

AGREEMENT FOR WINDING UP
DOWNTOWN HOUSING EFFORT JOINT VENTURE

This Agreement is made December 20, 2013 by Grand Junction Housing Authority ("GJHA") and Grand Junction Downtown Development Authority ("DDA") for purposes of specifying the details of the post-dissolution winding up of the Downtown Housing Effort ("DHE"), a joint venture between GJHA and DDA.

RECITALS

A. The City of Grand Junction (the "City") authorized creation of the DHE by Resolution no. 53-83, a copy of which is attached at **Exhibit A**.

B. Pursuant to Exhibit A DHE was created by the Joint Venture Agreement ("JV Agreement") between GJHA and DDA dated September 2, 1983, a copy of which is attached to this Agreement as **Exhibit B**.

C. By Resolution No. 78-92, the City transferred funds to be used for DHE purposes to GJHA, and the City assigned to GJHA the right to receive all future repayments of outstanding and future DHE loans and oversight authority and responsibility for those funds. A copy of that Resolution is attached as **Exhibit C**.

D. DDA withdrew from DHE by its Resolution No. 2013-06 of August 22, 2013, which effectively terminated DHE as a joint venture on September 2, 2013 pursuant to section III of Exhibit B.

E. DHE having been dissolved by the withdrawal by DDA, GJHA as the remaining venturer and pursuant to Exhibit C, is responsible for winding up the affairs of DHE, which DDA and GJHA agree will occur upon the terms and conditions stated in this Agreement.

FOR VALUABLE CONSIDERATION RECEIVED THE SUFFICIENCY OF WHICH SUPPORTS THE MAKING OF THIS AGREEMENT, DDA and GJHA agree:

TERMS

1. All of the above Recitals are true and are incorporated into the terms of this Agreement.
2. Within 10 days after the date of this Agreement, GJHA will prepare and deliver to DDA a complete accounting of the current assets and liabilities of DHE.
3. Upon approval of that accounting by the Boards of both DDA and GJHA, the following will occur:

a. GJHA will retain \$2,500.00 ("Wind Up Funds") of the cash assets of DHE to pay any remaining liabilities of DHE and to fund out of pocket costs and expenses to wind up DHE, including without limitation (i) any foreclosure or collection action or proceeding related to any outstanding DHE loan(s) determined to be appropriate in the discretion of GJHA, and (ii) release of the deed of trust securing any outstanding loan paid in full.

b. The remainder of the cash assets of DHE, net of any liabilities of DHE shown by the accounting, will be paid by GJHA from those cash assets one-half to each of DDA and GJHA.

c. GJHA will continue to oversee any outstanding loans of DHE. GJHA will report to DDA on or before September 1 of each year concerning the status of those loans. That report will include an accounting of receipts and expenses and summary of actions taken by GHJA since the prior report (if any). Proceeds of these loans will be used as received, first to restore the Wind Up Funds to the full amount stated in subsection (a). Any remainder will be paid as received one-half to each of GJHA and DDA.

d. Upon payment in full of the last of the DHE loans and payment of any then remaining liabilities of DHE, any remainder of the Wind Up Funds will be paid one-half to each of GJHA and DDA.

e. If at any time or times the Wind Up Funds are exhausted prior to completion of the winding up of DHE, GJHA and DDA will each pay to GJHA an amount equal to one-half of the original amount of the Wind Up Funds within 30 days after request for such funding to the Boards of those entities by the CEO of GJHA, with such additional funds to be used for the same purposes as the original Wind Up Funds.

4. DDA and GJHA agree that they are willing to accept the assets and liabilities of DHE on the terms stated in this Agreement as described in that Section X of the JV Agreement. To the extent this Agreement is inconsistent with Section X of the JV Agreement, DDA and GJHA agree this Agreement will supersede those terms and conditions.

5. This Agreement states the entire agreement of the parties concerning the dissolution and winding-up of DHE. This Agreement may be modified only by additional written agreement signed by both GJHA and DDA.

6. DDA and GJHA each warrant to the other that the persons signing this Agreement are duly authorized to sign and deliver this Agreement and to bind the entity for which he/she signs to all of the terms and conditions stated in this Agreement.

