

LOAN AGREEMENT

CHA 8th Street Development

This Loan Agreement (“Loan Agreement”), dated August 22, 2023 (“Effective Date”), is between the CITY OF CRAIG, COLORADO, a home rule municipality (“City”), and CRAIG HOUSING AUTHORITY, a body corporate and politic (“CHA”).

CHA owns real property in the City addressed as 785 Russell Street upon which it will develop and operate twenty units of affordable housing known as 8th Street Development (“Project”). CHA has requested the City to provide a bridge loan of \$2,000,000.00 to support the development of the Project.

The parties therefore agree as follows:

1. Loan. The City shall lend CHA \$2,000,000 (“Loan”) under the terms of this Loan Agreement and a Promissory Note. CHA shall use the Loan to fund construction costs for the Project.
2. Disbursement. The City shall disburse the Loan funds to CHA as a lump-sum payment after CHA executes this Loan Agreement and the Promissory Note.
3. Term and Maturity. CHA repay the Loan in full on or before December 31, 2024 (“Maturity Date”). CHA may extend the term by up to twelve months by providing notice to the City. CHA may prepay the Loan before the Maturity Date without penalty.
4. Events of Default. The following events each constitute an Event of Default under the terms of this Loan Agreement:
 - (a) CHA fails to punctually perform its obligations under this Loan Agreement or the Promissory Note;
 - (b) CHA fails to repay the Loan in full on or before the Maturity Date; or
 - (c) CHA makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they mature, files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors, or other similar relief under federal bankruptcy laws, consents to the appointment of a trustee or receiver, or takes any action for the purpose of effecting or consenting to any of the foregoing.

Upon the occurrence of an Event of Default, the City must provide written notice to CHA. CHA may cure any such default within the timeframes provided in the Promissory Note. If CHA fails to cure such default, then the City will have all remedies as are set forth in the Note or otherwise at law.

5. Miscellaneous.

- (a) Any amendment to this Loan Agreement requires a written agreement of the parties.
- (b) This Agreement constitutes the entire understanding between the parties regarding its subject matter.
- (c) 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 Loan Agreement, whether their claims sound in contract, tort, or otherwise.

[signature pages follow]

This Agreement was executed as of the Effective Date.

CHA

Craig Housing Authority, a Colorado body corporate
and politic

By: _____
Name: Derek Duran
Title: Chairperson

CITY

City of Craig

By: _____

Name: Derek Duran

Title: Mayor

ATTEST:

Liz White, City Clerk

Notary Public