



Financial Statements  
December 31, 2024 and 2023  
**Coffman Place LLC**

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## **Independent Auditor's Report**

To the Members  
Coffman Place LLC  
Boulder, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Coffman Place LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Coffman Place LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coffman Place LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coffman Place LLC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Coffman Place LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coffman Place LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audits.

### Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Maintenance and Operating, Utilities, Administrative, Insurance, and Interest Expenses are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota  
April 10, 2025

Coffman Place LLC  
Balance Sheets  
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$ 1,268,047	\$ 723,394
Accounts receivable		
Tenants	20,222	17,405
Insurance	23,724	-
Prepaid expenses	21,306	21,824
Tenant security deposits	18,650	18,650
Restricted cash	302,581	282,718
Property and equipment, at cost, less accumulated depreciation	25,234,999	26,028,344
Tax credit fees, net of accumulated amortization of \$38,165 in 2024 and \$23,232 in 2023	<u>185,847</u>	<u>200,781</u>
	<u><u>\$ 27,075,376</u></u>	<u><u>\$ 27,293,116</u></u>
Liabilities and Members' Equity		
Liabilities		
Accounts payable	\$ 13,084	\$ 11,268
Due to related party	274,996	68,044
Accrued expenses	657,625	441,028
Tenant security deposits payable	15,800	18,250
Developer fee payable	1,615,325	1,742,381
Long-term debt, net of unamortized debt issuance costs	<u>14,965,119</u>	<u>14,948,298</u>
Total liabilities	17,541,949	17,229,269
Members' Equity	<u>9,533,427</u>	<u>10,063,847</u>
	<u><u>\$ 27,075,376</u></u>	<u><u>\$ 27,293,116</u></u>

Coffman Place LLC  
Statements of Operations and Members' Equity  
Years Ended December 31, 2024 and 2023

	2024	2023	
Revenue			
Tenant rent	\$ 868,343	\$ 846,279	
Rental assistance payments	489,503	409,970	
Less vacancies	<u>(128,662)</u>	<u>(35,800)</u>	
Net rental income	1,229,184	1,220,449	
Tenant charges	2,125	2,350	
Interest income	20	2	
Other income	<u>27,906</u>	<u>7,156</u>	
Total revenue	<u>1,259,235</u>	<u>1,229,957</u>	
Expenses			
Maintenance and operating	295,926	237,277	
Utilities	104,507	107,474	
Administrative	243,297	201,592	
Insurance	64,435	63,439	
Interest	514,327	485,012	
Depreciation and amortization	<u>821,468</u>	<u>818,712</u>	
	<u>2,043,960</u>	<u>1,913,506</u>	
Loss Before Company Fees	(784,725)	(683,549)	
Company Administration Fee	34,121	33,127	
Investor Service Fee	<u>5,305</u>	<u>5,150</u>	
Net Loss	<u><u>\$ (824,151)</u></u>	<u><u>\$ (721,826)</u></u>	
Members' Equity			
	Managing Member	Investor Member	Total
Balance (Deficit), December 31, 2022	\$ (71)	\$ 8,193,147	\$ 8,193,076
Contributions	100	2,592,497	2,592,597
Net loss	<u>(72)</u>	<u>(721,754)</u>	<u>(721,826)</u>
Balance (Deficit), December 31, 2023	(43)	10,063,890	10,063,847
Contributions	-	293,731	293,731
Net loss	<u>(82)</u>	<u>(824,069)</u>	<u>(824,151)</u>
Balance (Deficit), December 31, 2024	<u><u>\$ (125)</u></u>	<u><u>\$ 9,533,552</u></u>	<u><u>\$ 9,533,427</u></u>

