

COB - BOSAIR FORM

08/22/2025 9:59 AM (MST)

Submitted by: Sofia.Blue@pima.gov



Welcome to the Board of Supervisors Agenda Item Report (BOSAIR) Form.

This form is used to submit agenda items for Board of Supervisors consideration, including contracts, awards, grants, amendments, and other official actions.

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number: PO CWD 2500025064

Award Type: Contract

Requested Board Meeting Date: 09/16/2025

Signature Only:

NO

Procurement Director Award / Delegated Award: • N/A

Supplier / Customer / Grantor / Subrecipient: Lariat Village Propco, L.P.

Project Title / Description: Lariat Village

Purpose: In support of Board of Supervisors Policy- Prosperity Initiative priorities 1-3 this Gap Funding Agreement among Pima County and Lariat Village Propco, L.P. to effectuate the award of \$673,000 in gap funding from the Regional Affordable Housing allocation toward the Lariat Village Affordable Housing project. F. The Project consists of a total of 120 units of multifamily housing located in Tucson. The Project is situated at 860 E. Irvington Rd., Tucson, AZ 85706.

Procurement Method: Other

Insert additional Procurement Method info, if applicable: CWD-RFP-AHF-RFP-2024-0930

Program Goals/Predicted Outcomes: The Lariat Village project will increase the supply of affordable housing in Pima County with a new construction complex of consisting of 120 rental units of affordable housing. The community will contain one-, two- and three-bedroom apartment homes, with income and rent limits ranging from 30% to 70% of the area median income (AMI) for an average AMI of 54%. Amenities include a meeting room, exercise room, laundry area, and lounge with free Wi-Fi. Outdoor amenities will include, at minimum, a picnic area, BBQ area, playground, courtyard, and perimeter fencing with limited access gates.

Public Benefit and Impact: This project will increase the supply of quality, affordable homes in Pima County.

Budget Pillar • Improve the quality of life

Support of Prosperity Initiative: 1. Increase Housing Mobility and Opportunity

Provide information that explains Increase the supply of housing by prioritizing practices and investments that focus

To: COB, 8-28-25(1)
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how this activity supports the selected Prosperity Initiative

on families with children and result in diverse housing types and prices in neighborhoods, ensuring affordable housing options are available throughout Pima County, especially in low poverty areas.

Metrics Available to Measure Performance:

These rental homes will serve families and the general workforce at or below 80% Area Median Income under the Low-Income Housing Tax Credit Program (LIHTC) and will remain affordable for a minimum of 30 years.

Retroactive:

NO

Contract / Award Information

Record Number: PO CWD 2500025064

Document Type: PO

Department Code: CWD

Contract Number: 2500025064

Commencement Date: 09/16/2025

Termination Date: 08/31/2027

Total Expense Amount:

\$673,000.00

Total Revenue Amount:

\$0.00

Funding Source Name(s) Required: General Fund

Funding from General Fund?

YES

If Yes Provide Total General Funds:

\$673,000.00

Percent General Funds 100

Contract is fully or partially funded with Federal Funds?

NO

Were insurance or indemnity clauses modified?

NO

Vendor is using a Social Security Number?

NO

Department: Community and Workforce Development

Name:

Sofia Blue

Telephone:

520-724-7312

Department Director Signature:  Date: 8.22.25

Deputy County Administrator Signature:  Date: 8/26/2025

County Administrator Signature:  Date: 8/26/25.

Pima County Community and Workforce Development

Project: Lariat Village

Owner: Lariat Village Propco, L.P.

Amount: \$673,000

Contract No.: PO2500025064

CT2500000048

Funding: General Fund

AFFORDABLE HOUSING GAP FUNDING AGREEMENT

Background and Purpose

- A. As part of Pima County's ("County") fiscal year ("FY") 2024-25 budget, the Pima County Board of Supervisors ("Board") allocated \$5 million toward increasing affordable housing in Pima County. The Board appointed a Pima County Regional Affordable Housing Commission ("Commission") to study and make recommendations on how to expend that funding.
- B. County staff, with Commission comment and approval, developed and issued a Request for Proposals ("RFP"), CWD-RFP-AHF-RFP-2024-0930, to solicit proposals for projects to seek gap funding. Eleven proposals were received, seeking a total of \$7,747,275.00 in funding. The proposals were scored by a panel with expertise in diverse areas, including housing, development, community development, and finance based on criteria set forth in the RFP. The panel also included Commission representation from a non-conflicted commissioner. The panel recommended funding 7 projects: Rincon Manor Phase 1 \$1,000,000; Elstone II \$1,000,000; Rio Azul Apartments Phase II \$600,000; Lariat Village \$673,000; Casitas on Park \$727,000; Barrio Kroeger Lane Infill \$250,375; Amazon Flats \$749,625.
- C. The Commission unanimously endorsed staff's recommendations. On March 18, 2025, the Board approved staff's and the Commission's recommendations, awarding funding to the seven recommended projects in the amounts requested.
- D. This Gap Funding Agreement ("Agreement") is among County and Lariat Village Propco, L.P. ("Owner"), (collectively, "the Parties") to effectuate the award of \$673,000 in gap funding ("Gap Funding"), toward Lariat Village ("Project").
- E. Owner submitted a Gap Funding Application for the use of County funds for direct construction costs for the Project.

- F. The Project consists of a total of 120 units of multifamily housing located in Tucson. The Project is situated at 860 E. Irvington Rd., Tucson, AZ 85706 ("Project Property").
- G. Owner has obtained all necessary plan approvals and construction permits from the City of Tucson and any other necessary approving entity. A description of the Project is attached as Exhibit A, and a map depicting the Project is attached as Exhibit B.

Agreement

1. **Term.** This Agreement commences on the Closing Date and terminates on August 31, 2027. Notwithstanding this section, Sections 4, 7, and 8 of this Agreement survive termination and remain in effect so long as the Affordability Restrictions remain in effect.
 - 1.1. Closing Date. The closing of the sale of the Project Property to Owner. This Agreement will terminate if closing has not occurred within 1 year after the effective date of this Agreement.
2. **Payment and Terms of Gap Funding.**
 - 2.1. Gap Funding Total. County will pay the Owner an amount not to exceed \$673,000.
 - 2.2. Gap Funding Terms. Gap Funds will be provided as a loan subject to the terms of the County Gap Funding Promissory Note ("**County Note**") which will be secured by a Pima County Gap Funding Deed of Trust and Assignment of Rents ("**County DOT**"), the forms of which are attached as **Exhibit C**. The Owner will *record the County DOT* as indicated in paragraph 3 of this Agreement.
 - 2.3. Timing of Invoices. Owner will submit invoices on the template provided by County for the period in which Owner delivered the invoiced products or services.
 - 2.4. Content of Invoices. All invoices will be accompanied by a description of the work performed during the period covered by the invoice, time accounting information and an allocation of all direct costs, including reimbursable costs to County. Owner charges must be supported by appropriate documentation with each separate invoice submitted. Owner will provide a project summary as it applies to the project timeline with each invoice.
 - 2.5. Invoice Adjustments. The Owner applied for Gap funding for direct construction costs. County will adjust invoices at a reimbursement rate of not less than 90% until the project meets half of their construction timeline. After the halfway milestone is reached, the County will adjust its reimbursement rate to 95%.

- 2.6. County Review. County will review the invoice and, within **10** days, either approve it or reject it. If approved, County will pay the Owner the amount requested within **30** days of the date of the invoice. If rejected, County will provide Owner with a written response including the reasons for the rejection, and the Parties may submit a new invoice to correct any deficiencies.
- 2.7. After Project completion. Owner will submit a final invoice for the remaining Gap Funding. The Owner must include with the final invoice documentation demonstrating full Project completion, including final Certificates of Occupancy issued by the City of Tucson. County will review the invoice and, within 10 days, either approve it or reject it. If approved, County will pay the Owner the amount requested within 30 days of the date of the invoice. If rejected, County will provide Owner with a written response including the reasons for the rejection, and Owner may submit a new invoice to correct any deficiencies.
3. **Affordability Restriction**. Concurrently with the recording of the Deed of Trust and Assignment of Rents made and entered into in conjunction with the gap funding evidenced by this Agreement, Owner will record Affordability Restrictions against the Project Property in substantially the forms attached as **Exhibits C and D** and provide copies of the Affordability Restrictions to County.
4. **Enforcement**. County may enforce the Affordability Restrictions in accordance with their terms at any time during which they are in effect.
5. **Marketing Plan**. Owner will market the Project in accordance with the previously submitted Marketing Plan.
6. **Assignment**. Owner may not assign its obligations under this Agreement without County's written consent, which will not be unreasonably withheld.
7. **Insurance**. The Insurance Requirements herein are minimum requirements for this Agreement and in no way limit, the indemnity covenants contained in this Agreement. Owner's insurance shall be placed with companies licensed in the State of Arizona and the insureds shall have an "A.M. Best" rating of not less than A- VII. Pima County in no way warrants that the minimum insurer rating is sufficient to protect the Owner from potential insurer insolvency.
- 7.1. Minimum Scope and Limits of Insurance. Owner shall procure and maintain, until all contractual obligations have been discharged, the insurance coverage with limits of liability not less than stated below. Pima County in no way warrants that the minimum insurance limits contained herein are sufficient to protect the Owner from liabilities that arise out of the performance of the work under this Agreement. If necessary, Owner may obtain commercial umbrella or excess insurance to satisfy the County's Insurance Requirements.
- 7.1.1. Property. Commercial Property insurance with coverage at least as broad as ISO form CP 00 01, covering full replacement cost of real property up to insurance limits.

