

GROUND LEASE

For Izabel Apartments, 2240 N Izabel Street

This Ground Lease ("Ground Lease") is made as of _____, 20__ (the "Effective Date") between CITY OF FLAGSTAFF, ARIZONA, a municipal corporation (the "Landlord"), and HOUSING SOLUTIONS OF NORTHERN ARIZONA, INC., an Arizona nonprofit corporation (the "Tenant").

RECITALS

- A. The Tenant has received HOME-ARP funding from the Arizona Department of Housing (ADOH) to facilitate construction of the Development (defined below).
- B. As part of the development, the Landlord agreed to ground lease to the tenant certain vacant land located in the City of Flagstaff, County of Coconino, State of Arizona, on which the Tenant will cause to be constructed a new 11-unit multifamily development to be known as "Izabel Apartments" (the "Development").

LEASE

In consideration of the foregoing recitals, promises and mutual covenants, the Landlord and Tenant enter into this Ground Lease on the terms and conditions set forth herein with the intent to be legally bound.

ARTICLE I – GRANT OF LEASED PREMISES; TERM

1.01 Grant of Leased Premises. The Landlord hereby leases to the Tenant to have and to hold for a term commencing on the Effective Date and expiring on the date which is ninety-nine (99) years from the Effective Date (the "Expiration Date"), unless sooner terminated as provided herein.

ARTICLE II – PREMISES

2.01 Premises. The Premises consists of that certain parcel of land located in the City of Flagstaff, County of Coconino, Arizona, as more particularly described on Exhibit A, attached hereto and incorporated herein together with all appurtenances and easements related thereto (collectively, the "Premises"). Tenant's interest in this Ground Lease, the leasehold estate in the Premises created hereby, and/or the Improvements (defined in Section 2.02 hereof) are referred to collectively as the "Leasehold Estate."

2.02 Improvements.

(a) The Tenant shall construct or cause to be constructed on the Premises certain improvements as described in Exhibit B, attached hereto and incorporated herein (the "Improvements") for use as 11 new rental units of housing. For the first fifteen (15) years after the units are placed in service, units will be rented to HOME-ARP eligible households, in compliance with ADOH regulations. These units will benefit very low-income households under 30% AMI, formerly homeless households and survivors of domestic violence. After the HOME-ARP compliance period, units will be leased to households whose incomes average 80% AMI, with no household to exceed 100% AMI. Landlord and Tenant will execute any necessary documents required by the Arizona Department of Housing. The Arizona Department of Housing will encumber the Premises with a recorded Deed of Trust and recorded Covenants, Conditions & Restrictions.

(b) Tenant shall not discriminate against an applicant's source of income and will accept HUD Housing Choice Vouchers and Veterans Affairs Supportive Housing Vouchers. Standards for applicant income shall be waived for voucher holders, as the rent affordability is reviewed and determined by the Flagstaff Housing Authority.

(c) The Improvements shall be constructed in accordance with the applicable requirements of all laws, ordinances, codes, orders, rules and regulations (collectively all "Applicable Laws") of all governmental entities having jurisdiction over the Improvements (collectively the "Governmental Authorities"), including but not limited to HUD, and the terms of the Applicable Deed Restriction Documents, for so long as such Applicable Deed Restriction Documents are in effect.

(d) The Tenant shall apply for and prosecute, with reasonable diligence, all necessary approvals, permits and licenses required by applicable Governmental Authorities for the construction, development, zoning, use and occupation of the Improvements. The Landlord, upon reasonable request of the Tenant, shall cooperate with the Tenant in applying for such approvals, permits and licenses.

(e) Construction of the Improvements shall be performed in a good and workmanlike manner in accordance with approved plans and specifications and in conformity with all Applicable Laws.

(f) Tenant shall pay for all costs of completing the Improvements. Following completion of the Improvements, Tenant may not alter the Improvements or make additional improvements to the Premises at any time, without Landlord's consent; provided, however, that upon 15 days' written notice to the Landlord (other than in the case of emergency, when Tenant shall promptly notify Landlord of its intent to provide with alterations under this paragraph), Tenant may alter the Improvements if necessary to preserve structural integrity, and the foregoing shall not limit Tenant's ability to maintain the Improvements as required by Section 8.01 of this Ground Lease. Any such additional improvements consented to by the Landlord shall be deemed part of the "Improvements."

(g) The Tenant, by the terms of this Ground Lease, shall retain exclusive use and control of the Improvements, and the Tenant shall have the benefits and burdens of ownership as defined in the Code, and the Tenant shall be deemed the owner of the Improvements for federal income tax purposes. Any and all depreciation, amortization and tax credits for federal or state tax purposes relating to the Improvements located on the Premises and any additions thereto, substitutions therefore, fixtures therein and other property relating thereto shall be deducted or credited exclusively by the Tenant during the term of this Ground Lease. Notwithstanding any provision in this Ground Lease to the contrary, title to all Improvements (and any other alterations, equipment and fixtures built, made or installed by the Tenant in, on, under or to the Premises or the Improvements) shall be vested in the Tenant.

2.03 Removal of Improvements. Upon termination of this Ground Lease, whether at the end of the 99-year term or earlier, Tenant shall, at the Landlord's election in Landlord's sole and absolute discretion, either transfer ownership of the Improvements to Landlord at no cost to Landlord or demolish the Improvements and restore the Premises to its original condition at no cost to Landlord.

2.04 Condition of Premises. Tenant accepts the Premises in its existing "as is" condition as of the execution of this Lease. Landlord makes no representations or warranty of any kind with respect to the

suitability of the Premises for Tenant. Tenant has reviewed a recent title report of the Premises. Tenant has had the opportunity to inspect the condition of the Premises.

2.05 Community Garden.

An existing community garden use will continue to operate on the premises as depicted in Exhibit B; however, the City of Flagstaff Sustainability Division shall suspend gardening activities onsite for the duration of the construction period. The Tenant agrees to mitigate construction impacts to the existing community garden amenities during construction to the extent feasible, including preservation of existing garden topsoil in the area of the existing community garden that will be needed for construction as depicted in Exhibit B and transfer of this topsoil to within the fenced preservation area described below, and also including replacement of any fruit trees that are damaged during construction with like young fruit trees approved by the City of Flagstaff Sustainability Director. The City of Flagstaff Sustainability Division shall be consulted and informed during the construction activities and shall approve Tenant's mitigation plan to mitigate construction impacts to the existing garden. The existing community garden amenities and infrastructure that can be preserved under the new design will be fenced during construction to ensure as little disruption as possible. Prior to the issuance of certificate of occupancy on the premises, Tenant shall rehabilitate the garden and restore it to its former condition to the satisfaction of the City of Flagstaff Sustainability Director. This includes remediating soil of the existing garden, if needed, and addressing any compaction that occurred during construction for the area of the expanded garden as depicted in Exhibit B.

Tenant is not responsible for management of the garden. Programming and management of the community garden will be under the sole discretion and authority of the City of Flagstaff. Water usage for the garden will be paid for by the City of Flagstaff. Community garden users and visitors will utilize on-street parking.

Further programming and responsibilities related to the community garden use and maintenance may be detailed in a future permit between the City of Flagstaff and the community garden project partner.

ARTICLE III – REPRESENTATIONS AND WARRANTIES

3.01 Tenant's Representations and Warranties. The Tenant hereby warrants and represents to the Landlord as follows:

(a) Existence. The Tenant is a nonprofit corporation presently existing and in good standing under the laws of the State of Arizona.

(b) Authority. The Tenant (i) has the power and authority to own its properties and assets, to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Ground Lease and (ii) has obtained all authorizations and approvals which are necessary for it to execute, deliver and perform its obligations under this Ground Lease.

(c) Binding Obligation. This Ground Lease has been duly and validly executed and delivered by the Tenant and constitutes a legal, valid and binding obligation of the Tenant enforceable in accordance with its terms.

(d) Litigation. There is no pending or, to the best of the Tenant's knowledge, threatened investigation, action or proceeding by or before any court, any governmental entity or arbitrator which

(i) questions the validity of this Ground Lease or any action or act taken or to be taken by the Tenant pursuant to this Ground Lease or (ii) is likely to result in a material adverse change in the authority, property, assets, liabilities or condition, financial or otherwise, of the Tenant, which will materially impair its ability to perform its obligations hereunder.

(e) Full Disclosure. No representation, statement or warranty by the Tenant contained in this Ground Lease or in any exhibit attached hereto contains any untrue statement or omits a material fact necessary to make such statement of fact therein not misleading.

3.02 Landlord's Representations and Covenants. The Landlord, to the best of its knowledge, hereby represents to the Tenant, and covenants to the Tenant, as applicable, as follows:

(a) Title. The Landlord owns fee simple, good and marketable title to the Premises, subject only to title encumbrances listed on Exhibit A-1, attached hereto.

(b) Authority. The Landlord has the power and authority to execute and deliver this Ground Lease, to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) Assessments. Except as otherwise disclosed to Tenant, Landlord has not received notice of any unpaid special assessment for sewer, sidewalk, water, paving, gas, electrical or utility improvements affecting the Premises.

(d) Modification; Termination. So long as a Permitted Leasehold Mortgagee's loan with respect to the Development remains outstanding, the Landlord shall not cancel or terminate this Ground Lease (except following an Event of Default (defined in Section 13.02 hereof) that is not cured by the Tenant or a Permitted Leasehold Mortgagee as permitted hereunder), or accept a surrender or termination of this Ground Lease by the Tenant, without the prior written consent of such Permitted Leasehold Mortgagee. Except as may be required by applicable laws, the Landlord shall not amend, modify or supplement this Ground Lease without the prior written consent of each Permitted Leasehold Mortgagee.

ARTICLE IV – RENT

4.01 Basic Annual Rent. Beginning on the first (1st) day of the month following the Effective Date of the Ground Lease, Tenant shall pay as an operating expense "Basic Annual Rent" to Landlord in the amount of One Hundred and 00/100 Dollars (\$100.00) per year, in one annual installment, which reflects the value of the additional considerations that the Tenant will provide to the Landlord pursuant to this Ground Lease, including the Tenant's agreement to construct and maintain the Improvements and to use the Premises as provided in this Ground Lease. Basic Annual Rent will remain consistent throughout the term of the Ground Lease.

4.02 Payments By Tenants. Other than as expressly set forth in this Ground Lease, all costs, expenses, liabilities, charges or other deductions whatsoever with respect to the Premises and the Improvements or with respect to any interest of the Landlord in the Premises, the Improvements or this Ground Lease shall be the responsibility of the Tenant.

ARTICLE V – TAXES, OPERATING EXPENSES, INSURANCE REQUIREMENTS AND RESTORATION

5.01 Taxes.

(a) The Tenant will pay any payments in lieu of real estate taxes, any real estate taxes, excise taxes, rental taxes and personal property taxes and assessments assessed, levied, confirmed or imposed on the Premises or the Improvements during the term of this Ground Lease whether or not now customary or within the contemplation of the Landlord and the Tenant. The Landlord shall pay all local, state or federal net income taxes assessed against the land. And Permitted Leasehold Mortgagee shall have the right, but not the obligation, to pay any such taxes and assessments and cure any monetary or non-monetary default under any encumbrance that has priority over the Ground Lease.

(b) As required under Arizona Revised Statutes §42-6206, the Tenant is hereby notified of its potential tax liability under the Government Property Lease Excise Tax provisions of Arizona Revised Statutes §42-6201, et seq. Tenant shall pay such tax due, if any, in accordance with the law. Tenant shall be solely responsible for seeking any available tax exemption or abatement for Premises and Improvements which Tenant deems necessary or desirable at its cost and expense, provided that the foregoing shall not obligate Tenant to seek any such exemptions or abatement.

