

GUNNISON VALLEY REGIONAL HOUSING AUTHORITY
BOARD OF DIRECTORS MEETING
Crested Butte Town Hall/ Zoom
Thursday, September 13, 2023
2:30pm

1. **Call to Order, Roll Call, Introductions** **2:30pm**

2. **Public Comments (Max 5 minutes per person)**

3. **Administrative Items:**
 - a. August Draft Minutes
 - b. August 2023 Financials
 - c. GV Heat August 2023 Report
 - d. ED Report

4. **Other Business**
 - a. Sawtooth Workforce Housing Development
 - i. Construction Update
 - ii. Lease-up Timeline
 - b. Frontierlands Update

5. **New Business**
 - a. 2024 GVRHA Draft Budget Review
 - b. DPA Program Proposal – Impact Development Fund
 - c. SLP Negotiations
 - i. Mineral Point Partnership Agreement
 - ii. Mineral Point Tax Exempt

6. Adjourn

Next meeting scheduled for October 12th, 2023 in Gunnison.

Accommodations for handicapped persons can be made upon request.

Join Zoom Meeting

<https://zoom.us/j/94162271245?pwd=MmdVSS9RclBnbGZ3VVI0a0xuaVFRZz09>

Meeting ID: 941 6227 1245 Passcode: 554114 Call: 1 312 626 6799 US (Chicago)



GUNNISON VALLEY REGIONAL HOUSING AUTHORITY
BOARD OF DIRECTORS MEETING
Blackstock Building, Gunnison/ Zoom
Thursday, August 10, 2023
2:30pm
Meeting Minutes

1. Call to Order, Roll Call, Introductions

Meeting called to order at 2:35pm

- a. *Board Members Present: Hannes Gehring, Steve Morris, Josh Lambert, Chris Haver, Laura Daniels, Mallory Logan, Perry Solheim*
- b. *Staff and Public Present: Andy Kadlec, Gesa Miche, Bella Biondini, Erin Ganser*

2. Public Comments (Max 5 minutes per person)

No comments presented by public

3. Administrative Items:

- a. July Draft Minutes
 - i. *CH motioned to approve July 2023 Minutes as presented. ML seconded, motion passed unanimously.*
- b. July 2023 Financials
 - i. *July financials were reviewed by the board and staff. Anticipation of draft budget for 2024 fiscal year to be presented at the September meeting. Staff intends to sit down with board treasurer and bookkeeper before next meeting to discuss and review draft budget.*
- c. GV Heat July 2023 Report
 - i. *G.M. noted that due to additional funding, 20 green deed homes are anticipated to be served this year.*
- d. ED Report
 - i. *A.K. gave a brief overview of the Executive Director report as outlined in the Board Packet. Board discussed OVLC Housing Task Force meetings and benefits of collaboration outside of governmental and nonprofit entities, high level of interest in Sawtooth development, challenges of deed restriction enforcement and affordability levels and high costs of building challenging developments in the north valley.*

4. Other Business

- a. Office Move
 - i. *Transition to 200 Virginia avenue office in process. GVRHA should be fully operating out of new office by beginning of next week. Design and planning of new office and timeline will be better determined in winter 2023-24*
- b. Palisades Walk-Thru
 - i. *Developer site tour in Mid-July, with 2 developers showing a high level of interest. Site conditions were better than expected, with new staff on site improving compliance and property upkeep. One developer expressed interest with GVRHA under general terms for a SLP and management agreement onsite, assuming all carrying costs for on site staff with an intention to apply for LIHTC funding in the coming year or two.*
- c. Sawtooth Workforce Housing



- i. Construction Progress
County working with City on infrastructure issues, but first 2-3 units anticipated to be ready by the first of October. Units expected to be completed in groups of three, with final move -ins happening in mid-November. Units built to high efficiency levels with air source heat pumps in all units.
- ii. Lease-up Timeline
Application period will be open for approximately two weeks in mid-August. County staff will have priority, and whatever units remain will be offered to the public. Lots of community interest, do not anticipate any challenges with qualifying or lease-up of units. County staff expected to fill approximately half of the units, depending on demand.
- d. Frontierlands Update
 - i. Resident displacement
 - ii. Options for GVRHA to provide resources and support
 - iii. *Narrative over Frontierlands situation presented to board outlining options to assist residents with displacement support. Staff reviewed housing options throughout the valley offered by the Town of Crested Butte, Gunnison County and others. RTA is offering the option to short-term lease 6 vacant Lazy K units to residents in need of transitional housing through early November. Board discussed additional ways GVRHA can offer residents support in the transition. Financial support around assistance in deposit assurances were proposed. The option of a master lease with RTA was discussed. Board expressed concerns over liability to GVRHA in the case of damages to units, but agreed that a master lease might be the only option to secure guarantees on housing in the valley. Options might exist up valley, but most households would prefer to stay in the south end of the valley to avoid disruptions for school and work obligations.*

Laura Daniels moved to permit the Executive Director to allocate up to \$20,000 in emergency security deposit assistance to Frontierlands residents, with a minimum contribution by residents of 20% to any contributed GVRHA funds. Gabi Prochaska seconded the motion. Motion was approved unanimously.

5. New Business

- a. 2024 IGA Draft Planning
2024 GVRHA Budget Planning
Discussion on IGA and draft Budget was tabled in detail by Board Chair to the September meeting. Staff requested board participation in reviewing a draft budget prior to the September meeting. Perry Solheim nominated to assist in budget prep with Executive Director, with Laura Daniels involved as needed.
- b. Executive Director Evaluation and Contract renewal
Laura Daniels self-nominated to lead annual evaluation of Executive Director. Managers open to Board Members discussing evaluation with key staff, and Willa Williford offered assistance as well.

6. Adjourn

Meeting adjourned at 4:45pm

Next meeting scheduled for September 14, 2023 in Crested Butte.

Accommodations for handicapped persons can be made upon request.

Join Zoom Meeting

<https://zoom.us/j/94162271245?pwd=MmdVSS9RclBnbGZ3VVI0a0xuaVFRZz09>

Meeting ID: 941 6227 1245

Passcode: 554114

Call: 1 312 626 6799 US (Chicago)



GVRHA

Balance Sheet

As of September 11, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Bill.com Money Out Clearing	910.60
GV Heat Checking (1691)	78,003.29
MMA Projects (4223)	270,941.70
Operations Checking (8145)	159,283.28
Rehab Loan Checking (1681)	497,247.28
Rent Checking (4922)	34,420.82
Security Deposits CK (6801)	25,716.70
Total Bank Accounts	\$1,066,523.67
Accounts Receivable	
Accounts Receivable	41,461.80
Accrued Accounts Receivable	0.00
Total Accounts Receivable	\$41,461.80
Other Current Assets	
Due from APA Operating Account (9015)	0.00
Prepaid Expenses	0.00
Suspense/Bank Clearing	0.00
Undeposited Funds	12,200.00
Total Other Current Assets	\$12,200.00
Total Current Assets	\$1,120,185.47
Fixed Assets	
Accumulated Depreciation	-9,328.00
Vehicles GMC Truck	17,038.56
Total Fixed Assets	\$7,710.56
Other Assets	
CDBG Revolving Loan Receivable	1,145,952.18
CDBG Allowance for Doubtful Accounts	-81,274.02
Total CDBG Revolving Loan Receivable	1,064,678.16
Delta Housing Authority Rehab Account (Liability)	-207,711.89
Earnest Money	0.00
Investment in APA LLC	100.00
Investment in MCGC LLC	100.00
Note Receivable (Due August 31, 2036)	
Interest Receivable RHG LP (2.21%)	5,099.95
Principle Balance RHG LP	100,000.00
Total Note Receivable (Due August 31, 2036)	105,099.95

GVRHA

Balance Sheet

As of September 11, 2023

	TOTAL
Note Receivable (Due August 31, 2049)	
Interest Receivable Gardenwalk (2.21%)	17,213.02
Principle Balance Gardenwalk	450,000.00
Total Note Receivable (Due August 31, 2049)	467,213.02
Note Receivable (Due July 1, 2047)	
Interest Receivable APA LLC (8.50%)	580,807.00
Principle Balance APA LLC	1,030,600.00
Total Note Receivable (Due July 1, 2047)	1,611,407.00
Note Receivable (Due June 30, 2030)	
Interest Receivable Development Fee Agreement (9.00%)	73,436.10
Principle Balance Development Fee Agreement	163,190.00
Total Note Receivable (Due June 30, 2030)	236,626.10
Total Other Assets	\$3,277,512.34
TOTAL ASSETS	\$4,405,408.37
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-12,692.40
Total Accounts Payable	\$ -12,692.40
Credit Cards	
Capital One Credit Card (4936)	0.00
ELAN CREDIT CARD (3558)	312.00
Elan Credit Card (7255)	-7,902.49
Total Credit Cards	\$ -7,590.49
Other Current Liabilities	
City of Gunnison Sales Tax	0.00
CO Sales Tax	0.00
Deferred Revenue	48,038.75
Due from APA LLC	22,094.50
Due to City of Gunnison	0.00
Due to County of Gunnison Bill Repay	21,436.00
Out Of Scope Agency Payable	0.00
Payroll Liabilities	5,451.34
Accrued Vacation & Sick Leave	24,966.25
American Funds	0.00
CO Unemployment Tax	-18.86
Delta Dental	-147.19
RMHP	1,374.96

GVRHA

Balance Sheet

As of September 11, 2023

	TOTAL
Total Payroll Liabilities	31,626.50
Rent Liability	
Pitchfork Rents	1,546.92
Total Rent Liability	1,546.92
Security Deposits	0.00
Elk Valley Security Deposits	10,050.00
GWSD Security Deposits	2,700.00
Mountain View Security Deposits	672.00
Paul Redden VHF Security Deposit	6,500.00
Ruby House Security Deposits	2,160.00
Total Security Deposits	22,082.00
Total Other Current Liabilities	\$146,824.67
Total Current Liabilities	\$126,541.78
Total Liabilities	\$126,541.78
Equity	
Investment in Capital Assets	13,991.00
Opening Balance Equity	55.89
Restricted for Emergencies	15,000.00
Unrestricted Net Assets	4,086,348.02
Net Income	163,471.68
Total Equity	\$4,278,866.59
TOTAL LIABILITIES AND EQUITY	\$4,405,408.37