- 7.1.2. Commercial General Liability (CGL). Occurrence Form with limits of \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate. Policy shall include bodily injury, property damage, broad form contractual liability coverage, personal and advertising injury and products – completed operations.
- 7.1.3. Business Automobile Liability. Waived.
- 7.1.4. Workers' Compensation (WC) and Employers' Liability. Statutory requirements and benefits for Workers' Compensation. In Arizona, WC coverage is compulsory for employers of one or more employees. Employer's Liability coverage- \$1,000,000 each accident and each person - disease.

Sole Proprietor: The Workers' Compensation requirement shall not apply to a contractor that is exempt under A.R.S. § 23-901, and when such contractor executes the appropriate "Pima County Sole Proprietor/Independent Contractor Waiver Form".
- 7.1.5. Claims-Made Insurance Coverage. If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date must precede the effective date of this Agreement, and Owner must maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.
- 7.2. Additional Insurance Requirements. The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:
 - 7.2.1. Additional Insured. The General Liability Policy shall each be endorsed to include Pima County, its departments, districts, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Owner.
 - 7.2.2. Subrogation. The General Liability and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of Pima County, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Owner.
 - 7.2.3. Primary Insurance. The Owner's policies shall stipulate that the insurance afforded the Owner shall be primary and that any insurance carried by Pima County, its agents, officials, or employees shall be excess and not contributory insurance.
 - 7.2.4. Insurance provided by the Owner shall not limit the Owner's liability assumed under the indemnification provisions of this Agreement.
- 7.3. **Notice of Cancellation**. Each Required Insurance policy must provide, and certificates specify, that County will receive not less than thirty (30) days advance written notice of any policy cancellation, except 10-days prior notice is sufficient

when the cancellation is for non-payment of a premium. Notice shall include the Pima County project or contract number and project description.

- 7.4. **Verification of Coverage.** Owner shall furnish Pima County with certificates of insurance as required by this Agreement. An authorized representative of the insurer shall sign the certificates.

7.4.1. All certificates and endorsements, as required by this written agreement, are to be received and approved by Pima County before work commences. Each insurance policy required by this Agreement must be in effect at, or prior to, commencement of work under this Agreement. Failure to maintain the insurance coverages or policies as required by this Agreement, or to provide evidence of renewal, is a material breach of contract.

7.4.2. All certificates required by this Agreement shall be sent directly to the appropriate County Department. The Certificate of Insurance shall include the Pima County project or contract number and project description on the certificate. Pima County reserves the right to require complete copies of all insurance policies required by this Agreement at any time.

- 7.5. **Approval and Modifications.** The Pima County Risk Manager may approve a modification of the Insurance Requirements without the necessity of a formal Agreement amendment, but the approval must be in writing. Neither the County's failure to obtain a required insurance certificate or endorsement, the County's failure to object to a non-complying insurance certificate or endorsement, or the County's receipt of any other information from the Owner, its insurance broker(s) and/or insurer(s), constitutes a waiver of any of the Insurance Requirements.

8. **Indemnification.** To the fullest extent permitted by law, Owner will defend, indemnify, and hold harmless Pima County and any related taxing district, and the officials and employees of each of them (collectively, "Indemnatee") from and against any and all claims, actions, liabilities, losses, and expenses (including reasonable attorney fees) (collectively, "Claims") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of Owner or any of Owner's directors, officers, agents, employees, volunteers, or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of Owner to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnatee will, in all instances, except for Claims arising from the gross negligence or the acts or omissions of the Indemnatee, be indemnified by Owner from and against any and all Claims. Owner or is responsible for primary loss investigation, defense and judgment costs for any Claim to which this indemnity applies. This indemnity will survive the expiration or termination of this Agreement.

9. **Laws and Regulations.**

- 9.1. Compliance with Laws. Owner will comply with all federal, state, and local laws, rules, regulations, standards and Executive Orders.
- 9.2. Licensing. Owner warrants that it is appropriately licensed to provide the services under this Agreement, if applicable, and that its general contractor and their subcontractors will be appropriately licensed.
- 9.3. Choice of Law - Venue. The laws and regulations of the State of Arizona govern the rights and obligations of the parties under this Agreement. Any action relating to this Agreement must be filed and maintained in the appropriate court of the State of Arizona in Pima County.
10. **Independent Contractor**. Owner is an independent contractor. None of Owner, nor any of its officers, agents or employees will be considered an employee of Pima County for any purpose or be entitled to receive any employment-related benefits, or assert any protections, under the Pima County Merit System. Owner is responsible for paying all federal, state and local taxes on the compensation received by it under this Agreement and will indemnify and hold County harmless from any and all liability that County may incur because of their failure to pay such taxes.
11. **Subcontractors**. Subject to that certain A102 – 2017 Standard Form of Agreement between Owner and Contractor dated as of the Closing Date by and between Owner and Contractor. Owner is responsible for all acts and omissions of the general contractor, and of persons directly or indirectly employed by the general contractor, and of persons for whose acts any of them may be liable, to the same extent that the Owner is responsible for the acts and omissions of its own employees. Nothing in this Agreement creates any obligation on the part of County to pay or see to the payment of any money due the general contractor or any subcontractor, except as may be required by law.
12. **Non-Discrimination**. Owner will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this Agreement, including flow-down of all provisions and requirements to any subcontractors. During the performance of this Agreement, Owner will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.
13. **Americans with Disabilities Act**. Owner will comply with Title II of the Americans with Disabilities Act (Public Law 110-325, 42 U.S.C. §§ 12101-12213) and the federal regulations for Title II (28 CFR Part 35).
14. **Authority to Contract**. Owner warrants its right and power to enter into this Agreement. If any court or administrative agency determines that County does not have authority to enter into this Agreement, County will not be liable to Owner or any third party by reason of such determination or by reason of this Agreement.
15. **Full and Complete Performance**. The failure of any party to insist, in one or more instances, upon another party's complete and satisfactory performance under this Agreement, or to take any action based on another party's failure to completely and satisfactorily perform, is not a waiver of that party's right to insist upon complete and

satisfactory performance, or compliance with any other covenant or condition in this Agreement, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.

16. **Cancellation for Conflict of Interest.** This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Agreement by reference.
17. **Termination by County.** County may terminate this Agreement if Owner fails to cure a default under this Agreement after more than 30 days after written notice of the default from County (or for a longer period as may be reasonable required under the circumstances to cure the violation, provided that Owner has commenced the cure within the initial 30-day period and thereafter diligently pursues the cure to completion). The County agrees to accept cure by the Limited Partner as if such cure were made by Owner.
18. **Remedies.** Any party may pursue any remedies provided by law for the breach of this Agreement. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Agreement.
19. **Severability.** Each provision of this Agreement stands alone, and any provision of this Agreement found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement.
20. **Non-Exclusive Agreement.** Owner understands that this Agreement is nonexclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.
21. **Books and Records.** Owner will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of County. In addition, Owner will retain all records relating to this Agreement for at least five (5) years after its expiration or termination or, if later, until any related pending proceeding or litigation has concluded.
22. **Public Records.**
 - 22.1. Disclosure. Pursuant to A.R.S. § 39-121 et seq., all documents submitted in response to the solicitation resulting in award of this Agreement, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.
 - 22.2. Records Marked Confidential; Notice and Protective Order. If Owner reasonably believes that some of those records contain proprietary, trade-secret or otherwise-confidential information, Owner must prominently mark those records "CONFIDENTIAL." In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Owner of the request as soon as reasonably possible. County will release the records 30 days after the date of that notice, unless Owner has, within that

period, secured an appropriate order from a court of competent jurisdiction, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

23. Legal Arizona Workers Act Compliance.

23.1. Compliance with Immigration Laws. Owner hereby warrants that it will at all times during the term of this Agreement comply with all federal immigration laws applicable to its employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Owner will further ensure that each general contractor who performs any work under this Agreement likewise complies with the State and Federal Immigration Laws.

23.2. Books & Records. County has the right at any time to inspect the books and records of Owner and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

23.3. Remedies for Breach of Warranty. Any breach of Owner's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Agreement subjecting Owner to penalties up to and including suspension or termination of this Agreement. If a breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Owner will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of Owner.

23.4. Subcontractors. Owner will direct its general contractor to advise each subcontractor of County's rights, and the subcontractor's obligations, under this Section 23 by including a provision in each prospective subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to

Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

24. **Notices.** Any notice required or permitted to be given under this Agreement must be in writing and be served by personal delivery or by certified mail upon the other party as follows:

County:
Director, Pima County Community
& Workforce Development
2797 W. Ajo Way, 3rd Floor
Tucson, AZ 85713

Owner:
Lariat Village Propco, L.P.
2340 Collins Avenue
Miami Beach, FL 33139

With a copy to:

The Banks Law Firm, P.A.
2929 Allen Parkway, Suite 200
Houston, TX 77019
Attn: Andrea Steel

And

U.S. Bancorp Impact Finance
c/o U.S. Bancorp Community
Development Corporation
505 North Seventh Street, 10th Floor
SL-MO-T10F
St. Louis, MO 63101
USB Project No: [_____]
Attn.: Director of LIHTC Asset Management

With a copy to:

Jill Goldstein, Esq.
Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Phone: (402) 346-6000

Any party may update its contact for purposes of notices in writing at any time.