Coffman Place LLC  
Statements of Cash Flows  
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Net loss	\$ (824,151)	\$ (721,826)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation	806,534	804,995
Amortization	14,934	13,717
Interest expense attributable to amortization of debt issuance costs	16,821	12,932
Bad debt	24,056	11,076
Changes in operating assets and liabilities		
Accounts receivable	(50,597)	(21,859)
Prepaid expenses	518	(1,775)
Accounts payable	1,816	(49,909)
Due to related party	206,952	(383)
Accrued expenses	216,597	108,166
Tenant security deposits payable	(2,450)	(1,250)
Net Cash from Operating Activities	<u>411,030</u>	<u>153,884</u>
Net Cash used for Investing Activity		
Purchase of property and equipment	<u>(13,189)</u>	<u>-</u>
Financing Activities		
Payment for tax credit fees	-	(33,712)
Payment of developer fees payable	(127,056)	(506,005)
Net payments on construction note payable	-	(1,707,079)
Equity contributions	<u>293,731</u>	<u>2,592,597</u>
Net Cash from Financing Activities	<u>166,675</u>	<u>345,801</u>
Net Change in Cash, Tenant Security Deposits, and Restricted Cash	564,516	499,685
Cash, Tenant Security Deposits, and Restricted Cash, Beginning of Year	<u>1,024,762</u>	<u>525,077</u>
Cash, Tenant Security Deposits, and Restricted Cash, End of Year	<u>\$ 1,589,278</u>	<u>\$ 1,024,762</u>
Cash	\$ 1,268,047	\$ 723,394
Tenant Security Deposits	18,650	18,650
Restricted Cash	<u>302,581</u>	<u>282,718</u>
Total cash, tenant security deposits, and restricted cash	<u>\$ 1,589,278</u>	<u>\$ 1,024,762</u>
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	<u>\$ 309,880</u>	<u>\$ 415,123</u>

## **Note 1 - Principal Business Activity and Significant Accounting Policies**

### **Principal Business Activity, Risks, and Uncertainty**

Coffman Place LLC (Company) was formed August 20, 2020, as a limited liability company under the laws of the State of Colorado and shall continue in perpetual existence, unless dissolved or terminated at an earlier date. The Company was formed for the purpose to develop, construct, rehabilitate, own, maintain, and operate a 73-unit multi-family housing complex located in Longmont, Colorado. Substantially all of the Company's income is derived from the rental of its apartment units. The Company began operations in April 2022.

The Company has qualified and been allocated low-income housing tax credits pursuant to the Internal Revenue Code Section 42, which regulates the use of the complex as to occupant eligibility and unit gross rent, among other requirements. The Company must meet the provisions of these regulations during each of 15 consecutive years in order to continue to qualify to receive the tax credits. Failure to comply with occupant eligibility and unit gross rent or to correct noncompliance within a specified time period could result in recapture of the previously taken low-income housing tax credits plus interest. Such potential noncompliance may require an adjustment to the contributed capital by the members. All units within this project are subject to rent restrictions and qualified tenant restrictions as required by the Low Income Housing Tax Credit Program.

### **Concentrations of Credit Risk**

The Company maintains its cash in bank deposit accounts which may periodically exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2024 and 2023, the Company had approximately \$1,201,000 and \$671,000, respectively, in excess of FDIC-insured limits.

### **Receivables and Credit Policy**

Accounts receivable are rents and charges currently due from tenants and insurance proceeds from insurance company. Payments on accounts receivable are applied to specific months. Management reviews accounts receivable monthly and charges operations with those considered uncollectible. All remaining accounts receivable are considered collectible.

### **Property and Equipment**

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is computed principally by the straight-line method over the following estimated useful lives:

Land improvements	15 years
Buildings	40 years
Equipment and furnishings	5 years

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2024 and 2023.

#### **Tax Credit Fees**

Tax credit fees are being amortized over a 15-year life using the straight-line method of amortization. Amortization is expected to be approximately \$14,930 for each of the next five years.

