#### Development Agreement (Colliers Hill Filing 41)

This Development Agreement (the "Agreement") is made and entered into this day of \_\_\_\_\_\_, 2021 (the "Effective Date"), by and between the Town of Erie, a Colorado municipal corporation with an address of P.O. Box 750, Erie, CO 80516 (the "Town"), and Daybreak Recovery Acquisition, LLC, a Delaware limited liability company with an address of 1166 Avenue of the Americas, 21<sup>st</sup> Floor, New York, NY 10036 ("Developer") (each a "Party" and collectively the "Parties").

Whereas, Developer is the owner of the real property more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (the "Property");

Whereas, Developer wishes to develop the Property (the "Development"), and has filed an application for approval of a final plat for Lot 1, Colliers Hill Filing No. 41 (the "Final Plat); and

Whereas, the Town and Developer mutually acknowledge and agree that the matters hereinafter set forth are reasonable conditions and requirements to be imposed by the Town in connection with its approval of the Development, and that such matters are necessary to protect, promote and enhance the public health, safety and welfare of the Town.

Now, therefore, in consideration of the promises and the mutual covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. <u>Purpose</u>. The purpose of this Agreement is to set forth the terms, conditions and fees to be paid by Developer in connection with the improvements for the Development. All conditions in this Agreement are in addition to any requirements of the Erie Municipal Code (the "Code"), state law and other Town ordinances, and are not intended to supersede any requirements contained therein.

2. <u>District</u>. The Town acknowledges that Developer has formed a metropolitan district (the "District") for the purpose of providing facilities and services for the Development, either independently or as Developer's designee under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, any obligation of Developer under this Agreement may be performed by or on behalf of the District, provided that the District will be bound by this Agreement for any obligations that it undertakes on behalf of Developer.

### 3. <u>Construction of Improvements</u>.

a. *General.* Developer shall, at its own expense, design, construct and install all public improvements necessary for the Development, including without limitation streets, alleys, curbs, gutters, sidewalks, landscaping, irrigation, fencing, street lights, water, waste water, storm sewer and drainage facilities, and trails and park improvements

(collectively the "Improvements"). A list of the required Improvements is set forth in **Exhibit B**, attached hereto and incorporated herein by this reference. Omission of any necessary Improvement from **Exhibit B** does not relieve Developer from responsibility for furnishing, installing or constructing such Improvement. The Improvements include two categories: General Improvements and Landscaping Improvements, as listed in **Exhibit B**.

b. *Construction Standards.* Developer shall construct the Improvements in accordance with plans approved by the Town (the "Plans"), as well as the Town's Standards and Specifications for Design and Construction of Public Improvements (the "Standards"). Developer shall furnish, at its expense, all necessary engineering and consulting services relating to the design and construction of the Improvements. These services shall be performed by or under the supervision of a professional engineer licensed by the State of Colorado.

c. *Public Improvement Permit.* Before the construction of any Improvements, Developer shall obtain a Public Improvement Permit ("PIP") from the Town as provided in the Code. If the application is complete and complies with the approved plans and the Standards, the Town will issue the PIP. Developer shall reimburse the Town for any expenses incurred by the Town for consultant review of the application or associated documents. Unless otherwise approved by Town, overlot grading shall not be initiated until the Town approves drainage improvement plans by the issuance of the PIP.

d. *Testing and Inspection.* Developer shall employ, at its own expense, a licensed testing company to perform all testing of materials or construction reasonably required by the Town. Developer shall furnish copies of test results to the Town on a timely basis. At all times during construction, the Town shall have access to inspect materials and work, and all materials and work not conforming to the Plans or Standards shall be repaired or removed and replaced at Developer's expense.

e. *Rights-of-way and Easements*. Prior to construction of any Improvements that require additional rights-of-way or easements, Developer shall acquire at its own expense all such rights-of-way and easements. Any easements or rights-of-way conveyed to the Town shall be free and clear of liens, taxes and encumbrances and shall be conveyed on documents in a form acceptable to the Town.

