



**Fraser Housing Authority
Meeting Agenda
Fraser Town Hall, 153 Fraser Avenue
and Virtually for the Public
Wednesday June 3, 2020
6:00 PM- 7:00 PM**

**Virtual Meeting Information
<https://us02web.zoom.us/j/2590408013>
Meeting ID 259 040 8013
Phone Number 1-346-248-7799**

Note: Times are approximate and agenda subject to change

1. Roll Call

2. Approval Of Agenda

3. Consent Agenda

- a. Minutes May 6, 2020

Documents:

[HAM 2020-05-06.Pdf](#)

4. Discussion And Possible Action

- a. Mill Apartments

Documents:

[The Mill Apartments - Fraser Housing Authority 05-05-20.Pdf](#)
[The Mill Apartments - LLLP Addendum Draft - 05-05-20.Pdf](#)

5. Executive Session

To discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a).

6. Open Forum

7. Updates

8. Adjourn

**FRASER HOUSING AUTHORITY
MINUTES**

DATE: May 6, 2020

MEETING: Fraser Housing Authority Meeting

PLACE: Virtual On-Line Meeting

PRESENT

Board: Mayor Philip Vandernail; Mayor Pro-Tem Eileen Waldow; Trustees; Andy Miller, Brian Cerkvenik, Katie Soles, Parnell Quinn (arrived at 6:20 pm) and Ryan Barwick (arrived at 6:11 pm)

Staff: Town Manager Jeff Durbin; Town Clerk, Antoinette McVeigh; Marketing and Economic Development Manager, Sarah Wieck; Public Works Director, Russell Pennington

Others: See attached list

Mayor Vandernail called the meeting to order at 6:02 p.m.

Procedural Business:

Trustee Vandernail moved and Trustee Waldow seconded the **motion** to appoint Katie Soles as the Chair of the Fraser Housing Authority. **Motion carries 5-0.**

Trustee Vandernail moved and Trustee Soles seconded the **motion** to appoint Eileen Waldow as the Vice Chair of the Fraser Housing Authority. **Motion carries 5-0.**

1. Mill Apartments:

The Board expressed interest in the proposal and asked the staff for more information to be presented at a future meeting.

2. Fraser Deed Restriction Program:

The Authority made the following determinations:

1. The property must be located in the Fraser Valley Metropolitan Recreation District boundaries.
2. The applicant's employment must be in Grand County.
3. The Economic Development Advisory Committee will act as an advisory board and make recommendations to the Fraser Housing Authority.
4. The Deed Restriction Agreement Exhibit B Qualification Guidelines requires some further refining. 3b. 30 hours per week needs further defining, additional definition that folks that retire, and folks that become disabled will continue to be qualified.

3. Open Forum:

4. **Updates:**

5. **Adjourn:**

Trustee Vandernail moved, and Trustee Waldow seconded the **motion** to adjourn.

Motion carried: 7-0. Meeting adjourned at 6:52 p.m.

Antoinette McVeigh, Town Clerk

THE MILL APARTMENTS
at Byers Peak Ranch

May 5, 2020
Sent Via Email

Fraser Housing Authority
Attn: Jeff Durbin
P.O. Box 370
Fraser, CO 80442

RE: The Mill Apartments Special Limited Partnership Interest

Dear Mr. Durbin:

The Mill Apartments project at Byers Peak Ranch in Fraser, Colorado was awarded a reservation of Low-Income Housing Tax Credits by the Colorado Housing and Finance Authority (CHFA) on October 2, 2019. The project is a deed restricted project and includes three buildings bringing 60 units of affordable workforce housing to our community: one building of 36-units, one building of 24-units, and a clubhouse. The units are for families earning between 20% and 80% of the Area Median Income (AMI) with an average overall project AMI of 60%.

All units will feature balconies with enough storage to house recreational gear for mountain living as well as full kitchens with Energy Star appliances including refrigerator, range/oven, dishwashers, garbage disposals, and in-unit washer/dryers. As an Enterprise Green Communities project through CHFA, amenities such as access to open space and trails, a picnic and play area for families, and access to public transportation are top priorities alongside an active building design of energy efficient units that will achieve Energy Star certification and compliance with the Resident Health Campaign of Asthma & Respiratory Health.