GVRHA

Budget vs. Actuals: 2023 Budget - FY23 P&L

January - December 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Administration Fees				
SFOO DPA Fees		22,000.00	-22,000.00	
SFOO Rehab Fees		24,000.00	-24,000.00	
Total Administration Fees		46,000.00	-46,000.00	
Application Fees	810.00		810.00	
Billable Expense Income	6,471.11		6,471.11	
Community Contributions				
City of Gunnison Quarterly	46,874.00	93,750.00	-46,876.00	50.00 %
County Contribution	96,375.00	128,500.00	-32,125.00	75.00 %
Town of Crested Butte Quarterly	46,874.00	93,750.00	-46,876.00	50.00 %
Town of Mt Crested Butte Annual	93,750.00	93,750.00	0.00	100.00 %
Total Community Contributions	283,873.00	409,750.00	-125,877.00	69.28 %
Grant Income	22,500.00		22,500.00	
GV Heat Income	10,997.60		10,997.60	
CARE Program	68,112.00	104,500.00	-36,388.00	65.18 %
Energy Smart	11,264.24	5,100.00	6,164.24	220.87 %
Green Deed	41,545.92	112,400.00	-70,854.08	36.96 %
Support Grants	24,962.50	10,000.00	14,962.50	249.63 %
Total GV Heat Income	156,882.26	232,000.00	-75,117.74	67.62 %
Management Fee Income				
Anthracite Place Management Fee	12,746.03	17,000.00	-4,253.97	74.98 %
Anthracite Place Salary Reimbursement	21,208.32	28,277.76	-7,069.44	75.00 %
Elk Valley Management Fee	14,396.69	20,000.00	-5,603.31	71.98 %
GWSD Management Fee	0.00	4,320.00	-4,320.00	0.00 %
Mountain View - Ops Subsidy	19,333.35	26,000.00	-6,666.65	74.36 %
Mountain View - Performance Incentive		7,200.00	-7,200.00	
Mountain View Management Fee	16,249.97	22,000.00	-5,750.03	73.86 %
Redden Management Fee	6,030.00	12,060.00	-6,030.00	50.00 %
Ruby Management Fee	9,000.00	12,000.00	-3,000.00	75.00 %
Total Management Fee Income	98,964.36	148,857.76	-49,893.40	66.48 %
Project Fees Income	5,150.00		5,150.00	
Rental Income	783.87		783.87	
Services	3,371.89		3,371.89	
Uncategorized Income	0.00		0.00	
Total Income	\$578,806.49	\$836,607.76	\$ -257,801.27	69.18 %
GROSS PROFIT	\$578,806.49	\$836,607.76	\$ -257,801.27	69.18 %
Expenses				
Administrative Support	2,500.75	4,000.00	-1,499.25	62.52 %
Advertising & Marketing Expense	891.25	5,000.00	-4,108.75	17.83 %
Application Review	175.00		175.00	
Association Dues	943.90		943.90	

GVRHA

Budget vs. Actuals: 2023 Budget - FY23 P&L

January - December 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Bank Charges & Fees	87.51	120.00	-32.49	72.93 %
Business License & Fees	24.88		24.88	
Cleaning Expenses	6,820.80		6,820.80	
Computer Expense		2,000.00	-2,000.00	
Website Hosting & Management		1,500.00	-1,500.00	
Total Computer Expense		3,500.00	-3,500.00	
Continuing Education & Training	1,530.00	15,000.00	-13,470.00	10.20 %
Copier Lease + Services	4,777.25	3,360.00	1,417.25	142.18 %
Deed Monitoring Expense	157.75	12,000.00	-11,842.25	1.31 %
Dues & Memberships	3,583.90	3,500.00	83.90	102.40 %
GV Heat Expenses	136,377.29	222,000.00	-85,622.71	61.43 %
Insurance Expense	9,422.49	14,000.00	-4,577.51	67.30 %
Interest Expense	12.21		12.21	
Internet + Telephone	3,987.55	4,480.00	-492.45	89.01 %
Legal & Professional Fees				
Bookkeeping + Accounting	17,348.34	15,000.00	2,348.34	115.66 %
Legal Fees	9,755.03	15,000.00	-5,244.97	65.03 %
Professional Services	886.00	15,000.00	-14,114.00	5.91 %
Total Legal & Professional Fees	27,989.37	45,000.00	-17,010.63	62.20 %
Meals	22.49		22.49	
Mileage Reimbursements	2,167.11	2,000.00	167.11	108.36 %
Office Supplies	2,052.10	4,000.00	-1,947.90	51.30 %
Payroll Expense				
Salary Payroll Benefit Expense	27,716.51	73,311.93	-45,595.42	37.81 %
Salary Payroll Tax Expense	12,576.53	35,978.00	-23,401.47	34.96 %
Salary Payroll Wage Expense	220,881.43	335,780.00	-114,898.57	65.78 %
Total Payroll Expense	261,174.47	445,069.93	-183,895.46	58.68 %
Postage + Shipping	585.66	500.00	85.66	117.13 %
Rent & Lease Expense	-5,644.94		-5,644.94	
Jailhouse Rent		4,500.00	-4,500.00	
Rent Blue House	14,123.73	13,296.00	827.73	106.23 %
Total Rent & Lease Expense	8,478.79	17,796.00	-9,317.21	47.64 %
Repairs + Maintenance Labor	18,320.08		18,320.08	
Returned Check Fees	0.00		0.00	
Section 8 Voucher Expense	745.00		745.00	
Security Monitoring	920.80	2,000.00	-1,079.20	46.04 %
SFOO Rehab Expenses	56.00		56.00	
Software Subscriptions	6,670.81	1,000.00	5,670.81	667.08 %
Supplies & Materials	1,621.46		1,621.46	
Travel Expense	150.25	3,000.00	-2,849.75	5.01 %
Lodging Expense		2,000.00	-2,000.00	
Total Travel Expense	150.25	5,000.00	-4,849.75	3.01 %

GVRHA

Budget vs. Actuals: 2023 Budget - FY23 P&L

January - December 2023

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Utility Expense	16,204.05		16,204.05	
Vehicle Expenses	510.16	3,500.00	-2,989.84	14.58 %
Website Expense	2,132.45	5,000.00	-2,867.55	42.65 %
Total Expenses	\$521,093.58	\$817,825.93	\$ -296,732.35	63.72 %
NET OPERATING INCOME	\$57,712.91	\$18,781.83	\$38,931.08	307.28 %
Other Income				
Interest Earned	438.33	1,200.00	-761.67	36.53 %
Rebates + Insurance Refunds	272.59		272.59	
Total Other Income	\$710.92	\$1,200.00	\$ -489.08	59.24 %
NET OTHER INCOME	\$710.92	\$1,200.00	\$ -489.08	59.24 %
NET INCOME	\$58,423.83	\$19,981.83	\$38,442.00	292.38 %



August 2023 Report Prepared by Gesa Michel

CARE – Colorado Affordable Residential Energy

A state-run program assisting income-eligible households with free home energy assessments and eligible upgrades to improve a home's comfort, safety, and efficiency. Households are eligible when they are at 80% Area Median Income (AMI) income or less. We have a goal of servicing 37 homes in 2023.

Work through August

- CARE Applications Approved: 23
- CARE Assessments Completed: 22
- CARE homes retrofitted: 20

GreenDeed program

A Town of Crested Butte – GV-HEAT partnership offering energy assessment, report, and upgrades to deed-restricted homes within town limits up to a total of \$5,000/per home. Participants contribute \$50 towards the assessment. This is Year 3 of the program, and we aim to service 20 homes in 2023. Because we had such a long waitlist and we had capacity this year to serve more homes, we have increased our goal from 12 to 20 homes in 2023.

- GreenDeed Applications Approved: 20
- GreenDeed Applications Waitlisted: 7
- GreenDeed Assessments Completed: 15
- GreenDeed Retrofits Completed: 15
- GreenDeed Energy Savings Calculated and Disclosed: 15

Outreach and Funding in August

- Launched 4 radio underwriting messages to be aired for 13 months on KBUT, a local radio station in the Valley (8/1/23).
- Launched new collaboration with CU Boulder / WCU Partnership Mechanical Engineering students to determine how to install electric cold climate air source heat pumps (ccASHPs) in a set number of income-qualified homes managed by GV-HEAT. This is pursued as part of the ME students yearlong Capstone project.
- Met with Town of Crested Butte Sustainability Staff to discuss collaboration with GV-HEAT (8/23/23).
- Met with Town of Mt. Crested Butte Planning and Sustainability Staff to discuss collaboration with GV-HEAT (8/23/23).
- Provided 6 months report to Energy Outreach Colorado Outreach grant (Received \$39,725 in February 2023).
- Attended Energy Smart Colorado Partner Summit in Avon, CO to exchange information and ideas on all issues related energy efficiency, electrification, renewable energies, and collaboration (8/31/23).

Gunnison Valley Regional Housing Authority

Executive Director Report

August-September 2023

Administrative

- AppFolio integration has been delayed
 - Company did not notify GVRHA of potential challenges of integrating a quasi-governmental organization into their online payment structure
 - Only the online payment feature is affected, but that is a principal feature desired by PM and tenants
 - Still waiting on a response from AppFolio representatives as of 9/11

Community Engagement/General Updates

Gunnison

- Worked with city staff on Prop 123 implementation process questions
- Hosted Sign-up Night for Spanish applications of Sawtooth with city staff
- Met with Town Manager and HFH ED at Wills Way to discuss future site development

Gunnison County

- Finalized Sawtooth management agreement
- Closed application pools for Sawtooth after over 60 applications
- Continued to work with County staff on Mountain View HAP contract renewal process
- PM hosted Mountain View end of summer BBQ on 9/7

Mount Crested Butte

- Participated in developer interview process for Homestead RFP, Including in-person interviews on 7/28 and selection process on 9/11
- Processed additional potential Deed Restriction Violation in Pitchfork notified on 9/4

Crested Butte

- Site tour of The Ruby with CB staff to assess property improvements on 8/17
- Renewed Management Agreement of The Ruby with town staff
- Completed Lottery of 911 Teocalli unit – 27 qualified buyers attended the lottery on 9/5

Upcoming Events

- **September 15th** – Whetstone Charettes and Design Workshop
- **September 20th**– OVLC final report presentation
- **October 3rd** – Housing Task Force Meeting
- **October 12-13th**- Housing Colorado Conference
- **October 30-Nov 3rd** -AK out of Office