5.02 Operating Expenses.

(a) Tenant's Obligations. Except for expenses which are direct obligations of the residential occupants of the Development, the Tenant will pay or cause to be paid directly to the providers of such services all costs and expenses attributable to or incurred in connection with the ownership, use, leasing, occupancy, operation, maintenance and repair of the Premises and the Improvements including without limitation (i) all energy sources and utilities for the Improvements, such as propane, butane, natural gas, steam, electricity, solar energy and fuel oil; (ii) all water, sewer and trash disposal services; (iii) all maintenance, repair, replacement and rebuilding of the Improvements including, without limitation, all mechanical, electrical, HVAC, telecommunications and security systems within the Improvements, and all structural and non-structural components of the Improvements, both interior and exterior; (iv) all landscaping, maintenance, repair and striping of all parking areas of the Improvements; (v) all insurance premiums relating to Tenant's required insurance for the Premises and Improvements, including fire and extended coverage, public liability insurance, rental insurance, all risk insurance and environmental insurance; and (vi) the costs and expenses of all capital improvements or repairs (whether structural or non-structural) required to maintain the Improvements in good order and repair or required by any Governmental (or quasi-governmental) Authority having jurisdiction over the Premises and the Improvements.

(b) Permits and Licenses. The Tenant will also procure, or cause to be procured, any and all necessary permits, licenses or other authorizations required for the installation and maintenance of wires, pipes, conduits, equipment and appliances for use in supplying any such service to the and upon the Premises and the Improvements. The Landlord, upon request of the Tenant, and at the sole expense and liability of the Tenant, will cooperate or join with the Tenant in any application required for obtaining or continuing any such services.

5.03 Insurance. The Tenant shall maintain and keep in force insurance, naming the Landlord as an additional insured and loss payee, as applicable, in the type and for the amounts specified in Exhibit C. All policies maintained by the Tenant will be written as primary policies, not contributing with and not secondary to insurance coverage that the Landlord may carry. The Tenant shall furnish to the Landlord

certificates of insurance , the insurance policy, and endorsements and they shall state that a 30-day notice of prior cancellation or change and a ten (10) day notice of non-payment of premiums will be provided to the Landlord.

5.04 Restoration.

(a) Casualty. The Tenant shall give prompt written notice to the Landlord after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with the Premises or the Improvements or any portion thereof (each a "Casualty"). Except as otherwise agreed to by the Landlord, if during the term of this Ground Lease, the Premises or the Improvements shall be damaged or destroyed by Casualty, and subject to the rights of any Permitted Leasehold Mortgagee(s), the Tenant shall repair or restore the Premises or the Improvements as nearly as possible to the condition the Premises or the Improvements were in immediately prior thereto. Alternatively, except as otherwise provided in this Section 5.04, Tenant may, at its election, remove any damaged or destroyed portion of the Improvements and replace such portion with new Improvements, provided that Tenant had obtained Landlord's and each Permitted Leasehold Mortgagee's prior approval, not to be unreasonably withheld, conditioned or delayed, for the design and construction of the same. Tenant shall commence restoration, repair, reconstruction and/or replacement of the Improvements (collectively, the "Restoration") within ninety (90) days after the occurrence of such casualty. Upon the occurrence of any such Casualty, the Tenant, promptly and with all due diligence, shall apply for and collect all applicable insurance proceeds recoverable with respect to such Casualty, which proceeds shall be immediately paid to the senior Permitted Leasehold Mortgagee (as defined in Section 7.02).

(b) All casualty insurance proceeds shall be deposited with the senior Permitted Leasehold Mortgagee, or if at that time no Permitted Leasehold Mortgagee is in effect, with an insurance trustee appointed by both Landlord and Tenant, and such casualty insurance proceeds shall be disbursed to Tenant for purposes of paying the cost of the Restoration as necessary to meet the standards, quality and conditions required by the terms of this Ground Lease; provided that in the event a Permitted Leasehold Mortgagee is in effect at such time, the applicable Permitted Leasehold Mortgagee shall have the right to withhold advances of casualty insurance proceeds until such time as the following conditions have timely been fulfilled in accordance with the terms of such Permitted Leasehold Mortgagee: (i) no default has occurred and is continuing under the documents executed in connection with such Permitted Leasehold Mortgagee; (ii) all conditions set forth in the applicable Permitted Leasehold Mortgagee to the use of insurance proceeds for Restoration have been satisfied; and (iii) Tenant complies with Permitted Leasehold Mortgagee's customary conditions for disbursement (collectively, the "Disbursement Conditions"). Subject to satisfaction of the Disbursement Conditions, the proceeds shall be (i) applied solely to the payment of costs incurred by Tenant for the Restoration, including, without limitation, the cost of temporary repairs or for Site Protection Work pending the completion of the Restoration, and (ii) paid out to, or at the direction of, Tenant from time to time as the Restoration progresses. If the net insurance proceeds shall be insufficient to pay the entire cost of such Restoration, Tenant shall pay the deficiency upon demand by Landlord or any applicable Permitted Leasehold Mortgagee. Upon Landlord's receipt and approval of reasonable evidence that the Restoration has been completed and paid for in full and is subject to no construction liens, and if the Restoration shall be otherwise in compliance with the requirements of this Section 5.04, subject to the requirements of any Permitted Leasehold Mortgagee, then any balances of the insurance money then held by an insurance trustee or Permitted Leasehold Mortgagee shall be paid to Tenant to be used for eligible purposes pursuant to any applicable CN requirements; provided that Landlord's approval of any evidence of completion of the Restoration shall not be unreasonably delayed, conditioned or withheld.

ARTICLE VI – USE OF PREMISES; COVENANTS RUNNING WITH THE LAND

6.01 Permitted Use. Tenant, its guests and invitees shall use the Premises for residential purposes as set forth in Section 2.02, as well as those uses and restrictions contained in any covenant or deed restriction applicable to the Premises (“Applicable Restriction Documents”), and any incidental activities permitted by law. The Premises shall not be used for any unlawful use. The Premises shall not be used for subletting or rentals for less than thirty (30) days.

6.02 Compliance with Laws. The Tenant shall not use or occupy, or suffer or permit any portion of the Premises to be used or occupied in violation of any Applicable Law, certificate of occupancy or other governmental requirement. The Tenant will comply with all Applicable Laws and all rules, orders, regulations and requirements of the Board of fire underwriters or insurance service office, or any other similar body, having jurisdiction over the Premises or Improvements.

6.03 Special Provisions Relating to Compliance with Environmental Laws.

(a) Tenant’s Environmental Covenants. Without limitation of any of the Tenant’s other covenants, agreements and obligations under this Ground Lease, the Tenant hereby specifically covenants and agrees to fulfill the responsibilities set forth below with respect to environmental matters:

(i) The Tenant shall comply with all Environmental Laws applicable to the Tenant relative to the Premises and Improvements. The Tenant shall identify, secure, and maintain all required governmental permits and licenses as may be necessary for the Premises and Improvements or otherwise required by the Tenant’s activities. The Tenant shall maintain such permits and licenses in effect and shall renew them in a timely manner, and the Tenant shall comply and cause all third parties to comply with the terms of such permits and licenses. All Hazardous Substances present, handled or generated or used by the Tenant on the Premises will be managed, transported and disposed of in a lawful manner.

(ii) The Tenant shall provide the Landlord with copies of all forms and other information concerning any releases, spills or other incidents relating to Hazardous Substances or any violations of Environmental Laws promptly upon the discovery of such releases, spills or incidents.

(b) Landlord’s Environmental Covenants. Without limitation of any of the Landlord’s other covenants, agreements and obligations under this Ground Lease, the Landlord hereby specifically covenants and agrees to provide the Tenant with copies of all forms and other information concerning any releases, spills or other incidents relating to Hazardous Substance or any violations of Environmental Laws with respect to the Premises of which the Landlord has actual knowledge.

6.04. Responsibility for Environmental Matters.

(a) Responsibility of Tenant. Except to the extent that an Environmental Condition (as defined below) is aggravated or exacerbated by the negligence or willful misconduct (including acts or omissions) of the Tenant, its agents or contractors, the Tenant shall not be responsible under this Ground Lease for any claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any

kind, and all costs and expenses incurred in connection therewith arising out of (i) any activity by the Landlord or its agents or contractors carried on or undertaken on or off the Premises prior to the Effective Date in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Substances located or presented on or under the Premises (except to the extent of any activity carried on or undertaken by or contracted for by the Tenant or its agents); (ii) the failure of the Landlord or its agents or contractors prior to the Effective Date to comply with any Environmental Laws related to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Substances into, on, or under or from the Premises whether or not such failure to comply was known or knowable, discovered or discoverable, prior to the Effective Date; or (iii) the existence of any Environmental Condition on or under the Premises prior to the Effective Date.

(b) Responsibility of Landlord. The Landlord shall not be responsible under this Ground Lease for any claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith, arising out of (i) any activity by the Tenant or its agents or contractors carried on or undertaken on or off the Premises following the Effective Date in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Substances located or present on or under the Premises (except to the extent of any activity carried on or undertaken by or contracted for by the Landlord or its agents and except to the extent that any Hazardous Materials are located or present on or under the Premises prior to the Effective Date); or (ii) the failure of the Tenant or its agents or contractors following the Effective Date to comply with any Environmental Laws relating to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Substances into, on, under or from the Premises whether or not such failure to comply was known or knowable, discovered or discoverable, following the Effective Date.

(c) An "Environmental Condition" shall mean the presence of Hazardous Substance (as defined below) on, in or under the Premises at concentrations requiring remediation under the environmental condition standards promulgated by any regulatory agency (including HUD).

(d) "Hazardous Substances" shall mean substances, chemicals, materials or elements that are defined as "hazardous" or "toxic" or otherwise regulated by any and all federal, state or local laws or regulations pertaining to the protection of land, water, air or the environment whether now or in the future enacted (the "Environmental Laws"). The term "Hazardous Substances" shall also include, without limitation, any substance, chemical, material or element (i) defined as a "hazardous substance" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), as amended by the Superfund Amendment and Reauthorization Act of 1986, and as further amended from time to time and regulations promulgated thereunder; (ii) defined as a "regulated substance" within the meaning of Subtitle I of the Resource Conservation and Recovery Act (42 U.S.C. §§6991-6991 i), as amended from time to time and regulations promulgated thereunder; (iii) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (iv) which is petroleum, petroleum products or derivatives or constituents thereof; (v) which is asbestos or asbestos-containing materials; (vi) the presence of which requires notification, investigation or remediation under any Environmental Laws; (vii) which is urea formaldehyde foam insulation or urea formaldehyde foam insulation-containing materials; (viii) which is lead-based paint or lead-based paint-containing materials;

(ix) which are polychlorinated biphenyls or polychlorinated biphenyl-containing materials; or (x) which is radon or radon-containing or producing materials.

6.05 Restrictions Applicable to Premises and the Improvements.

(a) The provisions of this Section 6.05 are intended to create a covenant running with the land and shall be binding upon the Landlord and the Tenant and each of their respective successors and assigns and all subsequent owners of the Premises and the Improvements including, without limitation, any entity which succeeds to the Tenant's interest in the Premises and the Improvements.

(b) The Tenant, its successors and assigns shall operate and maintain the Premises and Improvements in compliance with this Ground Lease and in compliance with the Applicable Restriction Documents, so long as the Applicable Restriction Documents are in effect.

(c) The Tenant shall not execute any agreement, lease, conveyance or other instrument whereby the Premises and Improvements or any part thereof is restricted upon the basis of race, color, creed, religion, ancestry, national origin, handicap, age, sex, familial or veteran status in the sale, lease, rental, use or occupancy of the Premises and the Improvements.

(d) The Tenant shall not discriminate in the use, sale, lease or occupancy of the Premises and the Improvements against any person upon the basis of race, color, creed, religion, ancestry, national origin, handicap, age, sex, familial or veteran status.

(e) The Tenant shall comply with all state, federal and local laws, rules and regulations in effect from time to time, prohibiting discrimination or segregation by reason of race, color, creed, religion, ancestry, national origin, handicap, age, sex, sexual orientation, gender identity, familial or veteran status in the sale, lease, use or occupancy of the Premises and the Improvements.

(f) The Tenant agrees that, unless otherwise permitted by the terms of this Ground Lease, with the exception of (i) the Permitted Leasehold Mortgages, (ii) dwelling leases with eligible tenants of the Development, and (iii) normal uses associated with the operation of the Development, neither the Development nor any portion thereof shall be encumbered in any way, nor the assets of the Development pledged as collateral, without the prior written approval of the Landlord.

