



HOUSING AUTHORITY

Silverton Town Hall – Monday, June 2, 2025

Call to Order & Roll Call – @5:30pm

ATTENTION: The Town of Silverton Housing Authority meetings are being conducted in a hybrid virtual/in-person. Instructions for public participation in Town Trustee meetings are as follows:

Zoom Webinar Link: <https://us02web.zoom.us/j/88637487127>

By Telephone: Dial 669-900-6833 and enter Webinar ID 886 3748 7127 when prompted.

YouTube (live and recorded for later viewing, does not support public comment):

<https://www.youtube.com/channel/UCmJgal9lUXK5TZahHugprpQ>

If you would like to make a public comment during a specific Agenda Item, please submit a request to the SHA Director, Anne Chase achase@silverton.co.us

MEETING PROTOCOLS: Please turn off cell phones; be respectful and take personal conversations into the lobby. The public is invited to attend all regular meetings and work sessions of the Board of Trustees. Regular Meeting Closing Public Comment must be related to an agenda item.

AGENDA:

1. Staff / Board Revisions to Agenda
2. Public Comment
3. Approval of 5.12.25 Meeting Minutes
4. Resolution 2025-06 A Resolution of the Housing Authority of the Town of Silverton Authorizing Anvil Townhomes LLC to Enter into a Construction Loan Agreement for the Anvil Townhomes Development.
5. Development Services Agreement - Anvil Townhomes.



SILVERTON HOUSING AUTHORITY MEETING MINUTES

Silverton Town Hall – Monday, May 12, 2025

Call to Order & Roll Call –@6:30pm

Present: Trustee Halvorson, Trustee Wakefield, Trustee Schnitker, Trustee George, Mayor Pro Tem Harper, Mayor Kranker

Absent: Trustee Gardiner

Staff: Administrator Kaasch-Buerger, Housing Director Anne Chase, Clerk Melina Marks

Silverton Housing Authority @6:35pm

- 1) Call to Order and Roll Call
- 2) Staff and/or Board Revisions to Agenda
- 3) Public Comment

- No public comment

- 4) Approval of 4.21.25 Meeting Minutes

Trustee Halvorson moved, and Mayor Pro Tem Harper seconded to approve the 4.21.25 Meeting Minutes with administrative edits. Passed unanimously with roll call.

- 5) Director's Report

- Housing Director Anne Chase reviewed her director's report and provided additional major updates to the board.

- 6) Resolution 2025-05 A Resolution of the Housing Authority of the Town of Silverton to Take the Necessary Steps to Open Bank Accounts for the Authority and Its Entities with Bank of the San Juans and to Authorize Signatories and Supervisors on All Bank Accounts.

- Director Anne Chase provided context regarding this proposed Resolution.

Trustee Goerge moved, and Mayor Pro Tem Harper seconded to approve Resolution 2025-05 A Resolution of the Housing Authority of the Town of Silverton to Take the Necessary Steps to Open Bank Accounts for the Authority and Its Entities with Bank of the San Juans and to Authorize Signatories and Supervisors on All Bank Accounts. Passed unanimously with roll call.

- 7) Memorandum: Use of Employee SSN for EIN Application

- Director Anne Chase provided context regarding this agenda item.

Trustee Halvorson moved, and Trustee Schnitker seconded to approve the internal memorandum concerning use of employee social security number for the Anvil Townhome LLC's application doe an Employer Identification Number. Passed unanimously with roll call.

- 8) BOCC Funding Request

- Director Anne Chase provided context and explained that this funding request from the San Juan County Commissioners is set up to be a backup plan for the Colorado Health Foundation grant.
- The board gave direction for Anne to proceed with the funding request while we hope that other funding that we have been waiting for will come through in the meantime.