25. **Israel Boycott Certification.** Pursuant to A.R.S. § 35-393.01, if Owner engages in for-profit activity and have 10 or more employees, and if this Agreement has a value of \$100,000.00 or more, Owner certifies that it is not currently engaged in and agrees for the duration of this Agreement to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.
26. **Forced Labor of Ethnic Uyghurs.** Pursuant to A.R.S. § 35-394, if Owner engages in for-profit activity and have 10 or more employees, Owner certifies that it is not currently using, and agrees for the duration of this Agreement to not use (1) the forced labor of

ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and (3) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If Owner becomes aware during the term of the Agreement that it is not in compliance with A.R.S. § 35-394, it must notify the County within five business days and provide a written certification to County regarding compliance within one hundred eighty days.

27. **Heat Injury and Illness Prevention and Safety Plan.** Pursuant to Pima County Procurement Code 11.40.030, the Owner hereby warrants that if the employees of the Owner's general contractor and its subcontractors perform work in an outdoor environment under this Agreement, the Owner will keep on file a written Heat Injury and Illness Prevention and Safety Plan. At the County's request, the Owner will provide a copy of this plan and documentation of heat safety and mitigation efforts implemented by the Owner to prevent heat-related illnesses and injuries in the workplace. The Owner will post a copy of the Heat Injury and Illness Prevention and Safety Plan where it is accessible to employees. The Owner will further ensure that its general contractor and each of the general contractor's subcontractors that perform any work for the Owner under this Agreement complies with this provision.
28. **Amendments.** The parties may modify, amend, alter or extend this Agreement only by a written amendment signed by the parties.
29. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which shall constitute one and the same instrument.
30. **County Recognition.** Owner will, at its cost, acknowledge Pima County Gap Funds contribution in a form approved by County. Acceptable forms of recognition may include, but not limited to, signs, permanent plaques, press releases and recognition at opening ceremonies. Inclusion of Pima County logo on signs, press releases and advertisements may also list member names from Board of Supervisors and County Administration if applicable. County will provide County-approved logo artwork for placement on any sign or printed material.
31. **Entire Agreement.** This document constitutes the entire agreement between the parties pertaining to the subject matter it addresses, and this Agreement supersedes all prior or contemporaneous agreements and understandings, oral or written.

The remainder of this page is intentionally left blank.

Signatures only on following page.

PIMA COUNTY:

Rex Scott
Chair, Board of Supervisors

Date

ATTEST

Clerk of the Board

Approved as to Form:



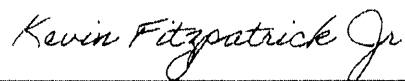
Kyle Johnson, Deputy County Attorney

OWNER:

LARIAT VILLAGE PROPCO, L.P.,
a Delaware limited partnership

By: Lariat Village GP, L.L.C., a Delaware
limited liability company, its General
Partner

By: Impact Residential Development
L.L.C. a Delaware limited liability
company, its ~~Manager~~ Member

By: 

Kevin Fitzpatrick, Authorized Signatory
~~Jessica Mullins, Authorized Signatory~~

Date: 8/13/25

Exhibit A – Description of Project (1 page)

The Lariat Village project provides for the development of an affordable housing community by Lariat Village Propco, L.P. on an approximately 4.7-acre site at 860 E. Irvington Rd, Tucson, AZ. The project consists of the acquisition of vacant land and new construction of a four-story, 120-unit affordable housing community. The community will contain one-, two- and three-bedroom apartment homes, with income and rent limits ranging from 30% to 70% of the area median income (AMI) for an average AMI of 54%.

Lariat Village will be constructed as a single 4-story building with onsite parking and will feature community space and offices for onsite management and maintenance on the ground floor. The community space will include a meeting room, exercise room, laundry area, and lounge with free Wi-Fi. Outdoor amenities will include, at minimum, a picnic area, BBQ area, playground, courtyard, and perimeter fencing with limited access gates. Lariat Village will be managed by a third-party management agent, with an onsite property manager available to residents during business hours.

Lariat Village will include energy efficient building elements such as Energy Star qualified fixtures and appliances, water efficient plumbing fixtures, and rainwater harvesting. The development is designed to obtain a Home Energy Rating System (HERS) Index Score of at least 65.

The total estimated project cost is approximately **\$44,700,000**. Project funding sources include:

- City of Tucson - HOME Investment Partnership Program (HOME) **\$1,350,000**
- Pima County - GAP funding **\$673,000**
- AZ Dept of Housing - Housing Trust Funds (HTF) **\$3,000,000**
- AZ Dept of Housing – 4% Low Income Housing Tax Credits (LIHTC)
- Tax exempt private activity bonds
- US Bank - Conventional debt up to **\$30,000,000**
- City of Tucson impact fee waiver
- Deferred developer fee

Exhibit B – Depiction of Project (1 page)

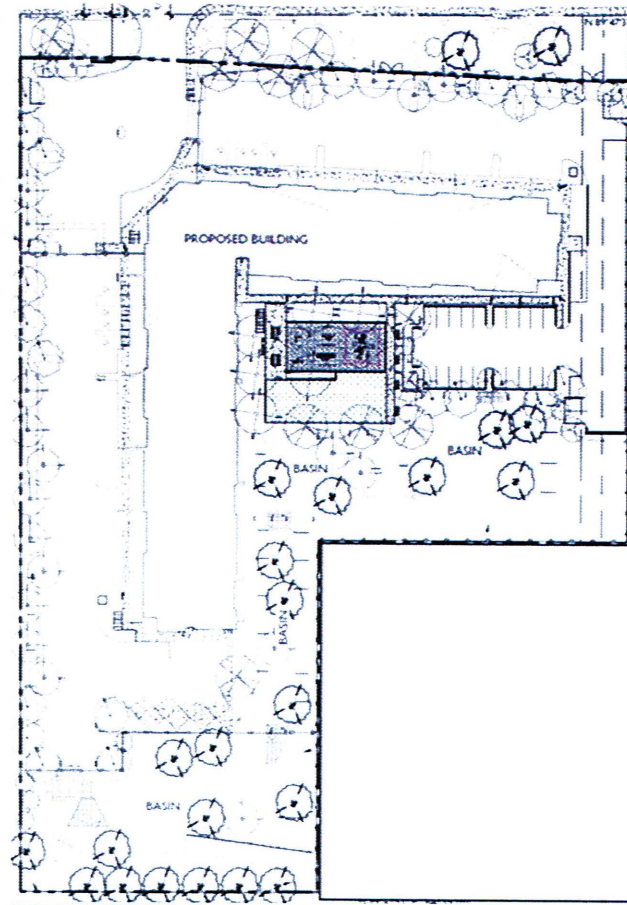


Exhibit C – Form of Promissory Note & Deed of Trust Assignment of Rents (13 pages)

PIMA COUNTY AFFORDABLE HOUSING PROGRAM

REAL ESTATE NON-RECOURSE PROMISSORY NOTE
(With Balloon Payment)

Date: September 2, 2025

Trust Property: 860 E. Irvington Rd., Tucson, AZ 85706
Pima County Tax Parcel No. **140-20-001B**

Amount: Six Hundred, Seventy-three Thousand Dollars (\$673,000)

Definitions: The following terms shall have the same meaning throughout this document:

Affordability Period Thirty (30) years from the date the *Certificate of Occupancy* was issued.

Affordability Covenant Affordable Housing Restrictive Covenant for Lariat Village (Project Name) setting forth the obligations of Lariat Village Propco, L.P. (owner), for the utilization of Pima County Affordable Housing Funds.

Contract Contract between Lariat Village Propco, L.P. (owner), and Pima County setting forth the terms and conditions by which Lariat Village (the Housing Development), is provided with Pima County funds for the construction of the Housing Development with 120 units of affordable rental housing; Pima County Contract PO2500025064 CT2500000048.

County Pima County, Arizona, a body politic and corporate of the State of Arizona

Deed of Trust The Deed of Trust and Assignment of Rents naming Lariat Village Propco, L.P. (owner) as Trustor and Pima County as Trustee to secure performance for the Pima County funds contributed for the Housing Development project.

Housing Development Name Lariat Village - See Project

Note This Real Estate Non-Recourse Promissory Note

Maker Lariat Village Propco, L.P., a Delaware limited partnership

Project Lariat Village, a multifamily Low Income Housing Tax Credit Project, located on the Trust Property owned by Maker providing one hundred and twenty (120) affordable housing units as follows:

Promise to Pay: For value received, the undersigned Maker promises to pay County pursuant to the terms of this Note the principal sum of SIX HUNDRED SEVENTY-THREE THOUSAND AND 00/100 DOLLARS (\$673,000.00) with simple interest at two percent (2%) per annum for a total of ONE MILLION SEVENTY-SIX THOUSAND EIGHT HUNDRED AND 00/100 DOLLARS (\$1,076,800.00).

Payments: Maker will make one balloon payment at the end of the Affordability Period as defined in the Contract and more particularly described below in Pima County, Arizona. All amounts of principal and interest, if any, remaining unpaid under this note at the end of the thirty (30) year Affordability Period will be repaid. The balloon payment will be ONE MILLION SEVENTY SIX THOUSAND, EIGHT HUNDRED DOLLARS (\$1,076,800.00), unless deferred as provided below. All amounts payable hereunder are payable in legal tender of the United States of America. Acceptance by County of any payment in an amount less than the amount then due hereunder is an acceptance on account only and not an accord and satisfaction.

