax 970 667-2193

3609 N County Road 13 \* Loveland, Colorado 80538

Proposal Submitted to:		Phone	Date
GIULIANO & FATHER			
Street		Job Name	
308 COMMERCE DR. #A		WILSON STREET OFF SITE 12" SEWER	
City, State and Zip Code		Job Location	
FT. COLLINS CO 80524		LOVELAND	

We hereby submit specifications and estimates for:

Description	Unit	# Units	Per Unit	Total
12" SAN SEWER MAIN	LF	2260.00	\$50.00	\$113,000.00
8" UNDER DRAIN	LF	2260.00	\$11.00	\$24,860.00
4" DIA. MANHOLES SET ONLY	EA	7.00	\$1,000.00	\$7,000.00
DRAIN CLEAN OUTS	EA	7.00	\$500.00	\$3,500.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
*SUB.GRADE MUST BE +OR- .10 FT.				\$0.00
**ASPHALT PRICES ARE FOR THE YEAR 2000 ONLY.				\$0.00
*** ADD 12% FOR 20001 ASPHALT UNIT PRICE				\$0.00
** SOIL STERILIZING INCLUDED			Total	\$148,360.00

We Propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

dollars (\$)

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Note: This proposal may be withdrawn by us if not accepted within \_\_\_\_\_ days.

Acceptance of Proposal: \_\_\_\_\_ Date: \_\_\_\_\_

Final billing will be based on actual field measurement. Quotation includes sales tax on materials.

# Schmidt Earth Builders, Inc.

4535 S. County Rd. # Fort Collins, CO, 80528 \ Off: (970) 377-1315 Fax: 377-1320



To: Hartford Homes c/o Double Eagle Const. Services  
 375 E. Horseooth, Bldg. #8, Suite 102  
 Ft Collins Co. 80528  
 Attn: Gregg Seeborn

Date: 22-Nov-00  
 Project: Hunters Run  
 Location: 28th & Wilson  
 Loveland

We offer for your approval the following proposal, subject to terms and conditions, as noted, on the reverse side, if accepted, shall constitute a contract between us.

## HUNTERS RUN

PHASE 1	\$818,481.26
PHASE 2	\$1,378,213.75
OFFSITE	\$176,248.75

Total Proposal \$2,371,954.75

NOTE: Sanitary Main and Services include underdrain.

EXCLUDES: See Reverse Side

PLANS DATED: 8/16/00 (Preliminary "Not For Construction")

SHEETS: 1-06

Submitted By: Mark Van Bank - Estimator

NOTE: This proposal may be withdrawn or adjusted if not accepted within 30 days. This proposal & contract including any attached forms must be made part and parcel to any contract agreement into which Schmidt Earth Builders Inc., may enter.

*Acceptance of Proposal* - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work specified.