7. All Exhibits described in and attached to this Agreement are incorporated into this Agreement by this reference.

GRAND JUNCTION HOUSING AUTHORITY

By: Jody M Kole, CEO 12/16/2013
Jody M. Kole, CEO date

GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY

By: Harry M Weiss 12/20/2013
Harry Weiss, Executive Director date

RESOLUTION NO. 53-83
A RESOLUTION APPROVING CERTAIN
IMPLEMENTATION PROCEDURES FOR
THE COMMUNITY DEVELOPMENT BLOCK GRANT -
SMALL CITIES PROGRAM FOR HOUSING
REHABILITATION LOANS

WHEREAS, on December 2, 1981, the City Council of Grand Junction, Colorado, (the Council) adopted the Downtown Development Strategy/Grand Junction, in which it was determined that the need to stabilize residential districts on the eastern and northern edges of the downtown area was a vital concern of the City; and

WHEREAS, on December 16, 1981, this Council adopted the Downtown Development Authority Plan of Development for Grand Junction, Colorado, after determining that blight exists within the downtown area; and

WHEREAS, studies were conducted in September and October of 1982 under the auspices of the Grand Junction Housing Authority and the Grand Junction, Colorado, Downtown Development Authority, in which it was determined that there was a considerable number of deteriorating and dilapidated housing units in that area bounded by Gunnison Avenue on the north, Ute Avenue on the south, Sixth Street on the west, and Twelfth Street on the east; and

WHEREAS, the Council, with the assistance of the Grand Junction Housing Authority and Grand Junction, Colorado, Downtown Development Authority, desired to initiate a housing rehabilitation process to encourage and assist in the renovation and rehabilitation of older residential units in order to preserve established neighborhoods close to the downtown area; and

WHEREAS, the City of Grand Junction made application on November 1, 1982, for a Community Development Block Grant - Small Cities Program grant and subsequently for a Colorado Division of Housing Grant for the purposes of housing rehabilitation loans; and

WHEREAS, such grants have been approved and are subject to final implementation; and

WHEREAS, the Grand Junction Housing Authority and the Grand Junction, Colorado, Downtown Development Authority, after study, negotiation, and preparation have submitted to the Council certain implementation procedures for the Council's review and approval;

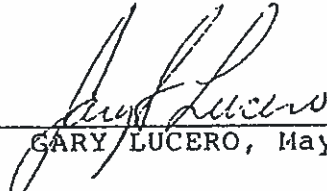


NOW, BE IT THEREFORE RESOLVED THAT:

1. The Downtown Housing Rehabilitation and Neighborhood Conservation Program Guidelines, attached hereto and incorporated herein as Exhibit "A", including Program Implementation Guidelines and Housing Rehabilitation Design Guidelines, are hereby adopted and approved as the program guidelines for such program; and
2. In furtherance of plans, goals, and objectives of such program, the City Manager is authorized to enter into, and execute, the Memorandum of Agreement submitted by the Advisory Council on Historic Preservation and relating to historic structures within the project area, which is attached hereto and incorporated herein as Exhibit "B"; and
3. To further implement the grant program, the City Manager is authorized to enter into and execute the lump sum drawdown agreement and attendant documentation attached hereto and incorporated herein as Exhibit "C" with the lead lender and for purposes of obtaining and delivering to the lead lender a portion of the necessary funds for the program, and to make the necessary drawdown from the U.S. Department of Housing and Urban Development; and
4. The Council has reviewed the Joint Venture Agreement, which is attached hereto and incorporated herein as Exhibit "D", between the Grand Junction, Colorado, Downtown Development Authority and the Grand Junction Housing Authority for the purposes of establishing the Downtown Housing Effort, a Joint Venture of Grand Junction, Colorado, Downtown Development Authority and the Grand Junction Housing Authority, and determines that such Joint Venture Agreement will serve the purposes of the respective Authorities, the community, and the letter and intent of the Community Development Block Grant - Small Cities Program, and, therefore this Council endorses such Joint Venture Agreement; and
5. After the Community Development Block Grant and Colorado Division of Housing Grant are closed out, all monies received on the return of the subsidies shall go into a special fund of the Downtown Housing Effort for the purpose expressed in such Joint Venture Agreement.
6. All such activities shall be taken as soon as is practicable by the appropriate officials.

READ AND ADOPTED this 21st day of September, 1983.

