

Grand Sunset LLC
Portal Crossing Subdivision
Grand Lake, Colorado 80447

May 8, 2026

Steve,

Per the numerous conversations over the last year, we are formally requesting the removal of "All" of the units from the LERP program.

We tried to supply the Town with quality low-income housing for sale with no apparent desire for use from the community.

There has been no positive response from anyone. It is becoming an undesirable burden on our company and subdivision.

We are in the process to amend the "Declarations" of the subdivision to remove the LERP involvement in the project.

Hopefully we can accomplish this task without any Planning Commission and Board Meetings as previously discussed with you. If not, please immediately schedule those meetings as the summer selling season is Fastly approaching.

Grand Sunset will pay "All" water tap, use tax, and affordable housing fees that were credited at time of permitting in the amount of \$59,840.50 per the "Agreement to Waive Certain Fees Associated with Affordable Housing agreement dated February 14, 2022.

We expect prompt response to this request.

Sincerely,

Grand Sunset LLC

Portal Crossing Subdivision

**Agreement to Waive Certain Fees Associated with Affordable Housing
(Portal Crossing Development)**

THIS AGREEMENT to waive certain fees associated with affordable housing is entered into this 14th day of February, 2022, by and between the Town of Grand Lake, Colorado, a Colorado statutory municipality, (the "Town"), and Grand Sunset, LLC ("the Developer").

WHEREAS, the Developer is the owner of certain real property generally referred to as 505 Grand Avenue, Grand Lake, CO 80447, and more particularly described on **Exhibit A**, attached hereto ("the Property"); and

WHEREAS, the Developer has submitted to the Town, *inter alia*, an application for construction of mixed commercial and residential uses in connection with the Property ("the Application") for a development that is known as the Portal Crossing Development; and

WHEREAS, the Board of Trustees approved the application subject to the conditions set forth in Section 9., below

WHEREAS, pursuant to the Grand Lake Municipal Code, as part of the Application for a Subdivision the Developer is generally obligated to, among other things, dedicate a portion of the Property as public open space or to pay a fee in lieu of such dedication, and to pay water tap fees and water usage fees associated with the development ("the Developer's Obligation"); and

WHEREAS, the Town previously approved Resolution 21-21 declaring a workforce housing crisis in order to encourage the expedited development of affordable housing; and

WHEREAS, the Town Board of Trustees desires to encourage and facilitate the Developer's Project, which includes provisions for workforce housing to address the critical need for workforce or attainable housing, and therefore the Town Board believes it is in the best interest of the public to waive certain fees and dedication requirements under certain conditions.

NOW THEREFORE, IN MUTUAL CONSIDERATION OF THE RIGHTS AND OBLIGATIONS SET FORTH HEREIN, THE ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

In connection with the six (6) Local Employee Residency Plan ("LERP") units that are to be built pursuant to Grand Lake Municipal Code Section 12-10-3 as part of the Portal Crossing project:

1. The Use Tax that would otherwise be paid prior to issuance of any building permit pursuant to Municipal Code Section 4-3-28 need not be paid by Developer until Developer requests the first certificate of occupancy for any unit within the Portal Crossing Development.
2. The 7% land dedication or fee in lieu for parks and schools pursuant to Section 12-9-2 of the Grand Lake Municipal Code is waived for the entire Portal Crossing Development, as the

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Board of Trustees finds the nature of the project is unlikely to generate an increased need for schools or have an impact on the Town's parks and recreation facilities.