Security: This Note is secured by an Assignment of Beneficial Interest under that certain Deed of Trust dated the same date as this Note, executed by Maker, assigning all of Maker's interest under that Deed of Trust to County. The Deed of Trust encumbers the Trust Property. A portion of the construction and/or development costs to build the Project on the Trust Property will be derived from the proceeds of this Note. The Deed of Trust also secures the performance of the Contract between Maker and County which is funded by County.

Deferral of Payments: Principal and interest will be paid no later than thirty (30) years from the date of *Certificate of Occupancy (COO)*, as evidenced by the date upon which presiding jurisdiction approved and issued the *COO* for the Project. As a special consideration, provided that Maker has not defaulted on either the Deed of Trust or the Contract, County, in its sole discretion and with written approval of the Pima County Board of Supervisors, may defer or waive all or any portion of payment on the loan amount in consideration for an extension of the Affordability Period for a minimum of an additional ten (10) years. The intent of this provision is to provide Maker with the ability to earn a reasonable annual return on its investment in the Property. This provision does not, without further action of the County as set forth above forgive any portion of the principal or interest due County hereunder.

Optional Prepayments: Maker may prepay all or any portion of this Note, only with the prior written consent of the senior mortgagee and subject to the Subordination Agreement (as defined below). Prepayment of this Note does not release Maker of any obligation specified in the Affordability Covenant for the Project recorded in favor of County.

Collection Procedures, Waiver of Notice: Time is of essence of this Note and each provision hereof. Maker waives grace, notice, notice of default, notice of intent to accelerate, notice of acceleration, protest, demand, presentment for payment and diligence in the collection of this Note, and in the filing of suit hereon, and agrees that its liability and the liability of its heirs, personal representatives, executors, administrators, trustees, beneficiaries, successors and assigns for the payment hereof shall not be affected or impaired by the release or change in the security or by any increase, decrease, change, modification, renewal or extension of the indebtedness or its determination, mode and time of payment. County has the right at all times to decline to make any such release or change in any security given to secure the payment of this Note and to decline to make any such increase, decrease, change, modification, renewal or extension of the indebtedness or its determination, mode or time of payment. This Note is a joint and several obligations when signed by more than one party.

Non-Recourse Note: The obligations described in this Note are secured by the Assignment of Beneficial Interest under the Deed of Trust. Maker's liability under this Note extends only to the Trust Property and the improvements thereon. County shall not (i) seek nor obtain judgment against Maker, or any general partner or limited partner of Maker or its successors or assigns, or (ii) enforce such liability against any other asset, property or funds of Maker for payment of principal or interest under this Note following a trustee's sale or judicial foreclosure of the Deed of Trust. County acknowledges that its sole recourse against Maker or any general partner or limited partner of Maker or its successors and assigns, for any default in obligations hereunder is limited to Maker's, any general partner's or limited partner's interest (if any) in the Trust Property. Notwithstanding anything to the contrary contained in this Note, no employee, officer, trustee, director, agent or other representative of Owner and/or of any of its Affiliates (a "Related Party") shall have any personal liability for, nor be joined as a party to, any action with respect to payment, performance or discharge of any covenants, obligations, or undertakings of Owner under this Note, and by acceptance hereof, County and its successors and assigns irrevocably waives any and all right to sue for, seek or demand any such damages, money judgment, deficiency judgment or personal judgment against any Related Party under or by reason of or in connection with this Note.

Default: In the event of any default in the payment of this Note or breach of any terms of the Declaration of Affirmative Land Use and Restrictive Covenants Agreement (the "LURA") or of the Contract, County may, after the giving of written notice in the manner provided in the Deed of Trust and the expiration of any cure period therein provided, if the default is not then cured, accelerate and declare the unpaid principal of this Note, together with twelve percent (12%) interest on all unpaid balances hereunder, immediately due and payable without notice, and to foreclose the Deed of Trust by judicial or non-judicial foreclosure.

Right to Cure: Notwithstanding anything to the contrary contained in the loan documents, Maker's limited partners shall have the right, but not the obligation, to cure defaults of Maker under the loan documents, and County agrees to accept cures tendered by Maker's general partner as follows: (a) with respect to monetary default under the loan documents, County shall notify Maker's general partner in writing at Lariat Village GP, L.L.C., a Delaware limited liability company, at 2340 Collins Avenue Miami Beach, FL 33039 and Maker's general partner shall have ten (10) business days after receipt of such notice of such monetary default to cure such monetary default; and (b) with respect to a nonmonetary default under the loan documents, Maker's general partner shall have thirty (30) business days after the receipt of such notice of such nonmonetary default to cure such default.

Delay in Exercising Rights: No delay or omission on the part of County in exercising any right under this Note, the Deed of Trust, the LURA, or the Contract operates as a waiver of such right or any other right under this Note, the Deed of Trust, the LURA, or the Contract. To the extent permitted by law, Maker waives the right in any action on this Note to assert that such action was not commenced within the time required by law for such commencement.

Any failure by County to insist upon, or any election by County not to insist upon strict performance by Maker of any covenant, agreement, term, provision, condition or obligation hereof does not create an estoppel as to County's future right to insist upon strict performance and is not a waiver of same or of any other covenant, agreement term, provision, condition or obligation hereof. County has the right at any time or times thereafter to insist upon strict performance by Maker of any and all such covenants, agreements, terms, provisions, conditions and obligations.

Costs and Attorney's Fees: Upon this Note becoming due or being declared due and upon the same being placed in the hands of attorneys for collection, Maker will pay a reasonable amount as attorney's fees and costs.

Notices: All notices required or permitted to be given under this Note must be in writing and will be considered duly given if delivered personally or mailed, postage prepaid, by registered or certified United States mail, return receipt requested, addressed to the parties at the following addresses:

COUNTY:

Daniel Sullivan, Director
Pima County Community & Workforce
Development
2797 E. Ajo Way, 3rd Floor
Tucson, AZ 85713

With a copy to:

Pima County Community & Workforce
Development
Attn: Affordable Housing Division
Manager
2797 E. Ajo Way, 3rd Floor
Tucson, AZ 85713

MAKER:

Lariat Village Propco, L.P.
2340 Collins Avenue
Miami Beach, FL 33139

With a copy to:

With a copy to:
The Banks Law Firm, P.A.
2929 Allen Parkway, Suite 200
Houston, TX 77019
Attn: Andrea Steel

And

U.S. Bancorp Impact Finance
%o U.S. Bancorp Community Development Corporation
505 North Seventh Street, 10th Floor
SL-MO-T10F
St. Louis, MO 63101
USB Project No: []
Attn.: Director of LIHTC Asset Management

With a copy to:

Jill Goldstein, Esq.
Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102
Phone: (402) 346-6000

Any party may change its address for notice purposes by giving notice to the other parties in accordance with this section.

Insurance: Maker will insure the Trust Property and the Project with an insurer acceptable to County. The insurance must be maintained until all of the secured obligations under this Note are paid in full. Maker will cause County to be named as loss payee or mortgagee so that any benefits arising from the insured risks will be paid to County and applied to the secured obligations evidenced by the Note. In the event of loss or damage to the Trust Property, County may require additional security or assurance of payment before allowing any insurance benefits to be used to repair or replace the Project improvements on the Trust Property.

Binding on Successors and Assigns: The covenants, agreements, terms, provisions, conditions and obligations contained in this Note bind the successors and assigns of Maker and inure to the benefit of County. To the extent permitted by law, Maker waives diligence, demand, notice, presentment, notice of dishonor, notice of non-payment, grace, notice of protest and notice of intent to accelerate the maturity of this Note and the defense of any statute of limitations, and any other exemptions involving laws. This waiver is binding upon Maker and upon Maker's heirs, successors and assigns.

Severability: If any provision of this Note is held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, this Note will be construed not to contain that provision or provisions and all other provisions of this Note will remain in full force and effect. To this end, the provisions of this Note are severable.

Subordination to Berkadia Loan. The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Multifamily Note (and any schedules) dated as of even date herewith in the original principal amount of \$XXXXXXX, executed by LARIAT VILLAGE PROPCO, L.P. a Delaware limited liability company, and payable to the order of Berkadia Commercial Mortgage LLC, a Delaware limited liability company ("Senior Lender"), to the extent and in the manner provided in that certain Subordination Agreement dated as of even date herewith between the payee of this Note, and Senior Lender and PIMA COUNTY, a political subdivision of the State of Arizona (the "Subordination Agreement"). The Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Multifamily Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing the Multifamily Note and the terms, covenants and conditions of the Multifamily Loan and Security Agreement evidencing the terms of the Multifamily Note, as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under the Subordination Agreement.

