



TOWN of FRISCO

P.O. Box 4100 • Frisco, Colorado 804
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The NHP Foundation
1090 Vermont Avenue NW, Suite 400
Washington, DC 20005
Attn: Neal Drobenare

January 28, 2025

RE: 101 Main Street – Town of Frisco Housing Funds

Dear Neal:

On behalf of the Town of Frisco, Colorado (the “Town”), I would like to inform you that you have, subject to the conditions below, been awarded funds from the Town for a development that will consist of not less than 52 units of affordable housing located at 101 Main Street, Frisco, Colorado (the “Project”). The Town has approved funding in the form of a loan described below (the “Loan”). The funds from the Loan shall be used for costs associated with the construction of the Project, as described at the January 28th, 2025 Town Council meeting.

Terms of the Loan are as follows:

1. Borrower: NHPF West Main, LLC.
2. Loan Amount: \$1,900,000.
3. Collateral: Subordinate Deed of Trust on the Project; Assignment of Leases and Rents; Assignment of Construction Contract; Security Interest in Personal Property.
4. Interest Rate: 3%.
5. Term: The earlier of 30 years or upon any sale of all or a portion of the Project.
6. Payment: Cash flow or sale/refinancing proceeds.

Additional funding conditions to the Loan are as follows:

1. Appropriation of funding by the Town in accordance with Colorado state law.
2. Reservation of low-income housing tax credits by the Colorado Housing and Finance Authority.
3. Commitment from NHP that NHP will continue seeking other forms of funding to take the place of the Loan.
4. Approval by the Town of NHP’s final underwriting of financing of the Project and commitment from NHP that NHP will utilize the funds from the Loan only as necessary to maintain the first mortgage as being “in balance” as required by the first mortgage lender.
5. Acquisition by the Town of the Project land from NHPF West Main, LLC.
6. Ground lease of the Project land from the Town to NHPF West Main, LLC.

7. Execution of loan documents for the Loan which are satisfactory to the Town.

8. Closing on all other funding sources for the construction of the Project, including receipt of documentation verifying terms and conditions of equity and debt.
9. Completion of construction and issuance of certificate of occupancy by the Town.
10. Lender's title policy for the Loan.
11. Builder's risk insurance and general liability insurance, in an amount of not less than the Loan amount naming the Town as an additional insured.
12. Payment and performance bonds acceptable to the Town, listing the Town as an additional insured.
13. Fixed or guaranteed maximum price, bonded contract with the general contractor of the Project.
14. All costs incurred by the Town, including attorney's fees, shall be reimbursed to the Town.

Congratulations on this award and best wishes to you on the successful completion of your project.

Sincerely,

TOWN OF FRISCO

Thomas C. Fisher, Town Manager

ATTEST

Stacey Nell, Town Clerk