

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART I

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

Privacy Act Statement. HUD is committed to protecting the privacy of individuals' information stored electronically or in paper form, in accordance with federal privacy laws, guidance, and best practices. HUD expects its third-party business partners, including Public Housing Authorities, who collect, use maintain, or disseminate HUD information to protect the privacy of that information in Accordance with applicable law.

1.1 Parties

This Agreement to Enter into Housing Assistance Payments Contract (“Agreement”) is between:

_____ (“PHA”) and
_____ (“owner”).

1.2 Purpose

The owner agrees to develop the Housing Assistance Payments Contract (“HAP Contract”) units to in accordance with Exhibit B and to comply with Housing Quality Standards (“HQS”), and the PHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP Contract with the owner of the Contract units.

1.3 Contents of Agreement

This Agreement consists of Part I, Part II, and the following Exhibits:

EXHIBIT A: The approved owner's PBV proposal. (Selection of proposals must be in accordance with 24 CFR 983.51.)

EXHIBIT B: Description of work to be performed under this Agreement, including:

- if the Agreement is for rehabilitation of units, this exhibit must include the rehabilitation work write-up and, where the PHA has determined necessary, specifications and plans.
- if the Agreement is for new construction of units, the work description must include the working drawings and specifications.
- any additional requirements beyond HQS relating to quality, design and architecture that the PHA requires.
- work items resulting from compliance with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23, and accessibility requirements under Titles II and III of the Americans with Disabilities Act at 28 CFR parts 35 and 36, as applicable.

EXHIBIT C: Description of housing, including:

- project site.
- total number of units in project covered by this Agreement.
- locations of contract units on site.
- number of contract units by area (size) and number of bedrooms and bathrooms.
- services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.
- utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant.

- estimated initial rent to owner for the contract units.

EXHIBIT D: The HAP contract.

1.4 Significant Dates

- A. **Effective Date of the Agreement:** The Agreement must be executed promptly after PHA notice of proposal selection to the owner has been given. The PHA may not enter this Agreement with the owner until a subsidy layering review has been performed and an environmental review has been satisfactorily completed in accordance with HUD requirements.
- B. A project may either be a single-stage or multi-stage project. A single-stage project will have the same Agreement effective date for all contract units. A multi-stage project will separate effective dates for each stage.

_____ Single-stage project

- i. Effective Date for all contract units: _____
- ii. Date of Commencement of the Work: The date for commencement of work is not later than _____ calendar days after the effective date of this Agreement.
- iii. Time for Completion of Work: The date for completion of the work is not later than _____ calendar days after the effective date of this Agreement.

_____ Multi-Stage Project

Enter the information for each stage upon execution of the Agreement for the corresponding stage.

STAGE	NUMBER OF UNITS	EFFECTIVE DATE	DATE OF COMMENCEMENT OF WORK	TIME FOR COMPLETION OF WORK

1.5 Nature of the Work

_____ This Agreement is for **New Construction** of units to be assisted by the project-based Voucher program.

_____ This Agreement is for **Rehabilitation** of units to be assisted by the project-based Voucher program.

1.6 Schedule of Completion

- A. Timely Performance of Work: The owner agrees to begin work no later than the date for commencement of work as stated in Section 1.4. In the event the work is not commenced, diligently continued and completed as required under this Agreement, the PHA may terminate this Agreement or take other appropriate action. The owner agrees to report promptly to the PHA the date work is commenced and furnish the PHA with progress reports as required by the PHA.
- B. Time for Completion: All work must be completed no later than the end of the period stated in Section 1.4. Where completion in stages is provided for, work related to units included in each stage shall be completed by the stage completion date and all work on all stages must be completed no later than the end of the period stated in Section 1.4.
- C. Delays: If there is a delay in the completion due to unforeseen factors beyond the owner’s control as determined by the PHA, the PHA agrees to extend the time for completion for an appropriate period as determined by the PHA in accordance with HUD requirements.

1.7 Changes in Work

- A. The owner must obtain prior PHA approval for any change from the work specific in Exhibit B which would alter the design or quality of the rehabilitation or construction. The PHA is not required to approve any changes requested by the owner. PHA approval of any change may be conditioned on establishment of a lower initial rent to owner at the amounts determined by PHA.

- B. If the owner makes any changes in the work without prior PHA approval, the PHA may establish lower initial rents to owner at the amounts determined by PHA in accordance with HUD requirements.
- C. The PHA (or HUD in the case of insured or coinsured mortgages) may inspect the work during rehabilitation or construction to ensure that work is proceeding on schedule, is being accomplished in accordance with the terms of the Agreement, meets the level of material described in Exhibit B and meets typical levels of workmanship for the area.

