AGENDA

The City of Durango encourages the participation of all its citizens in its public meetings. If an accommodation is needed, please contact the City of Durango ADA Coordinator at (970) 375-5005.

CITY COUNCIL REGULAR MEETING
949 EAST 2ND AVENUE
10/03/2023
5:30 PM

MAYOR
Melissa Youssef

MAYOR PRO-TEM
Jessika Buell

CITY COUNCILORS
Olivier Bosmans – David Woodruff -
Gilda Yazzie

CITY MANAGER
José Madrigal

ASSISTANT CITY MANAGER
Erin Hyder

MANAGING DIRECTOR
Bob Brammer, Public Safety

CITY ATTORNEY
Mark Morgan

CHIEF FINANCIAL OFFICER
Devon Schmidt

CITY CLERK
Faye Harmer

AIRPORT
Tony Vicari, Director

911 COMMUNICATIONS
Zeta Fail, Director

LIBRARY SERVICES
Luke Alvey-Henderson, Director

PARKS AND RECREATION
Sara Humphrey, Interim Director

TRANSPORTATION
Sarah Hill, Director

INFORMATION TECHNOLOGY
Justin Carlton, Director

PUBLIC WORKS
Allison Baker, Director

HUMAN RESOURCES
Bonnie Kling, Director

COMMUNITY DEVELOPMENT
Scott Shine, Director

MISSION
The City of Durango and our employees provide efficient city services, effectively maintain city assets and manage growth, are accountable, ethical and fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.

VISION
Durango is an authentic, diverse, multigenerational, and thriving community. Our residents value and enjoy our unique natural environment and benefit from the management of our city’s resources in a fiscally responsible, environmental, and socially sustainable manner.

VALUES
- Teamwork
- Dependability
- Professionalism
- Service
- Respect
- Innovation
- Well-Being

STRATEGIC GOALS
- Affordability & Economic Opportunity (AEO)
- Diversity, Equity, Inclusion (DEI)
- Effective Infrastructure Network (EIN)
- Enhanced Livability & Sense of Place (ELSP)
- Environmental Sustainability & Resilience (ESR)
- Financial Excellence & High Performing Government (FE)
- Engaged & Collaborative Governance (ECG)
1. CALL TO ORDER AND ROLL CALL 5:30 PM

2. INTRODUCTION OF TRANSLATOR

3. OPENING REMARKS BY MAYOR AND COUNCIL - Information Only 5:40 PM

4. PRESENTATIONS/PROCLAMATIONS - Information Only 6:00 PM

   4.1. Presentation on SOIL Community Garden - ELSP

5. CITY MANAGER UPDATES - Information Only 6:15 PM

6. COMMITTEE, BOARD AND LIAISON REPORTS - Information Only 6:30 PM

   6.1. Durango Business Improvement District Report

7. PUBLIC COMMENT ON AGENDA ITEMS ONLY (Items 8, 9 & 11) 6:40 PM

8. CONSENT AGENDA - Action Items without discussion 7:00 PM

   8.1. Approval of Meeting Minutes

       8.1.1. Approval of Minutes City Council Regular Meeting September 19, 2023

   8.2. Final Reading of Ordinances

       8.2.1. Final Reading of Ordinance O-2023-0016 Approving the Annexation and Initial Zoning for the Zick Addition Annexation to the City of Durango and Declaring an Effective Date - AEO Submitted by Scott Shine

       8.2.2. Final Reading of Ordinance O-2023-0017 Amending Chapter 11 Health and Sanitation Article IV - Stream Pollution of the Municipal Code Pertaining to Waste and Flash Flood Exposure Within Public Stream Riparian Zones and Floodplains by Adding Section 11-74 Unlawful Presence and Activities as Follows - ES&R - Submitted by Mark Morgan

8.3. Adoption of Resolution(s) by Consent - No items

8.4. Approval of Other Administrative Items

8.4.1. Approval of the Business Improvement District Proposed 2024 Budget and Operating Plan

This meeting is being held in a virtual/In Person format (Durango Resolution R 2022-00017 dated 4/5/2022). Link to the virtual meeting at http://durangogov.org/zoom. If this link fails, please copy and paste into your browser.
8.4.2. Approval of a New Tavern Liquor License for Lum 2 LLC Doing Business As Skyridge Soap and Suds at 100 Jenkins Ranch Road Unit A2

8.5. Land use and Development Action Items

8.5.1. Authorizing the Mayor to Sign the Animas City Park Overlook Phase II Final As-Built Plat - AEO & ELSP - Submitted by the Community Development Department

9. ITEMS PULLED FROM THE CONSENT AGENDA - Action Item with discussion

10. LAND USE AND DEVELOPMENT - Action Items with Discussion- No Items

11. RESOLUTIONS - CONSIDERATION OF ADOPTION - Action Items with discussion 7:10 PM

11.1. A Resolution Approving the Financing Structure for Residences at Durango Regarding the Affordable Housing Development Incentives Grant & Congressional Funds and Authorizing Execution of Documents – AEO – Submitted by the Community Development Dept

12. FIRST READING OF ORDINANCES - CONSIDERATION OF ADOPTION AND PUBLIC HEARING - Action items with discussion 7:30 PM

12.1. A Public Hearing for an Ordinance Enacting a Standing Order Regarding the Prohibition of Firearms and Other Deadly Weapons in City Buildings - EL&SP - Submitted by Mark Morgan

12.2. A Public Hearing to Consider an Ordinance Approving the Cross Right-of-Way Abandonment Request - ELSP - Submitted by the Community Development Department

13. PUBLIC COMMENT ON NON-AGENDA ITEMS - No discussion 8:00 PM

14. INTRODUCTION OF ORDINANCES AND REQUEST FOR PUBLIC HEARING - Action Item with limited discussion - No items

14.1. A Request for a Public Hearing to Review the Proposed 1235 and 1295 Camino del Rio Downtown Fire Station Powerhouse Minor Subdivision Preliminary Plan (October 17, 2023)- AEO - Submitted by the Community Development Department

15. OTHER NEW BUSINESS - Non-Dispositive with limited discussion- No Items

16. OTHER MATTERS - Non-Dispositive with limited discussion

16.1. Requests for Excused Absences

16.2. Directives

17. EXECUTIVE SESSION 8:15 PM

17.1. A Motion to Convene in Executive Session to Receive Legal Advice Regarding Possible Litigation Concerning a Contract Dispute Involving JRC Consulting as Permitted by C.R.S. 24-6-402(4)(b)

18. ADJOURNMENT 8:30 PM

This meeting is being held in a virtual/In Person format (Durango Resolution R 2022-00017 dated 4/5/2022). Link to the virtual meeting at http://durangogov.org/zoom. If this link fails, please copy and paste into your browser.
The public may view the meeting live on Zoom at durangogov.org/zoom or on YouTube at https://www.youtube.com/@CityofDurango6512. An email link for public comment is located at DurangoGov.org/meetings at the top of the page as well as on the agenda itself under Public Participation. Comments must be submitted no later than noon on the Monday preceding the meeting. Each email should contain the corresponding agenda item in the subject line of the email if there is one. The sender’s full name and address should be included for the record. If comment by email is not possible, comments may also be placed in the drop box located in front of City Hall no later than noon on the Monday preceding the meeting. All written comments will be provided to the Council for review. Written comments may be read into the record and/or attached to the minutes of the meeting at the direction/discretion of Council. Email comments should be directed to: PublicComment@durangogov.org.

Members of the public who wish to provide verbal comments can use the Virtual Meeting Information at the top of this agenda to join the meeting. Please ensure you have the Zoom app installed on your computer or mobile device prior to the meeting (https://zoom.us/download). The mayor will provide additional details during the meeting when public comment is accepted.
TO: DURANGO CITY COUNCIL
FROM: SCOTT MCCLAIN, ASSISTANT PARKS DIRECTOR

SUBJECT: PRESENTATION ON SOIL COMMUNITY GARDEN

RECOMMENDATION:
This is an operational update, and no immediate recommendations are being put forth.

BACKGROUND SUMMARY:
The SOIL Community Garden and Outdoor Learning Lab is an outdoor space rooted in community engagement, educational and economic opportunity, multigenerational collaboration, cultural, and ecological stewardship, and healthy living practices. Based at Riverview Elementary School, the SOIL Community Garden provides educational garden plots for School District 9-R students, and fifty plots are available to rent through Durango Parks and Recreation.

A community survey completed as part of the 2020 Parks, Open Space, Trails & Recreation Master Plan identified community gardens in the top ten of parks and recreation facilities that are most important to households, and as number four in top priorities for investment for recreation facilities.

In spring of 2022, Charlie Love, Riverview Science teacher, presented to the Parks and Recreation Advisory Board on a proposed collaborative community garden project that would provide opportunity for both individual plots available to the community and educational opportunity for School District 9-R students. In October 2022, Charlie Love and Ture Nycum, Parks and Recreation Director, presented to City Council outlining a partnership between School District 9-R and Parks and Recreation as well as goals for fundraising, construction, and programming.

Site work for the project began in the fall of 2022 with the gardens opening in June of 2023.

STRATEGIC PLAN ALIGNMENT:
Parks and Recreation’s partnership with School District 9-R with the SOIL Community Garden supports the Enhanced Livability and Sense of Place Strategic Plan as it provides opportunity for students and community to engage in a publicly provided recreation opportunity that encourages community engagement, ecological stewardship, and healthy living practices.

The Community Gardens also support the Strategic Plan Goal of Environmental Sustainability & Resilience by providing locally produced food and by providing opportunities for education on water conservation, waste management, and renewable energy sources.

ALTERNATIVE OPTIONS CONSIDERED:
Alternative sites for city managed community gardens were discussed in 2022, including an option to purchase the property where the Ohana Kuleana Garden was located. The opportunity for shared use of a facility, management, and maintenance was determined to be the most efficient and favorable to both the city and school district.

FISCAL IMPACT:
$25,000 was included in the 2023 Parks and Recreation budget to contract with the School District to hire a Community Garden Manager. With a recent request for an additional $8,333 to provide for increasing manager position from 9 months to 12 months, $33,333 has been included in the 2024 general fund budget request by Parks and Recreation.

POTENTIAL ADVERSE IMPACTS:
There are no foreseeable adverse impacts from continuing this partnership.

NEXT STEPS AND TIMELINE:
Upon Council approval of the 2024 budget, staff will implement a MOU with School District 9-R for 2024 partnership.
Continue to explore opportunities for partnering on applications for grant funding to provide for additional development of the facilities.
October 3, 2023

SOIL Community Garden

Scott McClain, Parks and Recreation
Charlie Love, SOIL Outdoor Learning Lab

Strategic Plan goals:
Enhanced Livability & Sense of Place
Environmental Sustainability & Resilience
Mission (Why we exist)
“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)
“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)
Teamwork | Dependability | Professionalism | Service | Respect | Innovation | Well-Being

An informational update on the SOIL Community Garden and request for funding in 2024 budget.
SOIL OUTDOOR LEARNING LAB COMMUNITY GARDEN

PROJECT BACKGROUND

PROJECT UPDATE & 2023 SEASON REVIEW

FUTURE PLANS & PROJECT NEEDS
Out of 31 Total Priorities:

- Community gardens rated as the 4th top priority for investment for recreation facilities.

- Community gardens rated as 10th most important recreation facility to households.
Community gardens rated as the 4th top priority for investment for recreation facilities.
Community gardens rated as 10th most important recreation facility to households.
Project Background - Ohana Kuleana Community Garden

- Established by The Garden Project of SW Colorado in 2012.
- Provided a space for community members to grow food, congregate, and learn from each other and experts from the community.
- Property placed on the real estate market and the Ohana Kuleana Community Garden was closed in 2022.
Project Background - Envisioning a New Community Growing Space for Durango

Community-engaged Design Process

- Ohana Kuleana Community Gardeners
- Local Subject Matter Experts
- Durango School District 9R Administration & Staff
- Collaborating Organizations & Agencies
- City of Durango Parks & Recreation
- Community Leaders
- Durango School District 9R K-12 Students
Project Background - Soil Outdoor Learning Lab Location
Project Background - SOIL Outdoor Learning Lab Site Plan

Community Garden
- Educational plots for Pre-K through college students in Southwest Colorado
- Family/individual plot rental through Durango Parks and Rec

Grow Dome
- Year-round growing
- Innovative horticulture methods & research
- STEM lessons and growing demonstrations for the public

The Hub
- Education pavilion & gathering space
- Gardens available for public harvesting
- Sustainability demonstration gardens
- Solar array, EV charging, sustainable energy education

Food Forest & Agriculture Lab
- Permaculture/regenerative agriculture practices. Edible plants and fruit trees
- Animal husbandry
- Farm market stand

Soil Shed
- Soil analysis lab and exploratorium
- Demonstration of sustainable construction techniques utilizing earthen materials
- Advanced composting systems

Education Center
- Commercial/demonstration kitchen
- Indoor growing area
- Classroom/workshop space
- School and community programs/events
Project Update - Funding the Community Garden

Construction Budget: $460,000

Capital expense funding sources:
- Individual donors- $372,000
- Business sponsors (cash/in kind/commitments)- $135,000
- City of Durango- $25,000
- Grants- $20,000

Operational expenses:
- Project Director- funded by Durango School District 9R
- Garden Manager- funded by City of Durango
- Facility maintenance- funded by Durango School District 9R and garden bed rental fees
- Portable restroom facility- provided by City of Durango
- Utility bills- paid by Durango School District 9R
Project Update - Community Garden Construction

SEPT-OCT 2022
Site preparation

NOV-FEB 2022
Fence construction

MARCH 2023
Water & electric lines installed

APRIL 2022
Volunteers built 87 garden beds

MAY 2023
Irrigation installed and beds prepared

JUNE 2023
Garden opened with ribbon cutting

JULY-AUGUST 2023
Shade pavilion and rainwater garden built

SEPTEMBER 2023
Time to harvest!
Project Update - Community Garden Offerings

650 community members have visited the garden to volunteer, learn, plant, eat, and celebrate.

Opportunities for community engagement:
- 50 garden beds rented to community members through Parks & Recreation
- Weekly Volunteer Parties
- Marye Jackson Celebration of Life Party
- Tour de Farms event launch with CSU Extension & Manna
- SOIL Community Garden Open House
- 1st and 2nd Annual SOIL Art Contest & Gallery Stroll

Programs hosted:
- Durango 9R and Fort Lewis College field trips
- SW Colorado Education Collaborative (Building Trades Career Pathway Camp)
- Native American Parent Advisory Committee
- Mountain Studies Institute native plant propagation and education program
- SEED Studio Summer Camp

Future offerings:
- Additional after school and summer youth programs
- Additional community workshops and events
- Actively seeking public input to assess community needs and desires
Next Steps - The Hub

Features:

- Community gathering and event space
- Interactive demonstration gardens
- Solar array, EV bus charging station, renewable energy demonstration
- Sustainability and cultural-themed education stations

Progress:

- Construction goal: **shifted from 2024 to 2025**
- Submitted concept paper for Great Outdoors Colorado (GOCO) grant, February 2023
- Resubmitted based on recommendations and feedback, July 2023
- GOCO regional officer/liaison left position before review window, concept not recommended for full grant application
- Submit revised concept paper after establishing relationship with new regional officer, January 2024
- Plan to propose matching funds from City in 2025 budget
Next Steps - Grow Dome

Features:

- 1400 sq. feet of year-round growing space
- Year-round STEM lessons & growing demonstrations
- Innovative horticulture methods & research
- Public access, workshops, events
- Interactive education stations for students and community members

Progress:

- Construction goal: *shifted from 2025 to 2024*
- 42’ Grow Dome kit procured through a grant in 2022
- Application for Colorado Garden Foundation grant due 10/31/23
- Request capital investment match from City of Durango in 2024 budget in lieu of previously proposed Great Outdoors Colorado (GOCO) grant match
Next Steps - Resources Requested from City of Durango

- 2024 General Fund: $8,333 increase in funding for total of $33,333
  - Extend Garden Manager from 9 to 12-month position

- $50,000 capital investment match for Grow Dome construction in 2024
QUESTIONS?
A multi-phase growing & gathering space rooted in community engagement, educational and economic opportunity, multigenerational collaboration, cultural and ecological stewardship, and healthy living practices.
Donors, business sponsors, and partnering organizations helped SOIL reach its goal and transform a vision into reality.

$460K raised

**Community Engagement** - gathered facility and program ideas from a wide range of community members, hosted 217 volunteers from the community (718 hours), utilized as a community gathering space.

**Economic Opportunity** - partnered with local businesses and vocational training programs.

**Educational Programming** - serving pre-K through college students from across SW Colorado.

**Productive Collaborations** - worked with 30+ local businesses, organizations, and experts from the community.

**Cultural Literacy** - consulted community members representing a wide variety of cultural practices and perspectives related to agriculture.

**Environmental Stewardship** - focused on local, sustainably sourced materials, waste reduction practices, and biodiverse habitats.

**Healthy Living** - provided affordable garden bed rentals for 50+ local residents, developed 40 garden beds for public education, supported local emergency food distribution networks.

### FIRST YEAR AT A GLANCE

Our mission in action!

- **Community Engagement**
- **Economic Opportunity**
- **Educational Programming**
- **Productive Collaborations**
- **Cultural Literacy**
- **Environmental Stewardship**
- **Healthy Living**

$460K raised for community garden & infrastructure

**Community Engagement**
- gathered facility and program ideas from a wide range of community members, hosted 217 volunteers from the community (718 hours), utilized as a community gathering space

$460K raised

**Economic Opportunity**
- partnered with local businesses and vocational training programs

**Educational Programming**
- serving pre-K through college students from across SW Colorado

**Productive Collaborations**
- worked with 30+ local businesses, organizations, and experts from the community

**Cultural Literacy**
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**Environmental Stewardship**
- focused on local, sustainably sourced materials, waste reduction practices, and biodiverse habitats

**Healthy Living**
- provided affordable garden bed rentals for 50+ local residents, developed 40 garden beds for public education, supported local emergency food distribution networks

### Construction Progress

- **SEPT - OCT 2022**
  - Site preparation
- **NOV - FEB 2022**
  - Fence construction
- **MARCH 2023**
  - Water & electric lines installed
- **APRIL 2022**
  - Volunteers built 87 garden beds
- **MAY 2023**
  - Irrigation installed and beds prepared
- **JUNE 2023**
  - Garden opened with ribbon cutting
- **JULY - AUGUST 2023**
  - Shade pavilion and rainwater garden built
- **SEPTEMBER 2023**
  - Time to harvest!

### Future Phases

- **The Soil Shed**
  - Interpretive signs to reveal the secret world of soil
  - Soil analysis lab
  - Advanced composting systems
  - Sustainable construction utilizing earthen materials

- **The Hub**
  - Education pavilion & public gathering space
  - Interactive demonstration gardens
  - Solar array & EV bus charging station

- **The Ag Lab**
  - Permaculture & regenerative agriculture practices
  - Student & public access to edible plants and fruit trees
  - Public farm market stand
  - Animal husbandry

- **The Education Center**
  - Commercial & demonstration kitchen
  - Indoor growing area
  - Classroom & workshop space

**The Grow Dome**

- $175,000 fundraising goal

With 1400 sq. ft. of additional growing space and a controlled climate, the Grow Dome will expand the STEM programming available at the SOIL Outdoor Learning Lab beyond the limited growing season in our region.

The Grow Dome will invite collaboration between K-12 students, higher education, and local industries to utilize innovative technologies and growing techniques for research and entrepreneurial opportunities.

- **Spring 2024**
  - $50K raised
  - $175,000 fundraising goal

A glimpse of what’s to come...

**Charlie Love, Project Director**

"The past 2 years of working with community members to design, fund, and build this growing space has been an incredible journey! As the benefits and impacts take root, we look forward to digging into the next phases to continue cultivating a unique and innovative resource for the entire community!"
Thank you SOIL supporters!

BUSINESS SPONSORSHIPS
(cash, in-kind, and discounts)
Fruiting Level ($500K+)
Flowering Level ($250K+)
Pollinating Level ($100K+)
Budding Level ($50K+)
Branching Level ($25K+)
Sprouting Level ($10K+)
Seeding Level ($5K+)

INDIVIDUAL SPONSORSHIPS

Founding Donor ($100K+)
Rod Barker
Lauren Thompson

Champion Donor ($10K+)
Joan A. Roberts-Ems
Jama Crawford

Impact Donor ($3-5K)
Richard and Mary Lynn Ballentine
Darcy Hitchcock and Dale Graham

Cultivation Club ($1K + matching funds)
Jim and Lori Carver
Karyn Gabaldon
Holly Hatch
Nancy Fisher
Allison Dingler
Julia Fisher & Family
The Roberts Family
The Dakan Family

PARTNERING AGENCIES & ORGANIZATIONS
Durango School District 9R
City of Durango Parks and Recreation
Durango Education Foundation
The Hive Durango
Southwest Colorado Education Collaborative
Good Food Collective

Become a SOIL supporter and help us grow an inspired community

SoilLab.org

Individual & business sponsorship info

26
Date: October 2, 2023

Prepared by: Tim Walsworth, Executive Director

Subject: Quarterly Report

Per the request from the City Clerk’s office, below is the first quarterly report from BID to Durango City Council. This first report summarizes BID’s work in the first three quarters of 2023. Future reports will be submitted quarterly.

1st Quarter

The BID board of directors approved motions designating locations for posting BID board meeting notices, locations for the meetings, and the meeting schedule for 2023.

New officers were elected in February – James Allred will serve as board chair, Ashley Gonnella will serve as vice-chair, and Geoff Overington will serve as Treasurer and Secretary.

BID’s 2022 year-end financials were presented to the BID board at its February meeting. BID’s balance sheet shows a strong organization with just over $100,000 in three reserves funds. BID’s profit and loss statement shows a net income of $12,800. The board approved a staff recommendation for using these funds in 2023:

- Reserves special projects - $5,000
- Ambassador Program - $2,000
- Rewards Program - $3,000
- Children’s Halloween - $500
- Balloon Glow or Halloween - $1,500

BID worked with the City to update the design standards and fees associated with the bump out program.

BID was part of a team that submitted a response to the City’s RFP seeking public/private partnership concepts for its property at 211 W. College Drive. An interview with Council and staff was held on February 7.
Early planning was conducted for BID’s four annual events (San Juan Brewfest, Downtown Balloon Glow, Children’s Halloween and Singing with Santa), as well as BID’s Ambassador Program and its Rewards Programs. The Ambassador Program will start Memorial Day weekend and will continue through the end of October. BID’s first Rewards Program of the year starts April 1.

BID staff begin plans for BID to hold an election in November 2023 to reauthorize its mill levy funding.

BID surveyed the businesses it works for to determine how they value the 20 programs and services BID offers. 20% of BID businesses responded. Respondents were asked to rank BID programs and services on a scale of one to five, with one being not valuable at all and five being extremely valuable. Average score for all responses was 3.6. The average score for different industries was:

- Accommodations – 4.1
- Retail – 3.7
- Restaurant – 3.6
- Professional Services – 3.2

2nd Quarter

BID’s Spring Rewards Program started April 1. It concluded May 11 and generated $171,000 in local spending.

BID website stats, first Q 2023 vs first Q 2022 comparison:

- Total sessions – up by 11%
- Total unique users – up by 16%
- Total page views – up by 8%

BID e-news stats, first Q 2023:

- Open rate – 55.3% (increase from 52.6% open rate for all of 2022)
- Click rate – 4.5% (essentially flat from 4.6% click rate for all of 2022)

BID agreed to provide $5,000 in matching funds for a grant application the City will make for new EV charging stations at the Transit Center.

1st Q financial statements show that BID’s income is 102% of year-to-date budget and expenses are 99% of year-to-date budget.

Planning continues for BID’s four annual events.

- San Juan Brewfest will have a renewed focus on DEI, accessibility and sustainability.
The City has agreed to sponsor the Downtown Balloon Glow, Children’s Halloween and Singing with Santa by not charging any fees for City equipment and services. Additionally, TBK Bank has agreed to sponsor Children’s Halloween and Singing with Santa.

Nine Ambassadors were hired for the 2023 season and began working Memorial Day weekend. The annual Downtown Clean Day occurred on Friday of Memorial Day weekend. This annual volunteer event is a partnership between Durango Chamber of Commerce and BID. 31 bags of trash and three bags of recycling were collected.

BID partnered with the City for the summer flower barrels by finding businesses to host a barrel over the summer months.

An issues committee was formed to advocate for passage of BID’s ballot measure that will continue BID’s 2.0 mill levy funding through 2041.

BID updated two business directory and map signs in Downtown, and 10 in the North Main District. BID also printed a brochure with this information included. Ambassadors will distribute these and they will also be available at the Durango Welcome Center and local hotels and campgrounds.

BID’s executive director served on the 4th of July planning committee. The committee created approximately 30 events and activities for locals and visitors to enjoy over the 4th of July weekend.

BID began its 2024 budgeting process in June.

BID consulted with the City on a free parking program for Downtown employees over the summer.

BID hosted a marketing intern in June through the Community Foundation’s CAUSE internship program.

3rd Quarter

BID e-news stats, through second Q 2023:
- Open rate – 53.8% (increase from 52.6% open rate for all of 2022)
- Click rate – 4.8% (increase from 4.6% click rate for all of 2022)

BID website stats, through second Q 2023 vs second Q 2022 comparison:
- Sessions – 39,196 ... 13% increase over 2022
- Users – 32,456 ... 15% increase over 2022
- Page Views – 75,501 ... 12% increase over 2022
Ambassador Program stats:

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BID election – all five board members formally joined the Back the BID issues committee. The committee requested several pieces of information from BID staff to ask business and property owners to consider voting to continue BID’s funding. BID signed an intergovernmental agreement with the La Plata County Clerk and Recorder to manage the election, and approved a resolution to hold an election on November 7, 2023.

BID’s four annual events:

- San Juan Brewfest was held on August 25 and 26, with approximately 1,700 people attending over the two days. The Brewfest is a fundraiser for United Way of Southwest Colorado, and generated $47,000 for their efforts.
- Downtown Balloon glow will be held October 20 and 21, in partnership with the Animas Valley Balloon Rally. The location is the 500 block of Main Ave.
- Children’s Halloween is on Tuesday October 31, and will include free trick or treating for kids 10 and under at nearly 100 businesses in Downtown. There will also be a carnival and trunk or treat at the TBK Bank parking lot.
- Singing with Santa will be held the day after Thanksgiving, Friday November 24, at Buckley Park. Singing with Santa features Christmas carols, free hot chocolate and cookies, lighting the Community Christmas Tree, and free photos with Santa.

2nd Q financial statements show that BID’s income is 99% of year-to-date budget and expenses are 94% of year-to-date budget.

BID staff implemented a summer events marketing campaign and made plans for a fall campaign focused on events.

BID board of directors approved the organizations 2024 budget, which was submitted to the City of Durango on September 15, 2023.

Planning started for a North Main District marketing campaign.
1. CALL TO ORDER AND ROLL CALL

Mayor Youssef called the meeting to order at 5:30 p.m.

Present for the Durango City Council were Mayor Melissa Youssef, Mayor Pro Tem Jessika Buell, and Councilors Oliver Bosmans, Gilda Yazzie, and David Woodruff. Also present were City Manager José Madrigal, City Clerk Faye Harmer, and City Attorney Mark Morgan.

2. INTRODUCTION OF TRANSLATOR

Diego Pons of CLC translation provided services.

3. OPENING REMARKS BY MAYOR AND COUNCIL

Mayor Pro Tem Buell discussed upcoming Connect and Engage activities, including a City directors open forum to be held the following Tuesday at the Library. She said the first forum would include a presentation by the Durango Chief of Police Bob Brammer.

Mayor presented a plaque to the City Manager José Madrigal. The plaque included a Durango Herald article recognizing him for propelling a culture shift at City Hall, with a focus on collaboration and staff development. The Mayor noted that Mr. Madrigal joined the City of Durango in December 2020 and thanked him, on behalf of Council, for his leadership, commitment, and dedication.

City Manager Madrigal thanked Council for the recognition, saying the accomplishments could not have been attained had it not been for the hard work of his team.

4. PRESENTATIONS/PROCLAMATIONS - Information Only

4.2 Durango Cowboy Gathering Week

Mayor Pro Tem Buell proclaimed September 25th – October 1, 2023, as Durango Cowboy Gathering Week and noted upcoming events throughout the City. Several members of the Cowboy Gathering Board of Directors accepted the proclamation.

4.1 Constitution Week 2023

Mayor Youssef proclaimed September 17th through 23rd, 2023, as Constitution Week to honor the document and the anniversary of its creation in 1778. Two members of the Sarah Platt Decker Chapter of the Daughters of the American Revolution accepted the proclamation.

5. CITY MANAGER UPDATES - Information Only

The City Manager introduced the item. He noted that all City departments are encouraged to have a customer service strategy.

Daniel Murray, Chris Simpson, and Savannah Lytle of the Community Development Department presented the departmental customer service strategy.

Mr. Murray summarized the intent of the strategy and reviewed the process.

Mr. Simpson noted the Community Development Department has a total of 54,900 customer interactions per year. He said staff recognizes the importance of the interactions and strives to make “each one count.”

