



City of Arvada

City Council Agenda

MARCH 6, 2023

HOUSING AUTHORITY - SPECIAL MEETING

Councilmembers:

Marc Williams, Mayor
David Jones, Mayor Pro-Tem
Bob Fifer, At large
John Marriott, District 3
Randy Moorman, District 1
Lauren Simpson, District 2
Lisa Smith, At large

Staff Members Usually Present:

Lorie Gillis, City Manager
Linda Haley, Deputy City Manager
Don Wick, Deputy City Manager
Rachel Morris, City Attorney
Jacqueline Rhoades, Director of Public Works
Sharon Israel, Director of Utilities
Ryan Stachelski, Dir. of Community & Economic Development
Bryan Archer, Director of Finance
Gabriella Bommer, Director of Human Resources
Rob Smetana, Manager of City Planning & Development
Rachael Kuroiwa, Director of Communications & Engagement
Kristen Rush, City Clerk

Info: 720-898-7550

CITY COUNCIL CHAMBERS

6:00 PM

- I. Call to Order
- II. Roll Call
- III. Approval of Minutes
 1. August 15, 2022
- IV. Public Comment
- V. New Business
 1. R-HA-23-01, A Resolution Authorizing the Arvada Housing Authority to Enter Into a Special Limited Partnership Agreement with Arvada Senior Housing, LP
- VI. Adjourn

SUMMARY OF THE MINUTES OF THE REGULAR MEETING OF THE ARVADA HOUSING AUTHORITY HELD AUGUST 15, 2022

I. CALL TO ORDER - by Vice Chairman David Jones at 6:05 p.m.

II. ROLL CALL OF MEMBERS

Those present: Chairman Marc Williams; Vice Chair David Jones; Commissioner Bob Fifer, Commissioner John Marriott; Commissioner Randy Moorman; Commissioner Lisa Smith

Chairman Williams participated via Zoom.

Also present: Mark Deven, City Manager; Lorie Gillis, Deputy City Manager; Linda Haley, Deputy City Manager; Rachel Morris, City Attorney; Carrie Espinoza, Housing and Homelessness Program Manager; Rachael Kuroiwa, Chief Communications Manager, and Kristen Rush, City Clerk

III. APPROVAL OF MINUTES – January 24, 2022, June 27, 2022 and July 18, 2022

The minutes stand approved.

IV. PUBLIC COMMENT – none

V. REPORTS OF THE SECRETARY - none

VI. REPORTS OF COMMITTEES – none

VII. UNFINISHED BUSINESS – none

VIII. NEW BUSINESS

1. R-HA-22-04, A Resolution Authorizing the Arvada Housing Authority to Enter Into an Amended Special Limited Partnership Agreement and an Assignment of the Housing Assistance Payments Contract for the Vance Street Flats Development

Carrie Espinosa, Secretary for the Arvada Housing Authority, reviewed this resolution with the commission.

Commissioner Marriott moved that R-HA-22-04, A Resolution Authorizing the Arvada Housing Authority to Enter Into an Amended Special Limited Partnership Agreement and an Assignment of the Housing Assistance Payments Contract for the Vance Street Flats Development, be approved.

The following votes were cast on the Motion:

Those voting Yes: Williams, Jones, Fifer, Marriott, Moorman, Simpson, Smith
The motion was Approved.

Arvada Housing Authority Minutes
August 15, 2022
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IX. ADJOURN at 6:15 p.m.

Marc Williams, Chairman

Carrie Espinosa, Secretary, Housing Authority

TO: HOUSING AUTHORITY
COMMISSIONERS

DATE: March 6, 2023

SUBJECT: R-HA-23-01, A Resolution Authorizing the Arvada Housing Authority to Enter Into a Special Limited Partnership Agreement with Arvada Senior Housing, LP

Report in Brief

PRESENTER: Carrie Espinosa

Arvada House is an existing affordable housing development that provides 88 units of senior affordable housing located at 10175 W 58th Pl. As a part of their tax credit application, the Arvada Housing Authority committed to become a Special Limited Partner in the project for the purposes of providing a property and sales tax exemption to the project. Arvada Senior Housing, LP is scheduled to close on their loan in March 2023. As part of their loan package, Arvada Senior Housing LP must submit a Special Limited Partner (SLP) Agreement with the Arvada Housing Authority.