2024 DRAFT Budget
9/11/2023 - GVRHA

	A	B	C	D	E	F
1	INCOME	2022 Approved Budget	2022 Year End	2023 Budget	2023 YE Estimated	2024 DRAFT Budget Working
2	Community Contributions					
3	County	93,500.00	93,500.00	128,500.00	128,500.00	128,500.00
4	City	58,750.00	58,750.00	93,750.00	93,750.00	93,750.00
5	Crested Butte	58,750.00	58,749.50	93,750.00	93,750.00	93,750.00
6	Mt. Crested Butte	58,750.00	58,750.00	93,750.00	93,750.00	93,750.00
7	Interest Income	0.00	987.00	1,200.00	845.85	1,200.00
8	Total Community Contributions	269,750.00	270,736.50	410,950.00	410,595.85	410,950.00
9						
10						
11						
12	Management Fees					
13	Anthracite Place Apts	16,250.00	16,209.98	17,000.00	17,000.00	17,000.00
14	Salary Reimbursement	25,248.00	25,186.50	28,277.76	28,277.76	31,671.09
15	Mountain View Apts MGMT Fee	20,500.00	33,058.78	22,000.00	22,000.00	22,000.00
16	Mtn View Ops Subsidy	25,000.00	16,666.31	26,000.00	26,000.00	26,000.00
17	Performance Incentive	7,100.00	7,686.67	7,200.00	7,200.00	7,200.00
18	Laundry		10.00			
19	Elk Valley Townhomes	16,380.00	13,650.00	20,000.00	20,000.00	20,000.00
20	GWSD	3,600.00		4,320.00	4,320.00	4,320.00
21	Paul Redden Units - VHF		1,500.00	12,060.00	12,060.00	12,060.00
22	The Ruby	12,000.00	7,000.00	12,000.00	12,000.00	12,000.00
23	Sawtooth MGMT Fee				4,596.00	37,152.00
24	Sawtooth 2 MGMT Fee					25,000.00
25	<i>Pallisades MGMT Fee</i>					
26	<i>Salary Reimbursement</i>					
27	Mineral Point Management Fee					
28	Salary Reimbursement					
29	Asset Management Fee					7,000.00
30	Housing Matters	8,400.00	0.00		0.00	
31	Project Fee Revenue		13,000.00			
32	Rental Application Fees		150.00			
33	Total Management Fees	134,478.00	134,118.24	148,857.76	153,453.76	221,403.09
34						
35						
36	GV-HEAT Revenues	159,500.00	196,508.57		232,000.00	
37	Care Program			104,500.00		104,500.00
38	Green Deed			112,400.00		112,400.00
39	Energy Smart			5,100.00		5,100.00
40	Support Grants			10,000.00		10,000.00
41	Total GV-HEAT Revenue	159,500.00	196,508.57	232,000.00	232,000.00	232,000.00
42						
43						
44	Administration Fees					
45	Section 8	0.00	955.24	0.00	0.00	0.00
46	Other: SFOO Rehab Fees	17,500.00	0.00	24,000.00	0.00	0.00
47	Other: SFOO DPA Fees	17,500.00		22,000.00	0.00	15,000.00
48	Total Administration Fees	35,000.00	955.24	46,000.00	0.00	15,000.00

**2024 DRAFT Budget
9/11/2023 - GVRHA**

	A	B	C	D	E	F
49						
50						
51	Real Estate Commissions	55,000.00		0.00	0.00	10,000.00
52	Development Fee Income				5,000.00	10,000.00
53	CBDG Program Income		0.00			
54						
55						
56	TOTAL INCOME	653,728.00	602,318.55	839,007.76	796,049.61	890,553.09
57						

2024 DRAFT Budget
9/11/2023 - GVRHA

	A	B	C	D	E	F
58						
59	EXPENSES	2022 Approved Budget	2022 Year End	2023 Draft Budget	2023 YE Estimates	2024 Draft Budget
60	Accounting	26,000.00	34,030.00	15,000.00	21,000.00	20,400.00
61	Advertising & Marketing	3,000.00	6,166.23	5,000.00	1,500.00	3,500.00
62	Administrative Expense	4,600.00	25.00	4,000.00	0.00	2,000.00
63	Bank Fees	120.00	288.00	120.00	522.34	120.00
64	Computers		10,337.51			1,500.00
65	Hardware	500.00		1,000.00	0.00	1,000.00
67	Software Programs	0.00		1,000.00	3,500.00	5,190.00
68	Technical Support	600.00		1,000.00	262.50	1,000.00
69	Contracted Services				1,600.00	
70	Copier Lease	1,800.00	2,886.77	1,860.00	2,000.00	2,201.16
71	Copier Service	1,500.00	0.00	1,500.00	2,000.00	1,200.00
72	Internet & Monitoring - Jail	2,000.00	1,213.22	2,000.00	1,395.72	1,440.00
73	Telephones	5,400.00	2,240.11	2,200.00	2,176.00	2,200.00
74	Dues & Memberships	4,000.00	3,823.00	3,500.00	3,900.00	4,000.00
75	Education & Training	6,100.00	7,325.91	15,000.00	3,064.00	15,000.00
76	Insurance	9,000.00	7,088.01	14,000.00	10,996.33	14,000.00
77	Misc		16,000.00			
78	Internet Blue House	3,500.00	1,898.45	2,280.00	1,773.65	1,140.00
79	Legal Services	18,000.00	27,724.00	15,000.00	14,750.00	15,000.00
80	Office Supplies	4,000.00	5,557.10	4,000.00	2,700.00	3,000.00
81	Postage	900.00	969.73	500.00	468.48	500.00
82	Professional Services/ Strategic Planning		1,447.70	15,000.00	1,500.00	15,000.00
83	Website Design	16,000.00	26,212.04	5,000.00	1,000.00	5,000.00
84	Blue House	10,200.00	9,744.00	13,296.00	14,160.00	14,160.00
85	Jail Rent (CB Rent)	2,650.00	4,913.26	4,500.00	4,100.00	4,500.00
86	Mileage	1,100.00	0.00	2,000.00	2,500.00	2,500.00
87	Lodging	1,500.00	0.00	2,000.00	1,200.00	2,000.00
88	Website hosting and mgmt	1,250.00	0.00	1,500.00	3,200.00	0.00
89	Travel Expense (conference training)	0.00	4,534.00	3,000.00	2,168.49	3,000.00
90	Auto Expense	1,500.00	470.89	3,500.00	750.00	2,500.00
91	Total Admin	125,220.00	174,894.93	138,756.00	104,187.51	143,051.16
92	<i>Programming</i>					
93	Deed Monitoring		1,891.39	12,000.00	0.00	12,000.00
94	GV-HEAT Expenses	159,000.00	165,227.92	222,000.00	222,000.00	222,000.00
95	IDF DPA	0.00	4,512.49		1,500.00	15,000.00
96	<i>Total Programming</i>	159,000.00	171,631.80	234,000.00	223,500.00	249,000.00
97						
98	Total Overhead	284,220.00	346,526.73	372,756.00	327,687.51	392,051.16
99						
100	Salary Payroll benefit	67,564.00	83,631.70	73,311.93	63,995.00	73,416.03
101	Salary Payroll Tax Expense	26,352.00	17,947.00	35,978.00	28,000.00	37,521.00
102	Salary Payroll Wage Expense	272,200.00	238,372.45	335,780.00	307,881.00	351,210.00
103	Total Payroll	366,116.00	339,951.15	445,069.93	399,876.00	462,147.03
104						
105	Deed Monitoring		1,891.39	12,000.00	0.00	12,000.00
106	GV-HEAT Expenses	159,000.00	165,227.92	222,000.00	222,000.00	222,000.00

2024 DRAFT Budget
9/11/2023 - GVRHA

	A	B	C	D	E	F
107	IDF DPA Implementation	0.00	4,512.49		1,500.00	15,000.00
108		159,000.00	171,631.80	234,000.00	223,500.00	249,000.00
109						
110	TOTAL EXPENSES	650,336.00	686,477.88	817,825.93	727,563.51	854,198.19
111						
112	NET INCOME/(LOSS)	3,392.00	-84,159.33	21,181.83	68,486.10	36,354.90
113						
114	Program Expenditures	15,479.00		21,181.83	0.00	36,354.90
115	Tabor Reserves - 3% of Non Govt Exp	19,034.00		24,534.78	21,826.91	25,625.95
116	Fund Balance Beginning Year	340,603.00	647,158.00	801,740.00	801,470.00	869,956.10
117	Restricted Fund Balance Beg Year	19,498.00		19,498.00	10,000.00	19,498.00
118	Fund Balance End of Year	343,995.00	801,740.00	822,921.83	869,956.10	906,311.00
119	Fund Balance with APA Note	1,436,205.00		1,436,205.00	1,253,210.00	1,436,205.00



GVRHA Down Payment Assistance Program Product Guideline



Eligible Borrowers:	Borrowers who have income that is equal to or greater than 80% AMI and does not exceed 100% AMI and purchasing a home. The purchased unit must be the borrower's primary residence while the loan is outstanding.
Eligible Properties:	<p>Single family residence, duplex, townhomes, condominiums and manufactured homes permanently affixed to permanent foundation and taxed as real property within the Gunnison Valley Regional Housing Authority service area which includes Gunnison and Hinsdale counties. Subject property must meet Housing Quality Standards (HQS) as determined by third party inspection and cannot be located in a FEMA designated flood plain.</p> <p>The property must be owner/seller occupied or vacant at the time an offer is made. This must be documented by securing a copy of the appraisal, completed by a Colorado licensed real estate appraiser, which states the occupancy status of the home. <i>Tenant occupied homes are <u>ineligible</u> unless the tenant is also the purchaser.</i></p>
Income Maximum:	<p>Annual gross income equal to or greater 80% AMI and does not exceed 100% AMI of the most recently published CHFA Area Median Income adjusted for actual household size, in the subject property county.</p> <p>Income is established by the currently demonstrated income, excluding overtime, shift bonus, commission and bonus income that have not been earned consistently for the most previous 2-year period with a strong likelihood of continuance.</p>
Loan Amount:	\$25,000 maximum.
Total Debt Ratio:	Maximum back ratio of 45%.
Repayment:	The loan will be repaid via principal and interest monthly payments over a period not to exceed 30 years at an interest rate of 1.0%. The assistance will become immediately due upon the sale, transfer, refinance, when the house is no longer the primary residence, or upon the death of the borrower.
Use of Funds:	Down payment, closing costs and pre-paid items related to the primary loan.
Homebuyer Training:	Required on all loans and must be provided by Gunnison Valley Regional Housing Authority.
Inspection:	Subject property must meet Housing Quality Standards (HQS) as determined by third party inspection completed by GVRHA staff.
Term:	Maximum 30 years
Loan Fees:	No origination charge collected from the borrower. Borrower will be responsible for applicable Clerk and Recorder charges to record the Deed of Trust, as well as any closing fees incurred from the Title Company/Closing Agent.
Collateral:	Subordinate lien priority on subject property.
Interest Rate:	1.00% fixed interest rate

- Compatible Mortgages: DPA funds may be used in conjunction with conventional or portfolio first mortgage product except those containing a negative amortization feature or prepayment penalty. FHA mortgages are not permitted.
- Combined Loan to Value: Maximum CLTV is 100% of purchase price. Exceptions for VA and USDA-RD financing in which a funding fee or guarantee fee cause CLTV to exceed 100% will be evaluated on a case-by-case basis.
- Minimum Investment: Borrower must have a minimum direct transaction investment. Borrower contribution will be calculated as the greater of **\$1,000 or 1.0% of the purchase price** from a source acceptable to the primary lender. In no case may the Seller or premium pricing of the mortgage interest rate satisfy this minimum requirement.
- Assets: Borrower may not have liquid assets in excess of one and one-half times the household income.
- Affordability Period: Borrower must *maintain the property as their primary residence for a period of at least 5 years*, regardless of loan payoff (unless the payoff is recaptured through the sale of the home or foreclosure).
- Exceptions Policy: All aspects of the DPA eligibility and underwriting criteria are subject to GVRHA Staff-level exception authority.
- Loan Committee Review: GVRHA Loan Committee will be responsible for an annual audit of DPA files in accordance with GVRHA Loan Policies and Procedures as well as Colorado Division of Housing RLF criteria.
- Loan Servicing: GVRHA down payment assistance loans will be serviced by partner agency, Impact Development Fund.