5/12/2025 Meeting Minutes Approved on 6/2/2025:

Melina Marks, SHA Appointed Secretary

Dayna Kranker, Chairperson



AGENDA MEMO

SUBJECT: Resolution 2025-06 Authorizing Anvil Townhomes LLC to Enter Into a Construction Loan Agreement for the Anvil Townhomes Development
MEETING DATE: 6/2/2025
STAFF CONTACT: Anne Chase

Overview:

Over the past year, the Silverton Housing Authority has prioritized and pursued the Anvil Townhomes Development that will create 9 new affordable homeownership units in Silverton. The development strategically aligns with the Town of Silverton's Proposition 123 commitment, the 2021 Silverton and San Juan County Housing Needs Assessment, the 2024 Housing Market Study, the Anvil Mountain Subdivision 2022 conceptual plan, the 2024 Silverton Homeownership Survey, and the 2022 Compass Master Plan.

In April 2024, the Silverton Housing Authority Board selected Tributary Development and Fading West as the project's fee-simple developer and modular home manufacturer, through a competitive Request for Proposals process.



Figure 1: Anvil Townhomes Site Plan

The project is designed to deliver space-efficient, energy-efficient, low-maintenance homes that provide affordable and sustainable homeownership opportunities. The site layout creates a defined entrance to the Anvil Mountain Subdivision and includes community amenities such as sidewalks and landscaping, directly addressing previously community-identified neighborhood needs. The homes will be manufactured by Fading West in Buena Vista, Colorado, enabling faster construction within the region's short building season.

The development will include eight townhomes and one single-family home, with a mix of two- and three-bedroom units. The affordability breakdown includes:

- Three units at 80% Area Median Income (AMI) – Low-Income Housing
- Five units at 100% AMI - Middle Income / Workforce Housing
- One unit at 140% AMI - Middle Income / Workforce Housing in Rural-Resort Communities

This AMI mix aligns with subdivision requirements and local housing demand while minimizing the subsidy needed to maintain affordability by leveraging cross-subsidization from the 140% AMI unit.

Affordability will be protected in perpetuity through recorded covenants that include clear usage and resale restrictions. The Silverton Housing Authority will monitor compliance over time to ensure that the homes continue to serve their intended purpose.

Despite land donation by San Juan County and fee waivers from the Town, the project requires \$1.1 million in subsidies to meet targeted sale prices. To date, the Housing Authority has secured \$616,000 from the Colorado Division of Housing (DOH), contingent upon closing the remaining \$450,000 funding gap. The Authority has applied for a \$450,000 grant from the Colorado Health Foundation (CHF) but has not yet received a final decision. This delay has jeopardized the project timeline and risks forfeiting the DOH award.

If nine units at or below 100% AMI are not built by the end of 2026, the Housing Authority—and any developer within Town limits—will be ineligible to apply for Proposition 123 funding until 2028. This would have serious consequences for SHA projects and all affordable housing development in Silverton.

Additionally, if SHA is unable to match the \$616,000 award from the Department of Housing with \$450,000 in local funds by the end of June, the DOH award must be forfeited. If that occurs, staff sees no viable path forward to continue meaningful progress on the Townhomes or any of our other developments until at least 2028. The timing of closing on the construction loan for the Anvil Townhome Development by the end of June is critical.

Staff has prepared two funding scenarios for the Anvil Townhomes capital stack. Scenario A is the most likely and favorable, due to high confidence that we will be awarded \$450K from the Colorado Health Foundation despite the delay in award notification. Scenario B is a back-up plan that keeps the project on track, with some increases in the sale prices and supplemental funding from San Juan County.

Scenario A

- Awarded a total of \$1,066,000 in gap funding from the Colorado Division of Housing and Colorado Health Foundation to cover the gap of construction costs and targeted affordable sale price sale proceeds.
- Achieves the SHA targeted sale price, which is approximately 20% below the maximum allowable sale price under the 2025 AMI Limits.
- Sale proceeds repay construction loan, grants cover the remaining development costs.

