



Deschutes County Board of Commissioners
1300 NW Wall St., Suite 200, Bend, OR 97701-1960
(541) 388-6570 - Fax (541) 385-3202 - www.deschutes.org

AGENDA REQUEST & STAFF REPORT

For Board Business Meeting of 6/8/16

DATE: 6/3/16

FROM: Will Groves CDD Phone 541-388-6518

TITLE OF AGENDA ITEM:

Consideration and Signature of Document No. 2016-356, an Acknowledgement And Release Between Weston Investment Co., LLC and Deschutes County, Oregon for the construction of the Roads and Utilities Required Improvements as defined in the Improvement Agreement Recorded as Deschutes County Document No. 2011-068.

PUBLIC HEARING ON THIS DATE? No.

BACKGROUND AND POLICY IMPLICATIONS:

Weston Investment Co., LLC ("Owner") and Deschutes County, Oregon ("County") entered into that certain Improvement Agreement (Deschutes County document no. 2011-068) dated March 16, 2011 and recorded on March 21, 2011 (Recording No. 2011-14777), pertaining to the development of TRACT AE at Tetherow Resort for the Tripleknot Townhomes. The Owner was required to and did post an irrevocable standby letter of credit (ILOC) issued on April 18, 2011 in the amount of \$1,092,075.00 as security for the faithful performance of all of the obligations imposed on Owner under the Improvement Agreement, including the construction of the Roads and Utilities Required Improvements as defined in the Improvement Agreement.

The Owner, through its contracted developer, Triple Knot Associates, LLC completed all of the Required Improvements. The Required Improvements for Phases I & II were completed and accepted more than 12 months prior to the date of this Acknowledgement and Release. The Required Improvements for Phase III, which is the final phase of the development, were accepted by County on or about October 22, 2015. Pursuant to Section 6 of the Improvement Agreement Owner is obligated to post a bond or other security warranting the workmanship of the Required Improvements for twelve (12) months from the date of acceptance by County. The cost of the Required Improvements was for Phase III \$79,796.00. The Developer agrees, within five days of execution of this Acknowledgement and Release to post a warranty bond in the amount of \$7,980.00.

FISCAL IMPLICATIONS:

None.

RECOMMENDATION & ACTION REQUESTED:

Motion: Approve signature of Document 2016-356.

ATTENDANCE: Will Groves, Legal

DISTRIBUTION OF DOCUMENTS:

CDD Staff.

ACKNOWLEDGEMENT AND RELEASE

Tripleknot Townhomes, TRACT AE, Tetherow Resort

RECITALS

- A. Weston Investment Co., LLC ("Owner") and Deschutes County, Oregon ("County") entered into that certain Improvement Agreement (Deschutes County document no. 2011-068) dated March 16, 2011 and recorded on March 21, 2011 (Recording No. 2011-14777), pertaining to the development of TRACT AE at Tetherow Resort for the Tripleknot Townhomes;
- B. Pursuant to that Improvement Agreement (as amended), Owner was required to and did post an irrevocable standby letter of credit (ILOC) issued on April 18, 2011 in the amount of \$1,092,075.00 as security for the faithful performance of all of the obligations imposed on Owner under the Improvement Agreement, including the construction of the Roads and Utilities Required Improvements as defined in the Improvement Agreement (the "Required Improvements");
- C. Owner, through its contracted developer, Triple Knot Associates, LLC ("Developer") completed all of the Required Improvements. The Required Improvements for Phases I & II were completed and accepted more than 12 months prior to the date of this Acknowledgement and Release. The Required Improvements for Phase III, which is the final phase of the development, were accepted by County on or about October 22, 2015;
- D. Pursuant to Section 6 of the Improvement Agreement Owner is obligated to post a bond or other security warranting the workmanship of the Required Improvements for twelve (12) months from the date of acceptance by County;
- E. The amount of the warranty instrument is to be equal ten percent (10%) of the cost of the Required Improvements accepted by the County. Given that the sewer improvements and the water improvements were accepted by the City of Bend, and Developer has posted a warranty bond with the City of Bend warranting the maintenance of those improvements for twelve months, the amount of the security to be posted for the Required Improvements accepted by the County will be based on 10% of the cost of all of the Required Improvements excluding the sewer and water improvements;

NOW, THEREFORE

1. The cost of the Required Improvements other than the sewer and water improvements was \$79,796.00, and Developer agrees, within five days of execution of this Acknowledgement and Release to post a warranty bond in

the amount of \$7,980.00 and in the general form set forth in the attached Exhibit A.

2. Upon Developer's posting of the above warranty bond, County will execute all documents reasonably required to release its interest(s) in the ILOC referenced in Recital B, above.
3. Except as set forth herein, each and every obligation under the Improvement Agreement (as amended) remains in full force and effect.

Dated May 31, 2016

OWNER

WESTON INVESTMENT CO., LLC


By: KEITH VERNON
Title: SENIOR VP

Dated May __, 2016

DEVELOPER

TRIPLE KNOT ASSOCIATES, LLC

John P. Lietz, President

Dated May __, 2016

COUNTY

DESCHUTES COUNTY

By: Alan Unger
Title: Chair, BOCC