Origination Procedures

- Application:** Mortgage loan officer submits Loan File Checklist to partner agency that will be underwriting the loan, complete with all required documentation. A loan commitment is usually issued within 48 hours, or less. Any remaining documentation requirements will be detailed.
- Processing:** Partner agency will order site specific flood cert. for the subject property.
- Partner agency will order evidence of hazard insurance and a copy of the title commitment. Final loan disclosures are delivered electronically to the first mortgage loan officer and settlement agent at the Title Company for balancing prior to presentation to the borrower. All required loan disclosures will be delivered directly to the borrower in accordance with federal and state mortgage regulations. All outstanding items must be cleared prior to funding.
- Closing:** Partner agency will deliver closing instructions, final loan document package and loan proceeds direct to title. Wires are sent 24 hours prior to the scheduled closing date.
- Fees Collected:** A public recording fee for the deed of trust and reasonable closing fees assessed by the Title Company will appear on the DPA Closing Disclosure (CD). Partner agency will review and approve the final first mortgage CD prior to funding. Title insurance is not required for the DPA subordinate mortgage.
- Requirements:** Both the borrower and first mortgage loan officer must execute the Lender Certification form, acknowledging disclosure of all loan terms and contact information.
- Settlement:** Borrower may NOT receive any proceeds at the time of settlement regardless of total contribution. Title company will be instructed to show any excess proceeds as a principal reduction to GVRHA loan on the first mortgage Closing Disclosure (CD) and return such funds for proper credit to the borrower. **No changes to the DPA loan documents or loan amount shown on the CD are permitted as a result of excess proceeds.**
- Post-Closing:** The original Deed of Trust will be recorded by title with all other original loan documents returned to partner agency, Impact Development Fund via overnight courier. Any excess proceeds will be applied as principal reduction, with applicable notice delivered to the borrower upon receipt.
- Equal Opportunity Lender:** GVRHA and Partner Agencies do not discriminate against anyone through its lending practices or in any other decision-making processes due to race, color, religion, gender, disability, sexual preference, age, family status and/or national origin.



**AGREEMENT TO ADMINISTER
RESIDENTIAL DOWN PAYMENT ASSISTANCE PROGRAM**

THIS AGREEMENT TO ADMINISTER A RESIDENTIAL DOWN PAYMENT ASSISTANCE PROGRAM (“Agreement”), effective as of [REDACTED] (the “Effective Date”), is made and entered into by and between GUNNISON VALLEY REGIONAL HOUSING AUTHORITY, a Colorado non-profit corporation (“Program Provider”) and IMPACT DEVELOPMENT FUND, (“IDF”), a Colorado nonprofit corporation (together, Program Provider and IDF are the “Parties” and each, is a “Party”).

This Agreement supersedes all previous agreements between Parties and Parties’ subsidiaries, if any, including, without limitation, the following: N/A.

RECITALS

WHEREAS, Program Provider has implemented a program to provide affordable home ownership opportunities to qualified residents within the Program Provider’s service area, including: Gunnison and Hinsdale counties (the “Program”);

WHEREAS, Program Provider has implemented a Colorado Division of Housing down payment assistance program to assist qualified applicants who wish to purchase a home within the Program Provider’s service area, including: Gunnison and Hinsdale counties (the “Program”); and

WHEREAS, the Program Provider has received and anticipates receiving additional financial grants and gifts for the Program; and

WHEREAS, IDF is experienced in administering similar programs in compliance with applicable federal and state laws; and

WHEREAS, Program Provider desires IDF to administer the Program as set forth in more detail in this Agreement and Scope of Services attached as **Exhibit 1** (the “Services”) and IDF is willing to do so, on the terms and conditions set forth therein.

TERMS AND CONDITIONS

NOW, THEREFORE, for and in consideration of the monies to be received, the recitals set forth above, and the covenants and conditions set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **SERVICES.** IDF shall provide all labor, services, equipment and materials reasonably necessary to perform the Services in accordance with the terms, conditions and other provisions of this Agreement. Without limiting the foregoing, IDF shall expeditiously perform and carry out, in a satisfactory and proper manner, the Services in compliance with the Program Criteria, set forth as **Exhibit 2**, and all applicable laws.
2. **PAYMENTS FOR SERVICES.** IDF shall be compensated by Program Provider for performance of the Services in the amounts and at the times set forth on **Exhibit 3**.
3. **TERM.** The term of this Agreement shall begin on the Effective Date and continue for a period of five (5) years through and including December 31, 2028 (the “Initial Term”). After the Initial Term, this Agreement shall automatically renew on December 31 of each calendar year so long as IDF continues to

provide the Services, unless and until this Agreement is terminated by either Party in accordance with its terms.

4. CONTROL OF FUNDS. Program Provider shall retain exclusive control over Program Capital and loan originations, including, without limitation, discretion over which loans to originate and the terms of such originations in accordance with all State of Colorado Division of Housing contract(s). Program Provider shall provide the proceeds of each Program loan at the applicable loan closing to the applicable Borrower, which may be disbursed by IDF through Program funds held on behalf of Program Provider. Program Provider shall promptly provide proceeds via reimbursement to IDF for any loan funded by IDF to the applicable borrower (each, a “Borrower”, and collectively, the “Borrowers”) at loan closing.

5. COMMUNICATION TO BORROWERS. IDF will use reasonable efforts to communicate with program applicants and Borrowers by mail, telephone and electronic mail to the extent reasonably available, in an effort to understand individual circumstances and offer appropriate assistance as reasonably necessary. If it is determined by IDF in good faith that the Borrower is in need of more intensive intervention, IDF will engage Program Provider in a three-way communication process with Borrower to determine and implement the most beneficial course of action.

6. NO LEGAL/COLLECTION SERVICES. **IDF does not provide legal and/or collection services on behalf of the Program Provider for seriously delinquent (ninety (90) or more days past due) loan files.**

7. REPRESENTATIVES; NOTICES. All applicable invoices, statements, notices, inquiries, and replies shall be provided to the other Party in writing and addressed to the other Party’s respective representative at the addresses below. The following individuals are designated by each Party as such Party’s “Key Representative” under this Agreement:

Program Provider: Gunnison Valley Regional Housing Authority
Andy Kadlec
202 E Georgia Ave
Gunnison, CO 81230
akadlec@gvrha.org

IDF: IMPACT DEVELOPMENT FUND
Megan Ferguson
200 E. 7th Street, Suite 412
Loveland, CO 80537
970-494-2021
megan@impactdf.org

The Parties may change their representatives and addresses at any time by written notice in compliance with this Section to the other Party.

8. REVIEW OF COMMERCIAL COMMUNICATION. IDF must review and approve any Commercial Communication, marketing or advertising collateral related to mortgage financing under the Program to ensure compliance with applicable state and federal regulations under The Mortgage Acts and Practices – Advertising Rule. “Commercial Communication” is defined as: any written or oral statement, illustration, or depiction, whether in English or any other language, that is designed to effect a sale or create interest in purchasing goods, or services, whether it appears on or in a label, package, package insert, radio, television, cable television, brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display,

film, slide, audio program transmitted over a telephone system, telemarketing script, on-hold script, upsell script, training materials provided to telemarketing firms, infomercial, the Internet, cellular network, or any other medium.

9. PERFORMANCE REPORTS AND RECORDS. IDF shall prepare and provide to Program Provider the reports described on **Exhibit 4** as part of the Services provided under this Agreement.

10. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS.

- a. IDF will comply in the performance of the Services with all of the requirements of local, state and federal ordinances, codes, laws, rules, regulations, orders and guidelines that are applicable to the Services or that become applicable to the Services, including, without limitation, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, the Fair Credit Reporting Act, and the Financial Services Modernization Act (the Gramm-Leach-Bliley Act).
- b. Any change in applicable law under which this Agreement is to be performed which may be constitutionally applied to this Agreement and which, by its terms, is intended to be applied to this Services, shall be deemed to be incorporated into this Agreement.

11. INDEPENDENT CONTRACTOR. In performing this Agreement, IDF is an independent contractor for Program Provider. Program Provider reserves no control over IDF or any of IDF's employees, agents, subordinates, or associates (if any), as to how the Services should be performed. The manner and means of performing the Services are under IDF's sole control. IDF is responsible for calculating, withholding, and paying all applicable federal and state taxes and for obtaining necessary and adequate worker's compensation insurance, general liability insurance and any other insurance required under this Agreement.

12. NO USE OF BORROWER DATA. In the course of administering the Services, IDF will have access to certain information Borrowers, including, without limitation, information included in loan documents, payment history, financial data, and other information related to a Borrower's participation in the Program (collectively, "Borrower Data"). IDF will not utilize Borrower Data for any purpose not in connection with the Services and will not contact any Borrower for any purpose except as expressly permitted in this Agreement.

13. CONFIDENTIALITY/PROTECTION OF BORROWER DATA.

- a. During the Term, a Party (the "Recipient") may receive or have access to certain information of the other Party (the "Discloser") that is "Confidential Information," including, though not limited to, records, documents, proprietary information, technology, software, trade secrets, financial and business information, or data related to either Party's products, processes, or general business operations (including sales, pricing methods, organization, employee or customer lists and process), whether oral, written, or communicated via electronic media or otherwise disclosed or made available to a Party or to which a Party is given access pursuant to this Agreement by the other Party that, if not otherwise described above, is of such a nature that a reasonable person would believe to be confidential. Recipient shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of the Confidential Information as Recipient uses to protect its own Confidential Information of a like nature. Recipient's obligations shall only extend to (a) Confidential Information, (b) information that is marked

as confidential at the time of disclosure, and (c) information that is unmarked (e.g., orally, visually or tangibly disclosed) but treated as confidential at the time of disclosure. This Agreement imposes no obligation upon Recipient with respect to information that: (1) was in Recipient's possession before receipt from Discloser; (2) is or becomes a matter of public knowledge through no fault of Recipient, or its employees, consultants, advisors, officers or directors or affiliates; (3) is rightfully received by Recipient from a third party without a duty of confidentiality; (4) is disclosed by Discloser to a third party without a duty of confidentiality on the third party; (5) is independently developed by Recipient without reference to the Confidential Information; (6) is disclosed by Recipient with Discloser's prior written approval. Recipient may disclose Confidential Information to its officers, directors, employees, members, partners, potential and existing financing sources, advisors or representatives (including, without limitation, attorneys, accountants, insurers, rating agencies, consultants, bankers, financial advisors, custodian and backup services) (collectively, "Representatives") who need to have access to such Confidential Information provided that such Representatives have signed a confidentiality agreement at least as restrictive as this Section 13. Recipient shall be responsible for any breach of this paragraph (a) by any of its Representatives.

b. In addition to any obligations imposed on them by Section 12 of this Agreement, IDF shall also adhere to the following requirements regarding the confidentiality and security of Borrower Data:

(i) *Protection and Security of Borrower Data.*

(1) IDF shall maintain at all times an Information Security Program in accordance with applicable laws, rules, and regulations in addition to the reasonable standards Program Provider may set forth from time to time. For purposes hereof, "Information Security Program" means written policies and procedures adopted and maintained to (i) ensure the security and confidentiality of Borrower Data; (ii) protect against any anticipated threats or hazards to the security or integrity of the Borrower Data; (iii) protect against unauthorized access to or use of the Borrower Data that could result in substantial harm or inconvenience to any Borrower and (iv) fully protect the privacy of all Borrowers.