Sources of Funds

Construction Loan - First Southwest Bank	\$2,850,000	<i>(to be repaid from sales)</i>
Grant Funding - Prop-123 (DOLA)	\$616,000	
Grant Funding - Colorado Health Foundation	\$450,000	
Fee Waivers - Town of Silverton	\$103,047	
Total Sources of Funds	\$4,019,047	

Uses of Funds

Site Improvements	\$193,580
Vertical Construction	\$3,157,290
Professional Fees	\$35,000
Construction Cost of Financing	\$294,079
Other Soft Costs	\$124,098
Development Fee	\$215,000
Total Uses of Funds	\$4,019,047

Sales Proceeds and Construction Loan Repayment

Maximum Sales Proceeds <i>(per Deed Restrictions)</i>	\$3,583,940
Less: Increased Affordability Targets	(\$705,767)
Targeted Sales Proceeds	\$2,878,173

Additional Pricing Flexibility allowed per Deed Restrictions: \$705,767

Scenario B

- Not awarded Colorado Health Foundation grant of \$450,000.
- The \$450K gap is covered by:
 - Increasing construction loan by ~\$280,000 (repaid by sale proceeds).
 - Increasing sale proceeds by ~\$280K (Still under the maximum allowed sale price by ~13%).
 - Decreasing construction costs by ~\$70K.
 - \$100K from San Juan County (committed by BOCC on 5/14/25, contingent on no CHF award).

Sources of Funds

Construction Loan - First Southwest Bank	\$3,130,188	<i>(to be repaid from sales)</i>
Grant Funding - Prop-123 (DOLA)	\$616,000	
Contingency Funding - San Juan County	\$100,000	
Fee Waivers - Town of Silverton	\$103,047	
Total Sources of Funds	\$3,949,235	

Uses of Funds

Site Improvements	\$193,580
Vertical Construction	\$3,087,478
Professional Fees	\$35,000
Construction Cost of Financing	\$294,079
Other Soft Costs	\$124,098
Development Fee	\$215,000
Total Uses of Funds	\$3,949,235

Sales Proceeds and Construction Loan Repayment

Maximum Sales Proceeds <i>(per Deed Restrictions)</i>	\$3,583,940
Less: Increased Affordability Targets	(\$453,751)
Targeted Sales Proceeds	\$3,130,188

Additional Pricing Flexibility allowed per Deed Restrictions: \$453,751

Construction Loan – Resolution 2025-06

During the April 14th meeting, the SHA Board directed staff to draft a resolution to enter into a construction loan agreement with First Southwest Bank.

Of five preliminary term sheets, First Southwest (FSW) had the most competitive rates. FSW is offering financing comprised of a \$1.5 million loan through the AHIF program with a 3.00% interest rate with the balance of the loan priced at Prime + 0.5%. The blended interest rate of the AHIF and bank loan is ~5.84% under Scenario A and ~6.12% under Scenario B. The loan fees are a little higher than other options, but the lower interest rate makes the FSW loan the most competitive. To lock in the AHIF loan rates, the loan must close by the end of June.

As the sole member and manager of Anvil Townhomes LLC, the Silverton Housing Authority must authorize the LLC to enter into the construction loan agreement.

Motion or Direction:

Motion to adopt Resolution 2025-06 A Resolution of the Housing Authority of the Town of Silverton Authorizing Anvil Townhomes LLC to Enter into a Construction Loan Agreement for the Anvil Townhomes Development.



May 28, 2025

Bleecker Seaman
Tributary Development LLC
Delivered Via Email: bleecker@tributarydevelopment.com

Re: Loan proposal for Anvil Townhomes

Dear Mr Seaman:

Thank you for allowing First Southwest Bank (FSWB) the opportunity to review your request for financing for the 9 unit Anvil Townhome project in Silverton. We are pleased to provide the following proposal of loan terms for a \$2,900,000 construction financing package. The proposal includes two loans from FSWB, unless otherwise noted all terms and conditions apply to both loans.

- Borrower:** Anvil Townhomes, LLC.
- Guarantor:** Silverton Housing Authority – unlimited corporate guarantee.
Tributary Development LLC will provide a guarantee of completion and performance on the contract.
- Collateral:** Deed of trust and an assignment of rents on the 9 unit project. Loan will also be secured by all construction materials including the modular units as well as assignment of the construction contracts.
- Loan Amount:** Approximately \$2,900,000 – subject to change due to final budget amount including any required contingency and estimated interest to carry the project through completion.
- Facility #1 - \$1,400,000 (Bank Loan)
 - Facility #2 - \$1,500,000 (AHIF Loan)
- Collateral:** Bank Loan - 1st lien position.
AHIF Loan – 2nd lien position
- Term/Repayment:** Estimated at 18 months including a 6 month construction period followed by 12 months to sell the units. Term may be adjusted based on expected construction timeline and absorption of units as documented in the forthcoming appraisal.

