

When recorded, mail to:

City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

THIRD AMENDMENT TO
MILL TOWN DEVELOPMENT AGREEMENT

This Third Amendment to the Mill Town Development Agreement (“**Third Amendment**”) is entered into and effective _____, 202__, by and between City of Flagstaff, a municipal corporation organized and existing under the laws of the State of Arizona (“**City**”), and Vintage Partners, LLC, an Arizona limited liability company (“**Vintage**”). City and Vintage are referred to each individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. City and Vintage entered into that certain Mill Town Development Agreement dated June 4, 2018, and recorded in the Official Records of Coconino County as Instrument Number: 3816763 (the “**Agreement**”). Unless otherwise defined in this Third Amendment, capitalized terms used herein have the meanings given them in the Agreement.

B. The Agreement was first amended on October 22, 2021, as recorded in the Official Records of Coconino County as Instrument Number: 3937357, to provide for the City to assume the obligation to administer the design and construction of the Combined Roadway Project and to extend the Entitlements for an additional two years.

C. The Agreement was amended a second time on December 9, 2025, as recorded in the Official Records of Coconino County as Instrument Number 4029944, to clarify the Applicable Rules for development of the revised site plan, and to extend the term of the Agreement for an additional two years.

D. The residential density and unit mix of the Mill Town Property have been reduced following recent approvals and design modifications. Due to these changes, Vintage desires to modify the provision of Affordable Units.

E. In conformance with the reduced density now contemplated on the Mill Town Property, Vintage desires to dedicate twelve (12) dwelling units on the Mill Town Property as Affordable Units.

F. Though Vintage does not intend to take any affordability incentives from City, the Parties desire to amend the Agreement for a third time on the terms and conditions set forth below to memorialize the dedication of the Affordable Units.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Section 2 of the Agreement (Entitlements) is amended to read as follows:

2. Entitlements. Vintage hereby agrees to be subject to all the terms, conditions, and stipulations of the Rezoning Ordinance for PZ-24-00162-03 (City Ordinance No. 202_ -__), and Site Plan (PZ-24-00162-04) as may be amended or replaced with City Council approval (collectively, the “**Entitlements**”). The City acknowledges and agrees that the development rights granted by the Rezoning Ordinance, as may be amended or replaced, are vested for a term of nine (9) years after the Effective Date (the “**Vested Rights**”) and that Vintage shall have a right to develop the Mill Town Property consistent with the Vested Rights, subject to the Applicable Rules (as defined in Section 3, below) and any changes to the Rules as permitted by this Agreement.

2. Section 5.1 of the Agreement (Development Allocations) is hereby amended to read as follows:

5.1 Development Allocations. As depicted on the Site Plan, the overall maximum number of residential bedrooms to be developed on the Mill Town Property is 669. Vintage may increase or decrease the total number of residential bedrooms by ten (10) percent, so long as Vintage does not increase the number of four- or five-bedroom units. Vintage may also modify the unit mix depicted on the Site Plan, except: (1) Vintage cannot increase the number of four-bedroom or five-bedroom units, (2) Vintage may not modify the number of residential bedrooms beyond the ten percent allowance set forth above, and (3) Vintage cannot include any units larger than five-bedrooms. In addition, Vintage may utilize the minor modifications under Flagstaff Zoning Code Section 10-20.40.090 for any development modification permitted under that provision of Code. The modifications permitted under this Section shall not require an amendment to this Agreement or to the Ordinance.

Twelve (12) units will be subsidized a minimum of 30% below market, as measured against comparable units in the Project, in accordance with affordability criteria to be mutually agreed upon by Vintage and the City (the “**Affordable Units**”). These affordability criteria will include a maximum household income limit of 120% of the Area Median Income. This provision shall survive the term of this Agreement and shall continue in full force and effect for a period of ten (10) years from issuance of certificate of occupancy on the residential building. The Parties agree to

meet and negotiate in good faith for an extension of this provision following its expiration in ten (10) years.

3. Section 5.4 of the Agreement is hereby added to read as follows:

5.4 Sustainability Features. Vintage hereby agrees that residential development on the Mill Town Property shall be designed and constructed according to the following sustainability and energy-efficiency standards:

- (a) Each residential bedroom shall be equipped with a least one (1) bicycle hook;
- (b) A minimum of six (6) dual-port electric vehicle charging stations shall be provided in the locations generally depicted on the approved Site Plan;
- (c) All exterior residential building walls shall be insulated to a minimum of R-21 or greater;
- (d) All residential cooling equipment shall have a minimum seasonal energy efficiency rating of SEER2;
- (e) Each residential unit shall be equipped with an Ecobee thermostat with Eco+ capability, or a substantially equivalent smart thermostat with comparable functionality;
- (f) Residential buildings shall be constructed to meet or exceed Bronze-level certification standards under the National Green Building Standard (NGBS), as administered by the Home Innovation Research Labs or its successor organization;
- (g) Residential buildings shall be developed as all-electric, energy-efficient buildings, provided, however, that natural gas service may be installed and used for (i) outdoor grills, (ii) fireplaces, and (iii) community pool(s) and related equipment;
- (h) All permanent lighting fixtures within residential units and common areas shall use LED bulbs or integrated LED lighting, or substantially equivalent lighting with comparable energy consumption;
- (i) All developer-provided residential appliances shall be ENERGY STAR certified, where available, or shall meet or exceed then-current ENERGY STAR performance standards for the applicable appliance category; and
- (j) All residential units shall be equipped with low-flow faucets, showerheads, and toilets that meet or exceed applicable federal and state water-efficiency standards.

The City agrees that materials, systems, or equipment described in this Section may be substituted with materials, systems, or equipment of equal

or greater energy efficiency or environmental performance, as reasonably determined by Vintage and consistent with the intent of this Section.

4. Miscellaneous. Except as expressly stated herein, all other terms and conditions of the Agreement shall remain in full force and effect and is hereby ratified and approved. If there is any inconsistency between the terms of the Agreement and the terms of this Third Amendment, the provisions of the Third Amendment will govern and control the rights and obligations of the Parties. This Third Amendment may be signed in counterparts.

5. Conflict of Interest. This Third Amendment and the Agreement may be cancelled by the City pursuant to A.R.S. § 38-511.

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IN WITNESS WHEREOF, City and Vintage have executed this Amendment as of the date first set forth above.

“City”

City of Flagstaff, an Arizona municipal corporation

_____, Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

“Vintage”

Vintage Partners, LLC, an Arizona limited liability company

By: Edward & Company, LLC, an Arizona limited liability company
Its: Administrative Member

By: _____
Mark Ortman, Jr.
Its: Manager

STATE OF ARIZONA)
COUNTY OF COCONINO)

ACKNOWLEDGMENT

On this _____ day of _____, 2024, before me, a Notary Public, personally appeared _____, Mayor of the City Flagstaff, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that she executed the same on behalf of the City of Flagstaff, for the purposes therein contained.

Notary Public
My Commission Expires:_____

STATE OF ARIZONA)
COUNTY OF MARICOPA)

ACKNOWLEDGMENT

On this _____ day of _____, 2024, before me, a Notary Public, personally appeared Mark Ortman, Jr., known to me to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same on behalf of Vintage Partners LLC, an Arizona limited liability company, for the purposes therein contained.

Notary Public
My Commission Expires:_____