(2) IDF shall assess, manage, and control risks relating to the security and confidentiality of Borrower Data, and shall implement the standards relating to such risks in a manner consistent with applicable laws, rules, and regulations and such other reasonable standards as Program Provider may set forth from time to time.

(3) Without limiting the scope of the above, IDF shall use at least the same physical and other security measures to protect all Borrower Data in IDF's possession or control as IDF uses for its own confidential and proprietary information.

(ii) *Unauthorized Access to Borrower Data.* In the event IDF knows or reasonably believes that there has been any unauthorized access to Borrower Data in the possession or control of IDF that compromises (or threatens to compromise) the security, confidentiality or integrity of such Borrower Data, IDF shall take the following actions:

- (1) promptly notify Program Provider of such unauthorized access;
- (2) identify to Program Provider what specific Borrower Data may have been accessed, including (if applicable) the name and account number of each affected Borrower;
- (3) take commercially reasonable steps to remedy the circumstances that permitted any such unauthorized access to occur;
- (4) take commercially reasonable steps to prohibit further disclosure of Borrower Data;
- (5) cooperate with Program Provider as reasonably necessary to facilitate compliance with any applicable laws and regulations regarding unauthorized access of Borrower Data.

(iii) *Remedies for Breach of Privacy and Security Obligations.* The Parties agree that any breach or threatened breach of this section could cause not only financial harm, but also irreparable harm to Program Provider, and that money damages may not provide an adequate remedy for such harm. In the event of a breach or threatened breach of this Section by IDF or Program Provider shall, in addition to any other rights and remedies it may have, be entitled to (1) terminate this Agreement immediately upon notice to IDF; (2) seek equitable relief, including, without limitation, an injunction (without the necessity of posting any bond or surety) to restrain such breach; and (3) pursue all other remedies Program Provider may have at law or in equity.

c. Following the expiration of earlier termination of this Agreement, each party agrees that it will destroy all copies of Confidential Information of the other Party, without retaining any copies thereof, and destroy all copies of any analyses, compilations, studies or other documents prepared by it or for its use containing or reflecting any Confidential Information; provided, however, that each Party may retain such limited copies or materials containing Confidential Information of the other Party for customary document retention and audit purposes, as required by applicable law. Any Confidential Information retained pursuant to this provision shall remain subject to the terms of this Agreement.

14. INDEMNIFICATION. IDF shall hold Program Provider, its agents and employees, harmless from and against any and all claims, losses, damages, injuries and expenses (including attorney's fees) related to or arising out of, (i) the performance of this Agreement by IDF due to the intentional or willfully negligent acts or omissions of IDF, its subcontractors, officers, employees and agents, in the performance of this Agreement; (ii) disclosure by IDF of any Borrower Data or other personal or Confidential Information not permitted by this Agreement; and (iii) IDF's breach of any of its representations, warranties, or covenants contained in this Agreement. Program Provider shall hold IDF, its agents and employees, harmless from and against any and all claims, losses, damages, injuries and expenses (including attorney's fees) related to or arising out of, (i) disclosure by Program Provider of any Borrower Data or other personal or Confidential Information not permitted by this Agreement; and (ii) Program Provider's breach of any of its representations, warranties, or covenants contained in this Agreement. This indemnification obligations set forth in this section shall survive expiration or earlier termination of this Agreement for a period of one year.

15. INSURANCE; BONDS. IDF shall maintain at its own expense the following insurance coverages during the Term:

- a. commercial general liability insurance, on a comprehensive form, in the amount of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate;
- b. errors and omissions insurance;
- c. employer's liability insurance in an amount at least equal to the minimum coverage thresholds required by applicable state and federal law;
- d. worker's compensation insurance in an amount at least equal to the minimum coverage thresholds required under State of Colorado regulations.

Other than with respect to worker's compensation insurance, IDF will ensure all insurance carried under this Agreement names Program Provider as an additional insured. Within ten (10) days after request, IDF shall furnish Program Provider with certificates of insurance giving evidence of such coverages, and renewals thereof. IDF shall provide Program Provider thirty (30) days' advance written notice of cancellation or material change of coverage.

IDF will maintain any bonds required by the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 or other applicable law, and provide Program Provider with proof of said bonds upon request.

16. TERMINATION.

- a. Termination for Cause by Program Provider. If, for any reason, IDF shall fail to substantially perform the work required by the Services under this Agreement or fails to ensure the performance of, by legal means if necessary, the work called for herein with such diligence as will ensure its completion, or materially fails to comply with any of the terms, conditions, or other provisions of this Agreement which shall constitute a violation or breach of this Agreement, and shall fail to cure the default within 15 days following written notice thereof by Program Provider, Program Provider may terminate this Agreement by giving written notice to IDF. Notwithstanding the foregoing, Program Provider may immediately terminate this Agreement in the event of IDF's material breach of Sections 12 or 13 hereof. In addition to the other remedies available to it, in the event Program Provider terminates this Agreement due to IDF's failure to cure any default as provided hereinabove or due to IDF's breach or violation of any covenant, agreement or assurance herein, Program Provider is entitled to recover all expenses incurred by it as a result of the violation, including reasonable attorney's fees incurred in enforcing its rights under this Agreement. If Program Provider does not prevail, IDF is entitled to recover its attorney's fees.
- b. Termination for Cause by IDF. If, for any reason, Program Provider shall fail to substantially perform the work required of it by this Agreement, or fails to ensure the performance of, by legal means if necessary, the work called for herein with such diligence as will ensure its completion, or materially fails to comply with any of the terms, conditions, or other provisions of this Agreement which shall constitute a violation or breach of this Agreement, and shall fail to cure the default within 15 days following written notice thereof by IDF, IDF may terminate this Agreement by giving written notice to Program Provider. In addition to the other remedies available to it, in the event IDF

terminates this Agreement due to Program Provider's failure to cure any default as provided hereinabove or due to Program Provider's breach or violation of any covenant, agreement or assurance herein, IDF is entitled to recover all expenses incurred by it as a result of the violation, including reasonable attorney's fees incurred in enforcing its rights under this Agreement. If IDF does not prevail, Program Provider is entitled to recover its attorney's fees.

- c. Termination for the Convenience of Program Provider. This Agreement may be terminated by Program Provider at any time for any reason or no reason upon at least 60 days advance notice to IDF. Such notice shall set forth the termination date, which date shall not be earlier than the expiration of the 60-day notice period. IDF shall be entitled to receive payment for all commercially reasonable documented direct and incidental termination expenses due to the termination.
- d. Termination for the Convenience of IDF. IDF may terminate this Agreement at any time for any reason or no reason upon at least 60 days advance notice to Program Provider. Such notice shall set forth the termination date, which date shall not be earlier than the expiration of the 60-day notice period. IDF shall neither be paid nor be considered eligible for payment of termination expenses, incidental, direct or consequential costs or damages or loss of profits due to termination under this Section.
- e. Return of Records. Upon any termination of this Agreement in advance of its expiration date, undelivered documents, maps, models, photographs, reports or copies thereof prepared by IDF or its subcontractors for use in performance under this Agreement, shall be delivered immediately to Program Provider in their state of preparation at the time of termination subject to the provisions of any termination agreement or order providing otherwise. IDF shall also immediately notify Program Provider of all subcontracts, purchase orders, pending loans or other commitments of IDF which shall be outstanding on the termination date and shall take such action with respect thereto as the Parties shall mutually determine. No termination hereunder shall relieve IDF of its responsibilities to maintain Services records in accordance with this Agreement.
- f. Close-outs. IDF obligations to Program Provider shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials or equipment that is the property of Program Provider, unspent cash advances, notes, deeds of trust, security and copies of transferred records to Program Provider upon close-out or upon Program Provider's request), and determining the custodianship of records, all such that Program Provider may manage the Servicing Program for itself or transfer the management thereof to another third party without undue delay or complication.

17. AMENDMENTS. No amendment or change to this Agreement shall be binding unless it is mutually agreed upon in a formal writing signed by the Parties to this Agreement. Any amendments shall be fully executed prior to any work being done under such amendment.

18. INTEGRATED DOCUMENT. This Agreement including all exhibits embodies the entire understanding between Program Provider and IDF for the Services and their terms and conditions. No verbal agreements or conversation with any officer, agent or employee of Program Provider or IDF prior to or subsequent to the execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement.

19. ASSIGNMENT. IDF may subcontract the performance under this Agreement in whole or in part; however, the responsibility for the performance of this Agreement shall not be assigned or transferred by IDF without the prior written consent of Program Provider, which Program Provider shall not unreasonably withhold, delay or condition. Notwithstanding the above sentence, IDF may assign this Agreement, without the consent of Program Provider, if such assignment is to an affiliated entity that is owned in part or in whole by IDF or owns in part or in whole IDF that is qualified to perform the Services.

20. SUCCESSORS. Each Party covenants that the provisions of this Agreement shall be binding upon its heirs, successors, assigns, representatives and agents.

21. INCORPORATION BY REFERENCE. All of the parts of this Agreement including the Exhibits referenced herein and attached hereto and those which may become properly appended hereto, and all applicable federal, state and local laws, rules, regulations, circulars, and this Services, and any other document referenced for incorporation are incorporated herein by this reference as if fully set forth in this Agreement.

22. SEVERABILITY CLAUSE. The declaration by any court or other binding legal authority that any provision of this Agreement is illegal and void shall not affect the legality and enforceability of any other provision of this Agreement unless said provisions are mutually dependent.

23. JURISDICTION; VENUE. This Agreement shall be governed by the laws of the State of Colorado. The District Court for City and County of Denver, State of Colorado, shall have exclusive jurisdiction, including *in personam* jurisdiction, and shall be the exclusive venue for any and all controversies and claims arising out of or relating to this Agreement.

24. ATTORNEYS FEES. If any action at law or equity, including an action for declaratory relief, is brought to enforce or interpret any provision of this Agreement, the substantially prevailing Party shall be entitled to recover reasonable attorneys' fees and expenses from the other Party, which fees and expenses shall be in addition to any other relief which may be awarded.

25. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument. Copies of signature pages may be delivered by facsimile or electronic mail, each of which shall be binding and enforceable to the same effect as if the original signature pages were delivered.

26. PUBLIC DISCLOSURE. Parties acknowledge that certain terms and conditions, in this Agreement, may be subject to public disclosure requirements pursuant to applicable Law or in accordance with a Party's legal organization under Section 501(c)(3) of the Internal Revenue Code and as such may be disclosed to the public through various means. Any Party making such disclosure shall notify the non-disclosing Party in advance and limit the disclosed information to that which is required by applicable law.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE
TO
AGREEMENT TO ADMINISTER RESIDENTIAL
DOWN PAYMENT ASSISTANCE PROGRAM

The Parties have caused this Agreement to be duly executed as of the Effective Date.

IMPACT DEVELOPMENT FUND,
a Colorado nonprofit corporation

By: _____
Sean Doherty
Executive Director

SIGNATURE PAGE
TO
AGREEMENT TO ADMINISTER RESIDENTIAL
DOWN PAYMENT ASSISTANCE PROGRAM

The Parties have caused this Agreement to be duly executed as of the Effective Date.