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Monthly accrued interest will be paid on each loan. Estimated interest will be included in the construction budget and paid out of loan proceeds.

100% of net sales proceeds will be applied to the loans with the Bank loan first out and AHIF loan second.

Rate: Bank Loan: Variable at the Wall Street Journal Prime Rate + .50%

AHIF Loan: 3.0% fixed

Bank Fees: Bank Loan: Origination fee of 1.0% of the loan amount plus \$500 loan documentation fee.

AHIF Loan: Origination fee of 1.5% of the loan amount plus \$500 loan documentation fee.

Third Party Fees: All standard and customary third-party fees will be passed on directly to the borrower. Expected fees include but are not limited to the following: filing fees, title policy, title closing fee, appraisal fees, construction inspection fees, tax service fee and insurance monitoring fee.

Loan Covenants: Loan documents will contain current standard and customary terms and conditions for construction loans including but not limited to the following:

- All construction costs will be funded through a dedicated construction checking account at First Southwest Bank.
- Borrower will fund construction checking account upon loan closing with full required equity contribution. To the extent possible all grants and subordinate loans will be funded prior to bank loans and fund through the construction checking account and be on a first in/last out basis.
- Draws will be completed monthly and will typically fund within 3-5 business days.
- Draws will include a detailed request by budgeted line item verified by an inspection completed by the bank's 3rd party inspection firm.
- Use of project contingency fund will be at sole discretion of the bank.
- Cost overruns and change orders not funded through budget contingency will be funded by borrower through the construction checking account.
- Bank will require a performance bond on the contract for modular construction.
- Project must meet AHIF guidelines to ensure long term affordability for a minimum of 15 years, preferably with a deed restriction. San Juan County is a rural resort county and allows home buyers at up to 160% AMI and renters up to 140% AMI.

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Expiration: Loan proposal expires on June 30, 2025.

Additional Provisions:

Loan is subject to a complete financing package under terms that are satisfactory to the Bank. All financing must be committed prior to funding and cash equity required to complete the project will be deposited into the construction checking account. Equity will be first in and loan funds will be deployed in reverse order of how they are secured with the Bank loan funding last.

This document is a proposal of loan terms and not a commitment to lend. Loan approval, funding and loan terms are conditional on additional due diligence, appraisal satisfactory to the bank, formal underwriting and approval by the bank's loan committee as well as approval from the State of Colorado for the AHIF loan.

We look forward to working with you. Please contact me if you have any questions.

Sincerely,

Paul Broderick
Senior Vice President

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RESOLUTION NO. 2025-06

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON
AUTHORIZING ANVIL TOWNHOMES LLC TO ENTER INTO A CONSTRUCTION
LOAN AGREEMENT FOR THE ANVIL TOWNHOMES DEVELOPMENT**

WHEREAS, the Housing Authority for the Town of Silverton (“SHA”) is an independent body politic and corporate authorized to prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, alteration or repair of any project or any part thereof, pursuant to C.R.S. § 29-4-209(1)(d); and

WHEREAS, pursuant to C.R.S. § 29-4-209(1)(o), the SHA has the authority to borrow funds using various types of debt instruments and to secure repayment by pledging its revenues, mortgaging its property (as permitted by law), or using other lawful means; and

WHEREAS, pursuant to C.R.S. § 29-4-209(1)(d.7), the SHA has exercised its authority to establish Anvil Townhomes LLC (the “LLC”), and entity controlled by the SHA, for the purpose of owning, operating, investing in, or otherwise undertaking and developing the Anvil Townhomes Development (the “Project”) by way of adopting Resolution 2024-04; and

WHEREAS, the LLC is governed by the Operating Agreement of Anvil Townhomes LLC dated December 9, 2024 (“Operating Agreement”); and

WHEREAS, to finance the construction of the Project, the LLC intends to enter into a construction loan agreement and related financing documents with First Southwest Bank, in amount not to exceed \$3,150,000.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON THAT:

Section 1. The SHA, as the sole member of Anvil Townhomes LLC, authorizes the LLC to enter into a construction loan agreement and other related documents with First Southwest Bank, in an amount to exceed \$3,150,00.