The property manager will be Ross Management Group, a professional low-income property manager with vast experience in mountain towns.

The Mill Apartments will be built with 9% LIHTC and permanent financing from CHFA. Utilizing the housing tax credits will allow us to build quality affordable housing serving Fraser families from a range of incomes that will contribute to a strong community of year-round residents.

We are inviting the Fraser Housing Authority to participate in The Mill Apartments project as a 0.01% Special Limited Partner. We will pay \$10,000 to cover any due diligence activities and associated fees related to the Special Limited Partner Addendum that would cause membership of the Fraser Housing Authority into The Mill Apartments. The Draft Addendum is attached for your review.

Our community has not had an affordable housing development in 24 years and we appreciate your sincere consideration to support this affordable housing project for our Fraser Valley workforce.

Respectfully,



Clark Lipscomb
President

Attachments: ADDENDUM TO AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

ADDENDUM TO AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF _____

THIS ADDENDUM, dated as of _____, 2020 (the “Effective Date”) is executed in connection with the Amended and Restated Agreement of Limited Partnership of _____, a Colorado limited liability limited partnership (the “Partnership”) dated as of the date hereof (the “Partnership Agreement”), and is among Grand Park Homes, LLC, a Colorado limited liability company (the “General Partner”), _____, LLC, a [_____] limited liability company (the “Federal Limited Partner”), MIDWEST HOUSING ASSISTANCE CORPORATION, a Nebraska nonprofit corporation (the “Special Limited Partner” and together with the Federal Limited Partner, collectively the “Limited Partner” and individually a “Limited Partner”) and [TOWN OF FRASER HOUSING AUTHORITY], a Colorado housing authority (the “Class B Special Limited Partner”).

1. This Addendum shall be effective as of the date hereof. This Addendum shall be a part of and incorporated into the Partnership Agreement.

2. Definitions.

(a) Capitalized terms used and not otherwise defined herein shall have the definitions given them in the Partnership Agreement.

(b) The following terms are defined in Article II of the Partnership Agreement and used in the Partnership Agreement as follows:

(i) “Class B Special Limited Partner Asset Management Fee Agreement” is used in Section [_____] of the Partnership Agreement.

3. Admission to Partnership; Capital Contribution; Legal and Other Expenses.

(a) The Class B Special Limited Partner is hereby admitted into the Partnership as a Limited Partner making a \$100.00 Capital Contribution and having a 0.01% interest in the Profits, Losses, depreciation deductions, Tax Credits and distributions of the Partnership as set forth in Article IV of the Partnership Agreement.

(b) The Class B Special Limited Partner represents that as of the date hereof, its Capital Contribution does not exceed \$100.00. The Class B Special Limited Partner shall have no further obligation of any kind or description to make Capital Contributions to the Partnership, to make any loans to the Partnership or to make any other payments to the Partnership.

(c) Concurrently with the execution of this Addendum, the Partnership shall pay the Class B Special Limited Partner a fee in the amount of Ten Thousand Dollars (\$10,000) for costs incurred in connection with the due diligence activities of the Class B Special Limited

Partner and other expenses associated with due diligence reviews, meetings with the Partnership and its agents, and other work related to this Addendum (the “Diligence Fee”).

4. Rights and Duties of Class B Special Limited Partner.

(a) Concurrently with the execution of this Addendum, the General Partner shall cause a fully executed Guaranty attached hereto as Exhibit B to be delivered to the Class B Special Limited Partner.

(b) Real Property Tax Exemption. The Class B Special Limited Partner shall cooperate with the Partnership in the Partnership’s request for an exemption from special assessments and real property tax provided under Colorado Revised Statutes §29-4-226 and §29-4-227. Any materials submitted in connection with such request for exemption based on the participation of the Class B Special Limited Partner shall be subject to the prior review and approval, which shall not be unreasonably withheld, of the Class B Special Limited Partner. The Class B Special Limited Partner represents that it is [a wholly-owned subsidiary of] a validly existing housing authority under the laws of the State of Colorado but otherwise makes no representation or warranty concerning any such exemption and provides no other assurances regarding the current or continued availability of any such property tax exemption or the qualification of the Partnership for any such tax exemption.

