

INTERGOVERNMENTAL GRANT AGREEMENT

(St. Louis Landing)

This Grant Agreement ("Agreement"), dated effective May 12, 2025 ("Effective Date"), is between FRASER RIVER VALLEY HOUSING PARTNERSHIP, a Colorado nonprofit corporation ("FRVHP"), and FRASER HOUSING AUTHORITY, a Colorado body corporate and politic ("Grantee").

Grantee intends to develop St. Louis Landing, an affordable housing project located on a portion of a vacant 11.3-acre parcel known as St. Louis Landing in Fraser, Colorado. Grantee has requested the financial support of FRVHP to finance the first phase of the St. Louis Landing, which Grantee anticipates will include 94 units of workforce rental housing ("Project").

FRVHP desires make a grant of up to \$4,750,000 to Grantee to construct, develop, and operate the Project ("Grant").

In exchange for the Grant funds, the Grantee agrees to ensure the Project's continued compliance with the affordability restrictions currently controlling the Project and with this Agreement.

The parties therefore agree as follows:

1. Grant. FRVHP will grant the Grantee up to \$4,750,000. Grantee shall not loan or re-grant the Grant without the prior written approval of FRVHP.

2. Disbursement of Grant Funds. The Grantee shall request from FRVHP thirty days prior to the disbursement dates listed below the following installments (together, "Installment Payments"):

(a) \$500,000 upon satisfaction of the conditions defined Section 3(a) below ("First Installment");

(b) \$500,000 on or before the one-year anniversary of the First Installment ("Second Installment");

(c) \$250,000 within ten days of the date on which a Certificate of Occupancy is issued for the Project ("CO Date") ("Third Installment");

(d) \$250,000 on the first anniversary of the CO Date or December 31, 2028, whichever occurs first ("Fourth Installment");

(e) \$250,000 on the second anniversary of the CO Date or December 31, 2029, whichever occurs first ("Fifth Installment");

(f) \$250,000 on the third anniversary of the CO Date or December 31, 2030, whichever occurs first ("Sixth Installment");

(g) \$250,000 on the fourth anniversary of the CO Date or December 31, 2031, whichever occurs first (“Seventh Installment”);

(h) \$250,000 on the fifth anniversary of the CO Date or December 31, 2032, whichever occurs first (“Eighth Installment”);

(i) \$250,000 on the sixth anniversary of the CO Date or December 31, 2033, whichever occurs first (“Ninth Installment”);

(j) \$250,000 on the seventh anniversary of the CO Date or December 31, 2034, whichever occurs first (“Tenth Installment”);

(k) \$250,000 on the eighth anniversary of the CO Date or December 31, 2035, whichever occurs first (“Eleventh Installment”);

(l) \$250,000 on the ninth anniversary of the CO Date or December 31, 2036, whichever occurs first (“Twelfth Installment”);

(m) \$250,000 on the tenth anniversary of the CO Date or December 31, 2037, whichever occurs first (“Thirteenth Installment”);

(n) \$250,000 on the eleventh anniversary of the CO Date or December 31, 2038, whichever occurs first (“Fourteenth Installment”);

(o) \$250,000 on the twelfth anniversary of the CO Date or December 31, 2039, whichever occurs first (“Fifteenth Installment”);

(p) \$250,000 on the thirteenth anniversary of the CO Date or December 31, 2040, whichever occurs first (“Sixteenth Installment”); and

(q) \$250,000 on the fourteenth anniversary of the CO Date or December 31, 2041, whichever occurs first (“Seventeenth Installment”).

3. Funding Conditions.

(a) The First Installment is conditioned upon the Grantee delivering to FRVHP the documents described on Exhibit A, which FRVHP will fund contemporaneously with the closing of the Project financing. The Grantee shall pay all of FRVHP’s fees and closing expenses in connection with this Grant. FRVHP shall not incur any expense to close this Grant.

(b) The Second through Seventeenth Installments of the Grant shall be conditioned upon the receipt and closing of the bond financing for the Project (“Bond Financing”).

(c) If the Bond Financing is not funded by December 31, 2025, FRVHP may terminate this Agreement, and the parties will have no further obligations or liabilities to each other.

(d) Pursuant to Article X, § 20 of the Colorado Constitution, all financial obligations under this Agreement are specifically contingent upon FRVHP's annual appropriation of funds sufficient to perform such obligations.

4. Use of Grant Funds: The Grantee shall use the Grant funds only for the following purposes:

(a) The First and Second Installments shall be used for the costs of infrastructure and vertical development of the Project as set forth in the project budget.

(b) The Third through Seventeenth Installments shall be used only for the following Project operating costs in the following priority:

- (i) First, to fund operating expenses of the Project;
- (ii) Second, to pay interest and principal due on any financing sources of the Project;
- (iii) Third, to pay for necessary maintenance of the Project; and
- (iv) Fourth, to fund any required Project reserve account deficits.