#### **Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the effective interest method. Debt issuance costs are included within the long-term debt on the balance sheet. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

#### **Income Taxes**

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with the operating agreement. Therefore, no provision for income taxes has been included in the financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2024 and 2023, the unrecognized tax benefit accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

#### **Rental Income**

Housing units are rented under operating lease agreements with terms of one year or less. Tenant rent income and rental assistance payments are recognized in the month in which they are earned rather than received. Any rent received prior to the month of occupancy is reported as prepaid rent. Tenant rent represents gross rent for all units in the project. Vacancy losses for unrented units and rental concessions are recorded as a reduction to gross rent potential to arrive at net tenant rent.

The future cash flows from operating lease payments to be received as of December 31, 2024 in 2025 are approximately \$142,500.

### Advertising and Marketing

Advertising and marketing costs are expensed as incurred.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### Subsequent Events

The Company has evaluated subsequent events through April 10, 2025, the date which the financial statements were available to be issued.

### Note 2 - Restricted Cash

Restricted cash as of December 31, 2024 and 2023 consist of the following:

	2024	2023
Replacement reserve	\$ 49,293	\$ 27,377
Operating reserve	166,676	166,676
Insurance escrow	86,612	88,665
	<u>\$ 302,581</u>	<u>\$ 282,718</u>

### Replacement Reserve

Pursuant to the operating agreement, the Company is to establish a replacement reserve to fund major repairs, capital expenditures, and replacement of capital items. The Company is to deposit annually, \$300 per unit per year, increasing at a rate of three percent each year. Any withdrawals for capital expenditures over \$5,000 from the replacement reserve are to be made with the consent of the investor member.

Replacement reserve activity for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Balance, January 1	\$ 27,377	\$ 12,775
Deposits	21,900	14,600
Interest	20	2
Bank fees	(4)	-
	<u>\$ 49,293</u>	<u>\$ 27,377</u>
Balance, December 31		

### Operating Reserve

Pursuant to the operating agreement, the Company is to establish and maintain an operating reserve equal to \$333,350. The reserve is to be funded upon the fourth and fifth capital installments. The managing member shall fund the reserve to maintain the minimum balance as necessary. The managing member may make withdrawals subject to the investor member's approval. The reserve shall be maintained in an interest-bearing account in a bank approved by the investor member. During 2023, the Company funded the operating reserve in the amount of \$166,676 from capital contributions. Subsequent to year-end, the Company funded the remaining \$165,675 to fully fund the operating reserve.

### Insurance Escrow

Pursuant to the terms of the mortgage agreement, the Company is to establish an insurance escrow to pay insurance premiums. This account will be used to receive monthly deposits to pay the annual insurance premiums.

### Note 3 - Tenant Security Deposits

Pursuant to management policy, the Company has set aside funds to repay tenant security deposits after lease termination.

### Note 4 - Property and Equipment

As disclosed in Note 1, the Company owns and operates a 73-unit multi-family housing project in Longmont, Colorado. All of the Company's property and equipment is subject to operating leases with residential tenants at December 31, 2024 and 2023.

Property and equipment at December 31, 2024 and 2023 consists of the following:

	2024	2023
Land	\$ 805,765	\$ 805,765
Land improvements	734,287	734,287
Buildings	25,445,898	25,445,898
Equipment and furnishings	397,241	384,052
	<u>27,383,191</u>	<u>27,370,002</u>
Accumulated depreciation	<u>(2,148,192)</u>	<u>(1,341,658)</u>
	<u><u>\$ 25,234,999</u></u>	<u><u>\$ 26,028,344</u></u>

#### Note 5 - Accrued Expenses

Accrued expenses at December 31, 2024 and 2023 consists of the following:

	2024	2023
Interest		
Permanent loan	\$ 26,247	\$ 26,247
BCHA 2.5% - \$1,550,000 (Note 10)	174,951	133,881
BCHA 2.5% - \$3,730,000 (Note 10)	317,552	221,182
Developer fee (Note 10)	50,186	-
	<u>568,936</u>	<u>381,310</u>
Investor service fee (Note 10)	-	5,150
Company administration fee (Note 10)	88,689	54,568
	<u><u>\$ 657,625</u></u>	<u><u>\$ 441,028</u></u>