(c) Sales Tax Exemption. The Class B Special Limited Partner shall cooperate with the Partnership in the Partnership's pursuit of exemption from sales tax under Colorado Revised Statutes §39-26-704(1.5) (the "Sales Tax Exemption"). The General Partner and Class B Special Limited Partner shall work together in good faith to determine whether the Sales Tax Exemption can be realized and how any savings that result from the Sales Tax Exemption will be used, and, subject to the prior written consent of the Special Limited Partner and the Federal Limited Partner, which consent shall not be unreasonably withheld, delayed or conditioned, the Partnership Agreement or this Addendum shall be amended accordingly. Any materials that must be submitted in connection with a request for the Sales Tax Exemption based on the participation of the Class B Special Limited Partner in the Partnership shall be subject to the prior review and approval, which shall not be unreasonably withheld, of the Class B Special Limited Partner. The Class B Special Limited Partner represents that it is [a wholly-owned subsidiary of] a validly existing housing authority under the laws of the State of Colorado but otherwise makes no representation or warranty concerning the Sales Tax Exemption and provides no other assurances regarding the current or continued availability of any such Sales Tax Exemption or the qualification of the Partnership for any such tax exemption. Any application for or receipt of the Sales Tax Exemption based on the participation of the Class B Special Limited Partner in the Partnership without prior written consent of the Class B Special Limited Partner and amendment to the Partnership Agreement or this Addendum ("Sales Tax Violation") shall entitle the Class B Special Limited Partner to withdraw from the Partnership upon written notice to the General Partner and the Limited Partner, if such Sales Tax Violation is not cured by any of the General Partner, the Limited Partner, or their respective Affiliates within thirty (30) days following written notice thereof by the Class B Special Limited Partner to the General Partner and the Limited Partner.

5. Compliance with Restrictive Covenant. For as long as the Class B Special Limited Partner is a Partner in the Partnership, the Partnership shall comply with the Restrictive Covenant.

6. Liability of Class B Special Limited Partner and Partnership; Indemnification of Class B Special Limited Partner. The Class B Special Limited Partner[, the Housing Authority], and all of their past and present officers, directors, commissioners, managers, employees, partners, agents, shareholders, members, trustees, predecessors, successors, subrogees, and attorneys (collectively, the “Class B SLP Parties”), shall incur no liability for the Class B Special Limited Partner's acts or omissions in connection with the Partnership, the Project, Partnership Property, except that the Class B Special Limited Partner shall be liable and shall not be indemnified by the Partnership or any of its Partners for fraud, gross negligence, willful misconduct or violation of law. The General Partner shall indemnify and hold harmless each of the Class B SLP Parties against any loss, liability, claim or damage arising from or related to the acts, omissions or conduct of the Partnership, or the Partnership Property. Without limiting the foregoing, any indemnity obligations under the Partnership Agreement for the benefit of the Limited Partner shall also apply to each of the Class B SLP Parties. [Notwithstanding that the Housing Authority is an affiliate of the Class B Special Limited Partner,] the Partners agree that neither it nor the Class B Special Limited Partner shall be a fiduciary with respect to the Partnership or its Partners and the Housing Authority shall have no liability under this Addendum or the Class B Special Limited Partner Asset Management Fee

7. Required Consent. The written consent of the Class B Special Limited Partner, which consent shall not be unreasonably withheld or delayed, shall be required for:

(a) the transfer of either (i) control of the General Partner or (ii) a majority of the equity interests in the General Partner, in either case to a Person that is not an Affiliate controlled by the Special Limited Partner, the Federal Limited Partner or the General Partner;

(b) the withdrawal of the General Partner from the Partnership (unless such withdrawal is in accordance with the removal and replacement of the General Partner in accordance with the Partnership Agreement);

(c) the admission of a successor General Partner following the voluntary withdrawal of the General Partner; which consent shall not be unreasonably withheld, delayed or conditioned, and which consent is not required for the admission of a successor General Partner who is an Affiliate of the Special Limited Partner or the Federal Limited Partner;