f. *Permits.* Developer shall, at its own cost, obtain the following permits, as applicable:

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i. Any permits required by the United States Corps of Engineers;

ii. Colorado Department of Health and Environment General Permit for Stormwater Discharges Associated with Construction Activity.

iii. Grading, stormwater quality and right-of-way permits.

iv. Air Quality Permit.

g. *As-Built Drawings*. Upon completion of construction of the Improvements, Developer shall provide the Town with complete "as-built" drawings in the form required by the Standards.

h. Applicable Law. Developer shall at all times comply with all applicable law, including without limitation all current and future federal, state and local statutes, regulations, ordinances and rules relating to: the emission, discharge, release or threatened release of a Hazardous Material into the air, surface water, groundwater or land; the manufacturing, processing, use, generation, treatment, storage, disposal, transportation, handling, removal, remediation or investigation of a Hazardous Material; and the protection of human health, safety or the indoor or outdoor environmental, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; the Clean Water Act, 33 U.S.C. § 1251, et seq.; the Clean Air Act; the Federal Water Pollution Control Act; the Occupational Safety and Health Act; all applicable environmental statutes of the State of Colorado; and all other federal, state or local statutes, laws, ordinances, resolutions, codes, rules, regulations, orders or decrees regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.

4. <u>Specific Improvements</u>. Developer shall cause to be constructed or furnished and installed, at Developer's own expense and in conformance with the Plans and Standards, all of the following Improvements:

a. *Streets and Sidewalks*. Developer shall construct all required street and sidewalk improvements in conformance with the Plans and Standards and in accordance with the PIP.

b. *Signs and Striping*. Developer shall install street name signs, striping, stop signs, speed limit and other signs on all streets, in accordance with the Manual of Uniform Traffic Control Devices, as amended, and other applicable legal requirements.

c. *Street Lights.* Subject to Section 10 hereof, Developer shall install street lights concurrently with the construction of the streets on which they are located.

d. *Water.* Developer shall install all required water mains, lines, and appurtenances. Developer shall pay all potable and non-potable tap and raw water dedication fees for all permanently irrigated tracts and rights-of-way prior to the installation of landscaping in said tracts and rights-of-way. Native seeded areas not permanently irrigated may be temporarily irrigated until establishment without paying

raw water dedication fees, for a period not to exceed 2 years, but volume charges and service charges shall be due for all usage.

e. *Wastewater*. Developer shall install all required wastewater lines and appurtenances and shall pay all associated tap fees.

f. *Drainage Facilities*. Developer shall install all required drainage facilities, in compliance with Mile High Flood District design standards.

g. *Landscaping*. Developer shall install all required landscaping, structures, trails and sidewalk improvements in accordance with a Town-approved landscape plan.

h. *Utilities.* Developer shall install all on-site and off-site electric, natural gas, telephone, cable other utilities, underground as required by the Code.

i. *Fencing*. Developer shall install fencing in accordance with the approved landscaping plans and the Code. Fencing adjacent to parks and open space shall be limited to low (4') open (50%) fencing and the finished side of the fence shall face the open space. Fencing at the pool facility shall comply with applicable codes.

### 5. <u>Acceptance of Improvements and Warranty</u>.

a. *Initial Acceptance*. No later than 10 days after Improvements are substantially complete, Developer shall request an inspection by the Town. If Developer does not request this inspection, the Town may conduct the inspection without Developer's approval. All Improvements for Phase 1 shall receive Initial Acceptance on or before August 31, 2026. All Improvements for Phase 2 shall receive Initial Acceptance on or before August 31, 2026. All Improvements for Phase 3 shall receive Initial Acceptance Initial Acceptance on or before August 31, 2026.

i. If the Improvements are satisfactory, the Town shall grant Initial Acceptance.