#### Note 6 - Construction Note Payable

The Company financed the construction of the project in part with construction notes payable with CitiBank, N.A., in amounts up to \$15,300,000 (Tranche A) and \$4,265,000 (Tranche B). The notes accrued interest at a rate of one-month LIBOR plus 1.9% (6.02% as of December 31, 2022) and one-month LIBOR plus 2.5% (6.56% as of March 24, 2023), respectively. Monthly payments of interest for Tranche A were made through the conversion date, March 2023. As of December 31, 2023, Tranche A and Tranche B were fully repaid.

During 2023, the Company incurred interest of \$101,108 on the construction note. The note was secured by a deed of trust, assignment of rents, security agreement, and fixture filing and also guaranteed by BCHA.

## Note 7 - Long-Term Debt

Long-term debt as of December 31, 2024 and 2023 consists of:

	<u>2024</u>	<u>2023</u>
Unrelated Party		
3.0%, \$10,160,000 note payable to CitiBank, N.A., interest only payments through April 1, 2026 and monthly installments, including interest, of \$39,101 commencing from May 2026 until maturity on April 1, 2038, secured by a deed of trust, assignment of leases and rents, security agreement, and fixture filing	\$ 10,160,000	\$ 10,160,000
Unamortized debt issuance costs, based on an effective interest rate of 3.63%	<u>(474,881)</u>	<u>(491,702)</u>
	9,685,119	9,668,298
Related Party		
2.5%, \$1,550,000 note payable to Boulder County Housing Authority, (BCHA) payments are to be made from available cash flow, unpaid principal and interest due December 2075, secured by a deed of trust on the property	1,550,000	1,550,000
2.5%, \$3,730,000 note payable to BCHA, payments are to be made from available cash flow, unpaid principal and interest due December 2075, secured by a deed of trust on the property	<u>3,730,000</u>	<u>3,730,000</u>
Total long-term debt, net of unamortized debt issuance costs	<u>\$ 14,965,119</u>	<u>\$ 14,948,298</u>

Future maturities of long-term debt are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 309,033	\$ 309,033
2026	107,169	308,054	415,223
2027	165,742	303,467	469,209
2028	170,014	299,196	469,210
2029	176,098	293,111	469,209
Thereafter	14,820,977	13,472,450	28,293,427
Less: unamortized debt issuance costs	<u>(474,881)</u>	<u>-</u>	<u>(474,881)</u>
	<u>\$ 14,965,119</u>	<u>\$ 14,985,311</u>	<u>\$ 29,950,430</u>

#### **Note 8 - Project Based Voucher (PBV) Program Housing Assistance Payments Contract**

The Partnership is a party to a project-based voucher (PBV) program providing assistance payments with BCHA, the sole member of the managing member. The PBV Program contract was entered into on April 26, 2022, and will expire on April 26, 2042. The contract is administered by BCHA and provides assistance payments to the Partnership on behalf of qualified low-income tenants. The contract covers 12 units of the project.

The contract contains the following significant provisions:

1. All dwelling units subject to the contract must be rented to families eligible to receive the benefit of rental assistance payments. Contract rents are established for each unit, with the tenant paying a portion of the contract rent based on the person's income level and the balance paid by the assistance provided under the contract.
2. Under the PBV contract agreement, the Partnership may not increase rents charged to tenants without prior approval. This rental assistance contract will expire in April 2042.
3. A separate bank account should be established and maintained for security deposits. The amount in the account shall at all times equal or exceed the aggregate amount of all security deposit liabilities.

#### **Note 9 - Property Taxes**

The Company is exempt from property taxes under C.R.S 29-4-507 through Coffman Place GP LLC. Currently there is no expiration date on the property tax exemption for so long as Coffman Place GP LLC owns interest in the Company.