GUNNISON VALLEY REGIONAL HOUSING
AUTHORITY
a Colorado Public Housing Authority

By: _____

Printed Name: Andy Kadlec

Title: Executive Director

EXHIBIT 1
TO
AGREEMENT TO ADMINISTER RESIDENTIAL
DOWN PAYMENT ASSISTANCE PROGRAM
SCOPE OF WORK

*All capitalized terms set forth below and not otherwise defined herein shall have the meanings set forth in the Agreement.

- A. Program Provider will assume a leadership role to inform the public and other constituents of the availability and general guidelines of the Program, whereas IDF shall administer those functions related to loan origination and servicing duties to Program Provider and its Borrowers as applicable. The Program Provider's Program Criteria ("Program Criteria") shall form the basis for the loan origination portion of the Program (**Exhibit 2**) in accordance with Colorado Division of Housing program standards and requirements.
- B. The Standardized Loan Underwriting and Processing Criteria as established by IDF shall form the basis for the loan origination portion of the Program (**Exhibit 2**). IDF will receive, review and accept or reject loan applications from, or on behalf of, prospective borrowers in the Program, utilizing the Program Criteria adopted by Program Provider, within 48 business hours upon receipt of a complete application package. Prior to issuance of a Notice of Approval, IDF shall deliver to Program Provider a loan qualification worksheet that demonstrates all relevant application details, confirming eligibility for approval. The Program Criteria are attached hereto as **Exhibit 2** and incorporated herein by reference. The Program Criteria may be changed from time-to-time by either party, with written notice of such change, with any such change applied to loan applications which have not been accepted by IDF as of the date such changes are received by IDF, or the effective date stated in the notice, if any. If an application is accepted, IDF shall prepare all of the documents necessary to manifest the loan, the security interest, the conformance of the loan to the respective Program, and compliance with all applicable laws, rules and regulations (the "Loan Documents"); provided that each Loan Document may be subject to review and comment by Program Provider before the same is executed. Without limiting the foregoing, IDF shall ensure that the Loan Documents are enforceable and consistent with applicable industry standards, and that each loan is secured at all times by a valid, effective and perfected lien on the real property financed by such loan. Further, IDF understands that loans within the Program will be expressly subordinated, pursuant to one or more subordination agreements (the "Subordination Agreements") to first priority mortgage loans made to the Borrowers by a third-party financial institution. IDF shall review the terms of each Subordination Agreement provided to IDF by Program Provider and shall ensure that all Services and other actions of IDF in connection with the Program comply with the terms of such Subordination Agreements, and shall take such additional actions as may be requested by Program Provider to ensure compliance with such Subordination Agreements.
- C. IDF shall be responsible for defining and disclosing loan terms to qualified Program applicants under prevailing Program Criteria of those Programs covered under this Agreement. Whenever IDF denies an application, IDF shall deliver written notice ("Notice of Credit Denial"), specifying the reasons for denial and source(s) of any adverse verification, if applicable, to the applicant and Program Provider within three (3) business days of such determination. Prior to issuance of a Notice of Credit Denial,

IDF shall deliver to Program Provider a loan Qualification Worksheet that demonstrates all relevant application detail and reasons for denial. Program Provider reserves the right to accept IDF determination or approve any such application request through internal policy and procedure and advise IDF of such final credit determination. IDF shall abide by any decision rendered by Program Provider and accept the application as compliant to the Program Criteria. Except giving Notice of Credit Denial, IDF shall assume no responsibility with respect to Program Provider loan approval or borrower appeal where any appeal process shall be determined solely by Program Provider.

- D. IDF shall provide ongoing loan services to Program Provider and its Borrowers. The Loan Servicing Policies as established by IDF attached hereto in **Exhibit 2** and incorporated herein by reference shall form the basis for the loan servicing portion of the Program, and IDF's administration thereof shall be consistent with such Program Criteria. Such services shall include, but not be limited to, issuing monthly account statements; collecting and posting borrower remittances; responding to borrower and Program Provider inquiries; identifying and proactively responding to non-payment issues; and, engaging Program Provider as necessary to resolve discrete borrower conditions as they arise. IDF shall promptly notify Program Provider of any loan that is 60 days delinquent.

EXHIBIT 2
TO
AGREEMENT TO ADMINISTER RESIDENTIAL
DOWN PAYMENT ASSISTANCE PROGRAM
PROGRAM CRITERIA

Attached: Colorado Division of Housing Program Criteria

Attached: IDF Loan Origination and Servicing Policies and Procedures

EXHIBIT 3
TO
AGREEMENT TO ADMINISTER RESIDENTIAL
DOWN PAYMENT ASSISTANCE PROGRAM
IDF RESIDENTIAL FEE SCHEDULE

- Program implementation fee of \$1,500 shall be due and payable upon execution of the Service Agreement to Administer the Down Payment Assistance Program.
- Transaction fee equal to \$1,750 per file or 50% of Program Provider's delivery and overhead reimbursement, whichever is higher, shall be due and payable from the Program Provider as program expense, upon settlement of Program Loans.
- Loan Servicing fee for non-escrow portfolio will be \$15 per file per month, invoiced monthly.

Services provided by IDF Servicing Staff in addition to Services above, will be assessed and billed at a rate agreed to in writing by both Parties. Such services could include, but are not limited to: loan modifications, forbearance agreements, default management in cases not transferred back to Program Provider for further action.

In keeping with the provisions of the promissory note, IDF will retain any late payment fees when payment is not made within the grace period, typically 5% of the payment amount.

IDF reserves the right to sell or transfer servicing of IDF funded loans at any time without written notice to the Program Provider.

EXHIBIT 4
TO
AGREEMENT TO ADMINISTER RESIDENTIAL
DOWN PAYMENT ASSISTANCE PROGRAM
SAMPLE DATA REPORTS

1. **MONTHLY PAYMENT REPORT.** IDF shall prepare and submit to Program Provider a detailed report no later than fifteen (15) days after the end of the most recent calendar month. Said report shall be in a format approved by Program Provider and shall be directly related to the Services and as referenced under Exhibit 4 that provides data and information to Program Provider to be used for coordinating, monitoring and evaluating the Services to its completion.
2. **PRODUCTION REPORT.** IDF shall prepare and submit to Program Provider a detailed Report no later than fifteen (15) days after the end of the most recent calendar quarter that provides data and information to Program Provider to be used for coordinating, monitoring and evaluating the Services to its completion. Said report shall be in a format approved by Program Provider and shall be directly related to the Services.
3. **IDF'S ANNUAL REPORT.** IDF shall provide Program Provider a copy of its annual report with audited financial statements within thirty (30) days after it is completed.
4. IDF shall maintain records, correspondence, loan applications, copies of promissory notes, and security instruments, and such other records as may be required by Program Provider and applicable law for the duration of this Agreement. In no event shall such records be destroyed or discarded prior to their being tendered to Program Provider upon the termination of this Agreement or as may be agreed otherwise, in writing, between the Parties. Program Provider and, if applicable, state and federal auditors, shall have access to and be permitted to make copies of such records, with reasonable advance notice, in accordance with this Agreement, other agreements, and applicable law.
5. **IDF understands that certain loans within the Services may be serviced for the benefit of a third-party financial institution to whom Program Provider is contractually obligated to both remit homeowner payments on a monthly basis and to make reports upon request or on a monthly or other periodic basis (such a contract is termed a "Third-Party Agreement" and such loans are termed "Third-Party Loans"). For any Third-Party Loans within the Services, IDF shall be responsible for preparing and submitting to Program Provider, or to such third-party if instructed in writing by Program Provider, reports in a format approved by the applicable financial institution and within timeframes established by the Third-Party Agreement.**

9/14/2023

IMPACT DEVELOPMENT FUND DOWN PAYMENT ASSISTANCE PROGRAM FEE PROPOSAL

IDF RESIDENTIAL FEE SCHEDULE

- Program implementation fee of \$1,500 shall be due and payable upon execution of the Service Agreement to Administer the Down Payment Assistance Program.
- Transaction fee equal to \$1,750 per file or 50% of Program Provider's delivery and overhead reimbursement, whichever is higher, shall be due and payable from the Program Provider as program expense, upon settlement of Program Loans.
- Loan Servicing fee for non-escrow portfolio will be \$15 per file per month, invoiced monthly.

DOH contract Delivery and Overhead billing

Total Award: \$255,000

Project delivery costs: up to \$2,000 per loan

Program overhead costs: up to \$1,500 per loan.

GVRHA Initial and Overall Expenses

- 1) **\$1500 Implementation Fee**
- 2) **50% of Delivery and Overhead Costs (\$1750/loan, offset by Delivery costs of up to \$2000)**
- 3) **Loan servicing fees of \$15/month (offset by overhead cost for a period of 9 years)**

GVRHA Benefit

-IDF oversees all intake, qualifying and loan servicing all Down Payment programming

Approximately 11 loans at \$20,000 (25k max) can be awarded at close to a break even cost for GVRHA for the next 9 years.

Resident Cost savings assumptions on a \$250,000 Home

Down Payment: \$5,000

Principal Mortgage @ 7.5%: \$220,000

Down Payment Assistance Loan @ 1% \$25,000

Monthly Payment without DPA: \$1713/mo.

Monthly Payment WITH DPA \$1618/mo.

Annual Savings with DPA: \$1140/Year

**Gunnison Valley Regional Housing Authority
Outline of Class B Limited Partner Terms**

Project: Mineral Point

Developer: TWG Development, LLC

Units / Unit Mix: 34 total units

30% AMI – 4 units
40% AMI – 3 units
50% AMI – 6 units
60% AMI – 21 units

Business Terms:

Gunnison Valley Regional Housing Authority (“GVHRA”) or a wholly owned subsidiary of GVHRA (as applicable, the “Class B Limited Partner”) will become a Class B limited partner of TWG Crested Butte, LLLP, a Colorado limited liability limited partnership (the “Partnership”) formed to own the Project, under the terms outlined below:

1. The Class B Limited Partner will acquire a 0.01% limited partner (non-managing/non-controlling) interest in the Partnership pursuant to the terms of a mutually agreeable addendum to the Partnership’s Amended and Restated Agreement of Limited Liability Limited Partnership (the “Partnership Agreement”).
2. To the extent provided by Colorado law, the ownership interest of the Class B Limited Partner in the Partnership will enable the Project to qualify for an exemption, in proportion to the percentage of low income units, from property taxes and, during construction, from state, county and municipal sales and use taxes. Any commercial portion of the Project will not qualify for an exemption, and any property taxes or sales and use taxes imposed by the Town of Crested Butte as a home rule city will not qualify for the exemption. Once the Class B Limited Partner is admitted to the Partnership, the Class B Limited Partner agrees to cooperate with the Partnership to secure exemption from the property tax assessments and construction period and sales and use taxes; provided, however, that the Class B Limited Partner does not warrant the availability of such exemptions. The Partnership shall provide, or cause to be provided, any information required by the Class B Limited Partner so that the Class B Limited Partner may determine and certify that the Project qualifies for the real property tax exemption and the sales and use tax exemption.
3. The Partnership agrees to pay the following fees and expenses applicable to the Class B Limited Partner admission as a partner to the Partnership:
 - a. fee of \$5,000, payable upon admission;

- b. out-of-pocket legal expenses incurred to review the applicable agreements, for preparation and negotiation of the Partnership Agreement addendum, preparation of a formation, good standing, and authority legal opinion required by the Investor, if applicable, and the legal opinion required by the Colorado Housing and Finance Authority (“CHFA”) as to the jurisdiction and authority of GVHRA to serve as the Class B Limited Partner, not exceed \$15,000, payable upon the earlier of termination of discussions concerning admission of the Class B Limited Partner as a partner to the Partnership or the closing of the financing with the tax credit investor (the “Investor”); and
- c. an annual asset management fee of \$7,000 (the “Asset Management Fee”), increasing by three percent (3%) annually, beginning in the year following the year in which the Class B Limited Partner is admitted as a partner of the Partnership hereunder. The Asset Management Fee shall be payable from available Cash Flow as provided for in the Partnership Agreement as defined below.