Ms. Lytle reviewed the public engagement aspect of the process conducted to help staff understand the needs of its customers. She highlighted the results of the community survey, noting both the department’s successes and opportunities identified for improvement, including an accelerated review process.

Mr. Murray said the overarching premise of the Community Development Department’s customer service strategy is “Building Community Together” and highlighted the goals, as follows:

- Provide professional and efficient assistance in an accessible environment.
• Ensure clear, comprehensive, and consistent communication.
• Seek to understand the context of every customer interaction and facilitate solutions that meet the unique needs of the community.

Mr. Murray completed the presentation and noted more detail was contained in the agenda documentation.

The City Manager commented on the development of an individual customer service strategy for each department, based upon its function. He said the Community Survey is being finalized, and it would be presented to Council in the near future.

Mayor Youssef thanked staff for their efforts.

6. COMMITTEE, BOARD AND LIAISON REPORTS

Councilor Yazzie reported that she participated in the Ute Parade the previous week. She noted the groundbreaking ceremony in Ignacio for the Rock Creek Affordable Housing Project. She also reported that she will be serving on the committee to interview a new fire chief, she attended the recent Regional Housing Alliance meeting, and she helped with the annual Kiwanis pancake breakfast.

Councilor Woodruff reported on the Chamber of Commerce Board meeting held earlier in the day. He said nominations are still needed for “Durango Rocks.” He noted the Chamber hired a new Member Relations Coordinator. He reported that he held office hours earlier in the day and noted the Young Professional of Durango (YPOD) presentation scheduled for the following week.

Mayor Pro Tem Buell reported on her attendance at the District 9 CML fall meeting in Bayfield and the Economic Alliance Board meeting, where she met the new RHA housing resource specialist. She said there would not be an investors’ meeting due to the daylong Economic Summit, which she noted, is sold out. She also attended the Kiwanis pancake breakfast.

Councilor Bosmans reported that he has office hours on Tuesday, October 3rd at the Library from 12:00 p.m. – 1:00 p.m. He said he was contacted by a Dutch National radio station for a brief interview regarding Seth Kuss and the biking culture in Durango. He complimented Kuss on his athletic ability and his sportsmanship, which he said is recognized in many countries.

Mayor Youssef reported on the celebration committee for Seth Kuss’s arrival back in Durango. She said Tom Sluis has been designated as the contact for the City. She noted she also held office hours earlier in the month. She said she was contacted by Eva Montaigne of Columbine Landscape, who requested the City minimize nonfunctional and work to create eco-friendly landscaping, including constructing bio-swales in its new park. She said that, in follow-up, she found that the City is constructing the swales at Schneider Park.

7. PUBLIC COMMENT ON AGENDA ITEMS ONLY (Items 8, 9 & 11)

There was no in-person or virtual public comment.

8. CONSENT AGENDA - Action Items without discussion

8.1. Approval of Meeting Minutes

8.1.1. Approval of Minutes City Council Regular Meeting September 5, 2023 - Submitted by Clerk’s Office

8.2. Final Reading of Ordinances

8.2.1. An Ordinance Approving the Annexation and Initial Zoning for the Durango Mesa Addition to the City of Durango and Declaring an Effective Date - ELSP, AEO - Submitted by Vicki Vandegrift O 2023 15

City Clerk Harmer read the Consent Agenda.

Mayor Youssef pulled Consent Agenda Item 8.2.1.

Mayor Pro Tem Buell moved to approve the Consent Agenda except for Item 8.2.1. Councillor Bosmans seconded the motion. A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0
9. ITEMS PULLED FROM THE CONSENT AGENDA

8.2.1. An Ordinance Approving the Annexation and Initial Zoning for the Durango Mesa Addition to the City of Durango and Declaring an Effective Date - ELSP, AEO - Submitted by Vicki Vandegrift O 2023 15

Mayor Youssef said she pulled the item because of its monumental importance to the City. She said that, after the vote, she would be reading a statement on behalf of the City.

Mayor Youssef moved to approve the Consent Agenda 8.2.1, an ordinance approving annexation and initial zoning for the Durango Mesa Addition to the City of Durango. Mayor Pro Tem Buell seconded the motion.

Mayor Pro Tem Buell said it was an important milestone for the City and an exciting, needed amenity. She thanked everyone for their hard work and for their continuing efforts.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0

The Mayor acknowledged the virtual presence of Mark Katz and read a statement on behalf of the City regarding the final reading of the ordinance that makes 1,928 acres officially a part of the City of Durango. She said it is the beginning of a monumental project that will be an incredible asset to the community. She publicly recognized the Mark Katz family for their vision and their generosity. She said the annexed property is now conveyed to the foundation and founding board member Mark Katz. She said the vision is outlined in the Durango Mesa Area Plan, adopted in 2018, that includes a concert venue, a worldclass bike park, a potential site for the La Plata County Fairgrounds, playing fields, a disk golf course, a dog park, a campground, and community barns, linked by a trail system that will eventually connect to the Animas River Trail.

Mr. Katz made a short statement from his location in Missoula, Montana. He said he was excited that the Durango Mesa Park project was moving forward and excited about the partnership with the City of Durango. He stated his appreciation for all those who worked to attain the vision. He noted the inspiration he received from Central Park in New York City and Balboa Park in San Diego. He said he believed the park would be an economic benefit and would bring a lot of pleasure to visitors and residents.

Maura Compton made a short statement, noting it had taken eight years to get to this point. She acknowledged the efforts of both past and present Councils and those of the City Manager. She said thoughtful and prudent oversight would allow public use of the mesa in future years. She said the trail project was started in 2023 and completion was anticipated the following week. She noted there would be a trail opening ceremony and party on September 28th at 4 p.m. She said the event would include a guided tour of the trails. She particularly thanked Vicki Vandegrift in the Community Development Department and her staff and the Parks and Recreation Department under both its past and present directors.

10. LAND USE AND DEVELOPMENT – No Items

11. RESOLUTIONS - CONSIDERATION OF ADOPTION - 6:30PM

11.1. A Resolution to Adopt Bylaws for the Financial Advisory Board (FAB) - ECG - Submitted by Mark Morgan R 2023 38

City Attorney Mark Morgan introduced the resolution. He said he assisted the FAB, at their request, in developing the bylaws presented in the meeting packet.

Mayor Pro Tem Buell moved to approve the resolution to adopt bylaws for the Financial Advisory Board. Councilor Woodruff seconded the motion.

Councilor Yazzie thanked Counsel Morgan for his assistance. She asked why 2 year terms replaced the 3-year terms.

Counsel Morgan responded to her question, commenting on input from the board during their discussions of the length of term. He said the 2-year terms were a compromise, based on the board’s discussion and on what he heard from Council. He noted that the terms are staggered, so there will be an initial 3-year term for four of the members, and the other members will have 2-year terms, with terms staggered thereafter.
Councilor Bosmans thanked the board members for their work and the value they bring to the board. He commented on the board’s responsibilities with regard to review of capital projects. He reviewed his recommendations that did not make “the cut” in the proposed bylaws, including expanding the scope of the board’s review of capital projects and long-term financial commitments, such as bond issues and lease purchase agreements. He asked Council to consider adding his suggestions to the bylaws.

Mayor Pro Tem Buell thanked the FAB members for their work and Counsel Morgan for his efforts in developing the proposed bylaws and finding compromises.

Councilor Woodruff confirmed the process to develop the bylaws was to present the suggested revisions to FAB for their review and recommendation.

Counsel Morgan agreed, saying he met with the board in two study sessions and at a regular meeting.

Councilor Bosmans still had concerns concerning FAB review of capital projects. He said staff presented a short list of projects, which the board will review and then make recommendations to Council on how to fund the projects. He said they do not review the project’s priority, maintenance, or necessity. He said he thought all projects should go through an independent review to ensure Council approves projects that represent the community and ensure the intent of the ballot language. He said FAB and the proposed bylaws only include the financial aspects. He said he would support the bylaws but hoped Council would address his other concerns.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0

11.2. A Resolution Amending the 2023 Budget For Improvements Associated with the Big Picture Building - FE&HPG & EIN - Submitted by Erin Hyder (Resolution R-2023-39)

Assistant City Manager Erin Hyder gave a short presentation regarding the proposed move of the Community Development Department to the Big Picture school building, which she noted would require minimal renovations. She said the building was identified as the best option, and the move would allow the department to move out of River City Hall as quickly as possible to accommodate the Durango Fire Protection District (DFPD) construction needs, and the Big Picture is empty. She provided a review of the project background and renovation plans and said the timeline for the move (60 to 120 days), which was aligned with the closing date, and noted a total cost of $1.2 million, which would be funded from the 2005 ¼ Cent Sales Tax for the facility improvements. She commented on the proposed funding, which would include a one-time transfer of unused funds from the Road Impact Fee Fund. She said the project total for the Big Picture building was an allowable cost out of the 2005 Capital Projects Fund per the ballot language. She commented on alternatives that were considered but not deemed economically feasible.

Mayor Pro Tem Buell moved to approve Resolution R2023-39 amending the 2023 budget for improvements associated the Big Picture building. Councilor Woodruff seconded the motion.

Councilor Bosmans did not think the use of the Road Impact Fees Fund for this purpose was correct and asked Ms. Hyder to reiterate how that would happen.

Ms. Hyder said that the Road Impact Fees Fund sufficiently covers the Florida Road payments, freeing up dollars in the 2005 Capital Fund to make the Big Picture improvements.

Chief Financial Officer Devon Schmidt said the City wants to utilize the $589,000 that was in the Annual Comprehensive Financial Report as the ending fund balance for the Road Impact Fee Fund. She said, additionally, the City has collected to date another $107,000 in road impact fees. Because the fund is sufficient to pay the Florida debt payment, she said, the funding for the building improvements can come from the 2005 sales tax, which allows funding for capital improvements.

Councilor Bosmans thanked Ms. Hyder and Ms. Schmidt for the clarification. He asked if the renovation could commence after the City takes ownership of the property and asked if the $1.2 million renovation cost would be an added value after four to six years.

Ms. Hyder said that most of the renovations would not carry forward to the larger City Civic Center project except IT and infrastructure, which she said are big chunks of the cost.

The City Manager said that the property closes on December 1st. He said he understood that there was some risk; however, he said, at the District’s request, the City Attorney worked with the Fire District attorney to provide the City with the right of entry, which provides alleviates some of the risk.
In response to a question from Mayor Pro Tem Buell regarding parking for the Big Picture Building, Ms. Hyder said that parking is in the interior of the lot and staff is working on a parking plan.

A roll call vote was taken, and the motion passed four to one, with Councilor Bosmans opposed.

Passed: For 4; Against: 1; Abstain: 0; Absent: 0

11.3. A Resolution to Amend the 2023 Budget for the Purpose of Budget Adjustments to the Design of Downtown’s Next Step Project - EL&SP - Submitted by Devin King (R-2023-40)

Multimodal Manager Devin King highlighted the project’s purpose, need, and design scope, including parking, sidewalk improvements, traffic calming, landscaping, and pedestrian space. He noted the current project status, commented on the next steps in the process, and reviewed the budget amendment request for additional upfront Phase 1 design costs, to be funded from the 2015 ½-Cent Sales and Use Tax Fund.

Mayor Pro Tem Buell moved to approve Resolution R2023-40 to amend the 2023 Budget for the purpose of budget adjustments to the design of Downtown’s Next Step project. Councilor Woodruff seconded the motion.

Councilor Yazzie confirmed that the new cost of $520,000 ($400,000 as originally budgeted, plus an additional $120,000) for the total Phase 1 budget for design.

Mr. King said the additional $120,000 in funds would provide for construction document design for the 600 and 700 blocks.

Councilor Yazzie said that she was worried about going over budget every year in the future and didn’t want to see the price to continually inflate.

Mr. King said that there was no engineer’s estimate of the construction cost for the original budget. He said the additional design work would include an engineer’s estimate, which would provide a general estimate of the design cost.

Councilor Woodruff confirmed the budget amendment would not be over budget in totality; rather more would be spent upfront rather than later.

Responding to Councilor Bosmans, Mr. King said the MIG contract for Phase 1 only, and theoretically costs for the subsequent phases could increase moving forward due to inflation. He said that when the City negotiated the contract, the City was given an estimate for the design of blocks, but the contract was specifically for the corridor. However, he said, water quality and template design for the full corridor, for example, were not anticipated to occur in Phase 1. He said those two components, plus a more complex design for the Main/College intersection were the bases for the cost increase.

Councilor Bosmans asked how the City can control project costs.

Mr. King said, according to procurement policy, a request for proposal would be issued for each of the next phases.

Councilor Bosmans said he would not support the motion because he did not feel fully informed and increasing costs require more scrutiny.

A roll call vote was taken, and the motion passed three to two, with Councilor Bosmans and Councilor Yazzie opposed.

Passed: For 3; Against: 2; Abstain: 0; Absent: 0

12. FIRST READING OF ORDINANCES - CONSIDERATION OF ADOPTION AND PUBLIC HEARING

12.1. An Ordinance Approving the Annexation and Initial Zoning for the Zick Addition Annexation to the City of Durango and Declaring an Effective Date - AEO - Submitted by Scott Shine

Community Development Director Scott Shine commented on the gap in time since the annexation petition was first presented to Council in the spring of 2022. He provided a summary of the 238 East Village project to date and noted it would be zoned Residential Medium. He said the annexation was publicly noticed, and there had been no public comment to date. He provided a context map, noting it was an enclave property surrounded by land that has already been annexed. He said infrastructure for the 1-acre property on Goeglein Gulch Road was now readily available for the
proposed twelve townhomes. He noted the annexation’s relevance to the City’s strategic plan goals. He said the developer will be paying an in-lieu fee that will go into the Housing Fund.

Councilor Bosmans moved to approve Ordinance to annex the Zick property with a zoning of Residential Medium. Mayor Pro Tem Buell seconded the motion.

Mayor Youssef opened the public hearing.

There was no public comment.

Mayor Youssef closed the public hearing and opened the floor to Council discussion.

Councilor Yazzei commented on the developer’s decision to pay the fee in lieu and asked if there were any concessions given the developer. Mr. Shine said the project was subject to all City’s fees and there were no variances or fee waivers.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0


City Attorney Mark Morgan stated the ordinance was a public safety ordinance that has to do with water quality and the danger of flash flooding. He said that it was the same type of regulations that exist in national and state parks that limit the amount of waste that can enter the water system and keep people out of the floodplain if there were to be a flashflood.

Mayor Pro Tem Buell moved to adopt an Ordinance to Ordinance amending Chapter 11 Health and Sanitation Article IV - Stream Pollution of the Municipal Code Pertaining to Waste and Flash Flood Exposure Within Public Stream Riparian Zones and Floodplains by adding Section 11-74 Unlawful Presence and Activities. Mayor Youssef seconded the motion.

Mayor Youssef opened the public hearing.

There was no public comment.

Mayor Youssef closed the public hearing and opened the floor to Councilor discussion.

Responding to comments by Councilor Bosmans, Counsel Morgan said the ordinance was crafted to maintain public safety and to maintain water quality. He said he discussed enforcement of the ordinance with the Chief of Police, and his officers won’t be targeting the types of behavior cited by Council Bosmans.

Councilor Bosmans said there was a lot of open-ended language in the ordinance.

Mayor Pro Tem Buell noted violations such as permanent structures were defined in the ordinance. The Mayor said the ordinance was an important step in the City’s commitment to environmental sustainability and stewardship of its natural resources and habitat. She saw it as a proactive measure to address stream pollution and flash flooding.

A roll call vote was taken, and the motion passed four to one, with Councilor Bosmans opposed.

Passed: For 4; Against: 1; Abstain: 0; Absent: 0

13. PUBLIC COMMENT ON NON-AGENDA ITEMS - No discussion

There was no one who wished to provide public comment.

14. INTRODUCTION OF ORDINANCES AND REQUEST FOR PUBLIC HEARING - Action Item with limited discussion - 7:15PM

14.1. Introduction and Request for Public Hearing for an Ordinance Enacting a Standing Order Regarding the Prohibition of Firearms and Other Deadly Weapons in City Buildings - EL&SP - Submitted by Mark Morgan

City Attorney introduced the request for public hearing.
Councilor Bosmans moved to approve the introduction and request for public hearing ordinance enacting a standing order regarding the prohibition of firearms and other deadly weapons in City buildings. Mayor Pro Tem Buell seconded the motion.

There was no discussion.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0

14.2. Introduction and Request for Public Hearing for an Ordinance Approving the Cross Right-of-Way Abandonment Request - ELSP - Submitted by Scott Shine

Community Development Director Scott Shine introduced the request for public hearing. He said staff would bring more information to Council if the introduction were approved.

Mayor Pro Tem Buell moved to Approve the Cross Right-of-Way Abandonment Request, as depicted in the agenda documentation and direct the City Attorney to prepare an ordinance authorizing the abandonment of this right of way for a public hearing and first reading at a regularly scheduled Council meeting. Mayor Youssef seconded the motion.

Responding to Councilor Bosmans, Mr. Shine said the City would retain a public easement over the property and retain all ability to service the property. He noted the current right of way exceeds what the Code requires.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0

15. OTHER NEW BUSINESS - Non-Dispositive with limited discussion

Councilor Woodruff moved to direct staff to look into a full time Municipal Judge position. Mayor Pro Tem Buell seconded the motion.

Councilor Bosmans asked for more information.

Councilor Woodruff said it was his understanding that the City has two part-time Municipal Judges, and he thought the community would benefit from a dedicated full-time position.

Councilor Buell said she would like more information about the pros and cons of having only one position.

Counsel Morgan noted that the item was a tool in the new agenda to allow Councilors to ascertain support for getting more information from staff on a specific issue. He said that, previously, Council was doing that in study sessions, when it was more appropriate to do it in regular session with a real vote of the Council.

Councilor Bosmans said he supported the motion.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0

Councilor Woodruff moved to direct staff to look into updating the City logo. Mayor Pro Tem Buell seconded the motion.

Councilor Bosmans said he would like to focus on more important things, such as the homeless, housing, and financial performance. He said he would like to see how much a new logo would "really cost."

Councilor Woodruff agreed, adding that he would also like to look at all aspects of a change, but said the logo is how the City messages the community to the world. He said he was interested in knowing how much it would ultimately cost the taxpayers and if there is a desire in the community to update the logo.

Councilor Yazzie said that she was happy with the current logo. She said there were big costs to changing the logo to something more contemporary. She said she would like to see a pause in spending money because of all the large City projects coming up and because of a dwindling budget.

Mayor Pro Tem Buell commented on her marketing background and said that logos are not that expensive and not comparable to the City's large products. She said the logo should be updated and she would be interested in knowing more about the costs.
A roll call vote was taken, and the motion passed four to one, with Councilor Yazzie opposed.

Passed: For 4; Against: 1; Abstain: 0; Absent: 0

16. OTHER MATTERS - Non-Dispositive with limited discussion

16.1. Requests for Excused Absences

The City Manager reminded Council that he had an upcoming Excused Absence to attend the ICMA conference on October 3rd. He said Chief Brammer would be sitting in his stead.

16.2. Directives

There were none.

17. EXECUTIVE SESSION

17.1. An Executive Session to Discuss the Purchase, Acquisition, Lease, Sale or Transfer of an Interest in Real Property Located in Downtown Durango Currently Leased to the Durango and Silverton Narrow Gauge for Parking and to Determine Positions Relative to Matters that May be Subject to Negotiation and Direct Negotiators as Permitted by C.R.S. 24-6-402(4)(a) and (e)

Mayor Pro Tem Buell moved to convene in Executive Session to discuss the purchase, acquisition, lease, sale, or transfer of an interest in real property located in downtown Durango currently leased to the Durango and Silverton Narrow Gauge for parking and to determine positions relative to matters that may be subject to negotiation and direct negotiators as permitted by C.R.S. 24-6-402(4)(a) and (e). Mayor Youssef seconded the motion.

There was no discussion.

A roll call vote was taken, and the motion passed unanimously.

Passed: For 5; Against: 0; Abstain: 0; Absent: 0

The City Manager noted there was no need for Council to address Item 17.2 of the agenda.

The group convened into Executive Session at 7:41 p.m.

Council reconvened from the Executive Session at 7:45 p.m.

The Mayor reported those that attended the session were the City Manager, Assistant City Manager, Counsel Morgan, and all members of Council.

There were no objections to the discussion held under Executive Session, and no improper actions were reported.

Counsel Morgan reported Council had only one matter to discuss, as noted, and no action was taken.

Mayor Pro Tem Buell moved to authorize the City Manager to negotiate with the Durango and Silverton Narrow Gauge Company on the piece of property located in downtown Durango that is currently leased to that entity, as discussed in the Executive Session. Mayor Youssef seconded the motion.

There was no discussion.

A roll call vote was taken, and the motion passed four to one, with Councilor Bosmans opposed.

Passed: For 4; Against: 1; Abstain: 0; Absent: 0

17.2. An Executive Session for the Purpose of Discussing a Personnel Matter, Specifically to Discuss the Hiring of the Director of Parks and Recreation as Permitted in C.R.S. § 24-6-402(F)(II)

Item 17.2 was removed from the agenda.
Mayor Youssef adjourned the meeting at 7:48 p.m.

APPROVED:  

___________________________
Melissa Youssef, Mayor

ATTESTED:  

___________________________
Faye Harmer, City Clerk
ORDINANCE NO. O-2023-0016

AN ORDINANCE APPROVING THE ANNEXATION AND INITIAL ZONING FOR THE ZICK ADDITION TO THE CITY OF DURANGO AND DECLARING AN EFFECTIVE DATE

WHEREAS, Petition for Annexation of the Zick Addition has been accepted by Resolution by the City of Durango: and

WHEREAS, the Petition for Annexation was accompanied by the required map of said tract of land and the property legal description, as shown on ‘Exhibit A’; and

WHEREAS, the subject property is eligible for annexation and that the Petition for Annexation meets the statutory requirements for annexation; and

WHEREAS, said Petition is signed by the owner of one hundred percent (100%) of the property proposed to be annexed; and

WHEREAS, the City Council has determined, subsequent to the required public hearing, that the annexation of the property is in the best interests of the citizens of the City of Durango:

NOW, THEREFORE, THE CITY OF DURANGO HEREBY ORDAINS:

Section 1. Subject to and conditioned on the execution and recording of a satisfactory Annexation Agreement and Annexation Plat, the annexation of certain territory to be known as the Zick Addition to the City of Durango, which territory is legally described on Exhibit ‘A’ hereto attached, the contents of which are incorporated by reference herein, is hereby approved.

Section 2. The annexation of such territory to the City of Durango shall be complete and such territory shall become a part of the City of Durango following the effective date of this ordinance but not until the completion and recording of the Annexation Agreement and Annexation Plat for the property. The Property, as described on the attached Exhibit ‘A’, shall be zoned RM (Residential Medium).

Section 3. This ordinance shall become effective ten (10) days after its passage and final publication as provided by law.
STATE OF COLORADO
COUNTY OF LA PLATA

I, Faye Harmer, City Clerk of the City of Durango, La Plata County, Colorado, do hereby certify that Ordinance No. O-2023-0016 was regularly introduced and read at a regular meeting of the City Council of the City of Durango, Colorado on the 5th day of September 2023, and was ordered published in accordance with the terms and conditions of the statutes in such cases made and provided, in the Durango Herald, a newspaper of general circulation, on the 10th day of September 2023, prior to its final consideration by the City Council.

City Clerk

I further certify that said Ordinance No. O-2023-0016 was duly adopted by the Durango City Council on the 3rd day of October 2023, and that in accordance with instructions received from the Durango City Council, said ordinance was published by title only in the Durango Herald on the 8th day of October 2023.

City Clerk
EXHIBIT A

Legal Description:

Section: 28 Township: 35 Range: 9 PT NE/4 NW/4 & NW/4 NW/4 756 CR 238
DURANGO 81301
La Plata County, Colorado
Located in NW/4 Section 28, T15S, R99E, N.M.P.M.
ZICK ANNEXATION
TO THE CITY OF DURANGO

Incorporated in the County of La Plata, State of Colorado, by an Ordinance of the County Commissioners of said County, Montana, in and for the year of Our Lord one thousand nine hundred and forty-five.

The above Ordinance was passed on the day of the above in the year of Our Lord one thousand nine hundred and forty-five.

W. H. D. 

Seal of the County of La Plata affixed this day.

[Signature]

County Clerk
ORDINANCE NO. O-2023-0017

AN ORDINANCE AMENDING CHAPTER 11 HEALTH AND SANITATION ARTICLE IV – STREAM POLLUTION OF THE MUNICIPAL CODE PERTAINING TO WASTE AND FLASH FLOOD EXPOSURE WITHIN PUBLIC STREAM RIPARIAN ZONES AND FLOODPLAINS BY ADDING SECTION 11-74 UNLAWFUL PRESENCE AND ACTIVITIES AS FOLLOWS;

Sec. 11-74 UNLAWFUL PRESENCE AND ACTIVITIES

(a) Prohibited activities associated with waste deposit and/or flash flood exposure within 100 feet of public stream/public stream riparianzone/floodplain.

(1) Definitions. For purposes of this section, certain terms are defined as follows:

Floodplain or flood-prone area means any land area susceptible to being inundated as the result of a flood, including the area of land over which floodwater would flow from the spillway of a reservoir.

Stationing means to use the public device and occupying temporary and/or unauthorized permanent shelter, such as tents, nets, motor vehicles, tarps, or other temporary and/or unauthorized permanent structure that provides cover or protection from the elements, the presence or use of a campfire, camp stove or other heating source or cooking device, and keeping or storing personal property.

Storm drainage system means publicly owned facilities by which stormwater is collected and/or conveyed, including but not limited to any roads with drainage systems, municipal streets, gutters, curbs, inlets, piped storm drains, pumping facilities, retention, and detention basins, natural and human-made or altered drainage channels, reservoirs, and other drainage structures.

Stream means natural, altered, or improved channels that have seasonal or continuous waterflows as a result of surface sources, storm water runoff or groundwater influx, or naturally occurring or manmade bodies of water surrounded by land in which water is confined. Streams include channels, canals, streambeds, streambanks, drainage ways, floodways, holding and silting basins, reservoirs, lakes, and ponds.

Stream Riparian Zone means the terrain alongside a stream between which the flow of water or body of water is confined.

Waste includes but is not limited to, any and all rubbish, unused, rejected and/or discarded material(s), feces, urine, temporary shelter, personal belongings, garbage, trash, debris, or other foreign substances, solid or liquid of every form, size, kind, and description.

(2) Stationing. It is unlawful for any person to station inside of storm drainage systems or within 100 feet of any public stream and/or public stream riparian zone and/or floodplain, except as may be specifically authorized by the appropriate government authority.

(3) Sleeping. It shall be unlawful for any person to sleep or make preparations to sleep, including the lying down of bedding for the purpose of sleeping inside of storm drainage systems or within 100 feet of any public stream and/or public stream riparian zone and/or floodplain, except as may be specifically authorized by the appropriate government authority.

(4) Waste. It is unlawful for any person to knowingly or recklessly deposit, place
or permit to be deposited or placed any waste inside of storm drainage system or within 100 feet of any public stream and/or public stream riparian zone and/or floodplain unless:

a. The area is designated by the State or any of its agencies or political subdivisions, including the City, for the disposal of the waste and the person is authorized by the proper public authority to so use the property; or

b. The waste is placed in a receptacle or container designated by the State or any of its agencies or political subdivisions, including the City, for the disposal of the waste and the person is authorized by the proper public authority to so use the property and the receptacle or container is used within the area for the purpose of waste collection.

(5) Notice. No person shall be cited for a violation of subsections 2 and/or 3 of this section unless the person engages in conduct prohibited by subsections 2 and/or 3 of this section after having received notice by a law enforcement officer that such conduct violates subsections 2 and/or 3 of this section. Upon receiving notice of violation, the person engaging in conduct prohibited by subsections 2 and/or 3 of this section shall have up to twelve (12) hours to vacate and remove all items from the public storm drainage system and/or stream and/or public stream riparian zone and/or floodplain.

(b) Violation; PENALTY. Violations of subsections 2, 3, and 4 of this section shall be punishable as provided for in section 1-16 of this code.

(c) Severability. If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction as invalid, such judgment shall not affect the remaining provision of this ordinance.

WHEREAS, the City Council of the City of Durango (“City”) desires to protect and maintain the health, safety and welfare of all persons within the City; and

WHEREAS, persons unlawfully within storm drainage systems and/or public streams and/or public stream riparian zones and/or flood prone areas create a public health and safety hazard because persons lingering or remaining within a storm drainage system and/or public stream and/or public stream riparian zone and/or floodplain may be swept away by sudden floodwaters and/or drown; and

WHEREAS, waste, whether discarded materials, human excrement or any other foreign substance in streams or other water sources, also creates a public health and safety hazard because waste may lead to the contamination of the City’s water supply; and

WHEREAS, the City Council desires to protect the streams and water sources of the City; and

WHEREAS, local and downstream water quality is affected by the pattern and content of storm water and floodwater drainage into streams from storm drainage systems and stream riparian zones, and

WHEREAS, persons unlawfully within the boundaries of public storm drainage systems, streams, public stream riparian zones and/or floodplains may urinate, defecate, bathe in, wash clothes and dishes, or otherwise contaminate stream waters and water sources, resulting in unsanitary and unhealthy conditions; and

WHEREAS, of particular concern is the possibility that, absent regulation,
the City’s watershed may be subject to contamination from *E. coli*, which is a type of fecal coliform bacteria commonly found in the intestines of animals and humans; and

WHEREAS, other regulatory agencies such as the National Forest Service and the National Park Service regularly prohibit camping and related activities within 100 feet or further from a streambank to protect the natural environment and public health and safety.