1.8 Work completion

- A. Conformance with Exhibit B: The work must be completed in accordance with Exhibit B. The owner is solely responsible for completion of the work.
- B. Evidence of Completion: When the work is completed, the owner must provide the PHA with the following:
 - 1. A certification by the owner that the work has been completed in accordance with the HQS and all requirements of this Agreement.
 - 2. A certification by the owner that the owner has complied with labor standards and equal opportunity requirements in the development of the housing. (See 24 CFR 983.155(b)(1)(ii).)
 - 3. Additional Evidence of Completion: At the discretion of the PHA, or as required by HUD, this Agreement may specify additional documentation that must be submitted by owner as evidence of completion of the housing. Check the following that apply:
 - _____ A certificate of occupancy or other evidence that the contract units comply with local requirements.
 - _____ An architect’s or developer’s certification that the housing complies with:
 - _____ the HQS;
 - _____ State, local, or other building codes;
 - _____ Zoning;
 - _____ The rehabilitation work write-up for rehabilitated housing;

_____ The work description for newly constructed housing; or

_____ Any additional design or quality requirements pursuant to this Agreement.

1.9 Inspection and Acceptance by the PHA of Completed Contract Units

- A. Completion of Contract Units: Upon receipt of owner notice of completion of Contract units, the PHA shall take the following steps:
 - 1. Review all evidence of completion submitted by owner.
 - 2. Inspect the units to determine if the housing has been completed in accordance with this Agreement, including compliance with the HQS and any additional requirements imposed by the PHA under this Agreement.
- B. Non-Acceptance: If the PHA determines the work has not been completed in accordance with this Agreement, including non-compliance with the HQS, the PHA shall promptly notify the owner of this decision and the reasons for the non-acceptance. The parties must not enter into the HAP contract.
- C. Acceptance: If the PHA determines housing has been completed in accordance with this Agreement, and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

1.10 Acceptance where defects or deficiencies are reported:

- A. If other defects or deficiencies exist, the PHA shall determine whether and to what extent the defects or deficiencies are correctable, whether the units will be accepted after correction of defects or deficiencies, and the requirements and procedures for such correction and acceptance.
- B. Completion in Stages: Where completion in stages is provided for, the procedures of this paragraph shall apply to each stage.

1.11. Execution of HAP Contract

- A. Time and Execution: Upon acceptance of the units by the PHA, the owner and the PHA execute the HAP contract.

- B. Completion in Stages: Where completion in stages is provided for the number and types of units in each stage, and the initial rents to owner for such units, shall be separately shown in Exhibit C of the contract for each stage. Upon acceptance of the first stage, the owner shall execute the contract and the signature block provided in the contract for that stage. Upon acceptance of each subsequent stage, the owner shall execute the signature block provided in the contract for such stage.
- C. Form of Contract: The terms of the contract shall be provided in Exhibit D of this Agreement. There shall be no change in the terms of the contract unless such change is approved by HUD headquarters. Prior to execution by the owner, all blank spaces in the contract shall be completed by the PHA.
- D. Survival of owner Obligations: Even after execution of the contract, the owner shall continue to be bound by all owner obligations under the Agreement.

1.12 Initial determination of rents

- A. The estimated amount of initial rent to owner shall be established in Exhibit C of this Agreement.
- B. The initial amount of rent to owner is established at the beginning of the HAP contract term.
- C. The estimated and initial contract rent for each units may in no event exceed the amount authorized in accordance with HUD regulations and requirements. Where the estimated initial rent to owner exceeds the amount authorized in accordance with HUD regulations, the PHA shall establish a lower initial rent tow owner, in accordance with HUD regulations and requirements.

1.13 Uniform Relocation Act

- A. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.
- B. The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Payment of relocation assistance must be paid in accordance with HUD requirements.

- C. The acquisition of real property for a project to be assisted under the program is subject to the URA and 49 CFR part 24, subpart B.
- D. The PHA must require the owner to comply with the URA and 49 CFR part 24.
- E. In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term “initiation of negotiations” means the execution of the Agreement between the owner and the PHA.

1.14 Protection of In-Place Families

- A. In order to minimize displacement of in-place families, if a unit to be placed under Contract is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA’s waiting list (if they are not already on the list) and, once their continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized unit in the project.
- B. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.
- C. The term “in-place family” means an eligible family residing in a proposed contract unit on the proposal selection date.
- D. Assistance to in-place families may only be provided in accordance with the program regulations and other HUD requirements.

1.15 Termination of Agreement and Contract

The Agreement or HAP contract may be terminated upon at least 30 days notice to the owner by the PHA or HUD if the PHA or HUD determines that the contract units were not eligible for selection in conformity with HUD requirements.

1.16 Rights of HUD if PHA Defaults Under Agreement

If HUD determines that the PHA has failed to comply with this Agreement, or has failed to take appropriate action to HUD’s satisfaction or as directed by HUD, for enforcement of the PHA’s rights under this Agreement, HUD may assume the PHA’s rights and obligations under the Agreement, and may perform the obligations and enforce the rights of the PHA under the Agreement. HUD will, if it determines that the owner is not in default, pay Annual Contributions for the purpose of providing housing assistance payments with respect to the dwelling unit(s) under this Agreement for the duration of the HAP contract.