The Arvada team recommends approval of the Resolution Authorizing the Arvada Housing Authority to Enter Into a Special Limited Partnership Agreement with Arvada Senior Housing, LP.

Financial Impact: The financial impact of this project will be a property and sales tax exemption. The total property tax exemption is estimated at just over \$65,000 and the City of Arvada's share would be \$2,900 annually.

Suggested Motion

I move that R-HA-23-01, A Resolution Authorizing the Arvada Housing Authority to Enter Into a Special Limited Partnership Agreement with Arvada Senior Housing, LP, be (approved) (rejected).

Prepared by:

Carrie Espinosa, Manager of Housing Preservation and Resources

Reviewed by:

Approved by:

Carrie Espinosa, Manager of Housing Preservation and Resources	2/15/2023
Ryan Stachelski, Director of Community and Economic Development	2/16/2023
Bryan Archer, Director of Finance	2/16/2023
Gail Walker, Legal Specialist-Contracts	2/16/2023
Kylie Justus, Assistant City Attorney	2/21/2023
Rachel Morris, City Attorney	2/21/2023
Linda Haley, Deputy City Manager	2/21/2023
Lorie Gillis, City Manager	2/23/2023

Enclosure, exhibits & attachments required to support the report

RESOLUTION NO. R-HA-23-01

A RESOLUTION AUTHORIZING THE ARVADA HOUSING AUTHORITY TO ENTER INTO A SPECIAL LIMITED PARTNERSHIP AGREEMENT WITH ARVADA SENIOR HOUSING, LP

WHEREAS, the Arvada Housing Authority (“the Authority”) seeks to increase and preserve affordable housing options in the Arvada community; and

WHEREAS, Arvada House is an 88 unit affordable housing complex, located at 10175 W. 58th Place, necessitating rehabilitation in order to preserve housing for senior persons of low income; and

WHEREAS, the Authority may enter into a Special Limited Partnership Agreement with Arvada Senior Housing, LP in order to provide Arvada House with property and sales tax exemptions under the terms and conditions provided in the Addendum in order to support the project’s viability; and

WHEREAS, the Authority wholly owns Arvada Housing Participation LLC, a limited liability company established by Arvada City Code 46-43(7), which allows the Authority to form business entities to partner with developers in affordable development projects; and

WHEREAS, the Authority finds that it is beneficial to become a partner in Arvada Senior Housing, LP given the affordable housing units it provides to Arvada residents.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE ARVADA HOUSING AUTHORITY THAT:

Section 1. The Arvada Housing Authority hereby authorizes the Chairperson, Mayor Marc Williams, to execute the Addendum to the Amended and Restated Agreement of Limited Partnership of Arvada Senior Housing, LP, which is substantially and substantively the same as the form attached hereto, along with any other necessary closing documentation.

Section 2. This Resolution to be in full force and effect from and after its passage and approval.

APPROVED AND ADOPTED this 6th day of March, 2023.

Marc Williams, Chairperson

ATTEST:

City Clerk

APPROVED AS TO FORM:
Rachel A. Morris, City Attorney

By: _____

**ADDENDUM TO AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF ARVADA SENIOR HOUSING, LP**

This Addendum, dated as of _____, 2023 (the “Effective Date”), is executed in connection with the Amended and Restated Agreement of Limited Partnership of Arvada Senior Housing, LP, a Colorado limited partnership (the “Partnership”) dated as of _____, 2023 (the “Partnership Agreement”), and is by and among **ARVADA SENIOR HOUSING GP, LLC**, a New York limited liability company (the “General Partner”), **ARVADA SENIOR HOUSING CLASS B, LLC**, a New York limited liability company (the “Class B Limited Partner”), **WELLS FARGO COMMUNITY INVESTMENT HOLDINGS, LLC**, a Delaware limited liability company, as the Investor Limited Partner (the “Investor Limited Partner”) and **ARVADA HOUSING PARTICIPATION LLC**, a Colorado limited liability company (“AHP” or the “Special Limited Partner”).