#### **Note 10 - Related Party Transactions**

##### **Developer Fees**

The Company has entered into a development agreement with BCHA, the sole member of the managing member, for the services provided in connection with the development and construction of the project in the amount of \$2,947,288, which has been capitalized as a cost of property and equipment. During 2024 and 2023, the Company paid \$127,056 and \$506,005 for developer fees. As of December 31, 2024 and 2023, the Company owes BCHA \$1,615,325 and \$1,742,381, respectively, for developer fees. The unpaid developer fees are to be paid from available cash flow and bear interest at a rate of 7%, compounding annually, commencing at the time of the fifth capital contribution (2024). Any amount that remains unpaid shall be paid no later than the end of the compliance period (December 31, 2036). During 2024 and 2023, the Partnership incurred interest of \$50,186 and \$0, respectively, on the deferred developer fee. As of December 31, 2024 and 2023, the Partnership owed BCHA \$50,186 and \$0, respectively, for accrued interest on the deferred developer fees (Note 5).

##### **Mortgage Notes and Accrued Interest**

The Company has entered into multiple loan agreements with BCHA (Note 7). During 2024 and 2023, the Company incurred interest of \$137,440 and \$138,138 on the BCHA mortgage notes payable. As of December 31, 2024 and 2023, the Company owes BCHA \$492,503 and \$355,063, respectively, for accrued interest (Note 5).

### **Housing Assistance Payments Received**

The Partnership has entered into a PBV contract with BCHA (Note 8). Under this agreement, the Partnership is to receive housing assistance payments based from BCHA in relation to tenant rent, as calculated as part of the tenant recertification process. During 2024 and 2023, the Partnership received \$204,813 and \$191,861, respectively, in assistance from BCHA under the contract.

### **Management Fees**

The Company has entered into a management agreement with BCHA to provide management services for the project. Under the terms of the agreement, the Company is to pay management fees equal to 4.5% of total gross income. During 2024 and 2023, the Company incurred management fees of \$56,649 and \$55,341, respectively, to BCHA.

BCHA is periodically reimbursed for various office expenses, payroll and other operating expenses incidental to the operations of the project. During 2024 and 2023, reimbursements of \$176,400 and \$266,300, respectively were paid. As of December 31, 2024 and 2023, the Company owed BCHA \$274,996 and \$68,044, respectively, for the various costs paid on behalf of the project.

### **Investor Service Fee**

Pursuant to the operating agreement, the Company is to pay the investor member a cumulative fee equal to \$5,000 annually, commencing on the later of the year 2022 or the first calendar year the Company receives rental income. The fee is for services provided for the review of the operations of the Company and shall be payable from cash flow. The fee is to increase by 3% annually. During 2024 and 2023, the Company incurred \$5,305 and \$5,150, respectively, for investor service fees. As of December 31, 2024 and 2023, the Company owed the investor member \$0 and \$5,150, respectively, for accrued investor service fees.

### **Company Administration Fee**

Pursuant to the operating agreement, the Company is to pay the managing member a cumulative fee equal to \$32,162 annually, commencing on the later of the year 2022 or the first calendar year the Company receives rental income. The fee is for services provided in the administration of the project and shall be payable from cash flow. The fee is to increase by 3% annually. During 2024 and 2023, the Company incurred \$34,121 and \$33,127, respectively, for company administration fees. As of December 31, 2024 and 2023, the Company owed the managing member \$88,689 and \$54,568, respectively, for accrued company administration fees.

### **Operating Deficit Guaranty**

Pursuant to the operating agreement, the managing manager is required to fund operating deficits during the period beginning upon the date that stabilized operations is achieved and for five years thereafter as defined in the agreement. The managing manager shall be obligated to provide funds in the form of a loan not to exceed \$665,000, shall bear no interest, and shall be repayable solely from net cash flow as allowed in the operating agreement.

### Distributions of Cash Flow

Pursuant to the operating agreement, net cash flow shall be distributed to the members in the following order and priority after payment of the priority distribution to the investor member and any development costs.