1.17 Owner Default and PHA Remedies

A. Owner Default

Any of the following is a default by the owner under the Agreement:

1. The owner has failed to comply with any obligation under the Agreement.
2. The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
3. The owner has committed any fraud or made any false statement to the PHA or HUD in connection with the Agreement.
4. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing assistance program.
5. If the property where the contract units are located is subject to a lien or security interest securing a HUD loan or mortgage insured by HUD and:
 - a. The owner has failed to comply with the regulations for the applicable HUD loan or mortgage insurance program, with the mortgage or mortgage note, or with the regulatory agreement; or
 - b. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
6. The owner has engaged in any drug-related criminal activity or any violent criminal activity.

B. PHA Remedies

1. If the PHA determines that a breach has occurred, the PHA may exercise any of its rights or remedies under the Agreement.
2. The PHA must notify the owner in writing of such determination. The notice by the PHA to the owner may require the owner to take corrective action (as verified by the PHA) by a time prescribed in the notice.

3. The PHA's rights and remedies under the Agreement include, but are not limited to: (i) terminating the Agreement; and (ii) declining to execute the HAP contract for some or all of the units.

C. PHA Remedy is not Waived

The PHA's exercise or non-exercise of any remedy for owner breach of the Agreement is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

1.18 PHA and Owner Relation to Third Parties

A. Selection and Performance of Contractor

1. The PHA has not assumed any responsibility or liability to the owner, or any other party for performance of any contractor, subcontractor or supplier, whether or not listed by the PHA as a qualified contractor or supplier under the program. The selection of a contractor, subcontractor or supplier is the sole responsibility of the owner and the PHA is not involved in any relationship between the owner and any contractor, subcontractor or supplier.
2. The owner must select a competent contractor to undertake rehabilitation or construction. The owner agrees to require from each prospective contractor a certification that neither the contractor nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in contract by the Comptroller General or any federal Department or agency. The owner agrees not to award contracts to, otherwise engage in the service of, or fund any contractor that does not provide this certification.

B. Injury Resulting from Work under the Agreement: The PHA has not assumed any responsibility for or liability to any person, including a worker or a resident of the unit undergoing work pursuant to this Agreement, injured as a result of the work or as a result of any other action or failure to act by the owner, or any contractor, subcontractor or supplier.

C. Legal Relationship: The owner is not the agent of the PHA and this Agreement does not create or affect any relationship between the PHA and any lender to the owner or any suppliers, employees, contractor or subcontractors used by the owner in the implementation of the Agreement.

D. Exclusion of Third Party Claims: Nothing in this Agreement shall be construed as creating any right of any third party (other than HUD) to

enforce any provision of this Agreement or the Contract, or to assert any claim against HUD, the PHA or the owner under the Agreement or the Contract.

- E. Exclusion of owner Claims against HUD: Nothing in this Agreement shall be construed as creating any right of the owner to assert any claim against HUD.

1.19 PHA-Owned Units

Notwithstanding Section 1.18 of this Agreement, a PHA may own units assisted under the project-based voucher program, subject to the special requirements in 24 CFR 983.59 regarding PHA-owned units.

1.20 Conflict of Interest

- A. Interest of Members, Officers, or Employees of PHA, Members of Local Governing Body, or Other Public Officials
 1. No present or former member or officer of the PHA (except tenant-commissioners), no employee of the PHA who formulates policy or influences decisions with respect to the housing choice voucher program or project-based voucher program, and no public official or member of a governing body or State or local legislator who exercises functions or responsibilities with respect to these programs, shall have any direct or indirect interest, during his or her tenure or for one year thereafter, in the Agreement or HAP contract.
 2. HUD may waive this provision for good cause.
- B. Disclosure

The owner has disclosed to the PHA any interest that would be a violation of the Agreement or HAP contract. The owner must fully and promptly update such disclosures.

1.21 Interest of Member or Delegate to Congress

No member of or delegate to the Congress of the United States of America or resident-commissioner shall be admitted to any share or part of the Agreement or HAP contract or to any benefits arising from the Agreement or HAP contract.

1.22 Transfer of the Agreement, HAP Contract, or Property

A. PHA Consent to Transfer

The owner agrees that the owner has not made and will not make any transfer in any form, including any sale or assignment, of the Agreement, HAP contract, or the property without the prior written consent of the PHA. A change in ownership in the owner, such as a stock transfer or transfer of the interest of a limited partner, is not subject to the provisions of this section. Transfer of the interest of a general partner is subject to the provisions of this section.

B. Procedure for PHA Acceptance of Transferee

Where the owner requests the consent of the PHA for a transfer in any form, including any sale or assignment, of the Agreement, the HAP contract, or the property, the PHA must consent to a transfer of the Agreement or HAP contract if the transferee agrees in writing (in a form acceptable to the PHA) to comply with all the terms of the Agreement and HAP contract, and if the transferee is acceptable to the PHA. The PHA's criteria for acceptance of the transferee must be in accordance with HUD requirements.

C. When Transfer is Prohibited

The PHA will not consent to the transfer if any transferee, or any principal or interested party, is debarred, suspended, subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

1.23 Exclusion from Federal Programs

A. Federal Requirements

The owner must comply with and is subject to requirements of 2 CFR part 2424.

