

**CORTEZ CITY COUNCIL
RESOLUTION NO. 20, SERIES 2021**

A Resolution Approving the Downey St. Subdivision Improvements Agreement

WHEREAS, property owner Grant Smith (hereinafter "Owner"), submitted a request to enter into a Subdivision Improvements Agreement for completion of improvements lying within a portion of Downey St. ROW lying between Lots 7-12 block D; and Lots 1-6 block E of the Kernitz Subdivision; and,

WHEREAS, the Owner presented the necessary submittal items for review by the Cortez City Council (Council) at their regular meeting on August 24, 2021; and,

WHEREAS, in accordance with Land Use Code Section 6.06, Improvements Agreements and Performance Guarantees, it is a requirement of the Land Use Code that subdivision improvements agreements be approved by City Council; and,

WHEREAS, Council reviewed the request to enter into a Subdivision Improvement Agreement for completion of improvements lying within a portion of Downey St. ROW at their regular meeting held on August 24, 2021; and,

WHEREAS, based on the evidence and testimony presented at said meeting, Council approved, with conditions, the request to enter into a Subdivision Improvement Agreement for completion of improvements lying within a portion of Downey St. ROW evidenced in the approved minutes of their meeting on August 24, 2021, and the adoption of Council Resolution No. 20, Series 2021.

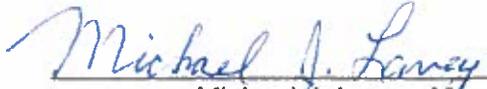
NOW THEREFORE BE IT RESOLVED BY THE CORTEZ CITY COUNCIL:

THAT the request to enter into a Subdivision Improvement Agreement for completion of improvements lying within a portion of Downey St. ROW between Grant Smith (Developer) and The City of Cortez is hereby approved, subject to the following conditions:

1. The applicant shall provide the financial guarantee instruments to be approved by the City Attorney and City Manager prior to the signature of the Mayor on the Subdivision Improvements Agreement.
2. The developer shall provide a certificate of insurance that meets the requirements of the Subdivision Improvement's agreement, to be approved by the City Attorney as per the SIA.

FURTHER THAT, the Owners are to coordinate with City staff to ensure that these conditions are fully met.

MOVED, SECONDED, AND ADOPTED THIS 24TH DAY OF AUGUST 2021.



Michael J. Lavey, Mayor

ATTEST:



Linda Smith, City Clerk

639895 RES 09/10/2021 02:44:37 PM
Page: 2 of 15 R 83.00 D 0.00 T 83.00
Kim Percell Clerk/Recorder, Montezuma County, Co


APPENDIX "B"

THE SUBDIVISION IMPROVEMENTS AGREEMENT
FOR KEMNITZ SUBDIVISION LOTS 7-12 BLOCK D AND LOTS 1-6 BLOCK E
(Name of the Development)

THIS AGREEMENT is entered into this 24th day of August, 2021, between CITY OF CORTEZ ("City"), a governmental entity, and Grant Smith ("Developer").

WHEREAS, Colorado Revised Statutes require that prior to the recording of a Final Plat, the City Council of the City of Cortez ("City") must enter into a subdivision improvements agreement wherein the Developer agrees to construct those public improvements required by the City and which agreement requires the pledging of collateral that is sufficient, in the judgment of the Board, to make reasonable provision for the completion of the required improvements in accordance with design and time specifications set forth in the agreement; and

WHEREAS, Colorado Revised Statutes require that a condition of Board approval of any preliminary or final plat is the Developer's compliance with City subdivision regulations, including making all payments, dedications and exactions provided therein; and

WHEREAS, the Developer is the subdivider of the real property development ("Development") known and described as Lots 7-12 Block D and Lots 1-6 Block E Kemnitz Subdivision - located in the City of Cortez Colorado, and has presented to the City a Final Plat for this Development; and

WHEREAS, the City of Cortez Land Use Code and State Statutes require the execution of an Subdivision Improvements Agreement ("Agreement") between the Developer and the City whereby the Developer shall agree to construct certain improvements, the completion of which are guaranteed to the City, prior to filing the Final Plat; and