Recitals

WHEREAS, the Partnership has been formed to acquire, rehabilitate, finance, own, lease, and operate an 88-unit multifamily apartment complex, all of which units are affordable units intended to qualify for low-income housing tax credits (the “Project”), located on that certain real estate at 10175 W 58th Place, Arvada, Colorado (the “Property”) and known as “Arvada House” (the “Apartment Complex”); and

WHEREAS, the Arvada Housing Authority, a body corporate and politic formed under the Colorado Housing Authority law (“AHA”), is the sole owner and sole member of the Special Limited Partner; and

WHEREAS, in order to support the Project and benefit low-income residents of the City of Arvada, the Special Limited Partner has agreed to be admitted as a Special Limited Partner in the Partnership in part to enable the Partnership to obtain exemptions from sales and use taxes during construction and from property taxes. These exemptions should reduce construction and operating costs for the Project.

Agreement

1. This Addendum shall be effective as of the date set forth above. This Addendum shall be a part of and incorporated into the Partnership Agreement. Capitalized terms used and not otherwise defined herein shall have the definitions given them in the Partnership Agreement.

2. Admission to Partnership; Capital Contribution; Legal and Other Expenses.

(a) The Special Limited Partner is hereby admitted into the Partnership as a limited partner with a 0.01% ownership interest in the income, profits, gains, losses, deductions, credits and distributions of the Partnership.

(b) The Special Limited Partner shall make a Capital Contribution to the Partnership on the Effective Date in the amount of \$10.00. The Special Limited Partner shall have no further obligation of any kind or description to make Capital Contributions to the Partnership, to make any loans to the Partnership or to make any other payments to the Partnership.

(c) The Partnership shall reimburse the Special Limited Partner for its actual legal fees and other expenses incurred in connection with this Addendum, its admission as the Special Limited Partner and the closing of the transaction described in this Addendum (the "Legal Fees") in an amount not to exceed \$10,000 (the "Fees"). The Fees shall be paid by the Partnership upon the later of: (i) the admission of AHP as Special Limited Partner of the Partnership and (ii) the closing of the construction loan for the Apartment Complex.

3. Fees Payable to Special Limited Partner.

(a) The Partnership shall pay an advisory/facilitation fee to the Special Limited Partner in the amount of Five Thousand Dollars (\$5,000.00), payable upon the later of (A) the admission of AHP as Special Limited Partner of the Partnership, or (B) the closing of the construction loan and equity financing for the Project; and

(b) The Partnership shall pay the Special Limited Partner an annual asset management fee (the "SLP Asset Management Fee") beginning with the year in which the Project is placed in service, in the amount of \$7,000 in that year and increasing thereafter at a rate of 2% per year. The SLP Asset Management Fee for each year shall be payable by April 30 of the following year, and shall be payable from Cash Flow of the Partnership for the year in which the fee accrues pursuant to Section 4.02(a) of the Partnership Agreement, and subject to the approval of the Investor Limited Partner. If the Cash Flow for any year is not sufficient to pay the SLP Asset Management Fee for that year in full, the unpaid amount shall accrue, and shall bear interest at 3% per year until paid.

(c) In any year, to the extent the Partnership has Cash Flow remaining after all prior items payable from Cash Flow (including deferred development and other fees) under Section 4.02(a) of the Partnership Agreement, the Partnership shall pay the Special Limited Partner, as a "Project Monitoring Fee," an amount equal to fifteen percent (15%) of such remaining Cash Flow.

