

# COB - BOSAIR FORM

09/25/2025 11:46 AM (MST)

Submitted by Sofia Blue@pima.gov



## BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

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

Record Number: PO CWD PO2500016491

Award Type: Contract

Is a Board Meeting Date Requested? Yes

Requested Board Meeting Date: 10/14/2025

Signature Only:

NO

Procurement Director Award / Delegated Award: • N/A

Supplier / Customer / Grantor / Subrecipient: The City of Tucson

Project Title / Description: Amazon Flats Permanent Supportive Housing

Purpose: In support of Board of Supervisors Policy- Prosperity Initiative priorities 1-3, this is an Intergovernmental Agreement to effectuate the award of \$749,625.00 between Pima County and The City of Tucson for Amazon Flats Permanent Supportive Housing project. The Project consists of 30 units of Permanent Supportive Housing converted from a 30-room motor motel into studio apartments situated on one parcel at 1135 W Miracle Mile in Tucson, Arizona 85705.

Procurement Method: Misc. Contracts: This Contract is a non Procurement contract and not subject to Procurement rules.

Procurement Method Additional Info: CWD-RFP-AHF-RFP-2024-0930

Program Goals/Predicted Outcomes: The Amazon Flats project will convert a 30-room motel into 30 studio apartments that include kitchenettes and range between 220 and 320 square feet. The project is in the Thrive in the 05 Choice Neighborhood Area. The apartments will be reserved for people experiencing homelessness who have been awarded a rental subsidy through a local non-profit (OPCS) or through HCD. This project will provide transitional housing, rapid rehousing, and/or permanent supportive housing subsidy holders with affordable units and flexible leasing conditions, two critical shortfalls in the local housing market. OPCS will coordinate directly with service providers to ensure residents have access to comprehensive supportive services to achieve self-sufficiency.

Public Benefit and Impact:

This project will increase the supply of quality, affordable homes in Pima County.

TO: COB, 9-29-25(1)  
Vers: 0  
pgs: 16

SEP26\*25PM0143PD

|  |   |
|--|---|
| <b>Budget Pillar</b>   | <ul style="list-style-type: none"> <li>Improve the quality of life</li> </ul>   |
| <b>Support of Prosperity Initiative:</b>   | 1. Increase Housing Mobility and Opportunity  |
| <b>Provide information that explains how this activity supports the selected Prosperity Initiative</b> | Increase the supply of housing by prioritizing practices and investments that focus 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. |
| <b>Metrics Available to Measure Performance:</b>   | Conversion of a 30-room motel into 30 studio apartments that include kitchenettes and range between 220 and 320 square feet. A 30 year affordability period will be secured through recordation of a restrictive covenant.  |
| <b>Retroactive:</b>  | NO  |

Contract / Award Information

Record Number: PO CWD PO2500016491

Document Type:

PO

Department Code:

CWD

Contract Number:

PO2500016491

Commencement Date:

10/14/2025

Termination Date:

01/15/2027

Total Expense Amount:

\$749,625.00

Total Revenue Amount:

\$0.00

Funding Source Name(s) Required:

General Fund

Funding from General Fund?

YES

If Yes Provide Total General Funds:

\$749,625.00

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

Add Procurement Department Signatures

No

Add GMI Department Signatures

No

Department Director Signature:



Date:

9-25-25

Deputy County Administrator Signature:



Date:

9/25/2025

County Administrator Signature:



Date:

9-26-2025

**Intergovernmental Agreement  
between  
Pima County and The City of Tucson  
for  
Amazon Flats Permanent Supportive Housing**

This Intergovernmental Agreement ("IGA") is entered into by and between Pima County, a body politic and corporate of the State of Arizona ("County") and the City of Tucson, ("Tucson") pursuant to A.R.S. § 11-952.

**1. Background.**

- 1.1. County and City may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-951, et seq.
- 1.2. The County and City are authorized by A.R.S. § 36-1401 *et seq.* to design, construct, operate and maintain housing projects to provide decent, safe, and sanitary urban dwellings, apartments or other living accommodations, along with associated amenities, for persons of low-income.
- 1.3. The County is authorized by A.R.S. § 36-1403 *et seq.* to expend County funds to finance, in whole or in part, the cost to reconstruct, improve, alter extend or repair any public housing project or projects.
- 1.4. The City shall coordinate the design and construction, in addition to, the operation and maintenance of the Project.
- 1.5. 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.
- 1.6. 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. Ten proposals were received, seeking a total of \$7,747,275 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 seven projects: Rincon Manor Phase I \$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.
- 1.7. The Commission unanimously endorsed staff's recommendations. On March 18, 2025, the Board approved staff and the Commission's recommendations, awarding funding to the seven recommended projects in the amounts requested.
- 1.8. The Project consists of 30 units of Permanent Supportive Housing converted from a



30-room motor motel into studio apartments situated on one parcel at 1135 W Miracle Mile in Tucson, Arizona 85705 and further identified by Pima County Assessor Tax Parcel Number 107-06-0670 ("Project Property"). Renovation and preservation of the Project are underway and project is anticipated to be completed by or before Spring 2026. 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 legal description of the Project is attached as **Exhibit B**

2. **Purpose.** This Gap Funding IGA ("Agreement") is between the County and the City of Tucson ("Owner"), to provide \$749,625 in gap funding ("Gap Funding") to support the preservation and renovation of Amazon Flats ('Project').