**PIMA COUNTY AFFORDABLE HOUSING GAP FUND
DEED OF TRUST AND ASSIGNMENT OF RENTS**

When recorded, return to:
Pima County Community & Workforce Development
Attn: Affordable Housing Division Manager
2797 E. Ajo Way, 3rd Floor
Tucson, AZ 85713

DEED OF TRUST AND ASSIGNMENT OF RENTS

**Lariat Village
Affordable Housing Development Project**

DATE: September 2, 2025

TRUSTOR: Lariat Village Propco, L.P. with a mailing address of:
2340 Collins Avenue, Miami Beach, FL 33139

TRUSTEE: Fidelity National Title whose mailing address is:

1 South Church Ave., Suite 140 Tucson AZ 85701
Attn: Bobbi Raymond

BENEFICIARY: Pima County, a political subdivision of the State of Arizona,
whose mailing address is:

Pima County Community & Workforce Development
Attention: Affordable Housing Division Manager
2797 E. Ajo Way, 3rd Floor
Tucson, Arizona 85713

THE PROPERTY: Property situated in Pima County, Arizona, described as follows:

See Attachment C-1 hereto. Together with all buildings, improvements and fixtures
thereon or hereafter erected thereon.

Street address and identifiable location of this property:

860 E. Irvington Rd., Tucson, AZ 85706

This Deed of Trust is made on the above date, by and between and among the Trustor, Trustee and Beneficiary above named.

Trustor hereby irrevocably grants, conveys, transfers and assigns to the Trustee in Trust, with Power of Sale, the Property, together with leases, issues, profits, or income therefrom (all of which are hereinafter called "*Property Income*"):

SUBJECT, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such Property Income, and further subject to current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

FOR THE PURPOSE OF SECURING:

- A. Payment of the Pima County Affordable Housing Program indebtedness in the principal sum of **Six Hundred Seventy-Three Thousand Dollars (\$673,000.00)**, evidenced by a Promissory Note in favor of Beneficiary of even date herewith, and any extension or renewal thereof, executed by Trustor.
- B. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a Promissory Note reciting that they are secured by this Deed of Trust.
- C. Performance of each agreement of Trustor contained in this Deed of Trust.
- D. Performance of Trustor of each agreement and covenant contained in the Affordable Housing Restrictive Covenant (the “*Affordability Covenant*”) made by Trustor and recorded in Sequence _____, Office of the Pima County Recorder.
- E. Performance of the terms of the Pima County HOME Program funding contract, Pima County Contract No. PO2500025064 CT2500000266 between Beneficiary and Trustor (the “*County Funding Agreement*”).

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

- 1. To keep the Property in good condition and repair, not to remove or demolish any building, thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any action upon the Property in violation of law; and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2. To provide, maintain, and deliver to Beneficiary fire and other property insurance satisfactory to and with loss payable to Beneficiary. Beneficiary may apply any amounts collected under any fire or other insurance policy to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the sole option of Beneficiary all or any portion of the amount so collected may be released to Trustor. Such application or release does not cure or waive any default or notice of Trustee’s sale hereunder or invalidate any act done pursuant to such notice.
- 3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney’s fees and costs in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.
- 4. To pay, before delinquent, all taxes and assessments affecting the Property, all encumbrances, charges, and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any action herein provided, Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may believe necessary to protect the security hereof. Beneficiary or Trustee are authorized to enter upon the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay reasonable attorney's fees and costs and recover the same from Trustor.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at the legal rate if it secures a contract or contracts other than a promissory note or notes secured by this Deed of Trust. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on the Property or immediately due and payable at option of Beneficiary or Trustee.
6. That any award of damages in connection with any direct or indirect exercise of governmental police power or eminent domain, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this Deed of Trust). Upon receipt of such monies Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
7. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of the Property; (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.
9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the Property then held hereunder. The recitals in such reconveyance of any matters or facts are conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".
10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable. Upon any such default, that continues beyond the expiration of any applicable cure period, Beneficiary may at any time, without notice, either in person, by agent, or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such Property Income, including that past

due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees and costs, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income, and the application thereof as aforesaid, does not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in (a) the payment of any indebtedness secured hereby, (b) the performance of any obligation in the ***County Funding Agreement***, (c) the performance of any obligation in the ***Affordability Covenant***, or (d) in performance of any agreement hereunder, Beneficiary may, after giving written notice of default to Trustor and upon Trustor's failure to cure such default within ten (10) days of such notice for nonpayment of any amount due or within sixty (60) days of such notice for any other default, declare all sums secured hereunder immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature of the default, and of election to cause the Property to be sold under this Deed of Trust. The County agrees to accept cure by the Limited Partner as if such cure were made by Trustor.

Trustee will record and give notice of Trustee's sale in the manner required by law. After the lapse of such time as may then be required by law, subject to the statutory rights of reinstatement, the Trustee will sell, in the manner required by law, the Property at public auction at the time and place stated in the notice of Trustee's sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to any purchaser its Deed conveying the Property so sold, but without any covenant or warranty, expressed or implied. Any person, including Trustor, Trustee, or Beneficiary, may purchase the Property at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees and costs, Trustee will apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. § 33-812. In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary also has all other rights and remedies available hereunder and at law or in equity. All rights and remedies under this Deed of Trust are cumulative.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein will, without conveyance from the predecessor Trustee, succeed to all the predecessor Trustee's title, estate, rights, powers, and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor, by registered or certified mail, and by recordation of a Notice of Resignation of Trustee in the Office of the County Recorder in each county in which the Property or some part thereof is situated.
13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties thereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" means the owner and holder of the promissory note or notes secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
14. That, upon execution, this Deed of Trust shall be recorded in the Office of the Pima County Recorder in Pima County, Arizona. That Trustee accepts this Trust upon execution and recordation. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.
15. Binding Agreement: This Deed of Trust runs with the land and is binding on all future owners of all or any part of the Property.
16. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at Trustor's address hereinbefore set forth.

17. The terms and conditions of this Deed of Trust, the County Funding Agreement, the Affordability Covenant and the Promissory Note secured by this Deed of Trust are subject and subordinate to (i) that certain Subordination Agreement (Affordable) by and among Berkadia Commercial Mortgage, LLC, Pima County, and Lariat Village Propco, L.P. to be entered into following completion of construction and conversion to the permanent financing; (ii) that certain Subordination Agreement by and among U.S. Bank National Association (the "Senior Lender"), Pima County and Lariat Village Propco, L.P. dated as of even date herewith; (iii) that certain Subordination Agreement by and among the State of Arizona, Arizona Department of Housing, Pima County, and Lariat Village Propco, L.P., dated as of even date wherewith; and (iv) that certain Consent and Subordination Agreement by and among the State of Arizona, Arizona Department of Housing, Pima County, and Lariat Village Propco, L.P. (collectively, the "Subordination Agreements") and, if any of the terms and conditions herein conflict with the terms of the Subordination Agreements, the terms of the Subordination Agreements shall control.
18. **Transfer of Limited Partner Interests.** Nothing in the loan documents shall limit or restrict the ability of Trustor's limited partner, U.S. Bancorp Community Development Corporation, its successors and assigns (the "Limited Partner") to transfer, sell or assign its ownership interest in Trustor, from time to time, without consent of Trustee, provided that said Limited Partner remains liable for payment of any then unpaid capital contributions to Trustor, as and when payable, as set forth in Trustor's Partnership Agreement, notwithstanding any such transfer, sale or assignment. In particular, Trustee hereby consents to any transfers, sales or assignments of limited partnership interests in Trustor to any affiliate of the Limited Partner or any entity in which the Limited Partner, or an affiliate, is the manager or managing general partner and agrees that such transfers shall not constitute defaults under the loan documents.
19. **General Partner Change.** The withdrawal, removal, transfer and/or replacement of the general partner of Trustor pursuant to the terms of the Amended and Restated Agreement of Limited Partnership of Trustor ("Trustor's Partnership Agreement") shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan; provided that Trustor agrees to notify the Trustee of any proposed replacement general partner prior to replacement, and, upon replacement, shall notify the Trustee of the name and contact information of the replacement general partner with reasonable promptness. Notwithstanding the foregoing, a change in the direct or indirect control of the General Partner shall not constitute a default under the this Deed of Trust or any of the loan documents and shall not require the consent of the County, so long as (i) no new members are admitted to the General Partner; and (ii) such change in control is either permitted under Senior Lender's loan documents or has received the consent of the Senior Lender, if required.
20. Notwithstanding anything else herein or in the loan documents to the contrary, (i) transfers of any direct or indirect interests within Lariat Village IRD Member, L.L.C. shall be permitted without County consent as long as Impact Residential Development, L.L.C. remains as a controlling member; and (ii) transfers of any direct or indirect interests within Impact Residential Development, L.L.C. shall be permitted without County consent as long as Barry Sternlicht, or vehicles created for estate planning purposes, directly or indirectly, has a controlling interest and/or remains in control.
21. A transfer of any direct or indirect equity interest in Trustor, the general partner of Trustor, or Impact Residential Development, L.L.C., triggered by the death or permanent incapacity of Barry Sternlicht (an "Estate Event") shall not be a default so long as: (i) Borrower, the general partner of Trustor, or Impact Residential Development LLC notifies Trustee within thirty (30) days of the date of such Estate Event; (ii) within one hundred twenty (120) days of the date of such Estate Event (plus one (1) 60-day extension, if exercised by Trustor, in writing, to Trustee), Trustor proposes a substitute Person reasonably acceptable to Trustee (such acceptance not to be unreasonably conditioned, withheld, or delayed by Trustee) to assume such interest of Barry Sternlicht (such Person to have equal-or-greater net worth and liquidity of Impact Residential Development, L.L.C.); and (iii) the estate or legal representative of Barry Sternlicht satisfies all of his obligations set forth herein until the above-described probate transfer is approved. Once approved by Lender in writing, no further consent or fee shall be required for probate transfers consistent with the above, and all references to Barry Sternlicht shall mean the substitute Person.²² Notwithstanding anything herein to the contrary, any transfer of the Property (or interests therein) pursuant to a right of first refusal, purchase option, or similar arrangement permitted under the Trustor's Partnership Agreement or agreed to as part of

the long-term ownership strategy of the Property shall not constitute a default or require County consent, provided such transfer is consistent with the requirements of the Internal Revenue Code, as applicable, and does not impair repayment of the County's loan hereunder.