B. Disclosure

The owner certifies that:

1. The owner has disclosed to the PHA the identity of the owner and any principal or interested party.

2. Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended, subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

1.24 Lobbying Certifications

- A. The owner certifies, to the best of the owner's knowledge and belief, that:
 1. No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of the Agreement or HAP contract, or the extension, continuation, renewal, amendment, or modification of the HAP contract.
 2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Agreement or HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- B. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

1.25 Subsidy Layering

- A. Owner Disclosure

The owner must disclose to the PHA, in accordance with HUD requirements, information regarding any related assistance from the Federal government, a State, or a unit of general local government, or any agency or instrumentality thereof, that is made available or is expected to be made available with respect to the contract units. Such related assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.

B. Limit of Payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The PHA will adjust in accordance with HUD requirements the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

1.26 Prohibition of Discrimination

- A. The owner may not refuse to lease contract units to, or otherwise discriminate against, any person or family in leasing of a contract unit, because of race, color, religion, sex, national origin, disability, age, or familial status.
- B. The owner must comply with the following requirements:
1. The Fair Housing Act (42 U.S.C. 3601–19) and implementing regulations at 24 CFR part 100 *et seq.*;
 2. Executive Order 11063, as amended by Executive Order 12259 (3 CFR 1959–1963 Comp., p. 652, and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 CFR part 107;
 3. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d–2000d–4) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR part 1;
 4. The Age Discrimination Act of 1975 (42 U.S.C. 6101–6107) and implementing regulations at 24 CFR part 146;
 5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at part 8 of this title;
 6. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*;
 7. 24 CFR part 8;
 8. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135;

9. Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (3 CFR, 1964–1965 Comp., p. 339; 3 CFR, 1966–1970 Comp., p. 684; 3 CFR, 1966–1970 Comp., p. 803; 3 CFR, 1978 Comp., p. 230; and 3 CFR, 1978 Comp., p. 264, respectively) (Equal Employment Opportunity Programs) and implementing regulations at 41 CFR chapter 60;
10. Executive Order 11625, as amended by Executive Order 12007 (3 CFR, 1971–1975 Comp., p. 616 and 3 CFR, 1977 Comp., p. 139) (Minority Business Enterprise Development); and
11. Executive Order 12138, as amended by Executive Order 12608 (3 CFR, 1977 Comp., p. 393, and 3 CFR, 1987 Comp., p. 245) (Women’s Business Enterprise).
12. HUD’s Equal Access Rule at 24 CFR 5.105. [OGC- Nonconcurrency: This section failed to reference protections with respect to actual or perceived sexual orientation, gender identity, or marital status in accordance with HUD’s Equal Access Rule at 24 CFR 5.105(a). Revising as indicated above is sufficient to resolve this concern.

C. The PHA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

1.27 Owner Duty to Provide Information and Access to HUD and PHA

- A. The owner must furnish any information pertinent to this Agreement as may be reasonably required from time to time by the PHA or HUD. The owner shall furnish such information in the form and manner required by the PHA or HUD.
- B. The owner must permit the PHA or HUD or any of their authorized representatives to have access to the premises during normal business hours and, for the purpose of audit and examination, to have access to any books, documents, papers, and records of the owner to the extent necessary to determine compliance with this Agreement.

1.28 Notices and Owner Certifications

- A. Where the owner is required to give any notice to the PHA pursuant to this Agreement, such notice shall be in writing and shall be given in the manner designated by the PHA.

- B. Any certification or warranty by the owner pursuant to the Agreement shall be deemed a material representation of fact upon which reliance was placed when this transaction was entered into.

1.29 HUD Requirements

- A. The Agreement and the HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and will all HUD requirements, including amendments or changes in HUD requirements. The owner agrees to comply with all such laws and HUD requirements.
- B. HUD requirements are requirements that apply to the project-based voucher program. HUD requirements are issued by HUD Headquarters as regulations, *Federal Register* notices, or other binding program directives.

1.30 Applicability of Part II Provisions — Check All that Apply

- _____ Training, Employment, and Contracting Opportunities
Section 2.1 applies if the total of the contract rents for all units under the proposed HAP contract, over the maximum term of the contract, is more than \$200,000.
- _____ Equal Employment Opportunity
Section 2.2 applies only to construction contracts of more than \$10,000.
- _____ Labor Standards Requirements
Sections 2.4, 2.8, and 2.10 apply only when this Agreement covers nine or more units.
- _____ Flood Insurance
Section 2.11 applies if units are located in areas having special flood hazards and in which flood insurance is available under the National Flood Insurance Program.

EXECUTION OF THE AGREEMENT

PUBLIC HOUSING AGENCY (PHA) Name of PHA (Print)
By: Signature of authorized representative
Name and official title (Print)
Date
OWNER Name of Owner (Print) Centerline on Glendale Two, LLC, a Wisconsin limited liability company By: Centerline on Glendale Two MM, LLC, a Wisconsin limited liability company, its managing member By: GEC Centerline on Glendale Two, LLC, a Wisconsin limited liability company, its manager By: Gorman & Company, LLC, a Wisconsin limited liability company, its manager
By: Signature of authorized representative
Name and official title (Print)
Date

**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

**AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT**

NEW CONSTRUCTION OR REHABILITATION

PART II

Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing and reporting the data. The information is being collected as required by 24 CFR 983.152, which requires the PHA to enter into an Agreement with the owner prior to execution of a HAP contract for PBV assistance as provided in §983.153. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Assurances of confidentiality are not provided under this collection.