Section 2. The Director of the SHA is authorized to negotiate, approve, and finalize the terms and conditions of the construction loan, provided that such terms and conditions are consistent with the purpose and intent of this resolution.

Section 3. The Director of the SHA, acting on behalf of the LLC, is authorized to execute all necessary loan documents, including but not limited to the construction loan agreement, promissory note, deed of trust (or mortgage), security instruments, assignments, guarantees, and any and all other documents required by the lender or deemed necessary to carry out the financing and construction of the Project.

Section 4. The Director of the SHA is hereby authorized and directed to take any and all further actions necessary or appropriate to effectuate the intent of this Resolution.

THIS RESOLUTION was approved and adopted the 2nd day of June 2025, by the Housing Authority of the Town of Silverton.

TOWN OF SILVERTON, COLORADO

Dayna Kranker, Chairperson

ATTEST:

Melina Marks, Town Clerk,
SHA Secretary



AGENDA MEMO

SUBJECT: Developer Services Agreement – Anvil Townhomes
MEETING DATE: 6/2/2025
STAFF CONTACT: Anne Chase

Overview:

During the June 10, 2024, meeting, the SHA Board awarded the Anvil Townhome RFP to Tributary Development and Fading West. Through a predevelopment agreement, SHA and Tributary Development have been working together to make the Anvil Townhomes shovel ready. Tributary has added critical capacity towards SHA's efforts to develop the Anvil Townhomes including design, site-plan approval, point of contact for Fading West, budget and finance development, and support through the DOH application.

According to our existing predevelopment agreement with Tributary, if the Developer determines the project is financially viable, the Developer and SHA shall negotiate a development agreement, affordability covenants, and other agreements to ensure the financial viability of the project and the project's compliance with the RFP.

Tributary and SHA Staff have identified two options for the Anvil Townhomes development to achieve financial viability; therefore, negotiations of the development agreement have begun. SHA's legal counsel and Staff have reviewed the agreement and seek approval from the Board to enter into the Development Agreement.

Motion or Direction:

Motion to authorize Anvil Townhomes LLC to enter into a Development Services Agreement with Tributary Development LLC.

DEVELOPMENT SERVICES AGREEMENT

This Development Services Agreement (“Agreement”), dated _____, 202_, is between TRIBUTARY DEVELOPMENT LLC, a Colorado limited liability company; (“Developer”) and ANVIL TOWNHOMES LLC, a Colorado limited liability company (“Owner”), together the “Parties”.

The Owner was formed to acquire, finance, construct, and sell a 9-unit single family development located on Lots 15, 16 and 17 in the Anvil Mountain Subdivision in Silverton, CO. The project will consist of two 4-plex townhome units and a detached single-family home with garage (collectively, the “Project”). The Owner has engaged the Developer to manage the development of the Project. The Owner and Developer desire to enter into this Agreement to memorialize the Developer’s scope of services and amend and restate all prior agreements and set forth the rights and responsibilities of the Owner and Developer.

The parties therefore agree as follows:

Section 1. Obligations of the Developer. The Developer shall perform the following functions:

- (a) assist, advise, and consult with the Owner regarding the acquisition of the Project;
- (b) assist, advise, and consult with the Owner on the selection of and provide coordination and supervision of surveyors, architects, engineers, and other consultants to prepare the site plan for the Project and the renderings, drawings, and specifications for construction of the Project’s improvements;
- (c) advise the Owner regarding rules or regulations, city ordinances, including health and fire safety regulations, and any other requirements of law or governmental authorities applicable to the development and construction of the Project;
- (d) obtain all necessary building permits and approvals for the development of the Project;
- (e) consult, advise, and assist in preparing a development and construction budget and pro forma financial projections;
- (f) cooperate and coordinate with construction contractors selected by the Developer in consultation with the Owner;
- (g) assist the Owner in assembling, negotiating, and retaining all contracts, agreements, and other records and data to carry out the development of the Project;
- (h) assist the Owner in communicating with neighborhood groups, local organizations, neighboring property owners, and other parties interested in the design and construction of the Project;