6.06 Indemnification.

(a) Tenant Indemnity. The Tenant shall indemnify, defend, save and hold the Landlord and its officers, officials, agents, employees and contractors (collectively with the Landlord, the "Landlord Parties") harmless from and against any and all claims, actions, damages, losses, liabilities, costs and expenses (including court costs attorneys' fees and cost of claim processing, investigation and litigation) arising out of or in connection with (a) any breach or alleged breach of this Ground Lease by the Tenant, (b) any violation, or alleged violation by the Tenant or any employee or agent of the Tenant, of state, federal, or local law, rule or regulation; (c) any real or alleged bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom arising out of or related to Tenant's occupancy and/or use of the Premises and Improvements. Such indemnity shall apply to any such claim, action, damage, loss, liability, cost or expense caused in whole or in part by any act or omission (negligent or otherwise) by the Tenant, its affiliates, joint venture partners, agents or employees of any of them or anyone for whose acts they may be liable, regardless of

whether or not it is caused in part by the Landlord Parties indemnified hereunder unless it is caused by the gross negligence or willful misconduct of the Landlord Parties or a failure to act by the Landlord Parties when a duty to act is present. It is the specific intention of the parties that the Landlord Parties shall, in all instances, except for claims arising solely from the negligent or willful acts or omission of the Landlord Parties, be indemnified by the Tenant from and against any and all claims. It is agreed that the Tenant will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration for the use and occupancy of the Premises, the Tenant agrees to waive all rights of subrogation against the Landlord Parties for losses arising from the use, occupancy or condition of the Premises.

6.07 Survival. This Article VI shall survive the expiration or early termination of this Ground Lease.

ARTICLE VII – CONVEYANCES, ASSIGNMENTS AND TRANSFERS

7.01 Consent Required. Except for any Permitted Leasehold Mortgage or any enforcement thereof or transfers permitted thereunder, or as expressly provided in this Ground Lease (including without limitation Sections 7.02 and 7.06 of this Ground Lease), the Tenant has no right, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, to convey, assign or transfer any legal or beneficial interest in the Tenant's estate hereunder, including without limitation a sale, transfer, conveyance or assignment of any Controlling Interest (defined in this paragraph). No transfer, conveyance, or assignment shall be made, without the approval of the Landlord which approval shall not be unreasonably withheld, of (a) any interest of a managing member, general partner or controlling stockholder (any such interest being referred to herein as a "Controlling Interest") of the Tenant, or (b) a Controlling Interest in any entity which has a Controlling Interest in the Tenant. Tenant acknowledges and agrees that Landlord may condition its consent to any proposed conveyance, assignment or transfer of Tenant's interest in this Ground Lease on Landlord and Tenant obtaining any consent from ADOH. Nothing in this Ground Lease shall prohibit Tenant entering into dwelling leases with eligible tenants without the consent of Landlord.

7.02 Approved Loans. The Landlord hereby consents to (a) the financing of the Improvements using the loan identified in Schedule 7.02 (the "Approved Loans") and to Tenant encumbering its interest in this Ground Lease and the Premises to secure such Approved Loans, and (b) to the refinancing of any Approved Loans for a term not to exceed the remaining term of this Ground Lease at a commercially reasonable rate of interest, and if required by the Arizona Department of Housing, such terms as may be required by ADOH, and (c) after foreclosure by any Permitted Leasehold Mortgagee, to any loans made by an institutional lender or governmental authority to finance the acquisition, completion and/or restoration of the Premises, subject to any required consent from ADOH and the requirements of (b) above.

7.03 Subsequent Assignment. The Landlord's consent to one conveyance, assignment or transfer will not waive the requirement of its consent to any subsequent conveyance, assignment or transfer.

7.04 Request for Consent. If the Tenant requests the Landlord's consent to a specific conveyance, assignment or transfer, the Tenant shall provide to the Landlord (a) the name and address of the proposed person or entity; (b) a copy of all proposed conveyance, assignment or transfer instruments or other legal agreements involved in effecting the transfer; (c) satisfactory information

about the nature, business and business history of the proposed person or entity; (d) banking, financial or other credit information and references about the proposed person or entity sufficient to enable the Landlord to determine the financial responsibility and qualifications of the proposed person or entity (except in the case of a leasehold mortgage); (e) an instrument in writing satisfactory to the Landlord and in recordable form wherein the proposed transferee expressly assumes all of the obligations of the transferor; and (f) satisfactory evidence that the transferee will comply with the Applicable Restriction Documents and this Ground Lease.

7.05 Binding Effect of Assignment. Upon the granting of any consent by the Landlord and ADOH (if required) with respect to a conveyance, assignment or transfer by the Tenant, this Ground Lease shall be binding upon and inure to the benefit of the Landlord, the assignee and their respective successors and permitted assigns. If a permitted conveyance, assignment or transfer by the Tenant occurs, the Tenant shall have no liability under this Ground Lease as to acts or omissions occurring after the date of the permitted conveyance, assignment or transfer.

7.06 Permitted Leasehold Mortgages. Neither the Tenant nor any permitted successor in interest to the Premises or the Improvements or any part thereof shall, without the prior written consent of the Landlord, not to be unreasonably withheld, conditioned or delayed, engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Premises, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Premises, except for the deed(s) of trust and related liens and encumbrances securing the Approved Loans (such deed(s) of trust, together with each other deed(s) of trust hereafter approved by Landlord being the **"Permitted Leasehold Mortgages"**). With respect to the Permitted Leasehold Mortgages, the following provisions shall apply:

(a) When giving notice to the Tenant with respect to any default or Event of Default under the provisions of this Ground Lease, the Landlord will also concurrently send a copy of such notice to the holder of each Permitted Leasehold Mortgage (each such holder of a Permitted Leasehold Mortgage, and its successors and assigns in such capacity being a "Permitted Leasehold Mortgagee") at their respective address(es) set forth in Section 14.10, provided that any future Permitted Leasehold Mortgagee not identified on Schedule 7.02 attached hereto shall be required to deliver to the Landlord in writing a notice naming itself as the holder of a Permitted Leasehold Mortgage and registering the name and post office address to which all notices and other communications to it shall be addressed. The address for notice for Landlord is as set forth in Section 14.10 hereof. Each Permitted Leasehold Mortgagee may from time to time change its address for notices under this Ground Lease by written notice to Landlord given to Landlord in accordance herewith. Each notice required or permitted to be given by Landlord to a Permitted Leasehold Mortgagee shall be given by United States certified mail, addressed as required above, with postage prepaid, return receipt requested, and shall be deemed given only upon actual receipt (as evidenced by a signed return receipt).

(b) Each Permitted Leasehold Mortgagee shall have the right (but not the obligation) to cure any default by the Tenant under this Ground Lease for a period of ninety (90) days after the expiration of any cure period specified for the Tenant to cure such default, such Permitted Leasehold Mortgagee cure period to run immediately following the expiration of the relevant Tenant cure period; provided that such cure period shall be extended during any period that Permitted Leasehold Mortgagee is prevented from exercising such rights by bankruptcy or similar activities by Tenant, or otherwise delayed by an unavoidable delay of the type described in Section 14.19, and notwithstanding anything to the contrary, so long as a Permitted Leasehold Mortgagee is diligently pursuing a cure of any

default by Tenant under this Ground Lease, Landlord shall not be entitled to terminate this Ground Lease. Prior to the expiration of the cure periods set forth in this Section 7.06(b), Landlord shall have no right (and hereby waives any right that it may have, under this Ground Lease or in equity) to: (i) terminate, cancel, reject or void this Ground Lease, (ii) evict (or commence or prosecute any proceeding to evict) the Tenant, or any of Tenant's sub-subtenants, or (iii) accelerate rent, in each of the foregoing cases upon the occurrence of an Event of Default or otherwise.

(c) The Landlord agrees to accept payment or performance by any Permitted Leasehold Mortgagee as though the same had been done by the Tenant.

(d) In the case of a default by the Tenant other than in the payment of money, and provided that a Permitted Leasehold Mortgagee has commenced within the period ninety (90) days following the lapse of any Tenant cure period hereunder to cure the default and is proceeding with due diligence to cure the default, the Landlord will refrain from terminating this Ground Lease for so long as such Permitted Leasehold Mortgagee continues to proceed with reasonably due diligence to cure the default. In the event a default can only be cured by a Permitted Leasehold Mortgagee obtaining possession of the Premises and Improvements, and provided that a Permitted Leasehold Mortgagee shall have commenced foreclosure of its Permitted Leasehold Mortgage and/or pledge of management member interest in Tenant, as applicable, within 180 days following the lapse of any Tenant cure period hereunder (for purposes of such requirement the filing of a complaint to judicially foreclose or the publishing of the first required notice for foreclosure or sale by advertisement or otherwise, shall be deemed commenced), Landlord will refrain from terminating the Ground Lease for as so long as such Permitted Leasehold Mortgagee continues to proceed toward foreclosure with reasonable due diligence. The Permitted Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which was the subject of the notice shall have been cured. No holder of a Permitted Leasehold Mortgage shall be required to cure any Event of Default, which defaults shall be deemed waived following the completion of a foreclosure as contemplated hereby.

(e) A Permitted Leasehold Mortgagee, its designee, its nominee or its affiliate may become the holder of the Tenant's Leasehold Estate and succeed to the Tenant's interest in this Ground Lease without the prior approval of the Landlord by foreclosure of its Permitted Leasehold Mortgage or as a result of the assignment of this Ground Lease in lieu of foreclosure (such successor holder of the Tenant's Leasehold Estate is a "Lender's Successor Tenant"), without Landlord consent.

(f) In the event of a termination of this Ground Lease prior to the Expiration Date, because Tenant rejects it in bankruptcy or similar proceedings or for any reason other than expiration of the Term, the Landlord shall give each Permitted Leasehold Mortgagee prompt written notice of such termination and will enter into a new lease for the Premises with the senior Permitted Leasehold Mortgagee (the "Replacement Tenant") or its nominee, for the remainder of the term, effective as of the date of such termination (the "New Lease"). Such New Lease will be at the same Basic Annual Rent and subject to the priority and the same covenants and agreements, terms, provisions and limitations herein contained, provided that:

(i) The Landlord receives the Replacement Tenant's written request for such New Lease within 30 days from the date Landlord gives each Permitted Leasehold Mortgagee notice of such termination, and upon any foreclosure, deed in lieu of foreclosure or execution of a New Lease, the successor Tenant shall not be responsible or liable to cure any defaults or pay any amounts or claims

that occurred or first accrued prior to the date such new Tenant first obtained possession of the Premises; and

(ii) Upon the execution and delivery of the New Lease at the time payment is made in (i) above, and notwithstanding anything to the contrary in Section 13.03 hereof (A) all subleases which thereafter may have been assigned and transferred to the Landlord shall thereupon be assigned and transferred to the Landlord shall thereupon be assigned and transferred without recourse by the Landlord to the Replacement Tenant, as the new tenant, and (B) thereafter all rights, responsibilities and obligations of the Tenant thereunder shall be those of the Replacement Tenant.

(g) Landlord agrees that the name(s) of the leasehold mortgagee(s) may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Tenant under this Ground Lease. Notwithstanding anything to the contrary contained elsewhere herein, all proceeds from any insurance policies and the proceeds arising from any condemnation shall be paid to and held by the senior Permitted Leasehold Mortgagee and applied by such Permitted Leasehold Mortgagee pursuant to the provisions of its Permitted Leasehold Mortgage (and such Permitted Leasehold Mortgagees may reserve the right to apply to their mortgage debt all, or any part, of such proceeds pursuant to the terms of its Permitted Leasehold Mortgage documents). Tenant shall give all each Permitted Leasehold Mortgagee written notice of any arbitration or condemnation proceedings, relating to the Premises, or of any pending adjustment of insurance claims, and each Permitted Leasehold Mortgagee shall have the right to intervene therein and shall be made a party to such proceedings. The parties hereto do hereby consent to such intervention. In the event that any Permitted Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, that Permitted Leasehold Mortgagee shall nonetheless receive notice and a copy of any award or decision made in connection therewith.

(h) If any lien (other than the Permitted Leasehold Mortgages) shall at any time be filed against the Premises or any part thereof, the Tenant, within 30 days after notice of the filing thereof, shall cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise. The Tenant shall notify the Landlord in writing of its action to either satisfy or contest the lien and, if contested, of the matter's status on a monthly basis until concluded. If the Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, the Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding. Any amount so paid by the Landlord, and the costs and expenses incurred by the Landlord in connection therewith, shall be payable by the Tenant and shall be paid by the Tenant to the Landlord on demand as Additional Rent hereunder.

