

## **RESOLUTION FHA 2025-02**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE FRUITA HOUSING AUTHORITY CONCERNING A LOAN TO 805 OTTLEY AVENUE LLC FOR THE ACQUISITION OF PROPERTY TO SERVE AS THE SITE OF THE OAKS PROJECT.**

**WHEREAS**, 805 Ottley Avenue LLC (the “Developer”), whose majority member is Headwaters Housing Partners and whose limited member is the Frutia Housing Authority (“FHA”), proposes to redevelop the Family Health West property located at 805 West Ottley Avenue (the “Property”) into an affordable housing project (the “Oaks Project”) in the City of Fruita, Colorado; and

**WHEREAS**, the Oaks Project is proposed to include 62 multifamily rental housing units serving a mix of persons and households making up to 100% of area median income; and

**WHEREAS**, in order to facilitate the purchase of the Property in the most efficient manner for the overall financing of the Project, FHA has determined to loan the Developer \$400,000 (the “Loan”) for the purchase of the Property; and

**WHEREAS**, the Loan will be evidenced by a promissory note (in substantially the form attached hereto as Exhibit A, the “Note”) executed by the Developer and delivered to FHA, and secured by a deed of trust (in substantially the form attached hereto as Exhibit B, the “Deed of Trust”) recorded in the real property records of Mesa County, Colorado; and

**WHEREAS**, FHA has determined that the Loan will convert to an equity contribution to the Project, the Note will be canceled, and the Deed of Trust will be released upon the Developer closing on its construction loan for the construction of the Project.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE FRUITA HOUSING AUTHORITY:**

**Section 1. Recitals Incorporated.** The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of FHA.

**Section 2. Ratification and Approval of Prior Actions.** All action heretofore taken (not inconsistent with the provisions of this Resolution) by FHA or the officers, agents or employees of FHA relating to the Oaks Project and the Loan is hereby ratified, approved and confirmed.

**Section 3. Authorization of the Loan.** The Board of Commissioners of FHA (the “Board”) hereby appropriates, determines and agrees to loan \$400,000 to the Developer to be used for the exclusive purpose of purchasing the Property; provided that the proceeds of the Loan shall not be disbursed until the Developer has signed and delivered the Note and the Deed of Trust to the Executive Director of FHA (the “Executive Director”). Upon receipt of the signed Note and Deed of Trust, the Executive Director is hereby authorized to take all action necessary and appropriate to disburse the Loan proceeds to the Developer or to Headwaters Housing Partners, on

behalf of the Developer. The Board hereby determines and agrees that the Loan will convert to an equity contribution to the Project, the Note will be canceled, and the Deed of Trust will be released upon the Developer closing on its construction loan for the construction of the Project; otherwise, the Loan will become due and payable in accordance with the terms of the Note and the Deed of Trust.

**Section 4. Authorization to Take Additional Action.** The Chair, the Secretary, the Executive Director and any and all appropriate FHA officials are hereby authorized and directed to execute and deliver for and on behalf of the FHA any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they deem necessary or appropriate in order to implement and carry out the matters authorized by this Resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by the FHA Attorney prior to the execution of the documents. The execution of any document or instrument by the aforementioned officials or employees of FHA or members of the Board shall be conclusive evidence of the approval by the Board of such document or instrument in accordance with the terms hereof and thereof.

**Section 5. Effective Date.** This Resolution shall be effective as of the date of its adoption.

**ADOPTED THIS 4TH DAY OF FEBRUARY, 2025.**

FRUITA HOUSING AUTHORITY

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Chair

ATTEST:

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Board Secretary

APPROVED AS TO FORM:

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Attorney

## **EXHIBIT A**

(Form of Promissory Note)

**EXHIBIT B**

(Form of Deed of Trust)