ii. If the Improvements are not satisfactory, the Town shall provide written notice to Developer of the repairs, replacements, construction or other work required to receive Initial Acceptance. Developer shall complete all needed repairs, replacements, construction or other work within 30 days of said notice. After Developer completes the repairs, replacements, construction or other work required, Developer shall request of the Town a re-inspection of such work to determine if Initial Acceptance can be granted, and the Town shall provide written notice to Developer of the acceptability or unacceptability of such work prior to proceeding to complete any such work at Developer's expense. If Developer does not complete the repairs, replacements, or other work required within 30 days, Developer shall be in breach of this Agreement. The costs of re-inspection shall be borne by Developer. b. *Final Acceptance.* At least 30 days before 2 years has elapsed from the issuance of Initial Acceptance, or as soon thereafter as weather permits, Developer shall request an inspection by the Town. If Developer does not request this inspection, the Town may conduct the inspection without Developer's approval.

i. If the Improvements are satisfactory, the Town shall grant Final Acceptance.

ii. If the Improvements are not satisfactory, the Town shall provide written notice to Developer of the repairs, replacements, construction or other work required to receive Final Acceptance. After Developer completes the repairs, replacements, construction or other work required, Developer shall request of the Town a re-inspection of such work to determine if Final Acceptance can be granted, and the Town shall provide written notice to Developer of the acceptability or unacceptability of such work prior to proceeding to complete any such work at Developer's expense. If Developer does not complete the repairs, replacements, or other work required within 30 days, Developer shall be in breach of this Agreement.

c. *Warranty.* For all Improvements to be dedicated to the Town, Developer shall provide the Town with a 2-year warranty, commencing on the date of Initial Acceptance (the "Warranty Period"). Specifically, but not by way of limitation, Developer shall warrant that: the title is marketable and its transfer rightful; the Improvements are free from any security interest or other lien or encumbrance; and the Improvements are free of defects in materials or workmanship. During the Warranty Period, Developer shall, at its own expense, take all actions necessary to maintain the Improvements and make all necessary repairs or replacements.

6. <u>Maintenance</u>. Unless dedicated to and accepted in writing by the Town for maintenance, all Improvements shall be maintained by Developer. Acceptance by the Town of ownership of any Improvement does not constitute acceptance by the Town of maintenance for such Improvement. If Developer wishes to transfer maintenance obligations to the District or any other entity, including an owners' association, Developer shall obtain prior written approval from the Town.

### 7. <u>Improvement Guarantee</u>.

a. *Amount and Form.* To secure the construction and installation of the Improvements, Developer shall provide a letter of credit or cash in an amount equal to 115% of the total costs listed in **Exhibit B** (the "Improvement Guarantee"). The Improvement Guarantee may be split into two, one for the Landscape Improvements (the "Landscape Performance Guarantee"), and one for the General Improvements (the "General Performance Guarantee").

b. *Timing*. Developer shall not commence construction on any Phase, including without limitation staking, earth work, overlot grading or the erection of any structure, temporary or otherwise, until the Town has received and approved both the Landscape Performance Improvement Guarantee and the General Performance Guarantee for that Phase.

c. *Draw.* If the Improvements are not constructed or completed within the periods of time specified herein, the Town may draw on the associated Improvement Guarantee to complete the Improvements. If the Improvement Guarantee is to expire within 14 days and Developer has not yet provided a satisfactory replacement, or completed the Improvements, the Town may draw on the Improvement Guarantee and either hold such funds as security for performance of this Agreement or spend such funds to finish the Improvements or correct problems with the Improvements as the Town deems appropriate. If the Town has drawn on the Improvement Guarantee, and a satisfactory replacement guarantee is provided or the Improvements have been completed, then the Town will release any funds received as a result of its draw within a reasonable period of time, or within 10 days of a request by Developer.

c. *Reduction.* Upon Initial Acceptance of all of the General Improvements for a particular Phase, the General Improvement Guarantee shall be reduced to the amount of 25% of the total actual cost of construction and installation of such Improvements. The reduced General Improvement Guarantee shall be held by the Town during the Warranty Period. Upon Initial Acceptance of all of the Landscape Improvements for a particular Phase, the Landscaping Performance Guarantee for that Phase shall be reduced to the amount of 25% of the total actual cost of such Improvements.