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF DURANGO, COLORADO THAT CHAPTER 11 HEALTH AND SANITATION ARTICLE IV – STREAM POLLUTION OF THE MUNICIPAL CODE PERTAINING WASTE AND FLASH FLOOD EXPOSURE WITHIN PUBLIC STREAM RIPARIAN ZONES AND FLOODPLAINS BE AMENDED BY ADDING SECTION 11-74 UNLAWFUL PRESENCE AND ACTIVITIES AS FOLLOWS;

Sec. 11-74 UNLAWFUL PRESENCE AND ACTIVITIES

(b) Prohibited activities associated with waste deposit and/or flash flood exposure within 100 feet of public stream/public stream riparian zone/floodplain.

(6) Definitions. For purposes of this section, certain terms are defined as follows:

*Floodplain* or flood-prone area means any land area susceptible to being inundated as the result of a flood, including the area of land over which floodwater would flow from the spillway of a reservoir.

*Stationing* means to use the public area for occupying temporary and/or unauthorized permanent shelter, such as tents, nets, motor vehicles, tarps, or other temporary and/or unauthorized permanent structure that provides cover or protection from the elements, the presence or use of a campfire, camp stove or other heating source or cooking device, and keeping or storing personal property.

*Storm drainage system* means publicly owned facilities by which stormwater is collected and/or conveyed, including but not limited to any roads with drainage systems, municipal streets, gutters, curbs, inlets, piped storm drains, pumping facilities, retention, and detention basins, natural and human-made or altered drainage channels, reservoirs, and other drainage structures.

*Stream* means natural, altered, or improved channels that have seasonal or continuous waterflows as a result of surface sources, storm water runoff or groundwater influx, or naturally occurring or manmade bodies of water surrounded by land in which water is confined. Streams include channels, canals, streambeds, streambanks, drainage ways, floodways, holding and silting basins, reservoirs, lakes, and ponds.

*Stream Riparian Zone* means the terrain alongside a stream between which the flow of water or body of water is confined.

*Waste* includes but is not limited to, any and all rubbish, unused, rejected and/or discarded material(s), feces, urine, temporary shelter, personal belongings, garbage, trash, debris, or other foreign substances, solid or liquid of every form, size, kind, and description.

(7) Stationing. It is unlawful for any person to station inside of storm drainage systems or within 100 feet of any public stream and/or public stream riparian zone and/or floodplain, except as may be specifically authorized by the appropriate government authority.
(8) Sleeping. It shall be unlawful for any person to sleep or make preparations to sleep, including the lying down of bedding for the purpose of sleeping inside of storm drainage systems or within 100 feet of any public stream and/or public stream riparian zone and/or floodplain, except as may be specifically authorized by the appropriate government authority.

(9) Waste. It is unlawful for any person to knowingly or recklessly deposit, place or permit to be deposited or placed any waste inside of storm drainage system or within 100 feet of any public stream and/or public stream riparian zone and/or floodplain unless:

a. The area is designated by the State or any of its agencies or political subdivisions, including the City, for the disposal of the waste and the person is authorized by the proper public authority to so use the property; or

b. The waste is placed in a receptacle or container used within the area for the purpose of waste collection.

(10) Notice. No person shall be cited for a violation of subsections 2 and/or 3 of this section unless the person engages in conduct prohibited by subsections 2 and/or 3 of this section after having received notice by a law enforcement officer that such conduct violates subsections 2 and/or 3 of this section. Upon receiving notice of violation, the person engaging in conduct prohibited by subsections 2 and/or 3 of this section shall have up to twelve (12) hours to vacate and remove all items from the public storm drainage system and/or stream and/or public stream riparian zone and/or floodplain.

(b) – Violation; PENALTY. Violations of subsections 2, 3, and 4 of this section shall be punishable as provided for in section 1-16 of this code.

(c) Severability. If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction as invalid, such judgment shall not affect the remaining provisions of this ordinance.

This ordinance shall become effective ten (10) days after its passage and final publication as provided by law.

CITY COUNCIL OF THE CITY OF DURANGO

Attest:

___________________________                             Mayor

___________________________                             City Clerk
I, Faye Harmer, City Clerk of the City of Durango, La Plata County, Colorado, do hereby certify that Ordinance No. O-2023-0017 was regularly introduced and read at a regular meeting of the City Council of the City of Durango, Colorado on the 19th day of September, 2023 and was ordered published in accordance with the terms and conditions of the statutes in such cases made and provided, in the Durango Herald, a newspaper of general circulation, on the 24th day of September, 2023, prior to its final consideration by the City Council.

________________________________________
City Clerk

I further certify that said Ordinance No. O-2023-0017 was duly adopted by the Durango City Council on the 3rd day of October 2023, and that in accordance with instructions received from the Durango City Council, said ordinance was published by title only in the Durango Herald on the 8th day of October, 2023.

ATTEST: CITY OF DURANGO

Faye Harmer, City Clerk Melisa Youssef, Mayor
Durango Business Improvement District

2024 Budget and Operating Plan
Date: September 15, 2023
To: City of Durango
Attn: City Manager Jose Madrigal

The Durango Business Improvement District (BID) is submitting its 2023 budget and operating plan to the City of Durango per the state of Colorado requirement.

**BID 101**
BID was created in 1997 through a vote of about 400 commercial property owners and the businesses in those properties. BID’s original purpose was to explore the creation of a conference center. BID fulfilled that purpose in 2001 through a formal study, and then went dormant for a couple of years. BID came back to its constituents in 2003 with a new purpose, which is essentially the same as it is today. The voters authorized BID to continue its work in 2003, and again in 2010.

From the 2010 ballot language, BID’s purpose is “marketing in support of the district, funding events, event coordination, and ... capital improvements.”

BID is governed by a five-member board of directors, who are appointed by City Council. BID employees two full-time staff, a small team of seasonal and part-time Ambassadors, a contract bookkeeper and a contract communications consultant.

BID’s current 2.0 mill levy provides the vast majority of its funding. That mill levy will sunset in 2025, so BID is asking its constituents to re-authorize its funding through 2041 this November.

**BID 2023 Recap**

- **Marketing**
  - BID successfully operated a Spring Rewards Program that generated $171,000 in spending at BID businesses, and will operate a second program over the holiday shopping period that will produce at least that much spending.
  - BID manages two websites, DowntownDurango.org and HeartOfDurango.com. Through the end of the second quarter page views have increased by 12%, users have increased by 15%, and sessions have increased by 13%.
  - BID produced two event-focused marketing campaigns, one for summer events and the other for fall events.
  - BID will conduct a marketing campaign solely focused on North Main District businesses later this year.

- **Communications**
  - BID sends a weekly e-newsletter to BID business owners and others who have subscribed that provides accurate, brief and timely information. Through the second quarter, its open rate is 54% and its click through rate is 5%.

- **Events**
  - BID successfully managed the San Juan Brewfest, which was attended by 1,700 people and generated nearly $50,000 for United Way of Southwest Colorado.
  - BID will also hold three events before year end – Downtown Balloon Glow, Downtown Children’s Halloween and Singing with Santa.
Visitor Information
- BID’s Ambassador Program has created over 8,500 positive interactions with people visiting Downtown from Memorial Day to the end of August, and Ambassadors will continue to help people find what they need through October.
- BID continues its partnership in the Durango Welcome Center.
- BID updated two signs in Downtown that contain a map of Downtown and the North Main District as well as a business directory.
- BID produced 14,000 brochures that have the same map and business directory. These are distributed by Ambassadors, at the Durango Welcome Center, and at hotels and campgrounds.

Beautification
- BID partnered with the City by recruiting Downtown businesses to host nearly 100 flower barrels over the summer months.
- BID partnered with the Durango Chamber of Commerce on the annual Downtown Clean Day event with nearly 100 volunteers assisting.

BID 2024 Budget
See the last two pages of this packet for BID’s 2024 budget, which was approved by its board of directors at its board meeting on September 14, 2023. There are two comparisons provided for BID’s 2024 budget – its 2023 budget and its projected year-end actual figures for 2023.

Income
BID’s mill levy income is slated for a 5% increase compared to the 2023 projected total. Event revenues are budgeted for an 8% increase. Rewards program income is budgeted to be slightly less than 2023 year-end projections. Ambassador Program income is budgeted to be the same as 2023. Other income is also budgeted in the same amount as 2023 projected year-end total.

Total income is budgeted to be $329,000, which is a 4% increase.

Expenses
Personnel and Related expenses are budgeted for a 2% increase, which will allow for small raises for the two full-time staff.

Administration and Operations expenses are budgeted for a 1% increase.

Event expenses are budgeted for a 5% decrease.

Marketing and Communications expenses show a 4% increase over projected 2023 year-end amounts.

Visitor Information and Beautification expenses are budgeted for an 11% increase, which will allow BID to increase the hourly wage paid to Ambassadors.

Net Income
BID’s 2024 budget produces a positive net income of just under $2,500.
What does this budget allow BID to accomplish in 2024?

Marketing
- Two Rewards Programs (Spring and Holiday) that should produce $300,000 in local spending
- North Main District marketing campaign
- Continued website development for DowntownDurango.org and HeartOfDurango.com
  - Website includes an online business directory, and key information for visitors and BID businesses
- Graphic Design for various materials
- Paid digital ads on social media and other websites
- Small event sponsorships
- Three seasonal event promotional pieces, both print and digital (summer, fall and holiday)
- Other event promotion, including digital ads and a special page on BID website
- An ad in Durango Discovery Map to promote summer parking options
- HeartOfDurango.com stickers for Ambassadors to distribute
- Manage social media:
  - BID Facebook, Instagram, Twitter, Linked In, Trip Advisor
  - San Juan Brewfest Facebook and Instagram

Events
BID staff will plan and implement these four events:
- San Juan Brewfest
- Downtown Balloon Glow
- Children’s Halloween
- Singing with Santa

BID will also help promote other key events in town in many ways.

Communications
- Accurate, brief and timely information
- Weekly e-newsletter sent to 2,000+ subscribers
- Regular communications with 450+ contacts at BID businesses
- Hold meetings with constituent businesses
- Respond to questions, concerns and comments from businesses

Visitor Information
- Ambassador Program with at least 1,000 hours and 10,000+ positive interactions with people visiting Downtown
- Continue Durango Welcome Center partnership, which includes a computer kiosk inside the Welcome Center using HeartOfDurango.com website and will use the center display window to support events and promotions
- Update two directory and map signs in Downtown at Buckley Park and D&SNGRR Depot. These signs feature Downtown and North Main District maps and business directories.
- Update 10 directory and map signs at covered Trolley stops in North Main District that include a North Main District map and business directory
• Print 10,000 brochures with maps for North Main District and Downtown, and an accompanying business listing for both areas

**Beautification**
• Downtown Clean Day partnership with the Durango Chamber of Commerce
• Summer flower barrel partnership with the City of Durango

**Personnel**
• Employ two full-time employees
• Contract with bookkeeper and communications consultant

**Administration & Operations**
• Lease an office and storage unit
• Office utilities
• Six months cleaning fees for common areas at office building
• Fees for bank accounts and payroll processing
• Zoom, Canva, Adobe and Constant Contact software
• Office supplies
• General Liability and Directors and Officers Insurance
• Memberships and Subscriptions:
  ▪ DurangoHerald.com
  ▪ Durango Chamber of Commerce
  ▪ La Plata County Economic Development Alliance
  ▪ Local First
• Professional development
• Office supplies
• Meeting expenses
• Parking for two employees
• Cell phones for two employees

BID staff will continue to be involved in, or monitor progress on, the following projects, programs, organizations and issues:
• Camino del Rio underpass at 12th Street
• Downtown’s Next Step
• Visit Durango’s Event Marketing Grant Committee
• And any other issue or concern that impacts Downtown and North Main District businesses
<table>
<thead>
<tr>
<th></th>
<th>2023 Budget</th>
<th>2023 Projected Actual</th>
<th>2024 Budget</th>
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**Total Expense** | **$317,380** | **$317,270** | **$326,518** |

**Net Income** | **$120** | **-2,270** | **$2,482** |
RECOMMENDATION:

It is the recommendation of the City Clerk's office that the City Council, by motion,
Approve, by consent agenda, the issuance of the Tavern liquor license for Lum 2 LLC doing business as Skyridge Soap and Suds.

BACKGROUND SUMMARY:

Lum 2 LLC applied for a tavern liquor license at 100 Jenkins Ranch Road Unit A2 on August 22, 2023. The business will maintain a tavern liquor license inside of a laundromat, so patrons are able to enjoy a quick dining experience while taking care of household chores.

The application was found to be complete and has satisfied requirements of city and state liquor code along with departmental compliance with the City of Durango. The applicant has submitted evidence that they are entitled to possession of the premise where the license is proposed to be utilized. The premises are properly zoned with approval from Community Development for the activity which will occur therein. The Applicant has demonstrated evidence that the reasonable requirements of the neighborhood and the desires of the residents' neighborhood are appropriate. The City of Durango Police Department has completed its final background investigation with no objections for the applicants. Once final inspections have occurred and have been deemed satisfactory, the liquor license will be issued by the Clerk's office to the applicant.

STRATEGIC PLAN ALIGNMENT:

The proposal is compatible with Engaged and Collaborative Governance/ ECG.

ALTERNATIVE OPTIONS CONSIDERED:

Alternative actions include the continuation of the hearing or denying the liquor license.

FISCAL IMPACT:

Community benefit of expanded commerce.

POTENTIAL ADVERSE IMPACTS:

There are no known potential adverse impacts for this proposal.

NEXT STEPS AND TIMELINE:

Upon completion of departmental approvals the license will be issued.
TO: DURANGO CITY COUNCIL
FROM: SAVANNAH LYTLE, CITY PLANNER

SUBJECT: AUTHORIZING THE MAYOR TO SIGN THE ANIMAS CITY PARK OVERLOOK PHASE II FINAL AS-BUILT PLAT – AEO & ELSP

RECOMMENDATION:
It is the recommendation of Community Development that the City Council, by motion, Approve, by consent agenda, the request to allow the Mayor to sign the Animas City Park Overlook Phase II as-built plat.

BACKGROUND SUMMARY:
The Animas City Park Overlook Conceptual and Preliminary Planned Development was approved by City Council at their meeting on January 18, 2022. The phase I as-built plat was signed and recorded on April 18, 2023. This proposal is requesting approval for the Mayor to sign the as-built Phase II mylars.

STRATEGIC PLAN ALIGNMENT:
The proposal is compatible with the Comprehensive Plan and the Strategic Plan Affordability & Economic Opportunity and Enhanced Livability & Sense of Place goals. Comprehensive Plan policies and goals encourage residential infill development and increased housing opportunities. Animas City Park Overlook provides deed restricted housing for the community.

ALTERNATIVE OPTIONS CONSIDERED:
Alternative actions include the option to continue or deny the proposal.

FISCAL IMPACT:
There is no fiscal or budgetary impact associated with this request for Public Hearing.

POTENTIAL ADVERSE IMPACTS:
There are no potential adverse impacts for this proposal.

NEXT STEPS AND TIMELINE:
If the proposal is approved the mylars will be drafted, signed by the required parties and recorded with the La Plata County Clerk and Recorder.
**GENERAL DECLARATIONS**

1. The General Common Elements (GCE) as shown herein, are hereby dedicated to the City of Durango, Colorado Service District, Fire Marshal.

2. The Limited Common Elements (LCE) as shown herein are hereby dedicated to the City of Durango, Colorado Service District, Fire Marshal.

**PLAT NOTICES**

1. This Plat and Common Element (GCE) Plat is recorded in the office of the Clerk and Recorder for La Plata County, State of Colorado. The portions of the La Plata Electric Easement created at Reception No. 1221087 in the Units and LCE as shown herein are hereby vacated.

2. Certain parking spaces have been designated as LCE's as described in the Parking Diagram for the Phase 2 As-Built, Subdivision Plat.

**VACATION STATEMENT**

The foregoing instrument was acknowledged before me by Tracy Reynolds, as Manager of ACPO, LLC, a Colorado limited liability company on this __________ day, of ________________________________, 2023 for the aforementioned purposes.

By _________________________________________,

______________________________________________

Catherine Wisecup, Recorder

STATE OF COLORADO

COUNTY OF LA PLATA

office of the Clerk and Recorder, County of La Plata, State of Colorado.

This Plat is hereby executed by the following parties:

Tracy Reynolds, as Manager of ACPO, LLC, a Colorado limited liability company

**NOTE**

- All dimensions are in feet.
- All units are based on the applicable standards of practice of Professional Land Surveyors in the State of Colorado.

**Filing**

- This Plat has been designed as LCE as described in the Declaration of Common Elements and Restrictions for Animas City Park Overlook Townhomes as recorded under Reception No. 1221086 and Supplemental Declaration as recorded under Reception No. 1221087, in the office of the Clerk and Recorder, County of La Plata, State of Colorado.

**REVIEWED AND APPROVED BY:**

- City Engineer Date: Century Link Communications Data
- District Engineer Date: Community Development Director Data
- Zone Engineer Date: Spectrum Communications Data
- District Administrator Date: Gas, Electric Data

**CITY OF DURANGO APPROVAL:**

This Plat has been approved by the City Council of the City of Durango and is subject to the City's Full Review and shall be subject to the City’s approval of the plat, the Association shall agree to operate and maintain these CMs to their original design and should be field verified prior to any maintenance or repair of such utilities or features. All utilities shall be hand dug underground.

- City Engineer Date: Century Link Communications Data
- District Engineer Date: Community Development Director Data
- Zone Engineer Date: Spectrum Communications Data

**PROJECTS OF INTEREST**

- Atmos Energy Services
- Distinctive Outdoor Lighting
- Durango Fire Protection
- District, Fire Marshal
- Durango Public Storage

**CHECKED BY:**

**SCALE:** 1 inch = 500 feet

**Sheets:** 4

**Date:** Sheet 1 of 4

Page 2 of 560
Found: 1-1/2 inch aluminum cap on 5/8 inch rebar stamped, "PLS 37060"

Found: 1 inch plastic cap on 5/8 inch rebar stamped, "PLS 37060"

Found: 1 inch copper disk stamped "PLS 37903"

Set: 1-1/2 inch aluminum cap on 24 inch long 5/8 inch rebar stamped "PLS 37903"

Measured Dimension
Record Dimension per RN 1221087

Property Line

PHASE 2
19744.28 SQ FT ±
0.453 ACRES ±
Animas City Park Overlook Townhomes
Phase 2 As-Built, Subdivision Plat
Located within the NE 1/4 of Section 17, T.35N., R.9W., N.M.P.M.
City of Durango
La Plata County, Colorado

SURVEYOR'S STATEMENT

I hereby state that this survey and plat was prepared by me or under my direct responsibility, supervision and checking, and that, in my professional opinion, they are true and correct to the best of my knowledge, belief and information based on the applicable standards of practice of Professional Land Surveyors in the State of Colorado. I also state that this survey and plat is not a guaranty or warranty, either expressed or implied.

Joshua J. Casselberry, P.L.S.
Colorado Registration No. 37903

Notice: According to Colorado law you must commence any legal action based upon any defect in this survey within three (3) years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten (10) years from the date of the certification shown hereon.

Preliminary
TO: DURANGO CITY COUNCIL  
FROM: EVA HENSON, HOUSING INNOVATION MANAGER

SUBJECT: A RESOLUTION APPROVING THE FINANCING STRUCTURE FOR RESIDENCES AT DURANGO REGARDING THE AFFORDABLE HOUSING DEVELOPMENT INCENTIVES GRANT AND CONGRESSIONAL FUNDS AND AUTHORIZING EXECUTION OF DOCUMENTS - AEO

SUMMARY
This is a resolution to enable modifications to the financing structure regarding $4 million in federal grants to keep the Residences at Durango development on track to create 120 affordable housing units in Durango.

The overarching goal of this project aligns with Strategic Plan goals of Affordability & Economic Opportunity, Financial Excellence & High Performing Government, and Enhanced Livability & Sense of Place. Staff has worked collaboratively with the development team, legal counsel, Department of Local Affairs (DOLA), Housing and Urban Development Office (HUD), and other departments to steward this project forward as an innovative adaptive reuse that, TWG Development, LLC, will develop and rehabilitate the existing 72-room motel and construct 48 new units, resulting in a 120-unit vibrant affordable housing apartment (rental) community. The development will serve households earning 30% to 60% of the Area Median Income (AMI) with a mix of studios, one-bedroom, two-bedroom and three-bedroom units.

BACKGROUND
Residences at Durango is the first hotel-to-residential conversion in the state to utilize low-income housing tax credit financing and is the largest tax credit project in Southwest Colorado. In the fall of 2021, the City of Durango actively facilitated the purchase by initiating a real estate offer to accomplish housing goals. While searching for the right development partner, the City approved a resolution and appropriated funding for $70,000 earnest money and $50,000 for due diligence work to ensure the project could be completed.

The Best Western Motel was offered for sale and the City of Durango, in partnership with local housing consulting firm Project Moxie, submitted a $7 million offer to purchase agreement for the hotel. The city then issued a Request for Proposal (RFP) and selected TWG Development, LLC, a real estate development company headquartered in Indianapolis with a presence throughout the U.S. The contract was then transferred to TWG in February 2022 and TWG Development, LLC reimbursed the city in whole for the expenses of earnest money and due diligence costs. They successfully completed the purchase of the Best Western in November 2022 with a $7 million Department of Housing Operation Turnkey Loan.

The anticipated development costs are estimated to be $35 million and there are various additional funding sources and key partnerships such as, Division of Housing, Housing Authority of the County of Montezuma, $18 Million in Private Activity Bond Allocations from the City of Durango, La Plata County, and Colorado Housing and Finance Authority.

TWG Development will utilize Private Activity Bonds and 4% low-income housing tax credits (LIHTC) provided by the Colorado Housing and Finance Authority, as well as a $3 million Congressional funds appropriation spearheaded by Senators Bennet and Hickenlooper. The city also pursued HB21-1271 Affordable Housing Development Incentives Grant Program (IHOI) and was awarded $1 million for...
development fees and construction costs. Council has previously taken formal action on both the grants with resolutions to authorize the appropriation to the Housing Fund.

The combined grants total $4 million, which are federal funds, and will use the $3 million Congressional funds to pay down a portion of the $7 million Housing Operation Turnkey loan from DOLA for acquisition costs and the $1 million IHOI grant funds will be used to pay for development fees and construction costs upon issuance of building permits.

To keep the project on track with issuance of building permits this fall, TWG Development, LLC has requested the City modify the financing structure of the $4 million federal grants to be a loan by the City of Durango to TWG Development, LLC to avoid the grant funds being subject to 40% federal taxes, which would negatively impact the project’s financing and prevent the project from moving forward. This loan financing structure is common in Low Income Housing Tax Credit (LIHTC) projects developed by for-profit entities by utilizing a non-profit tax-exempt partner, in this case utilizing the City of Durango who is tax exempt, to legally modify the financing structure to a loan to ensure the entire $4 million is directly put into the project to offset costs. HUD and DOLA have confirmed the loan structure won’t impact the current grant agreements with the city and the grant agreements will not need to be amended.

Upon approval and execution of these soft loan documents, TWG Development LLC, would pay their development fees in whole and building permits could be issued, and would also allow the financial closing for the project with Colorado Housing and Finance Authority shortly thereafter. Staff has included for Council two flow charts to help with the explanation of these complex loan agreements. (Attachment F & L)

**STRATEGIC PLAN ALIGNMENT**

This initiative applies primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and the **Financial Excellence & High Performing Government (FEHPG)** objectives.

**AEO**

1. Create housing opportunities to support a multigenerational & mixed-income community workforce and increase affordability to bridge the disparity between income and home/rental prices

   1.1 Identify and commit resources and revenue towards implementing a long-term plan that encourages housing opportunities for mixed income demographics with an emphasis on workforce housing.

   1.2 Support the production of a variety of housing types through incentives, partnerships, efficient review processes, and other mechanisms with a particular emphasis on middle-income housing.

**ELSP**

1.1. Improve community health and well-being by promoting a safe community where people can live, work, and play by strengthening community involvement in resident safety.

**FEHPG**

1.1 Identify partnership opportunities to leverage dollars, capacities, and efficiencies, including grants and volunteers to offset city expenditures.

**FISCAL IMPACT**

These loan agreements will assist the deployment of $4 million in federal grant funds, that were originally subject to federal taxes, and modify the financial structure to ensure that all the grant funds will directly go towards *Residences at Durango* project acquisition and construction costs to create 120 affordable housing units.

**NEXT STEPS AND TIMELINE**
Once the loan agreements are executed, TWG Development, LLC will be able to pay their development fees and building permits can be issued. A groundbreaking event is scheduled for Friday, October 27, 2023, at 10 a.m. at the motel site located at 21382 US 160, Durango, Colorado.

The City of Durango opted into Proposition 123 in July and have an approved baseline commitment to create 184 affordable units over the next three years. Once building permits are issued for the Residences at Durango, staff will be able to submit to the state that this project meets the criteria for at or below 60% AMI for rental. Proposition 123 guidelines for local government is the units are counted at time of building permit issuance and not when the project is construction completed or certificates of occupancy issued. The Residences at Durango 120 units is 65% of the City's 184 baseline commitment.

This is the first affordable housing development in the Highway 160 West corridor and will provide much needed affordable units in a mixed-use neighborhood within a one mile of downtown Durango. Renovation work will begin in Winter 2023 with completion in early 2025.

**ATTACHMENTS**

1. Resolution 23-XX
2. Residences at Durango Power Point Presentation
3. Affordable Housing Development Incentives Grant
   A- Loan Agreement
   B- Promissory Note
   C- Deed of Trust
   D- Purchase Option Agreement
   E- CHFA Subordination Agreement
   F- IHOI Loan Flow Chart
4. Congressional Funds
   G- Loan Agreement
   H- Promissory Note
   I- Deed of Trust
   J- Purchase Option Agreement
   K- CHFA Subordination Agreement
   L- Congressional Funds Loan Flow Chart
RESOLUTION R- 2023-__

A RESOLUTION APPROVING THE FINANCING STRUCTURE FOR THE RESIDENCES AT DURANGO REGARDING AFFORDABLE HOUSING DEVELOPMENT INCENTIVES GRANT AND CONGRESSIONAL FUNDS AND AUTHORIZING EXECUTION OF DOCUMENTS

WHEREAS, the City of Durango (“City”) has identified Affordability and Economic Opportunity as a core strategic objective, with a particular emphasis on affordable and workforce housing;

WHEREAS, the City identified the subject property as an opportunity to cost effectively provide a significant number of affordable housing units in a convenient location and facilitated the purchase of the property by an affordable housing developer;

WHEREAS, to support the project and ensure rental rates are as affordable as possible, the City applied for and was granted financial assistance through the Congressionally Directed Spending (CDS) program to support the conversion of the former hotel into affordable housing;

WHEREAS, the City also applied for and was granted financial assistance through the State of Colorado’s Affordable Housing Development Incentives Grant;

WHEREAS, the developer for the project has identified a need to structure the financing as a loan in order to mitigate tax implications that would divert a significant amount of the funding away from the actual construction of the affordable housing units;

WHEREAS, the City Council (the “Council”) hereby determines that, in order to realize as significant of an impact as possible from the abovementioned funding, the financial structure proposed by TWG is in the best interest of the City and the broader community; and

THEREFORE BE IT RESOLVED, that the City Council of the City of Durango, in regular meeting assembled, approves the following:

1. The form and substance of each loan document to the Council is approved; provided, however, that the City Attorney is authorized to make such technical variations, additions or deletions in or to such loan documents as shall be deemed necessary or appropriate and not inconsistent with the approval thereof by this resolution;

2. The Mayor, and/or City Manager, is hereby authorized to execute (via manual or electronic signature) the various supporting loan documents for the $1 million Affordable Housing Development Incentives Grant including:
   - Loan Agreement
   - Promissory Note
   - Deed of Trust
   - Purchase Option
   - CHFA Subordination Agreement
   - IHOI Loan Flow Chart

3. The Mayor, and/or City Manager, is hereby authorized to execute (via manual or electronic signature) the various supporting loan documents for the $3 million Congressional Funds including:
   - Loan Agreement
   - Promissory Note
   - Deed of Trust
   - Purchase Option
   - CHFA Subordination Agreement
   - Congressional Funds Loan Flow Chart
4. The officers and employees of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of such loan documents and this resolution;

5. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution; and

6. This resolution shall be in full force and effect upon its passage and approval.

Approved and adopted this 3rd day of October, 2023.