3. The Town's water tap fees pursuant to Grand Lake Municipal Code Section 10-1-8, in the amount of \$39,000.00 associated with the six (6) LERP units, are waived with the Town to transfer this amount from its attainable housing fund to the water enterprise fund.
4. The Town's water usage fees pursuant to Chapter 10, Article I of the Grand Lake Municipal Code associated with each LERP Unit will be waived until the unit is occupied.
5. The attainable housing fee required by Grand Lake Municipal Code Section 12-10-1, previously paid by the Developer in the amount of \$8,340.50 will be refunded to Developer in light of Developer's construction of LERP units.
6. Use tax previously paid by Developer pursuant to Section 4-3-28 of the Grand Lake Municipal Code in the amount of \$12,500 will be returned to Developer, with any use tax to be paid prior to issuance of Certificate of Occupancy. (see 1., above)
7. If any of the LERP units are subsequently sold or intended to be sold by Developer at fair market value, prior to such sale Developer shall pay the water tap fees and the water usage fees that are otherwise waived for that unit as provided in Sections 3 and 4, above.
8. In no case shall there be fewer than two (2) LERP units within the Development for any reason.
9. The Parties acknowledge and agree the foregoing reductions, refunds, waivers, and other benefits to the Developer are expressly conditioned on conformance with the conditions of approval of the Development, including, but not limited to:
 - a. Prior to issuance of additional building permits within the development the Developer will record with the Grand County Clerk and Recorder a deed restriction for attainable housing on the parcel, in a form reviewed and approved by the Town.
 - b. Master Declarations must be submitted by the Developer to the Town for its review and approval prior to issuance of any certificates of occupancy.
 - c. Lots 9-14 must be consolidated prior to issuance of any further building permits. This condition was satisfied by approval of Resolution No. 03-2022.
 - d. No lots or units may be sold and no certificate of occupancy will be issued for any lot or unit until the property has been consolidated and subdivided. This condition was satisfied by approval of Resolution No. 03-2022.
 - e. In light of the trend toward smaller dwelling units and the demand for such units in the Grand Lake area, the Town finds that the Town's standards for minimum square footage in its LERP Guidelines have not been revised for several years to reflect such changes and therefore

grants a variance of the minimum square footage requirement under the Town's LERP Guidelines for one bedroom units, by reducing them from 750 square feet to 600 square feet.

f. Six units within the development will be LERP units upon completion.

g. The six LERP Units will be sold as part of the Portal Crossing development for the initial sales price of \$310,000, subject to the terms and conditions of the LERP Guidelines and the attainable housing deed restriction.

h. Two of the six LERP Units will be permanently deed restricted as provided in the LERP Guidelines and the attainable housing deed restriction, including the provisions of Section 4 of the Town's Requirements and Guidelines that allow the Developer and the Town to re-evaluate and adjust the sales price in the event the two units do not sell.

i. The other four of the six LERP Units (Units 104, 105, 106, and 107) will be permanently deed restricted pursuant to the provisions of the attainable housing declaration, provided they sell with nine months of issuance of the certificate of occupancy for each unit. During such nine month period following issuance of the certificate of occupancy for each of Units 104, 105, 106, and 107 the sales price shall remain at \$310,000 and shall not be increased or decreased. For any of the four Units 104, 105, 106, and 107 that do not sell within such nine month period, (1) Developer shall pay water tap and water usage fees waived by the Town associated with the unsold unit, and (2) upon payment of such fees, Developer will be entitled to sell the unit at fair market value and such unit will no longer be subject to the provisions of the Town's LERP Guidelines.

10. **Governing Law and Venue.** The laws of the State of Colorado shall govern this Agreement, and the exclusive venue for any legal proceeding arising out of this Agreement shall be Grand County, Colorado.

11. **Assignment.** This Agreement shall not be assigned by either Party, in whole or in part, without the prior written authorization of the other Party.

12. **No Third-Party Beneficiaries.** There are no intended third-party beneficiaries to this Agreement.

13. **Governmental Immunity.** Nothing herein shall be construed as a waiver of any of the protections or immunities the Town, or its employees, officials or attorneys may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended.

14. **Notices.** Notices under this Agreement shall be sent to the following:

TOWN

Town of Grand Lake
Attention Town Manager
John Crone
1026 Park Ave.

P.O. Box 99
Grand Lake, CO 80447
jcrone@toglco.com

with a copy to:

Krob Law Office, LLC
Dan Krob
8400 E. Prentice Ave., Penthouse
Greenwood Village, CO 80111
dan@kroblaw.com

DEVELOPER

Grand Sunset, LLC

Grand Lake, CO
80447

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals as of the day and year first written above.



(SEAL)

TOWN OF GRAND LAKE, COLORADO
A municipal Corporation

Steve Kudron, Mayor

4/11/22
Date

ATTEST:

Jennifer Thompson, Town Clerk

4/11/22
Date

DEVELOPER

Grand Sunset LLC

Patricia Kruetz, manager 4-11-22
BY: manager Date