7.07 Permitted Corporate or Company Transfers. Notwithstanding anything to the contrary set forth elsewhere in this Ground Lease, the Tenant may, subject to receipt of the Landlord's and each Permitted Leasehold Mortgagee's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), assign all or part of this Ground Lease, or sublease all or a part of the Premises, to:

(a) any entity which has the power to direct the Tenant's management and operation, or any corporation whose management is controlled by the Tenant; or

(b) any entity a majority of whose voting equity is owned by the Tenant; or

(c) any entity in which or with which the Tenant, its successors or assigns is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation, so long as the liabilities of the entities participating in such merger or consolidation are assumed by the entity surviving such merger or created by such consolidation.

Notwithstanding anything to the contrary contained elsewhere herein, if any time Tenant, or any entity holding any direct or indirect interest in Tenant, is a publicly traded entity, no sale, assignment or other transfer of any ownership interest in such publicly traded entity shall require any consent of any party under, or breach any term or provision of, this Ground Lease.

7.08 Transfer by the Landlord.

(a) The Landlord shall not transfer all or any portion of its interest in the Premises if the same would cause a violation of any of the Applicable Laws, this Ground Lease or any agreement or contract to which the Landlord is a party or by which the Landlord is bound. Landlord further agrees that any mortgage, deed of trust or other encumbrance subsequently placed on the fee estate in the Premises prior to the end of the term of this Ground Lease shall be junior and subordinate to this Ground Lease and any New Lease.

(b) The Landlord acknowledges and agrees that it shall not transfer the Landlord's estate during the 15-year ADOH grant compliance period without the prior consent of ADOH, which consent shall not be unreasonably withheld, conditioned or delayed; provided further that any purchaser shall purchase the Landlord's interest subject to this Ground Lease and shall be a non-profit entity. ADOH shall be permitted to cure any default by the Tenant under this Ground Lease within the same period of time specified for the Tenant to cure such default. The Landlord agrees to accept payment or performance by ADOH as though the same had been done by the Tenant. Any such transfer during such period shall also require the prior written consent of each Permitted Leasehold Mortgagee.

(c) The Landlord acknowledges and covenants that it shall not transfer or encumber (except for Permitted Encumbrances) the Premises or the Landlord's Fee Estate during the term of any Permitted Leasehold Mortgage without the prior approval of the Permitted Leasehold Mortgagees.

ARTICLE VIII – MAINTENANCE AND REPAIR

8.01. Tenant's Obligations. Subject to Section 5.04 and Article XI, the Tenant will, at its sole cost and expense (but nevertheless as a portion of operating expenses), maintain the Premises and the Improvements in accordance with all applicable housing quality standards so that each is in a safe, decent and habitable condition, and make repairs, restorations and replacements to the Improvements, including without limitation the landscaping; heating, ventilating, air conditioning, mechanical, electrical, elevator, underground utilities and plumbing systems; structural roof, walls and foundations; and the fixtures and appurtenances as and when needed to preserve them in good working order and condition, and regardless of whether the repairs, restorations and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or non-capital, or the fault or not the fault of the Tenant, its agents, employees, invitees, visitors and contractors. All such repairs, restorations and replacements will be in quality and class equal to or better than the original work or installations.

8.02. No Obligation of the Landlord. The Landlord shall not be required to perform or pay for any maintenance, or make or pay for any repairs, replacements or improvements of any kind

whatsoever to the Premises or the Improvements or any part thereof during the term of this Ground Lease, regardless of the cause necessitating any such maintenance, repairs, replacements or improvements, in recognition that this Ground Lease shall be net in all respects to the Landlord. The Tenant expressly waives the right to make repairs at the expense of the Landlord as may be provided in any statute, law or ordinance in effect as of the Effective Date.

ARTICLE IX – ALTERATIONS

9.01. Consent for Improvements. The Landlord hereby consents to the Improvements as set forth in the plans and specifications approved by the City of Flagstaff Planning and Development Division and identified in Exhibit B. The Tenant may not further alter the Premises and Improvements without Landlord's consent; provided, however, that Tenant may alter the Improvements in accordance with 2.02(e) and to perform its maintenance and repair obligations as required by this Ground Lease.

9.02. No Liens. The Tenant shall not place, or allow to be placed, any lien or encumbrance on the ground, structures or any improvements on the Premises, or any portion thereof, including any lien for work or labor done or materials furnished prior to the execution of this Ground Lease and, thereafter, no liens or encumbrances other than a Permitted Leasehold Mortgage or other financing instrument permitted by this Ground Lease shall be placed or allowed to be placed on the Premises by or on behalf of the tenant. If any mechanic's, laborer's or materialman's lien shall at any time be filed against the Premises or any part thereof, the payment of which is not assumed under the general contractor's payment and performance bond, the Tenant, within 30 days after notice of the filing thereof, shall cause such lien to be discharged of record by payment, deposit, bond, order of court of competent jurisdiction or otherwise. Any such deposit or bond placed with a Permitted Leasehold Mortgagee and satisfying the requirements of the Permitted Leasehold Mortgage shall be deemed to satisfy the requirements for discharging such lien herein contained. The Tenant shall notify the Landlord in writing of its action to either satisfy or contest the lien and, if contested, of the matter's status on a monthly basis until concluded. If the Tenant shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, the Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding. Any amount so paid by the Landlord, and the costs and expenses incurred by the Landlord in connection therewith, shall be payable by the Tenant and shall be paid by the Tenant to the Landlord on demand as Additional Rent hereunder.

9.03. Easements. Landlord will, from time to time as reasonably requested by Tenant, join in the conveyance or grant of easements reasonably necessary for the development of the Premises.

ARTICLE X – SURRENDER

10.01. Expiration of Term. At the end of this Ground Lease (whether upon the Expiration Date or sooner termination), the Tenant will surrender to the Landlord the Premises and the Improvements in the condition set forth in Section 8.01 hereof. The Tenant expressly waives any Arizona statute requiring notice to a tenant to vacate the Premises at the end of the term or at the end of any subsequent term for which this Ground Lease may be renewed and any other law now in force or hereafter adopted requiring any such notice, and the Tenant covenants and agrees to give up quiet and peaceful possession and surrender the Premises together with all the Improvements thereon and appurtenances upon the Expiration Date or earlier termination of this Ground Lease without further notice from the Landlord. The Tenant acknowledges and agrees that upon the Expiration Date or sooner termination of

this Ground Lease, but subject to the rights of any Permitted Leasehold Mortgagee with respect to a New Lease or otherwise, any and all rights and interests it may have either at law or in equity to the Premises and Improvements shall immediately cease, and title to the Improvements shall revert to and become the property of Landlord.

ARTICLE XI – CASUALTY; CONDEMNATION

11.01. Damage or Destruction. The Tenant shall give prompt written notice to the Landlord and to all Permitted Leasehold Mortgagees after the occurrence of any fire, earthquake, act of God or other casualty to or in connection with the Premises or the Improvements or any portion thereof (each a “Casualty”). Except as otherwise agreed to by the Landlord, but subject to the rights of Permitted Leasehold Mortgagees, if during the term of this Ground Lease, the Premises or the Improvements shall be damaged or destroyed by Casualty, the Tenant shall repair or restore the Premises or the Improvements in accordance with Section 5.04 hereof.

ARTICLE XII – QUIET ENJOYMENT

12.01. Quiet Enjoyment. So long as the Tenant is not in default hereunder beyond any cure period applicable thereto, the Tenant’s possession of the Premises will not be disturbed by the Landlord, its successors and assigns, or any person or entity claiming by, through or under Landlord.

12.02. Landlord’s Right of Inspection. Notwithstanding Section 12.01 above, the Landlord, in person or through its agents, upon reasonable prior notice to the Tenant, and to residents as may be required by applicable law, shall have the right to enter upon the Premises for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by the Tenant with its obligations under this Ground Lease.

ARTICLE XIII – DEFAULT; REMEDIES

13.01. Landlord’s Right to Perform.

(a) Landlord’s Option. If the Tenant fails to pay when due amounts payable under this Ground Lease or to perform any of its other obligations under this Ground Lease within the time permitted for its performance (including any applicable grace periods), then the Landlord, after thirty (30) days’ prior written notice to the Tenant without waiving any of its rights under this Ground Lease, may (but will not be required to) pay such amount or perform such obligation.

(b) Additional Rents. In addition to the Basic Annual Rent specified in Article IV hereof, any and all payments that the Tenant is required to make hereunder to or for the benefit of Landlord including expenditures to operate, repair and maintain the Premises shall be deemed to be “**Additional Rents.**” All such Additional Rents shall be payable in accordance with the provision of the sections of this Ground Lease specifying the payment of such Additional Rents and shall be subject to the notice and cure rights provided in Section 13.02(a) hereof. The Basic Annual Rent specified in Article IV and the Additional Rents payable hereunder shall be deemed “Rents” reserved by Landlord, and any remedies now or hereafter given to Landlord under the laws of the State of Arizona for collection of the Rents shall exist in favor of Landlord, in addition to any and all other remedies specified in this Ground Lease, but subject to the other terms and conditions of this Ground Lease.

13.02. Tenant Events of Default. The occurrence of any of the following events, if not cured within the applicable cure periods described before in this Section 13.02, shall constitute an “**Event of Default**” by the Tenant:

(a) The Tenant defaults in the due and punctual payment of Basic Annual Rent and/or Additional Rents, and such default continues for 30 days after written notice from the Landlord.

(b) The Tenant vacates or abandons the Premises or any substantial part thereof for a period of more than 30 consecutive days after construction of the Improvements has begun.

(c) The Tenant fails to begin vertical construction of the Improvements within four (4) years following the execution of this Ground Lease.

(d) This Ground Lease, the Premises or the Improvements or any part thereof are taken upon execution or by other process of law directed against the Tenant, or are taken upon or subjected to any attachment by any creditor of the Tenant or claimant against the Tenant, and such attachment is not discharged by payment, deposit, bond, order of court of competent jurisdiction or otherwise within 90 days after its levy. Any such deposit or bond placed with a Permitted Leasehold Mortgagee and satisfying the requirements of the Permitted Leasehold Mortgage shall be deemed to satisfy the requirements for discharging such lien herein contained. The Tenant shall notify the Landlord in writing of its action to either satisfy or contest the levy and, if contested, of the matter’s status on a monthly basis until concluded. If the Tenant shall fail to cause such levy to be discharged within the period aforesaid, then, in addition to any other right or remedy, the Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or bonding. Any amount so paid by the Landlord, and the costs and expenses incurred by the Landlord in connection therewith, shall be payable by the Tenant and shall be paid by the Tenant to the Landlord on demand as Additional Rent hereunder.

(e) The Tenant makes any sale, conveyance, assignment or transfer in violation of this Ground Lease.

(f) The Tenant violates, breaches or fails to comply with any of the other agreements, terms, covenants, or conditions which this Ground Lease required the Tenant to perform, and such violation, breach or failure continues for a period of 90 days after notice by the Landlord to the Tenant; provided that if the nature of the breach is such that it cannot be cured by the Tenant within the period of 90 days, the Tenant shall not be deemed in default of this Ground Lease if the Tenant commences the curing of such default within such period of 90 days and prosecutes in good faith the curing of same continuously thereafter until the same is, in fact, cured, but in no event shall the cure period be extended later than 180 days after the notice from the Landlord to the Tenant unless otherwise agreed to by the parties.

(g) The Tenant shall file a voluntary petition in bankruptcy or a voluntary petition seeking reorganization or to effect a plan or an arrangement with or for the benefit of the Tenant’s creditors.

(h) The Tenant shall apply for or consent to the appointment of a receiver, trustee or conservator for any portion of the Tenant’s property or such appointment shall be made without the Tenant’s consent and shall not be removed within 90 days after written notice from Landlord.

(i) The Tenant shall fail to perform any of its material duties and obligations set forth in the Applicable Restriction Documents and such failure extends beyond all applicable notice and cure periods.

(j) The Tenant's failure to obtain and/or maintain the insurance required under this Ground Lease.