1. First, to the Investor Member in an amount equal to the credit deficiency.
2. Second, to the Investor Member in the amount of the maximum federal corporate income tax liability that would be imposed on the Investor Member and its partners from the transaction giving rise to sale or refinancing proceeds.
3. Third, to the Investor Member in the amount of any unpaid investor services fee.
4. Fourth, from and after the fourth installment of the Investor Member's capital contribution to fund the operating reserve up to the operating reserve amount.
5. Fifth, to pay any deferred portion of the property management fee in accordance with the property management agreement.
6. Sixth, to pay the deferred developer fees in accordance with the developer agreement.
7. Seventh, to the Managing Member to repay any operating deficit contribution.
8. Eighth, to pay the company administration fee.
9. Ninth, to pay the seller carryback loan until it is paid in full, thereafter, to pay the BCHA CDOH loan until it is paid in full, thereafter, to pay the BCHA worth cause loan until it is paid in full, and thereafter, to pay the BCHA development Loan until it is paid off.
10. Any remaining cash flow shall constitute net cash flow, which is distributable to the members within 75 days after the close of each fiscal year, of which 0.01% is to be distributed to the Managing Member and 99.99% to the Investor Member.

### Note 11 - Members' Equity

<u>Members</u>	<u>Profit and Loss Percentages</u>
Managing Coffman Place GP LLC	0.01%
Investor Enterprise Neighborhood Partners IX, LLLP	<u>99.99%</u>
	<u><u>100.00%</u></u>

Profit or loss is allocated to the members in accordance with the operating agreement. The members have certain rights and obligations as outlined in the operating agreement.

Pursuant to the operating agreement, the managing member is to make capital contributions in the amount of \$100. During 2023, the managing member made capital contributions of \$100 to the Company. As of December 31, 2024 and 2023, the managing member has made all contributions to the Company.

Pursuant to the operating agreement, the investor member is to make capital contributions in the amount of \$11,893,254, including a downward adjuster of \$60,399. During 2024 and 2023, the investor member made capital contributions of \$293,731 and \$2,592,497, respectively, to the Company. As of December 31, 2024 and 2023, the investor member has made total contributions of \$11,832,855 and \$11,539,124, respectively, to the Company, which includes syndication costs of \$45,000.



Supplementary Information  
December 31, 2024 and 2023  
**Coffman Place LLC**

# Coffman Place LLC

## Schedules of Maintenance and Operating, Utilities, Administrative, Insurance, and Interest Expenses Year Ended December 31, 2024 and 2023

	2024	2023
Maintenance and Operating		
Reimbursed maintenance payroll	\$ 192,984	\$ 134,301
Contracted services	77,666	67,899
Snow removal	-	17,949
Maintenance supplies	16,596	11,132
Trash removal	7,523	5,996
Grounds maintenance	327	-
Other maintenance and operating	830	-
	<u>\$ 295,926</u>	<u>\$ 237,277</u>
Utilities		
Electricity	\$ 73,438	\$ 69,192
Water and sewer	17,544	18,491
Gas	13,277	18,371
Other utilities	248	1,420
	<u>\$ 104,507</u>	<u>\$ 107,474</u>
Administrative		
Management fees	\$ 56,649	\$ 55,341
Reimbursed manager payroll and benefits	104,625	99,238
Other administrative	39,843	18,094
Office expenses	7,091	7,483
Audit and accounting	9,080	7,870
Bad debt	24,056	11,076
Legal	1,953	2,490
	<u>\$ 243,297</u>	<u>\$ 201,592</u>
Insurance	<u>\$ 64,435</u>	<u>\$ 63,439</u>
Interest		
Construction note	\$ -	\$ 101,108
Permanent loan	326,701	245,766
BCHA 2.5% - \$1,550,000	41,070	41,070
BCHA 2.5% - \$3,730,000	96,370	97,068
Deferred developer fee	50,186	-
	<u>\$ 514,327</u>	<u>\$ 485,012</u>