10. <u>Phasing</u>. The Development shall be constructed in phases in accordance with **Exhibit C**, attached hereto and incorporated herein by this reference. The following limitations shall apply to the Phasing Plan:

a. Prior to the issuance of any footing and foundation permits for any Phase, the following Improvements shall be installed and shall have received preliminary approval from the Town for that Phase, which requires a finding by the Town Engineer that such Improvements are safe to be used during construction: site grading; the main access road and secondary access roads, constructed as all access weather roads; utility main infrastructure (water, sanitary sewer, and storm sewer); and Town utilities within the main or secondary access roads including fire hydrants.

b. Prior to the issuance of any vertical building permits for any Phase, the following Improvements shall be installed and shall have received preliminary approval from the Town for that Phase, which requires a finding by the Town Engineer that such Improvements are safe to be used during construction: the main access road and secondary access roads; and paved in asphalt for Fire Department access; private storm sewers in the secondary access roads; and temporary streetlights on the main and access

roads. Permanent streetlights shall be required prior to issuance of Certificate of Occupancy.

11. <u>Indemnification</u>. Developer hereby agrees to indemnify and hold harmless the Town, its officers, employees, agents or servants from any and all suits, actions and claims of every nature and description caused by, arising from or on account of any act or omission of Developer, or of any other person or entity for whose act or omission Developer is liable, with respect to construction of the Improvements (the "Claims"); and Developer shall pay any and all judgments rendered against the Town as the result of any suit, action or claim, together with all reasonable expenses and attorney fees incurred by the Town in defending any such suit, action or claim arising out of or related to Claims. In addition, Developer shall pay all property taxes on property underlying the Public Improvements to be dedicated to the Town before acceptance by the Town, and shall indemnify and hold harmless the Town for any such property tax liability.

Developer's Representations and Warranties. Developer hereby represents and 12. warrants to the Town that all of the following are true and correct as of the date of signature and the Effective Date: this Agreement has been duly authorized and executed by Developer as the legal, valid and binding obligation of Developer, and is enforceable as to Developer in accordance with its terms; the person executing this Agreement on behalf of Developer is duly authorized and empowered to execute and deliver this Agreement on behalf of Developer; to the best of Developer's knowledge, there is no pending or threatened litigation, administrative proceeding or other proceeding pending or threatened against Developer which, if decided or determined adversely, would have a material adverse effect on the ability of Developer to undertake its obligations under this Agreement nor, to the best of Developer's knowledge, is there any fact or condition of the Property known to Developer that may have a material adverse effect on Developer's ability to Develop the Property as contemplated; and neither the execution of this Agreement nor the consummation of the transaction contemplated by this Agreement will constitute a breach under any contract, agreement or obligation to which Developer is a party or by which Developer is bound or affected.

13. <u>Vested Rights</u>. The Final Plat constitutes a site specific development plan as defined in C.R.S. § 24-68-101, *et seq.*, and Chapter 3 of Title 9 of the Erie Municipal Code, and shall create vested property rights for 3 years from the date of approval of the Final Plat, provided that all required procedures are followed. The Final Plat shall include the language required by C.R.S. § 24-68-102(4)(a). Developer shall be responsible for publication of the notice required by C.R.S. § 24-68-103(c).

14. <u>Breach</u>.

a. *Remedies.* If Developer breaches this Agreement, the Town may take such action as permitted or authorized by law, this Agreement or the ordinances of the Town, as the Town deems necessary to protect the public health, safety and welfare. The Town's remedies include without limitation:

i. The refusal to issue any building permit or certificate of occupancy;

ii. The revocation of any building permit previously issued under which construction directly related to such building permit has not commenced, except a building permit previously issued to a third party;

iii. A demand that the Improvement Guarantee be paid or honored; or

iv. Any other remedy available at law or in equity.

b. *Notice*. Unless necessary to protect the immediate health, safety and welfare of the Town, or to protect the interest of the Town with regard to the Improvement Guarantee, the Town shall provide Developer 30 days' written notice of its intent to take any action under this Section, during which Developer may cure the breach.

c. *Nature of Remedies.* The rights and remedies of the Town under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the Town's legal or equitable remedies, or the period in which such remedies may be asserted, for work negligently or defectively performed.