CITY COUNCIL OF THE CITY
OF DURANGO

ATTEST:

____________________________________
City Clerk                                    Mayor
EVA HENSON, HOUSING INNOVATION MANAGER

STRATEGIC PLAN GOALS:
AEO, ELSP, FEHPG

October 3, 2023

Residences at Durango
Financing Structure Resolution
Mission (Why we exist)
“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)
“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)
Teamwork | Dependability | Professionalism | Service | Respect | Innovation | Well-Being

PURPOSE
Adopt a Resolution to Enable Use of Federal Funds for the Residences at Durango Affordable Housing Project
These initiatives apply primarily to the **Affordability & Economic Opportunity (AEO)** objective in the Strategic Plan while also addressing elements of the **Enhanced Livability & Sense of Place (ELSP)** and **Financial Excellence & High Performing Government (FEHPG)** objectives.
City put the Best Western under contract and then released a Request for Proposals for an affordable housing developer.

City selected TWG Development, LLC, a real estate development company headquartered in Indianapolis with presence in Colorado.

City assigns TWG Development, LLC real estate contract and is reimbursed earnest money and due diligence expenses.

ADAPTIVE REUSE

REHAB EXISTING 72 HOTEL ROOMS

CONSTRUCT 2 ADDITIONAL BUILDINGS 48 NEW UNITS

CREATE 120 AFFORDABLE UNITS

30% TO 60% OF THE AREA MEDIAN INCOME OR LESS
# PROJECT TIMELINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEB. 2022</td>
<td>City Assigns Real Estate Contract to TWG Development, LLC</td>
</tr>
<tr>
<td>FEB. 2022</td>
<td>City Assigns 2021 &amp; 2022 Private Activity Bond Allocation</td>
</tr>
<tr>
<td>OCT. 2022</td>
<td>City Awarded $3 Million Congressional Funds</td>
</tr>
<tr>
<td>NOV. 2022</td>
<td>TWG Acquires Best Western Motel</td>
</tr>
<tr>
<td>NOV. 2022</td>
<td>City Awarded $1 Million Grant Funds</td>
</tr>
<tr>
<td>SEPT. 2023</td>
<td>City Assigns 2023 Private Activity Bond Allocation</td>
</tr>
<tr>
<td>OCT. 2023</td>
<td><strong>CITY MODIFICATION TO FINANCING STRUCTURE &amp; ISSUANCE OF BUILDING PERMITS</strong></td>
</tr>
<tr>
<td>NOV. 2023</td>
<td>Construction Commences</td>
</tr>
<tr>
<td>EARLY 2025</td>
<td>Construction Completed</td>
</tr>
</tbody>
</table>
**AFFORDABLE HOUSING DEVELOPMENT INCENTIVES GRANT (IHOI)**

### $1 MILLION AFFORDABLE HOUSING DEVELOPMENT INCENTIVES GRANT

- HB21-1271 DEPARTMENT OF LOCAL AFFAIRS
- GRANTED TO CITY FOR PROJECT
- GRANT AGREEMENT EXECUTED BY CITY

### MODIFICATION TO FINANCING STRUCTURE

- GRANT FUNDS LENT FROM CITY TO TWG, LLLP
- PURSUANT TO LOAN AGREEMENT
- PROMISSORY NOTE
- DEED OF TRUST

### LOAN

- PURSUANT TO LOAN AGREEMENT FUNDS FROM CITY TO TITLE COMPANY
- PAY DEVELOPMENT FEES FOR PERMITTING
- REMAINING FUNDS FOR CONSTRUCTION COSTS
- TERMS
### CONGRESSIONAL FUNDS

<table>
<thead>
<tr>
<th>$3 MILLION CONGRESSIONAL FUNDS GRANT</th>
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<tbody>
<tr>
<td>• 2021 CONGRESSIONAL DIRECT SPENDING</td>
</tr>
<tr>
<td>• SENATOR HICKENLOOPER &amp; SENATOR BENNET</td>
</tr>
<tr>
<td>• FUNDS GRANTED BY HOUSING &amp; URBAN DEVELOPMENT</td>
</tr>
<tr>
<td>• GRANT AGREEMENT EXECUTED BY CITY</td>
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</table>

<table>
<thead>
<tr>
<th>MODIFICATION TO FINANCING STRUCTURE</th>
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<td>• CONGRESSIONAL FUNDS LENT FROM CITY TO TWG, LLLP</td>
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<tr>
<td>• PURSUANT TO LOAN AGREEMENT</td>
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<tr>
<td>• PROMISSORY NOTE</td>
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<tr>
<td>• DEED OF TRUST</td>
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<table>
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<tr>
<th>LOAN</th>
</tr>
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<tbody>
<tr>
<td>• PURSUANT TO LOAN AGREEMENT FUNDS FROM CITY TO TITLE COMPANY</td>
</tr>
<tr>
<td>• PAY OFF PORTION OF ACQUISITION LOAN TO DEPARTMENT OF LOCAL AFFAIRS (DOLA)</td>
</tr>
<tr>
<td>• TERMS</td>
</tr>
</tbody>
</table>
GROUNDBREAKING CELEBRATION!

RESIDENCES AT DURANGO

WHERE: 21382 US HWY 160
WHEN: FRIDAY, OCTOBER 27TH at 10:00 AM
“I move to approve the Resolution Approving the Financing Structure for Residences at Durango Regarding the Affordable Housing Development Incentives Grant and Congressional Funds and Authorizing Execution of Documents.”
LOAN AGREEMENT

THIS LOAN AGREEMENT ("Loan Agreement"), is made and entered into as of this ___ day of October, 2023 ("Effective Date"), by and between City of Durango, a Colorado municipal corporation (the “Lender”) and Durango TWG, LLLP, a Colorado limited liability limited partnership (the “Borrower”).

RECITALS

A. The Borrower is the owner of the following real property located in Durango, Colorado and legally described on the attached Exhibit A (the “Property”), which the Borrower shall develop and operate as a low-income housing project consisting of 120 dwelling units to be contained in three buildings, and commonly known as Residence at Durango (the “Project”):

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence at Durango</td>
<td>21382 US Highway 160 West</td>
</tr>
<tr>
<td></td>
<td>Durango, Colorado 81303</td>
</tr>
</tbody>
</table>

B. The Lender will loan One Million and 00/100 DOLLARS ($1,000,000.00) to the Borrower, the proceeds of which are to be used solely exclusively to assist in the develop, construction, and operation of that certain affordable multifamily housing project known as the Residences as Durango (the “Project”) pursuant to the requirements of that certain Grant Agreement for SLFRF CMS No. 183047 (the “IHOI Funds Grant Agreement”) by and between Lender and the Colorado Department of Local Affairs.

C. The parties wish to commit their agreement to writing.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter stated, the parties hereto agree as follows:

1. **The Loan.** The Lender hereby agrees to lend such funds to the Borrower (the “Loan”) under the terms and conditions of this Loan Agreement. The Borrower agrees to borrow from the Lender the total sum of $1,000,000 to help assist with the development, construction and operating of the Project under the terms and conditions of this Loan Agreement and the IHOI Funds Grant Agreement. The loan will be disbursed to the Borrower upon the conditions
set forth below, provided, however, that Lender shall have no obligation to disburse any amount of the Loan which is derived from the IHOI Funds Grant Agreement, if, at the time of the requested disbursement, Borrower is in default under the terms of this Agreement or, due to Borrower’s acts or omissions, Lender is in default under the terms of the IHOI Funds Grant Agreement. For the avoidance of doubt, Lender has no obligation to make the Loan unless and until Lender has executed the IHOI Funds Grant Agreement and Lender has received the funds which are the subject of the IHOI Funds Grant Agreement from IHOI Funds Grant Agreement.

2. **Loan Terms / Disbursement.** On the Effective Date, the Borrower shall execute and deliver this Loan Agreement to the Lender, along with a Promissory Note in the original principal amount of $1,000,000 (the “Note”), a Deed of Trust, Security Agreement, Financing Statement, and Assignment of Rents and Leases (the “Deed of Trust”, and together with the Loan Agreement and the Note, the “Loan Documents”) securing the Note against the Property. Any disbursement of the funds hereunder shall occur upon Lender’s receipt of the funds which are the subject of the IHOI Funds Grant Agreement, with final repayment of the loan due on or before October ___, 2063 (the “Maturity Date”).

3. **Non-Recourse.** The Loan is nonrecourse except as follows. Notwithstanding any provisions of this Loan Agreement, the Note, the Deed of Trust or any other Loan Document to the contrary, neither the Borrower nor its partners shall be personally liable for payment of the indebtedness evidenced by the Note, and Lender’s sole recourse for payment of such indebtedness in the event of default shall be to pursue the security provided by the Deed of Trust and other instruments securing payment of the Note. Nothing in this section shall affect, limit or impair (i) the security provided by the Deed of Trust or any other document; (ii) [intentionally omitted]; (iii) subject to the terms of the Note, the enforcement by Lender of any other legal or equitable rights or remedies or any other provision of any instrument by which the Note is secured; (iv) [intentionally omitted]; or (v) the right to hold any successors or assignees of the Borrower personally liable for payment of the indebtedness evidenced by the Note in the event the Borrower assigns its rights and obligations under the Loan Documents in violation of the provisions in the Loan Documents; provided, however, in no event shall this subsection (v) apply to Investor Partner or any affiliate of Investor Partner.

4. **Representations and Warranties.** To induce the Lender to enter into this Agreement, the Partnership makes the following representations and warranties to the Lender:

- **(a)** The Borrower has full power, right and the Lender to execute and deliver this Agreement and the other Loan Documents, to borrow the funds described in Section 1 and to perform and observe each and all of the matters and things provided for in the Loan Documents.

- **(b)** The Borrower has a valid fee simple interest in the Property, subject only to the Permitted Exceptions set forth in the Deed of Trust.

- **(c)** To the best of the Borrower’s knowledge, the use of the Property does not violate any federal, state or local law, ordinance or regulation.
(d) There are no actions, suits or proceedings pending, at law or in equity, or to the knowledge of the Borrower, threatened, against or affecting it or the Property, and the Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental Lender.

(e) The consummation of this transaction and performance of the Borrower’s obligations under the Loan Documents will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or credit agreement, partnership agreement or other instrument which affects the Borrower, or to which the Borrower is a party.

(f) Borrower has, or prior to receipt of any advance of funds hereunder, will receive a copy of the IHOI Funds Grant Agreement and is familiar with the IHOI Funds Grant Agreement.

(g) No Event of Default (as defined herein) has occurred and is continuing as of the date hereof and no event has occurred and is continuing which would be an Event of Default were it not for any grace period specified herein.

5. **Affirmative Covenants.** To further induce Lender to make the Loan, Borrower hereby covenants and agrees that it shall:

   (a) Promptly pay and discharge all taxes, assessments and other governmental charges imposed upon it or upon its income and profits or upon the Property, and any and all claims for labor, material or supplies or rental charges or charges of any other kind which, if unpaid, might by law become a lien or charge upon the Property, provided, however, that Borrower shall not be required to pay any such tax, assessment, charge or claim, if Borrower is contesting the validity of such matters, in good faith, through appropriate proceedings, and Borrower sets aside on its books adequate reserves for the payment of such claims.

   (b) Keep true and complete and accurate books of record and account in accordance with sound accounting principles, and, in order to allow Lender to monitor compliance with this Agreement, upon reasonable notice and during normal business hours, allow Lender upon Lender’s request to examine and take extracts from the books and records of Borrower, and submit to Lender, within six (6) months of the close of Borrower’s fiscal year, a statement of profits or losses, revenues and expenditures from such fiscal year in the form submitted by Borrower with its tax returns.

   (c) Conduct the same general type of business as it presently conducts; maintain its existence, and continue its compliance with all valid, applicable statutes, laws, rules and regulations.

   (d) In order to permit Lender to monitor compliance with this Agreement, permit any agent of Lender that Lender designates, at Lender’s expense, to visit and inspect the Property, partnership books and financial records and documents of Borrower and make copies of the same and to review and discuss their affairs, finances and
accounts with the principal officers of Borrower, all at such reasonable times and as often as Lender may reasonably request during the term of this Agreement and for a period of three years after the satisfaction of this Agreement; and further, permit Lender to review the performance of Borrower and its subcontractors assisting with the requirements of the IHOI Funds Grant Agreement and the requirements set forth in this Agreement. Lender reserves the right to recover from Borrower the full amount of any funds found to be improperly expended or otherwise disallowed.

(e) Comply with all applicable requirements of the IHOI Funds Grant Agreement and the related, applicable regulations and notices.

6. **Events of Default.** The following shall constitute an Event of Default under the terms of this Loan Agreement:

(a) If the Borrower fails to duly and punctually perform its obligations under this Loan Agreement, or it violates the covenants contained in any of the Loan Documents in any material respect, and such failure remains uncured with ten (10) days of Borrower’s receipt of written notice of such failure from Lender.

(b) If the Borrower fails to pay any installment of principal or interest on the Note when due and such failure is not cured within ten (10) days.

(c) If the Borrower makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they mature, files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors or other similar relief under the Federal Bankruptcy Laws or under any other applicable law of the United States of America or any state thereof, consents to the appointment of a trustee or receiver for the Borrower or for its property; or takes any action for the purpose of effecting or consenting to any of the foregoing.

(d) If an order, judgment or decree shall be entered appointing, without the Borrower’s consent, a trustee or receiver for the Borrower or a substantial part of its property, or approving a petition filed against the Borrower seeking a reorganization, arrangement with creditors or other similar relief under the federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof.

(e) Comply with all applicable requirements of the Low Income Housing Tax Credit Declaration of Restrictive Covenants entered into by the Borrower for the benefit of the Colorado Housing and Finance Authority (the “CHFA Covenant”).

(f) If Borrower causes a default under the terms of the CHFA Covenant that continues beyond any applicable notice and cure periods.
(g) If Borrower causes a default under the terms of the IHOI Funds Grant Agreement that continues beyond any applicable notice and cure periods.

The occurrence of any of the events described in this Section 6, shall be an “Event of Default.” Upon the occurrence of an Event of Default, the Lender shall provide written notice, as provided in this Section 6, to the Borrower and to R4 DUCO Acquisition LLC, a Delaware limited liability company and its successors and assigns (the “Investor Partner”). Both the Borrower and the Investor Partner shall have the right to cure any such default within the timeframes provided in the Note. If both the Borrower and the Investor Partner fail to timely cure such default, then the Lender shall have all remedies as are set forth in the Note and Deed of Trust or otherwise at law.

7. **Miscellaneous.**

(a) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

(b) The Recitals set forth above are hereby incorporated herein.

(c) No amendment, change, waiver or modification of this Agreement shall be valid unless it is in a written document which the Borrower and Lender sign (with the prior written consent of Investor Partner), and Lender’s waiver of any breach or default of any of the Borrower’s obligations, agreements or covenants under the Loan Documents shall not be deemed to be a waiver of any subsequent breach of the Loan Documents, or any other obligation, agreement or covenant. Lender’s forbearance in pursuing or enforcing a remedy for Borrower’s breach of any of the obligations set forth in the Loan Documents shall not be deemed a waiver of Lender’s rights and remedies with respect to such breach.

(d) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be an original, but all of which shall constitute one agreement.

(e) This Agreement shall be governed by, interpreted, and construed in accordance with the laws of the State of Colorado.

(f) This Agreement shall remain effective so long as there are sums remaining outstanding on the Note.

(g) Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States mail, certified mail, return receipt requested, postage prepaid, and addressed as follows:
If to the Borrower:

Durango TWG, LLLP
c/o TWG
1301 East Washington Street, Suite 100
Indianapolis, IN 46202
Attention: Louis A. Knoble

With a copy to:

Winthrop & Weinstine, P.A.
225 S. 6th Street, Suite 3500
Minneapolis, MN 55402
Attn: Jon L. Peterson, Esq.

If to the Lender:

City of Durango
949 E 2nd Avenue
Durango, Colorado 81301
Attention: City Attorney’s Office

If to the Investor Partner:

c/o R4 Capital LLC
780 Third Avenue, 16th Floor
New York, New York 10017
Attention: Marc Schnitzer
Telephone Number: 646.576.7659
Teletypewriter Number: 212.546.9085

With a copy to:

Frost Brown Todd LLP
400 West Market Street, Suite 3200
Louisville, Kentucky 40202
Attention: Amy Curry, Esq.
Telephone Number: 502.779.8587
Teletypewriter Number: 502.581.1087

(h) The Borrower consents to the personal jurisdiction of the state and federal courts located in the State of Colorado in connection with any controversy relating to this Loan Agreement, the Note and any other Loan Documents related thereto, waives any argument that venue in such forum is not convenient and agrees that any litigation initiated by the Borrower against Lender in connection with this Agreement, the Note and any other Loan Documents related thereto shall be
venued in either the district court of La Plata County, Colorado or in the United States District Court, District of Colorado.

(i) By making the Loan contemplated herein, Lender does not become a partner or joint venturer with the Borrower in connection with the Property or the Project.

7. **Disposition of Property, Leases or Beneficial Interest in Borrower.** It is expressly acknowledged, covenanted and agreed that, except with Lender’s prior written consent, there may be no sale, lease (except for leases of space in the improvements on the Property made by Borrower in the ordinary course of Borrower’s business), exchange, assignment, conveyance, encumbrance, mortgage, alienation, transfer or other disposition, other than the Permitted Exceptions (herein collectively called a “Disposition”) of (a) all or any portion of the Property or any lease thereof (or any interest therein) which gives the lessee any option to purchase the Property or any part thereof, or (b) all or any part of the legal or beneficial ownership interest or management control in Borrower, except that any of the following Dispositions (collectively, “Approved Dispositions”) shall not require the Lender’s consent or otherwise be limited by or constitute a violation of the foregoing provisions: (i) a transfer of a limited partner interest in the Borrower or of any interest in a limited partner of the Borrower, or (ii) the withdrawal, replacement and/or addition of a general partner of the Borrower pursuant to the terms of the Amended and Restated Agreement of Limited Liability Limited Partnership of the Borrower dated as of the date hereof (the “Partnership Agreement”).

8. **Expense.** The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by Lender in connection with the Borrower’s breach or default of the Loan Documents, and agrees to pay reasonable loan closing costs, including the costs of title insurance or guarantee as determined by Lender.

9. **Defense and Indemnification.**

(a) The Borrower hereby agrees to defend, indemnify, and hold harmless Lender, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement (“Claims”), unless such Claims are due to the gross negligence or willful misconduct of Lender.

(b) The Borrower’s duty to defend and indemnify Lender shall arise at the time written notice of the Claim is first provided to Lender regardless of whether claimant has filed suit on the Claim. The Borrower’s duty to defend and indemnify Lender shall arise even if Lender is the only party sued by claimant and/or claimant alleges that Lender’s gross negligence or willful misconduct was the sole cause of claimant’s damages.

(c) The Borrower will defend any and all Claims which may be brought or threatened against Lender and will pay on behalf of Lender any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity.
obligation. Such payments on behalf of lender shall be in addition to any other legal remedies available to Lender and shall not be considered Lender’s exclusive remedy.

(d) Lender shall give the Borrower a copy of any notice at the Borrower’s address set forth herein. Lender will allow the Borrower thirty (30) days’ notice after receipt of such notice to cure or cause the cure of any monetary default under the Loan Documents. Lender shall allow the Borrower ninety (90) days after giving Borrower notice to cure any non-monetary default under the Loan Documents or such longer period as is reasonably necessary for the Borrower to cure such non-monetary defaults provided that the Borrower commences such cure, and continues the pursuit of such cure with due diligence. In addition, Lender shall concurrently provide notice of each such monetary or non-monetary default to the Borrower’s Investor Limited Partner, who shall have the independent right to cure such defaults within the time periods set forth above.

10. **Waiver.** No waiver of any breach or default under this Agreement shall be held to be a waiver of any other or later breach or default. All remedies afforded in this Agreement shall be construed as cumulative, in addition to every other remedy provided herein or by law.

11. **Certification Regarding Debarment, Suspension, Eligibility, and Voluntary Exclusion.**

(a) The Borrower represents and warrants that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.

(b) The Borrower will not enter into any transaction with a person who the Borrower knows to be debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in a covered transaction unless authorized by the federal department or agency from which the transaction originated.

(c) The Borrower shall include the certification contained in Section 11(a) in any and all construction contracts hereunder and shall require any contractors, subcontractors or sub-consultants to comply with any and all applicable federal laws, rules and regulations, policies and procedures or guidance concerning the federal debarment, suspension, and exclusion program. In addition, the Borrower shall construct the Project in accordance with the design and construction standards of the City of Durango.

(d) The Borrower will immediately notify Lender in writing if at any time it learns that it failed to disclose that it or any of its principals were excluded at the time the parties executed this Agreement if due to changed circumstances the Borrower or any of its principals have subsequently been excluded by a federal department or agency.

(e) The representation made in this Section 11 is a material representation of fact upon which reliance was placed when this transaction was entered into.
IN TESTIMONY WHEREOF, the Borrower has hereunto set its hand the day and year first above written.

Durango TWG, LLP,
a Colorado limited liability limited partnership

By: Durango GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: ______________________________
Louis A. Knoble
Its Manager
IN TESTIMONY WHEREOF, the Lender has hereunto set its hand the day and year first
above written.

City of Durango

By:____________________________________
Name:____________________________________
Its: ______________________________________

ATTEST:

By:____________________________________
Name:____________________________________
Its: City Clerk
EXHIBIT A
LEGAL DESCRIPTION

PARCEL I:

A TRACT OF LAND BEING IN LOT 6 (SE1/4NW1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER #1 FROM WHICH POINT THE CENTER OF SECTION 30 BEARS NORTH 36 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 70.1 FEET:
THENCE NORTH 4 DEGREES 08 MINUTES WEST, 284.0 FEET TO CORNER #2;
THENCE NORTH 72 DEGREES 27 MINUTES WEST, 36.3 FEET TO CORNER #3 WHICH IS A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 45 DEGREES 23 MINUTES 20 SECONDS WEST 17.8 FEET TO CORNER #4;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 300.0 FEET TO CORNER #5;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, NORTH 81 DEGREES 51 MINUTES WEST, 107.7 FEET TO CORNER #6;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 352.2 FEET TO CORNER #7;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 49 DEGREES 01 MINUTES 15 SECONDS WEST, 65.0 FEET TO CORNER #8 WHICH POINT BEARS NORTH 76 DEGREES 58 MINUTES EAST, A DISTANCE OF 432.8 FEET FROM THE NORTHWEST CORNER OF NE1/4SW1/4 OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M.;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, 280.1 FEET TO CORNER #9;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, 291.4 FEET TO CORNER #10;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, 250.0 FEET TO CORNER #11;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, 126.0 FEET TO CORNER #1, THE PLACE OF BEGINNING.

PARCEL II:

A TRACT OF LAND LYING AND BEING IN LOT 6 (SE1/4NW1/4), LOT 10 (NW1/4SE1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE W1/4 CORNER OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., BEARS NORTH 89 DEGREES 45 MINUTES 43 SECONDS WEST, A DISTANCE OF 1138.66 FEET:
THENCE SOUTH 75 DEGREES 48 MINUTES 45 SECONDS EAST, A DISTANCE OF 41.40 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 79 DEGREES 07 MINUTES 45 SECONDS EAST, A DISTANCE OF 210.10 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 77 DEGREES 03 MINUTES 45 SECONDS EAST, A DISTANCE OF 71.90 FEET
ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 49 DEGREES 01 MINUTES 15 SECONDS EAST, A DISTANCE OF 104.57 FEET
ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, A DISTANCE OF 267.00 FEET
ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, A DISTANCE OF 291.40 FEET
ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, A DISTANCE OF 250.00 FEET
ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, A DISTANCE OF 126.00 FEET
ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 85 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 50.49 FEET
ALONG THE CENTER LINE OF LIGHTNER CREEK;
THENCE NORTH 86 DEGREES 19 MINUTES 00 SECONDS EAST, A DISTANCE OF 41.10 FEET
ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 81 DEGREES 28 MINUTES 56 SECONDS EAST, A DISTANCE OF 142.72 FEET
ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 73 DEGREES 18 MINUTES 46 SECONDS EAST, A DISTANCE OF 59.10 FEET
ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 10 DEGREES 50 MINUTES 40 SECONDS EAST, A DISTANCE OF 28.80 FEET
ALONG THE CENTERLINE OF LIGHTNER CREEK TO A POINT ON THE NORTH LINE OF LOT
10 OF SAID SECTION 30;
THENCE NORTH 88 DEGREES 15 MINUTES 17 SECONDS EAST, A DISTANCE OF 440.20 FEET
ALONG THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 02 DEGREES 46 MINUTES 00 SECONDS EAST, A DISTANCE OF 276.00 FEET;
THENCE SOUTH 27 DEGREES 28 MINUTES 00 SECONDS WEST, A DISTANCE OF 186.00 FEET;
THENCE SOUTH 62 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 33.00 FEET;
THENCE SOUTH 27 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 968.64 FEET
TO A POINT ON THE SOUTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 191.64 FEET
TO THE SOUTHWEST CORNER OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 38 SECONDS WEST, A DISTANCE OF 1303.77
FEET ALONG THE SOUTH LINE OF LOT 11 OF SAID SECTION 30 TO THE SOUTHWEST
CORNER OF LOT 11 OF SAID SECTION 30;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 1241.43 FEET
ALONG THE WEST LINE OF SAID LOT 11 TO THE POINT OF BEGINNING.
FOR VALUE RECEIVED, Durango TWG, LLP, a Colorado limited liability limited partnership, located at c/o TWG, 1301 East Washington Street, Suite 100, Indianapolis, IN 46202 (the “Borrower”), promises to pay to the order of the City of Durango, a Colorado municipal corporation (the “Lender”), the aggregate principal sum of One Million and 00/100 DOLLARS ($1,000,000.00) (the “Loan”) together with interest thereon from the date hereof until paid as follows:

The rate of interest accruing hereunder shall be a rate of one percent (1%) per annum (the “Interest Rate”).

All accrued and unpaid interest and principal shall be payable in full on the Maturity Date (as hereinafter defined). Interest hereunder shall be computed on the basis of actual days elapsed in a year of 365 days. Interest on each advance under the Note shall accrue at the Interest Rate. The aggregate principal balance, together with any unpaid accrued interest until the payment date, shall be due and payable in full on or before October ___, 2063 (the “Maturity Date”).

The Borrower shall have the right of prepayment either in full or in partial payments, which right shall be without penalty.

Upon non-payment of any interest or principal as and when due under this Promissory Note, or upon default in the performance of or compliance with any of the other covenants or conditions of this Promissory Note, or subject to any applicable notice and opportunity to cure contained in the Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases of even date herewith (the “Deed of Trust”), upon non-payment of any amount under the Deed of Trust or upon default in the performance of or compliance with any of the other covenants or conditions of the Deed of Trust, then, or at any time thereafter during the continuance of such default, Lender may, at its option, declare the entire principal balance hereunder then unpaid, together with all accrued and unpaid interest thereon, together with any other amounts hereunder or under the Deed of Trust to be immediately due and payable. If a default occurs hereunder and Lender gives Borrower written notice of such default, Lender shall also send a copy of such notice at the same time and in the same manner to R4 DUCO Acquisition LLC, a Delaware limited liability company and its successors and assigns (“Investor Partner”), as provided in the Deed of Trust. Upon such default, Investor Partner shall have the right, but not the obligation to cure such default for a period of thirty (30) days after the date of such notice of default; provided, however, if it is not capable of being cured within such 30 day period, so long as Investor Partner diligently pursues such cure, then Investor Partner shall have such reasonable amount of time to effectuate a cure; provided, further, such cure right shall exist until such time as Investor Partner is no longer a partner in the Borrower.

The Loan is nonrecourse except as follows. Notwithstanding any provisions of the Loan Agreement, this Note, the Deed of Trust or any other Loan Document to the contrary, neither the
Borrower nor its partners shall be personally liable for payment of the indebtedness evidenced by this Note, and Lender’s sole recourse for payment of such indebtedness in the event of default shall be to pursue the security provided by the Deed of Trust and other instruments securing payment of this Note. Nothing in this section shall affect, limit or impair (i) the security provided by the Deed of Trust or any other document; (ii) [intentionally omitted]; (iii) subject to the terms of this Note, the enforcement by Lender of any other legal or equitable rights or remedies or any other provision of any instrument by which this Note is secured; (iv) [intentionally omitted]; or (v) the right to hold any successors or assigns of the Borrower personally liable for payment of the indebtedness evidenced by this Note in the event the Borrower assigns its rights and obligations under the Loan Documents in violation of the provisions in the Loan Documents; provided, however, in no event shall this subsection (v) apply to Investor Partner or any affiliate of Investor Partner.

Lender agrees that it shall not assign this Note or any interest therein to a third party without the prior consent of the Borrower and its Investor Partner.

It is intended that this Note is made with reference to and shall be governed by and construed in accordance with the laws of the State of Colorado and agrees that any litigation initiated by the Borrower against Lender in connection with this Note shall be venued in either the district court of La Plata County, Colorado or in the United States District Court, District of Colorado. The provisions of this Note shall be binding upon the undersigned, its heirs, executors, administrators and assigns. All of the terms, covenants, conditions, provisions, and agreements of the Loan Agreement and Deed of Trust are made a part of this Note to the same extent, and with the same force and effect, as if they were set forth fully in this Note. The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by Lender in connection with the Borrower’s breach or default of this Note and agrees to pay reasonable loan closing costs, including the costs of title insurance or guarantee as determined by Lender.

[Signature page below]
IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its authorized representative, all on the date and year first above written.