Date of Acceptance: \_\_\_\_\_ Authorized Signature \_\_\_\_\_

## CONDITIONS AND AGREEMENT

- 1) **OFFER AND ACCEPTANCE:** This quotation may be withdrawn or modified if not accepted within thirty (30) days from date of issue.
- 2) **PERFORMANCE:** Delivery of products or performance of services herein quoted are subject to delays occasioned by circumstances beyond our control. Completion date is subject to weather conditions, mechanical failures, labor difficulties, fuel or material shortages, fire, governmental authority or regulation, acts of God, engineering changes, contractors not included in this contract, or any cause beyond our control.
- 3) **EASEMENTS & R.O.W.:** Owner to furnish all easements and adequate right-of ways to allow Schmidt Earth Builders, Inc. to work in compliance with OSHA regulations and requirements.
- 4) **SOIL MECHANICS AND UNDERGROUND CONDITIONS:** During excavation, if material is encountered that a 90,000 pound backhoe cannot remove productively for utility installation or a 300 Horse Power dozer cannot rip productively for grading work, a price adjustment may be necessary. If blasting (or other approved method) becomes necessary, this work will be done as an additional cost on a time and material basis. Also, if unstable subgrade conditions are encountered, these conditions shall be criteria for change order negotiations between owner and contractor. The geotechnical design shall be the responsibility of the owner and /or his soils engineer.
- 5) **EXTRA WORK:** Extra work not covered by Items of Contract shall be negotiated, evidenced in writing, and signed by the parties involved in this contract.
- 6) **EXCLUDES:** (Unless otherwise noted) Engineering, soils and compaction testing, survey, staking, permits, development / impact fees, concrete and asphalt work or testing, pavement marking, asphalt patching, design changes, as-built drawings, inspection fees or overtime charges, tapping fees, topographical errors, subgrade stabilization, performance bond, blasting, dewatering, blind change away, frost excavation, winter protection, import fill material or haul-off excess material, signage, fence, traffic control or others, prep. for concrete para-radius, final adjust manhole or valve box, adjustments through asphalt, landscape or repair, erosion control, seeding.
- 7) **QUANTITY DETERMINATIONS AND BILLING:** All quantities shall be verified by in-field measurement after construction unless bid is a lump-sum bid and is so determined.
- 8) **PAYMENT TERMS:** The owner or owner's representative accepting this proposal agrees to pay Schmidt Earth Builders, Inc., the full quoted price, with any adjustments, provided for the work herein specified. Invoices or progress estimates will be due on the 10th of each month following their issue. Payment shall be overdue and delinquent if not received by Schmidt Earth Builders, Inc., by due date. Schmidt Earth Builders, Inc. will be entitled to a 1.75% per month LATE PAYMENT CHARGE. NOT A FINANCE CHARGE, which is an ANNUAL PERCENTAGE RATE OF 21%, on any unpaid balances. In addition, if payment is not made as due, Schmidt Earth Builders, Inc. may employ an attorney to file a lien against said property, or take any other action to enforce collection of payment due including attorney and collection fees.
- 9) **WARRANTIES:** All work shall be performed in a good and workmanlike manner and in accordance with the applicable ordinances of the City or County in which it is performed. All warranties will be as per the City, County or District in which the work is performed, as stated by their code. All other warranties will be stated in this proposal.
- 10) **ACCEPTANCE OF PROPOSAL:** The person or persons accepting this proposal represent that they are the owner of the premises on which the work is to be done, or that they are the authorized representative of the owner, and that permission and authority is hereby granted to Schmidt Earth Builders, Inc. to perform such work on those premises.
- 11) **PROOF OF FINANCING:** Acceptance of this proposal by Schmidt Earth Builders, Inc. and performance of the work is contingent upon proof of financing. The parties further understand and agree that if payments are not made as due, Schmidt Earth Builders, Inc. may at its option refuse to proceed with the work and refuse to make deliveries, and Schmidt Earth Builders, Inc. shall in no way be liable for any damages whatsoever by reason of such refusal. In the event Schmidt Earth Builders, Inc. abandons the work for non-payment, Schmidt Earth Builders, Inc. may at its option be compensated for the materials supplied and work completed to date on a time and materials basis, all late payment charges and attorney's fees shall be paid to Schmidt Earth Builders, Inc.
- 12) **HAZARDOUS MATERIALS:** Hazardous Materials shall mean any substances defined as hazardous in any federal, state or other applicable law or regulation. Schmidt Earth Builders, Inc. shall not be responsible for removing or otherwise deal with in any manner any hazardous materials. If Schmidt Earth Builders, Inc. becomes aware of any hazardous materials at the project location, Schmidt Earth Builders, Inc. has the right to discontinue work until the hazardous material is removed or dealt with in accordance with the applicable law. Schmidt Earth Builders, Inc. has no responsibility to inspect the property for hazardous materials. The owner of the property shall indemnify Schmidt Earth Builders, Inc. for any loss, damages or expenses that may be incurred (including attorney's fees) by Schmidt Earth Builders, Inc. which is caused by or attributable to the hazardous materials.
- 13) **MISCELLANEOUS PROPOSAL NOTES:** (Unless otherwise noted) Lot grading based on a custom straight grade Front to Back, street & concrete subgrade prep. 1.1ft (scarified/compacted), overlot grading & berms 1.4ft.