Developer agrees that to the extent that any amounts are paid to TWG Crested Butte GP, LLC, a Colorado limited liability company (the “General Partner”) or Developer (such as, developer fees, construction management fees, guaranty fees, partnership administration fees, incentive management fees, etc.), such fees will only be payable to the General Partner or Developer after the Class B Limited Partner has received the entire amounts set forth above in this Section 3.

- 4. Except as provided in this Section 4 and in Sections 5, 9 and 11 below, the Class B Limited Partner shall not be entitled to withdraw as a partner in the Partnership as long as the Project remains subject to and complies with the Land Use Restriction Agreement (the “LURA”) for the benefit of the CHFA. If the Project ceases to comply after written notice and a reasonable opportunity to cure, the Class B Limited Partner may withdraw from the Partnership. Any relaxation in such affordability restrictions will require the Class B Limited Partner’s concurrence or, if the Class B Limited Partner fails to consent, will enable the Class B Limited Partner to withdraw.
- 5. At the end of the 15 year compliance period and every 3 years thereafter, the Class B Limited Partner and the Partnership will review the economic health of the property and other conditions and determine whether continuing the property tax exemption, in full or in part, for the subsequent years is needed for the property to be financially viable based upon the affordability restrictions. If the Class B Limited Partner and the General Partner reasonably conclude that the property tax exemption is not needed for the property to be financially viable, the property tax exemption will be discontinued, and if the exemption is discontinued, then the Class B Limited Partner will have the option to exit the Partnership. Notwithstanding the above, in no event will the Class B Limited Partner have the option to exit the Partnership based on the economic health and financial viability of the Project if the Project has not maintained a Debt Service Coverage Ratio of 1.20 to 1 as defined in the Partnership Agreement for the 12 month period prior to the month the Class B Limited Partner and General Partner are making the determination of economic health and financial viability provided for in this Section 5. If the Class B

Limited Partner and the General Partner reasonably conclude that the property tax exemption is still necessary for the financial viability of the property, in full or in part, the Class B Limited Partner will remain in the Partnership and the annual Asset Management Agreement will continue.

6. Upon (i) any material violation by the Class B Limited Partner of the Partnership Agreement which causes material adverse harm to the Partnership and is not cured within a reasonable time after written notice from the General Partner, or (ii) the failure of the Project to qualify for a property tax exemption under Colorado law, the General Partner shall have the option to purchase the Class B Limited Partner's partnership interest for a price equal to the greater of its Capital Account, or \$100.
7. The Class B Limited Partner will receive copies of the operating, leasing, financial and other reports, audits and tax returns, that are provided to the Investor in the same frequency as required by the Investor. To the extent that the Investor ceases to be a partner in the Partnership, the Class B Limited Partner shall be entitled to receive copies of the operating, leasing, financial and other reports, audits and tax returns, on the same basis as existed when the Investor was a partner in the Partnership. Failure to provide such reports within the defined timeframe will result in a \$100 per day penalty payable by the General Partner to the Class B Limited Partner, beginning on the date that the Class B Limited Partner provides written notice of such failure.
8. The Partnership will provide a complete set of closing documents to the Class B Limited Partner within thirty (30) calendar days of the date that the documents have been delivered to the Partnership.
9. The Class B Limited Partner shall have the right to withdraw from the Partnership upon thirty (30) days written notice to (the "General Partner") and the Investor, upon any of the following: (i) a material breach by the Partnership or the General Partner of any provisions of the Partnership Agreement or related agreements if such breach is not cured within sixty (60) days following written notice thereof to the General Partner and the Investor; (ii) a violation of the provisions of Section 11 below; (iii) a failure of the Partnership to comply with the LURA and such failure is not cured within sixty (60) days following written notice thereof by CHFA to the General Partner and/or the Investor (if applicable); (iv) a failure of the Partnership to maintain the Project in compliance with applicable laws or otherwise breaches applicable laws, which breach materially impedes the ability of the Partnership to operate the Project, and such failure is not cured within thirty (30) days following written notice thereof by the Class B Limited Partner to the General Partner and Investor or such longer period as is reasonably necessary for the Partnership to cure such breach provided the Partnership commences such cure, and continues the pursuit of such cure with due diligence; (v) the admission of a new general partner to the Partnership without the consent of the Class B Limited Partner which is unrelated to Developer or the Investor; (vi) a change in Colorado law that no longer allows a property tax exemption to the Project; or (vii) an event of bankruptcy with respect to the Partnership.

10. The same guarantors that provide the indemnification and guarantees of performance/compliance to the Investor will provide indemnification and guarantees of performance/compliance to the Class B Limited Partner and its affiliate on the same basis, as applicable, that indemnification and guarantees of performance/compliance are provided to the Investor, which shall continue notwithstanding if the Investor has exited as a partner in the Partnership.
11. The Class B Limited Partner's written consent will be required for (i) the direct or indirect transfer of control of the General Partner to any third party other than the Investor or its affiliates (an "Investor Affiliate") or the Developer or its affiliates (a "Developer Affiliate"); (ii) the withdrawal of the General Partner from the Partnership if the General Partner is not replaced by a Developer Affiliate or an Investor Affiliate; (iii) the admission of a successor general partner, if the successor is not a Developer Affiliate or Investor Affiliate; and (iv) any amendment or modification to the Partnership Agreement that would (I) have an adverse effect on the rights or obligations of the Class B Limited Partner, (II) change the purposes of the Partnership, or (III) authorize the Project to be operated other than as an affordable housing project in compliance with Section 42 of the Internal Revenue Code, the LURA and the Partnership Agreement; provided, that if any of the actions described above are taken without the written consent of the Class B Limited Partner, the sole remedy of the Class B Limited Partner shall be to withdraw from the Partnership as provided in Section 9, above.
12. Participation of the Class B Limited Partner in the Project has or will be approved by the GVHRA Board of Commissioners.
13. The Class B Limited Partner will have no management rights or duties, and no obligations, responsibilities, or liabilities to the Partnership or the Project. The Class B Limited Partner will have no liability or responsibility for any obligation of the Partnership or the General Partner for any acts or omissions of the Class B Limited Partner in connection with the Partnership (except in the case of gross negligence or willful misconduct), or as a result of any failure of the General Partner or any other partner to perform its obligations under the Partnership Agreement. Except as specifically set forth in the addendum to the Partnership Agreement, the Class B Limited Partner has no obligation to contribute cash or property and has no liability in connection with the Partnership or the Project including without limitation, payment of any capital contribution or for any losses. The Partnership and the General Partner shall indemnify and hold harmless the Class B Limited Partner, and all of its past and present officers, directors, commissioners, managers, employees, and attorneys (the "Housing Authority Parties") against any loss, liability, claim or damage arising from or related to the acts, operations, omissions or conduct of the Partnership or the Project; provided, however, that the Housing Authority Parties shall not be indemnified or held harmless if the loss, liability, claim or damage relates to the gross negligence or willful misconduct of the Housing Authority Member.
14. The Class B Limited Partner shall not be limited in the carrying on of its own businesses or activities. The Class B Limited Partner may engage in and possess any interest in other

business ventures (including limited partnerships and limited liability companies) of every kind, nature and description, independently or with others.

15. The Partnership will grant to GVHRA a right of first offer, effective at the conclusion 15 year compliance period, related to the proposed sale of the Project by the Partnership to any unaffiliated third party. If exercised by GVRHA, the parties will utilize the then-current Colorado Real Estate Commission form agreement for commercial properties to document the terms of the sale, with costs apportioned in accordance with Colorado custom. The parties will record a short form of the option agreement in the public records of Gunnison County.

The parties agree that the foregoing provisions shall remain confidential except as may be required to be disclosed to each party's respective attorneys, agent and financing parties in connection with the transaction and as necessary to comply with the Colorado Open Records Act and other applicable federal, state or local laws.

Except with respect to the provisions of Sections 3(a) and (b) above, which shall be binding upon the parties, the foregoing Outline of Class B Limited Partner Terms is intended solely as an expression of intent and is not to be construed as a binding agreement between the parties, with the parties acknowledging that any consummation of the foregoing provisions shall be memorialized solely in the admission of the Class B Limited Partner as a Class B Limited Partner in the Partnership Agreement of the Partnership and related documentation.

The parties have executed this Outline of Class B limited Partner Terms as of this [] day of August, 2023.

<p>Gunnison Valley Regional Housing Authority</p> <p>By: _____ _____, _____</p>	<p>TWG Crested Butte, LLLP, a Colorado limited liability limited partnership</p> <p>By: TWG Crested Butte GP, LLC, a Colorado limited liability limited partnership, its general partner</p> <p>By: TWG GP V, LLC, an Indiana limited liability company, its sole member</p> <p>By: _____ Louis A Knoble, Manager</p>
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Gunnison Valley Regional Housing Authority Outline of Class B Limited Partner Terms

<u>Project:</u>	Mineral Point
<u>Developer:</u>	TWG Development, LLC
<u>Units / Unit Mix:</u>	34 total units
	30% AMI – 4 units
	40% AMI – 3 units
	50% AMI – 6 units
	60% AMI – 21 units

Business Terms:

~~_____~~, LLC (the “Class B Limited Partner”), a wholly owned subsidiary of the Gunnison Valley Regional Housing Authority (“GVHRA”) or a wholly owned subsidiary of GVHRA (as applicable, the “Class B Limited Partner”) will become a Class B limited partner of TWG Crested Butte, LLLP, a Colorado limited liability limited partnership (the “Partnership”) formed to own the Project, under the terms outlined below:

1. The Class B Limited Partner will acquire a 0.01% limited partner (non-managing/non-controlling) interest in the Partnership ~~pursuant to the terms of a mutually agreeable addendum to the Partnership’s Amended and Restated Agreement of Limited Liability Limited Partnership (the “Partnership Agreement”).~~
2. To the extent provided by Colorado law, the ownership interest of the Class B Limited Partner in the Partnership will enable the Project to qualify for an exemption, in proportion to the percentage of low income units, from property taxes and, during construction, from state, county and municipal sales and use taxes. Any commercial portion of the Project will not qualify for an exemption, and any property taxes or sales and use taxes imposed by the Town of Crested Butte as a home rule city will not qualify for the exemption. Once the Class B Limited Partner is admitted to the Partnership, the Class B Limited Partner agrees to cooperate with the Partnership to secure exemption from the property tax assessments and construction period and sales and use taxes; provided, however, that the Class B Limited Partner does not warrant the availability of such exemptions. The Partnership shall provide, or cause to be provided, any information required by the Class B Limited Partner so that the Class B Limited Partner may determine and certify that the Project qualifies for the real property tax exemption and the sales and use tax exemption.
3. The Partnership agrees to pay the following fees and expenses applicable to the Class B Limited Partner admission as a partner to the Partnership:

- a. fee of \$5,000, payable upon admission;
- b. out-of-pocket legal expenses incurred to review the applicable agreements, for preparation [and negotiation of the Partnership Agreement addendum, preparation](#) of a formation, good standing, and authority legal opinion required by the Investor, if applicable, and the legal opinion required by the Colorado Housing and Finance Authority (“CHFA”) as to the jurisdiction and authority of GVHRA to serve as the Class B Limited Partner, not exceed \$15,000, payable upon the earlier of termination of discussions concerning admission of the Class B Limited Partner as a partner to the Partnership or the closing of the financing with the tax credit investor (the “Investor”); and
- c. an annual asset management fee of \$7,000 (the “Asset Management Fee”), increasing by three percent (3%) annually, beginning in the year following the year in which the Class B Limited Partner is admitted as a partner of the Partnership hereunder. The Asset Management Fee shall be payable from available- Cash Flow as provided for in the Partnership Agreement as defined below.