(d) Upon any sale, exchange or other disposition of the Apartment Complex (other than upon a purchase by the General Partner or any Affiliate of the General Partner, or upon a restructuring of the ownership of the Partnership, including a transfer by the Investor Limited Partner of its interest in the Partnership), the Partnership shall pay the Special Limited Partner a "Disposition Fee" equal to six percent (6%) of the Net Proceeds resulting from such sale, exchange or disposition. This fee will be paid prior to any distribution to the other Partners under Section 4.02(b) of the Partnership Agreement, but after accrued fees and outstanding operating advance loans, subject to the approval of the Investor Limited Partner.

4. Rights and Duties of Special Limited Partner.

(a) Real Property Tax Exemption. The Special Limited Partner shall cooperate with the Partnership in the Partnership's request for an exemption from special assessments and real property tax provided under Colorado Revised Statutes §29-4-226 and §29-4-227. Any materials submitted in connection with such request for exemption based on the participation of the Special Limited Partner shall be subject to the prior review and approval, which shall not be unreasonably withheld, of the Special Limited Partner. The Special Limited Partner represents that AHA is the sole member and sole owner of the Special Limited Partner, and that AHA is a duly formed housing authority under the Colorado Housing Authorities Law, but otherwise makes no representation or warranty concerning any such exemption and provides no other assurances regarding the current or continued availability of any such property tax exemption or the qualification of the Partnership or the Project for any such tax exemption.

(b) Sales and Use Tax Exemption. The Special Limited Partner shall cooperate with the Partnership to enable the Partnership to qualify for an exemption from sales and use taxes under Colorado Revised Statutes §29-4-227 and §39-26-704(1.5) (the "Sales Tax Exemption"). Any materials that must be submitted in connection with a request for the Sales Tax Exemption based on the participation of the Special Limited Partner in the Partnership shall be subject to the prior review and approval, which shall not be unreasonably withheld, of the Special Limited Partner. The Special Limited Partner represents that AHA is the sole owner and sole member of the Special Limited Partner, and that AHA is a duly formed housing authority under the Colorado Housing Authorities Law, and agrees to provide an affidavit or other certificate of the information related to the Sales Tax Exemption as contemplated by applicable regulations, but otherwise makes no representation or warranty concerning the Sales Tax Exemption and provides no other assurances regarding the current or continued availability of any such Sales Tax Exemption or the qualification of the Partnership or the Project for any such tax exemption. Any application for the Sales Tax Exemption based on the participation of the Special Limited Partner in the Partnership must receive the prior written consent of the Special Limited Partner.

(c) Tenant Referrals. The Special Limited Partner agrees to cause AHA to include the Apartment Complex in any list or other publication of local properties offering affordable rental units, shall refer prospective tenants to the Management Agent, and, upon written request from the Partnership, will also provide to the Management Agent waiting list information concerning potential tenants for the Project. Subject in all respects to the requirements of applicable HUD and CHFA rules and regulations, the Partnership commits to the review and consideration of qualified tenants from the waiting list provided by AHA. All prospective tenants shall be subject to the normal qualification and income verification processes used by the Management Agent.

5. Liability of Special Limited Partner and Partnership; Indemnification of Special Limited Partner. The Special Limited Partner and all of its past and present officers, directors, commissioners, managers, employees, partners, agents, shareholders, members, trustees, predecessors, successors, subrogees, and attorneys (collectively, the "SLP Parties"), shall incur no liability for, and the General Partner shall indemnify, defend and hold harmless the SLP

Parties from and against, any claims, actions, costs or expenses arising from the Special Limited Partner's acts or omissions in connection with the Partnership, the Project, or Partnership property, except that the SLP Parties shall not be indemnified by the Partnership or any of its Partners for any fraud, gross negligence, or willful misconduct on the part of any SLP Party. The General Partner shall indemnify and hold harmless each of the SLP Parties against any loss, liability, claim or damage arising from or related to the acts, omissions or conduct of the Partnership or the Partnership property.