(k) The failure of the Tenant to disclose to the Landlord upon request the names of all contractors, subcontractors, persons, firms and corporations with whom the Tenant or its general contractor or any subcontractor has contracted or intends to contract for construction of the Development, and such failure continues for thirty (30) days after Landlord gives Tenant written notice of such failure.

(l) The substantial and unscheduled discontinuance of the construction of the Improvements prior to issuance of the Certificate of Occupancy for a period of thirty (30) consecutive calendar days, which discontinuance, in the good faith determination of the Landlord, does not result from the occurrence of an unavoidable event or circumstance.

(m) The Tenant's failure to cure promptly any violation of any law or regulation resulting from or related to the Development or any portion of the Development; the Tenant's failure to comply promptly with any provision of any notice of any requirement or any law or regulations having any effect on or relation to the Development issued by or filed in any department of any governmental authority having jurisdiction over the Tenant or the Development; or the Tenant's failure to furnish the Landlord, immediately and without demand, a true copy of any notice or other document received by or available to the Tenant disclosing any such requirement or violation of any such law or regulation, or otherwise bearing upon the compliance of the Development with any Applicable Law. In this regard, "promptly" means within thirty (30) days after written notice from Landlord to Tenant of such failure, the commencement of the action to cure or comply within the same thirty (30) days and the diligent prosecution of such cure to completion.

Unless a greater cure period shall be provided for in subsections (a) – (m) above, in case of a default or breach by the Tenant, the Landlord agrees that it shall give written notice of such default or breach to the Tenant and provide the Tenant no less than thirty (30) days from the date of Tenant's receipt of such notice for monetary defaults, and no less than sixty (60) days from the date of Tenant's receipt of such notice for non-monetary defaults (unless a longer period is provided above) to cure the default or breach; provided that if the nature of the default is such that it cannot reasonably be cured by Tenant within the time provided, Tenant shall not be deemed to be in default of this Ground Lease if Tenant commences the curing of such default within such time period and prosecutes in good faith the curing of same continuously thereafter (not to exceed 180 days) until the same is cured. Landlord hereby agrees that Permitted Leasehold Mortgagee shall be permitted to cure any default by the Tenant under this Ground Lease within the same period of time specific for Tenant to cure such default, such Permitted Leasehold Mortgagee cure period to run immediately following the expiration of the relevant Tenant cure period.

In the case of a default or breach by Tenant, Landlord shall transmit concurrently to the Permitted Leasehold Mortgagee a copy of any notice of default given to Tenant pursuant to this Section 13.02, and the Permitted Leasehold Mortgagee may effect a cure of any default by Tenant within the

time period set forth in the paragraph above. The Landlord agrees to accept payment or performance by the Permitted Leasehold Mortgagee as though the same had been done by the Tenant.

13.03. Landlord Remedy.

(a) If any one or more Events of Default set forth in Section 13.02 occurs, then, subject to the provisions of Section 7.06 hereof, the Landlord may terminate this Ground Lease by written notice to the Tenant of its intention to terminate this Ground Lease on the date of such notice or on any later date specified in such notice, and, on the date specified in such notice, the Tenant's right to possession of the Premises and the Improvements will cease and the estate conveyed by this Ground Lease shall revert in the Landlord; provided that such reversion of the estate and the reentry by the Landlord shall be subject to and limited by, and shall not defeat, render invalid or limit in any way the lien of, any Permitted Leasehold Mortgagee.

(b) Except as otherwise provided in this Ground Lease, this Ground Lease may not be amended, modified, changed, cancelled, waived or terminated without the prior written consent of all Permitted Leasehold Mortgagees. Landlord shall not accept a voluntary surrender of this Lease without consent by all Permitted Leasehold Mortgagees.

13.04. Landlord Events of Default. A default by the Landlord shall exist if the Landlord shall fail to perform any of its material duties and obligations set forth in this Ground Lease. The Landlord shall not be deemed in default of this Ground Lease if the Landlord commences the curing of such default within 90 days after written notice from Tenant and prosecutes in good faith the curing of same continuously thereafter until the same is, in fact, cured.

13.05. Tenant Remedy. If the Landlord shall have failed to cure the default within the applicable time period, then the Tenant shall have the right to (a) seek appropriate relief in any court having jurisdiction, including specific performance, (b) cure the default with the costs and expenses in connection therewith paid by the Landlord or (c) with the prior written consent of the Permitted Leasehold Mortgagee(s), terminate this Ground Lease.

13.06. Non-Recourse. Neither the Tenant nor any partner, nor any member, stockholder, officer or director of any partner of the Tenant shall have any personal liability for the performance of the Tenant's obligations hereunder, including any amounts payable hereunder, it being understood that the Landlord's sole recourse shall be limited to the enforcement of the obligations of the Tenant under this Ground Lease or the termination of this Ground Lease pursuant to the terms and conditions hereof.

ARTICLE XIV – MISCELLANEOUS

14.01. No Brokers. Neither the Landlord nor the Tenant has dealt with any broker or finder with regard to the Premises or this Ground Lease. Neither party will be responsible for any loss, liability and expense (including attorneys' fees and court costs) arising out of claims for fees or commissions incurred by the other party in connection with this Ground Lease.

14.02. Recordation. Upon the execution of this Ground Lease, the Landlord and the Tenant shall record a memorandum giving public notice of this Ground Lease in the form attached hereto as Exhibit D (the "**Memorandum of Ground Lease**") in the appropriate office of public record of the County of Coconino, Arizona. At the expiration or earlier termination of this Ground Lease, the Tenant shall

execute a quit claim or other document reasonably requested by the Landlord to confirm the termination of its interest in this Ground Lease. If the Tenant refuses to do so within ten (10) days after receipt of a request from the Landlord, the Landlord may unilaterally record a Notice of Termination of Ground Lease.

14.03. Time of Essence. Time is of the essence of each and every provision of this Ground Lease.

14.04. No Waiver. No waiver of any condition or agreement in this Ground Lease by either the Landlord or the Tenant will imply or constitute a further waiver by such party of the same or any other condition or agreement. No act or thing done by the Landlord or the Landlord's agents during the term of this Ground Lease will be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender will be valid unless in writing signed by the Landlord, and with the prior written consent of the holders of the Permitted Leasehold Mortgages. No payment by the Tenant, nor receipt from the Landlord, of a lesser amount than the Basic Annual Rent or other charges stipulated in this Ground Lease will be deemed to be anything other than a payment on account of the earliest stipulated Basic Annual Rent. No endorsement or statement on any check, or any letter accompanying any check or payment as Basic Annual Rent, will be deemed on accord and satisfaction. The Landlord will accept such check for payment without prejudice to the Landlord's right to recover the balance of such Basic Annual Rent or to pursue any other remedy available to the Landlord. If this Ground Lease is assigned, or if the Premises or any part of the Premises are subject or occupied by anyone other than the Tenant and tenants of residential units under leases made in the ordinary course of Tenant's business in accordance with the Applicable Restriction Documents, the Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the Basic Annual Rent reserved in this Ground Lease. No such collection will be deemed a waiver of the covenant in this Ground Lease against assignment and subletting, or the acceptance of the assignee, subtenant or occupant as the Tenant, or a release of the Tenant from the complete performance by the Tenant of its covenants in this Ground Lease.

14.05. Joint and Several Liability. If the Tenant is composed of more than one signatory to this Ground Lease, each signatory will be jointly and severally liable with each other signatory for payment and performance according to this Ground Lease.

14.06. Captions, Exhibits, Gender, Etc. The captions inserted in this Ground Lease are only for convenience and reference and do not define, limit or otherwise describe the scope or intent of any provision of this Ground Lease. The Exhibits to this Ground Lease are incorporated into this Ground Lease. Unless the context clearly requires otherwise, the singular includes the plural and vice versa, and the masculine, feminine and neuter adjectives include one another.

14.07. Entire Agreement. This Ground Lease, the Addenda, the Schedules and Exhibits attached hereto contain the entire agreement between the Landlord and the Tenant with respect to its subject matter and may be amended only by subsequent written agreement between them. Except for those that are specifically set forth in this Ground Lease, the Landlord or the Tenant has made no representations, warranties or agreements to one another with respect to this Ground Lease.

14.08. Amendment. This Ground Lease can be amended only by a written document signed by the Landlord and the Tenant. No amendment shall impair the obligation of the Tenant to develop and operate the Development.

14.09. Severability. If any provision of this Ground Lease is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Ground Lease will not be affected.

14.10. Notices. Any notice or other communication given or made pursuant to this Ground Lease shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) sent by overnight express delivery, or (iii) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by the like notice given to the other party):

If to the Landlord:
City of Flagstaff
Housing Section
211 W. Aspen Ave.
Flagstaff, AZ 86001

If to the Tenant:
Housing Solutions of Northern Arizona, Inc.
PO Box 30134
Flagstaff, AZ 86003

If to senior Permitted Leasehold Mortgagee:
Arizona Department of Housing
c/o Rental Development Programs
1110 W. Washington St., Ste. 280
Phoenix, AZ 85007

All such notices and other communications shall be deemed given on the date of personal or local courier delivery, delivery to overnight courier or express delivery service, or deposit in the United States Mail, and shall be deemed to have been received (i) in the case of personal or local courier delivery, on the date of such delivery, (ii) in the case of delivery by overnight courier or express delivery service, on the date following dispatch, and (iii) in the case of mailing, on the date specified in the return receipt therefor.

14.11. Attorneys' Fees. If either the Landlord or the Tenant litigate any provision of this Ground Lease or the subject matter of this Ground Lease, the unsuccessful litigant will pay the successful litigant all reasonable attorneys' fees and court costs incurred by it in connection with such litigation as determined or fixed by the court.

14.12. Governing Law; Binding Effect. This Ground Lease shall not be construed against the party who prepared it but shall be construed as though prepared by both parties. This Ground Lease shall be construed, interpreted and governed by the laws of the State of Arizona, and with respect to any dispute hereunder, jurisdiction and venue shall lie exclusively with the Federal and State Courts located in Coconino County, Arizona.

14.13. Effect of Exhibits, Addenda, Schedule. Each and every Exhibit, Addenda and Schedule referred to or otherwise mentioned in this Ground Lease is attached to this Ground Lease and shall be construed to be made a part of this Ground Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and otherwise mentioned.

14.14. Cumulative Rights. Except as expressly limited by the terms of this Ground Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

14.15. Relationship of Parties. The parties hereto expressly declare that, in connection with the activities and operations contemplated by this Ground Lease, they are neither partners nor joint venturers, nor does a principal-agent relationship exist between them. In addition, the parties acknowledge and agree that this Ground Lease is subject to cancellation pursuant to Arizona Revised Statutes § 38-511.

14.16. Compliance with Certain Laws. The Tenant shall comply with all federal, state and local requirements. In accordance therewith, the Tenant in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, genetic information, marital status, sexual orientation, gender identity or expression or disability nor otherwise commit an unfair employment practice. The Tenant will ensure that applicants are employed and that employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, genetic information, marital status, sexual orientation, gender identity or expression or disability. Such action shall include, but not be limited to, the following: employment, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. The Tenant further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform such labor or services in connection with the contract.

14.17. Counterparts. This Agreement may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

14.18. Delay. In addition to specific provisions of this Ground Lease, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock outs; riots; earthquakes; acts of God; fires; casualties; acts of terrorism; acts of the public enemy; epidemics; quarantine restrictions; embargoes; lack of transportation; governmental restrictions or priority; third-party litigation; unusually severe weather; or acts of the other party. A lack of funds directly impacting the Development or inability to obtain funds shall not be included as a reason for delay. An extension of time for any such cause shall only be for the period of the delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than 30 days after the commencement of the cause, the period shall commence to run only 30 days prior to the giving of such notice. Times of performance under this Ground Lease may also be extended in writing by the parties hereto.

14.19. Compliance with State and Local Requirements. The Tenant and any contractors or subcontractors working at the Development shall comply with all of the applicable requirements of the following, as the same may be amended from time to time:

(a) Title 34, ARS and the regulations issued thereunder, and other applicable laws relating to procurement of construction work, materials and services.

(b) Confidentiality and Data Security.