3. **Scope.**

- 3.1. **City Responsibilities.** The City will:

- 3.1.1. Assure that the Project design standards and features comply with all applicable codes and industry standards.
    - 3.1.2. Assemble all public and private funding and financing necessary and utilize County Gap Funds to complete the Project according to the project description included at **Exhibit A** and in accordance with all local codes and ordinances.
    - 3.1.3. Conduct and manage any public participation processes for the Project. The City shall coordinate all publicity or public participation activities and shall coordinate all public meetings on the Project.
    - 3.1.4. Serve as a partner of the ownership entity and be responsible for ongoing operation and maintenance of Amazon Flats.
    - 3.1.5. Record a fully executed County Affordable Housing Restrictive Covenant ("County Covenant") against the Project Property in substantially the form attached as **Exhibit C** within 30 days of approval of this IGA by the County Board of Supervisors.
    - 3.1.6. Maintain affordability of all units for a minimum of 30 years as required by the County Covenant.

- 3.2. **County Responsibilities.** County will:

- 3.2.1. Provide County Gap Funds in accordance with the terms of this IGA.
    - 3.2.2. Provide the final form of the County's Affordable Housing Restrictive Covenant

4. **Payment.**

- 4.1. **Gap Funding Total.** County will pay the City an amount not to exceed \$749,625.00.

- 4.2. **Timing of Invoices.** Unless otherwise agreed, the City will submit invoices on the template provided by County for the period the City is requesting reimbursement of completed work on Amazon Flats project.
- 4.3. **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. City charges must be supported by appropriate documentation with each separate invoice submitted. City will provide a project narrative as it applies to the project timeline with each invoice.
- 4.4. **Invoice Adjustments.** The City 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%.
- 4.5. **County Review.** County will review the invoice and, within 10 days, either approve it or reject it. If approved, County will pay the City the amount requested within 30 days of the date of the invoice. If rejected, County will provide City with a written response including the reasons for the rejection, and the City may submit a new invoice to correct any deficiencies.
- 4.6. **After Project completion.** The City will submit a final invoice for the remaining Gap Funding. The developer must include with the final invoice documentation demonstrating full Project completion, including a project completion report, final Certificates of Occupancy issued by the City of Tucson, final payment lien waivers from the general contractor and all subcontractors. County will review the invoice and, within 10 days, either approve it or reject it. If approved, County will pay the City the amount requested within 30 days of the date of the invoice. If rejected, County will provide City with a written response including the reasons for the rejection, and City may submit a new invoice to correct any deficiencies.
5. **Term.** This IGA will be effective on the date it is fully executed by both parties and will continue for a period of 18 months unless it is, prior to the expiration of such period, extended or terminated by agreement of the parties. This IGA will become effective when all parties have signed it. The effective date of the IGA will be the date this IGA is signed by the last party (as indicated by the date associated with that party's signature).
6. **Indemnification.** Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses, including reasonable attorney's fees, (hereinafter collectively referred to as "claims") arising out of bodily injury of any person, including death, or property damage, but only to the extent that such claims are caused by the negligent or intentionally wrongful act, omission, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers
7. **Insurance.** Each party warrants that it is self-insured or otherwise maintains and will maintain adequate insurance to fully cover its liability under this IGA. County will include Amazon Flats in its inventory of property covered by its self-insurance trust.
8. **Compliance with Laws.** The parties will comply with all federal, state, and local laws, rules, regulations, standards, and Executive Orders.

9. **Non-Discrimination.** The parties will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this IGA, including flow-down of all provisions and requirements to any subcontractors. During the term of this IGA, the parties 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.
10. **ADA.** The parties will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.
11. **Conflict of Interest.** This IGA is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.
12. **Non-Appropriation.** Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the Pima County Board of Supervisors or the City of Tucson Mayor and Council does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, the parties will have no further obligations under this IGA other than for payment for services rendered prior to cancellation.
13. **Worker's Compensation.** Each party will comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Worker's Compensation benefits for its employees.
14. **No Joint Venture.** It is not intended by this IGA to, and nothing contained in this IGA will be construed to, create any partnership, joint venture or employment relationship between the parties or create any employer-employee relationship between a party and the employees of the other party. Neither party will be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.
15. **No Third-Party Beneficiaries.** Nothing in this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.
16. **Notice.** Any notice required or permitted to be given under this IGA must be in writing and served by email with confirmation of receipt and/or by certified mail upon the other party as follows (or at such other address as may be identified by a party in writing to the other party):

**County:**

Attn: Director  
Community & Workforce  
Development Department  
2797 E. Ajo Way, 3<sup>rd</sup> Fl  
Tucson, AZ 85713

**City:**

Attn: Deputy Director  
Housing & Community Development  
Department  
310 N. Commerce Park Loop  
Tucson, AZ 85745

17. **Amendment.** This IGA may only be modified, amended, altered or changed by written

agreement signed by the parties.