6. General Partner Changes; Required Consents.

(a) The consent of the Special Limited Partner, which consent may be withheld in the sole discretion of the Special Limited Partner, shall be required for any amendment or modification to the Partnership Agreement that would (I) have a material adverse effect on the rights or obligations of the Special Limited Partner, as reasonably determined by the Special Limited Partner, (II) change the purposes of the Partnership, (III) authorize the Project to be operated other than as an affordable housing project in compliance with Section 42 of the Internal Revenue Code, the Restrictive Covenant and the Partnership Agreement, or (IV) change the affordability restrictions for the Project in a manner that would permit units to be leased to tenants who are not low income tenants. If any of the actions described in this paragraph (a) are taken without the required consent of the Special Limited Partner, the Special Limited Partner may withdraw from the Partnership, or pursue any other remedy available in law or equity.

(b) Except for those consent rights of the Special Limited Partner specifically set forth in this Addendum, the Special Limited Partner will not have any voting, approval, or consent rights with respect to any other matters to be decided upon by the Partners. The Special Limited Partner shall not have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership.

(c) Notwithstanding anything to the contrary set forth in the Partnership Agreement, as amended hereby, the Special Limited Partner cannot (i) voluntarily withdraw from the Partnership except as permitted under Sections 6 and 8 of this Addendum or (ii) assign, pledge or otherwise transfer its Interest in the Partnership, in whole or in part, without the prior written consent of the General Partner and the Investor Limited Partner; provided, however, that in the case of an assignment or transfer by the Special Limited Partner of its Interest in the Partnership to an entity that is wholly owned by the Special Limited Partner, the consent of the General Partner and the Investor Limited Partner shall not be unreasonably withheld, conditioned or delayed.

7. Closing Documents; Reports and Information.

(a) The General Partner shall deliver to the Special Limited Partner (i) a copy of the executed Partnership Agreement and all exhibits within sixty (60) days after the execution of such documents, and (ii) within ten (10) days after a request by the Special Limited Partner, the General Partner shall deliver to the Special Limited Partner copies of all other operating, leasing, financial, or other reports and other information that the General Partner delivers to the Investor Limited Partner under the Partnership Agreement.

(b) The General Partner, and any successors and assigns, shall, upon request and with reasonable notice, permit the Special Limited Partner to inspect and examine (i) the Property, (ii) the equipment, buildings and other facilities of the Project, and (iii) all documents relating to the Project. Any such inspection or examination shall be made during reasonable business hours, in the presence of an officer or agent of a General Partner.

8. Withdrawal Rights.

(a) At the end of the initial 15-year Compliance Period for the Project, and every three (3) years thereafter prior to the expiration of each Exemption Period (as defined below), the General Partner and the Special Limited Partner shall review the economic condition of the Project and the Partnership (based upon the affordability restrictions to which the Partnership is then subject, as well as other relevant factors) and shall work together in good faith to determine whether the tax exemptions are needed to maintain the financial viability of the Project as an affordable housing project serving households in accordance with the such restrictions (the “Financial Viability”) for an additional three year period (the “Exemption Period”). If the General Partner and the Special Limited Partner determine that the tax exemption is reasonably necessary to maintain the Financial Viability of the Project for such Exemption Period, the Special Limited Partner shall not withdraw from the Partnership. If the General Partner and the Special Limited Partner agree that the ongoing property tax exemption is not reasonably necessary for the Project’s ongoing Financial Viability, then the Special Limited Partner shall have the option to withdraw from the Partnership during each such Exemption Period upon thirty (30) days’ written notice to the General Partner and Limited Partner. Upon withdrawal, the Partnership shall pay to the Special Limited Partner the balance in the Special Limited Partner’s Capital Account and all other amounts then owing to the Special Limited Partner. For the purposes of this Section 8(a), Financial Viability shall mean that the Project would be able to maintain a minimum 1.20 to 1.00 debt service coverage ratio (or a greater ratio if required by the permanent lender) after (i) payment in full of all “must pay” debt service and assuming the Project continues to be operating as affordable housing) and (ii) payment in full of applicable property taxes following the termination of the property tax exemption. This Section 8(a) is not intended to, and shall not be interpreted to, provide any rights to any third party other than the Partnership.