(i) Tenant shall keep confidential and secure all data, regardless of form, including originals, images and reproductions, prepared by, obtained by or transmitted to Tenant in connection with this Ground Lease or to establish Tenant's compliance with this Ground Lease, that (i) personally identifies any person by first and last name combined with private information, government issued identifiers or information or financial account information ("Confidential Personal Data"); or (ii) is restricted Landlord information, including sensitive public infrastructure and/or utility information, information that is exempted from public disclosure under state or federal public records law, customer databases, personnel information, selected procurement information, licensed proprietary or copyrighted information and security information ("Confidential Landlord Data"). Except as specifically provided in this Ground Lease, Tenant shall not disclose Confidential Personal Data or Confidential Landlord Data to any third person without the prior written consent of the City Manager or his/her designee. Notwithstanding the foregoing, Confidential Personal Data and Confidential Landlord Data may be disclosed by Tenant and its property manager, and to each of their respective employees, agents and contractors with a business related need-to-know, as well as to any governmental agency with a business or regulatory related need-to-know, including but not limited to HUD and the Arizona Department of Housing, in the ordinary course of managing the Development and to comply with the terms of any Applicable Restriction Documents.

(ii) Tenant must secure and protect all Confidential Personal Data or Confidential Landlord Data, whether in electronic format or hard copy, at all times to avoid unauthorized access. At a minimum, Tenant must encrypt and/or password-protect electronic files containing such confidential data, including data saved to laptop computers, computerized devices or removable storage devices.

(iii) When Confidential Personal Data or Confidential Landlord Data, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed.

(iv) In the event that Confidential Personal Data or Confidential Landlord Data collected or obtained by Tenant in connection with this Ground Lease is believed to have been compromised, Tenant shall notify the Landlord immediately. Tenant agrees to reimburse the Landlord for any costs incurred by the Landlord to investigate potential breaches of this data and, where applicable, to cost of notifying individuals who may be impacted by the breach.

(v) Tenant agrees that the requirements of this section shall be incorporated into all subcontracts entered into by Tenant. It is further agreed that a violation of this section shall be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this section may result in Landlord being entitled to notify Tenant that Tenant must terminate property management company ("Manager") if the violation was due to the act or failure to act by the Manager. A violation of this section may result in immediate termination of the Manager if such violation was due to the act or failure to act of the Manager.

(vi) Tenant shall indemnify, defend, save and hold harmless the Landlord and its officers, officials, agents and employees from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and cost of claims processing, investigation and litigation) for any loss caused, or alleged to be caused, in whole or in part, by Tenant's or any of its owners', officers', directors', agents' or employees' failure to comply with the requirements of this

section. This indemnity includes any claim arising out of the failure of contractor/consultant to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree.

(vii) The obligations of Tenant under this section shall survive the termination of this Ground Lease.

(c) Legal Arizona Worker Requirements.

(i) The Landlord is prohibited by A.R.S. § 41-4401 from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, the Tenant agrees that:

(1) The Tenant and each contractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and its compliance with § 23-214, subsection A.

(2) A breach of a warranty under paragraph 1 shall be deemed a material breach of this Ground Lease that is subject to penalties up to and including termination of this Ground Lease, but which shall be subject to all notice and cure rights in this Ground Lease in favor of Tenant and any Permitted Leasehold Mortgagee.

(3) The Landlord retains the legal right to inspect the papers of any Tenant or contractor employee who provides services on the Premises to ensure that the Tenant or contractor is complying with the warranty under paragraph 1.

(ii) The Tenant acknowledges and shall comply with A.R.S. § 23-214.B, as applicable, which reads:

In addition to any other requirement for an employer to receive an economic development incentive from a government entity, the employer shall register with and participate in the E-Verify program. Before receiving the economic development incentive, the employer shall provide proof to the government entity that the employer is registered with and is participating in the E-Verify program. If the government entity determines that the employer is not complying with this subsection, the government entity shall notify the employer by certified mail of the government entity's determination of noncompliance and the employer's right to appeal the determination. On a final determination of noncompliance, the employer shall repay all monies received as an economic development incentive to the government entity within thirty (30) days of the final determination.

(iii) If Tenant has employees during the term of this Ground Lease, Tenant shall register with the E-Verify program and provide Landlord with its Company ID Number.

(iv) The Tenant shall not award a contract or subcontract for services on the Premises without prior demonstration that the contractor or subcontractor, if an employer, is registered in and participates in the E-Verify program. The Tenant shall include in every contract with respect to the Development: (1) a warranty and acknowledgement by the contractor similar to the warranty and

acknowledgement in subparagraph (c) above, and (2) a provision that the contractor shall include in any subcontract thereunder a similar warranty and acknowledgement by any subcontractor.

(v) The Tenant acknowledges that the Landlord retains the legal right to inspect the papers of any contractor or subcontractor employee who provides services on the Premises to ensure that the contractor or subcontractor is complying with its warranties herein. The Tenant shall include in every contract with respect to the Development a similar acknowledgement and a provision that the contractor shall include in any subcontract thereunder a similar acknowledgement by any subcontractor.

(vi) Any breach by the Tenant of any obligation referenced in this section, if not subject to a separate appeal or other adjudicatory procedures, shall be subject to notice and cure provisions as provided herein.

(d) Lawful Presence. Pursuant to A.R.S. § 1-501 and 1-502, the Landlord is prohibited from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a Landlord-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships or limited liability companies.

(e) Access. The Tenant agrees to grant a right of access to the Landlord, HUD, the Comptroller General of the United States, or any of their duly authorized representatives, with respect to any books, documents, papers or other records related to this Ground Lease in order to make audits, examinations, excerpts and transcripts.

(f) Disclaimer of Partnership Status.

(i) The Tenant and the Landlord acknowledge that the proposed transfer to the Tenant, or to any other participating party in the Development, of Section 8 housing assistance payments for the development and operation of the Section 8 units at the Premises shall not be deemed to be an assignment of such funds. Accordingly, neither the Tenant, nor any other participating party, shall succeed to any rights or benefits of the Landlord, if any, under the City Housing Assistance Payments (HAP) Contract or the Choice Neighborhoods Implementation Grant Agreement. The Tenant further agrees to include this disclaimer in each of its agreements with any partner, participating party or other party involving the use of Section 8 housing assistance payments or CN grant funds.

(ii) Nothing contained in the Choice Neighborhoods Implementation Grant Agreement and City HAP Contract or in any agreement between the Landlord and the Tenant, nor any act of HUD or the Landlord, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership or joint venturing involving HUD.

(g) Termination of Prior Agreements. The Ground Lease supersedes Landlord's and Tenant's prior agreements regarding the leasing of the Premises, including, without limitation, that certain unrecorded Agreement for Option to Lease Real Estate dated March 28, 2022, by and between Landlord and Tenant, which the parties agree is terminated as of the Effective Date.

14.22. Limited Third Party Rights. Notwithstanding anything to the contrary set forth elsewhere in this Ground Lease, each Permitted Leasehold Mortgagee shall be deemed a third-party beneficiary of the provisions of this Lease that reference the Permitted Leasehold Mortgagee, and each Permitted Leasehold Mortgagee shall have the right to enforce such terms (as applicable).

ARTICLE XV – INCORPORATION OF ADDENDA AND SCHEDULES

The following Addenda and Schedules are attached hereto and by this reference incorporated herein as if herein fully set forth:

Schedule 7.02 – Approved Loans.

[SIGNATURE PAGE FOLLOWS}

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have executed this Agreement as of the date first set forth above.

ATTEST:

CITY OF FLAGSTAFF, ARIZONA, a municipal corporation

City Clerk
Date: _____

By: _____
Greg Clifton, City Manger

APPROVED AS TO FORM:

City Attorney

Housing Solutions of Northern Arizona, Inc.,
an Arizona Corporation

By: _____
Devonna McLaughlin, CEO

Exhibit A

Legal Description of Premises

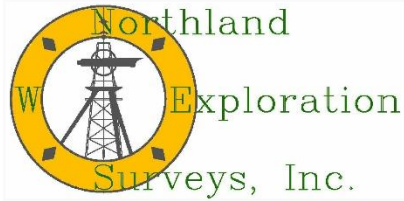


EXHIBIT "A"

LEGAL DESCRIPTION:

A parcel of land, said parcel being a part of that parcel described in Instrument No. 3098059 of the Records of Coconino County, Arizona, situated in the Southeast $\frac{1}{4}$ of Section 11, Township 21 North, Range 7 East, Gila and Salt River Meridian, Coconino County, Arizona, said parcel being more particularly described as follows:

From the South $\frac{1}{4}$ of said Section 11, said point being a found aluminum cap 14671, thence N 00° 47' 10" W, along the North-South centerline of said Section 11, for a distance of 352.35 feet to a found aluminum cap 27253, said point being the **TRUE POINT OF BEGINNING**;

thence continue N 00° 50' 31" W, along said North-South centerline, for a distance of 307.25 feet to a set mag nail with tag 14671, said point being on the South Right-of-Way line of Colanth Avenue;

thence N 89° 40' 53" E, along South Right-of-Way line, for a distance of 96.03 feet to a found aluminum cap SHEPARD, said point being on the West subdivision line of Pineview Village, Phase One as recorded in Case 4, Map 14 of the Records of Coconino County;

thence S 00° 54' 53" E, along said West subdivision line, for a distance of 84.97 feet to a found $\frac{1}{2}$ " rebar;

thence S 89° 52' 40" E, along said West subdivision line, for a distance of 37.91 feet to a found $\frac{1}{2}$ " rebar;

thence S 00° 48' 29" E, along said West subdivision line, for a distance of 221.39 feet to a found aluminum cap 27253;

thence S 89° 25' 26" W for a distance of 133.91 feet to the **TRUE POINT OF BEGINNING**,

said parcel contains 37,897 square feet of land, more or less, including any easements of record over the above mentioned parcel.

NES # 17-074.



528 West Aspen Avenue / Flagstaff, Arizona 86001 / (928) 774-5058

Exhibit A-1

Permitted Title Encumbrances

Those encumbrances disclosed in the Owner's Report of Title insurance issued by Pioneer Title Agency, Inc. and dated April 25, 2024 at 7:30 a.m.

Exhibit B

Improvements

NO. 17-2030-00
**LONETREE
 COLLECTION**

1700 E. Sixth Avenue
 Flagstaff, Arizona

**BRINSHORE
 DEVELOPMENT**
 1000 N. 10th
 Northbrook, IL 60062
 847.562.9420 P
 847.562.9421 F



TODD & ASSOCIATES, INC.
 Architecture - Planning
 Landscape Architecture
 4019 North 44th Street
 Scottsdale, AZ 85250
 480.972.8280; 480.922.8995
 www.toddsai.com
 Copyright 2017 Todd & Associates, Inc.