Durango TWG, LLLP,
a Colorado limited liability limited partnership

By: Durango GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: ______________________________________
    Louis A. Knoble
    Its Manager
SUBORDINATION OF DEED OF TRUST

This SUBORDINATION OF DEED OF TRUST (the “Agreement”) is dated as of ______________, 2023, by DURANGO TWG, LLLP, a Colorado limited liability limited partnership (“Borrower”), CITY OF DURANGO, a Colorado municipal corporation (the “Subordinate Lender”), and COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the “Senior Lender”).

RECITALS:

A. Subordinate Lender made a loan to Borrower in the maximum aggregate amount of One Million and No/100 Dollars ($1,000,000.00) (the “Subordinate Loan”), in connection with the property commonly known as Residences at Durango, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (the “Property”). The Subordinate Loan is evidenced by (i) that certain Promissory Note in the maximum principal amount of $1,000,000.00, made by Borrower for the benefit of Subordinate Lender (the “Subordinate Note”). The Subordinate Note is secured by (i) that certain Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases for the benefit of the Subordinate Lender dated ______________, 2023, recorded on ________________, 2023, under Reception No. ________________ in the Records, of the Clerk and Recorder of La Plata County, Colorado (the “Records”). The Subordinate Note, Subordinate Deed of Trust and all other documents and agreements related to the Subordinate Loan, including, but not limited to, that certain Loan Agreement by and between Subordinate Lender and Borrower, are collectively referred to herein as the “Subordinate Loan Documents”).

B. Borrower has executed (i) a Promissory Note in the maximum principal amount of $21,140,000 (“Tax Exempt Note”) and (ii) a Promissory Note in the maximum principal amount of $2,360,000 (“Non-Tax Exempt Note”, together with the Tax Exempt Note, the “Senior Notes”) (the “Senior Loan”) upon the terms and conditions of that certain Risk Share Program Loan Agreement dated as of ______________, 2023, between Senior Lender and Borrower (“Senior Loan Agreement”). The Senior Notes are secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Rents and Leases executed by Borrower, dated ______________, 2023, recorded on ________________, 2023, under Reception No. ________________ in the Records, which encumbers Borrower’s interest in the Property (the “Senior Deed of Trust”). The Senior Notes, Senior Deed of Trust, and that certain Regulatory Agreement dated ______________, 2023, recorded on ________________, 2023, under Reception No. ________________ in the Records (the “Regulatory Agreement”), and all other documents and agreements evidencing securing and/or executed in connection with the Senior Loan, including...
but not limited to the Senior Loan Agreement, are collectively referred to herein as the “Senior Loan Documents”.

C. It is a condition precedent to obtaining the Senior Loan, that the Senior Deed of Trust and Regulatory Agreement shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the lien or charge of any other lien or encumbrance.

D. In addition, upon the conversion of the Senior Loan from a construction loan to a permanent loan, Borrower will execute a Promissory Note payable to the Senior Lender in the original principal amount of One Million Six Hundred Thousand and No/100 Dollars ($1,600,000.00) with interest and upon the terms and conditions described therein (the “HOF Note”) evidencing a second position loan from the Senior Lender to the Owner (the “HOF Loan”), which is to be secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing, and Assignment of Rents and Leases, to be executed by Owner and recorded in the Records, and encumbering the Owner’s interest in the Property (the “HOF Deed of Trust”), which together with other documents and agreements evidencing and securing the Loan are collectively referred to herein as the “HOF Loan Documents”.

E. The Senior Lender is willing to make the Senior Loan and HOF Loan to Borrower provided the Subordinate Lender will specifically and unconditionally subordinate the lien or charge of the Subordinate Deed of Trust to the lien or charge of the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement.

F. It is to the mutual benefit of all parties to this Agreement that the Senior Lender make such loans to Borrower; and Subordinate Lender agrees that the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement, when recorded, will constitute a lien or charge upon the Property, which are unconditionally prior and superior to the lien or charge of the Subordinate Deed of Trust.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Senior Lender to make the Senior Loan and HOF Loan to Borrower, it is hereby declared, understood and agreed as follows:

1. The Subordinate Lender hereby represents to Senior Lender that it is the current beneficiary of the Subordinate Deed of Trust and payee(s) of the Subordinate Note, and the Subordinate Lender does hereby agree that the Subordinate Loan, Subordinate Deed of Trust and the Subordinate Loan Documents, and all of the Subordinate Lender’s rights thereunder, shall be in all respects subordinate, secondary, inferior and junior to the lien of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, and the other Senior Loan Documents and HOF Loan Documents and all extensions, renewals or modifications thereof, all as executed and delivered by Borrower to the Senior Lender as security for the Senior Notes and the HOF Note, respectively.
2. For the purposes of this Agreement, the Subordinate Lender acknowledges and agrees that all disbursement of loan proceeds and other advances made by the Senior Lender pursuant to the Senior Loan Documents and HOF Loan Documents, as applicable, shall be conclusively presumed to have been disbursed in accordance therewith and for the purposes therein provided.

3. The Subordinate Lender hereby appoints the Senior Lender, or any person or entity acting upon the directions of the Senior Lender, as its attorney-in-fact for the sole and limited purpose of inserting information in this Agreement regarding the date and recording of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, and Subordinate Deed of Trust.

4. The Subordinate Lender hereby agrees that upon the occurrence of a default by the Borrower under the terms of any of the Subordinate Loan Documents, the Subordinate Lender shall provide written notice to the Senior Lender no less than sixty (60) days prior to commencing the exercise of any remedies against Borrower and/or the Property.

5. Except as otherwise set forth below, Subordinate Lender agrees that it will not, without the prior written consent of the Senior Lender: (a) collect, enforce or receive payment upon, by setoff or in any other manner, all or any portion of the Subordinate Loan now or hereafter existing; (b) enforce or foreclose upon the Subordinate Deed of Trust or enforce or apply any other security now or hereafter existing for the Subordinate Loan; (c) commence, prosecute, or participate in any administrative, legal or equitable action against Borrower with respect to the Subordinate Loan; (d) join in any petition for bankruptcy, assignment for the benefit of creditors or creditor’s agreement involving the assets of Borrower, or incur any obligation to or receive any loans, advances or gifts from Borrower with respect to the Subordinate Loan. Notwithstanding the foregoing, Borrower may make payments under the Subordinate Loan to Subordinate Lender as long as all payments under the Senior Loan Documents and HOF Loan Documents, as applicable, are current and not delinquent or in arrears, and only so long as at the time of such payment: (x) no default under the Senior Loan Documents or the HOF Loan Documents, as applicable, exists and no event exists which, with the lapse of time or the giving of notice or both, would be an event of default under the Senior Loan Documents or the HOF Loan Documents, as applicable, of which Subordinate Lender have received notice; and (y) such payment would not result in a violation of any of Borrower’s financial covenants set forth in any of the Senior Loan Documents and HOF Loan Documents.

6. All necessary actions on the part of the Subordinate Lender, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of the Subordinate Lender hereunder have been taken. This Agreement constitutes the legal, valid and binding obligation of Subordinate Lender, enforceable against Subordinate Lender in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Subordinate Lender will not (i) result in any material violation or default of any term of any of the Subordinate Lender’ charters, formations or other organizational documents (such as Articles or Certificate of Incorporation, bylaws,
partnership agreement, operating agreement, etc.) or (ii) violate any material applicable law, rule or regulation.

7. Subordinate Lender hereby agrees to execute such documents and/or take such further action as Senior Lender may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Senior Lender.

8. If any provision of this Agreement shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

9. This Agreement contains the entire agreement between and among the parties hereto with respect to the subordination of the Subordinate Deed of Trust and the other Subordinate Loan Documents as to the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, the other Senior Loan Documents, and the other HOF Loan Documents.

10. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their respective successors and assigns. This Agreement shall remain effective until terminated in writing by Senior Lender. This Agreement is solely for the benefit of Subordinate Lender and Senior Lender and not for the benefit of Borrower or any other party.

11. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

12. This Agreement is made and executed under and in all respects will be governed and construed by the laws of the State of Colorado.

13. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed one and the same instrument.

[SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written.

SUBORDINATE LENDER:

CITY OF DURANGO, a Colorado municipal corporation

By: ________________________________
Name: ______________________________
Title: ______________________________

STATE OF COLORADO )
COUNTY OF ________________ ) ss.

The foregoing instrument was acknowledged before me this ___ day of __________, 2023
by ____________________ as ____________________ of City of Durango, a Colorado
municipal corporation.

Witness my hand and official seal.

(S E A L)

Notary Public

My commission expires: ________________________
BORROWER:
DURANGO TWG, LLLP,
a Colorado limited liability limited partnership

By: DURANGO GP, LLC,
a Colorado limited liability company,
its General Partner

By: TWG GP V, LLC,
an Indiana limited liability company,
its Sole Member

By: ________________________
Louis A. Knoble, Manager

STATE OF COLORADO )
) ss.
COUNTY OF ___________ )

The foregoing instrument was subscribed to and acknowledged before me this _____ day
of __________, 2023, by Louis A. Knoble as Manager of TWG GP V, LLC, an Indiana limited
liability company, as Sole Member of Durango GP, LLC, a Colorado limited liability company,
as General Partner of Durango GP, LLC, a Colorado limited liability limited partnership.

Witness my hand and official seal.

_________________________________________________________
Notary Public

My commission expires: ______________________
SENIOR LENDER:

COLORADO HOUSING AND FINANCE
AUTHORITY, a body corporate and political
subdivision of the State of Colorado

By: ________________________________

Steve Johnson, Director, Community
Development

STATE OF COLORADO  )
) ss.
CITY AND COUNTY OF DENVER  )

The foregoing instrument was acknowledged before me on ________________, 2023 by
Steve Johnson, Director, Community Development, of Colorado Housing and Finance Authority,
a body corporate and political subdivision of the State of Colorado.

Witness my hand and official seal.

My Commission expires: ____________________________

[SEAL] ________________________________

Notary Public
EXHIBIT A

LEGAL DESCRIPTION

PARCEL I:

A TRACT OF LAND BEING IN LOT 6 (SE1/4NW1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER #1 FROM WHICH POINT THE CENTER OF SECTION 30 BEARS NORTH 36 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 70.1 FEET:
THENCE NORTH 4 DEGREES 08 MINUTES WEST, 284.0 FEET TO CORNER #2;
THENCE NORTH 72 DEGREES 27 MINUTES WEST, 36.3 FEET TO CORNER #3 WHICH IS A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 45 DEGREES 23 MINUTES 20 SECONDS WEST 17.8 FEET TO CORNER #4;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 300.0 FEET TO CORNER #5;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, NORTH 81 DEGREES 51 MINUTES WEST, 107.7 FEET TO CORNER #6;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 352.2 FEET TO CORNER #7;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 49 DEGREES 01 MINUTES 15 SECONDS WEST, 65.0 FEET TO CORNER #8 WHICH POINT BEARS NORTH 76 DEGREES 58 MINUTES EAST, A DISTANCE OF 432.8 FEET FROM THE NORTHWEST CORNER OF NE1/4SW1/4 OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M.;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, 280.1 FEET TO CORNER #9;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, 291.4 FEET TO CORNER #10;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, 250.0 FEET TO CORNER #11;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, 126.0 FEET TO CORNER #1,
The PLACE OF BEGINNING.

PARCEL II:

A TRACT OF LAND LYING AND BEING IN LOT 6 (SE1/4NW1/4), LOT 10 (NW1/4SE1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE W1/4 CORNER OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., BEARS NORTH 89 DEGREES 45 MINUTES 43 SECONDS WEST, A DISTANCE OF 1138.66 FEET:
THENCE SOUTH 75 DEGREES 48 MINUTES 45 SECONDS EAST, A DISTANCE OF 41.40 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 79 DEGREES 07 MINUTES 45 SECONDS EAST, A DISTANCE OF 210.10 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 77 DEGREES 03 MINUTES 45 SECONDS EAST, A DISTANCE OF 71.90 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 49 DEGREES 01 MINUTES 15 SECONDS EAST, A DISTANCE OF 104.57 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, A DISTANCE OF 267.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, A DISTANCE OF 291.40 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, A DISTANCE OF 250.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, A DISTANCE OF 126.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 85 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 50.49 FEET ALONG THE CENTER LINE OF LIGHTNER CREEK;
THENCE NORTH 86 DEGREES 19 MINUTES 00 SECONDS EAST, A DISTANCE OF 41.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 81 DEGREES 28 MINUTES 56 SECONDS EAST, A DISTANCE OF 142.72 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 73 DEGREES 18 MINUTES 46 SECONDS EAST, A DISTANCE OF 59.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 10 DEGREES 50 MINUTES 40 SECONDS EAST, A DISTANCE OF 28.80 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK TO A POINT ON THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE NORTH 88 DEGREES 15 MINUTES 17 SECONDS EAST, A DISTANCE OF 440.20 FEET ALONG THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 02 DEGREES 46 MINUTES 00 SECONDS EAST, A DISTANCE OF 276.00 FEET;
THENCE SOUTH 27 DEGREES 28 MINUTES 00 SECONDS WEST, A DISTANCE OF 186.00 FEET;
THENCE SOUTH 62 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 33.00 FEET;
THENCE SOUTH 27 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 968.64 FEET TO A POINT ON THE SOUTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 191.64 FEET TO THE SOUTHWEST CORNER OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 38 SECONDS WEST, A DISTANCE OF 1303.77 FEET ALONG THE SOUTH LINE OF LOT 11 OF SAID SECTION 30 TO THE SOUTHWEST CORNER OF LOT 11 OF SAID SECTION 30;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 1241.43 FEET ALONG THE WEST LINE OF SAID LOT 11 TO THE POINT OF BEGINNING.
PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (the “Agreement”) is made and entered into as of October ____, 2023, between City of Durango, a Colorado municipal corporation (the “Optionor”), and TWG Development, LLC, a Colorado limited liability company, or its assigns (“Optionee”), and is consented to hereinbelow by Durango TWG, LLLP, a Colorado limited liability limited partnership (the “Partnership”).

RECITALS

WHEREAS, on the date hereof the Optionor is obligated to or contracted to per separate agreement to make a loan to the Partnership in the original principal amount of One Million and 00/100 Dollars ($1,000,000.00) (the “Loan”) pursuant to that Promissory Note given by the Partnership for the benefit of the Optionor (the “Note”) for the purpose of constructing a multifamily housing project in the City of Durango, Colorado (the “Project”).

WHEREAS, the Note will be secured by a Deed of Trust, will be nonrecourse and payable solely from subordinated cash flow from the Project, which terms and conditions are further set forth in the Note, Deed of Trust and Loan Agreement attached hereto as Exhibit A (collectively referred to herein as the “Loan Documents”).

WHEREAS, the Optionor desires to grant to the Optionee an option to acquire the Note upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant of Option. The Optionor hereby grants to the Optionee an option (the “Option”) to purchase the Note, which Option shall begin on the date which is 5 years from the date hereof and continue for a period of 15 years (the “Option Term”), subject to the conditions precedent to the exercise of the Option specified herein.

2. Purchase Price Under Option. The purchase price of the Note pursuant to the Option shall be an amount equal to the Fair Market Value of the Note (the “Purchase Price”).

3. Consideration for Option. In consideration of the Option, Optionee shall pay to Optionor a non-refundable option fee equal to Two Hundred Fifty Dollars and no/100 ($250) (the “Option Fee”), receipt of which is acknowledged by Optionor.

4. Exercise of Option. The Option may be exercised during the Option Term by the Optionee by giving prior written notice of its intent to exercise the Option to the Optionor in compliance with the requirements of this Section 4 (the “Option Exercise Notice”).

5. Closing. Optionee shall close on the acquisition of the Note (the “Closing”) within thirty (30) days of the issuance of the Option Exercise Notice. At Closing, Optionee shall deliver the original Note along with an allonge in a mutually agreeable form. This Agreement shall be specifically enforceable after proper issuance of the Option Exercise Notice by Optionee. Each party shall pay its own costs related to the Closing.
6. **Exclusivity.** In consideration of the Option Fee, Optionor agrees that the Option shall be exclusive to Optionee and Optionor shall not grant any option to, or enter into any agreement with, any third party with respect to acquisition of the Note during the Option Term.

7. **Events of Default; Remedies.** (a) For purposes of this Agreement, the term “Default” shall occur if a party fails to perform or observe any obligation, covenant or agreement set forth in this Agreement and such failure continues for a period of five (5) days after the date of written notice thereof from the other party.

    (a) Without prejudice to the rights and remedies otherwise available to Optionee at law or in equity, Optionor acknowledges and agrees that Optionee shall be entitled to seek specific performance of this Agreement and such other equitable relief by way of injunction upon the occurrence of a Default on the part of Optionor. Unless otherwise required by applicable law, Optionee shall not be required to post a bond or to show special damages in any proceeding seeking any such equitable relief.

    (b) If any Default shall occur and be continuing, the non-defaulting party may in addition to any other rights and remedies specifically set forth herein, exercise any one or more of the rights and remedies granted to the non-defaulting party by law, in equity or under this Agreement. All rights and remedies of the non-defaulting party hereunder shall be cumulative and non-exclusive of any rights or remedies which the non-defaulting party may have under any other agreement, by operation of law, or otherwise. No failure to exercise and no delay in exercising, on the part of the non-defaulting party, any right or remedy shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

    (c) The non-defaulting party shall be entitled to collect from the defaulting party all reasonable expenses, including legal fees, incurred by the non-defaulting party in connection with its enforcement of any of its rights and remedies set forth herein.

8. **Applicable Law.** This Agreement shall be construed in accordance with the laws of the State of Colorado.

9. **Representations of Optionor.** Optionor hereby represents, warrants and covenants to Optionee that Optionor has the full power and authority to execute, deliver and perform this Agreement. This Agreement is the legal and binding obligation of Optionor, enforceable against Optionor in accordance with its terms.

10. **Notices.** All notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or similar overnight delivery service, (iii) transmitted by telecopier or other facsimile transmission, answerback requested, or (iv) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

    If to the Optionee: TWG Development, LLC
c/o TWG
1301 East Washington Street, Suite 100
2
105
11. **Binding Provisions.** The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

12. **Counterparts.** This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties notwithstanding that all the parties have not signed the original or the same counterpart.

13. **Amendments.** This Agreement may be amended only by a written instrument executed in one or more counterparts by the parties hereto.

14. **Time.** Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.
IN WITNESS WHEREOF, the parties have executed this document as of the date first set forth hereinabove.

**OPTIONOR:**

City of Durango

By: __________________________
Name: _________________________
Its: __________________________

ATTEST:

By: __________________________
Name: _________________________
Its: City Clerk

**OPTIONEE:**

TWG Development, LLC

By: __________________________
Name: _________________________
Its: __________________________
The undersigned hereby consent to the foregoing Agreement as of the date first set forth hereinabove.

**PARTNERSHIP:**

**Durango TWG, LLP**

By: Durango GP, LLC  
Its: General Partner  

By: TWG GP V, LLC  
Its: Sole Member

By: ________________________  
Louis A. Knoble  
Its Manager
EXHIBIT A

Loan Documents

[Attached]
SUBORDINATION OF DEED OF TRUST

This SUBORDINATION OF DEED OF TRUST (the “Agreement”) is dated as of ____________, 2023, by DURANGO TWG, LLLP, a Colorado limited liability limited partnership (“Borrower”), CITY OF DURANGO, a Colorado municipal corporation (the “Subordinate Lender”), and COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the “Senior Lender”).

RECITALS:

A. Subordinate Lender made a loan to Borrower in the maximum aggregate amount of One Million and No/100 Dollars ($1,000,000.00) (the “Subordinate Loan”), in connection with the property commonly known as Residences at Durango, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (the “Property”). The Subordinate Loan is evidenced by (i) that certain Promissory Note in the maximum principal amount of $1,000,000.00, made by Borrower for the benefit of Subordinate Lender (the “Subordinate Note”). The Subordinate Note is secured by (i) that certain Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases for the benefit of the Subordinate Lender dated ______________, 2023, recorded on ________________, 2023, under Reception No. ________________  (the “Subordinate Deed of Trust”), in the real estate records of the Clerk and Recorder of La Plata County, Colorado (the “Records”). The Subordinate Note, Subordinate Deed of Trust and all other documents and agreements related to the Subordinate Loan, including, but not limited to, that certain Loan Agreement by and between Subordinate Lender and Borrower, are collectively referred to herein as the “Subordinate Loan Documents”).

B. Borrower has executed a Promissory Note payable to the Senior Lender (the “Senior Note”) in the original maximum principal amount of $23,500,000 (the “Senior Loan”) upon the terms and conditions of that certain Risk Share Program Loan Agreement dated as of ____________, 2023, between Senior Lender and Borrower (“Senior Loan Agreement”). The Senior Note is secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Rents and Leases executed by Borrower, dated ______________, 2023, recorded on ________________, 2023, under Reception No. ________________ in the Records, which encumbers Borrower’s interest in the Property (the “Senior Deed of Trust”). The Senior Note, Senior Deed of Trust, and that certain Regulatory Agreement dated ______________, 2023, recorded on ________________, 2023, under Reception No. ________________ in the Records (the “Regulatory Agreement”), and all other documents and agreements evidencing securing and/or executed in connection with the Senior Loan, including but not limited to the Senior Loan Agreement, are collectively referred to herein as the “Senior Loan Documents”.

Subordination of DOT
C. It is a condition precedent to obtaining the Senior Loan, that the Senior Deed of Trust and Regulatory Agreement shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the lien or charge of any other lien or encumbrance.

D. In addition, upon the conversion of the Senior Loan from a construction loan to a permanent loan, Borrower will execute a Promissory Note payable to the Senior Lender in the original principal amount of One Million Six Hundred Thousand and No/100 Dollars ($1,600,000.00) with interest and upon the terms and conditions described therein (the “HOF Note”) evidencing a second position loan from the Senior Lender to the Owner (the “HOF Loan”), which is to be secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing, and Assignment of Rents and Leases, to be executed by Owner and recorded in the Records, and encumbering the Owner’s interest in the Property (the “HOF Deed of Trust”), which together with other documents and agreements evidencing and securing the Loan are collectively referred to herein as the “HOF Loan Documents”.

E. The Senior Lender is willing to make the Senior Loan and HOF Loan to Borrower provided the Subordinate Lender will specifically and unconditionally subordinate the lien or charge of the Subordinate Deed of Trust to the lien or charge of the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement.

F. It is to the mutual benefit of all parties to this Agreement that the Senior Lender make such loans to Borrower; and Subordinate Lender agrees that the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement, when recorded, will constitute a lien or charge upon the Property, which are unconditionally prior and superior to the lien or charge of the Subordinate Deed of Trust.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Senior Lender to make the Senior Loan and HOF Loan to Borrower, it is hereby declared, understood and agreed as follows:

1. The Subordinate Lender hereby represents to Senior Lender that it is the current beneficiary of the Subordinate Deed of Trust and payee(s) of the Subordinate Note, and the Subordinate Lender does hereby agree that the Subordinate Loan, Subordinate Deed of Trust and the Subordinate Loan Documents, and all of the Subordinate Lender’s rights thereunder, shall be in all respects subordinate, secondary, inferior and junior to the lien of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, and the other Senior Loan Documents and HOF Loan Documents and all extensions, renewals or modifications thereof, all as executed and delivered by Borrower to the Senior Lender as security for the Senior Note and the HOF Note, respectively.

2. For the purposes of this Agreement, the Subordinate Lender acknowledges and agrees that all disbursement of loan proceeds and other advances made by the Senior Lender
pursuant to the Senior Loan Documents and HOF Loan Documents, as applicable, shall be conclusively presumed to have been disbursed in accordance therewith and for the purposes therein provided.

3. The Subordinate Lender hereby appoints the Senior Lender, or any person or entity acting upon the directions of the Senior Lender, as its attorney-in-fact for the sole and limited purpose of inserting information in this Agreement regarding the date and recording of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, and Subordinate Deed of Trust.

4. The Subordinate Lender hereby agrees that upon the occurrence of a default by the Borrower under the terms of any of the Subordinate Loan Documents, the Subordinate Lender shall provide written notice to the Senior Lender no less than sixty (60) days prior to commencing the exercise of any remedies against Borrower and/or the Property.

5. Except as otherwise set forth below, Subordinate Lender agrees that it will not, without the prior written consent of the Senior Lender: (a) collect, enforce or receive payment upon, by setoff or in any other manner, all or any portion of the Subordinate Loan now or hereafter existing; (b) enforce or foreclose upon the Subordinate Deed of Trust or enforce or apply any other security now or hereafter existing for the Subordinate Loan; (c) commence, prosecute, or participate in any administrative, legal or equitable action against Borrower with respect to the Subordinate Loan; (d) join in any petition for bankruptcy, assignment for the benefit of creditors or creditor’s agreement involving the assets of Borrower, or incur any obligation to or receive any loans, advances or gifts from Borrower with respect to the Subordinate Loan. Notwithstanding the foregoing, Borrower may make payments under the Subordinate Loan to Subordinate Lender as long as all payments under the Senior Loan Documents and HOF Loan Documents, as applicable, are current and not delinquent or in arrears, and only so long as at the time of such payment: (x) no default under the Senior Loan Documents or the HOF Loan Documents, as applicable, exists and no event exists which, with the lapse of time or the giving of notice or both, would be an event of default under the Senior Loan Documents or the HOF Loan Documents, as applicable, of which Subordinate Lender have received notice; and (y) such payment would not result in a violation of any of Borrower’s financial covenants set forth in any of the Senior Loan Documents and HOF Loan Documents.

6. All necessary actions on the part of the Subordinate Lender, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of the Subordinate Lender hereunder have been taken. This Agreement constitutes the legal, valid and binding obligation of Subordinate Lender, enforceable against Subordinate Lender in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Subordinate Lender will not (i) result in any material violation or default of any term of any of the Subordinate Lender’ charters, formations or other organizational documents (such as Articles or Certificate of Incorporation, bylaws, partnership agreement, operating agreement, etc.) or (ii) violate any material applicable law, rule or regulation.
7. Subordinate Lender hereby agrees to execute such documents and/or take such further action as Senior Lender may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Senior Lender.

8. If any provision of this Agreement shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

9. This Agreement contains the entire agreement between and among the parties hereto with respect to the subordination of the Subordinate Deed of Trust and the other Subordinate Loan Documents as to the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, the other Senior Loan Documents, and the other HOF Loan Documents.

10. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their respective successors and assigns. This Agreement shall remain effective until terminated in writing by Senior Lender. This Agreement is solely for the benefit of Subordinate Lender and Senior Lender and not for the benefit of Borrower or any other party.

11. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

12. This Agreement is made and executed under and in all respects will be governed and construed by the laws of the State of Colorado.

13. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed one and the same instrument.

[SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written.

**SUBORDINATE LENDER:**

CITY OF DURANGO, a Colorado municipal corporation

By: _________________________________  
Name: _______________________________  
Title: _______________________________

STATE OF COLORADO )  
) ss.  
COUNTY OF _____________

The foregoing instrument was acknowledged before me this ___ day of __________, 2023  
by ______________________ as ______________________ of City of Durango, a Colorado municipal corporation.

Witness my hand and official seal.

(S E A L)

Notary Public

My commission expires: ______________________
BORROWER:

DURANGO TWG, LLLP,
a Colorado limited liability limited partnership

By: DURANGO GP, LLC,
a Colorado limited liability company,
its General Partner

By: TWG GP V, LLC,
an Indiana limited liability company,
its Sole Member

By: ______________________
Louis A. Knoble, Manager

STATE OF COLORADO )
) ss.
COUNTY OF ___________ )

The foregoing instrument was subscribed to and acknowledged before me this _____ day of __________, 2023, by Louis A. Knoble as Manager of TWG GP V, LLC, an Indiana limited liability company, as Sole Member of Durango GP, LLC, a Colorado limited liability company, as General Partner of Durango GP, LLC, a Colorado limited liability limited partnership.

Witness my hand and official seal.

____________________________
Notary Public

My commission expires: ___________________
SENIOR LENDER:

COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado

By: ____________________________
    Steve Johnson, Director, Community Development

STATE OF COLORADO )
 ) ss.
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me on ________________, 2023 by Steve Johnson, Director, Community Development, of Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado.

Witness my hand and official seal.

My Commission expires: ____________________________

[SEAL]

______________________________
Notary Public
EXHIBIT A

LEGAL DESCRIPTION

PARCEL I:

A TRACT OF LAND BEING IN LOT 6 (SE1/4NW1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER #1 FROM WHICH POINT THE CENTER OF SECTION 30 BEARS NORTH 36 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 70.1 FEET:
THENCE NORTH 4 DEGREES 08 MINUTES WEST, 284.0 FEET TO CORNER #2;
THENCE NORTH 72 DEGREES 27 MINUTES WEST, 36.3 FEET TO CORNER #3 WHICH IS A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 45 DEGREES 23 MINUTES 20 SECONDS WEST 17.8 FEET TO CORNER #4;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 300.0 FEET TO CORNER #5;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, NORTH 81 DEGREES 51 MINUTES WEST, 107.7 FEET TO CORNER #6;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 352.2 FEET TO CORNER #7;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 49 DEGREES 01 MINUTES 15 SECONDS WEST, 65.0 FEET TO CORNER #8 WHICH POINT BEARS NORTH 76 DEGREES 58 MINUTES EAST, A DISTANCE OF 432.8 FEET FROM THE NORTHWEST CORNER OF NE1/4SW1/4 OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M.;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, 280.1 FEET TO CORNER #9;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, 291.4 FEET TO CORNER #10;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, 250.0 FEET TO CORNER #11;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, 126.0 FEET TO CORNER #1, THE PLACE OF BEGINNING.