(b) In addition to the rights of the Special Limited Partner to withdraw from the Partnership under Sections 6 and 8(a) of this Addendum, the Special Limited Partner shall have the unconditional right to withdraw from the Partnership, in addition to any other remedy available in law or equity, upon the occurrence of any event described in clauses (i) or (ii) below and thirty (30) days’ written notice to the General Partner and Investor Limited Partner, unless any such event is cured within such thirty (30) day period, or such longer period acceptable to the Special Limited Partner as may be reasonably required to effect cure (but in no event shall such cure period exceed a total of sixty (60) days, or such other time period as provided below), if cure is commenced within such thirty (30) day period and diligently prosecuted thereafter upon any of the following: (i) a material breach by the Partnership or any Partner of any provisions of this Addendum or the Partnership Agreement that benefits the Special Limited Partner, which breach is not cured within thirty (30) days following written notice thereof to the General Partner and Investor Limited Partner; or (ii) an event of bankruptcy with respect to the Partnership.

(c) The General Partner shall have the option (subject to applicable consents of any applicable lender, the Investor Limited Partner, and the Colorado Housing and Finance Authority) to purchase the interest of the Special Limited Partner in the Partnership upon thirty (30) days' written notice to the Special Limited Partner and the Investor Limited Partner, (i) at any time after a material violation of this Addendum or the Partnership Agreement by the Special Limited Partner which is not cured within a reasonable cure period, (ii) the Special Limited Partner's or AHA's act of fraud, violation of law, bad faith, willful misconduct, gross negligence, or breach of fiduciary duty, or (iii) if at any time the Project does not qualify for an exemption from special assessments and real property taxes as provided in Section 4(a) of this Addendum. In such case, the purchase price to the General Partner of the partnership interest of the Special Limited Partner shall be \$100 plus any accrued but unpaid amounts otherwise payable to the Special Limited Partner under this Addendum. If the General Partner exercises its rights under this Section 8(c), the Special Limited Partner agrees to execute an amendment to the Partnership Agreement which is reasonably necessary to evidence the Special Limited Partner's withdrawal as a Partner, effective upon the date of such purchase; provided, that the Partnership will pay the reasonable legal fees, costs and expenses incurred by the Special Limited Partner in connection with any withdrawal pursuant to clause (iii), above, other than upon the failure of the Special Limited Partner to satisfy its obligations under this Addendum.

(d) Upon the withdrawal by the Special Limited Partner from the Partnership in accordance with the provisions of Sections 8(a) or (b), or the purchase of the interest of the Special Limited Partner as provided in Section 8(c) of this Addendum, the terms of this Addendum (other than Section 5, which shall continue to apply) shall cease to apply and no longer be in force or effect.

9. Right of First Offer. The Partnership grants a right of first offer ("ROFO") to the Special Limited Partner subject to the terms and conditions set forth below.

(a) Transactions Subject to ROFO. The ROFO shall apply to any sale of the Apartment Complex by the Partnership (other than a sale by the Partnership to the General Partner or to any Affiliate of the General Partner), and, if the Apartment Complex is acquired by the General Partner or an Affiliate of the General Partner, to any subsequent sale by the General Partner or its Affiliate to an unrelated third party. The Partnership or the General Partner or Affiliate are referred to in this Section 9 as the "Selling Party." Notwithstanding the foregoing, the ROFO shall expire upon the earlier of (i) ten years after the end of the Compliance Period and (ii) the earlier withdrawal or removal of the SLP from the Partnership.