MUNTERS RUN

Date: 22-Nov-00

PHASE 1Sanitary Sewer

	Quantity	Unit	Unit Cost	Total Unit
1) 8" PVC SEWER MAIN	8,015	LF	\$46.30	\$278,484.50
2) 48" DIA. MANHOLE	32	EA	\$1,885.00	\$60,320.00
3) 4" SEWER SERVICE	144	EA	\$895.00	\$128,880.00
4) FINAL ADJUST MANHOLE	32	EA	\$425.00	\$13,600.00
<b>Sanitary Sewer Subtotal</b>				<b>\$481,284.50</b>

Water Utility

	Quantity	Unit	Unit Cost	Total Unit
1) 8" PVC H2O MAIN	4,284	LF	\$21.50	\$91,876.00 ✓
2) 8" GATE VALVE	19	EA	\$915.00	\$17,385.00 ✓
3) 8" H2O MAIN LOWERING	2	EA	\$2,500.00	\$5,000.00 ✓
4) 12" PVC H2O MAIN	2,109	LF	\$29.75	\$62,742.75 ✓
5) 12" GATE VALVE	12	EA	\$1,540.00	\$18,480.00 ✓
6) 3/4" H2O SERVICE & CURB STOP	144	EA	\$565.00	\$81,360.00 ✓
7) 5" FIRE HYDRANT ASSY. (GV,T & BL)	16	EA	\$2,650.00	\$38,250.00 ✓
8) A.R.V. ASSY.	1	EA	\$2,300.00	\$2,300.00 ✓
9) FINAL ADJUST VALVE BOX	35	EA	\$225.00	\$7,875.00 ✓
<b>Water Utility Subtotal</b>				<b>\$325,098.75</b>

Storm Drainage

	Quantity	Unit	Unit Cost	Total Unit
1) 18" CLASS 3 R.C.P.	90	LF	\$30.00	\$2,700.00
2) 36" CLASS 3 R.C.P.	93	LF	\$81.00	\$6,873.00
3) 18" RCP FLARED END SECTION	2	EA	\$366.00	\$730.00
4) 36" RCP FLARED END SECTION	2	EA	\$700.00	\$1,400.00
5) CLASS 6 RIPRAP	6	CY	\$75.00	\$375.00
6) CLASS 9 GROUTED RIPRAP	16	CY	\$150.00	\$2,250.00
<b>Storm Drainage Subtotal</b>				<b>\$13,128.00</b>

**Total Phase 1** **\$819,401.25**

**PHASE 2**

**Sanitary Sewer**

	Quantity	Unit	Unit Cost	Total Unit
1) TIE-INTO EX. STUB-OUT	4	EA	\$450.00	\$1,800.00
2) 8" PVC SEWER MAIN	9,516	LF	\$46.30	\$440,844.60
3) 48" DIA. MANHOLE	66	EA	\$1,888.00	\$103,878.00
4) 48" DIA. DROP MANHOLE	1	EA	\$2,200.00	\$2,200.00
5) 4" SEWER SERVICE	140	EA	\$895.00	\$126,300.00
6) 8" SEWER SERVICE	26	EA	\$1,305.00	\$33,930.00
7) FINAL ADJUST MANHOLE	68	EA	\$425.00	\$28,900.00
<b>Sanitary Sewer Subtotal</b>				<b>\$731,248.60</b>

**Water Utility**

	Quantity	Unit	Unit Cost	Total Unit
1) 12"x30" WETTAP & TIE-IN	1	EA	\$6,800.00	\$6,800.00
2) TIE-INTO EXISTING STUB-OUT	1	EA	\$600.00	\$600.00
3) 8" PVC H2o MAIN	526	LF	\$16.60	\$8,731.60
4) 8" GATE VALVE	2	EA	\$700.00	\$1,400.00
5) 8" PVC H2o MAIN	8,810	LF	\$21.60	\$189,415.00
6) 8" GATE VALVE	39	EA	\$915.00	\$35,685.00
7) A.R.V. ASBY.	1	EA	\$2,300.00	\$2,300.00
8) 8" H2o MAIN LOWERING	4	EA	\$2,500.00	\$10,000.00
9) 12" PVC H2o MAIN	1,887	LF	\$29.78	\$56,168.26
10) 12" GATE VALVE	18	EA	\$1,340.00	\$24,120.00
11) 3/4" H2o SERVICE & CURB STOP	140	EA	\$666.00	\$93,240.00
12) 1 1/2" WATER SERVICE to CURB STOP	28	EA	\$850.00	\$23,800.00
13) 1 1/2" IRRIGATION SERVICE to CURB STOP	3	EA	\$850.00	\$2,550.00
14) 5" FIRE HYDRANT ASBY. (GV, T & BL)	25	EA	\$2,850.00	\$71,250.00
15) FINAL ADJUST VALVE BOX	83	EA	\$228.00	\$18,864.00
<b>Water Utility Subtotal</b>				<b>\$516,466.75</b>