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TRUSTOR:

LARIAT VILLAGE PROPCO, L.P., a Delaware limited partnership

By: Lariat Village GP, L.L.C., a Delaware limited liability company, its General Partner

By: Impact Residential Development, L.L.C., a Delaware limited liability company, its Manager

By: _____
Jessica Mullins, Authorized Signatory

Date: _____

ACKNOWLEDGEMENT:

State of Arizona)
County of Pima) ss

Acknowledged before me on _____, 2025, by Jessica Mullins, Authorized Signatory of Impact Residential Development, L.L.C., a Delaware limited liability company, the Manager of Lariat Village GP, L.L.C., a Delaware limited liability company, the General Partner of Lariat Village Propco, L.P., a Delaware limited partnership on behalf of the said limited partnership for the purposes stated therein.

Notary Public

My commission expires: _____

Accepted and Approved by:

Daniel Sullivan, Director
Pima County Community & Workforce Development or Designee

Attachment C-1

Pima County Tax Parcel No. 140-20-001B

Physical Addresses: 860 E. Irvington Rd., Tucson AZ 85706

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

(PHASE 1 PARCEL) (APN No. 140-20-001B)

A portion of that certain parcel of land recorded in Docket 13937, Page 3647, records of the Pima County Recorder's Office, also being shown on Recording No: 2024-3020517, Records of Survey, and lying within Lot 4, Section 6, Township 15 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

COMMENCING at a two inch brass cap survey monument, LS 35111, marking the intersection of Irvington Road and Park Avenue, from which a two inch brass cap survey monument, LS 35111, marking the Southeast corner of said Lot 4, bears South 00° 33' 31" East (basis of bearings), a distance of 1,344.83 feet;

THENCE South 00° 33' 31" East, along the centerline of said Park Avenue, a distance of 14.97 feet to the Northeast corner of said Lot 4;

THENCE South 89° 47' 33" West, along the North line of said Lot 4, a distance of 682.68 feet to a point from which the Northwest corner of said Lot 4, being a two and one-half inch brass cap survey monument, LS 58199, bears South 89° 47' 33" West, a distance of 635.93 feet;

THENCE South 00° 12' 27" East, a distance of 30.00 feet to the Northwest corner of that certain parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), as marked by a mag nail and tag, LS 50761, and being the POINT OF BEGINNING;

THENCE North 89° 47' 33" East, along the North line of said parcels of land recorded in Recording No: 2017-0530128 (Parcel No. 2), and in Docket 13937, Page 3647, a distance of 425.34 feet;

THENCE South 00° 00' 00" West, a distance of 367.02 feet;

THENCE North 90° 00' 00" West, a distance of 215.29 feet;

THENCE South 00° 01' 21" East, a distance of 234.82 feet to a point on the South line, or a projection thereof, of said parcels of land recorded in Docket 13937, Page 3647, and in Recording No: 2017-0530128 (Parcel No. 2);

THENCE South 89° 47' 53" West, along said South line, a distance of 206.93 feet to the Southwest corner of said parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), as marked by a one-half inch rebar, LS 21751;

THENCE North 00° 16' 14" West, along the West line of said parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), a distance of 580.04 feet to an angle point thereon, as marked by a five-eighths inch rebar, LS 31020;

THENCE North 00° 55' 09" West, continuing along the West line of said parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), a distance of 30.00 feet to the POINT OF BEGINNING.

Exhibit D – Affordable Housing Restrictive Covenant (12 pages)

When Recorded, Please Return To:

Director, Pima County Community & Workforce Development
2797 E. Ajo Way, 3rd Floor
Tucson, AZ 85713-6223

AFFORDABLE HOUSING RESTRICTIVE COVENANT

1. Background and Purpose.

- 1.1. Pima County ("County") and Lariat Village Propco, L.P. ("Owner") have entered into an Affordable Housing Gap Funding Agreement ("Agreement"), Pima County Contract No. PO2500025064 CT2500000048 Under that Agreement, County provided \$673,000 in funding ("Gap Funding") to Owner to complete an affordable-housing project, Lariat Village ("Project"), subject to, among others, the requirement that the Project remain affordable for a period of 30 years ("County Affordability Period"). The Project is also subject to affordability restrictions tied to other funding sources, including a Low-Income Housing Tax Credit ("LIHTC") extended use period, which is in effect through December 31, 2056, unless earlier terminated in accordance with the LIHTC "qualified contract" process described in Internal Revenue Code § 42(h)(f)(6) ("LIHTC Affordability Period").
- 1.2. The Project consists of 32 one-bedroom units, 59 two-bedroom units, and 29 three bedroom units for a total of 120 rental units, and is located on a parcel of land, legally described in attached Exhibit D-1 and further identified by Pima County Assessor Tax Parcel Number 140-20-001B ("Project Property"). Owner owns the Project Property.
- 1.3. In order to effectuate the County Affordability Restriction, County and Owner (collectively, "Parties") desire to enter into this Affordable Housing Restrictive Covenant ("Covenant") to be recorded against the Project Property to ensure that any subsequent sale of the Project Property would be subject to the County Affordability Period.

2. Use Restrictions. The Project Property will be subject to the following covenants and restrictions (collectively the "Affordability Restrictions") regulating and restricting the use and transfer of the Project Property, commencing on the date hereof. These restrictions shall be covenants running with the land and will bind Owner and its respective successors and assigns as set forth in this Covenant.

- 2.1. **Residential Use.** Owner will cause all occupants to use the Property only for residential purposes and any incidental activities related to residential use that are currently permitted by applicable state and local zoning laws.

3. Term and termination. This Covenant takes effect upon its execution by the last Party to sign it and, unless earlier terminated by written consent of all Parties or through foreclosure, deed in lieu of foreclosure, or exercise of the power of sale under the senior Deed of Trust identified on Exhibit C, and terminates 30 years after the effective date.

4. Affordability Restrictions.

4.1. Pursuant to the terms of that certain Declaration of Affirmative Land Use and Restrictive Covenants Agreement by and between Owner and the State of Arizona and Arizona Department of Housing, recorded and effective as of 2025, while the LIHTC Affordability Period is in effect, all 120 rental units comprising the Project are to be leased in accordance with applicable LIHTC Income and Rent Limits, which are published annually by the Arizona Department of Housing (for demonstrative purposes, a copy of the LIHTC Income and Rent Limits applicable at the time of the execution of this Covenant is attached as Exhibit D-4). Such LIHTC Income and Rent Limits are subject to change and nothing herein shall bind Owner to continue complying with such LIHTC Income and Rent Limits to the extent that the same are revised from time to time, and further the County shall have no right to enforce such LIHTC Income and Rent Limits.

4.2. After the LIHTC Affordability Period expires, but before expiration of the County Affordability Period, all 120 rental units comprising the Project (collectively, the "County Affordable Units") must be leased to tenants whose household income does not exceed 80% of the area median income ("AMI") for Pima County, as determined and promulgated by the Department of Housing and Urban Development (HUD), as applicable at the time the unit is rented. During this period, the total monthly rent for any one of the County Affordable Units may not at any time exceed the allowable rent limit as established by the Arizona Department of Housing as published for the applicable year for 80% AMI tenants ("80% AMI Rent"), which includes the required utilities pursuant to the government program (for demonstrative purposes, a copy of the 80% AMI Rent applicable at the time of the execution of this Covenant is attached as Exhibit D-3).

4.3. **Physical Condition Standards.** During the Affordability Period, the Owner must maintain the Project suitable for occupancy; and, in decent, safe, and sanitary condition and good repair in accordance with the applicable local, state, and federal health, safety, and building codes and regulations.

5. Eligibility Verification. Owner must ensure that, for the duration of the County Affordability Period, the household income for each household occupying a County Affordable Unit in the Project is verified to be within the applicable limits described in Section 4, based on the tenant's current household income. Eligibility verification requires some form of income documentation (e.g., pay stubs, direct deposit images, third-party government verification of income within applicable limits), which must be retained for the duration of that household's tenancy and for at least one year after termination of that tenancy.