WHEREAS, the City seeks to protect the health, safety and general welfare of the community by requiring the completion of various improvements in the Development and thereby limit the harmful effects of substandard development and subdivision; and

WHEREAS, the purpose of this Subdivision Improvements Agreement ("Agreement") is to protect the City from incurring the cost of completing the improvements under this Subdivision Improvements Agreement and not to benefit those providing work, services or material or the lot or home buyers in the Development; and the purpose of this Agreement is further to guarantee performance of Developer's other obligation.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

- (1) Construction of Improvements. The Developer agrees to construct or to enter into a contract with such person, firm or corporation as is chosen by the Developer to construct the required improvements, including water distribution system (for commercial, municipal and domestic uses, and for landscaping and fire protection), sanitary sewers, drainage facilities, street improvements (roads, bridges and associated improvements), traffic signs, fire protection system, street posts and markers, electrical system, street lighting, landscaping (hereinafter referred to as "Improvements"); more specifically described in Exhibit "A" that is attached hereto and incorporated herein by this reference. The required Improvements shall be constructed in accordance with the Plans and Specifications

ADOPTED AS AMENDED

639895 RES 09/10/2021 02:44:37 PM
Page: 3 of 15 R 83.00 D 0.00 T 83.00
Kim Percell Clerk/Recorder, Montezuma County, Co

submitted by the Developer and in accordance with all applicable legal standards. The Developer's obligation to complete the Improvements will arise upon final plat approval by the City and will be independent of any obligations of the City contained herein and will not be conditioned upon the commencement of construction in the Development or sale of any lots or Improvements within the Development.

In addition, the Developer will ensure that telephone service will be available within the immediately adjacent easements and/or rights-of-way of each platted lot in the Development prior to or at the time the Certificate of Occupancy or satisfactory final building inspection is issued by the City for the respective lot. No security will be required to ensure the availability of telephone service.

(2) *Regulations and Specifications.* The required Improvements shall be designed and constructed in accordance with the City's regulations and specifications in effect as to the date of this Agreement, other applicable state or federal regulations, if any, the Final Plat of the Development, and the Plans and Specifications retained by the City's Public Works Director, all of which are hereby incorporated herein by reference and made a part of this Agreement. All Plans and Specifications shall have been submitted to and reviewed for exceptions by the City's Public Works Director prior to submission of the Final Plat for approval or execution.

(3) *Completion Date.* The required Improvements shall be completed no later than two years from date of approval, unless the City, in its sole discretion, grants in writing an extension of this completion date to the Developer. A written extension agreement shall be signed by the Chairman of the Board and the Developer. No less than sixty (60) days prior to the above scheduled completion date, or any extension thereof, the Developer shall notify the Public Works Director in writing of the upcoming completion deadline and include a progress report which shall include a statement of whether the Developer expects to complete the required Improvements by the completion date. The Developer's failure to provide this notice shall be grounds for the City to withdraw from the commitment guarantee in accordance with this Agreement (See e.g. par. 11, 16, 23, etc.).

(4) *Estimated Cost.* The cost of constructing the Improvements is estimated to be \$163,745.00 (ONE HUNDRED SIXTY THREE THOUSAND SEVEN HUNDRED FORTY FIVE and NO/100). This cost estimate is based upon the assumption that the work will be performed by an independent contractor, was prepared by and bears the seal of an engineer licensed to practice in the State of Colorado, which shall be attached hereto as Exhibit "B."

This estimated construction cost includes the estimated present construction cost, plus an estimate inflation factor determined by the City and calculated to the completion date. If change orders are required during the course of construction that increase the cost by more than five percent (5%) of the estimated cost of any subsequently agreed amount that may result from increased costs of material or labor, the amount of the commitment guarantee shall be adjusted accordingly. The Developer shall notify the City in writing of any such change and supply the City with the adjusted commitment guarantee.