No portion of the Grant funds may be used for indirect costs or costs not related to the Project. To the extent any Installment Payments are unused after they are paid but before the next Installment Payment is due ("Unused Funds"), the Grantee may carry forward the Unused Funds along with the next Installment Payment, provided that the Unused Funds shall be used solely to support the Project as described in this Section 3. If Project Entity fails to meet the requirements of this Section, FRVHP may in its sole discretion elect to have the Unused Funds returned to FRVHP or deducted from the next Installment Payment.

5. Affordability Requirements. The Town or Grantee shall own and operate the Project as affordable housing for low- and moderate-income households in accordance with the affordability restrictions set forth in every rental or occupancy covenant related to the Project ("Affordability Requirement"). The Grantee shall record an affordability covenant against the Project restricting rents on all housing units to a maximum of 120% of area median income and restricting initial occupancy to households earning not more than 120% of area median income (as defined by the rent limits published annually by the Colorado Housing and Finance Authority) for the greater of a period of not less than forty years or for so long as the Project is owned by the Grantee or the Town. If a qualifying household's income subsequently exceeds 140% of area median income, the Grantee cannot renew the household lease.

6. Right of First Refusal. FRVHP shall have a right of first refusal ("ROFR") to purchase the Project upon the terms and conditions set forth in this Section 7. The Grantee (or any successor owner of the Project) (collectively, the "Owner") shall notify FRVHP ("Offer Notice") promptly following the receipt from any third party of a bona fide offer, which the Owner intends to accept, to purchase the Project ("Purchase Offer"). The Offer Notice shall include a copy of the Purchase Offer and all related information concerning the terms of the proposed purchase. FRVHP may, within 30 days of receiving the Offer Notice, give notice ("ROFR Notice") to the Owner that

FRVHP intends to exercise the ROFR. The purchase price under the ROFR shall equal the price set forth in the Purchase Offer, which shall be paid to the Owner at the closing in cash or immediately available funds and on the terms and conditions set forth therein. To the extent permitted by the applicable lender(s) and as may be mutually agreed by the Parties, FRVHP may assume the debt of the Project. Subject to and at the closing, all costs of the purchase, including the costs of the accountants' fees, attorney's fees and any filing fees, shall be paid in the same manner as provided in the Purchase Offer. The closing shall occur at least 30 days and not more than 180 days from the date of the ROFR Notice. FRVHP shall subordinate its ROFR to all secured Project financing. FRVHP may record a memorandum of this ROFR in the real property records of Grand County, Colorado.

7. Use of Residual Revenues and Sales Proceeds. The Grantee agrees that it shall only use residual revenues and the net proceeds from any sale of the Project for the purpose of improving or providing affordable housing.

8. Reporting Requirements and Records. The Grantee shall maintain the following records and cooperate with FRVHP by providing information and documentation necessary to FRVHP, including:

- (a) During construction, monthly construction progress reports;
- (b) During lease-up, monthly lease-up reports;
- (c) Prior to permanent loan conversion, quarterly financial statements;
- (d) Annually, copies of Grantee's financial statements and tax returns; and
- (e) any additional information, reports, statements, certificates, or opinions of counsel with respect to the Grant, or the assets, operations, and financial condition of Grantee as FRVHP may reasonably request.
- (f) The Grantee shall maintain all records pertaining to the Grant funds for a period of five years following receipt of the final Installment Payment and shall permit FRVHP to audit, inspect, examine, and copy all such records during normal business hours, but in no event more than one time per calendar year. The Grantee shall report any violations of federal or state criminal law involving fraud, bribery, or gratuity violations potentially affecting the Grant.

9. Monitoring. FRVHP may periodically monitor and conduct evaluations of the Project's progress. This may include Project site visits, meetings with the Grantee's staff to discuss the Project, and review of the financial and other records pertaining to the activities financed by the Grant (in no event more than one time per calendar year). The Grantee shall cooperate with FRVHP to provide reasonable access to the Project and provide information and records for such monitoring.

10. Insurance and Bonding Requirements.

(a) The Grantee shall provide insurance certificates on ACORD Forms naming FRVHP as an additional insured evidencing the following insurance policies:

(i) property insurance containing the standard mortgagee's endorsement for Causes of Loss Special Form coverage written on a replacement cost basis, plus copies of paid receipts evidencing payment of the first year's premiums;

(ii) commercial general liability insurance (occurrence basis) protecting against claims arising from any accident or occurrence in or upon the property in amounts no less than \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate; and

(iii) during construction, builder's risk property insurance containing the standard mortgagee's endorsement in form, substance, and amount acceptable to FRVHP, written on a replacement cost basis, with no co-insurance clause, plus copies of paid receipts evidencing payment of premiums.

(b) All insurance policies required under this Agreement, and renewals thereof, must be written by an insurance carrier qualified to write insurance in Colorado and satisfactory to FRVHP (except for Flood Insurance provided by the National Flood Insurance Program) and contain an agreement that the policy will not be amended, modified, or canceled except after 30 days' prior written notice to FRVHP.