18. **Severability.** If any provision of this IGA, or any application of a provision to the parties or any person or circumstance, is found by a court to be invalid, that invalidity will not affect other provisions or applications of this IGA that can be given effect without the invalid provision or application.
19. **Legal Authority.** Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, will be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise
20. **Entire Agreement.** This document, and any exhibits attached to it, constitutes the entire agreement between the parties pertaining to the subject matter addressed, and all prior or contemporaneous agreements and understandings, oral or written, are superseded and merged into this IGA. This IGA may not be modified, amended, altered or extended except through a written amendment signed by the parties.
21. **Dispute Resolution.** The Parties shall informally resolve any dispute concerning any Party's performance or decisions under this Agreement, or regarding its terms, conditions or meaning of the Agreement. A neutral third party may be used if the parties agree. In the event of an impasse in the resolution of any dispute, the issue shall be submitted to the City Attorney's office and County Attorney's office for a recommendation or resolution. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this IGA and any disputes. If recommended, any action relating to this IGA will be brought in a court in Pima County.
22. **Survival of Obligations.** The obligations of the parties under Sections 6, 7, and 19 shall survive the termination of this Agreement.
23. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

**SIGNATURE PAGE FOLLOWS**



**PIMA COUNTY**

**CITY OF TUCSON**

\_\_\_\_\_  
Chair  
Board of Supervisors

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

ATTEST

ATTEST

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
City Clerk

**Approval**

The foregoing Intergovernmental Agreement between Pima County and the City of Tucson has been reviewed by the undersigned and is hereby approved as to content.



\_\_\_\_\_  
Director, Dan Sullivan  
Community & Workforce Development  
Department

9-18-25

Date

\_\_\_\_\_  
Director, Ann Chanecka  
Housing & Community Development  
Department

Date

### **Intergovernmental Agreement Determination**

The foregoing Intergovernmental Agreement between Pima County and the City of Tucson has been reviewed by the undersigned, each of whom has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party he or she represents.

**PIMA COUNTY:**

**City of Tucson:**



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Kyle Johnson, Deputy County Attorney

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City Attorney

## **Exhibit A – Project Description**

The Amazon Flats project will convert a 30-room motel into 30 studio apartments that include kitchenettes and range between 220 and 320 square feet. The project is in the Thrive in the 05 Choice Neighborhood Area. The apartments will be reserved for people experiencing homelessness who have been awarded a rental subsidy through a local non-profit (OPCS) or through HCD. This project will provide transitional housing, rapid rehousing, and/or permanent supportive housing subsidy holders with affordable units and flexible leasing conditions, two critical shortfalls in the local housing market. OPCS will coordinate directly with service providers to ensure residents have access to comprehensive supportive services to achieve self-sufficiency.

### **Exhibit B – Property Information**

Address: 1135 W Miracle Mile Tucson, AZ 85705  
Parcel: 107-06-0670  
Legal description: S320' N375.34' E229' W429' SE4 NW4 2.04 AC SEC 35-13-13

## Exhibit C – Affordable Housing Restrictive Covenant

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When Recorded, Please Return To:

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

### AFFORDABLE HOUSING RESTRICTIVE COVENANT

#### 1. Background and Purpose.

- 1.1. Pima County ("County") and City of Tucson ("Owner") have entered into an Affordable Housing Gap Funding Agreement ("Agreement"), Pima County Contract No. PO2500016491. Under that Agreement, County provided \$749,625 in funding ("Gap Funding") to Owner to complete an affordable-housing project, Amazon Flats ("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.
- 1.2. The Project consists of 30 studio rental units, and is located at 1135 W Miracle Mile, Tucson AZ 85705 and further identified by Pima County Assessor Tax Parcel Number 107-06-0670 ("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 IGA, and terminates 30 years after the effective date.

#### 4. Affordability Restrictions.

- 4.1. All 30 rental units comprising the Project must be leased in accordance with applicable United States Housing and Urban (HUD) Income and Rent limits.
- 4.2. All 30 rental units comprising the Project must be leased to tenants whose household income (at initial occupancy) 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 unit 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.

- 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 10 of the 30 total units, the damages formula would be  $\$749,625 * (1/30) * (10/30) = \$8,329$

- 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. 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. Subordination.** This agreement is intended to be subordinate to the mortgage liens on the Project Property. In the event the Owner seeks to refinance the Property mortgage liens, the County agrees to approve a re-subordination to the new loans which approval will not be unreasonably withheld.

***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 \_\_\_\_\_, 20\_\_ by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires:  
\_\_\_\_\_

CITY OF TUCSON:

\_\_\_\_\_  
Regina Romero,  
Mayor, City of Tucson

\_\_\_\_\_  
Date

STATE OF                    )  
                                  ) ss.  
COUNTY OF                )

The foregoing instrument was acknowledged before me the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_