(5) *Commitment Guarantee.* Developer's performance under this Agreement is guaranteed by irrevocable letter of credit, see Exhibit 1 attached hereto and incorporated herein. The commitment guarantee will be retained by the City until released or used as provided in this Agreement. Should the Improvements not be completed at least thirty (30) days prior to the expiration of any commitment guarantee, the Developer agrees to the extension of said guarantee and designates the City his agent to request said extension. The Developer shall pay all costs of guarantee extension; and it is mutually understood and



agreed that the City will pay no interest to the Developer on the commitment guarantee. If the City determines guarantee is insufficient to warrant construction of Improvements, the City shall notify the Developer who shall produce such additional security as the City determines necessary.

(6) *Transfer of Title.* If the City is to have any ownership interest or maintenance responsibility in the Improvements, before commencing the construction of any of the required Improvements, the Developer shall acquire, at its own expense, good and sufficient title to all lands and facilities traversed by any required Improvements. In addition, if City is to have ownership in dedications of parks, right-of-ways, covenants, etc., for this Development, Developer shall acquire at its own expense good and sufficient title to all such property. All such property, lands and facilities so required shall be conveyed to the City and all necessary documents of conveyance shall be furnished to the City prior to and for recording with the Final Plat.

(7) *Release of Liability - Insurance.* The Developer shall indemnify and save harmless the City from any and all suits, actions or claims of every nature and description occurring during the period of construction of the required Improvements and for one year thereafter, and caused by, arising from, or on account of the construction process or any other Developer obligations hereunder, and pay any and all judgments rendered against the City on account of any such suit, action or claim, together with all reasonable expenses and attorney's fees incurred by the City in prosecuting or defending such suit, action or claim.

(8) *Insurance.* The Developer shall ensure that all contractors and other employees engaged in the construction of the required Improvements will maintain workmen's compensation insurance. Before proceeding with any construction of the required Improvements, the Developer shall provide the City with written evidence of Public Liability Insurance with limits not less than Five Hundred Thousand Dollars (\$500,000.00) for bodily injury, One Hundred Thousand Dollars (\$100,000.00) for property damage in coverage forms approved by the City Attorney and protecting the City against any and all claims for damages to persons or property resulting from or installation of any required Improvements on public property. If the insurance is going to be modified or cancelled, the developer shall show the City adequate proof of a new policy, which is subject to approval by the City. Proof of reinsurance shall be provided to the City within 15 days of the notice. If the developer cannot do so then the City may insure the project as to liability insurance and charge the cost back to the developer. The policy will provide that the City shall be notified at least thirty (30) days in advance of any reduction in coverage, termination or cancellation of the policies. Such notice shall be sent certified mail. The Developer also warrants that any contractors engaged by or for the Developer to construct the required Improvements shall maintain Public Liability Insurance coverage in limits not less than those mentioned above.

(9) *Warranty.* The Developer hereby warrants that all required Improvements will be installed in a good and workmanlike manner and in accordance with the provisions of paragraphs 1 and 2 hereof.

(10) *Release of Commitment Guarantee.* From time to time, as required Improvements are completed, the Developer may apply in writing to the Public Works Director for a partial release of the commitment guarantee. The application must show:

- a. Dollar amount of commitment guarantee;
- b. Work completed, including dollar value;
- c. Work not completed, including dollar value;

- d. Amount of previous releases; and
- e. Amount of commitment guarantee requested released.
- f. Release or waivers of mechanics liens of all persons who have furnished work, services or materials.

Upon receipt of the application, the City or its agent shall inspect the Improvements both completed and those uncompleted. If the City determines from the inspection that the Improvements shown on the application as being completed have been completed as provided herein, a portion of the commitment guarantee shall be released. The release shall be made in writing signed by the City's Public Works Director. The amount to be released shall be the total amount of the commitment guarantee less (i) twenty percent (20%) of the original amount of the commitment guarantee and (ii) one hundred percent (100%) of the projected costs of the Improvements not completed. Notwithstanding the foregoing provisions, the Developer shall not apply for a partial release of the commitment guarantee in the amount less than twenty percent (20%) of the total original amount, except for the last such release.