6. Monitoring and Enforcement.

- 6.1. In order to ensure compliance with and enforce this Covenant, County may:
- 6.1.1. At any reasonable time and in a reasonable manner enter and inspect the Project Property and to inspect any facility, document book, and record of the Owner relating to the Project.
 - 6.1.2. With at least 30 days' prior written notice, take any reasonable action to cure any violations of the provisions of this Covenant.
- 6.2. Owner covenants and agrees to inform County by written notice of any breach of the Owner's obligations hereunder within twenty (20) calendar days of first discovering any such breach. Violations must be cured within the deadlines described in paragraph 6.4, below.
- 6.3. If County believes Owner has violated any provision of this Covenant, County will serve Owner with written notice of the alleged default. The notice must specify both the violation alleged and the actions County believes are necessary and feasible to remedy the violation.
- 6.4. If Owner fails to cure the violation after more than 30 days after written notice of the violation from County (or for a longer period as may be reasonably required under the circumstances to cure the violation, provided that the Owner has commenced the cure within the initial 30-day period and is thereafter diligently pursuing the cure to completion), County, at its option (without liability to any party for failure to do so), may, in addition to any other remedies available at law:
- 6.4.1. Apply to an Arizona court of competent jurisdiction for specific performance of this Covenant or an injunction to remedy the violation, or for such other relief as may be appropriate.
 - 6.4.2. Seek damages against Owner in an amount that represents that portion of the Gap Funding that is the extent to which the duration of the violation compares to the County Affordability Period and the scope of the violation compares to the overall Project. As an illustration of how this measure of damages should be applied, if the violation lasted for one year after expiration of the cure period and involved 30 of the 120 total units, the damages formula would be $\$673,000 * (1/30) * (30/120) = \$5,608$
- 6.5. In any action brought under this Covenant, the prevailing Party is entitled to recover its reasonable costs and fees incurred in the action, including its reasonable attorney fees.
- 6.6. Owner and County each acknowledge that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Covenant are to assure compliance of the Project and the Owner with the program requirements, AND BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING GAP FUNDS FOR THIS PROJECT HEREBY AGREES AND CONSENTS THAT COUNTY AND THE LOW-INCOME TENANT(S) (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANTS OF THE PROJECT) (OR EITHER OR ALL OF THEM) WILL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC

PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS COVENANT IN ANY ARIZONA STATE COURT OF COMPETENT JURISDICTION. Owner hereby further specifically acknowledging that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

7. **Representations, Covenants and Warranties of Owner.** Owner hereby warrants and covenants that the warranties, covenants, and declaration of obligations and duties set forth herein may be relied upon by County and all persons interested in Project compliance under the Agreement requirements. In performing its duties and obligations hereunder, County may rely upon statements and certificates of the Owner pertaining to occupancy of the Project. The Owner further represents, covenants and warrants to County that:

7.1. The Owner:

- 7.1.1. has the power and requisite authority to own its properties and assets as owned, where owned, and to carry on its business as now being conducted (and as now contemplated) by this Covenant and the Agreement;
- 7.1.2. has the full legal right, power, and authority to execute and deliver this Covenant and the Agreement and to perform all undertakings of the Owner hereunder; and

7.2. The execution and performance of this Covenant and the Agreement by the Owner:

- 7.2.1. will not violate or, if applicable, have not violated any provision of law, rule or regulation, or any order of any court or other governmental agency;
- 7.2.2. is not in default under any indenture, declaration, mortgage, mortgage note or other instrument to which the Owner is a party or by which it or the Project is bound; and
- 7.2.3. will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

7.3. Except for those items listed on attached Exhibit C-2, the Owner will, at the time of execution and delivery of this Covenant, have good and marketable title to the real property and improvements constituting the Project free and clear of any lien or encumbrance.

7.4. There is presently no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair the Owner's right

to carry on business substantially as now conducted (and as now contemplated) by this Covenant and the Agreement or which would materially, adversely affect its financial condition. Neither the Owner, its principals, shareholders, managers, members or general partners, as the case may be, have any judgment entered against them which would, when recorded, constitute a lien against or otherwise impair the security of the Project.

7.5. No actions will be taken by the Owner which will in any way materially adversely affect the use of the Project.

8. **Preservation of Records.** Owner must maintain records related to compliance with Pima County's affordability restrictions for the duration of each household's tenancy and for at least one year following the termination of any household's tenancy.
9. **Recordation of Documents.** Owner is authorized to record and file any notices or instruments appropriate to assure the enforceability of the Affordability Restrictions. Owner will execute any such instruments upon request. The benefits of the Affordability Restrictions may be assignable by County to any successor institution performing substantially similar functions. The Parties intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval or the date of filing or recording of any instrument evidencing such approval.
10. **Nondiscrimination.** Owner may not discriminate in the lease, use, or occupancy of any of the rental units on the basis of any of the following: race, color, ethnicity, religion, sex, age, disability, marital or familial status, sexual or gender identity, or lawful source of income.
11. **Covenant Runs with the Land.** Upon execution Owner will cause this Covenant and all amendments and attachments hereto to be recorded and filed in the official records of the Pima County Recorder's Office in the count in which the Project is located, and pay all fees and charges incurred in conjunction with said recording. The restrictions and other provisions in this Covenant burden and run with the Project Property, bind any of Owner's successors or assigns, and inure to the benefit of County and any of its assigns.
12. **Severability.** The provisions of this Covenant are severable. If any provision of this Covenant, or any application of any of its provisions, to the Parties or any person or circumstances, is held invalid, that invalidity will not affect other provisions or applications of this Covenant that can be given effect without regard to the invalidity.
13. **Restraint on Alienation.** If the Affordability Restrictions are deemed unenforceable by virtue of its scope in terms of purpose or eligibility of tenants, but would be enforceable by reducing or increasing, as applicable, any part or all thereof, the same will be enforced to the fullest extent permissible under the laws and public policies applied in the State of Arizona.

- 14. No Waiver.** No waiver by County of any breach of this Covenant, or any other act or omission by County, may be deemed a waiver of any other or subsequent breach.
- 15. Governing Law.** This Covenant is governed by and must be interpreted in accordance with Arizona law.
- 16. Conflict of Interest.** This Covenant is subject to the provisions of Arizona Revised Statutes § 38-511.
- 17. Entire Agreement; Amendment.** This document constitutes the entire agreement among the Parties pertaining to its subject matter. This Covenant may be modified, amended, altered, or extended only by a written agreement signed by all Parties.
- 18. Notice and Cure Rights.** The County agrees to give Owner's Limited Partner written notice of any and all defaults by the Owner under the Loan Documents, and an opportunity, at the Limited Partner's option, to cause the cure of such default within the cure periods set forth below, prior to exercising any remedies under the Loan Documents. The County agrees that the Limited Partner will have ten (10) days after the Limited Partner's receipt of notice of such default to cure, or cause the cure of a monetary default under the Loan Documents, and thirty (30) days (or such longer period as is set forth in the Loan Documents) after the limited Partner's receipt of such notice to cure any non-monetary defaults under the Loan Documents, or, as to non-monetary defaults, such longer period as is reasonably necessary for the Limited Partner to cause cure, provided that cure is commenced within the above cure period and diligently prosecuted, including, without limitation, such time period as is necessary to remove Borrower's general partner, if necessary in order to effect a cure. The County agrees to accept cure by the Limited Partner as if such cure were made by Owner.

The remainder of the page is intentionally left blank.

Signatures are on following pages

PIMA COUNTY:

Rex Scott
Chair, Board of Supervisors

Date

ATTEST

Clerk of the Board

STATE OF ARIZONA)

) SS.

COUNTY OF PIMA)

The foregoing instrument was acknowledged before me the _____ day of _____, 2025 by _____.

Notary Public

My Commission Expires:

OWNER:

LARIAT VILLAGE PROPCO, L.P., a Delaware limited partnership

By: Lariat Village GP, L.L.C., a Delaware limited liability company, its General Partner

By: Impact Residential Development, L.L.C., a Delaware limited liability company, its Manager

**By: _____
Jessica Mullins, Authorized Signatory**

Date: _____

STATE OF _____)
) ss.

COUNTY OF _____)

Acknowledged before me on _____, 2025, by Jessica Mullins, Authorized Signatory of Impact Residential Development, L.L.C., a Delaware limited liability company, the Manager of Lariat Village GP, L.L.C., a Delaware limited liability company, the General Partner of Lariat Village Propco, L.P., a Delaware limited partnership on behalf of the said limited partnership for the purposes stated therein.

Notary Public

My commission expires: _____

Exhibit D-1 Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PIMA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

(PHASE 1 PARCEL) (APN No. 140-20-001B)

A portion of that certain parcel of land recorded in Docket 13937, Page 3647, records of the Pima County Recorder's Office, also being shown on Recording No: 2024-3020517, Records of Survey, and lying within Lot 4, Section 6, Township 15 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, more particularly described as follows:

COMMENCING at a two inch brass cap survey monument, LS 35111, marking the intersection of Irvington Road and Park Avenue, from which a two inch brass cap survey monument, LS 35111, marking the Southeast corner of said Lot 4, bears South 00° 33' 31" East (basis of bearings), a distance of 1,344.83 feet;

THENCE South 00° 33' 31" East, along the centerline of said Park Avenue, a distance of 14.97 feet to the Northeast corner of said Lot 4;

THENCE South 89° 47' 33" West, along the North line of said Lot 4, a distance of 682.68 feet to a point from which the Northwest corner of said Lot 4, being a two and one-half inch brass cap survey monument, LS 58199, bears South 89° 47' 33" West, a distance of 635.93 feet;

THENCE South 00° 12' 27" East, a distance of 30.00 feet to the Northwest corner of that certain parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), as marked by a mag nail and tag, LS 50761, and being the POINT OF BEGINNING;

THENCE North 89° 47' 33" East, along the North line of said parcels of land recorded in Recording No: 2017-0530128 (Parcel No. 2), and in Docket 13937, Page 3647, a distance of 425.34 feet;

THENCE South 00° 00' 00" West, a distance of 367.02 feet;

THENCE North 90° 00' 00" West, a distance of 215.29 feet;

THENCE South 00° 01' 21" East, a distance of 234.82 feet to a point on the South line, or a projection thereof, of said parcels of land recorded in Docket 13937, Page 3647, and in Recording No: 2017-0530128 (Parcel No. 2);

THENCE South 89° 47' 53" West, along said South line, a distance of 206.93 feet to the Southwest corner of said parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), as marked by a one-half inch rebar, LS 21751;

THENCE North 00° 16' 14" West, along the West line of said parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), a distance of 580.04 feet to an angle point thereon, as marked by a five-eighths inch rebar, LS 31020;

THENCE North 00° 55' 09" West, continuing along the West line of said parcel of land recorded in Recording No: 2017-0530128 (Parcel No. 2), a distance of 30.00 feet to the POINT OF BEGINNING.