**Storm Drainage**

	Quantity	Unit	Unit Cost	Total Unit
1) 18" CLASS 3 R.C.P.	972	LF	\$35.00	\$34,020.00
2) 24" CLASS 3 R.C.P.	100	LF	\$40.00	\$4,000.00
3) 27" CLASS 3 R.C.P.	34	LF	\$46.50	\$1,581.00
4) 33" CLASS 3 R.C.P.	201	LF	\$54.00	\$10,854.00
5) 42" CLASS 3 R.C.P.	134	LF	\$72.28	\$9,685.60
6) 43" x 68" CLASS 3 H.E.R.C.P.	84	LF	\$158.00	\$13,272.00
7) 18" RCP FLARED END SECTION	2	EA	\$365.00	\$730.00
8) 33" RCP FLARED END SECTION	1	EA	\$675.00	\$675.00
9) 42" RCP FLARED END SECTION	2	EA	\$860.00	\$1,720.00
10) 43" x 68" HERCP F.E.S.	2	EA	\$2,330.00	\$4,660.00
11) 48" DIA. STORM MANHOLE	3	EA	\$1,800.00	\$5,400.00
12) 60" DIA. STORM MANHOLE	1	EA	\$2,000.00	\$2,000.00
13) CLASS 8 RIPRAP	6	CY	\$75.00	\$450.00
14) CLASS 12 GROUTED RIPRAP	10	CY	\$150.00	\$1,500.00
15) CLASS 18 RIPRAP (GROUTED)	90	CY	\$175.00	\$15,750.00
16) FINAL ADJUST STORM MANHOLE	8	EA	\$425.00	\$3,400.00
<b>Storm Drainage Subtotal</b>				<b>\$111,248.60</b>

**Concrete**

	Quantity	Unit	Unit Cost	Total Unit
1) 8' TYPE R INLET	3	EA	\$2,600.00	\$7,800.00
2) 10' TYPE R INLET	1	EA	\$2,050.00	\$2,050.00
3) 15' TYPE R INLET	1	EA	\$4,900.00	\$4,900.00
4) POND OUTLET	1	EA	\$2,900.00	\$2,900.00
<b>Concrete Subtotal</b>				<b>\$18,250.00</b>

**Total Phase 2** **\$1,376,213.75**

**OFFSITE**

**Sanitary Sewer**

	Quantity	Unit	Unit Cost	Total Unit
→ 1) TIE INTO EXISTING MANHOLE	1	EA	\$3,000.00	\$3,000.00
2) WILSON CROSSING FOR UNDERDRAIN	1	LS	\$22,000.00	\$22,000.00
→ 4) 12" PVC SEWER MAIN	2,241	LF	\$59.75	\$133,889.75
5) 48" DIA. MANHOLE	7	EA	\$1,925.00	\$13,475.00
6) RIP RAP	8	CY	\$150.00	\$900.00
7) FINAL ADJUST MANHOLE	7	EA	\$425.00	\$2,975.00
<b>Sanitary Sewer Subtotal</b>				<b>\$178,249.75</b>
				<i>178,249.75</i>
<b>Total OffSite</b>				<b>\$178,249.75</b>





Giuliano & Father Const. Inc.  
Pipe Division  
308 Commerce Dr. Ste. #A  
Ft. Collins, CO 80524  
970-493-6262  
Fax: 970-493-3811

May 2, 2002

Dear Development Division:

Per your request, please find below a cost estimate to complete the following work along Wilson Ave. in Loveland Colorado.