(11)*Failure to Comply with Specifications -- Agreement Cancellation.* If the required Improvements are not constructed in accordance with the Plans and Specifications provided to and reviewed by the City's Public Works Director pursuant to paragraph 2 above, the City shall notify the Developer of noncompliance setting forth in writing the reasons for noncompliance. Reasonable schedules for correction of noncompliance shall be established by mutual agreement of the parties. Should the City determine at any time that the guarantee on deposit is insufficient to complete construction of said Improvements, the City may require the Developer to deposit additional funds which the City deems necessary to complete the Improvements. If the City determines that the Developer will not construct any or all of the Improvements in accordance with this Agreement, the City may cancel and annul this Agreement with respect to such Improvements upon written notification to the Developer and the commitment guarantor, and without the necessity of public hearing, withdraw from the commitment guarantee such funds as may be necessary, in the opinion of the City, to construct or complete said Improvements in accordance with the agreed specifications.

The City may further, upon its determination and notification to Developer that Developer has failed to meet obligations hereunder, with or without cancellation of this Agreement, withdraw such funds as may be necessary and perform Developer's obligations hereunder.

(12)*Completion Procedures and Inspections.* Upon completion of the Improvements, or any logical separable portion thereof, the Developer shall notify the Public Works Director in writing and request preliminary inspection of the completed Improvements or part thereof. The City or its agent shall inspect said Improvements and shall notify the Developer in writing of nonacceptance or preliminary approval of the completed Improvements. If the Improvements are not approved, the reasons for non-approval shall be stated in writing and corrective measures shall be developed by the City with the assistance of the Developer and at the Developer's sole expense. Should the developer fail to take corrective measures required by the City, the City, at its discretion, may revoke preliminary approval of the Improvements.

The period of preliminary approval shall be one year for all Improvements or until final inspection occurs. All periods of preliminary acceptance shall run from the date of written notification of preliminary acceptance. During the period of preliminary acceptance, the Developer shall, at its own expense, make all needed repairs or replacements due to defective materials or workmanship and be responsible for all maintenance of said Improvements. It is specifically understood that the Developer will be responsible for road maintenance or care, including snow removal or street

cleaning, unless and until the road maintenance or care is finally accepted and that the Developer is responsible for maintenance of all Improvements as provided in Paragraph 13. In the event of default of any of these obligations by the Developer, the City, without notice to the Developer, may do the same at the sole expense of the Developer and withdraw from the commitment guarantee to pay for such expenses.

Upon preliminary acceptance by the City of all Improvements, the security may be reduced pro rata in accordance with the provisions of paragraph 13 above to ten percent (10%) of the amount estimated for said Improvements. Said ten percent (10%) retention shall be for the purpose of insuring the correction of the Improvements due to deficiencies in workmanship and/or material during the ensuing one-year period by the Developer. As-built engineering drawings shall be submitted for all utility installments and roads upon completion of all required utility and road improvements and prior to request for or issuance of, Certificates of Occupancy. Nothing herein shall be construed to require the City to make inspections during periods when climatic conditions make thorough inspections unfeasible.

(13)Final Acceptance and Maintenance for Improvements. Following the period of preliminary approval for the Improvements, the City or its agent shall inspect said Improvements for final approval. Landscaping shall be inspected at least three (3) months after preliminary approval. The City shall notify the Developer in writing of non-approval or of final approval. If the Improvements are not approved, the reasons for non-approval shall be stated in writing and corrective measures shall be developed by the City, with the assistance of the Developer and at Developer's sole expense.

If the Improvements are found to be in compliance with plans and specifications, the City, following a Resolution of Approval of Improvements by the City Council, shall release the remaining retained balance of the commitment guarantee for such approved Improvements.

All improvements intended or designated for common use within the development and not dedicated to and accepted by the City, shall be maintained in perpetuity by the Developer or an association of homeowners in the development. Until a homeowners association has been formed, and is legally bound to provide perpetual maintenance of the Improvements, as determined by the City, the Developer is obligated to maintain the Improvements in the Development.