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2.1 Training, Employment, and Contracting Opportunities

- A. The project assisted under this Agreement is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The owner shall carry out the provisions of section 3 and the regulations issued by HUD as set forth in 24 CFR part 135 and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement. This shall be a condition of the Federal financial assistance provided to the project, binding upon the owner, the owner's contractors and subcontractors, successors and assigns. Failure to fulfill these requirements shall subject the owner, the owner's contractors and subcontractors, successors and assigns to the sanctions specified by this Agreement, and to such sanctions as are specified by 24 CFR part 135.
- B. The owner shall incorporate or cause to be incorporated into any contract or subcontract for work pursuant to this Agreement in excess of \$100,000 the following clause:

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this Agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, and shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135

require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Pursuant to 24 CFR §135.90, recipients of HUD financial assistance that is subject to Part 135 requirements, are required to submit Section 3 Annual Reports on Form HUD-60002 to the Office of Fair Housing and Equal Opportunity (FHEO). This form must be submitted electronically and can be found at www.hud.gov/section3.
7. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
8. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 405e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible: (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprise. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

2.2 Equal Employment Opportunity

- A. The owner shall incorporate or cause to be incorporated into any contract in excess of \$10,000 for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR chapter 60, which is to be performed pursuant to this Agreement, the following nondiscrimination clause:

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising;

layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.
3. The contractor will send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by or at the direction of the Government advising the labor union or workers representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor of will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and with the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the rules, regulations, or orders, the contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions as may be imported and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor or as otherwise provided by law.

7. The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

- B. The owner agrees to be bound by the above nondiscrimination clause with respect to his or her own employment practices when participating in federally assisted construction work.

- C. The owner agrees to assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the nondiscrimination clause and the rules, regulations, and relevant orders of the Secretary of Labor, to furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and to otherwise assist HUD in the discharge of HUD's primary responsibility for securing compliance.

- D. The owner further agrees to refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the nondiscrimination clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to the Executive Order. In addition, if the owner fails or refuses to comply with these undertakings, HUD may take any or all of the following actions; cancel, terminate, or suspend in whole or in part this Agreement; refrain from extending any further assistance to the owner under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from the owner, and refer the case to the Department of Justice for appropriate legal proceedings.

2.3 Reserved

2.4 HUD—Federal Labor Standards Provisions

The owner is responsible for inserting the entire text of section 2.4 of this Agreement in all construction contracts and, if the owner performs any rehabilitation work on the project, the owner must comply with all provisions of section 2.4. (Note: Sections 2.4(b) and (c) apply only when the amount of the prime contract exceeds \$100,000.)

(a)(1) Minimum Wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made part hereof regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-

1321)) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination;

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determinations or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program: Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractors under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and

on account of the contractor or subcontractor to the respective employees to whom they are due.

(3)(i) Payrolls and Basic Records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

*(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD the PHA. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included in weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at:
<http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor*

site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution

under section 1001 of Title 18 and section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and Trainees.(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the

contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employee and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted

under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act Requirements. The contractor shall comply with the requirements of 29 CFR part 3 which are incorporated by reference in this Agreement.

(6) Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in section 2.4(a)(1) through (11) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section 2.4(a).

(7) Contract Terminations; Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes Concerning Labor Standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the PHA, HUD, the U. S. Department of Labor, or the employees or their representatives.

(10) Certification of Eligibility. (i) By entering into this Agreement, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this Agreement shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, section 1010, Title 18, U.S.C., "Federal Housing Administration transactions, provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utters or publishes any statement, knowing the same to be false... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Agreement to his employer.

(b) Contract Work Hours and Safety Standards Act. The provisions of this paragraph (b) are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the

basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$25 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for Unpaid Wages and Liquidated Damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontractors. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

(c) Health and Safety. The provisions of this paragraph (c) are applicable only where the amount of the prime contract exceeds \$100,000.

- (1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his health and safety as established under construction safety and health standards promulgated by the Secretary of Labor by regulation.*
- (2) The contractor shall comply with all regulations issue by the Secretary of Labor pursuant to Title 29 part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.*
- (3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.*

2.5 Reserved

2.6 Reserved

2.7 Reserved

2.8 Wage and Claims Adjustments

The owner shall be responsible for the correction of all violations under section 2.4, including violations committed by other contractors. In cases where there is evidence of underpayment of salaries or wages to any laborers or mechanics (including apprentices and trainees) by the owner or other contractor or a failure by the owner or other contractor to submit payrolls and related reports, the owner shall be required to place an amount in escrow, as determined by HUD sufficient to pay persons employed on the work covered by the Agreement the difference between the salaries or wages actually paid such employees for the total number of hours worked and the full amount of wages required under this Agreement, as well as an amount determined by HUD to be sufficient to satisfy any liability of the owner or other contractor for liquidated damages pursuant to section 2.4. The amounts withheld may be disbursed by HUD for and on account of the owner or other contractor to the respective employees to whom they are due, and to the Federal Government in satisfaction of liquidated damages under section 2.4.