Grand Junction City Council



GARY LUCERO, Mayor

ATTEST:



NEVA LOCKHART, City Clerk

JOINT VENTURE AGREEMENT

This Joint Venture Agreement is entered into this 2nd day of September 1983, between the Grand Junction, Colorado, Downtown Development Authority (hereinafter "DDA"), and the Grand Junction Housing Authority (hereinafter "GJHA") in consideration for the mutual covenants contained herein and to promote the public purposes as expressed herein.

RECITALS

WHEREAS, the DDA is properly organized under the statutes of the State of Colorado, C.R.S. 1973, 31-25-801 et seq., and

WHEREAS, the GJHA is properly organized under the laws of the State of Colorado, C.R.S. 1973, 29-4-201 et seq., as amended, and

WHEREAS, the City of Grand Junction, Colorado, has received federal assistance in the form of a Community Development Block Grant, Small Cities Program and a Colorado Division of Housing Grant to provide for downtown housing rehabilitation loans; and

WHEREAS, the DDA and the GJHA have committed expertise, time, and effort in the application and administration of such loans, and

WHEREAS, the applications for such funds indicated that as the subsidies are paid off the monies will go into a special fund set aside as seed money to assist in the provision of increased housing in the downtown area; and

WHEREAS, the DDA and the GJHA are in a unique position to handle such special fund; and

WHEREAS, the DDA and the GJHA desire to enter into a Joint Venture Agreement for the handling of such special fund, the deposit of monies, and the use of such fund, this Agreement is entered into by all the parties signatory hereto.

Section I

Name

The Joint Venture shall be called the "Downtown Housing Effort, a joint venture of the Grand Junction, Colorado, Downtown Development Authority, and the Grand Junction Housing Authority", and for all purposes hereinafter may be referred to by the shortened name "Downtown Housing Effort".



Section II

Purpose

The Downtown Housing Effort shall facilitate the provision of new and improved housing in the downtown Grand Junction, Colorado area. In addition, the Downtown Housing Effort may undertake projects related to such purposes as allowed by the respective statutes governing the DDA and the GJHA.

The downtown area, for the purposes of this Agreement, shall be defined as the original square mile plat of Grand Junction, Colorado, running between 1st and 12th Streets and South Avenue and North Avenue and all other areas included within the boundaries of the DDA not encompassed by the original square mile.

Section III

Duration

The Joint Venture shall commence upon the execution of this Agreement by all parties and shall continue for a term of ten years unless terminated by mutual agreement of the DDA and the GJHA, or unless otherwise terminated by law. At the expiration of such ten-year period, the Joint Venture shall continue for successive ten-year terms without further action of the DDA and the GJHA. However, if by resolution of the Board of Directors of either Authority within ninety (90) days prior to the end of any ten-year term, one Authority votes to withdraw from this Joint Venture, that unilateral action shall cause the Joint Venture to terminate upon the expiration of such ten-year term.

Section IV

Funding

The Joint Venture shall initially be funded by repayment of subsidies under the 1983 Community Development Block Grant Program through the federal government and the 1983 Colorado Division of Housing grant recapture of subsidy payments. The Joint Venture may accept gifts, grants, donations, and other revenue. All such funds shall be kept in a separate account under the direction and control of the Joint Venture.

Section V

Management

All major policy decisions of the Joint Venture shall be made by joint resolution of the Board of Directors of the DDA and

the Board of Directors of the GJHA. By joint resolution the respective Boards of Directors shall designate an Executive Committee composed of equal numbers of Board members from each Authority and the Executive Directors of each Authority for the purposes of implementation and administration of the policies of the respective Boards. The Executive Director of the Grand Junction Housing Authority shall be in charge of the day-to-day operations of the Joint Venture and shall consult with the Executive Director of the Downtown Development Authority on the expenditure of funds.

Notwithstanding the above, any expenditure of the Joint Venture's funds must be countersigned by both Executive Directors. Any amount over \$100 which is not associated with the acquisition of property or the pledging of credit of the Joint Venture shall be approved by the Executive Committee. The Executive Directors shall assure that on an annual basis accounting of all receipts and expenditures is made to the respective Authority Boards; and, if requested by the respective Authority Boards supervise the preparation of an audited financial statement.