PARCEL II:

A TRACT OF LAND LYING AND BEING IN LOT 6 (SE1/4NW1/4), LOT 10 (NW1/4SE1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE W1/4 CORNER OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., BEARS NORTH 89 DEGREES 45 MINUTES 43 SECONDS WEST, A DISTANCE OF 1138.66 FEET:
THENCE SOUTH 75 DEGREES 48 MINUTES 45 SECONDS EAST, A DISTANCE OF 41.40 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 79 DEGREES 07 MINUTES 45 SECONDS EAST, A DISTANCE OF 210.10 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 77 DEGREES 03 MINUTES 45 SECONDS EAST, A DISTANCE OF 71.90 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 49 DEGREES 01 MINUTES 15 SECONDS EAST, A DISTANCE OF 104.57 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, A DISTANCE OF 267.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, A DISTANCE OF 291.40 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, A DISTANCE OF 250.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, A DISTANCE OF 126.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 85 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 50.49 FEET ALONG THE CENTER LINE OF LIGHTNER CREEK;
THENCE NORTH 86 DEGREES 19 MINUTES 00 SECONDS EAST, A DISTANCE OF 41.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 81 DEGREES 28 MINUTES 56 SECONDS EAST, A DISTANCE OF 142.72 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 73 DEGREES 18 MINUTES 46 SECONDS EAST, A DISTANCE OF 59.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 10 DEGREES 50 MINUTES 40 SECONDS EAST, A DISTANCE OF 28.80 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK TO A POINT ON THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE NORTH 88 DEGREES 15 MINUTES 17 SECONDS EAST, A DISTANCE OF 440.20 FEET ALONG THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 02 DEGREES 46 MINUTES 00 SECONDS EAST, A DISTANCE OF 276.00 FEET;
THENCE SOUTH 27 DEGREES 28 MINUTES 00 SECONDS WEST, A DISTANCE OF 186.00 FEET;
THENCE SOUTH 62 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 33.00 FEET;
THENCE SOUTH 27 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 968.64 FEET TO A POINT ON THE SOUTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 191.64 FEET TO THE SOUTHWEST CORNER OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 38 SECONDS WEST, A DISTANCE OF 1303.77 FEET ALONG THE SOUTH LINE OF LOT 11 OF SAID SECTION 30 TO THE SOUTHWEST CORNER OF LOT 11 OF SAID SECTION 30;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 1241.43 FEET ALONG THE WEST LINE OF SAID LOT 11 TO THE POINT OF BEGINNING.
$1,000,000 in IHOI Funds from the Colorado Department of Local Affairs (DOLA) → IHOI Funds granted from DOLA to the City of Durango pursuant to the State of Colorado Intergovernmental Grant Agreement for SLFRF

IHOI Funds lent from the City of Durango to Durango TWG, LLLP pursuant to the Loan Agreement, Promissory Note and Deed of Trust between the City of Durango and Durango TWG, LLLP → Pursuant to the Loan Agreement the Loan Funds will flow from the City of Durango to the title company to than pay the development fees that will be owed to the City of Durango as part of the permitting process for the project. Any remaining amount above these fees will pay construction costs incurred by the project owner.

The terms of the Loan Document provide that the term will be for 40 years with a payment of all interest, which is proposed as 1% and principal due at that point. We are also proposing a Purchase Option Arrangement pursuant to which TWG Development, LLC will be able to purchase the loan from the City of Durango for the loans Fair Market Value. → The Deed of Trust that secures the IHOI Loan will be recorded against the property to secure City of Durango’s interest as a lender. The Deed of Trust will need to be subordinate to the both Colorado Housing and Financing Authority’s (“CHFA”) Low Income Housing Credit Restrictive Covenant and CHFA’s Deed of Trust securing its senior construction loan.
LOAN AGREEMENT

THIS LOAN AGREEMENT ("Loan Agreement"), is made and entered into as of this [___] day of October, 2023 ("Effective Date"), by and between City of Durango, a Colorado municipal corporation (the "Lender") and Durango TWG, LLLP, a Colorado limited liability limited partnership (the "Borrower").

RECITALS

A. The Borrower is the owner of the following real property located in Durango, Colorado and legally described on the attached Exhibit A (the “Property”), which the Borrower shall develop and operate as a low-income housing project consisting of 120 dwelling units to be contained in three buildings, and commonly known as Residence at Durango (the “Project”):

<table>
<thead>
<tr>
<th>Property Name:</th>
<th>Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residence at Durango</td>
<td>21382 US Highway 160 West</td>
</tr>
<tr>
<td></td>
<td>Durango, Colorado 81303</td>
</tr>
</tbody>
</table>

B. The Lender will loan Three Million and 00/100 DOLLARS ($3,000,000.00) to the Borrower, the proceeds of which are to be used solely exclusively to pay down a portion the acquisition loan the Borrower had received from the Colorado Department of Local Affairs, for the benefit of the Division of Housing through its Operation Turn-Key Program Loan, Loan No. H3AHI31729 pursuant to the requirements of that certain Grant Agreement NO. B-22-CP-CO-0181 (the “Congressional Funds Grant Agreement”) by and between Lender and the Colorado Department of Local Affairs.

C. The parties wish to commit their agreement to writing.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter stated, the parties hereto agree as follows:

1. The Loan. The Lender hereby agrees to lend such funds to the Borrower (the “Loan”) under the terms and conditions of this Loan Agreement. The Borrower agrees to borrow from the Lender the total sum of $3,000,000 to pay down a portion the acquisition loan the Borrower had received from the Colorado Department of Local Affairs, for the benefit of the Division of Housing through its Operation Turn-Key Program Loan, Loan No. H3AHI31729 pursuant to the terms of this Loan Agreement.
and the Congressional Funds Grant Agreement. The loan will be disbursed to the Borrower upon the conditions set forth below, provided, however, that Lender shall have no obligation to disburse any amount of the Loan which is derived from the Congressional Funds Grant Agreement, if, at the time of the requested disbursement, Borrower is in default under the terms of this Agreement or, due to Borrower’s acts or omissions, Lender is in default under the terms of the Congressional Funds Grant Agreement. For the avoidance of doubt, Lender has no obligation to make the Loan unless and until Lender has executed the Congressional Funds Grant Agreement and Lender has received the funds which are the subject of the Congressional Funds Grant Agreement from Congressional Funds Grant Agreement.

2. Loan Terms / Disbursement. On the Effective Date, the Borrower shall execute and deliver this Loan Agreement to the Lender, along with a Promissory Note in the original principal amount of $3,000,000 (the “Note”), a Deed of Trust, Security Agreement, Financing Statement, and Assignment of Rents and Leases (the “Deed of Trust”, and together with the Loan Agreement and the Note, the “Loan Documents”) securing the Note against the Property. Any disbursement of the funds hereunder shall occur upon Lender’s receipt of the funds which are the subject of the Congressional Funds Grant Agreement, with final repayment of the loan due on or before [____________, 2063] (the “Maturity Date”).

3. Non-Recourse. The Loan is nonrecourse except as follows. Notwithstanding any provisions of this Loan Agreement, the Note, the Deed of Trust or any other Loan Document to the contrary, neither the Borrower nor its partners shall be personally liable for payment of the indebtedness evidenced by the Note, and Lender’s sole recourse for payment of such indebtedness in the event of default shall be to pursue the security provided by the Deed of Trust and other instruments securing payment of the Note. Nothing in this section shall affect, limit or impair (i) the security provided by the Deed of Trust or any other document; (ii) [intentionally omitted]; (iii) subject to the terms of the Note, the enforcement by Lender of any other legal or equitable rights or remedies or any other provision of any instrument by which the Note is secured; (iv) [intentionally omitted; or (v) the right to hold any successors or assigns of the Borrower personally liable for payment of the indebtedness evidenced by the Note in the event the Borrower assigns its rights and obligations under the Loan Documents in violation of the provisions in the Loan Documents, provided, however, in no event shall this subsection (v) apply to Investor Partner or any affiliate of Investor Partner.

4. Representations and Warranties. To induce the Lender to enter into this Agreement, the Partnership makes the following representations and warranties to the Lender:

(a) The Borrower has full power, right and the Lender to execute and deliver this Agreement and the other Loan Documents, to borrow the funds described in Section 1 and to perform and observe each and all of the matters and things provided for in the Loan Documents.

(b) The Borrower has a valid fee simple interest in the Property, subject only to the Permitted Exceptions set forth in the Deed of Trust.
(c) To the best of the Borrower’s knowledge, the use of the Property does not violate any federal, state or local law, ordinance or regulation.

(d) There are no actions, suits or proceedings pending, at law or in equity, or to the knowledge of the Borrower, threatened, against or affecting it or the Property, and the Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental Lender.

(e) The consummation of this transaction and performance of the Borrower’s obligations under the Loan Documents will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, bank loan or credit agreement, partnership agreement or other instrument which affects the Borrower, or to which the Borrower is a party.

(f) Borrower has, or prior to receipt of any advance of funds hereunder, will receive a copy of the Congressional Funds Grant Agreement and is familiar with the Congressional Funds Grant Agreement.

(g) No Event of Default (as defined herein) has occurred and is continuing as of the date hereof and no event has occurred and is continuing which would be an Event of Default were it not for any grace period specified herein.

5. Affirmative Covenants. To further induce Lender to make the Loan, Borrower hereby covenants and agrees that it shall:

(a) Promptly pay and discharge all taxes, assessments and other governmental charges imposed upon it or upon its income and profits or upon the Property, and any and all claims for labor, material or supplies or rental charges or charges of any other kind which, if unpaid, might by law become a lien or charge upon the Property, provided, however, that Borrower shall not be required to pay any such tax, assessment, charge or claim, if Borrower is contesting the validity of such matters, in good faith, through appropriate proceedings, and Borrower sets aside on its books adequate reserves for the payment of such claims.

(b) Keep true and complete and accurate books of record and account in accordance with sound accounting principles, and, in order to allow Lender to monitor compliance with this Agreement, upon reasonable notice and during normal business hours, allow Lender upon Lender’s request to examine and take extracts from the books and records of Borrower, and submit to Lender, within six (6) months of the close of Borrower’s fiscal year, a statement of profits or losses, revenues and expenditures from such fiscal year in the form submitted by Borrower with its tax returns.

(c) Conduct the same general type of business as it presently conducts; maintain its existence, and continue its compliance with all valid, applicable statutes, laws, rules and regulations.
(d) In order to permit Lender to monitor compliance with this Agreement, permit any agent of Lender that Lender designates, at Lender’s expense, to visit and inspect the Property, partnership books and financial records and documents of Borrower and make copies of the same and to review and discuss their affairs, finances and accounts with the principal officers of Borrower, all at such reasonable times and as often as Lender may reasonably request during the term of this Agreement and for a period of three years after the satisfaction of this Agreement; and further, permit Lender to review the performance of Borrower and its subcontractors assisting with the requirements of the Congressional Funds Grant Agreement and the requirements set forth in this Agreement. Lender reserves the right to recover from Borrower the full amount of any funds found to be improperly expended or otherwise disallowed.

(e) Comply with all applicable requirements of the Low Income Housing Tax Credit Declaration of Restrictive Covenants entered into by the Borrower for the benefit of the Colorado Housing and Finance Authority (the “CHFA Covenant”).

(f) Comply with all applicable requirements of the Congressional Funds Grant Agreement and the related, applicable regulations and notices.

6. **Events of Default.** The following shall constitute an Event of Default under the terms of this Loan Agreement:

(a) If the Borrower fails to duly and punctually perform its obligations under this Loan Agreement, or it violates the covenants contained in any of the Loan Documents in any material respect, and such failure remains uncured with ten (10) days of Borrower’s receipt of written notice of such failure from Lender.

(b) If the Borrower fails to pay any installment of principal or interest on the Note when due and such failure is not cured within ten (10) days.

(c) If the Borrower makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they mature, files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors or other similar relief under the Federal Bankruptcy Laws or under any other applicable law of the United States of America or any state thereof, consents to the appointment of a trustee or receiver for the Borrower or for its property; or takes any action for the purpose of effecting or consenting to any of the foregoing.

(d) If an order, judgment or decree shall be entered appointing, without the Borrower’s consent, a trustee or receiver for the Borrower or a substantial part of its property, or approving a petition filed against the Borrower seeking a reorganization, arrangement with creditors or other similar relief under the federal bankruptcy laws or under any other applicable law of the United States of America or any state thereof, and such order, judgment or decree shall not be
vacated or set aside or stayed within ninety (90) days from the date of entry thereof.

(e) If Borrower causes a default under the terms of the CHFA Covenant that continues beyond any applicable notice and cure periods.

(f) If Borrower causes a default under the terms of the Congressional Funds Grant Agreement that continues beyond any applicable notice and cure periods.

The occurrence of any of the events described in this Section 6, shall be an “Event of Default.” Upon the occurrence of an Event of Default, the Lender shall provide written notice, as provided in this Section 6, to the Borrower and to R4 DUO Acquisition LLC, a Delaware limited liability company and its successors and assigns (the “Investor Partner”). Both the Borrower and the Investor Partner shall have the right to cure any such default within the timeframes provided in the Note. If both the Borrower and the Investor Partner fail to timely cure such default, then the Lender shall have all remedies as are set forth in the Note and Deed of Trust or otherwise at law.

7. **Miscellaneous.**

(a) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

(b) The Recitals set forth above are hereby incorporated herein.

(c) No amendment, change, waiver or modification of this Agreement shall be valid unless it is in a written document which the Borrower and Lender sign (with the prior written consent of Investor Partner), and Lender’s waiver of any breach or default of any of the Borrower’s obligations, agreements or covenants under the Loan Documents shall not be deemed to be a waiver of any subsequent breach of the Loan Documents, or any other obligation, agreement or covenant. Lender’s forbearance in pursuing or enforcing a remedy for Borrower’s breach of any of the obligations set forth in the Loan Documents shall not be deemed a waiver of Lender’s rights and remedies with respect to such breach.

(d) This Agreement may be executed simultaneously in two or more counterparts, each of which shall be an original, but all of which shall constitute one agreement.

(e) This Agreement shall be governed by, interpreted, and construed in accordance with the laws of the State of Colorado.

(f) This Agreement shall remain effective so long as there are sums remaining outstanding on the Note.

(g) Any notices required or contemplated hereunder shall be effective upon the placing thereof in the United States mail, certified mail, return receipt requested, postage prepaid, and addressed as follows:
If to the Borrower:

Durango TWG, LLLP  
c/o TWG  
1301 East Washington Street, Suite 100  
Indianapolis, IN 46202  
Attention: Louis A. Knoble

With a copy to:

Winthrop & Weinstine, P.A.  
225 S. 6th Street, Suite 3500  
Minneapolis, MN 55402  
Attn: Jon L. Peterson, Esq.

If to the Lender:

City of Durango  
949 E 2nd Avenue  
Durango, Colorado 81301  
Attention: City Attorney’s Office

If to the Investor Partner:

c/o R4 Capital LLC  
780 Third Avenue, 16th Floor  
New York, New York 10017  
Attention: Marc Schnitzer  
Telephone Number: 646.576.7659  
Telexcopier Number: 212.546.9085

With a copy to:

Frost Brown Todd LLP  
400 West Market Street, Suite 3200  
Louisville, Kentucky 40202  
Attention: Amy Curry, Esq.  
Telephone Number: 502.779.8587  
Telexcopier Number: 502.581.1087

(h) The Borrower consents to the personal jurisdiction of the state and federal courts located in the State of Colorado in connection with any controversy relating to this Loan Agreement, the Note and any other Loan Documents related thereto, waives any argument that venue in such forum is not convenient and agrees that any litigation initiated by the Borrower against Lender in connection with this Agreement, the Note and any other Loan Documents related thereto shall be
venued in either the district court of La Plata County, Colorado or in the United States District Court, District of Colorado.

(i) By making the Loan contemplated herein, Lender does not become a partner or joint venturer with the Borrower in connection with the Property or the Project.

7. **Disposition of Property, Leases or Beneficial Interest in Borrower.** It is expressly acknowledged, covenanted and agreed that, except with Lender’s prior written consent, there may be no sale, lease (except for leases of space in the improvements on the Property made by Borrower in the ordinary course of Borrower’s business), exchange, assignment, conveyance, encumbrance, mortgage, alienation, transfer or other disposition, other than the Permitted Exceptions (herein collectively called a “Disposition”) of (a) all or any portion of the Property or any lease thereof (or any interest therein) which gives the lessee any option to purchase the Property or any part thereof, or (b) all or any part of the legal or beneficial ownership interest or management control in Borrower, except that any of the following Dispositions (collectively, “Approved Dispositions”) shall not require the Lender’s consent or otherwise be limited by or constitute a violation of the foregoing provisions: (i) a transfer of a limited partner interest in the Borrower or of any interest in a limited partner of the Borrower, or (ii) the withdrawal, replacement and/or addition of a general partner of the Borrower pursuant to the terms of the Amended and Restated Agreement of Limited Liability Limited Partnership of the Borrower dated as of the date hereof (the “Partnership Agreement”).

8. **Expense.** The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by Lender in connection with the Borrower’s breach or default of the Loan Documents, and agrees to pay reasonable loan closing costs, including the costs of title insurance or guarantee as determined by Lender.

9. **Defense and Indemnification.**

(a) The Borrower hereby agrees to defend, indemnify, and hold harmless Lender, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement (“Claims”), unless such Claims are due to the gross negligence or willful misconduct of Lender.

(b) The Borrower’s duty to defend and indemnify Lender shall arise at the time written notice of the Claim is first provided to Lender regardless of whether claimant has filed suit on the Claim. The Borrower’s duty to defend and indemnify Lender shall arise even if Lender is the only party sued by claimant and/or claimant alleges that Lender’s gross negligence or willful misconduct was the sole cause of claimant’s damages.

(c) The Borrower will defend any and all Claims which may be brought or threatened against Lender and will pay on behalf of Lender any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity
obligation. Such payments on behalf of lender shall be in addition to any other legal remedies available to Lender and shall not be considered Lender’s exclusive remedy.

(d) Lender shall give the Borrower a copy of any notice at the Borrower’s address set forth herein. Lender will allow the Borrower thirty (30) days’ notice after receipt of such notice to cure or cause the cure of any monetary default under the Loan Documents. Lender shall allow the Borrower ninety (90) days after giving Borrower notice to cure any non-monetary default under the Loan Documents or such longer period as is reasonably necessary for the Borrower to cure such non-monetary defaults provided that the Borrower commences such cure, and continues the pursuit of such cure with due diligence. In addition, Lender shall concurrently provide notice of each such monetary or non-monetary default to the Borrower’s Investor Limited Partner, who shall have the independent right to cure such defaults within the time periods set forth above.

10. **Waiver.** No waiver of any breach or default under this Agreement shall be held to be a waiver of any other or later breach or default. All remedies afforded in this Agreement shall be construed as cumulative, in addition to every other remedy provided herein or by law.

11. **Certification Regarding Debarment, Suspension, Eligibility, and Voluntary Exclusion.**

   (a) The Borrower represents and warrants that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.

   (b) The Borrower will not enter into any transaction with a person who the Borrower knows to be debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in a covered transaction unless authorized by the federal department or agency from which the transaction originated.

   (c) The Borrower shall include the certification contained in Section 11(a) in any and all construction contracts hereunder and shall require any contractors, subcontractors or sub-consultants to comply with any and all applicable federal laws, rules and regulations, policies and procedures or guidance concerning the federal debarment, suspension, and exclusion program. In addition, the Borrower shall construct the Project in accordance with the design and construction standards of the City of Durango.

   (d) The Borrower will immediately notify Lender in writing if at any time it learns that it failed to disclose that it or any of its principals were excluded at the time the parties executed this Agreement if due to changed circumstances the Borrower or any of its principals have subsequently been excluded by a federal department or agency.

   (e) The representation made in this Section 11 is a material representation of fact upon which reliance was placed when this transaction was entered into
IN TESTIMONY WHEREOF, the Borrower has hereunto set its hand the day and year first above written.

Durango TWG, LLLP,
a Colorado limited liability limited partnership

By: Durango GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: ________________________________
    Louis A. Knoble
    Its Manager
IN TESTIMONY WHEREOF, the Lender has hereunto set its hand the day and year first above written.

City of Durango

By: 
Name: 
Its: 

ATTEST:

By: 
Name: 
Its: City Clerk
EXHIBIT A
LEGAL DESCRIPTION

PARCEL I:

A TRACT OF LAND BEING IN LOT 6 (SE1/4NW1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER #1 FROM WHICH POINT THE CENTER OF SECTION 30 BEARS NORTH 36 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 70.1 FEET:
THENCE NORTH 4 DEGREES 08 MINUTES WEST, 284.0 FEET TO CORNER #2;
THENCE NORTH 72 DEGREES 27 MINUTES WEST, 36.3 FEET TO CORNER #3 WHICH IS A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 45 DEGREES 23 MINUTES 20 SECONDS WEST 17.8 FEET TO CORNER #4;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 300.0 FEET TO CORNER #5;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, NORTH 81 DEGREES 51 MINUTES WEST, 107.7 FEET TO CORNER #6;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 352.2 FEET TO CORNER #7;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 49 DEGREES 01 MINUTES 15 SECONDS WEST, 65.0 FEET TO CORNER #8 WHICH POINT BEARS NORTH 76 DEGREES 58 MINUTES EAST, A DISTANCE OF 432.8 FEET FROM THE NORTHWEST CORNER OF NE1/4SW1/4 OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M.;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, 280.1 FEET TO CORNER #9;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, 291.4 FEET TO CORNER #10;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, 250.0 FEET TO CORNER #11;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, 126.0 FEET TO CORNER #1, THE PLACE OF BEGINNING.

PARCEL II:

A TRACT OF LAND LYING AND BEING IN LOT 6 (SE1/4NW1/4), LOT 10 (NW1/4SE1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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THENCE SOUTH 27 DEGREES 28 MINUTES 00 SECONDS WEST, A DISTANCE OF 186.00 FEET;
THENCE SOUTH 62 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 33.00 FEET;
THENCE SOUTH 27 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 968.64 FEET TO A POINT ON THE SOUTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 191.64 FEET TO THE SOUTHWEST CORNER OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 38 SECONDS WEST, A DISTANCE OF 1303.77 FEET ALONG THE SOUTH LINE OF LOT 11 OF SAID SECTION 30 TO THE SOUTHWEST CORNER OF LOT 11 OF SAID SECTION 30;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 1241.43 FEET ALONG THE WEST LINE OF SAID LOT 11 TO THE POINT OF BEGINNING.
FOR VALUE RECEIVED, Durango TWG, LLP, a Colorado limited liability limited partnership, located at c/o TWG, 1301 East Washington Street, Suite 100, Indianapolis, IN 46202 (the “Borrower”), promises to pay to the order of the City of Durango, a Colorado municipal corporation (the “Lender”), the aggregate principal sum of Three Million and 00/100 DOLLARS ($3,000,000.00) (the “Loan”) together with interest thereon from the date hereof until paid as follows:

The rate of interest accruing hereunder shall be a rate of one percent (1%) per annum (the “Interest Rate”).

All accrued and unpaid interest and principal shall be payable in full on the Maturity Date (as hereinafter defined). Interest hereunder shall be computed on the basis of actual days elapsed in a year of 365 days. Interest on each advance under the Note shall accrue at the Interest Rate. The aggregate principal balance, together with any unpaid accrued interest until the payment date, shall be due and payable in full on or before October ____, 2063 (the “Maturity Date”).

The Borrower shall have the right of prepayment either in full or in partial payments, which right shall be without penalty.

Upon non-payment of any interest or principal as and when due under this Promissory Note, or upon default in the performance of or compliance with any of the other covenants or conditions of this Promissory Note, or subject to any applicable notice and opportunity to cure contained in the Deed of Trust, Security Agreement, Financing Statement and Assignment of Rents and Leases of even date herewith (the “Deed of Trust”), upon non-payment of any amount under the Deed of Trust or upon default in the performance of or compliance with any of the other covenants or conditions of the Deed of Trust, then, or at any time thereafter during the continuance of such default, Lender may, at its option, declare the entire principal balance hereunder then unpaid, together with all accrued and unpaid interest thereon, together with any other amounts hereunder or under the Deed of Trust to be immediately due and payable. If a default occurs hereunder and Lender gives Borrower written notice of such default, Lender shall also send a copy of such notice at the same time and in the same manner to R4 DUCO Acquisition LLC, a Delaware limited liability company and its successors and assigns (“Investor Partner”), as provided in the Deed of Trust. Upon such default, Investor Partner shall have the right, but not the obligation to cure such default for a period of thirty (30) days after the date of such notice of default; provided, however, if it is not capable of being cured within such 30 day period, so long as Investor Partner diligently pursues such cure, then Investor Partner shall have such reasonable amount of time to effectuate a cure; provided, further, such cure right shall exist until such time as Investor Partner is no longer a partner in the Borrower.

The Loan is nonrecourse except as follows. Notwithstanding any provisions of the Loan Agreement, this Note, the Deed of Trust or any other Loan Document to the contrary, neither the
Borrower nor its partners shall be personally liable for payment of the indebtedness evidenced by this Note, and Lender’s sole recourse for payment of such indebtedness in the event of default shall be to pursue the security provided by the Deed of Trust and other instruments securing payment of this Note. Nothing in this section shall affect, limit or impair (i) the security provided by the Deed of Trust or any other document; (ii) [intentionally omitted]; (iii) subject to the terms of this Note, the enforcement by Lender of any other legal or equitable rights or remedies or any other provision of any instrument by which this Note is secured; (iv) [intentionally omitted]; or (v) the right to hold any successors or assigns of the Borrower personally liable for payment of the indebtedness evidenced by this Note in the event the Borrower assigns its rights and obligations under the Loan Documents in violation of the provisions in the Loan Documents; provided, however, in no event shall this subsection (v) apply to Investor Partner or any affiliation of Investor Partner.

Lender agrees that it shall not assign this Note or any interest therein to a third party without the prior consent of the Borrower and its Investor Partner.

It is intended that this Note is made with reference to and shall be governed by and construed in accordance with the laws of the State of Colorado and agrees that any litigation initiated by the Borrower against Lender in connection with this Note shall be venued in either the district court of La Plata County, Colorado or in the United States District Court, District of Colorado. The provisions of this Note shall be binding upon the undersigned, its heirs, executors, administrators and assigns. All of the terms, covenants, conditions, provisions, and agreements of the Loan Agreement and Deed of Trust are made a part of this Note to the same extent, and with the same force and effect, as if they were set forth fully in this Note. The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by Lender in connection with the Borrower’s breach or default of this Note and agrees to pay reasonable loan closing costs, including the costs of title insurance or guarantee as determined by Lender.

[Signatures on following page]
IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed by its authorized representative, all on the date and year first above written.

Durango TWG, LLLP,
a Colorado limited liability limited partnership

By: Durango GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: ______________________________
    Louis A. Knoble
    Its Manager
SUBORDINATION OF DEED OF TRUST

This SUBORDINATION OF DEED OF TRUST (the “Agreement”) is dated as of ______________, 2023, by DURANGO TWG, LLLP, a Colorado limited liability limited partnership (“Borrower”), CITY OF DURANGO, a Colorado municipal corporation (the “Subordinate Lender”), and COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the “Senior Lender”).

RECITALS:

A. Subordinate Lender made a loan to Borrower in the maximum aggregate amount of Three Million and No/100 Dollars ($3,000,000.00) (the “Subordinate Loan”), in connection with the property commonly known as Residences at Durango, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (the “Property”). The Subordinate Loan is evidenced by (i) that certain Promissory Note in the maximum principal amount of $3,000,000.00, made by Borrower for the benefit of Subordinate Lender (the “Subordinate Note”). The Subordinate Note is secured by (i) that certain Deed of Trust for the benefit of the Subordinate Lender dated ______________, 2023, recorded on ______________, 2023, under Reception No. ________________ (the “Subordinate Deed of Trust”), in the real estate records of the Clerk and Recorder of La Plata County, Colorado (the “Records”). The Subordinate Note, Subordinate Deed of Trust and all other documents and agreements related to the Subordinate Loan, including, but not limited to, that certain Loan Agreement between Subordinate Lender and Borrower, are collectively referred to herein as the “Subordinate Loan Documents”.

B. Borrower has executed (i) a Promissory Note in the maximum principal amount of $21,140,000 (“Tax Exempt Note”) and (ii) a Promissory Note in the maximum principal amount of $2,360,000 (“Non-Tax Exempt Note”) (together with the Tax Exempt Note, the “Senior Notes”) (the “Senior Loan”) upon the terms and conditions of that certain Risk Share Program Loan Agreement dated as of ______________, 2023, between Senior Lender and Borrower (“Senior Loan Agreement”). The Senior Notes are secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Rents and Leases executed by Borrower, dated ______________, 2023, recorded on ______________, 2023, under Reception No. ________________ in the Records, which encumbers Borrower’s interest in the Property (the “Senior Deed of Trust”). The Senior Notes, Senior Deed of Trust, and that certain Regulatory Agreement dated ______________, 2023, recorded on ______________, 2023, under Reception No. ________________ in the Records (the “Regulatory Agreement”), and all other documents and agreements evidencing securing and/or executed in connection with the Senior Loan, including
but not limited to the Senior Loan Agreement, are collectively referred to herein as the “Senior Loan Documents”.