DATE
 3-7-19
PROJECT
 1700 E. Sixth Avenue
 Flagstaff, AZ

3RD SITE PLAN
 SUBMITTAL

SITE PLAN

A1.1

PROJECT DATA
 PROJECT NAME: LONETREE COLLECTION
 PROJECT NO.: 17-2030-00
 PROJECT LOCATION: 1700 E. SIXTH AVENUE, FLAGSTAFF, ARIZONA
 PROJECT OWNER: BRINSHORE DEVELOPMENT
 PROJECT ARCHITECT: TODD & ASSOCIATES, INC.
 PROJECT ENGINEER: TODD & ASSOCIATES, INC.
 PROJECT DATE: 3/7/19
 PROJECT SCALE: 1" = 30'-0"

CLIENT
 BRINSHORE DEVELOPMENT
 1000 N. 10th
 Northbrook, IL 60062
 847.562.9420 P
 847.562.9421 F

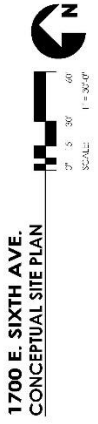
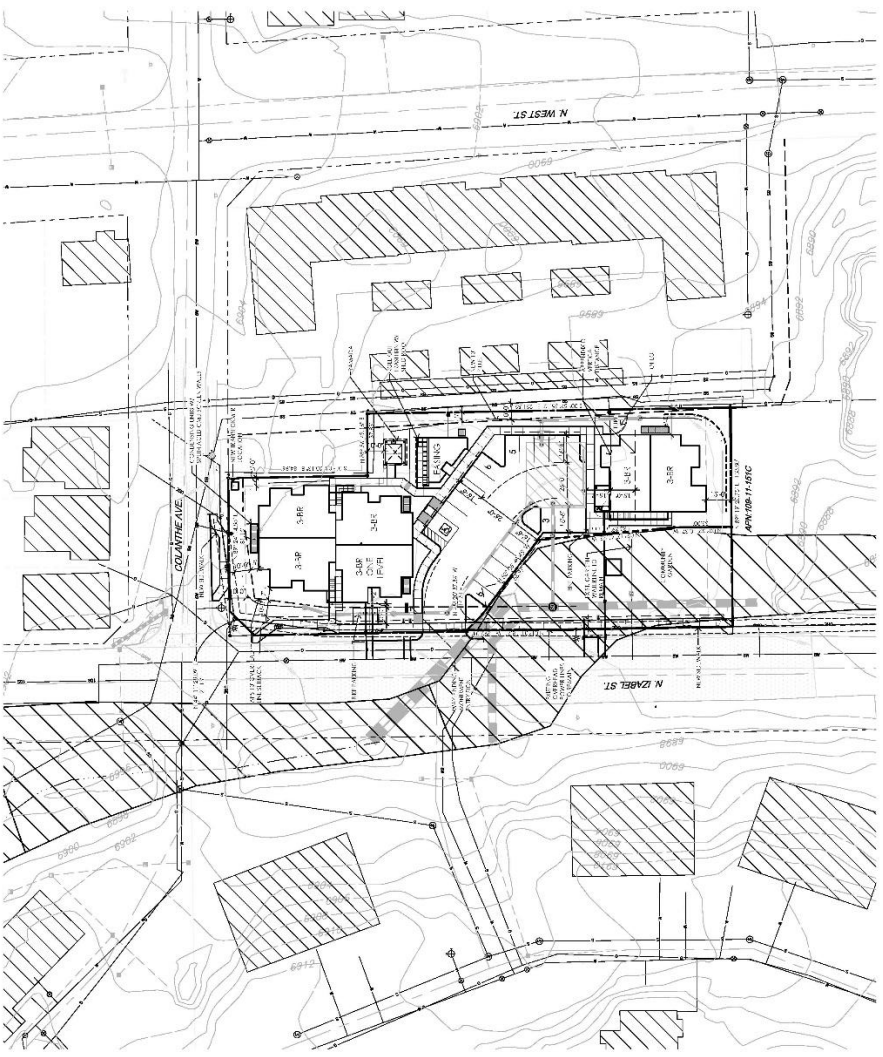
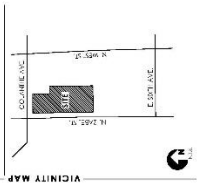
SEAL
 T. J. TODD
 PROFESSIONAL ENGINEER
 NO. 12006
 STATE OF ARIZONA
 EXPIRES 12/31/2020

CONTACT
 T. J. TODD
 PROJECT ENGINEER
 480.972.8280
 www.toddsai.com

DATA
 DATE: 3-7-19
 PROJECT: 1700 E. SIXTH AVENUE
 FLAGSTAFF, AZ

REVISIONS

NO.	DATE	DESCRIPTION
1	3/7/19	ISSUED FOR PERMIT
2	3/7/19	ISSUED FOR PERMIT
3	3/7/19	ISSUED FOR PERMIT
4	3/7/19	ISSUED FOR PERMIT
5	3/7/19	ISSUED FOR PERMIT
6	3/7/19	ISSUED FOR PERMIT
7	3/7/19	ISSUED FOR PERMIT
8	3/7/19	ISSUED FOR PERMIT
9	3/7/19	ISSUED FOR PERMIT
10	3/7/19	ISSUED FOR PERMIT
11	3/7/19	ISSUED FOR PERMIT
12	3/7/19	ISSUED FOR PERMIT
13	3/7/19	ISSUED FOR PERMIT
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27	3/7/19	ISSUED FOR PERMIT
28	3/7/19	ISSUED FOR PERMIT
29	3/7/19	ISSUED FOR PERMIT
30	3/7/19	ISSUED FOR PERMIT



**1700 E. SIXTH AVE.
 CONCEPTUAL SITE PLAN**

Exhibit C

Tenant Insurance Requirements

The Tenant shall procure and maintain, or shall require its contractors, consultants, subcontractors and subconsultants (hereinafter referred to as "Contractors") to procure and maintain, until all of the respective obligations have been discharged, including any warranty periods, and all of Tenant's obligations under this Ground Lease are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the services on the Premises by the Tenant, its agents, representatives, employees or Contractors.

If the Tenant does not self-perform some or all of the services outlined in this Ground Lease, it is the Tenant's responsibility and obligation under this Ground Lease to obtain the required insurance verification from its Contractors. All Contractor certificates of insurance must clearly identify that the following risks are covered.

The insurance requirements herein are minimum requirements for this Ground Lease and in no way limit the indemnity covenants contained in this Ground Lease.

The Landlord in no way warrants that the minimum limits contained herein are sufficient to protect the Tenant or its Contractors from liabilities that might arise out of the performance of services on the Premises by the Tenant, its agents, representatives, employees or Contractors. The Tenant and its Contractors are free to purchase such additional insurance as may be determined necessary.

I. GENERAL REQUIREMENTS APPLICABLE TO ALL COVERAGES UNLESS OTHERWISE STATED.

A. **Minimum Scope and Limits of Insurance:** The Tenant and Contractors shall provide coverage with limits of liability not less than those stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

B. **Additional Insurance Requirements:** Required insurance policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the Landlord is named as an additional insured, the Landlord shall be an additional insured to the full limits of liability purchased by the Tenant and Contractors even if those limits of liability are in excess of those required by this Ground Lease.
2. The Tenant's and Contractors' insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. In the event that any professional liability insurance required by this Ground Lease is written on a claims-made basis, any retroactive date under the policy shall precede the effective date of this Ground Lease; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time services on the Premises are completed.

C. **Notice of Cancellation:** For each insurance policy required by the insurance provisions of this Ground Lease, the Tenant must provide to the Landlord within five (5) business days of receipt, a notice if a policy is suspended, voided or canceled for any reason. Such notice shall be mailed, e-mailed, hand delivered or sent via facsimile transmission directly to the **City of Flagstaff, Housing Section, Attn: Assistant Housing Director, 2323 E. Walgreens Blvd., Flagstaff, AZ 86004 with a copy to City of Flagstaff, Purchasing Section, Attn: Purchasing Director, 211 W. Aspen Ave., Flagstaff, AZ 86001.**

D. **Acceptability of Insurers:** Insurance is to be placed with insurers duly licensed or authorized to do business in the state of Arizona and with an "A.M. Best" rating of no less than B+ VI. The Landlord in no way warrants that the above-required minimum insurer rating is sufficient to protect the Tenant and Contractors from potential insurer insolvency.

E. **Verification of Coverage:** Tenant and Contractors must furnish the Landlord with certificates of insurance (ACORD form or equivalent approved by the Landlord) as required by this Ground Lease. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be received and approved by the Landlord before work commences. Each insurance policy required by this Ground Lease must be in effect at or prior to commencement of services under this Ground Lease and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Ground Lease or to provide evidence of renewal is a material breach of contract.

All certificates and endorsements required by this Ground Lease shall be sent directly to **City Flagstaff, Housing Section, Attn: Assistant Housing Director, 2323 E. Walgreens Blvd., Flagstaff, AZ 86004 with a copy to City of Flagstaff, Purchasing Section, Attn: Purchasing Director, 211 W. Aspen Ave., Flagstaff, AZ 86001.** The Landlord's project/contract number and project description shall be noted on the certificate of insurance. The Landlord reserves the right to require complete, certified copies of all insurance policies required by this Ground Lease at any time.

F. **Contractors:** The Tenant's certificate(s) shall include all Contractors as additional insured under its policies or Contractors shall maintain separate insurance as determined by the Tenant; however, Contractor's limits of liability shall not be less than \$1,000,000 per occurrence/\$2,000,000 aggregate.

G. **Approval:** Any modification or variation from the insurance requirements in this Ground Lease must have prior approval from the City of Flagstaff, whose decision shall be final. Such action will not require a formal amendment, but may be made by administrative action.

H. **Deductibles:** The Tenant is responsible for the payment of all policy deductibles.

II. TYPES OF COVERAGES REQUIRED FOR SPECIFIC ACTIVITIES, CONTRACTS AND SUBCONTRACTS.

A. **Design, Site Preparation and Construction Phase:** During the design, site preparation and construction phase of the Project, Tenant shall maintain and shall cause any of its Contractors providing services during this phase to maintain insurance coverages and limits as described below.

The insurance requirements may be satisfied with a Contractor Controlled Insurance Program (“CCIP”); however, those coverages and/or limits not provided by the CCIP must be provided by the Tenant and Contractors.

1. Commercial General Liability – Occurrence Form

Tenant’s and Contractors’ policy(ies) shall include bodily injury, property damage, broad form contractual liability, personal and advertising liability, and XCU coverage and shall carry limits as follows. No Contractor shall carry liability with limits less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

Contract/Subcontract Amount	Minimum Required Liability Limits
\$25,000,000 to \$50,000,000	\$10,000,000 occurrence / \$10,000,000 aggregate
\$10,000,000 to \$25,000,000	\$5,000,000 occurrence / \$5,000,000 aggregate
Less than \$10,000,000	\$1,000,000 occurrence / \$2,000,000 aggregate

- a. The Tenant’s liability policies shall name the Landlord as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Tenant, including completed operations.
- b. Contractor’s liability policies shall name the Tenant and the Landlord as additional insureds.

2. Automobile Liability

The Tenant and any Contractor using an owned, hired or non-owned vehicle to perform services shall provide insurance including bodily injury and property damage coverage.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: “The City of Flagstaff shall be named as an additional insured.”

3. Worker’s Compensation and Employers’ Liability

If the Tenant has employees, evidence of Worker's Compensation insurance as described shall be provided. All Contractors providing services during the design, site preparation and construction phase must also provide Worker's Compensation insurance.

Worker’s Compensation:	Statutory
Employers’ Liability:	
Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation in favor of the Landlord.
- b. This requirement shall not apply when a Contractor is exempt under A.R.S. 23-901 AND when such Contractor executes the appropriate sole proprietor waiver form.

4. Professional Liability (Errors and Omissions Liability)

The Tenant shall carry or cause its Contractors to maintain professional liability insurance at the limits specified below if they are providing professional services during the design, site preparation and construction phase of the Development. All professional services providers shall carry professional liability insurance with limits of at least \$1,000,000 per claim and \$1,000,000 aggregate.

Type of Service	Required Limits
Architectural/Engineering/Design	\$2,000,000 per claim / \$2,000,000 aggregate
Geotechnical Assessment/Consulting	\$2,000,000 per claim / \$2,000,000 aggregate
Consulting Services	\$1,000,000 per claim / \$1,000,000 aggregate

a. In the event that any professional liability insurance required by this Ground Lease is written on a claims-made basis, any retroactive date under the policy shall precede the Effective Date of this Ground Lease; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time services on the Premises are completed.

5. Builders’ Risk Insurance

The Tenant shall provide, or cause its Contractor to provide, Builders Risk insurance for the construction of the Development in an amount equal to the full Development construction cost. The Tenant may require its General Contractor or Construction Manager at Risk to procure the Builders Risk insurance on the entire Development.

a. Coverage shall be written on a special causes of loss (all risks) form, replacement cost value basis, and shall include coverage for soft costs, flood and earth movement unless otherwise waived by the Landlord.

b. If the policy is purchased by the General Contractor or Construction Manager at Risk, the Tenant must also be a named insured under the policy.

c. A standard Lender’s Loss Payment Endorsement naming the City of Flagstaff shall be endorsed onto the policy.

d. A Permit to Occupy Endorsement shall be included if tenants can move in before construction is completed.

e. The policy must provide coverage from the time any covered property becomes the responsibility of the Tenant, and continue without interruption during construction, renovation or installation, including any time during which the covered property is being transported to the construction/installation site, or awaiting installation whether on or off site.

f. Policy shall contain a waiver of subrogation in favor of the Landlord.