(14)Recording Agreement. After receiving Final Plat approval, the Developer shall record this Agreement with the Clerk and Recorder of Montezuma County, Colorado, and with the Final Plat of the above-referenced development. However, both this Agreement and the Final Plat shall be submitted to the Public Works Director for final review immediately prior to recording.

(15)Events of Default. The following conditions, occurrences or actions will constitute a default by the Developer during the completion period:

- a. Developer's failure to commence construction of the improvements within 45 days of final subdivision plat approval.
- b. Developer's failure to complete construction of the Improvements within two years of final plat approval.
- c. Developer's failure to cure the defective construction of any improvement within the applicable cure period.

- d. Developer's failure to perform work within the Development for a period of more than 30 consecutive days, except during the winter season (Nov. 1 - April 15) when doing such work is impractical.
- e. 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.
- f. Foreclosure of any lien against the development or a portion of the development or assignment or conveyance of the development in lieu of foreclosure.
- g. Developer's failure to comply with any other material provision of this Agreement or with any federal, state or City law or regulation effecting the property, including the City of Cortez Land Use Code.

(16)*City's Rights Upon Default.* In the event of a default by the Developer occurs, the City may draw on the commitment guarantee. The City will have the right, but no obligation, to complete Improvements itself or contract with a third party for completion, and the Developer hereby grants to the City, its successors, assigns, agents, contractors, and employees, a nonexclusive right and easement to enter the Development for the purposes of constructing, maintaining, and repairing such Improvements. Alternatively, the City may assign the proceeds of the guarantee to a subsequent developer (or lender) who has acquired the Development, or a portion, by purchase, foreclosure or otherwise who will then have the same rights of completion as the City, if and only if, the subsequent developer (or lender) agrees in writing to complete the unfinished Improvements. In addition, the City may also suspend Final Plat approval during which time the Developer will have no right to sell, transfer, or otherwise convey lots or homes within the Development without the express written approval of the City or until the Improvements are completed and accepted by the City.

(17)*Enforcement.* If the City determines that there is a violation of present State laws, City regulations, Planning Commission requirements, and/or the terms and provisions of this Agreement, the Public Works Director may issue a cease and desist order. Thereafter, the Developer acknowledges irreparable harm and injury to the City for purposes of an application by it to the Courts for a restraining order hereunder. Should the City deem the collateral on deposit insufficient to guarantee completion of the required Improvements, the City may require the Developer or successors to post additional collateral to guarantee completion of Improvements. The City has the right to pursue any remedy provided by this Agreement or by law and, if the City obtains any such remedy, attorney's fees and costs. As an alternative to the remedies provided by this paragraph and paragraph 11, the City has the right to withdraw its approval of the Development.

(18)*Miscellaneous.* This Agreement runs with the land and is binding on and inures to the benefit of the heirs, representatives, transferee, successors and assignees of the parties. The paragraph headings are descriptive only and neither amplify nor limit the substantive material. The failure to enforce or the waiver of any specific requirements of this Agreement by either party shall not be construed as a general waiver of this Agreement of any provision herein, nor shall such action act to stop either party from subsequently enforcing this Agreement according to the terms hereof. This Agreement shall be subject to and deemed to incorporate all present and future ordinances and regulations of the City applicable thereto. Should any section, paragraph, clause or provision of this Agreement be declared by a court of competent jurisdiction to be invalid, said decisions shall not affect the validity of this Agreement as a whole or any part hereof other than the part declared to be invalid, and the parties hereby affirm that they would have entered into this Agreement and each of its provisions independently of each of its other provisions. The Developer is not an agent or employee of the City.

(19)Disclosure to and Consent of Mortgagee and Lender. The Developer hereby represents that he has disclosed the terms of this Agreement to any mortgages of the Development involved and to all lenders who have provided financing to the Developer for the construction of this project and that said mortgagees and lenders consent to this Agreement as evidenced by their authorized signatures below:

Name & Address	Mortgagee/Lender	Signature of Authorized Officer
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Execution of this Agreement by a lender or holder(s) of Deed(s) of Trust signifies their consent to this Agreement but does not obligate them to perform any of the terms of this Agreement unless they or one of them takes title to all or a portion of the subject Development.