(c) Grantee shall procure or cause its contractors and subcontractors to procure and maintain insurance and payment and performance bonds in accordance with this Section 10.

11. Default. The Parties agree to negotiate in good faith to resolve any dispute related to this Agreement. If the Parties are unable to reach a resolution of their own, the Parties agree that any such dispute will be resolved by a court having jurisdiction thereof.

12. Breach, Termination, Remedies. It shall be an "Event of Default" if (i) the Grantee violates any term of this Agreement or any Affordability Requirement; (ii) the Grantee is found to have made material misrepresentations to FRVHP; (iii) the Grantee is involved in any arrangement, bankruptcy, reorganization or insolvency proceeding or suffers any material adverse change in its financial condition or key personnel; (iv) there is any change in the projected use of the Project or any other changes which, in the sole judgment of FRVHP, indicates the infeasibility of the Project; or (v) FRVHP fails to disburse the Grant funds as set forth herein.

(a) Upon any Event of Default, the non-defaulting Party shall provide the other Party written notice of the alleged noncompliance and an opportunity to cure the noncompliance. The defaulting Party shall then have 30 days after receipt of the notice to remedy the noncompliance or commence to remedy the noncompliance and thereafter diligently pursue same.

(b) FRVHP may suspend or discontinue any payment of Grant funds under this Agreement upon any Event of Default. Upon the occurrence of any Event of Default that remains uncured beyond any notice and cure period, the non-defaulting Party may terminate this Agreement.

(c) Upon termination, Grantee shall return to FRVHP any unexpended Grant funds and any Grant funds determined to have been expended in violation of this Agreement. FRVHP's remedies under this Agreement shall be limited to Grantee's return of Grant funds as set forth in this Agreement.

13. Miscellaneous.

(a) Grantee shall not assign, sell, or otherwise transfer the Grant or any interest in the Grant without the prior written consent of FRVHP. Notwithstanding the foregoing, this Agreement binds and inures to the benefit of the successors and assigns of the parties.

(b) 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.

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

(d) This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one and the same document. The parties approve the use of electronic signatures, governed by the Uniform Electronic Transactions Act, C.R.S. §§ 24-71.3-101 et seq. The parties will not deny the legal effect or enforceability of this Agreement solely because it is in electronic form or because an electronic record was used in its creation.

(e) 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.

(f) 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 15(f). The parties hereby designate their addresses as follows:

If to FRVHP:

Fraser River Valley Housing Partnership
P.O. Box 744
Fraser, CO 80422
Attn: Executive Director

with a copy to:

New Communities Law
1624 Market St., #204
Denver, CO 80202
Attn.: Alex Gano

If to Grantee:

Fraser Housing Authority
153 Fraser Avenue
P.O. Box 120
Fraser, CO 80442


(g) The Grantee consents to the personal jurisdiction of the state and federal courts located in the State of Colorado in connection with any controversy relating to this Agreement and waives any argument that venue in such forum is not convenient.

(signature pages follow)

FRVHP has executed this Agreement as of the Effective Date.

FRVHP

Fraser River Valley Housing Partnership,
a political subdivision of the State of Colorado

By: 
Name: Sandra Scanlon
Title: Board President

Grantee has executed this Agreement as of the Effective Date.

GRANTEE

FRASER HOUSING AUTHORITY,
a Colorado body corporate and politic

By: 

Name: Brian Cerkevich

Title: Mayor, Fraser Housing Authority
chair

EXHIBIT A

THE FOLLOWING ARE THE DOCUMENTS REQUIRED BY FRVHP FOR CLOSING. THE DOCUMENTS WHICH ARE TO BE PROVIDED BY GRANTEE MUST BE RECEIVED BY FRVHP AND BY FRVHP'S COUNSEL IN THE FORM AND SUBSTANCE ACCEPTABLE TO FRVHP AND FRVHP'S COUNSEL AT LEAST TEN BUSINESS DAYS BEFORE THE ANTICIPATED CLOSING DATE.

GRANT DOCUMENTS

Grant Agreement

PROVIDED BY

FRVHP

CLOSING DOCUMENTS

Evidence of Closing Date

Summary of Sources and Uses

Notice to Proceed

Substantial Final Forms of Affordability Requirements

W-9

PROVIDED BY

Grantee

Grantee

Grantee

Grantee

Grantee

OTHER

Purchase Agreement

Evidence of Insurance

Title Insurance Commitment

Survey

Approved Plans & Specifications

Final Project Budget

Appraisal

Substantially Final GC Contract

Environmental Status

Flood Zone Status

Wiring Instructions

PROVIDED BY

Grantee

Grantee

Grantee

Grantee

Grantee

Grantee

Grantee

Grantee

Grantee

Grantee

Grantee






FRVHP St. Louis Landing - Grant Agreement

Final Audit Report

2025-05-13

Created:	2025-05-12
By:	Alex Gano (alex.gano@newcommunitieslaw.com)
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