(b) Operation of ROFO. If a Selling Party desires to sell the Apartment Complex, the Selling Party shall give written notice to the Special Limited Partner (the "ROFO Notice"). The ROFO Notice must contain the proposed purchase price and other material terms of the proposed sale. The Special Limited Partner shall have sixty days from the date on which it receives the ROFO Notice to exercise its ROFO (the "ROFO Response Deadline"). If the Special Limited Partner decides to exercise its ROFO, the Special Limited Partner must respond by delivering to the General Partner a written and executed purchase and sale agreement for the proposed purchase price and with the materials terms from the ROFO Notice (the "ROFO Acceptance Submission") on or before the ROFO Response Deadline. If the Special Limited

Partner declines to exercise its ROFO or fails to deliver to the General Partner the ROFO Acceptance Submission on or before the ROFO Response Deadline, the Selling Party may sell the Property for an amount equal to or greater than the proposed purchase price at any time within one year of the ROFO Notice. Any sale for less than the proposed purchase price in the ROFO Notice will be null and void, unless the Special Limited Partner received a ROFO Notice with respect to the sale at the reduced price and is given the opportunity to exercise the ROFO in accordance with the terms of this Section 9(b).

10. Notices. The Special Limited Partner shall provide copies of any Notices it sends to the Company to the General Partner or Limited Partner at the addresses and in the manner set forth in the Partnership Agreement. The parties shall give all notices, consents, demands, waivers, or approvals related to this Addendum in writing delivered by (i) personal delivery, (ii) a nationally-recognized, next-day courier service, or (iii) first-class certified mail, postage prepaid. 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 third 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 10. The following is the address of the Special Limited Partner for notice purposes under this Agreement:

Special Limited Partner:

Arvada Housing Authority
8101 Ralston Road
Arvada, CO 80002
Attn: Housing Manager

With a copy to:
City of Arvada
8101 Ralston Road
Arvada, CO 80002
Attn: City Attorney

Notice to any other Partner shall be given in accordance with the notice requirements of the Partnership Agreement.

11. Conflicts. If any provision of this Addendum conflicts with any provision of the Partnership Agreement or any document, the provisions of this Addendum shall be controlling in all respects. Except as specifically amended hereby, all of the terms and the provisions of the Partnership Agreement remain in full force and effect, without modification.

12. Governing Law. This Addendum shall be construed and enforced in accordance with the laws of the State of Colorado, without regard to principles of conflicts of laws.

13. Binding Agreement. This Addendum shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

14. Headings. All headings in this Addendum are for convenience of reference only and are not intended to qualify the meaning of any provision of this Addendum.

15. Counterparts. This Addendum may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[No further text on this page; signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Addendum to be duly executed as of the date first written above.

GENERAL PARTNER:

ARVADA SENIOR HOUSING GP, LLC, a
New York limited liability company

By _____

Name: Matthew Finkle

Title: Vice President

CLASS B LIMITED PARTNER:

ARVADA SENIOR HOUSING CLASS B,
LLC, a New York limited liability company

By _____

Name: Matthew Finkle

Title: Vice President

[Signatures continued on following pages.]

INVESTOR LIMITED PARTNER:

WELLS FARGO COMMUNITY INVESTMENT
HOLDINGS, LLC

By: _____
Name: Jennifer Malboeuf Crampton
Title: Managing Director

[Signatures continued on following pages.]

SPECIAL LIMITED PARTNER:

ARVADA HOUSING PARTICIPATION LLC, a Colorado limited liability company

By: Arvada Housing Authority, a Colorado body corporate and politic organized and existing under the Housing Authorities Law of the State of Colorado

By: _____

Name:

Title: Mayor of Arvada; Chairperson of AHA

ATTEST:

City Clerk

APPROVED AS TO FORM by
Rachel A. Morris, City Attorney