2.9 Reserved

2.10 Evidence of Unit(s) Completion; Escrow

- A. The owner shall evidence the completion of the unit(s) by furnishing the PHA, in addition to the requirements listed in Part I of this Agreement, a certification of compliance with the provisions of sections 2.4 and 2.8 of this Agreement, and that to the best of the owner's knowledge and belief there are no claims of underpayment to laborers or mechanics in alleged violation of these provisions of the Agreement. In the event there are any such pending claims to the knowledge of the owner, the PHA, or HUD, the owner will place a sufficient amount in escrow, as directed by the PHA or HUD, to assure such payments.
- B. The escrows required under this section and section 2.8 of shall be paid to HUD, as escrowee, or to an escrowee designated by HUD, and the conditions and manner of releasing such escrows shall be designated and approved by HUD.

2.11 Flood Insurance

If the project is located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards and if the sale of flood insurance has been made available under the National Flood Insurance Program, the owner agrees that: (1) the project will be covered, during the life of the property, by flood insurance in an amount at least equal to its development or project cost (less estimated land cost) or to the limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less; and (2) that it will advise any prospective purchaser or transferee of the property in writing of the continuing statutory requirement to maintain such flood insurance during the life of the property.



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

OPPORTUNITY

In accordance with the fiscal year 2022-23 Annual PHA Plan, the City of Glendale Housing Authority (GHA) PHA AZ003 is accepting proposals for Project Based Vouchers from qualified developments under the provisions of 24 CFR 983.51(b)(2) Selection based on previous competition. This opportunity is limited to proposed developments that meet all the following requirements:

1. Received an award of federal, State, or local (city or county) government funding that required a competitive selection of proposals (e.g., HOME, Low-Income Housing Tax Credit, Community Development Block Grant, or American Rescue Plan Act).
2. Competitive housing assistance selection process occurred within 3 years of the PBV proposal selection date by the City of Glendale.
3. Competitive award did not involve any consideration that the project would receive PBV assistance from the City of Glendale.
4. Proposed development must be in an incorporated area of the City of Glendale.
5. Construction has not started.

INTENT TO AWARD

GHA intends to commit up to 20% of its Housing Choice Vouchers to be utilized as Project Based Vouchers to attract new development of quality affordable housing in Glendale. GHA may project-base an additional 10% of its authorized units for units specifically made available to homeless persons, veterans, persons with disabilities, elderly persons or units located in a census tract with a poverty rate of 20% or less.

REVIEW PERIOD

This is an ongoing opportunity for qualified developments to submit PBV Assistance Applications on a rolling basis after having been awarded a competitive award from another agency. This is NOT a Request for Proposals.

The city of Glendale will conduct a monthly review of all applications received by midnight on the second Sunday of every month. Applications will be evaluated by a selection panel of at least three persons who will review, evaluate, rank, and select the applications according to the information submitted with the application. Award decisions will be made within 45 days of the submission deadline for that month. Applications received after midnight on the fourth Sunday will be considered in the following month's review. Incomplete applications will be returned to applicants with noted deficiencies and can be reconsidered during the next monthly review based on resubmission date.

HOW TO APPLY

Complete the following application and submit it as one pdf document including all attachments and all pages sequentially numbered. Applications or questions should be emailed to glendalehousing@glendaleaz.com.



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

PROJECT OVERVIEW

This information will not be used for application ranking.

I. Project Owner Information

- a. Organization Name: Gorman & Company, LLC, on behalf of Centerline on Glendale, LLC and Centerline on Glendale Two, LLC
- b. Organization Address: 200 North Main Street, Oregon, WI 53575
- c. Executive Director/CEO Name: Brian Swanton Telephone: 602-708-4889 Email: bswanton@gormanusa.com
- d. Project Manager Name: Brian Swanton Telephone: 602-708-4889 Email: bswanton@gormanusa.com
- e. Other Principal/s (Name, Telephone, Email): _____
- f. Organization Type
 - Community Housing Development Organization
 - Nonprofit Housing Developer
 - Nonprofit Community Organization
 - For Profit Housing Developer
 - Other (please specify): _____

II. Development Consultant (if applicable)

- a. Organization Name: N/A
- b. Contact Name: _____ Telephone: _____ Email: _____

III. General Project Information

- a. Name: Centerline on Glendale Phase I & Centerline on Glendale Phase II
- b. Address/Location: SE corner of West Glendale and 67th Ave, Glendale, AZ 85301
- c. Parcel Number: 144-07-004B, 144-07-004C, 144-07-004G, 144-07-005C
- d. Is the property currently owned by the Project Owner or affiliate? Yes No
- e. If no, provide dates and specificity regarding when the Project Owner anticipates taking ownership of the property and include contracts or other documentation as an appendix to the application: Property will sell/close February 13, 2023 see attached PSA agreement/amendments
- f. What is the requested PBV contract term length? 20 Years

IV. Project Timeline

Describe in detail the project timeline from inception to initial occupancy.