→ 2,036 LF 12" Sewer @ \$62 LF	\$126,232
(7) 48" Diameter Manholes @ \$ 2,950.	\$ 20,650
→ (1) Connect to Existing Manhole \$3,200.	\$ 3,200
(7) Sections of Main Testing @ \$160.	\$ 1,120
(7) Vacuum Test Manholes @ \$135.	\$ 945
(1) Traffic Control @ \$5,000.	\$ 5,000
Mobilization @ \$2,100.	\$ 2,100
(1) Disk & Regrade Farm Land \$ 2,760.	\$ 2,760
(1) Staking	\$ 800
(1) Compaction Testing	\$ 979
2,036 LF T.V. Camera @ \$.50	\$ 1,018
(7) Final Adjustment of Man Holes @ 300.	\$ 2,100
	\$166,904

Sincerely,

John G. Giuliano

Exhibit

D

Property Owner Name  
and Address

Exhibit D

Parcel	Parcel ID	Parcel Location	Current Parcel Owner	Estimated LF of Adjacent Property	Current Estimate Reimbursement Cost
1	9504000002	NE 1/4 S4 T5N R69	G.A. Lee Farm, LLC 9150 East Jewel Cr. Denver, CO 80231	1780 LF	\$ 56,158.55

RCPTN # 2000073398 10/25/2000 08:40:00 # PAGES - 2 FEE - \$10.00  
M RODENBERGER RECORDER, LARIMER COUNTY CO STATE DOC FEE - \$.00  
**QUITCLAIM DEED**

THIS DEED, made this 25<sup>th</sup> day of July, 2000  
between **ELIZABETH JOHNSON**,  
whose legal address is: 21209 Aspen Lane, Weston, Colorado 81091  
of the County of Las Animas, and State of Colorado, grantor.

and  
**G.A. LEE FARM, LLC**, a Colorado limited liability company,  
whose legal address is 9150 East Jewell Cir., Denver, CO 80231  
of the County of Denver, and State of Colorado

STATE DOCUMENTARY FEE  
**EXEMPT**

WITNESSETH, That the grantor, for and in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has/have remised, released, sold, conveyed and QUITCLAIMED, and by these presents does remise, release, sell, convey and QUITCLAIM unto the grantee(s), his/her heirs, successor and assigns, forever, all the right, title, interest, claim and demand which the grantor(s) has/have in and to the real property, together with all improvements, if any, situate, lying and being in the County of LARIMER and State of Colorado, described as follows:

An Undivided 50% interest in and to the real property described on Schedule A attached hereto and made a part hereof by this reference, consisting 240 acres more or less.

(THIS IS A TRANSFER FROM A MEMBER TO A FAMILY LIMITED LIABILITY COMPANY - NO DOC FEE REQUIRED)

also known by street and number as: Vacant Farm Land  
assessor's schedule or parcel number: R0431982 9504000002

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges attached thereto belonging or in anywise thereto appertaining, and all the estate, right, title, interest and claim whatsoever, of the grantor(s), either in law or equity, to the only proper use, benefit and behalf of the grantee(s), his/her heirs and assigns forever.

IN WITNESS WHEREOF, The grantor(s) has/have executed this deed on the date set forth above.

*Elizabeth Johnson*  
ELIZABETH JOHNSON, Grantor: :

State of Colorado )  
County of Arapahoe )

The foregoing was acknowledged before me this 20<sup>th</sup> day of July, 2000 by: ELIZABETH JOHNSON, grantor.

My commission expires: 9/16/2000  
Witness my hand and official seal.

*Brenda A. K...*  
Notary Public

Name and Address of Person Creating Newly Created Legal Descriptors (§58-35-106.5 C.R.S.)

*E - Stutz Miller Wirtz  
1660 Lincoln St #2850  
Denver CO 80264*

QUITCLAIM DEED  
Computerized Legal Forms, Inc. P.O. Box 370424 Denver CO 80237

Not Commissioned Approved.  
(303) 779-0376 © 1995 All rights reserved.

98  
2 1561 871

## SCHEDULE A

A portion of Section 4, Township 5 North, Range 69 West of the 6th P.M. described as follows: Beginning at the Northeast corner of said Section 4; thence along the East line of said Section South 2184.58 feet to the true point of beginning; thence continuing along said East line South 864.59 feet to the South line of the North 370 acres of said Section 4; thence along said South line South 89°19'40" West 5289.39 feet to the West line of said Section; thence along the West line of said Section 4 North 0°07'20" East 864.59 feet to a line that bears North 89°19'40" East and passes through the true point of beginning; thence North 89°19'40" East 5287.55 feet to the true point of beginning. SUBJECT to existing County Road along East line.