15. <u>Miscellaneous</u>.

a. *Assignment*. This Agreement shall not be assigned by Developer in whole or in part without the prior written authorization of the Town.

b. *Governing Law and Venue*. The laws of the State of Colorado shall govern this Agreement, and the exclusive venue for any legal proceeding arising out of this Agreement shall be in Weld County, Colorado.

c. *No Third-Party Beneficiaries*. There are no intended third-party beneficiaries to this Agreement.

d. *Severability*. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

e. *Governmental Immunity*. Nothing herein shall be construed as a waiver of any protections or immunities the Town or its employees, officials or attorneys may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended.

f. *No Joint Venture*. Notwithstanding any provision hereof, the Town shall never be a joint venture in any private entity or activity which participates in this Agreement, and the Town shall never be liable or responsible for any debt or obligation of any participant in this Agreement.

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g. *Notice*. Notices under this Agreement shall be sufficiently given if sent by regular U.S. mail, postage prepaid, to the address on the first page of this Agreement.

h. *Integration*. This Agreement, together with all exhibits attached hereto, constitute the entire understanding and agreement of the Parties, integrates all the terms and conditions mentioned herein or incidental thereto, and supersedes all negotiations or previous arrangements between the Parties with respect to any and all of the subject matter hereof.

i. *Recordation.* This Agreement shall be recorded in the real estate records of the Weld County Clerk and Recorder, and shall be a covenant running with the Property.

j. *Subject to Annual Appropriation*. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

k. *Force Majeure.* No Party shall be in breach of this Agreement if such Party's failure to perform any of the duties under this Agreement is due to Force Majeure, which shall be defined as the inability to undertake or perform any of the duties under this Agreement due to acts of God, floods, storms, fires, sabotage, terrorist attack, strikes, riots, war, labor disputes, forces of nature, the authority and orders of government or pandemics.

In Witness Whereof, the Parties have executed this Agreement as of the Effective Date.

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## Town of Erie, Colorado

Attest:

Jennifer Carroll, Mayor

Heidi Leatherwood, Town Clerk

Developer

NEW York State of Colorado County of <u>NEW YORK</u>) ss.

The foregoing instrument was subscribed, sworn to, and acknowledged before me this <u>let</u> day of <u>Septemker</u>, 2021, by <u>Jon Shurnak er</u> as the <u>Authonized signatory</u> of Daybreak Recovery Acquisition, LLC.

My commission expires:

(Seal)