(d) the admission of a successor General Partner following any exercise by the Special Limited Partner of its rights under the Partnership Agreement to remove the General Partner; which consent shall not be unreasonably withheld, delayed or conditioned, and which consent is not required for the admission of successor General Partner who is an Affiliate of the Special Limited Partner or the Federal Limited Partner;

(e) any material amendment or modification to the Restrictive Covenant;

(f) any amendment or modification (ii) to this Addendum or the Partnership Agreement that would have a material adverse effect on the rights or obligations of the Class B

Special Limited Partner under this Addendum or the Partnership Agreement (provided that the consent of the Class B Special Limited Partner shall be deemed given if not withheld in accordance with this Section 7 within 10 business days of the notice requesting consent), (ii) to the Partnership Agreement that would change the purposes of the Partnership as described in Section 1.04 of the Partnership Agreement, or (iii) to the Addendum or the Partnership Agreement that would authorize the Project to be operated other than as an affordable housing project in compliance with Section 42 of the Code, the Restrictive Covenant and the Partnership Agreement; and

(g) any application for or receipt of the Sales Tax Exemption based on the participation of the Class B Special Limited Partner in the Partnership; provided that the consent of the Class B Special Limited Partner shall not be unreasonably withheld, conditioned or delayed.

Except for those consent rights of the Class B Special Limited Partner specifically set forth in this Addendum, all other actions, approvals, rights, powers, votes, agreements and consents, including, without limitation, all actions requiring the consent of a Limited Partner as set forth in the Partnership Agreement, including this Addendum, shall be taken solely by such Limited Partner, acting singly. The Class B Special Limited Partner shall not have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. Notwithstanding anything to the contrary set forth in the Partnership Agreement, as amended hereby, the Class B Special Limited Partner cannot assign, pledge or otherwise transfer its Partnership Interest in the Partnership, in whole or in part, without the prior written consent of the General Partner and the Special Limited Partner; provided, however, that in the case of an assignment or transfer by the Class B Special Limited Partner of its Partnership Interest in the Partnership to a parent, subsidiary or affiliate of the Housing Authority, the consent of the General Partner and the Special Limited Partner shall not be unreasonably withheld or delayed.

8. Closing Documents; Reports and Information.

(a) The General Partner shall provide the Class B Special Limited Partner with a complete set of the documents listed on Schedule I (collectively, the “Closing Documents”), within 30 calendar days after the execution of this Addendum; provided that if the Restrictive Covenant has not been recorded, the Restrictive Covenant can be provided separately within forty-five (45) days after the recorded copy of the Restrictive Covenant is returned to the General Partner. The Class B Special Limited Partner agrees to send written confirmation of its receipt of the Closing Documents to the General Partner upon request. If the General Partner fails to comply with this requirement within ten (10) business days after receipt of written notice from the Class B Special Limited Partner, the General Partner (and not the Partnership or any other Partner) shall be subject to a \$50.00 per week penalty payable to the Class B Special Limited Partner until the earlier of (i) the date upon which all of the Closing Documents or the Restrictive Covenant (as applicable) are provided to the Class B Special Limited Partner or (ii) the date upon which the Class B Special Limited Partner has withdrawn from the Partnership. In addition, the Class B Special Limited Partner shall have the right, in its sole discretion, to withdraw from the Partnership upon ninety (90) days written notice to the General Partner and the Limited Partner for the General Partner's failure to provide the Closing Documents if not cured within such 90-day notice period.

(b) The General Partner shall deliver to the Class B Special Limited Partner copies of all reports and other information that the General Partner delivers to the Limited Partner under the Partnership Agreement concurrently with the delivery of such reports and other information to the Limited Partner. The General Partner shall provide annual confirmation that the Partnership is in compliance with the Restrictive Covenant. Without limiting the foregoing, the General Partner shall provide the Class B Special Limited Partner, upon written request, with the final sources and uses for the Project, all quarterly financial reports, annual audited financial statements, the final cost certification for the Project, any IRS Form 8823 notification or other material documents provided to the IRS. If the General Partner fails to provide such reports and other information as required by this Section 8(b) within ten (10) business days after receipt of written notice from the Class B Special Limited Partner, the General Partner (and not the Partnership or any other Partner) shall be subject to a \$50.00 per day penalty payable to the Class B Special Limited Partner until such reports and information are provided to the Class B Special Limited Partner. When reasonably practicable, the General Partner shall deliver this information electronically by email to an address provided by the Class B Special Limited Partner.