That portion of Section 4, Township 5 North, Range 69 West of the 6th Principal Meridian in the County of Larimer, State of Colorado, to-wit: Beginning at the Northeast corner of said Section 4; thence along the East line of said Section 4 South 1320.00 feet to the true point of beginning; thence along the East line of said Section South 864.58 feet; thence South 89°19'40" West 287.55 feet to the West line of said Section; thence along the West line of said Section North 0°07'20" East 2134.66 feet to the Northwest corner of said Section; thence along the North line of said Section North 89°19'40" East 892.88 feet to a point which bears South 89°19'40" West 4390.00 feet from the Northeast corner of said Section; thence South 1320.00 feet to a line that bears North 89°19'40" East and passes through the true point of beginning; thence North 89°19'40" East 4390.00 feet to the true point of beginning. Subject to existing County Road along East line.

That portion of Section 4, Township 5 North, Range 69 West of the 6th Principal Meridian in the County of Larimer, State of Colorado, beginning at the Northeast corner of Section 4; thence along the East line of said Section South 3049.17 feet to the true point of beginning; said point being on the South line of the North 370 acres of said Section 4; thence continuing along the East line of said Section South 36.00 feet; thence South 88°58'52" West 5290.01 feet to the West line of said Section; thence along said West line North 0°07'20" East 68.00 feet more or less to the South line of the North 370 acres of said Section; thence along said South line North 89°19'40" East 5269.39 feet to the true point of beginning. SUBJECT to the existing county road along the East line. With all its appurtenances, and warrant the title to the same, subject to Reservations of record.

Exhibit

E

Summary of Cost  
Analysis

Hunters Run P.U.D. - Off-Site Sanitary Sewer Summary of Costs

<u>Work Item - Description</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Item Cost</u>
12" PVC	2,036	50.00	101,800.00
Tie-Into Existing Manhole	1	3,200.00	3,200.00
Manhole	6	1,925.00	11,550.00
Line Test (Air & Deflection)	-	incl'd above	-
Test Manholes	7	295.00	2,065.00
TV Sanitary Line	2,036	0.75	1,527.00
Final Adjust Manhole	7	350.00	2,450.00
Dewatering	-	incl'd above	-
Traffic Control	1	3,000.00	3,000.00
Mobilization	1	2,100.00	2,100.00
Regrade ROW & Farm Field	1	1,760.00	1,760.00
Dick Farm Field	1	1,000.00	1,000.00
Staking	1	2,300.00	2,300.00 *
Engineering Compaction Fee	1	632.32	632.32 *
General Conditions & Supervision	1	10,432.77	10,432.77 *
		<b>Project Total</b>	<b>143,817.09</b>
		(Less City Oversizing Repay)	(31,500.00)
		<b>Total - Less Repay</b>	<b>112,317.09</b>
		<b>Adjacent Property Cost</b>	<b>56,158.55</b> (1/2 the Project Total Less the City of Loveland Repay)
		<b>Cost per LF of Sewer Line</b>	<b>27.58</b>

1 Developer has received the City of Loveland Repay for the oversizing of the sewer line from 8" to 12"

2 The costs listed above reflect the costs from the low bid for the installation of the Off-Site Sewer, extending North from the Hunters Run P.U.D. along North Wilson Avenue. (MH 2.2A to MH 2.2G)

\* Items paid by Developer, reflected in the attached invoice from Giuliano & Father Construction, Inc., dated 2/8/2001

GIULIANO & FATHER CONSTRUCTION, INC.  
308 Commerce Dr. #A  
FORT COLLINS, COLORADO 80524

**STATEMENT**

DATE	2/08/01
NUMBER	

(970) 493-6262

HARTFORD HOMES  
1218 WEST AVE. SUITE A  
WINDSOR, CO 80550

TERMS:

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

\$ 219,088.09

DATE	CHARGES AND CREDITS	BALANCE
	BALANCE FORWARD	
	INSTALLATION OF 12" SANITARY SEWER MAIN	
	INSTALLATION OF 8" UNDER DRAIN	
	(PER ATTACHED WILSON AVE. LOVELAND	
	SEWER COST BREAKDOWN)	219,088.09

GIULIANO & FATHER CONSTRUCTION, INC.