C. It is a condition precedent to obtaining the Senior Loan, that the Senior Deed of Trust and Regulatory Agreement shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the lien or charge of any other lien or encumbrance.

D. In addition, upon the conversion of the Senior Loan from a construction loan to a permanent loan, Borrower will execute a Promissory Note payable to the Senior Lender in the original principal amount of One Million Six Hundred Thousand and No/100 Dollars ($1,600,000.00) with interest and upon the terms and conditions described therein (the “HOF Note”) evidencing a second position loan from the Senior Lender to the Owner (the “HOF Loan”), which is to be secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing, and Assignment of Rents and Leases, to be executed by Owner and recorded in the Records, and encumbering the Owner’s interest in the Property (the “HOF Deed of Trust”), which together with other documents and agreements evidencing and securing the Loan are collectively referred to herein as the “HOF Loan Documents”.

E. The Senior Lender is willing to make the Senior Loan to Borrower provided the Subordinate Lender will specifically and unconditionally subordinate the lien or charge of the Subordinate Deed of Trust to the lien or charge of the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement.

F. It is to the mutual benefit of all parties to this Agreement that the Senior Lender make such loan to Borrower; and Subordinate Lender agrees that the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement when recorded, will constitute a lien or charge upon the Property, which are unconditionally prior and superior to the lien or charge of the Subordinate Deed of Trust.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Senior Lender to make the Senior Loan and HOF Loan to Borrower, it is hereby declared, understood and agreed as follows:

1. The Subordinate Lender hereby represents to Senior Lender that it is the current beneficiary of the Subordinate Deed of Trust and payee(s) of the Subordinate Note, and the Subordinate Lender does hereby agree that the Subordinate Loan, Subordinate Deed of Trust and the Subordinate Loan Documents, and all of the Subordinate Lender’s rights thereunder, shall be in all respects subordinate, secondary, inferior and junior to the lien of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, the other Senior Loan Documents, the other HOF Loan Documents, and all extensions, renewals or modifications thereof, all as executed and delivered by Borrower to the Senior Lender as security for the Senior Notes and the HOF Note, respectively.
2. For the purposes of this Agreement, the Subordinate Lender acknowledges and agrees that all disbursement of loan proceeds and other advances made by the Senior Lender pursuant to the Senior Loan Documents and the HOF Loan Documents, as applicable, shall be conclusively presumed to have been disbursed in accordance therewith and for the purposes therein provided.

3. The Subordinate Lender hereby appoints the Senior Lender, or any person or entity acting upon the directions of the Senior Lender, as its attorney-in-fact for the sole and limited purpose of inserting information in this Agreement regarding the date and recording of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, and Subordinate Deed of Trust.

4. The Subordinate Lender hereby agrees that upon the occurrence of a default by the Borrower under the terms of any of the Subordinate Loan Documents, the Subordinate Lender shall provide written notice to the Senior Lender no less than sixty (60) days prior to commencing the exercise of any remedies against Borrower and/or the Property.

5. Except as otherwise set forth below, Subordinate Lender agrees that it will not, without the prior written consent of the Senior Lender: (a) collect, enforce or receive payment upon, by setoff or in any other manner, all or any portion of the Subordinate Loan now or hereafter existing; (b) enforce or foreclose upon the Subordinate Deed of Trust or enforce or apply any other security now or hereafter existing for the Subordinate Loan; (c) commence, prosecute, or participate in any administrative, legal or equitable action against Borrower with respect to the Subordinate Loan; (d) join in any petition for bankruptcy, assignment for the benefit of creditors or creditor’s agreement involving the assets of Borrower, or incur any obligation to or receive any loans, advances or gifts from Borrower with respect to the Subordinate Loan. Notwithstanding the foregoing, Borrower may make payments under the Subordinate Loan to Subordinate Lender as long as all payments under the Senior Loan Documents and the HOF Loan Documents, as applicable, are current and not delinquent or in arrears, and only so long as at the time of such payment: (x) no default under the Senior Loan Documents or the HOF Loan Documents, as applicable, exists and no event exists which, with the lapse of time or the giving of notice or both, would be an event of default under the Senior Loan Documents or the HOF Loan Documents, as applicable, of which Subordinate Lender have received notice; and (y) such payment would not result in a violation of any of Borrower’s financial covenants set forth in any of the Senior Loan Documents and the HOF Loan Documents.

6. All necessary actions on the part of the Subordinate Lender, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of the Subordinate Lender hereunder have been taken. This Agreement constitutes the legal, valid and binding obligation of Subordinate Lender, enforceable against Subordinate Lender in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Subordinate Lender will not (i) result in any material violation or default of any term of any of the Subordinate Lender’ charters, formations
or other organizational documents (such as Articles or Certificate of Incorporation, bylaws, partnership agreement, operating agreement, etc.) or (ii) violate any material applicable law, rule or regulation.

7. Subordinate Lender hereby agrees to execute such documents and/or take such further action as Senior Lender may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Senior Lender.

8. If any provision of this Agreement shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

9. This Agreement contains the entire agreement between and among the parties hereto with respect to the subordination of the Subordinate Deed of Trust and the other Subordinate Loan Documents as to the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, the other Senior Loan Documents, and the other HOF Loan Documents.

10. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their respective successors and assigns. This Agreement shall remain effective until terminated in writing by Senior Lender. This Agreement is solely for the benefit of Subordinate Lender and Senior Lender and not for the benefit of Borrower or any other party.

11. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

12. This Agreement is made and executed under and in all respects will be governed and construed by the laws of the State of Colorado.

13. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed one and the same instrument.

[SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written.

SUBORDINATE LENDER:

CITY OF DURANGO, a Colorado municipal corporation

By: ________________________________
Name: ______________________________
Title: ______________________________

STATE OF COLORADO )
COUNTY OF ________________ ) ss.

The foregoing instrument was acknowledged before me this ___ day of __________, 2023 by ____________________ as ____________________ of City of Durango, a Colorado municipal corporation.

Witness my hand and official seal.

(SEAL)

Notary Public

My commission expires: __________________
BORROWER:

DURANGO TWG, LLLP,
a Colorado limited liability limited partnership

By: DURANGO GP, LLC,
a Colorado limited liability company,
its General Partner

By: TWG GP V, LLC,
an Indiana limited liability company,
its Sole Member

By: ________________________
Louis A. Knoble, Manager

STATE OF COLORADO )
) ss.
COUNTY OF ____________ )

The foregoing instrument was subscribed to and acknowledged before me this _____ day
of __________, 2023, by Louis A. Knoble as Manager of TWG GP V, LLC, an Indiana limited
liability company, as Sole Member of Durango GP, LLC, a Colorado limited liability company,
as General Partner of Durango GP, LLC, a Colorado limited liability limited partnership.

Witness my hand and official seal.

__________________________
Notary Public

My commission expires: ____________
SENIOR LENDER:
COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado

By: ____________________________
    Steve Johnson, Director, Community Development

STATE OF COLORADO )
    ) ss.
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me on _____________, 2023 by Steve Johnson, Director, Community Development, of Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado.

Witness my hand and official seal.

My Commission expires: ____________________________

[SEAL]

______________________________
Notary Public
EXHIBIT A

LEGAL DESCRIPTION

PARCEL I:

A TRACT OF LAND BEING IN LOT 6 (SE1/4NW1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER #1 FROM WHICH POINT THE CENTER OF SECTION 30 BEARS NORTH 36 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 70.1 FEET:
THENCE NORTH 4 DEGREES 08 MINUTES WEST, 284.0 FEET TO CORNER #2;
THENCE NORTH 72 DEGREES 27 MINUTES WEST, 36.3 FEET TO CORNER #3 WHICH IS A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 45 DEGREES 23 MINUTES 20 SECONDS WEST 17.8 FEET TO CORNER #4;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 300.0 FEET TO CORNER #5;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, NORTH 81 DEGREES 51 MINUTES WEST, 107.7 FEET TO CORNER #6;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 49 DEGREES 01 MINUTES 15 SECONDS WEST, 65.0 FEET TO CORNER #8 WHICH POINT BEARS NORTH 76 DEGREES 58 MINUTES EAST, A DISTANCE OF 432.8 FEET FROM THE NORTHWEST CORNER OF NE1/4SW1/4 OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M.;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, 280.1 FEET TO CORNER #9;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, 291.4 FEET TO CORNER #10;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, 250.0 FEET TO CORNER #11;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, 126.0 FEET TO CORNER #1, THE PLACE OF BEGINNING.

PARCEL II:

A TRACT OF LAND LYING AND BEING IN LOT 6 (SE1/4NW1/4), LOT 10 (NW1/4SE1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE W1/4 CORNER OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., BEARS NORTH 89 DEGREES 45 MINUTES 43 SECONDS WEST, A DISTANCE OF 1138.66 FEET:
THENCE SOUTH 75 DEGREES 48 MINUTES 45 SECONDS EAST, A DISTANCE OF 41.40 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 79 DEGREES 07 MINUTES 45 SECONDS EAST, A DISTANCE OF 210.10 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 77 DEGREES 03 MINUTES 45 SECONDS EAST, A DISTANCE OF 71.90 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 49 DEGREES 01 MINUTES 15 SECONDS EAST, A DISTANCE OF 104.57 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, A DISTANCE OF 267.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, A DISTANCE OF 291.40 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, A DISTANCE OF 250.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, A DISTANCE OF 126.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 85 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 50.49 FEET ALONG THE CENTER LINE OF LIGHTNER CREEK;
THENCE NORTH 86 DEGREES 19 MINUTES 00 SECONDS EAST, A DISTANCE OF 41.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 81 DEGREES 28 MINUTES 56 SECONDS EAST, A DISTANCE OF 142.72 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 73 DEGREES 18 MINUTES 46 SECONDS EAST, A DISTANCE OF 59.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 10 DEGREES 50 MINUTES 40 SECONDS EAST, A DISTANCE OF 28.80 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK TO A POINT ON THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE NORTH 88 DEGREES 15 MINUTES 17 SECONDS EAST, A DISTANCE OF 440.20 FEET ALONG THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 02 DEGREES 46 MINUTES 00 SECONDS EAST, A DISTANCE OF 276.00 FEET;
THENCE SOUTH 27 DEGREES 28 MINUTES 00 SECONDS WEST, A DISTANCE OF 186.00 FEET;
THENCE SOUTH 62 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 33.00 FEET;
THENCE SOUTH 27 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 968.64 FEET TO A POINT ON THE SOUTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 191.64 FEET TO THE SOUTHWEST CORNER OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 38 SECONDS WEST, A DISTANCE OF 1303.77 FEET ALONG THE SOUTH LINE OF LOT 11 OF SAID SECTION 30 TO THE SOUTHWEST CORNER OF LOT 11 OF SAID SECTION 30;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 1241.43 FEET ALONG THE WEST LINE OF SAID LOT 11 TO THE POINT OF BEGINNING.
PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (the “Agreement”) is made and entered into as of October ____, 2023, between City of Durango, a Colorado municipal corporation (the “Optionor”), and TWG Development, LLC, a Colorado limited liability company, or its assigns (“Optionee”), and is consented to hereinbelow by Durango TWG, LLLP, a Colorado limited liability limited partnership (the “Partnership”).

RECITALS

WHEREAS, on the date hereof the Optionor is obligated to or contracted to per separate agreement to make a loan to the Partnership in the original principal amount of Three Million and 00/100 Dollars ($3,000,000.00) (the “Loan”) pursuant to that Promissory Note given by the Partnership for the benefit of the Optionor (the “Note”) for the purpose of constructing a multifamily housing project in the City of Durango, Colorado (the “Project”).

WHEREAS, the Note will be secured by a Deed of Trust, will be nonrecourse and payable solely from subordinated cash flow from the Project, which terms and conditions are further set forth in the Note, Deed of Trust and Loan Agreement attached hereto as Exhibit A (collectively referred to herein as the “Loan Documents”).

WHEREAS, the Optionor desires to grant to the Optionee an option to acquire the Note upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant of Option. The Optionor hereby grants to the Optionee an option (the “Option”) to purchase the Note, which Option shall begin on the date which is 5 years from the date hereof and continue for a period of 15 years (the “Option Term”), subject to the conditions precedent to the exercise of the Option specified herein.

2. Purchase Price Under Option. The purchase price of the Note pursuant to the Option shall be an amount equal to the Fair Market Value of the Note (the “Purchase Price”).

3. Consideration for Option. In consideration of the Option, Optionee shall pay to Optionor a non-refundable option fee equal to Two Hundred Fifty Dollars and no/100 ($250) (the “Option Fee”), receipt of which is acknowledged by Optionor.

4. Exercise of Option. The Option may be exercised during the Option Term by the Optionee by giving prior written notice of its intent to exercise the Option to the Optionor in compliance with the requirements of this Section 4 (the “Option Exercise Notice”).

5. Closing. Optionee shall close on the acquisition of the Note (the “Closing”) within thirty (30) days of the issuance of the Option Exercise Notice. At Closing, Optionee shall deliver the original Note along with an allonge in a mutually agreeable form. This Agreement shall be specifically enforceable after proper issuance of the Option Exercise Notice by Optionee. Each party shall pay its own costs related to the Closing.
6. **Exclusivity.** In consideration of the Option Fee, Optionor agrees that the Option shall be exclusive to Optionee and Optionor shall not grant any option to, or enter into any agreement with, any third party with respect to acquisition of the Note during the Option Term.

7. **Events of Default; Remedies.** (a) For purposes of this Agreement, the term “Default” shall occur if a party fails to perform or observe any obligation, covenant or agreement set forth in this Agreement and such failure continues for a period of five (5) days after the date of written notice thereof from the other party.

   (a) Without prejudice to the rights and remedies otherwise available to Optionee at law or in equity, Optionor acknowledges and agrees that Optionee shall be entitled to seek specific performance of this Agreement and such other equitable relief by way of injunction upon the occurrence of a Default on the part of Optionor. Unless otherwise required by applicable law, Optionee shall not be required to post a bond or to show special damages in any proceeding seeking any such equitable relief.

   (b) If any Default shall occur and be continuing, the non-defaulting party may in addition to any other rights and remedies specifically set forth herein, exercise any one or more of the rights and remedies granted to the non-defaulting party by law, in equity or under this Agreement. All rights and remedies of the non-defaulting party hereunder shall be cumulative and non-exclusive of any rights or remedies which the non-defaulting party may have under any other agreement, by operation of law, or otherwise. No failure to exercise and no delay in exercising, on the part of the non-defaulting party, any right or remedy shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

   (c) The non-defaulting party shall be entitled to collect from the defaulting party all reasonable expenses, including legal fees, incurred by the non-defaulting party in connection with its enforcement of any of its rights and remedies set forth herein.

8. **Applicable Law.** This Agreement shall be construed in accordance with the laws of the State of Colorado.

9. **Representations of Optionor.** Optionor hereby represents, warrants and covenants to Optionee that Optionor has the full power and authority to execute, deliver and perform this Agreement. This Agreement is the legal and binding obligation of Optionor, enforceable against Optionor in accordance with its terms.

10. **Notices.** All notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or similar overnight delivery service, (iii) transmitted by telex or other facsimile transmission, answerback requested, or (iv) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

If to the Optionee: TWG Development, LLC  
c/o TWG  
1301 East Washington Street, Suite 100  
2  
146
Indianapolis, Indiana 46202
Attn: Louis A. Knoble

If to the Optionor:

City of Durango
949 E 2nd Avenue
Durango, Colorado 81301

With copies to:

City Attorney’s Office
City of Durango
949 E 2nd Avenue
Durango, Colorado 81301

11. **Binding Provisions.** The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement.

12. **Counterparts.** This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties notwithstanding that all the parties have not signed the original or the same counterpart.

13. **Amendments.** This Agreement may be amended only by a written instrument executed in one or more counterparts by the parties hereto.

14. **Time.** Time is of the essence with respect to this Agreement, and all provisions relating thereto shall be so construed.
IN WITNESS WHEREOF, the parties have executed this document as of the date first set forth hereinabove.

**OPTIONOR:**

City of Durango

By: __________________________
Name: _________________________
Its: __________________________

ATTEST:

By: __________________________
Name: _________________________
Its: City Clerk

**OPTIONEE:**

TWG Development, LLC

By: __________________________
Name: _________________________
Its: __________________________
The undersigned hereby consent to the foregoing Agreement as of the date first set forth hereinabove.

PARTNERSHIP:

Durango TWG, LLP

By: Durango GP, LLC
Its: General Partner

By: TWG GP V, LLC
Its: Sole Member

By: ________________________
Louis A. Knoble
Its Manager
EXHIBIT A

Loan Documents

[Attached]
SUBORDINATION OF DEED OF TRUST

This SUBORDINATION OF DEED OF TRUST (the “Agreement”) is dated as of ______________, 2023, by DURANGO TWG, LLLP, a Colorado limited liability limited partnership (“Borrower”), CITY OF DURANGO, a Colorado municipal corporation (the “Subordinate Lender”), and COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado (the “Senior Lender”).

RECITALS:

A. Subordinate Lender made a loan to Borrower in the maximum aggregate amount of Three Million and No/100 Dollars ($3,000,000.00) (the “Subordinate Loan”), in connection with the property commonly known as Residences at Durango, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (the “Property”). The Subordinate Loan is evidenced by (i) that certain Promissory Note in the maximum principal amount of $3,000,000.00, made by Borrower for the benefit of Subordinate Lender (the “Subordinate Note”). The Subordinate Note is secured by (i) that certain Deed of Trust for the benefit of the Subordinate Lender dated ______________, 2023, recorded on ______________, 2023, under Reception No. ________________ (the “Subordinate Deed of Trust”), in the real estate records of the Clerk and Recorder of La Plata County, Colorado (the “Records”). The Subordinate Note, Subordinate Deed of Trust and all other documents and agreements related to the Subordinate Loan, including, but not limited to, that certain Loan Agreement between Subordinate Lender and Borrower, are collectively referred to herein as the “Subordinate Loan Documents”.

B. Borrower has executed a Promissory Note payable to the Senior Lender (the “Senior Note”) in the original maximum principal amount of $23,500,000 (the “Senior Loan”) upon the terms and conditions of that certain Risk Share Program Loan Agreement dated as of ______________, 2023, between Senior Lender and Borrower (“Senior Loan Agreement”). The Senior Note is secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Rents and Leases executed by Borrower, dated ______________, 2023, recorded on ______________, 2023, under Reception No. ________________, in the Records, which encumbers Borrower’s interest in the Property (the “Senior Deed of Trust”). The Senior Note, Senior Deed of Trust, and that certain Regulatory Agreement dated ______________, 2023, recorded on ______________, 2023, under Reception No. ________________, in the Records (the “Regulatory Agreement”), and all other documents and agreements evidencing securing and/or executed in connection with the Senior Loan are collectively referred to herein as the “Senior Loan Documents”.

Subordination of DOT
C. It is a condition precedent to obtaining the Senior Loan, that the Senior Deed of Trust and Regulatory Agreement shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the lien or charge of any other lien or encumbrance.

D. In addition, upon the conversion of the Senior Loan from a construction loan to a permanent loan, Borrower will execute a Promissory Note payable to the Senior Lender in the original principal amount of One Million Six Hundred Thousand and No/100 Dollars ($1,600,000.00) with interest and upon the terms and conditions described therein (the “HOF Note”) evidencing a second position loan from the Senior Lender to the Owner (the “HOF Loan”), which is to be secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing, and Assignment of Rents and Leases, to be executed by Owner and recorded in the Records, and encumbering the Owner’s interest in the Property (the “HOF Deed of Trust”), which together with other documents and agreements evidencing and securing the Loan are collectively referred to herein as the “HOF Loan Documents”.

E. The Senior Lender is willing to make the Senior Loan to Borrower provided the Subordinate Lender will specifically and unconditionally subordinate the lien or charge of the Subordinate Deed of Trust to the lien or charge of the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement.

F. It is to the mutual benefit of all parties to this Agreement that the Senior Lender make such loan to Borrower; and Subordinate Lender agrees that the Senior Deed of Trust, HOF Deed of Trust and Regulatory Agreement when recorded, will constitute a lien or charge upon the Property, which are unconditionally prior and superior to the lien or charge of the Subordinate Deed of Trust.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Senior Lender to make the Senior Loan and HOF Loan to Borrower, it is hereby declared, understood and agreed as follows:

1. The Subordinate Lender hereby represents to Senior Lender that it is the current beneficiary of the Subordinate Deed of Trust and payee(s) of the Subordinate Note, and the Subordinate Lender does hereby agree that the Subordinate Loan, Subordinate Deed of Trust and the Subordinate Loan Documents, and all of the Subordinate Lender’s rights thereunder, shall be in all respects subordinate, secondary, inferior and junior to the lien of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, the other Senior Loan Documents, the other HOF Loan Documents, and all extensions, renewals or modifications thereof, all as executed and delivered by Borrower to the Senior Lender as security for the Senior Note and the HOF Note, respectively.
2. For the purposes of this Agreement, the Subordinate Lender acknowledges and agrees that all disbursement of loan proceeds and other advances made by the Senior Lender pursuant to the Senior Loan Documents and the HOF Loan Documents, as applicable, shall be conclusively presumed to have been disbursed in accordance therewith and for the purposes therein provided.

3. The Subordinate Lender hereby appoints the Senior Lender, or any person or entity acting upon the directions of the Senior Lender, as its attorney-in-fact for the sole and limited purpose of inserting information in this Agreement regarding the date and recording of the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, and Subordinate Deed of Trust.

4. The Subordinate Lender hereby agrees that upon the occurrence of a default by the Borrower under the terms of any of the Subordinate Loan Documents, the Subordinate Lender shall provide written notice to the Senior Lender no less than sixty (60) days prior to commencing the exercise of any remedies against Borrower and/or the Property.

5. Except as otherwise set forth below, Subordinate Lender agrees that it will not, without the prior written consent of the Senior Lender: (a) collect, enforce or receive payment upon, by setoff or in any other manner, all or any portion of the Subordinate Loan now or hereafter existing; (b) enforce or foreclose upon the Subordinate Deed of Trust or enforce or apply any other security now or hereafter existing for the Subordinate Loan; (c) commence, prosecute, or participate in any administrative, legal or equitable action against Borrower with respect to the Subordinate Loan; (d) join in any petition for bankruptcy, assignment for the benefit of creditors or creditor’s agreement involving the assets of Borrower, or incur any obligation to or receive any loans, advances or gifts from Borrower with respect to the Subordinate Loan. Notwithstanding the foregoing, Borrower may make payments under the Subordinate Loan to Subordinate Lender as long as all payments under the Senior Loan Documents and the HOF Loan Documents, as applicable, are current and not delinquent or in arrears, and only so long as at the time of such payment: (x) no default under the Senior Loan Documents or the HOF Loan Documents, as applicable, exists and no event exists which, with the lapse of time or the giving of notice or both, would be an event of default under the Senior Loan Documents or the HOF Loan Documents, as applicable, of which Subordinate Lender have received notice; and (y) such payment would not result in a violation of any of Borrower’s financial covenants set forth in any of the Senior Loan Documents and the HOF Loan Documents.

6. All necessary actions on the part of the Subordinate Lender, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of the Subordinate Lender hereunder have been taken. This Agreement constitutes the legal, valid and binding obligation of Subordinate Lender, enforceable against Subordinate Lender in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Subordinate Lender will not (i) result in any material violation or default of any term of any of the Subordinate Lender’s charters, formations or other organizational documents (such as Articles or Certificate of Incorporation, bylaws,
partnership agreement, operating agreement, etc.) or (ii) violate any material applicable law, rule or regulation.

7. Subordinate Lender hereby agrees to execute such documents and/or take such further action as Senior Lender may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Senior Lender.

8. If any provision of this Agreement shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

9. This Agreement contains the entire agreement between and among the parties hereto with respect to the subordination of the Subordinate Deed of Trust and the other Subordinate Loan Documents as to the Senior Deed of Trust, HOF Deed of Trust, Regulatory Agreement, the other Senior Loan Documents, and the other HOF Loan Documents.

10. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon the parties hereto and their respective successors and assigns. This Agreement shall remain effective until terminated in writing by Senior Lender. This Agreement is solely for the benefit of Subordinate Lender and Senior Lender and not for the benefit of Borrower or any other party.

11. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

12. This Agreement is made and executed under and in all respects will be governed and construed by the laws of the State of Colorado.

13. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed one and the same instrument.

[SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written.

**SUBORDINATE LENDER:**

CITY OF DURANGO, a Colorado municipal corporation

By: _________________________________
Name: ______________________________
Title: _______________________________

STATE OF COLORADO )
COUNTY OF _________________)

The foregoing instrument was acknowledged before me this ___ day of __________, 2023 by ____________________ as ____________________ of City of Durango, a Colorado municipal corporation.

Witness my hand and official seal.

(S E A L)

Notary Public

My commission expires: ____________________________
BORROWER:

DURANGO TWG, LLLP,
a Colorado limited liability limited partnership

By: DURANGO GP, LLC,
a Colorado limited liability company,
its General Partner

By: TWG GP V, LLC,
an Indiana limited liability company,
its Sole Member

By: ________________________
Louis A. Knoble, Manager

STATE OF COLORADO )
) ss.
COUNTY OF ____________ )

The foregoing instrument was subscribed to and acknowledged before me this _____ day of ____________, 2023, by Louis A. Knoble as Manager of TWG GP V, LLC, an Indiana limited liability company, as Sole Member of Durango GP, LLC, a Colorado limited liability company, as General Partner of Durango GP, LLC, a Colorado limited liability limited partnership.

Witness my hand and official seal.

__________________________
Notary Public

My commission expires: ________________
SENIOR LENDER:

COLORADO HOUSING AND FINANCE AUTHORITY, a body corporate and political subdivision of the State of Colorado

By: __________________________
    Steve Johnson, Director, Community Development

STATE OF COLORADO  )
                  ) ss.
CITY AND COUNTY OF DENVER  )

The foregoing instrument was acknowledged before me on ____________, 2023 by Steve Johnson, Director, Community Development, of Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado.

Witness my hand and official seal.

My Commission expires: ________________________

[SEAL]

______________________________
Notary Public
EXHIBIT A

LEGAL DESCRIPTION

PARCEL I:
A TRACT OF LAND BEING IN LOT 6 (SE1/4NW1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER #1 FROM WHICH POINT THE CENTER OF SECTION 30 BEARS NORTH 36 DEGREES 13 MINUTES 14 SECONDS EAST, A DISTANCE OF 70.1 FEET:
THENCE NORTH 4 DEGREES 08 MINUTES WEST, 284.0 FEET TO CORNER #2;
THENCE NORTH 72 DEGREES 27 MINUTES WEST, 36.3 FEET TO CORNER #3 WHICH IS A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 45 DEGREES 23 MINUTES 20 SECONDS WEST 17.8 FEET TO CORNER #4;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 300.0 FEET TO CORNER #5;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, NORTH 81 DEGREES 51 MINUTES WEST, 107.7 FEET TO CORNER #6;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 76 DEGREES 21 MINUTES WEST, 352.2 FEET TO CORNER #7;
THENCE CONTINUING ALONG THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 160, SOUTH 49 DEGREES 01 MINUTES 15 SECONDS WEST, 65.0 FEET TO CORNER #8 WHICH POINT BEARS NORTH 76 DEGREES 58 MINUTES EAST, A DISTANCE OF 432.8 FEET FROM THE NORTHWEST CORNER OF NE1/4SW1/4 OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M.;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, 280.1 FEET TO CORNER #9;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, 291.4 FEET TO CORNER #10;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, 250.0 FEET TO CORNER #11;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, 126.0 FEET TO CORNER #1,
THE PLACE OF BEGINNING.