(c) The General Partner, and its successors and assigns, shall, upon request and with reasonable notice, permit the Class B Special Limited Partner [and/or the Housing Authority] to inspect and examine (i) the Property, (ii) the equipment, buildings and other facilities of the Project, and (iii) all documents relating to the Project. Any such inspection or examination shall be made during reasonable business hours, in the presence of an officer or agent of the General Partner.

9. Withdrawal Rights.

(a) Following the end of the Compliance Period for all buildings in the Project, and upon the expiration of each Exemption Period (as defined below) and every three years thereafter, the General Partner, the Class B Special Limited Partner and the Federal Limited Partner shall review the economic condition of the Project and the Partnership (based upon the affordability restrictions set forth in the Restrictive Covenant and other relevant factors) and shall work together in good faith to determine whether the tax exemptions are needed to maintain the financial viability of the Project as an affordable housing project serving households in accordance with the Restrictive Covenant (the “Financial Viability”) for an additional three year period (the “Exemption Period”). If the General Partner, the Class B Special Limited Partner and the Federal Limited Partner determine that continuing the tax exemption is reasonably necessary to maintain the Financial Viability of the Project for such Exemption Period, the Class B Special Limited Partner shall not withdraw from the Partnership during such Exemption Period. In no event shall the property tax exemption be discontinued if, after the property tax exemption is discontinued, (i) the Property would operate at less than a 1.20:1.00 Debt Coverage Ratio on the first-priority Permanent Loan or a 1.10:1.00 Debt Coverage Ratio on all loans not payable from Cash Flow, or (ii) a default of the Partnership Agreement or any loans to the Partnership would occur. If, however, the General Partner, Class B Special Limited Partner and Federal Limited Partner all agree that continuing the tax exemption is not reasonably necessary for the Project’s Financial Viability, then the Class B Special Limited Partner shall have the right to withdraw from the Partnership upon thirty (30) days written notice to the General Partner and the Limited Partner. Upon withdrawal, the Partnership shall pay to the Class B Special Limited Partner the balance in the Class B Special Limited Partner’s Capital Account.

(b) In addition to the rights of the Class B Special Limited Partner to withdraw from the Partnership under Sections 4(c), 7, 8(a) and 9(a) of this Addendum, the Class B Special Limited Partner shall have the right to withdraw from the Partnership upon thirty (30) days written notice to the General Partner and the Limited Partner, unless any breach is cured within such thirty (30) day period, or such longer period acceptable to the Class B Special Limited Partner as may be reasonably required to effect cure, if cure is commenced within such thirty (30) day period and diligently prosecuted thereafter upon any of the following: (i) a breach by the Partnership or any Partner of any provisions of this Addendum; (ii) a failure of the Partnership to comply with the Restrictive Covenant; (iii) a failure of the Partnership to maintain the Project in compliance with applicable laws or the Partnership otherwise breaches applicable laws; (iv) the admission of a new General Partner to the Partnership without the consent of the Class B Special Limited Partner required hereunder, which consent shall not be unreasonably delayed or withheld; (v) any cash out refinancing of Partnership debt or liabilities without the consent of the Class B Special Limited Partner, which consent shall not be unreasonably delayed or withheld; (vi) a Bankruptcy with respect to the Partnership; (vii) the initiation of foreclosure proceedings by any project lender, unless such proceedings are withdrawn within thirty (30) days or unless the General Partner has in good faith contested the validity of such proceedings; or (viii) a Sales Tax Violation.