*Thank You*

 PAY LAST AMOUNT  
IN THIS COLUMN



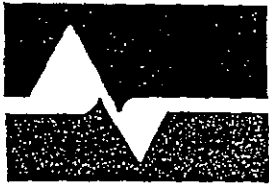
# WILSON AVE. SEWER COST BREAKDOWN

Quantity	Unit of Measure	Size	Product	Cost per	Subtotal
2,036	LF	12"	Sanitary Sewer Main	\$ 50.00	\$ 101,800.00
2,366	LF	8"	Under Drain	\$ 15.50	\$ 36,673.00
6	Ea.	4'	Diameter Man Holes	\$ 2,325.00	\$ 13,950.00
1	Ea.		Connect to Existin Manhole	\$ 3,200.00	\$ 3,200.00
7	Ea.	4"	Under Drain Clean Outs	\$ 650.00	\$ 4,550.00
7	Ea.		Run Pressure test Main	\$ 160.00	\$ 1,120.00
7	Ea.		Vacuum test Manholes	\$ 135.00	\$ 945.00
1	Ea.	2Ton	Type M Grouted Rip Rap	\$ 450.00	\$ 450.00
100	Ea.		Wilson St Bore	\$ 330.00	\$ 33,000.00
1	Ea.		Traffic Control	\$	\$ 3,000.00
1	Ea.		Mobilization	\$	\$ 2,100.00
1	Ea.		Regrade ROW & Farm Field	\$	\$ 1,760.00
1	Ea.		Dick Farm Field	\$	\$ 1,000.00
1	Ea.		Reseed City Land East Side of Wilson	\$	\$ 480.00
1	Ea.		Staking	\$	\$ 2,300.00
1	Ea.		Engineering Compaction Fee	\$	\$ 632.32
2,260	LF		TV Camera	\$ 0.75	\$ 1,695.00
				<b>SUBTOTAL</b>	<b>\$ 208,655.32</b>
			General Conditions & Supervision	5%	\$ 10,432.77
				<b>TOTAL</b>	<b>\$ 219,088.09</b>

Exhibit

F

Acceptance of Improvements



CITY OF LOVELAND  
DEPARTMENT OF WATER & POWER  
SERVICE CENTER

200 North Wilson, Bldg. #1 • Loveland, Colorado 80537  
(970) 962-3000 • (970) 962-3400 FAX • (970) 962-2670 TDD

January 22, 2001

Giuliano and Father Construction, Inc.  
308 Commerce Dr.  
Ste A  
Fort Collins, CO 80524

**Subject: Acceptance of Subdivision Improvements**

1. The Municipal Code of the City of Loveland governing subdivision regulations states in part:

**16.24.030: Sewer, water, stormwater, street and landscaping improvements.** The approved mylar construction drawing shall be revised as record drawings which document all changes to the location of any constructed improvement that departs from the approved design by more than 0.10 feet vertically or 1.0 feet horizontally. The record drawings shall be prepared by the applicant and approved by the City prior to the issuance of any building permits within the subdivision (Ord. 4298 § 1 (part), 1997)

**16.40.080: Inspection:** All improvements shall be inspected as provided for in the Development Standards and Guidelines. (Ord. 4298 § 1 (part), 1997)

**16.40.090: Guarantee period:** All workmanship and materials (except materials provided by the City) for all required public improvements installed by the applicant (including, but not limited to the water supply system, sanitary sewage disposal system, storm drainage facilities, shall be guaranteed to be free from defects by the applicant for a period of two years from the date of acceptance of the required improvement by the City, provided that such defects are not the result of public abuse, misuse or natural causes, as determined by the City. In the event any other provision of this Code or specifications adopted pursuant thereto shall require a guarantee of workmanship or materials or both for a different period of time, that provision regarding the longer period of guarantee shall govern. City inspection shall not relieve the property owner of such guarantee of workmanship or materials. Upon notification, the applicant shall promptly make all adjustments, repairs, or replacements in accordance with a repair plan approved by the City, which repair, in the opinion of the City, arose out of defects and became necessary during the guarantee period. The cost of all materials, parts, labor transportation, supervision, special tools, and supplies required for replacement or repair of parts and for correction of defects shall be paid by the contractor or by the holder of the approved financial security.