(i) assist the Owner in identifying sources of construction financing for the Project and negotiate the terms of financing with lenders and grant providers;

(j) prepare a critical-path schedule, design and construction cost estimates, and financial reports, and make recommendations as to the drawing of funds to cover the cost of developing the Project;

(k) assist the Owner with any compliance requirements of any financing including grant money;

(l) assist the Owner in obtaining and maintaining insurance coverage for the Project and the Owner during the development of the Project;

(m) use commercially reasonable best efforts to coordinate and supervise the development and construction of the Project on a timely basis and within the contemplated budget;

(n) record the progress on all of the foregoing and submit written progress reports to the Owner;

(o) assist Owner in the sale of the units as well as any pre-sale marketing efforts; and,

(p) maintain all off-site office and accounting facilities and equipment necessary to perform all of the foregoing functions.

Section 2. Development Fee.

(a) The Owner shall pay to the Developer a development fee (“Development Fee”) according to the attached Exhibit A.

Section 3. Termination of Duties and Responsibilities of Developer. The Developer’s obligations under this Agreement will terminate once the Owner receives a final certificate of occupancy for the last building in the Project, completion of all punch-list items and any sale support required by Owner. The Owner shall not terminate this Agreement except for “cause” as finally determined by a court of competent jurisdiction. “Cause” means fraud, dishonesty, reckless disregard for customary practices, and intentional misconduct.

Section 4. Miscellaneous.

(a) The parties shall not assign their rights and responsibilities under this Agreement without the written consent of the other party, except the Owner may collaterally assign its rights to a lender to facilitate the Project’s financing.

(b) The laws of the state of Colorado, without giving effect to its principles of conflicts of law, govern all adversarial proceedings brought by the parties arising out of this Agreement, whether their claims sound in contract, tort, or otherwise.

(c) This Agreement constitutes the entire understanding between the parties regarding its subject matter.

(d) Any amendment to this Agreement requires a written agreement of the parties.

(e) The parties acknowledge that if a dispute between the parties arises out of this Agreement or the subject matter of this Agreement, they would want the court to interpret this Agreement as follows: (i) with respect to any provision it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision; (ii) if an unenforceable provision is modified or disregarded, by holding that the rest of the Agreement will remain in effect as written; (iii) by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and (iv) if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Agreement, by holding the entire Agreement unenforceable.

(f) No waiver of satisfaction of a condition or non-performance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver.

(g) The failure of either party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Agreement, shall not be construed as a waiver of the right to assert any such terms and provisions on any future occasion or of damages caused thereby.

Section 5. Notice. The parties shall give all notices, consents, demands, waivers, or approvals related to this Agreement in writing delivered by (i) personal delivery, (ii) a nationally recognized, next-day courier service, (iii) first-class certified mail, postage prepaid, or (iv) e-mail. A notice is deemed given on the other party's receipt of it, or if mailed, on the earlier of the other party's receipt of it and the fifth business day after its mailing. The parties may change their addresses for notice by notifying the other parties in the manner provided in this Section 5. The parties hereby designate their addresses as follows:

Owner:

Anvil Townhomes LLC
c/o Silverton Housing Authority
P.O. Box 250
Silverton, CO 81433
E-mail: achase@silverton.co.us

Developer:

Tributary Development LLC
Attn.: Bleecker Seaman
651 N Emerson St.
Denver, CO 80218
E-mail: bleecker@tributarydevelopment.com

Section 6. Responsibilities of the Owner. For the Developer to perform its duties under this Agreement, the Owner shall:

- (a) provide full information regarding its requirements for the Project;
- (b) designate a representative who will be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously on behalf of the Owner; and
- (c) shall give prompt written notice to the Developer if the Owner becomes aware of any fault or defect in the Project or nonconformance with any Project contract.