(20)Notice. All notices, demands or writings in this Agreement provided to be given or made or sent that may be given or made or sent by either party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, certified and postage pre-paid, and addressed to the party at the following address:

City of Cortez
City Council
210 East Main Street
Cortez, CO 81321

(Developer) Grant Smith
(address) PO Box 329
Delores, CO 81321

With copies to:
Cortez Public Works Director
110 West Progress Circle
Cortez, CO 81321

with copies to:
Cortez City Manager
210 East Main Street
Cortez, CO 81321

The address to which any notice, demand or writing may be given or made or sent to any party as above provided may be changed by written notice given by such party as above provided.

(21)Subsequent Plats. Approval of subsequent Final Plats by the Board will be based, in part, upon the extent to which the terms and conditions of this Agreement have been met by the Developer. Approval may be withheld if substantial compliance is not had with the terms hereof and the submissions required herein.

(22)Cumulative Remedies. The Developer acknowledges that the Board reserves the right to sue for specific performance and to seek other remedies allowed by law or in equity if Developer

does not strictly comply with all the provisions of this Agreement and any plans, specifications or other approvals granted as a result of this Agreement or in any subsequent agreement entered into by the parties.

- (23)*City - No Duty.* If the Improvements are not installed or are not properly installed pursuant to this Agreement, then the City shall have the right, but not the duty or obligation to either the Developer or any third-party, to complete the construction of the Improvements. The parties acknowledge and agree that if the City, in its sole discretion, chooses to attempt to complete the Improvements, then:
- (24)*Use of collateral proceeds.* The City Council shall use all liquid collateral and all net proceeds from the sale of any collateral pledged pursuant to this Agreement for the purpose of completing the Improvements and for no other purpose; and
- (25)*No obligation.* The Board shall have no obligation to utilize any other funds or assets of the City to pay for the completion of any Improvements; the parties acknowledge that the City has no duty or obligation of any nature, to either the Developer or any third-party, to complete or repair any or all of the Improvements.
- (26)*Financial disclosure.* Subject to the provisions of paragraph 24, from time to time upon the written request of the Board, the Developer shall allow the City to review its then most recent audited financial statements.
- (27)*Confidentiality.* All financial information provided by the Developer to the City shall be done in absolute and strict confidence. Under no circumstance shall any of the financial information provided by Developer be disclosed in any manner to any person other than a member of the Board, the Cortez, City Attorney, City Manager, Public Works Director and one certified public accountant employed by the City to assist it in its review of the financial statements.
- (28)*Return of Material.* After the completion of the review of the financial information, all statements, reports, copies, notes and paperwork of any kind which was prepared for or in conjunction with the financial review shall be returned to the Developer. Neither the City nor any officer, agent or employee of the City shall retain any personal notes, information or paperwork of any nature in regard to the financial disclosure.
- (29)*Annual Limit.* The City may only request to review an audited financial statement once during each calendar year. The parties acknowledge that often times delays occur in the preparation of audited financial statements and; therefore, subject to the limitation set forth in the following sentence, if the audited financial statements have been completed, then the Developer shall provide them to the City within five (5) days of the City's request. Nothing to the contrary withstanding, the Developer shall have no obligation to have the audited financial statements completed before November 1st following the end of the applicable fiscal year.
- (30)*Executive Sessions.* The financial information disclosed to the City pursuant to this paragraph shall only be discussed in executive sessions properly called in conjunction with the regular meetings of the Board.
- (31)*Solvency Representation.* The Developer represents to the City that at the time of execution of the Agreement that it is solvent.
- (32)*Vested Rights.* The City does not warrant by this Agreement that the Developer is entitled to any other approvals required by the City, if any, before the Developer is entitled to commence development or to transfer ownership of property in the Development. Developers vested

Exhibit 1

Commitment/Guarantee shall be an irrevocable letter of credit for the benefit of the City of Cortez. Bank may revoke or cancel this letter only after 30 days notice to City be approved/agreed to by City Attorney and City Manager.