20 P. Morall Notary Public

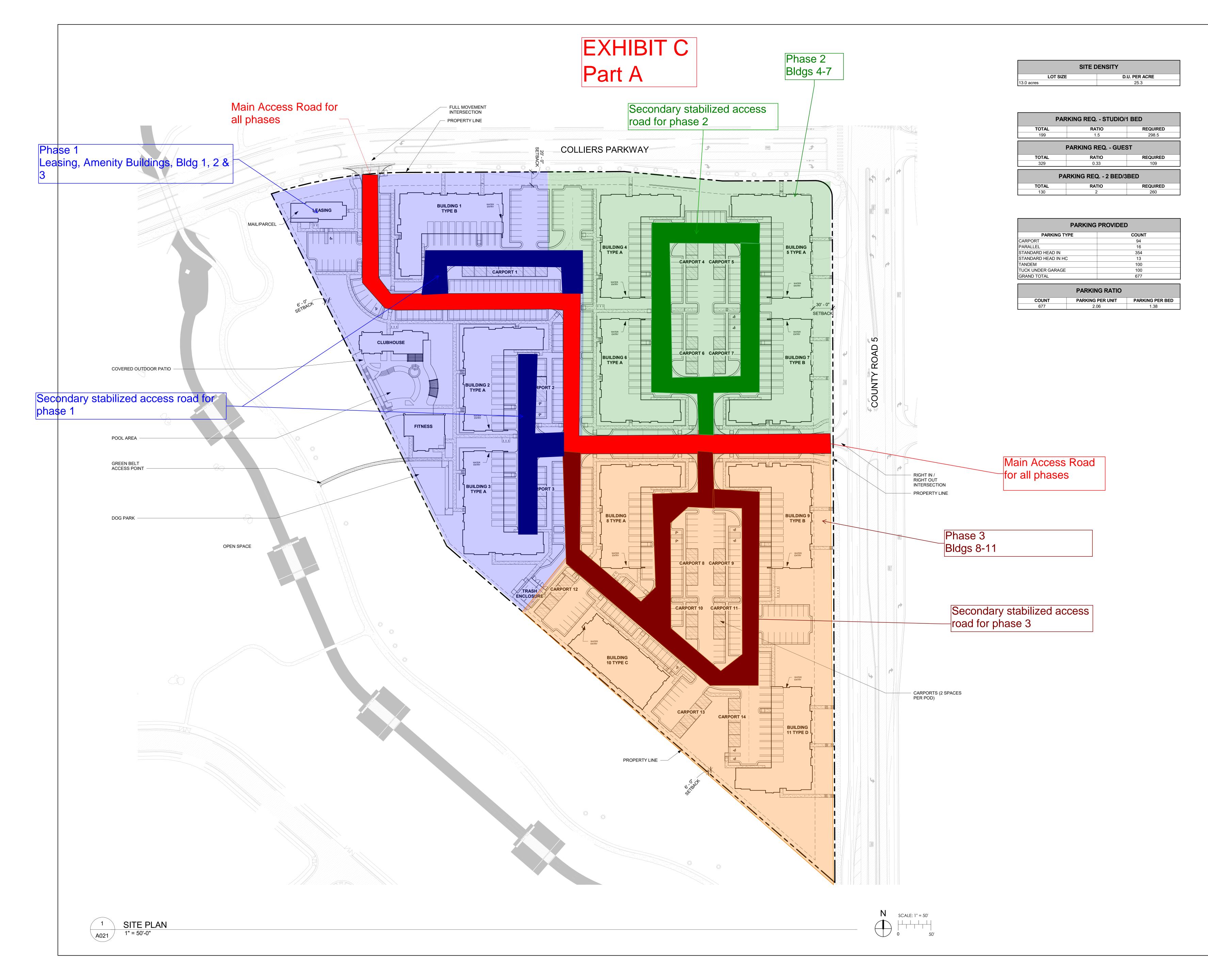
# **Exhibits List**

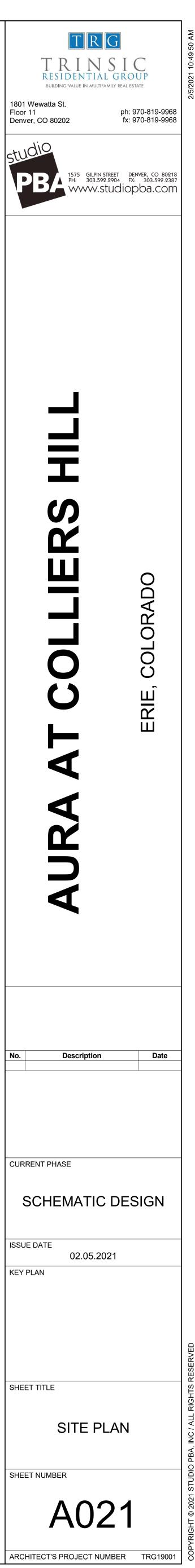
- Exhibit A Legal Description
- Exhibit B Improvements
- **Exhibit C** Phasing Plan