(c) The General Partner shall have the right to purchase the interest of the Class B Special Limited Partner in the Partnership, upon thirty (30) days written notice to the Class B Special Limited Partner and the Special Limited Partner, at any time after the Project does not qualify for an exemption from special assessments and real property taxes as provided in Section 4 of this Addendum. The purchase price for the Class B Special Limited Partner's interest pursuant to this Section 9(c) shall equal the Class B Special Limited Partner's Capital Account balance at the time notice of the purchase is given; provided, that the purchase shall be conditioned upon payment by the Partnership to the Class B Special Limited Partner of all amounts then owing under the Partnership Agreement and the Guaranty. Upon purchase of the Class B Special Limited Partner's interest, the Class B Special Limited Partner shall execute such amendment to the Partnership Agreement which is reasonably necessary to evidence the Class B Special Limited Partner's withdrawal as a Partner, effective upon the date of such purchase; provided, that the Partnership will pay the legal fees, costs and expenses incurred by the Class B Special Limited Partner in connection with such withdrawal in an amount not to exceed \$5,000.00.

(d) Upon the withdrawal by the Class B Special Limited Partner from the Partnership or the purchase of the interest of the Class B Special Limited Partner as provided in this Addendum, the terms of this Addendum (other than Sections 4(c) and 6, which shall continue to apply) shall cease to apply and no longer be in force, and the Class B Special Limited Partner Asset Management Fee Agreement shall terminate.

10. Notices. The following is the address of the Class B Special Limited Partner for notice purposes under this Agreement:

The Class B Special Limited Partner shall provide copies of any notices it sends to the General Partner or to the Limited Partner at the following addresses:

General Partner: Grand Park Homes, LLC
46 Market Street
Fraser, Colorado 80442

Federal Limited Partner: [Midwest Housing Assistance Corporation]
515 N. 162nd Avenue, Suite 202
Omaha, Nebraska 68118

The Limited Partner (or their Affiliates) shall have the right (but not the obligation) to cure any breaches of the provisions of this Addendum, and the Class B Special Limited Partner shall accept such cure as if made by the General Partner or the Partnership.

11. Qualified Allocations. Notwithstanding anything to the contrary contained herein or in the Partnership Agreement, the parties intend that all allocations of items of income, gain, loss, deduction, credit and basis (the “Tax Items”) contained herein and in the Partnership Agreement shall constitute “Qualified Allocations” (within the meaning of Section 168(h)(6)(B) of the Code and the Treasury Regulations promulgated thereunder) and this Addendum and the Partnership Agreement shall be construed and interpreted in a manner consistent with such intention and with the provisions of Section 168(h) of the Code and the Treasury Regulations promulgated thereunder (or under any predecessor section(s) of the Treasury Regulations that remain effective), and the Class B Special Limited Partner will only be allocated 0.01% of each item of income, gain, loss, deduction, credit and basis throughout the term of the Partnership.

12. Conflicts. If any provision of this Addendum conflicts with any provision of the Partnership Agreement or any document, the provisions of this Addendum shall be controlling in all respects. Except as specifically amended hereby, all of the terms and the provisions of the Partnership Agreement remain in full force and effect, without modification.

13. Governing Law. This Addendum shall be construed and enforced in accordance with the laws of the State of Colorado, without regard to principles of conflicts of laws.

14. Binding Agreement. This Addendum shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

15. Headings. All headings in this Addendum are for convenience of reference only and are not intended to qualify the meaning of any provision of this Addendum.

16. Counterparts. This Addendum may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[No further text on this page; signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Addendum to be duly executed as of the date first written above.

GENERAL PARTNER:

GRAND PARK HOMES, LLC

By: _____

Its: _____

[Signatures continued on following pages.]

FEDERAL LIMITED PARTNER:

By: _____

SPECIAL LIMITED PARTNER:

Midwest Housing Assistance Corporation, a
Nebraska nonprofit corporation

By: _____

[Signatures continued on following pages.]

CLASS B SPECIAL LIMITED PARTNER:

By: _____

Name:

Title:

[Signatures continued on following page.]

SCHEDULE I

The Closing Documents

1. Amended and Restated Agreement of Limited Partnership
2. Addendum to Amended and Restated Agreement of Limited Partnership
 - a) Exhibit A – Guaranty
3. Restrictive Covenant (_____ Form)

EXHIBIT A TO ADDENDUM TO AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

(CLASS B SPECIAL LIMITED PARTNER GUARANTY)

GUARANTY

THIS GUARANTY (this “Guaranty”), dated as of _____, 2020, is made by _____, a Colorado limited liability limited partnership (the “Partnership”) and _____, a Colorado limited liability company (the “General Partner”) together with the Partnership, Grand Park Homes, LLC, a Colorado limited liability company (the “Guarantor”) for the benefit of the Town of Fraser Housing Authority, a Colorado housing authority [the “Housing Authority”) and _____, a Colorado limited liability company] (the “Class B Special Limited Partner”) to induce the Class B Special Limited Partner to become the Class B Special Limited Partner in the Partnership.