Developer agrees that to the extent that any amounts are paid to TWG Crested Butte GP, LLC, a Colorado limited liability company (the “General Partner”) or Developer (such as, developer fees, construction management fees, guaranty fees, partnership administration fees, incentive management fees, etc.), such fees will only be payable to the General Partner or Developer after the Class B Limited Partner has received the entire amounts set forth above in this Section 3.

4. Except as provided in this Section 4 and in Sections 5, 9 and 11 below, the Class B Limited Partner shall not be entitled to withdraw as a partner in the Partnership as long as the Project remains subject to and complies with the Land Use Restriction Agreement (the “LURA”) for the benefit of the CHFA. If the Project ceases to comply after written notice and a reasonable opportunity to cure, the Class B Limited Partner may withdraw from the Partnership. Any relaxation in such affordability restrictions will require the Class B Limited Partner’s concurrence or, if the Class B Limited Partner fails to consent, will enable the Class B Limited Partner to withdraw.
5. At the end of the 15 year compliance period and every 3 years thereafter, the Class B Limited Partner and the Partnership will review the economic health of the property and other conditions and determine whether continuing the property tax exemption, in full or in part, for the subsequent years is needed for the property to be financially viable based upon the affordability restrictions. If the Class B Limited Partner and the General Partner reasonably conclude that the property tax exemption is not needed for the property to be financially viable, the property tax exemption will be discontinued, and if the exemption is discontinued, then the Class B Limited Partner will have the option to exit the Partnership. Notwithstanding the above, in no event will the Class B Limited Partner have the option to exit the Partnership based on the economic health and financial viability of the Project if the Project has not maintained a Debt Service Coverage Ratio of 1.20 to 1 as defined in the ~~Partnership’s Amended and Restated Agreement of Limited Liability Limited Partnership (the “Partnership Agreement”)~~ for the 12 month period

prior to the month the Class B Limited Partner and General Partner are making the determination of economic health and financial viability provided for in this Section 5. If the Class B Limited Partner and the General Partner reasonably conclude that the property tax exemption is still necessary for the financial viability of the property, in full or in part, the Class B Limited Partner will remain in the Partnership and the annual Asset Management Agreement will continue.

6. Upon (i) any material violation by the Class B Limited Partner of the Partnership Agreement which causes material adverse harm to the Partnership and is not cured within a reasonable time after written notice from the General Partner, or (ii) the failure of the Project to qualify for a property tax exemption under Colorado law, the General Partner shall have the option to purchase the Class B Limited Partner's partnership interest for a price equal to the greater of its Capital Account, or \$100.
7. The Class B Limited Partner will receive copies of the operating, leasing, financial and other reports, audits and tax returns, that are provided to the Investor in the same frequency as required by the Investor. To the extent that the Investor ceases to be a partner in the Partnership, the Class B Limited Partner shall be entitled to receive copies of the operating, leasing, financial and other reports, audits and tax returns, on the same basis as existed when the Investor was a partner in the Partnership. Failure to provide such reports within the defined timeframe will result in a \$100 per day penalty payable by the General Partner to the Class B Limited Partner, beginning on the date that the Class B Limited Partner provides written notice of such failure.
8. The Partnership will provide a complete set of closing documents to the Class B Limited Partner within thirty (30) calendar days of the date that the documents have been delivered to the Partnership.
9. The Class B Limited Partner shall have the right to withdraw from the Partnership upon thirty (30) days written notice to (the "General Partner") and the Investor, upon any of the following: (i) a material breach by the Partnership or the General Partner of any provisions of the Partnership Agreement or related agreements if such breach is not cured within sixty (60) days following written notice thereof to the General Partner and the Investor; (ii) a violation of the provisions of Section 11 below; (iii) a failure of the Partnership to comply with the LURA and such failure is not cured within sixty (60) days following written notice thereof by CHFA to the General Partner and/or the Investor (if applicable); (iv) a failure of the Partnership to maintain the Project in compliance with applicable laws or otherwise breaches applicable laws, which breach materially impedes the ability of the Partnership to operate the Project, and such failure is not cured within thirty (30) days following written notice thereof by the Class B Limited Partner to the General Partner and Investor or such longer period as is reasonably necessary for the Partnership to cure such breach provided the Partnership commences such cure, and continues the pursuit of such cure with due diligence; (v) the admission of a new general partner to the Partnership without the consent of the Class B Limited Partner which is unrelated to Developer or the Investor; (vi) a change in Colorado law that no longer

allows a property tax exemption to the Project; or (vii) an event of bankruptcy with respect to the Partnership.

10. The same guarantors that provide the indemnification and guarantees of performance/compliance to the Investor will provide indemnification and guarantees of performance/compliance to the Class B Limited Partner and its affiliate on the same basis, as applicable, that indemnification and guarantees of performance/compliance are provided to the Investor, which shall continue notwithstanding if the Investor has exited as a partner in the Partnership.
11. The Class B Limited Partner's written consent will be required for (i) the direct or indirect transfer of control of the General Partner to any third party other than the Investor or its affiliates (an "Investor Affiliate") or the Developer or its affiliates (a "Developer Affiliate"); (ii) the withdrawal of the General Partner from the Partnership if the General Partner is not replaced by a Developer Affiliate or an Investor Affiliate; (iii) the admission of a successor general partner, if the successor is not a Developer Affiliate or Investor Affiliate; and (iv) any amendment or modification to the Partnership Agreement that would (I) have an adverse effect on the rights or obligations of the Class B Limited Partner, (II) change the purposes of the Partnership, or (III) authorize the Project to be operated other than as an affordable housing project in compliance with Section 42 of the Internal Revenue Code, the LURA and the Partnership Agreement; provided, that if any of the actions described above are taken without the written consent of the Class B Limited Partner, the sole remedy of the Class B Limited Partner shall be to withdraw from the Partnership as provided in Section 9, above.
12. Participation of the Class B Limited Partner in the Project has or will be approved by the GVHRA Board of Commissioners.

13. The Class B Limited Partner will have no management rights or duties, and no obligations, responsibilities, or liabilities to the Partnership or the Project. The Class B Limited Partner will have no liability or responsibility for any obligation of the Partnership or the General Partner for any acts or omissions of the Class B Limited Partner in connection with the Partnership (except in the case of gross negligence or willful misconduct), or as a result of any failure of the General Partner or any other partner to perform its obligations under the Partnership Agreement. Except as specifically set forth in the addendum to the Partnership Agreement, the Class B Limited Partner has no obligation to contribute cash or property and has no liability in connection with the Partnership or the Project including without limitation, payment of any capital contribution or for any losses. The Partnership and the General Partner shall indemnify and hold harmless the Class B Limited Partner, and all of its past and present officers, directors, commissioners, managers, employees, and attorneys (the "Housing Authority Parties") against any loss, liability, claim or damage arising from or related to the acts, operations, omissions or conduct of the Partnership or the Project; provided, however, that the Housing Authority Parties shall not be indemnified or held harmless if the loss, liability, claim or damage relates to the gross negligence or willful misconduct of the Housing Authority Member.

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14. The Class B Limited Partner shall not be limited in the carrying on of its own businesses or activities. The Class B Limited Partner may engage in and possess any interest in other business ventures (including limited partnerships and limited liability companies) of every kind, nature and description, independently or with others.

15. The Partnership will grant to GVHRA a right of first offer, effective at the conclusion 15 year compliance period, related to the proposed sale of the Project by the Partnership to any unaffiliated third party. If exercised by GVRHA, the parties will utilize the then-current Colorado Real Estate Commission form agreement for commercial properties to document the terms of the sale, with costs apportioned in accordance with Colorado custom. The parties will record a short form of the option agreement in the public records of Gunnison County.

The parties agree that the foregoing provisions shall remain confidential except as may be required to be disclosed to each party's respective attorneys, agent and financing parties in connection with the transaction and as necessary to comply with the Colorado Open Records Act and other applicable federal, state or local laws.

Except with respect to the provisions of Sections 3(a) and (b) above, which shall be binding upon the parties, the foregoing Outline of Class B Limited Partner Terms is intended solely as an expression of intent and is not to be construed as a binding agreement between the parties, with the parties acknowledging that any consummation of the foregoing provisions shall be memorialized solely in the admission of the Class B Limited Partner as a Class B Limited Partner in the Partnership Agreement of the Partnership and related documentation.

The parties have executed this Outline of Class B limited Partner Terms as of this [] day of August, 2023.

<p>Gunnison Valley Regional Housing Authority</p> <p>By: _____ _____, _____</p>	<p>TWG Crested Butte, LLLP, a Colorado limited liability limited partnership</p> <p>By: TWG Crested Butte GP, LLC, a Colorado limited liability limited partnership, its general partner</p> <p>By: TWG GP V, LLC, an Indiana limited liability company, its sole member</p> <p>By: _____ Louis A Knoble, Manager</p>
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September 7, 2023

Colorado Department of Revenue
1375 Sherman St
Denver CO 80261

RE: Mineral Point Apartments

To Whom It May Concern,

Gunnison Valley Regional Housing Authority (GVRHA) has agreed to be a Special Limited Partner in TWG Crested Butte, LLLP the owner and developer of an affordable rental development to be constructed at 601, 603, 605, and 607 Butte Avenue, Crested Butte CO. Mineral Point Apartments includes a total of 34 residential rental apartments which are for occupancy by low-income residents. All 34 units will have a restriction that allows only low-income qualified households to reside in the apartment. GVRHA will acquire a 0.01% ownership in the development. Construction dates are expected to be November 2023 – August 2025.

State statute allows the benefit of waiver of state sales and use tax, and real estate taxes to any entity in which a housing authority (GVRHA) has an ownership interest.

If you have any questions, please feel free to contact me.

Sincerely,

Andy Kadlec
Executive Director