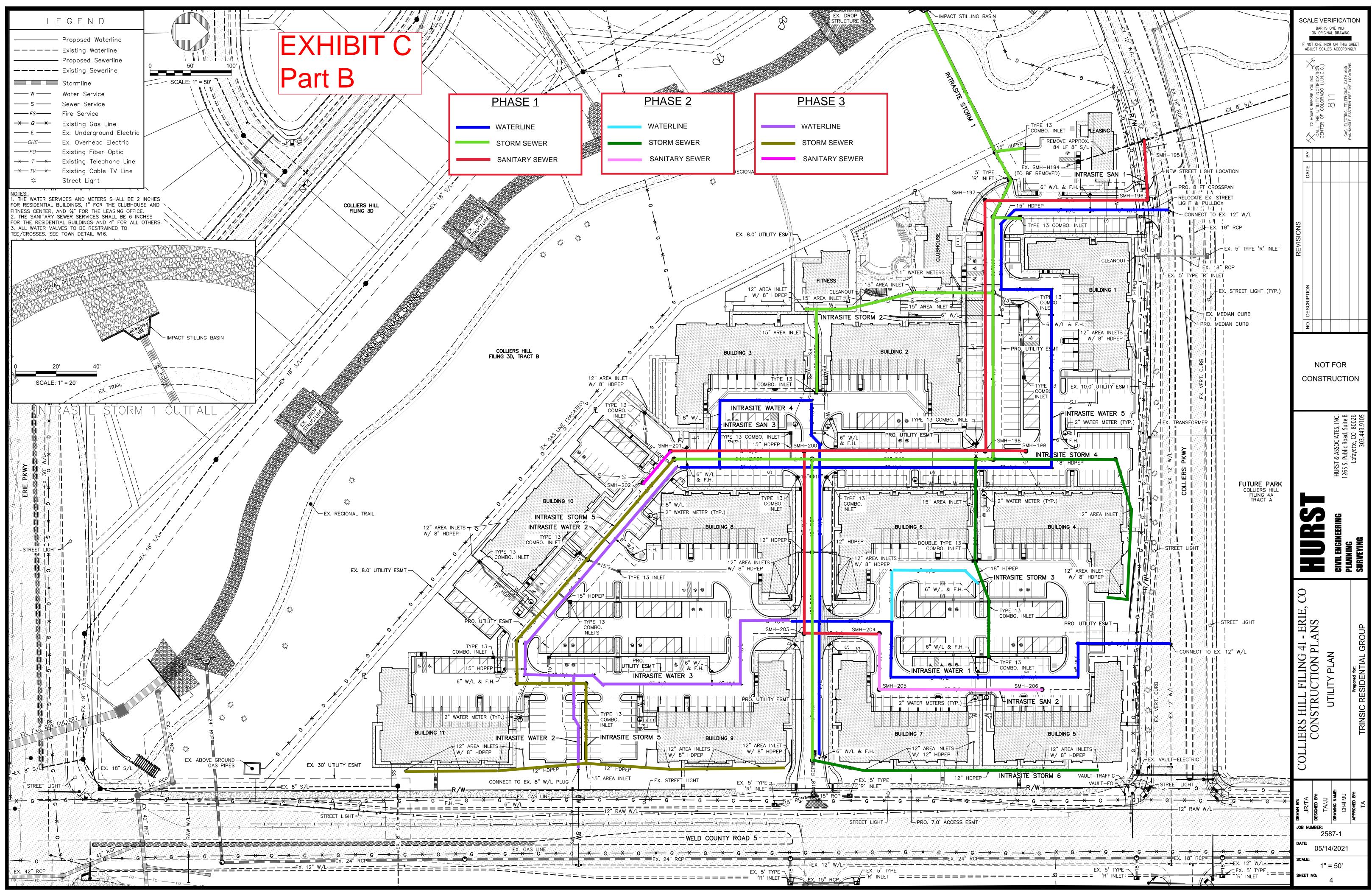
### Exhibit A Legal Description

Lot 1, Colliers Hill Filing No. 41 Town of Erie, County of Weld, State of Colorado.