Recitals

A. The Partnership is governed by its Amended and Restated Agreement of Limited Partnership of the Partnership and the Addendum thereto both dated as of the same date hereof (collectively, the “Partnership Agreement”), which, among other things, admits the Class B Special Limited Partner as a Limited Partner. All capitalized terms not otherwise defined herein shall have the definitions given them in the Addendum or in the Partnership Agreement.

B. The Guarantor has certain indemnification obligations to the Class B Special Limited Partner pursuant to Section 6 of the Addendum.

C. As a condition to entering into the Addendum, the Class B Special Limited Partner has required that the Guarantor guarantees to the Class B Special Limited Partner and the Housing Authority the indemnification obligations under the Addendum.

NOW, THEREFORE, in order to induce the Class B Special Limited Partner to enter into the Partnership and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby jointly and severally covenants and agrees as follows:

1. Guaranty. Each Guarantor irrevocably and unconditionally fully guarantees the due, prompt and complete performance of each and every one of the following obligations: (a) the payment and performance of each and every indemnification obligation of the Partnership and the General Partner under Section 6 of the Addendum, and (b) the due, prompt and complete payment of all costs and expenses (including, without limitation, reasonable attorneys’ fees) incurred by the Class B Special Limited Partner [or the Housing Authority] in collection of the enforcement of this Guaranty against the Guarantor (the obligations described in this Section 1 are hereinafter collectively referred to as the “Obligations”).

2. Payments. The Guarantor agrees that if any of the Obligations are not fully and timely paid or performed according to the tenor thereof, the Guarantor shall immediately upon receipt of written demand therefor from the Class B Special Limited Partner [or the Housing Authority] pay all of the Obligations hereby guaranteed in like manner as if the Obligations constituted the direct and primary obligation of the Guarantor. The Guarantor shall not, until the Obligations are paid in full, have any right of subrogation as a result of any payment hereunder or any other payment made by the Guarantor on account of the Obligations, and Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation, any claim

for unjust enrichment or any other theory that would entitle a Guarantor to a claim against the Partnership based on any payment made hereunder or otherwise on account of the Obligations.

3. Continuing Guaranty:

(a) This Guaranty and the obligations of the Guarantor hereunder shall be continuing and irrevocable until the Obligations have been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by the Class B Special Limited Partner [or the Housing Authority] from a Guarantor under or with respect to this Guaranty is or must be rescinded or returned for any reason whatsoever (including, but not limited to, determination that said payment was an avoidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by the Class B Special Limited Partner [or the Housing Authority, as the case may be,] and Guarantor's obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to the Class B Special Limited Partner had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty, and shall remain a valid and binding obligation of each Guarantor until satisfied.

(b) The Class B Special Limited Partner, in its sole discretion, and subject to the terms and conditions of the Partnership Agreement, may at any time enter into agreements to amend, modify or change the Addendum or any document or agreement relating in any way to the terms and provisions thereof, or may at any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as the Class B Special Limited Partner may deem proper or desirable, without any notice or further assent from any Guarantor and without in any manner impairing or affecting this Guaranty or any of the rights of [the each] Guarantor's obligations hereunder.

4. Acceptance of Guaranty. Each Guarantor hereby waives notice of acceptance of this Guaranty by the Class B Special Limited Partner [and Housing Authority] and this Guaranty shall immediately be binding upon each Guarantor. Any Guarantor who executes this Agreement shall be fully bound hereby regardless of whether or not any other Guarantor subsequently executes this Guaranty.