Neither the Executive Directors nor the Executive Committee may encumber the real property of the Joint Venture without the prior approval of the Boards of Directors of both authorities. Neither shall the Executive Directors or Executive Committee pledge the credit of the Joint Venture without a joint resolution by both Authorities.

Section VI

Profits

If any activity lawfully carried out by the Joint Venture shall return a profit to the Joint Venture, that profit shall be used with the other funds of the Joint Venture for the purposes stated herein until termination of this Joint Venture Agreement. In no event may any profits of the Joint Venture be distributed out to either Authority or any private individual, provided, however, that nothing herein shall be construed to prevent the payment of or reimbursement for any necessary expenses accrued on behalf of the Joint Venture by either Authority, the City, or any individual, including salaries to employees, if such have been approved by the Board of Directors of both Authorities.

Section VII

Location of Joint Venture

The Joint Venture shall deem to be located at 805 Main Street, Grand Junction, Colorado.

Section VIII

Powers of the Joint Venture

Unless otherwise restricted by the State Constitution or State statutes, the Joint Venture should be empowered to do all lawful acts to effectuate the purposes set forth herein, including, but not by way of limitation, the right to:

1. Own, buy, sell, lease, acquire options on, pledge, and hold encumbrances on real property;
2. Pay the necessary expenses of operation, including administrative, travel, salary, withholding expenses; and
3. Organize and hold public and private meetings to disseminate information concerning housing improvements and construction within the downtown area and to otherwise educate and inform the public concerning potential problems and alternative methods of building and renovating housing structures in the downtown area, and participate in and encourage educational, business, and other gatherings.

Section IX

Amendment

This agreement can be amended at any time by a joint resolution of the Boards of Directors of both Authorities.

Section X

Termination

Once the Joint Venture has dissolved or is otherwise terminated, a complete accounting shall be prepared and delivered to the Boards of both Authorities. Upon their approval, any remaining assets, as well as liabilities, shall be evenly divided between the DDA and the GJHA. In case neither Authority is prepared or willing to accept said assets or liabilities, the entire assets of the Joint Venture shall be liquidated, and any remaining assets shall be delivered to the City of Grand Junction, Colorado, for use in promoting housing in the downtown area.

In witness whereof, this document is executed in Grand Junction, Colorado, this 2nd day of September, 1983.

DOWNTOWN DEVELOPMENT AUTHORITY

By: Marcia Neal
Marcia Neal, Chairman

Attest:

Linda Olthoff
Linda Olthoff, Secretary

GRAND JUNCTION HOUSING AUTHORITY

BY: Ken Rabideau
Ken Rabideau, Chairman

Attest:

Paul Malinowski
Paul Malinowski, Secretary

RESOLUTION NO. 78-92

A RESOLUTION AUTHORIZING THE TRANSFER OF REPAYMENT FUNDS, THE RIGHT TO RECEIVE FUTURE LOAN PAYMENTS, AND THE OVERSIGHT OF RENTAL REHABILITATION LOANS TO THE GRAND JUNCTION HOUSING AUTHORITY FOR THE DOWNTOWN HOUSING EFFORT.

WHEREAS, the City of Grand Junction has previously received grants for the purpose of low interest loans for the rehabilitation of rental properties to provide additional low income housing; and,

WHEREAS, the Grand Junction Housing Authority has administered the loans for rehabilitation of rental properties in conjunction with it's other low income housing activities and maintains the records on the outstanding loans receivable; and

WHEREAS, the City of Grand Junction has received certain repayments of the rental rehabilitation loans and holds these funds for future rehabilitation loans; and

WHEREAS, the City of Grand Junction and the Grand Junction Housing Authority desire to consolidate and expedite the use of these funds and future repayments for the Downtown Housing Effort.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION:

The funds currently held by the City of Grand Junction will be transferred to the Grand Junction Housing Authority for the Downtown Housing Effort.

The City of Grand Junction assigns to the Grand Junction Housing Authority the right to receive all future repayments from the outstanding and future loans for the Downtown Housing Effort.

The City of Grand Junction assigns to the Grand Junction Housing Authority the oversight authority and responsibility of the rental rehabilitation loan funds.

Passed and adopted this 18th day of November, 1992 at Grand Junction, Colorado.

[Handwritten Signature]
Mayor

Attest:

[Handwritten Signature]
City Clerk