Section 7. Independent Contractor. The services to be performed by the Developer are those of an independent contractor and not of an employee of the Owner. The Developer is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither the Developer nor its employees, if any, are entitled to workers' compensation benefits from the Owner for the performance of the services specified in this Agreement. **As an independent contractor, the Developer agrees that:**

- (a) Developer does not have the authority to act for the Owner, or to bind the Owner in any respect whatsoever, or to incur any debts or liabilities in the name of or on behalf of the Owner; and
- (b) Owner does not establish a quality standard for the Developer, except that Owner can provide plans and specifications regarding the work but does not oversee the actual work or instruct the Developer as to how the work will be performed; and
- (c) Owner cannot terminate the ordered services during the contract period unless the individual violates the terms of the contract or fails to produce a result that meets the specifications of this Agreement; and
- (d) Owner does not dictate the time of performance, except that a completion schedule and a range of mutually agreeable work hours may be established under this Agreement; and
- (e) Owner will not provide training or instruction to Developer or any of its employees regarding the performance of Services hereunder; and
- (f) Owner will not pay the Developer personally but rather makes checks payable to the trade or business name of the Developer; and
- (g) Neither Developer, nor its employees or contractors, will receive benefits of any kind from the Owner, and Developer will not receive unemployment insurance benefits unless unemployment compensation coverage is provided by the Developer or some other entity, and that the Developer is obligated to pay federal and state income tax on any moneys paid pursuant to the contract relationship created by this Agreement; and

(h) Developer represents that it is engaged in providing similar services to the general public and not required to work exclusively for the Owner; and

(i) All Services are to be performed solely at the risk of the Developer and Developer shall take all precautions necessary for the proper performance thereof; and

(j) Developer will not combine its business operations in any way with the Owner's business operations and each party shall maintain their operations as separate and distinct; and

(k) Developer has and hereby retains control of and supervision over the performance of Developer's obligations hereunder and control over any persons employed or contracted by Developer for performing the Services hereunder; and

(l) Developer represents and acknowledges that the Services performed under this Agreement will be done using Developer's own tools, except when the Owner requires use of the Owner's supplies or equipment, and at hours and times as determined by Developer.

Section 8. Assignment of Existing Contracts and Reimbursement. The Developer hereby assigns to the Owner all of its right, title, and interest to all contracts related to the development, design, construction, leasing, and management of the Project entered into by the Developer for the benefit of the Owner. The Owner shall promptly reimburse the Developer for all costs the Developer incurs on behalf of the Owner after the Owner receives invoices or other documentation evidencing the costs incurred.

Section 9. Ownership of Work Product. All documents such as reports, plans, drawings and contract specifications, information, and other materials prepared or furnished by the Developer (or the Developer's independent professional associates, subcontractors, and consultants) and paid for pursuant to this Agreement are instruments of public information and property of the Owner. All internal documents which support the public information such as field data, field notes, laboratory test data, calculations, estimates and other documents prepared by the Developer as instruments of service shall be provided to the Owner. The Owner understands such documents are not intended or represented to be suitable for reuse by the Owner or others for purposes outside the specific scope and conditions of this Agreement. Any reuse without written verification or adaptation by the Developer for the specific purpose intended will be at the Owner's sole risk and without liability or legal exposure to the Developer, or to the Developer's independent professional associates, subcontractors, or consultants.

Section 10. Insurance. The Developer represents, warrants, and agrees that it has and shall maintain State minimum workers' compensation insurance coverage for its employees, if any. The Developer shall also maintain broad form general liability, property damage, and automotive liability insurance in the minimum amount of \$424,000 for bodily injury, death, or damage to property of any person and \$1,195,000 for bodily injury, death, or damage to property of more than one person, or the maximum amount that may be recovered under the Colorado Governmental Immunity Act, § 24-10-101 *et seq.*, C.R.S., as from time to time amended (the "CGIA"), whichever is higher. All insurance policies (except workers' compensation) shall

include the Owner and its employees as additional insureds. No later than seven (7) days after execution of this Agreement, Developer may be required to provide the Owner with certificates of insurance evidencing the types and amounts of insurance specified in this paragraph.