5. Waivers. Each Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Class B Special Limited Partner to proceed against the Partnership or the General Partner or any other person or to proceed against or exhaust any security held by the Class B Special Limited Partner at any time or to pursue any other remedy in the power of the Class B Special Limited Partner before proceeding against Guarantor hereunder;

(b) the defense of the statute of limitations in any action hereunder or in any action for the collection of the Obligations or the performance of any other obligations guaranteed hereby;

(c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of the Class B Special Limited Partner to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(d) demand, presentment for payment, notice of non-payment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of the Class B Special Limited Partner or any endorser or creditor of the Class B Special Limited Partner or any Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by the Class B Special Limited Partner or in connection with the Obligations;

(e) any right, benefit or defense arising under Section 1111 or Section 364 of the Bankruptcy Code;

(f) any duty or obligation on the part of Class B Special Limited Partner to perfect, protect, not impair, retain or enforce any security for the payment of the Obligations or performance of any of the other obligations guaranteed hereby; and

(g) any right or defense arising out of an election of remedies by Class B Special Limited Partner, even though such election (e.g., nonjudicial foreclosure with respect to any collateral held by Class B Special Limited Partner to secure repayment of the Obligations), destroys or otherwise impairs Guarantor's rights of subrogation or the right of Guarantor (after payment of the Obligations) to proceed against the Class B Special Limited Partner for reimbursement.

6. Payment Guaranty. The liability of Guarantor under this Guaranty shall be an absolute, direct, immediate and unconditional guarantee of payment and not of collectability. The obligations of Guarantor hereunder are independent of the obligations of the Partnership and the General Partner or any other party which may be initially or otherwise responsible for performance or payment of the obligations hereunder guaranteed and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against a Guarantor, whether or not the Partnership or the General Partner is joined therein or a separate action or actions are brought against them. The Class B Special Limited Partner [or the Housing Authority] may maintain successive actions for other defaults. The rights of the Class B Special Limited Partner [and the Housing Authority] hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the Obligations has been paid and satisfied in full.

7. Attorneys' Fees. The Guarantor hereby agrees to pay to the Class B Special Limited Partner [and the Housing Authority], upon demand, reasonable attorneys' fees and all costs and other expenses which the Class B Special Limited Partner [and the Housing Authority] expend or incur in collecting or compromising the Obligations or in enforcing this Guaranty against each Guarantor whether or not suit is filed, including, without limitation, all costs, attorneys' fees and expenses incurred by the Class B Special Limited Partner [and the Housing Authority] in connection with any insolvency, bankruptcy, reorganization, arrangement or other

similar proceedings involving a Guarantor which in any way affect the exercise by the Class B Special Limited Partner [or the Housing Authority] of their rights and remedies hereunder. Any and all such costs, attorneys' fees and expenses not so paid shall bear interest at an annual interest rate equal to 8%, from the date incurred by the Class B Special Limited Partner [or the Housing Authority, as the case may be,] until paid by the Guarantor.

8. Notice. Notices to the Guarantor shall be sent to:

With a copy to:

9. Miscellaneous.

(a) Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

(b) No provision of this Guaranty or right of the Class B Special Limited Partner [or the Housing Authority] hereunder can be waived nor shall any Guarantor be released from any obligations hereunder except by a writing duly executed by the Class B Special Limited Partner [and the Housing Authority]. This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by the Class B Special Limited Partner[, the Housing Authority] and each Guarantor.

(c) Each Guarantor is jointly and severally liable with each other Guarantor.

(d) This Guaranty shall inure to the benefit of and bind the heirs, legal representatives, administrators, executors, successors and assigns of the Class B Special Limited Partner[, the Housing Authority] and the Guarantor.

(e) This Guaranty may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Guaranty identical in form hereto but having attached to it one or more additional signature pages.

(f) None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Guaranty shall not operate or be construed to be a waiver of any subsequent breach.

10. Governing Law. This Guaranty shall be construed and enforced in accordance with the laws of the State of Colorado, without regard to principles of conflicts of laws, and cannot be modified, amended or terminated orally.

11. Headings. All headings in this Guaranty are for convenience of reference only and are not intended to qualify the meaning of any provision of this Guaranty.

12. Terminology. All personal pronouns used in this Guaranty, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Guaranty as of the date first above written.

GUARANTOR:

GRAND PARK HOMES, LLC, a Colorado limited liability company

By: Clark Lipscomb

Its: _____

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