This guarantee shall be extended to cover all repairs and replacements furnished under the guarantee, and the period of the guarantee for each repair or replacement shall be extended one (1) year after installation or completion of the repair or replacement.

If, within fifteen (15) days after the City has notified the applicant of a defect, failure, or abnormality in the work, the applicant has not started to make the necessary repairs or adjustments or submitted a written objection to the City's request for repair work, the City is hereby authorized to make the repairs or adjustments to order the work be done by a third party. The cost of the work shall be paid

Giuliano and Father Construction, Inc.

January 22, 2001

Page 2

by the applicant. The Director may authorize a temporary repair if necessary due to weather conditions or materials availability. In the event of an emergency, where in the judgement of the City, delay would cause serious loss or damage, repairs, or adjustments may be made by the City or a third party chosen by the City without advance notice to the applicant, the cost of the work shall be paid by the applicant or the holder of the financial security.

Within thirty (30) days prior to expiration of the guarantee period, the applicant shall request, in writing, that the City verify that no defects exist. The City shall, within thirty (30) days, inspect the completed work and, if no defects, failures, or abnormalities are observed or detected, the City shall cause the bond, deposit, escrow agent, or letter of credit to be released.

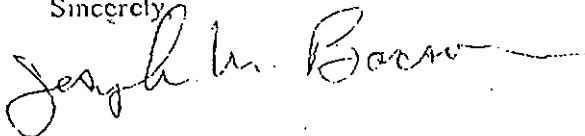
In the event that the applicant fails to complete any required repair work, or fails to reimburse the City for legitimate repair work performed by the City on behalf of the applicant, or fails to enter into an agreement with City regarding the satisfactory resolution of the obligation, the applicant shall be prohibited from participating in any further land development activity in the City of Loveland until such repair, reimbursement, or agreement is completed to the satisfaction of the Director. Both the developer of the project and the contractor performing the defective work shall be subject to this restriction. The developer shall be prohibited from receiving any additional building permits for any lots owned by the developer, as well as from submitting or continuing the processing of any land development applications for review and consideration by the City. The contractor shall be subject to the issuance of a stop work order issued by the City to the contractor for any work within any City right-of-way or easement. (Ord. 4298 § 1 (part), 1997)

2. Only City personnel shall operate valves.
3. As of October 13, 2000, the following improvements are accepted, subject to the attached Letter of Intent.

The facilities consist of : 2004 feet of 12-inch sanitary sewer line in North Wilson Avenue, in Hunter's Run Subdivision.

Any repairs needed to these improvements resulting from interior workmanship and/or material will be made by you for a period of two years from October 13, 2000.

Sincerely,



Joseph M. Bocson  
Public Works Inspector

/dm

Attachment

cc: GIS Technical - Water  
Public Works Inspector  
Subdivision file

## LETTER OF INTENT

To the City of Loveland:

The undersigned agrees to, within the below described areas, raise all valve boxes and sanitary sewer manholes and other related appurtenances on all newly constructed water and sewer facilities at his/her expense.

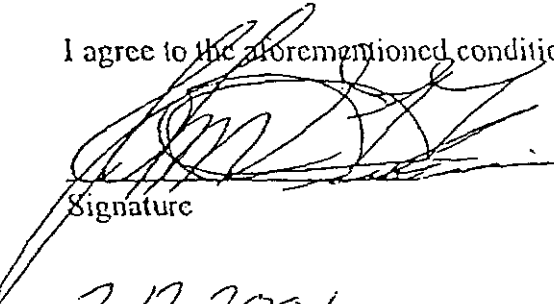
If these facilities are installed in an unimproved street, they will be raised after the street has been surfaced with asphaltic concrete. If the facilities are installed in easements or other non-traffic bearing areas, they shall be raised to final grade.

Only City personnel shall operate valves.

The undersigned also understands that the City will hold in an escrow account, funds of such amounts to cover the costs of this work until such time that the work is satisfactorily completed.

The water and/or sewer facilities consist of: 2004 feet of 12-inch sanitary sewer line in North Wilson Avenue, in Hunter's Run Subdivision.

I agree to the aforementioned conditions.



Signature

2-12-2001  
Date

Mail to:

Joe Bocson  
City of Loveland  
200 North Wilson Avenue  
Loveland, CO 80537

/dm