Exhibit D-2 Permitted Encumbrances

Permitted Exceptions – Parcel I

1. Reservations contained in the Patent

From: The United States of America

Recording Date: September 28, 1914

Recording No: Book 59 of Deeds, Page 158

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

2. Matters contained in that certain document

Entitled: Agreement for Sewer Connection and Service Inside City Limits

Recording Date: September 14, 1965

Recording No: Docket 2577, Page 142

Reference is hereby made to said document for full particulars.

3. Matters contained in that certain document

Entitled: Memorandum of Agreement and Grant of Easement

Recording Date: October 7, 1986

Recording No: Docket 7885, Page 988

and thereafter Assignment of Satellite Television Agreement and Easement

Recording Date: January 21, 1988

Recording No: Docket 8209, Page 900

Reference is hereby made to said document for full particulars.

4. Matters contained in that certain document

Entitled: Construction License and Maintenance and Access Easement Agreement

(Drainage Improvements)

Recording Date: July 19, 2023

Recording No: 20232000303

Reference is hereby made to said document for full particulars.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: drainage

Recording Date: July 25, 2024

Recording No: 20242070312

6. Water rights, claims or title to water, whether or not disclosed by the Public Records.

Exhibit D-3 - Arizona Low Income Housing Tax Credit – Imputed Incomes/Allowable Rents (eff. April 2, 2025)



ARIZONA LOW INCOME HOUSING TAX CREDIT PROGRAM - IMPUTED INCOMES/ALLOWABLE RENTS
FOR RENTS BASED ON UNIT SIZE (Number of bedrooms: Post 1989 Projects)
(Figures derived from HUD Median Income Charts effective April 01, 2025)

MSA/County	%	(1 Person)	(2 Persons)	(3 Persons)	(4 Persons)	(5 Persons)	(6 Persons)	(7 Persons)	(8 Persons)	Rent	Rent	Rent	Rent	Rent	Rent
										0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
Phoenix	60	\$47,160	\$53,820	\$60,600	\$67,320	\$72,720	\$78,120	\$83,520	\$88,920	\$1,179	\$1,262	\$1,515	\$1,750	\$1,953	\$2,155
(Maricopa/Pinal)	50	\$39,300	\$44,850	\$50,500	\$56,100	\$60,600	\$65,100	\$69,600	\$74,100	\$982	\$1,051	\$1,262	\$1,458	\$1,627	\$1,796
	40	\$31,440	\$35,880	\$40,400	\$44,880	\$48,480	\$52,080	\$55,680	\$59,280	\$788	\$841	\$1,010	\$1,167	\$1,302	\$1,437
	30	\$23,580	\$26,910	\$30,300	\$33,660	\$36,360	\$39,060	\$41,760	\$44,460	\$589	\$631	\$757	\$875	\$976	\$1,077
	20	\$15,720	\$17,940	\$20,200	\$22,440	\$24,240	\$26,040	\$27,840	\$29,640	\$393	\$420	\$505	\$583	\$651	\$718
HERA	FY2025, the HERA Special limit is exceeded by the FY2025 Section 8 Income Limits and as a result, projects placed into service prior to December, 31, 2008 in Phoenix-Mesa-Scottsdale, AZ MSA do not require the calculation of a special income limit.														
Tucson	60	\$40,380	\$46,140	\$51,900	\$57,660	\$62,280	\$66,900	\$71,520	\$76,140	\$1,009	\$1,081	\$1,297	\$1,499	\$1,672	\$1,845
(Pima)	50	\$33,650	\$38,450	\$43,250	\$48,050	\$51,900	\$55,750	\$59,600	\$63,450	\$841	\$901	\$1,081	\$1,249	\$1,393	\$1,538
	40	\$26,920	\$30,760	\$34,600	\$38,440	\$41,520	\$44,600	\$47,680	\$50,760	\$673	\$721	\$865	\$999	\$1,115	\$1,230
	30	\$20,190	\$23,070	\$25,950	\$28,830	\$31,140	\$33,450	\$35,760	\$38,070	\$504	\$540	\$648	\$749	\$836	\$922
	20	\$13,460	\$15,380	\$17,300	\$19,220	\$20,760	\$22,300	\$23,840	\$25,380	\$336	\$360	\$432	\$499	\$557	\$615
Yuma	60	\$30,540	\$34,860	\$39,240	\$43,560	\$47,100	\$50,580	\$54,060	\$57,540	\$763	\$817	\$981	\$1,133	\$1,264	\$1,395
(Yuma)	50	\$25,450	\$29,050	\$32,700	\$36,300	\$39,250	\$42,150	\$45,050	\$47,950	\$636	\$681	\$817	\$944	\$1,053	\$1,162
	40	\$20,360	\$23,240	\$26,160	\$29,040	\$31,400	\$33,720	\$36,040	\$38,360	\$509	\$545	\$654	\$755	\$843	\$930
	30	\$15,270	\$17,430	\$19,620	\$21,780	\$23,550	\$25,290	\$27,030	\$28,770	\$381	\$408	\$490	\$566	\$632	\$697
	20	\$10,180	\$11,620	\$13,080	\$14,520	\$15,700	\$16,860	\$18,020	\$19,180	\$254	\$272	\$327	\$377	\$421	\$465
HERA	60	\$32,640	\$37,280	\$41,940	\$46,580	\$50,340	\$54,060	\$57,780	\$61,500	\$816	\$873	\$1,048	\$1,211	\$1,351	\$1,491
Special	50	\$27,200	\$31,050	\$34,950	\$38,800	\$41,950	\$45,050	\$48,150	\$51,250	\$680	\$728	\$873	\$1,009	\$1,126	\$1,242
	40	\$21,760	\$24,840	\$27,960	\$31,040	\$33,560	\$36,040	\$38,520	\$41,000	\$544	\$582	\$699	\$807	\$901	\$994
	30	\$16,320	\$18,630	\$20,970	\$23,280	\$25,170	\$27,030	\$28,890	\$30,750	\$408	\$436	\$524	\$605	\$675	\$745
	20	\$10,880	\$12,420	\$13,980	\$15,520	\$16,780	\$18,020	\$19,260	\$20,500	\$272	\$291	\$349	\$403	\$450	\$497
Apache	60	\$29,400	\$33,600	\$37,800	\$42,000	\$45,360	\$48,720	\$52,080	\$55,440	\$735	\$787	\$945	\$1,092	\$1,218	\$1,344
	50	\$24,500	\$28,000	\$31,500	\$35,000	\$37,800	\$40,600	\$43,400	\$46,200	\$612	\$656	\$787	\$910	\$1,015	\$1,120
	40	\$19,600	\$22,400	\$25,200	\$28,000	\$30,240	\$32,480	\$34,720	\$36,960	\$490	\$525	\$630	\$728	\$812	\$896
	30	\$14,700	\$16,800	\$18,900	\$21,000	\$22,680	\$24,360	\$26,040	\$27,720	\$367	\$393	\$472	\$546	\$609	\$672
	20	\$9,800	\$11,200	\$12,600	\$14,000	\$15,120	\$16,240	\$17,360	\$18,480	\$245	\$262	\$315	\$364	\$406	\$448

The rent limits listed above are what an owner can charge, not what an owner must charge to avoid non-compliance.
Notifications sent to residents, for any owner imposed rent increase, that are characterized as mandates under ADOH, IRS or HUD regulations are prohibited.

Exhibit D-4 – FY 2025 Multifamily Tax Subsidy Project Income Limits

FY 2025 MTSP Income Limits									
FY 2025 MTSP Income Limit Area	Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Tucson, AZ MSA	80 Percent Income Limits	\$53,840	\$61,520	\$69,200	\$76,880	\$83,040	\$89,200	\$95,360	\$101,520
	70 Percent Income Limits	\$47,110	\$53,830	\$60,550	\$67,270	\$72,660	\$78,050	\$83,440	\$88,830
	60 Percent Income Limits	\$40,380	\$46,140	\$51,900	\$57,660	\$62,280	\$66,900	\$71,520	\$76,140
	<u>50 Percent (Very Low) Income Limits</u>	\$33,650	\$38,450	\$43,250	\$48,050	\$51,900	\$55,750	\$59,600	\$63,450
	40 Percent Income Limits	\$26,920	\$30,760	\$34,600	\$38,440	\$41,520	\$44,600	\$47,680	\$50,760
	30 Percent Income Limits	\$20,190	\$23,070	\$25,950	\$28,830	\$31,140	\$33,450	\$35,760	\$38,070
	20 Percent Income Limits	\$13,460	\$15,380	\$17,300	\$19,220	\$20,760	\$22,300	\$23,840	\$25,380