PARCEL II:
A TRACT OF LAND LYING AND BEING IN LOT 6 (SE1/4NW1/4), LOT 10 (NW1/4SE1/4) AND LOT 11 (NE1/4SW1/4) OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., COUNTY OF LA PLATA, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE W1/4 CORNER OF SECTION 30, TOWNSHIP 35 NORTH, RANGE 9 WEST, N.M.P.M., BEARS NORTH 89 DEGREES 45 MINUTES 43 SECONDS WEST, A DISTANCE OF 1138.66 FEET:
THENCE SOUTH 75 DEGREES 48 MINUTES 45 SECONDS EAST, A DISTANCE OF 41.40 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 79 DEGREES 07 MINUTES 45 SECONDS EAST, A DISTANCE OF 210.10 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 77 DEGREES 03 MINUTES 45 SECONDS EAST, A DISTANCE OF 71.90 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE NORTH 49 DEGREES 01 MINUTES 15 SECONDS EAST, A DISTANCE OF 104.57 FEET ALONG THE SOUTH RIGHT OF WAY LINE OF U.S. HIGHWAY 160;
THENCE SOUTH 51 DEGREES 03 MINUTES 30 SECONDS EAST, A DISTANCE OF 267.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 83 DEGREES 46 MINUTES 20 SECONDS EAST, A DISTANCE OF 291.40 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 82 DEGREES 20 MINUTES 30 SECONDS EAST, A DISTANCE OF 250.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE NORTH 54 DEGREES 02 MINUTES 30 SECONDS EAST, A DISTANCE OF 126.00 FEET ALONG THE SOUTH LINE OF DURANGO INN PROPERTY;
THENCE SOUTH 85 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 50.49 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 86 DEGREES 19 MINUTES 00 SECONDS EAST, A DISTANCE OF 41.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 81 DEGREES 28 MINUTES 56 SECONDS EAST, A DISTANCE OF 142.72 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 73 DEGREES 18 MINUTES 46 SECONDS EAST, A DISTANCE OF 59.10 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK;
THENCE NORTH 10 DEGREES 50 MINUTES 40 SECONDS EAST, A DISTANCE OF 28.80 FEET ALONG THE CENTERLINE OF LIGHTNER CREEK TO A POINT ON THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE NORTH 88 DEGREES 15 MINUTES 17 SECONDS EAST, A DISTANCE OF 440.20 FEET ALONG THE NORTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 02 DEGREES 46 MINUTES 00 SECONDS EAST, A DISTANCE OF 276.00 FEET;
THENCE SOUTH 27 DEGREES 28 MINUTES 00 SECONDS WEST, A DISTANCE OF 186.00 FEET;
THENCE SOUTH 62 DEGREES 43 MINUTES 00 SECONDS EAST, A DISTANCE OF 33.00 FEET;
THENCE SOUTH 27 DEGREES 17 MINUTES 00 SECONDS WEST, A DISTANCE OF 968.64 FEET TO A POINT ON THE SOUTH LINE OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 33 SECONDS WEST, A DISTANCE OF 191.64 FEET TO THE SOUTHWEST CORNER OF LOT 10 OF SAID SECTION 30;
THENCE SOUTH 89 DEGREES 01 MINUTES 38 SECONDS WEST, A DISTANCE OF 1303.77 FEET ALONG THE SOUTH LINE OF LOT 11 OF SAID SECTION 30 TO THE SOUTHWEST CORNER OF LOT 11 OF SAID SECTION 30;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 1241.43 FEET ALONG THE WEST LINE OF SAID LOT 11 TO THE POINT OF BEGINNING.
$3,000,000 in Congressional Funds from U.S. Department of Housing and Urban Development (HUD) → Congressional Funds Granted from HUD to the City of Durango pursuant to the Amended and Restated Grant Agreement Fiscal Year 2022 Community Project Funding Grant B-22-CP-CO-0181

Congressional Funds lent from the City of Durango to Durango TWG, LLLP pursuant to the Loan Agreement, Promissory Note and Deed of Trust between the City of Durango and Durango TWG, LLLP → Pursuant to the Loan Agreement the Loan Funds will flow from the City of Durango to the title company to than pay off a portion of the Operation Turn Key Loan that Durango TWG, LLLP received from the Colorado Department of Local Affairs (DOLA) and used to acquire the project site. The intent here will be that these loan proceeds go directly from the title company to DOLA

The terms of the Loan Document provide that the term will be for 40 years with a payment of all interest, which is proposed as 1%, and principal due at that point. We are also proposing a Purchase Option Arrangement pursuant to which TWG Development, LLC will be able to purchase the loan from the City of Durango for the loan's Fair Market Value. → The Deed of Trust that secures the Congressional Loan will be recorded against the property to secure City of Durango’s interest as a lender. The Deed of Trust will need to be subordinate to the both Colorado Housing and Financing Authority’s (“CHFA”) Low Income Housing Credit Restrictive Covenant and CHFA’s Deed of Trust securing its senior construction loan.
TO: DURANGO CITY COUNCIL  FROM: MARK MORGAN  
CITY ATTORNEY

SUBJECT: DISCUSSION AND POSSIBLE ACTION TO ADOPT AN ORDINANCE ENACTING A STANDING ORDER REGARDING THE PROHIBITION OF FIREARMS AND OTHER DEADLY WEAPONS IN CITY BUILDINGS

RECOMMENDATION:

It is recommended that City Council, by motion, adopt the proposed ordinance enacting a standing order regarding the prohibition of firearms and other deadly weapons in city buildings

BACKGROUND SUMMARY:

There is a need for the City Council to adopt this ordinance to ensure the safety of the public, city personnel, elected officials, and any others who are conducting business with the City.

STRATEGIC PLAN ALIGNMENT:

Engaged and Collaborative Governance ECG

ALTERNATIVE OPTIONS CONSIDERED:

None

FISCAL IMPACT:

Unknown at this time

POTENTIAL ADVERSE IMPACTS:

Unknown at this time

NEXT STEPS AND TIMELINE:

Unknown at this time
ORDINANCE NO. O-2023-____

AN ORDINANCE ENACTING A STANDING ORDER REGARDING THE PROHIBITION OF FIREARMS AND OTHER DEADLY WEAPONS IN CITY BUILDINGS

Sec. 17-121 FIREARMS AND OTHER DEADLY WEAPONS IN PUBLIC BUILDINGS PROHIBITED

(a) Prohibited activities associated with open and concealed carry of firearms and other deadly weapons in public buildings

(1) Definitions. For purposes of this section, certain terms are defined as follows:

Concealed Carry means when a person carries a firearm or other deadly weapon concealed on or about their person.

Deadly Weapon(s) means a knife, bludgeon, or any other weapon, device, instrument, material, or substance, whether animate or inanimate, as well as chemical agents such as mace, that, in the manner it is used or intended to be used, is capable of producing death or serious bodily injury.

Firearm(s) means any loaded or unloaded handgun, automatic, revolver, pistol, rifle, shotgun, or other instrument or device capable or intended to be capable of discharging bullets, cartridges, or other explosive charges.

Open Carry means when a person carries a firearm or other deadly weapon openly on or about their person.

Peace Officer means a person who meets all standards imposed by law and, at a minimum, is certified by the peace officers' standards and training board pursuant to C.R.S. § 24-31-3 and has the authority to enforce all laws of the state of Colorado while acting within the scope of their authority and in the performance of their duties.

Public Buildings means any building owned by the City and open to the public.

(2) Concealed Carry. It is unlawful for any person, other than a peace officer, to concealed carry any firearm or other deadly weapon in any public building if the City Manager has posted a sign to that effect at every public entrance to the building pursuant to C.R.S. § 18-12-214. No permit authorizing the carrying of concealed weapons shall be construed as abrogating or affecting this order.

(3) Open Carry. It is unlawful for any person, other than a peace officer, to open carry any firearm or other deadly weapon in any public building if the City Manager has posted a sign to that effect at every public entrance to the building pursuant to C.R.S. § 18-12-214.

(4) Authorized Personnel. All peace officers, in uniform or plain clothes, who are authorized to carry firearms in performance of their duties and who are on-duty, shall bring firearms or other deadly weapons, concealed or otherwise, into public buildings. Upon entry, authorized peace officers will be required to present valid credentials as well as personal identification and to state their business to security officers within the public buildings.

(5) Peace Officer. It is unlawful for a peace officer, whether on-duty or off-duty, shall not carry or possess a firearm or other deadly weapon or other dangerous items if the peace officer is entering a public building for non-official or personal business which includes, but is not limited to, the following:
a. Jury duty.
b. The officer is party to a court case.
c. The officer is providing support to a friend or relative who is conducting personal business within public buildings.
d. The officer is serving as a witness in a court case.
e. The officer is a spectator or appearing on any personal business that is not directly related to official law enforcement duties.

(6) Enforcement. The Durango Police shall have the authority to enforce this ordinance by implementing peace officers and/or electronic weapons screening devices to determine whether the person entering is carrying a firearm or other deadly weapon of any kind, pursuant to C.R.S. § 18-12-214.

a. Peace officers may require each person to leave the premises and prohibit reentry until the person returns unarmed.
b. Peace officers are not required to offer storage of firearms or deadly weapons for the person while that person is in the building.

(7) Notice. No person shall be cited for a violation of subsections 2, 3 and/or 5 of this section unless the person engages in conduct prohibited by subsections 2, 3 and/or 5 of this section after having received notice by a peace officer that such conduct violates subsections 2, 3 and/or 5 of this section. Upon receiving notice of this violation, the person engaging in conduct prohibited by subsection 2, 3 and/or 5 of this section shall immediately leave the premises and shall not return unless the person is unarmed.

(b) Violation; PENALTY.
Violations of subsections 2, 3, and 5 of this section shall be punishable as provided for in section 1-10 of this code.

(c) Severability. If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction as invalid, such judgment shall not affect the remaining provisions of this ordinance.

WHEREAS, the City Council of the City of Durango (“City”) recognizes that there have been past incidents of violence, or threat of violence, in Colorado and the four corners region. For example, there were very serious incidents, involving serious injury and death in Farmington, New Mexico, Mesa County, and Arapahoe County and a simulated improvised explosive device was found near Durango City Hall; and

WHEREAS, governmental proceedings, such as litigation and legislation, by its very nature may create strong feelings in participants, which can be conducive to violence or the threat of violence; and

WHEREAS, city personnel, the public, elected officials, and other participants in city governance or conducting business with the City are entitled to feel safe and secure in public buildings. People are entitled to come to public buildings to conduct business with the City, no matter how high the emotions of the participants or how volatile the subject matter of the business, they are personally safe from violence, abuse, or the threat of same. Violence, or the threat of violence, in public buildings, would inhibit the free exercise of the Constitutional rights of our citizens; and

WHEREAS, this assurance of safety cannot be given if firearms or other deadly weapons are allowed into public buildings; and

WHEREAS, the efficient, effective, and fair administration of city business requires that the public have confidence in the safety and security of public buildings; and
NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE
CITY OF DURANGO, COLORADO THAT CHAPTER 17 OFFENSES ARTICLE
VIII – OFFENSES RELATING TO WEAPONS BE AMENDED BY ADDING
SECTION 17-134 FIREARMS AND OTHER DEADLY WEAPONS IN PUBLIC
BUILDINGS PROHIBITED AS FOLLOWS;

Sec. 17-134 FIREARMS AND OTHER DEADLY WEAPONS IN PUBLIC
BUILDINGS PROHIBITED
(a) Prohibited activities associated with open and concealed carry of firearms and
other deadly weapons in public buildings

(1) Definitions. For purposes of this section, certain terms are defined as follows:

Concealed Carry means when a person carries a firearm or other deadly
weapon concealed on or about their person.

Deadly Weapon(s) means a knife, bludgeon, or any other weapon, device,
instrument, material, or substance, whether animate or inanimate, as well
as chemical agents such as mace, that, in the manner it is used or
intended to be used, is capable of producing death or serious bodily injury.

Firearm(s) means any loaded or unloaded handgun, automatic, revolver,
pistol, rifle, shotgun, or other instrument or device capable or intended to
be capable of discharging bullets, cartridges, or other explosive charges.

Open Carry means when a person carries a firearm or other deadly
weapon openly on or about their person.

Peace Officer means a person who meets all standards imposed by law
and, at a minimum, is certified by the peace officers’ standards and training
board pursuant to C.R.S. § 24-31-3 and has the authority to enforce all
laws of the state of Colorado while acting within the scope of their authority
and in the performance of their duties.

Public Buildings means any building owned by the City and open to the
public.

(2) Concealed Carry. It is unlawful for any person, other than a peace officer, to
concealed carry any firearm or other deadly weapon in any public building if
the City Manager has posted a sign to that effect at every public entrance to
the building pursuant to C.R.S. § 18-12-214. No permit authorizing the
carrying of concealed weapons shall be construed as abrogating or affecting
this order.

(3) Open Carry. It is unlawful for any person, other than a peace officer, to open
carry any firearm or other deadly weapon in any public building if the City
Manager has posted a sign to that effect at every public entrance to the
building pursuant to C.R.S. § 18-12-214.

(4) Authorized Personnel. All peace officers, in uniform or plain clothes, who are
authorized to carry firearms in performance of their duties and who are on-
duty, shall bring firearms or other deadly weapons, concealed or otherwise,
into public buildings. Upon entry, authorized peace officers will be required to
present valid credentials as well as personal identification and to state their
business to security officers within the public buildings.

(5) Peace Officer. It is unlawful for a peace officer, whether on-duty or off-duty,
shall not carry or possess a firearm or other deadly weapon or other
dangerous items if the peace officer is entering a public building for non-
official or personal business which includes, but is not limited to, the following:
   a. Jury duty.
b. The officer is party to a court case.

  c. The officer is providing support to a friend or relative who is conducting personal business within public buildings.

  d. The officer is serving as a witness in a court case.

  e. The officer is a spectator or appearing on any personal business that is not directly related to official law enforcement duties.

(6) Enforcement. The Durango Police shall have the authority to enforce this ordinance by implementing peace officers and/or electronic weapons screening devices to determine whether the person entering is carrying a firearm or other deadly weapon of any kind, pursuant to C.R.S. § 18-12-214.

    a. Peace officers may require each person to leave the premises and prohibit reentry until the person returns unarmed.

    b. Peace officers are not required to offer storage of firearms or deadly weapons for the person while that person is in the building.

(7) Notice. No person shall be cited for a violation of subsections 2, 3 and/or 5 of this section unless the person engages in conduct prohibited by subsections 2, 3 and/or 5 of this section after having received notice by a peace officer that such conduct violates subsections 2, 3 and/or 5 of this section. Upon receiving notice of this violation, the person engaging in conduct prohibited by subsection 2, 3 and/or 5 of this section shall immediately leave the premises and shall not return unless the person is unarmed.

(b) Violation; PENALTY. Violations of subsections 2, 3, and 5 of this section shall be punishable as provided for in section 1-10 of this code.

(c) Severability. If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction as invalid, such judgment shall not affect the remaining provisions of this ordinance.

This ordinance shall become effective ten (10) days after its passage and final publication as provided by law.

CIT
Y COUNCIL OF
THE CITY OF DURANGO

Attest:

____________________________________
Mayor

____________________________________
City Clerk

STATE OF COLORADO )
) ss.
COUNTY OF LA PLATA )
I, Faye Harmer, City Clerk of the City of Durango, La Plata County, Colorado, do hereby certify that Ordinance No. O-2023- was regularly introduced and read at a regular meeting of the City Council of the City of Durango, Colorado on the ___ day of August, 2023, and was ordered published in accordance with the terms and conditions of the statutes in such cases made and provided, in the Durango Herald, a newspaper of general circulation, on the ___ day of August, 2023, prior to its final consideration by the City Council

________________________________
City Clerk

I further certify that said Ordinance No. O-2023- was duly adopted by the Durango City Council on the ___ day of August 2023, and that in accordance with instructions received from the Durango City Council, said ordinance was published by title only in the Durango Herald on the ___ day of August 2023.

ATTEST:                                CITY OF DURANGO

________________________________    __________________________________
Faye Harmer, City Clerk               Melissa Youssef, Mayor

Approved as to form:                 Approved as to Content

________________________________    __________________________________
Mark Morgan, City Attorney            José Madrigal, City Manager
TO:  DURANGO CITY COUNCIL  FROM:  BRYCE BIERMAN, CITY PLANNER

SUBJECT A PUBLIC HEARING TO CONSIDER AN ORDINANCE APPROVING THE CROSS RIGHT-OF-WAY ABANDONMENT REQUEST - ELSP

RECOMMENDATION:
It is the recommendation of the Planning Commission and Community Development staff that the City Council, by motion,

Approve the Cross Right-Of-Way Abandonment Request, as depicted in the attached documentation, and direct the City Attorney to proceed to the final reading of the ordinance at a regularly scheduled Council meeting.

BACKGROUND SUMMARY:
This is a request from the resident Ben Cross to abandon approximately ten feet of right-of-way along the south side of E. 5th Street, between E. 8th Avenue and E. 9th Avenue.

STRATEGIC PLAN ALIGNMENT:
The proposal is compatible with the Strategic Plan goal of an Enhanced Livability and Sense of Place.

ALTERNATIVE OPTIONS CONSIDERED:
Alternative options will be addressed in the supporting documentation and presentation for the public hearing. Alternative actions include the option to continue or deny the proposal.

FISCAL IMPACT:
There is no fiscal or budgetary impact associated with this request for Public Hearing.

POTENTIAL ADVERSE IMPACTS:
Potential adverse impacts will be addressed in the supporting documentation and presentation for the public hearing.

NEXT STEPS AND TIMELINE:
If City Council approves this request for an abandonment of right-of-way there would be a final reading of the ordinance held at the October 17 City Council meeting. Once the second reading of the ordinance is complete staff will work with the applicant to record the new plat map with the La Plata County Clerk & Recorder to memorialize the change.
COMMUNITY DEVELOPMENT DEPARTMENT
CITY COUNCIL STAFF REPORT

PUBLIC HEARING DATE
October 3, 2023

PROJECT NAME
Cross Right-of-Way Abandonment Request

PROJECT STAFF
Bryce Bierman, Planner I

PROJECT NUMBER
# 23-088

PROJECT TYPE
Right-of-Way Abandonment

APPLICANT
Ben Cross

PROPERTY ADDRESS/LOCATION
The south side of E 5th Street, between E 8th Avenue and E 9th Avenue.

PROJECT SUMMARY
The applicant, Ben Cross, has requested that the City abandon approximately 10 feet of right-of-way on the south side of E 5th Street, between E 8th Avenue and E 9th Avenue. This area of right-of-way is adjacent to the applicant’s property at 868 E 5th Street. If approved, this ROW Abandonment Request will proceed to a final reading at the October 17 City Council meeting.

STAFF RECOMMENDATION
APPROVE APPROVE WITH CONDITIONS DENY CONTINUE

RECOMMENDED MOTION
I move to approve the requested abandonment with the finding that the proposal complies with the City of Durango Land Use and Development Code subject to the conditions listed in the staff report and discussed at this public hearing.

ATTACHMENTS ☒ STAFF REPORT ☒ Legal Description
PROJECT SUMMARY AND BACKGROUND
The applicant, Ben Cross, is requesting the abandonment of an approximately 3,200 square foot area of street right-of-way located on the south side of E 5th Street, between E 8th Avenue and E 9th Avenue. The public right-of-way currently in place for the block in question is 80 feet wide; the standard local street section requires a width of 60 feet. City staff is in support of this abandonment request.

PROJECT ANALYSIS
The review criteria for Abandonment Requests are found in Division 6-3-14 of the Land Use and Development Code (LUDC). The criteria are listed below followed by staff’s analysis.

LUDC Section 6-3-14-2, Criteria for Abandonment of Rights-of-Way and Easements
The following criteria shall be used in the evaluation of all applications for the abandonment of right-of-way or easement.

1. Is the requested abandonment in conflict with adopted plans or policies?
2. Will the abandonment landlock any parcels of land?
3. Will the abandonment restrict the access of any parcel so that access is unreasonable or economically prohibitive?
4. Will the abandonment result in adverse impacts on the health, safety, and/or welfare of the general community, and reduce the quality of public facilities or services provided to any parcel of land, i.e., police/fire protection, accesses, and/or utility services?

Staff has reviewed the proposed abandonment and finds that the criteria listed above have been met.

ABANDONMENT REQUEST ALTERNATIVE ACTIONS
A. Approve the proposed Ordinance for the Cross ROW Abandonment with the findings that the abandonment is in conformance with the criteria as outlined in the Land Use and Development Code.
B. Continue consideration of the proposed abandonment to allow additional time for review and discussion with the applicant prior to a City Council decision.
C. Recommend denial of the proposed abandonment.

RECOMMENDED ACTION
By motion, Alternative Action A.
A parcel of land located in the southeast quarter of section 29, Township 35 North, Range 9 West, New Mexico Principle Meridian, in the City of Durango, La Plata County Colorado, being more particularly described as follows:

The southerly ten foot (10-ft) of the existing right-of-way of East 5th Street abutting Lots 17, 18, 19, 25 and 26, Block 18 of the Mountain View Annexation to the City of Durango, according to the plat filed for record on the _5th_ day of _July____, _1892_, at the office of the La Plata County Clerk & Recorder under Reception Number _20005_,

Also the southerly ten foot (10-ft) of the existing right-of-way of East 5th Street abutting Lot 1-A of the Thomas Eskew Minor Subdivision as filed in the office of said La Plata County Clerk & Recorder on the 4th day of May, 2004, under Reception Number 908289,

Also the southerly ten foot (10-ft) of the existing right-of-way of East 5th Street abutting Lots A and B of the Boundary Adjustment between Lots 20, 21 & 22, Block 18 Mountain View Addition, as recorded in the office of said La Plata County Clerk & Recorded on the 6th day of August, 2001 under Reception Number 810804.
 Ordinance NO. O-2023-XX

AN ORDINANCE VACATING AND ABANDONING A PORTION OF THE PUBLIC RIGHT-OF-WAY ON EAST 30TH STREET AND DECLARING AN EFFECTIVE DATE

WHEREAS, a request has been made to the City to vacate and abandon a portion of the public right-of-way on East 5th Street, east of East 8th Avenue and west of East 9th Avenue; and

WHEREAS, the request for abandonment involves a 10-foot strip of right-of-way, on the southerly side of East 5th Street, east of East 8th Avenue for a length of approximately 325 feet, approximately 3,250 square feet; and

WHEREAS, the vacation and abandonment of the designated right-of-way and easements is in conformance with the criteria outlined in the City’s Land Use and Development Code and is consistent with the Comprehensive Plan Policy; and

WHEREAS, the Durango Planning Commission has recommended approval of the requested vacation and abandonment; and

WHEREAS, the Council has determined that the portions of right-of-way and utility easements to be vacated are not necessary for the continued use for utilities as described in C.R.S, § 43-2-303(3), except as shown below; and

WHEREAS, a public hearing has heretofore been held before the City Council of the City of Durango, and the Council has determined, subsequent to said hearing, that the granting of the requested abandonments would not be detrimental to the interests of the citizens of the City of Durango;

NOW, THEREFORE, THE CITY OF DURANGO HEREBY ORDAINS:

Section 1. That the City of Durango does hereby vacate and abandon those portions of the described public right-of-way of E. 5th Street, east of E. 8th Avenue and west of E. 9th Avenue, as depicted and described on Exhibit A, hereto attached, the contents of which are incorporated herein. The City reserves an access and maintenance easement for utilities within area of right-of-way to be abandoned.

Section 2. This ordinance shall become effective ten (10) days after its passage and final publication as provided by law.
CITY COUNCIL OF THE CITY OF DURANGO

Attest:

__________________________________________

___________________  Mayor
City Clerk

STATE OF COLORADO  )
) SS.
COUNTY OF LA PLATA  )

I, Faye Harmer, City Clerk of the City of Durango, La Plata County, Colorado, do hereby certify that Ordinance No. O-2023-XX was regularly introduced and read at a regular meeting of the City Council of the City of Durango, Colorado on the 19th day of September, 2023, and was ordered published in accordance with the terms and conditions of the statutes in such cases made and provided, in the Durango Herald, a newspaper of general circulation, on the 13th day of September, 2023, prior to its final consideration by the City Council.

___________________________
City Clerk

I further certify that said Ordinance No. O-2023-XX was duly adopted by the Durango City Council on the 17th day of October, 2023, and that in accordance with the instructions received from the Durango City Council, said ordinance was published by title only in the Durango Herald on the 13th day of September, 2023.

___________________________
City Clerk
Exhibit A

A parcel of land located in the southeast quarter of section 29, Township 35 North, Range 9 West, New Mexico Principle Meridian, in the City of Durango, La Plata County Colorado, being more particularly described as follows:

The southerly ten foot (10-ft) of the existing right-of-way of East 5th Street abutting Lots 17, 18, 19, 25 and 26, Block 18 of the Mountain View Annexation to the City of Durango, according to the plat filed for record on the 5th day of July, 1892, at the office of the La Plata County Clerk & Recorder under Reception Number 20005,

Also the southerly ten foot (10-ft) of the existing right-of-way of East 5th Street abutting Lot 1-A of the Thomas Eskew Minor Subdivision as filed in the office of said La Plata County Clerk & Recorder on the 4th day of May, 2004, under Reception Number 908289,

Also the southerly ten foot (10-ft) of the existing right-of-way of East 5th Street abutting Lots A and B of the Boundary Adjustment between Lots 20, 21 & 22, Block 18 Mountain View Addition, as recorded in the office of said La Plata County Clerk & Recorded on the 6th day of August, 2001 under Reception Number 810804.
City Council
October 3, 2023

Cross Right-of-Way Abandonment Request

Bryce Bierman
Community Development
ELSP
Mission (Why we exist)
“The City of Durango and our employees provide, efficient city services, effectively maintain city assets and manage growth, are accountable, ethical, fiscally responsible, and collaborate with regional partners to improve the quality of life for our entire community.”

Vision (What we want to be)
“Durango is an authentic, diverse, multigenerational, and thriving community. Our Residents value and enjoy our unique natural environment and benefit from the management of our City’s resources in a fiscally responsible, environmental, and socially sustainable manner.”

Values (What we believe in)
Teamwork | Dependability | Professionalism | Service |
Respect | Innovation | Well-Being

Request:
Abandonment of Right-of-Way
The applicant, Ben Cross, has requested that the City abandon approximately 10 feet of right-of-way on the south side of E 5th Street, between E 8th Avenue and E 9th Avenue.

This area of right-of-way is adjacent to the applicant’s property at 868 E 5th Street.

If approved, this Right-of-Way Abandonment Request will be proceed to a final reading of the ordinance at the October 17 City Council meeting.
Comprehensive Plan

• Staff finds that the request does not conflict with any priorities laid out in the Comprehensive Plan.

Strategic Plan

• Broadly aligns with “Enhanced Livability and Sense of Place” goal by providing more livable space that may be improved by the residents involved.
Findings:

• The request complies with the Land Use and Development Code standards, the Comprehensive Plan, and the Strategic Plan.
• Staff is in support of the request, as the local street only requires 60ft. of Right-of-Way. (70ft. will remain)

Recommended Motion:

“Move to approve the proposed Ordinance for the Cross Right-of-Way Abandonment with the findings and conditions as outlined in the staff report and discussed at this public hearing.”
TO: DURANGO CITY COUNCIL  
FROM: DANIEL MURRAY, AICP - COMMUNITY DEVELOPMENT DEPARTMENT  
SUBJECT: A REQUEST FOR A PUBLIC HEARING FOR REVIEW OF THE 1235 AND 1295 CAMINO DEL RIO DOWNTOWN FIRE STATION & POWERHOUSE MINOR SUBDIVISION PRELIMINARY PLAN ON OCTOBER 17, 2023 - AEO

RECOMMENDATION:

It is recommended that City Council, by motion, set a hearing date of October 17, 2023 to review the proposed 1235 and 1295 Camino Del Rio Downtown Fire Station – Powerhouse Minor Subdivision Preliminary Plan.

BACKGROUND SUMMARY:

The applicant, City of Durango, is requesting a Minor Subdivision to divide 1235 and 1295 Camino del Rio, into three lots comprised of Lot 1 for the future Durango Fire Protection District (DFPD) Station #2, Lot 2 for the Powerhouse, and Lot 3 for City parks uses. Planning staff has provided preliminary comments on the project and find that the overall parcel layout adequately complies with the applicable standards.

STRATEGIC PLAN ALIGNMENT:

Enhanced Livability & Sense of Place - Safety: Police and emergency services.

ALTERNATIVE OPTIONS CONSIDERED:

Alternatives to setting a public hearing include not setting a public hearing or setting a hearing for a different date.

FISCAL IMPACT:

To be addressed in the documentation for the public hearing.

POTENTIAL ADVERSE IMPACTS:

To be addressed in the documentation for the public hearing.

NEXT STEPS AND TIMELINE:

Upon setting the public hearing, City Council may take formal action on October 17, 2023. Preliminary plan is followed by a Final Plat, which is an administrative level review to ensure compliance with conditions of approval. An approved final plat allows the subdivision plat to be executed and recorded.
TO: DURANGO CITY COUNCIL  
FROM: MARK MORGAN  
CITY ATTORNEY

SUBJECT: A MOTION TO CONVENE IN EXECUTIVE SESSION TO RECEIVE LEGAL ADVICE REGARDING POSSIBLE LITIGATION CONCERNING A CONTRACT DISPUTE INVOLVING JRC CONSULTING AS PERMITTED BY C.R.S. 24-6-402(4)(B)

RECOMMENDATION:

It is recommended that City Council, by motion, convene in executive session to receive legal advice regarding possible litigation concerning a contract dispute involving JRC Consulting as permitted by C.R.S. 24-6-402(4)(b).

BACKGROUND SUMMARY:

There is a need for the City Council to convene in executive session to receive legal advice on a contract dispute between the City of Durango and JRC Consulting.

State law requires that two thirds of the quorum present must vote in the affirmative in order to convene in executive session.

STRATEGIC PLAN ALIGNMENT:

Engaged and Collaborative Governance ECG

ALTERNATIVE OPTIONS CONSIDERED:

None

FISCAL IMPACT:

Unknown at this time

POTENTIAL ADVERSE IMPACTS:

Unknown at this time

NEXT STEPS AND TIMELINE:

Unknown at this time