639895 RES 09/10/2021 02:44:37 PM
Page: 13 of 15 R 83.00 D 0.00 T 83.00
Kim Percell Clerk/Recorder, Montezuma County, Co




CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/19/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kysar Millennium Leavitt Insurance Agency, Inc. 300 W Arrington Suite 100 Farmington NY 87401		CONTACT NAME Daniello Bush PHONE (A/C, No. Ext.) (505) 325-4561 E-MAIL ADDRESS: daniello-bush@leavitt.com		FAX (A/C, No.)
INSURED Smith's Materials LLC P.O. Box 215 Dolores CO 81323		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: BITCO		20095
		INSURER B:		
		INSURER C:		
		INSURER D:		
		INSURER E:		
		INSURER F:		

COVERAGES **CERTIFICATE NUMBER: 20-21** **REVISION NUMBER:**

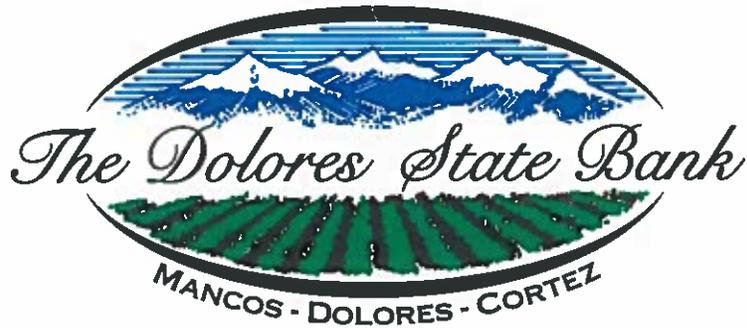
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X	Y	CLP3698824	10/2/2020	10/2/2021	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (If a occurrence)	\$ 1,000,000 \$ 100,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X	Y	CAP3698825	10/2/2020	10/2/2021	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Uninsured motorist combined single	\$ 1,000,000 \$ \$ \$ \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X	Y	CU72018300	10/2/2020	10/2/2021	EACH OCCURRENCE AGGREGATE	\$ 1,000,000 \$ 1,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC3698866	10/2/2020	10/2/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	\$ \$ 1,000,000 \$ 1,000,000 \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
The City of Cortez is added as an additional insured where required by contract.

CERTIFICATE HOLDER**CANCELLATION**

City of Cortez 123 Roger Avenue Cortez, CO 81321	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Daniello Bush/DARUSH <i>Daniello Bush</i>



IRREVOCABLE LETTER OF CREDIT

RE: Irrevocable Letter of Credit Supporting Performance of Agreement for East Downey Street Extension, Cortez, Colorado.

Gentlemen:

By order of our client, Grant Smith, PO Box 329, Dolores, Colorado 81323, we hereby open our Irrevocable Letter of Credit No. 16, in favor of the City of Cortez, for an amount not to exceed the aggregate of U.S. \$177,320.00 (One Hundred Seventy-Seven Three Hundred Twenty and NO/100 U.S. Dollars), effective immediately relative to Grant Smith's performance under that Agreement for the completion of the East Downey Street Extension, Cortez, Colorado.

Funds under this Letter of Credit are available against the City of Cortez sight draft(s) on us, mentioning thereon our Credit No. 16. Each such draft must be accompanied by your signed written statement to the effect that Grant Smith has failed to comply with the terms and conditions of the above-mentioned Agreement.

If we receive the City of Cortez's sight draft(s) and statement(s) as mentioned above, at our office located at 101 South 6th Street, Dolores, Colorado 81323 we will promptly honor same.

THIS LINE OF CREDIT SHALL TERMINATE ONLY UPON written notice by the City of Cortez, to the Bank that all terms and conditions of the Agreement described above have been met.

Very Truly Yours,

The Dolores State Bank:

By: 
President

August 19, 2021