Exhibit B				
Engineer's Estimate of Probable Cost Colliers Hill Filing 41 6/1/2021				
Item	Quantity	Units	Unit Price	Total Price
item	Quantity	onits	Onternee	Total Flice
Water				
Bends		EA	\$850.00	
Connect to existing Water Main		EA	\$3,500.00	
8" x 8" Cross		EA	\$2,500.00	
Fire Hydrant Assembly		EA EA	\$4,500.00 \$600.00	
Reducer (8" x 6") Tee (Total)	16		\$600.00	\$1,200.00
12" x 8" Tee		EA	\$1,000.00	\$2,000.00
12" x 6" Tee		EA	\$950.00	
8" x 8" Tee		EA	\$850.00	
8" x 6" Tee	9	EA	\$750.00	\$6,750.00
Valve (Total)	47	EA		
12" Valve	5	EA	\$2,800.00	\$14,000.00
8" Valve	29	EA	\$2,000.00	\$58,000.00
6" Valve	13	EA	\$1,200.00	\$15,600.00
Water Main		l		
8" PVC	3,278		\$30.00	
6" PVC	337		\$22.00	
Water Main Lowering	8	EA	\$3,200.00	\$25,600.00
Water Services		EA	éa 000 co	633 000 00
2" Water Service 1" Water Service	11		\$3,000.00	
3/4" Water Service		EA	\$2,000.00	
אימנכו שבו אונכ	1	LM	\$1,600.00 Subtotal	\$1,600.00 \$363,754.00
			Subtotal	\$505,754.00
Sanitary				
Connect to existing Sewer Main	1	EA	\$1,500.00	\$1,500.00
Manhole		EA	\$3,500.00	
Sanitary Main (8" PVC)	1,654		\$35.00	
Sewer Service		EA	\$1,600.00	
			Subtotal	\$123,790.00
Storm Sewer				
Impact Stilling Basin		EA	\$15,000.00	
Inlet (5' Type 'R')		EA	\$6,500.00	
4' Manholes		EA	\$1,500.00	
5' Manholes	6	EA	\$2,800.00	\$16,800.00
Pipes				
18" RCP	415		\$50.00	
30" RCP 36" RCP	576		\$90.00 \$107.00	
50 NCF	570	LF	Subtotal	\$145,252.00
			Subtotal	\$145,252.00
Streets				
Asphalt	325	SY	\$40.00	\$13,000.00
Subgrade Preparation	325		\$3.00	
Concrete Crosspan	700	SF	\$12.00	\$8,400.00
Handicap Ramps	2	EA	\$1,500.00	\$3,000.00
Signing & Striping	1	LS	\$7,500.00	
Street Light Relocation	1	EA	\$2,000.00	
Vertical Curb & Gutter		LF	\$20.00	\$1,600.00
Median Curb & Gutter	220	LF	\$18.00	
	+	I	Subtotal	\$40,435.00
		<u> </u>	+	
Landscaping	+	F.4	1 · · ·	
Deciduous Trees (2" cal.)	2	EA	\$800.00	
Deciduous Shrubs (#5 Container)	10	EA	\$38.00	
Perennials (#1 Container)	23	EA	\$14.00	
Turf Sod, Texas Hybrid Sod	11,679	SF	\$1.00	
Landscape Bed 2"-4" Rock Mulch	240	SF	\$1.25	
Removal/relocation of Landscape Material (Colliers Pkwy)	1	LS	\$3,000.00	
	+		Subtotal	\$17,281.00
Irrigation				
Irrigation Isolation Gate Valve (Matco Norca 514)	-	EA	\$750.00	\$1,500.00
Quick Coupling Valve (Matco Norca 514)		EA	\$750.00	
Remote Control Valve (RainBird 100-150PEB)		EA	\$1,000.00	
Mainline (2" CL200 PVC)	1,200		\$1,000.00	
Lateral (1-2" CL200 PVC)	2,000	LF	\$2.00	
Turf Pop-up Spray / Rotary Head (6" Height)	185		\$45.00	
Sleeve (4"-6"-CL160)	2,250		\$5.00	
Two-Wire Cable	1,320		\$1.25	
Two-Wire Surge Arrestor		EA	\$250.00	
			Subtotal	\$41,875.00
			Total	\$732,387.00







WED: 6/2/2021 7:20 AM

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