6. Contractor’s Pollution Liability (Including Errors and Omissions)

The following insurance requirements are applicable to the Tenant and all Contractors performing environmental services under this Ground Lease for losses caused by pollution conditions that arise from the operations performed by or on behalf of the Tenant. Types of services that require this coverage include, but are not limited to, the following:

- Environmental Assessments or Consulting Services
- Environmental Testing Services
- Environmental Remediation/Abatement Services
- Environmental Engineering Services

Per Occurrence	\$5,000,000
General Aggregate	\$10,000,000

- a. The policy shall provide for complete professional service coverage, including coverage for pollution liability that is the result of a breach of professional duties.
- b. The policy shall provide for protection against claims for third-party bodily injury, property damage, natural resources damage or environmental damage caused by pollution conditions resulting from general contracting activities for which the Tenant and Contractor is legally liable.
- c. The policy shall provide for cleanup costs when mandated by governmental entities, when required by law, or as a result of third-party claims.
- d. The policy shall not contain an insured vs. insured exclusion with respect to the Landlord as an insured.
- e. The policy shall provide a waiver of subrogation in favor of the Landlord, and shall provide coverage for vicarious liability of all Contractors of the Tenant.
- f. The policy shall be endorsed to include the following additional insured language: “The City of Flagstaff shall be named as an additional insured with respect to liability arising out of the activities performed by or on behalf of the Tenant and/or Contractor.”
- g. This Ground Lease shall be an endorsed contract onto the policy.
- h. In the event that any professional liability insurance required by this Ground Lease is written on a claims-made basis, any retroactive date under the policy shall precede the Effective Date of this Ground Lease; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time services on the Premises are completed.

7. Pollution Legal Liability (only if work involves the transportation of hazardous materials or regulated substances). (This coverage should be reviewed if/when presence of hazardous materials or regulated substances is identified.)

If the Tenant requires the transportation of any hazardous material or regulated substances, the Tenant shall provide coverage or cause its Contractors to provide coverage with limits of at least:

Per Occurrence	\$5,000,000
General Aggregate	\$10,000,000

- a. The policy shall be endorsed to include the following additional insured language: “The City of Flagstaff, its employees, agents, elected officials and volunteers are named as an additional

insured with respect to liability arising out of the activities performed by or on behalf of the Tenant and/or Contractor.”

b. If the Tenant requires the transportation of any hazardous materials or regulated substances, then the policy shall provide coverage for claims resulting in bodily injury, property damage, natural resources damage, environmental damage or cleanup costs associated with a pollution condition from transported cargo.

8. Pollution Legal Liability for Disposal Site Operator

If the Tenant requires the disposal of any hazardous materials from the Development site, the Tenant shall obtain a certificate of insurance for Pollution Legal Liability from the disposal site operator.

- Facilities that store hazardous materials or regulated substances
- Facilities that accept, treat, store and dispose of hazardous waste
- Disposal site/solid waste landfill operators
- Incinerators
- Water and wastewater treatment facilities/operations
- Certain types of recycling facilities that recycle metals, lead-acid batteries, used oil, etc.

Per Occurrence	\$1,000,000
General Aggregate	\$2,000,000

III. OPERATIONAL PHASE (AFTER CONSTRUCTION IS COMPLETED)

After construction is completed, the Tenant shall maintain or cause any of its Contractors performing services on the Premises to maintain for the duration of the Ground Lease, or until the Tenant has no further interest in the Development, insurance coverages and limits as described below.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage for the ownership, operation and management of the completed Development and include coverage for premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract. Policy shall include coverage for management operations on and off-site of the Development.

General Aggregate	\$5,000,000
Products – Completed Operations Aggregate	\$5,000,000
Personal and Advertising Injury	\$5,000,000
Each Occurrence	\$5,000,000
Fire Damage (damage to rented premises)	\$1,000,000

a. The policy shall include the Landlord as an additional insured with respect to liability arising out of ownership, operations, management or occupancy of the property subject to this Ground Lease.

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired and non-owned vehicles used in the performance of operational services under this Ground Lease.

Combined Single Limit (CSL)	\$1,000,000
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3. Professional Liability (Errors and Omissions Liability)

The Tenant shall carry or cause its Contractors to maintain professional liability insurance at the limits specified below if they are providing the following professional services during the operational phase of the Development.

- Property Management Services
- Realtor Services
- Consulting Services
- Financing Services

Each Claim	\$2,000,000
Annual Aggregate	\$2,000,000

a. In the event that any professional liability insurance required by this Ground Lease is written on a claims-made basis, any retroactive date under the policy shall precede the effective date of this Ground Lease; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time services on the Premises are completed.

4. Worker’s Compensation and Employers’ Liability

If the Tenant has employees, evidence of Worker's Compensation insurance as described shall be provided. All Contractors providing services during the Operational Phase must also provide Worker's Compensation insurance.

Worker’s Compensation	Statutory
Employers’ Liability	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$100,000

a. Policy shall contain a waiver of subrogation in favor the Landlord.

b. This requirement shall not apply when a Contractor is exempt under A.R.S. 23-901 AND when such Contractor executes the appropriate sole proprietor waiver form.

5. All Risk Property Insurance

The Tenant shall maintain or cause the Property Manager to maintain in effect property insurance for all improvements, sufficient to satisfy the requirements of all lenders including the Landlord, and including buildings, unattached structures, fencing, swimming pools and playground equipment. Policy shall include:

- a. Special form all risk insurance including the perils of flood and earthquake, unless otherwise waived by the Landlord, which waiver shall not be unreasonably withheld.
- b. 100% replacement cost coverage.
- c. Mechanical breakdown/boiler and machinery.
- d. Business interruption/loss of rents coverage.

- e. Lender's Loss Payable Endorsement naming the City of Flagstaff.
- f. The Tenant is responsible for any policy deductibles.
- g. Policy shall contain a waiver of subrogation in favor of the Landlord.

6. Fidelity Bond or Crime Insurance

The Tenant shall require its Property Manager to procure and maintain a fidelity bond or crime insurance policy, as follows:

- a. The bond or policy shall be issued with limits equal to four (4) months maximum gross receipts.
- b. The bond or policy shall include coverage for all directors, officers, agents and employees of the Tenant and Property Manager.
- c. The bond or policy shall include coverage for third-party fidelity protecting funds and property of the Tenant and the Landlord.
- d. The bond or policy shall include coverage for extended theft and mysterious disappearance.
- e. The bond or policy shall not contain a condition requiring an arrest and conviction.

Exhibit D

Form of Memorandum of Ground Lease

Prepared by and after recording,
please mail to:

Housing Solutions of Northern Arizona, Inc.
PO Box 30134
Flagstaff, AZ 86003

Exempt from affidavit of value and transfer fee requirements, pursuant to A.R.S. § 11-1134(A)(2)

MEMORANDUM OF GROUND LEASE

City Contract No. _____

This Memorandum of Ground Lease (this "Memorandum") is made as of _____, 20__ (the "Effective Date"), by and between Housing Solutions of Northern Arizona, Inc., an Arizona Corporation located at 2304 N. 3rd St., Flagstaff, AZ 86004 (hereinafter "Tenant"), and City of Flagstaff, Arizona, a municipal corporation, located at 211 W. Aspen Ave., Flagstaff, AZ 86001 (hereinafter "Landlord").

WHEREAS, Landlord and Tenant have executed that certain Ground Lease dated as of the Effective Date (the "Ground Lease") for the property more specifically described on Exhibit A attached hereto (the "Premises").

WHEREAS, the Landlord and Tenant wish to record this Memorandum in order to give constructive notice of the Ground Lease and of Landlord's and Tenant's interests and rights under the Ground Lease.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. All capitalized terms used in this Memorandum but not otherwise defined have the meaning given to them in the Ground Lease.

2. The term of the Ground Lease commenced on the Effective Date and shall expire the day preceding the date which is ninety-nine (99) years from the Effective Date, unless sooner terminated in accordance with its terms.

3. The lease of the Premises by Landlord to Tenant shall be subject to all of the terms, covenants and conditions set forth in the Ground Lease, all of which are incorporated by reference in this Memorandum as though fully set forth herein. In the event of any conflict between the terms, covenants and conditions of this Memorandum and the terms, covenants and conditions of the Ground Lease, the terms, covenants and conditions of the Ground Lease shall control.

4. The Ground Lease supersedes Landlord's and Tenant's prior agreements regarding the leasing of the Premises, including without limitation that certain unrecorded Agreement for Option to Lease Real Estate dated March 28, 2022, by and between Landlord and Tenant, which the parties agree is terminated by the Ground Lease as of the Effective Date.

[SIGNATURE PAGES FOLLOW]

[SIGNATURE PAGE 1 OF 2 TO MEMORANDUM OF GROUND LEASE]

ATTEST:

CITY OF FLAGSTAFF, a municipal corporation

City Clerk

By: _____
GREG CLIFTON, CITY MANAGER

APPROVED AS TO FORM:

CITY ATTORNEY

STATE OF ARIZONA)
) ss
County of Coconino)

On this the ____ day of _____, 2023, before me, a Notary Public, personally appeared _____, _____, City of Flagstaff, known to me or satisfactorily proven to be the person whose name is subscribed to this Memorandum of Lease and acknowledged that he/she executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.

Notary Expiration Date

Signature of the Notary Public

[STAMP/SEAL]

[SIGNATURE PAGE 2 OF 2 TO MEMORANDUM OF GROUND LEASE]

Housing Solutions of Northern Arizona, Inc., an Arizona corporation

By: _____
Devonna McLaughlin, Chief Executive Officer

STATE OF ARIZONA)
) ss
County of Coconino)

This instrument was acknowledged before me on the _____ day of _____, 2023, by
Devonna McLaughlin as CEO of Housing Solutions of Northern Arizona, Inc.

Notary Expiration Date

Signature of the Notary Public

[STAMP/SEAL]

EXHIBIT A to Memorandum of Ground Lease

Legal Description of the Premises

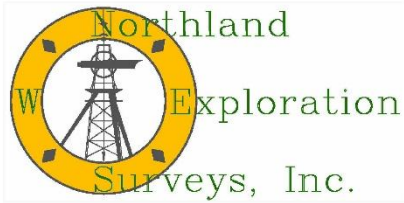


EXHIBIT "A"

LEGAL DESCRIPTION:

A parcel of land, said parcel being a part of that parcel described in Instrument No. 3098059 of the Records of Coconino County, Arizona, situated in the Southeast $\frac{1}{4}$ of Section 11, Township 21 North, Range 7 East, Gila and Salt River Meridian, Coconino County, Arizona, said parcel being more particularly described as follows:

From the South $\frac{1}{4}$ of said Section 11, said point being a found aluminum cap 14671, thence N 00° 47' 10" W, along the North-South centerline of said Section 11, for a distance of 352.35 feet to a found aluminum cap 27253, said point being the **TRUE POINT OF BEGINNING**;

thence continue N 00° 50' 31" W, along said North-South centerline, for a distance of 307.25 feet to a set mag nail with tag 14671, said point being on the South Right-of-Way line of Colanth Avenue;

thence N 89° 40' 53" E, along South Right-of-Way line, for a distance of 96.03 feet to a found aluminum cap SHEPARD, said point being on the West subdivision line of Pineview Village, Phase One as recorded in Case 4, Map 14 of the Records of Coconino County;

thence S 00° 54' 53" E, along said West subdivision line, for a distance of 84.97 feet to a found $\frac{1}{2}$ " rebar;

thence S 89° 52' 40" E, along said West subdivision line, for a distance of 37.91 feet to a found $\frac{1}{2}$ " rebar;

thence S 00° 48' 29" E, along said West subdivision line, for a distance of 221.39 feet to a found aluminum cap 27253;

thence S 89° 25' 26" W for a distance of 133.91 feet to the **TRUE POINT OF BEGINNING**,

said parcel contains 37,897 square feet of land, more or less, including any easements of record over the above mentioned parcel.

NES # 17-074.



528 West Aspen Avenue / Flagstaff, Arizona 86001 / (928) 774-5058

Schedule 7.02

Approved Loans

[To be updated with final Approved Loan details]

Approved Loans	Approved Loan Amount
HOME-ARP Loan through the Arizona Department of Housing	\$7,078,414