The project land was placed in escrow June 16, 2021. Since that time the general plan was amended and the land has been re-zoned to PAD allowing for the proposed 368 unit development. Design review has been approved and final building permits (2nd review) are pending. Financing has been structured using federal (4%) low income housing tax credits, competitive state low income housing tax credits, soft financing from Maricopa County, the State of Arizona Department of Housing, City of Glendale (CDBG) and housing vouchers from the Arizona Health Care Cost Containment System. All funding sources have been awarded. Permitting is set to be fully approved by early February 2023 with financial



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

closing February 13, 2023. Construction will begin immediately and take 20 months to complete with a phased opening of the 8 residential buildings beginning August 2025 through October 2025. Occupancy will begin as each building is completed during that timeframe.

V. **Obstacles**

Describe any known obstacles or issues that may affect the ability to meet any of the project timelines including zoning/land-use issues, environmental concerns etc.

There are no known obstacles that will effect timelines. All entitlements are approved. All financing is in place. Once permits are approved construction will begin March 2023 and be completed by October 2025

VI. **Previous Competition Award Information**

Provide information regarding the previously awarded competitive process and include a copy of the award letter and contract as an attachment to this application.

- a. Organization Name: Arizona Department of Housing
- b. RFP Number: n/a
- c. Date of Award: _____
- d. Award Amount: \$6 million in HOME and NationalHousing Trust Funds as well as \$2 million in annual State Housing Tax Credits

VII. **Disclosure of other government assistance for the proposed project (subsidy layering review).**

Arizona Department of Housing National Housing Trust Fund and HOME fund Maricopa County ARPA SLFRF funding and City of Glendale CDBG.

PROJECT RANKING CRITERIA (up to 200 points total):

The details provided below will be used to rank and review applications. The number of points available and how the application will be scored is included in each section. Additionally, applications will also be awarded up to 10 additional points by evaluators based on overall development feasibility, financial feasibility, and quality of the application. The review committee reserves the right to request references or additional information as needed.

I. **Development Experience (up to 70 points)**

Select the option below that is most applicable and provide a brief narrative describing the Project Owner's experience in developing, owning, and managing rental properties, especially those serving low-income families; the number of years of experience; the number of units managed, and total number of developments. Information provided in the narrative must substantiate the multiple-choice selection in detail.

Narrative: Since 1984, Gorman & Company has specialized in constructing and rehabilitating affordable housing, community revitalization, mixed-use housing, workforce housing and historic renovations. Gorman is a national company operating in 10 states across the



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

country, including Arizona. Gorman is a fully integrated company including development, architecture, construction management, property and asset management, has been nationally recognized as one of the top 50 affordable housing developers and received numerous awards related to affordable housing. The company has developed over 11,000 units in 140 developments including 1,350 units in 16 projects in Maricopa County.

Years of Experience:

- a. 10 years or more (10 points)
- b. 5-9 years (5 points)
- c. 1-4 years (0 points)

Number of developments in Maricopa County:

- a. 10 or more (10 points)
- b. 5-9 (5 points)
- c. 3-4 (3 points)
- d. 2 or less (0 points)

Number of developments in United States:

- a. 31 or more (20 points)
- b. 21-30 (15 points)
- c. 11-20 (10 points)
- d. 5-10 (5 points)
- e. 4 or less (0 points)

Average number of units per development (please ensure the total number of units and total number of developments is included in the narrative to substantiate your response here:

- a. 301 or more (20 points)
- b. 201-300 (15 points)
- c. 101-200 (10 points)
- d. 50-100 (5 points)
- e. 49 or less (0 points)

Number of existing developments currently managed by Project Owner that participate in the U.S. Department of Housing and Urban Development Part 983 Project-Based Voucher (PBV) Program.

- a. 10 or more (10 points)
- b. 5-9 (5 points)
- c. 3-4 (3 points)
- d. 2 or less (0 points)



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

II. Ownership Intention (up to 10 points)

Select the option below that is most applicable and provide a brief narrative describing the Project Owner's intent as it relates to the long-term ownership of the development. Information provided in the narrative must substantiate the multiple-choice selection in detail.

Narrative: Gorman & Company intends to own this project for the length of the Land Use Restriction Agreement, which is 30 years. As a company that is vertically integrated, including development, architecture, construction, property management and asset management, our business model is to be a long term owner/operator in compliance with all LIHTC, ADOH, HUD and AHCCSS agreements.

- a. Project Owner will own for a minimum of 30 years (10 points)
- b. Project Owner will own for a minimum of 15 years (5 points)
- c. Project Owner may consider options to sell or transfer development during the contract with the Housing Authority (0 points)

III. Management Intention (up to 10 points)

Select the option below that is most applicable and provide a brief narrative describing the Project Owner's intent as it relates to the long-term management of the development. Information provided in the narrative must substantiate the multiple-choice selection in detail.