Section 11. Unauthorized Workers. The Developer certifies that the Developer shall comply with the provisions of Section 8-17.5-101 *et seq.*, C.R.S. The Developer shall not knowingly employ or contract with an unauthorized worker to perform work under this Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an unauthorized worker. The Developer represents, warrants and agrees that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. The Developer shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If the Developer obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an unauthorized worker, the Developer shall: (i) notify the subcontractor and the Owner within three (3) days that the Developer has actual knowledge that the subcontractor is employing or contracting with an unauthorized worker; and (ii) terminate the subcontract with the subcontractor if within three (3) days of receiving such notice, the subcontractor does not stop employing or contracting with the unauthorized worker, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an unauthorized worker. The Developer shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If the Developer fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the Owner may terminate this Agreement for breach, and the Developer shall be liable for actual and consequential damages to the Owner. If the Developer participates in the Department Program, the Developer shall provide the affirmation required under Section 8-17.5-102(5)(c)(II), C.R.S., to the Owner. The Developer, if operating as a sole proprietor, hereby swears or affirms under penalty of perjury that the Developer (i) is a citizen of the United States or legal permanent resident or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of Section 24-76.5-101 *et seq.*, C.R.S., and (iii) shall produce one of the forms of identification required by Section 24-76.5-103, C.R.S., prior to the performance of any of its other obligations hereunder.

Section 12. Indemnification; No Waiver of Liability. Developer shall indemnify, save, and hold harmless the Owner, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related costs, incurred as a result of any act or omission by Developer, or its employees, agents, subcontractors, or assignees pursuant to the terms of this Agreement. As part of this obligation, the Developer shall compensate the Owner for the time, if any, spent by its legal counsel in connection with such claims or actions. If any document contains any provisions purporting to require the Owner to defend, indemnify, or hold harmless the Developer or purporting to effect a waiver or limitation of the Developer's liability (either by type of liability or amount), the Owner does not agree or accept such provisions and such provisions are not part of the Agreement. The Owner is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, defenses and protections provided by the CGIA or otherwise available to the Owner or its officers or employees.

Section 13. Law; Venue. The laws of the State of Colorado shall govern the construction, interpretation, execution and enforcement of this Agreement. Venue for any dispute between the Parties arising out of or relating to this Agreement shall be in the State of Colorado District Court for the county in which the Principal's mailing address is located.

Section 14.-No Third-Party Beneficiaries. The Parties to this Agreement do not intend to benefit any person not a party to this Agreement. No person or entity, other than the Parties to this Agreement, shall have any right, legal or equitable, to enforce any provision of this Agreement.

The parties have executed this Development Services Agreement on the date set forth.

DEVELOPER

Tributary Development LLC, a Colorado limited liability company

By: _____
Bleecker P. Seaman, Partner

OWNER

Anvil Townhomes LLC, a Colorado limited liability company

By: Silverton Housing Authority, a Colorado body corporate and politic, its Manager

By: _____
Anne Chase, Executive Director

EXHIBIT A

Development Fee

The Owner shall pay the Developer a Development Fee of **6% of approved costs (excluding land)** for the services set forth in the Development Agreement, which is currently estimated as \$210,640. Such Development Fee shall be paid in installments as follows:

Installment	Amount	Benchmark/Payment
First Installment	\$52,660 (25%)	Due upon closing of senior loan with First Southwest Bank
Second Installment	\$105,320 (50%)	Payable in 10 equal monthly payments (\$10,532) during construction, beginning with the July 2025 construction draw
Final Installment	\$52,660 (25%)	Due upon sale of the last unit and release of DOH retainage
Total	\$210,640 (100%)	

As additional incentive compensation, Developer will receive 50% of any net proceeds calculated as the positive difference between proceeds from the initial sales of all homes in the Project, less all Project costs including selling costs ("Net Proceeds"). Owner shall retain the remaining 50%. Developer and Owner will work in good faith to complete the calculation and distribute Net Proceeds within a reasonable timeframe after sale of the final unit in the Project and submittal of final Project costs.