

AMENDATORY AGREEMENT

THIS AMENDATORY AGREEMENT (this “Amendatory Agreement”) is made and entered by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado (the “City”), and **LARADON WEST, LLC**, a Wisconsin limited liability company whose address is 200 N. Main Street, Oregon, WI 53575 (“Borrower”).

BACKGROUND:

WHEREAS, the City and the Borrower entered into that certain Loan Agreement dated May 15, 2018 (the “Agreement”) to provide funds for the development of affordable housing; and

WHEREAS, the City and Borrower desire to revise the Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in the Agreement and herein contained the parties agree as follows:

1. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement.
2. Paragraph 6 of the Agreement, entitled “Restrictions on Use of Property” is hereby amended to read as follows:

“6. RESTRICTIONS ON USE OF PROPERTY:

A. Affordability limitations. One (1) of the units at the Property (the "High HOME Unit") shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as established by the U.S. Department of Housing and Urban Development (“HUD”), under 24 C.F.R. 888.11, or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 60% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit. Three (3) of the units at the Property (the "Low HOME Units") shall have rents not exceeding the lesser of (i) 30% of the annual income of a family whose income equals 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, or (ii) the HOME Unit rent as calculated above. Six (6) of the units at the Property (the "Very Low HOME Units") shall have rents not exceeding the lesser of (i) 30% of the annual income of a family whose income equals 30% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, or (ii) the HOME Unit rent as calculated above. The High HOME Unit, Low HOME Units and Very Low HOME Units are referred to herein collectively as the “HOME Units.” By executing this Loan Agreement, Borrower acknowledges receipt of HUD's current rent guidelines from the OED. It shall be Borrower's responsibility to obtain updated guidelines from OED or HUD, and comply with same.

Eighty (80) of the units at the Property shall be designated as the City Units (the “City Units”) and shall have rents not exceeding the lesser of (i) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 60% of the median income for the Denver area, as determined by HUD, with adjustments for number of bedrooms in the unit, or (ii) fair market rent for comparable units in the area as established by the HUD.

The City shall determine maximum monthly allowances for utilities and services of the HOME Units annually in accordance with 24 C.F.R. 92.252(d)(1). Rents shall not exceed the maximum rents as determined above minus the monthly allowance for utilities and services.

The City shall review rents for the HOME Units for compliance and approval in accordance with 24 C.F.R. 92.252(d)(2) & (f)(2) within ninety (90) days after OED requests rent information from the Borrower.

B. Occupancy/Income Limitations. The High HOME Unit and the City Units shall be occupied by tenants whose incomes are at or below sixty percent (60%) of the median income for the Denver area as determined by HUD pursuant to section 24 C.F.R. 5.609 or any successor regulation. The Low HOME Units shall be occupied by tenants whose incomes are at or below 50% of the median income for the Denver area as determined by HUD pursuant to section 24 CFR 5.609 or any successor regulation. The Very Low HOME Unit shall be occupied by tenants whose incomes are at or below 30% of the median income for the Denver area as determined by HUD pursuant to section 24 CFR 5.609 or any successor regulation. By executing this Loan Agreement, Borrower acknowledges receipt of HUD’s current income guidelines from OED. It shall be Borrower’s responsibility to obtain updated guidelines from OED or HUD, and comply with same.

C. Designation of Units. All of the HOME Units are floating, but shall be comprised of the following unit sizes:

BEDROOMS	Units
1 Bedroom	6
2 Bedroom	2
3 Bedroom	2
TOTAL	10

Borrower shall provide the initial addresses of the High HOME Units, Low HOME Units, and Very Low HOME Units to the City by the time of project completion.

D. Covenant Running with the Land. At closing, Borrower shall execute a covenant covering the HOME Units (the “HOME Covenant”) and the City Units (the “City Covenant”), each in form satisfactory to the City, setting forth the rental and occupancy limitations described in subparagraphs A and B above, which shall be

recorded in the real estate records of the City and County of Denver and which shall constitute a covenant running with the land. The HOME Covenant shall encumber the Property for a period not less than forty (40) years from the date of project completion as defined in 24 C.F.R. 92.2. The forty (40) year term consists of: twenty (20) years as required by HUD, and an additional twenty (20) years as required by the City. After the first twenty (20) years from the date the HOME Covenant is recorded have lapsed, Borrower will have satisfied the minimum requirements imposed by HUD. However, the same covenants will continue to be imposed by the City for an additional twenty (20) years. The City Covenant shall encumber the Property for a period not less than thirty (30) years from the date of project completion. Violation of said City Covenant shall be enforceable as an event of default pursuant hereto.”

3. Borrower consents to the use of electronic signatures by the City. This Amendatory Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of this Amendatory Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of this Amendatory Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

4. Except as herein amended, the Agreement is affirmed and ratified in each and every particular.

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Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By _____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By _____

By _____

By _____



Contract Control Number: OEDEV-201738563-01


Contractor Name: Laradon West LLC

By: 

Name: Brian Swanton
(please print)

Title: President & CEO
(please print)

ATTEST: [if required]

By: 

Name: Kimball Crangle
(please print)

Title: Colorado Market President
(please print)