Narrative: Gorman & Company is a long term owner/operator with its own property management company. Gorman Property Management will serve as the property manager for the duration of the contract. Currently, Gorman Property Management oversees 20 projects in the State of Arizona with vast experience in management of project based vouchers and full compliance with HUD regulations.

- a. Project Owner will serve as the Property Manager for the duration of the contract (10 points)
- b. Project Owner operates an affiliate Property Management Company that will serve as the Property Manager for the duration of the contract (5 points)
- c. Project Owner will manage the property through a third-party contractor (0 points)
- d. Other as described in Narrative (up to 8 points)

IV. Special Populations to use PBV Units (1 point for each dedicated unit, up to 10 points)

- a. 5 per phase, 10 total Units for Homeless (McKinney-Vento Homeless Assistance Act definition)
- b. _____ Units for Veterans
- c. _____ Units for persons with disabilities or elderly persons (62 or older)

V. Census Tract Bonus (20 points)



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

Is the development located in a Census Tract with a poverty rate of 20% or less?

Yes No

VI. Detailed Project Description (up to 80 points)

- a. Describe the type of housing to be provided and how this type of housing meets the need of Glendale residents (up to 10 points).

Narrative: Centerline on Glendale will provide housing for residents ranging from 30% to 80% of area median income in 3 and 4 story buildings totaling 368 units. A generous amenity package including a computer room, community space and exercise room inside, and a dog park, splash pad, barbecues, ramadas and walking path outside, will provide residents, including children, a range of spaces and opportunities for activities. In addition, a commercial kitchen and retail/office spaces will offer places for new businesses to be created. Currently, there is a large need and demand for affordable housing in the City of Glendale with occupancy levels at 98% in the area (market demand study by Newmark Valuation and Advisory) and a capture rate of 3.53% (anything under 10% shows a very strong market support for the product). Rent rates have climbed substantially during the last few years driving demand for more affordable housing. Units will be available from 1 bedroom to 3 bedrooms serving singles and families. As new housing, it will provide residents with a clean, healthy and attractive place to live which is increasingly difficult with rents skyrocketing locally. Residents will also have on site access to supportive services as well as the robust amenity package. This project will also offer units for SMI and developmentally disabled residents through a partnership/vouchers from the Arizona Health Care Cost Containment System. These types of units are in high demand with few options available for this population.

- b. Describe how this development will enhance the livability, aesthetics, or otherwise improve the surrounding neighborhood (up to 10 points).

Narrative: This project sits on the west end of the Centerline Overlay District, created by the businesses and residents to focus on ways to improve the neighborhood. While the intention was well conceived, there has been limited investment in the area since its inception. This project, designed to follow the guidelines and desires of the plan, will put a stake in the ground at the western entrance into the district with a \$115 million dollar investment that creates a walkable urban environment proximate to public transportation, amenities and Downtown Glendale. The building fronting Glendale will be over fifty feet high with ground floor mixed uses that will bring life to the street and set the tone for development continuing to the east. It's brick veneer and porous street frontage will begin to establish the environment envisioned in the Centerline Overlay District and jumpstart further revitalization of the neighborhood. In other words it will set the benchmark for how the neighborhood can look moving forward.



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

- c. Describe how the development meets funding priorities and is consistent with the City of Glendale 5-Year Consolidated Plan which can be found [here](#). Specifically identify which goals will be addressed and how (up to 10 points).

Narrative: Page 3 and 4 of the 2022-2023 City of Glendale Annual Action plan states 6 main goals. Those goals include the following:

- a. Promote access to decent affordable housing
- b. Increase access to homeless services/housing
- c. Increase access to public services for vulnerable populations
- d. Provide educational programs and business assistance
- e. Enhance livability of neighborhoods
- f. Affirmatively further fair housing regulations

This project directly fulfills the first 5 goals and puts into practice the sixth goal. Centerline on Glendale (Phase 1 & 2) provides 368 total affordable units for residents, including low income and at risk of homelessness/homeless. The development will offer direct services to residents by Gorman and Company and through AHCCCS to assist those with disabilities and with assistance in life skills. As part of the mixed use portion of the project Gorman & Company is partnering with Local First Arizona to create a commercial kitchen for small food vendors looking to improve their product and learn how to build and grow small food businesses. The goal of this facility is to create new small businesses that can strengthen low income families. As stated in VI.b., this project is following the Centerline Overlay District plan which seeks to enhance the neighborhood by creating a walkable, urban, mixed use environment that revitalizes the community. This project mirrors those guidelines and reflects what the residents and businesses have called for in their neighborhood. Finally, given the nature of the funding sources for this project, fair housing regulations will be put into practice for every unit. Gorman & Company looks forward to serving the residents of Glendale.

- d. Characteristics and demographics of the population to be served and how this benefits the city of Glendale (up to 10 points).

Narrative: This project and the project based vouchers will serve those in need. The census tract Centerline on Glendale is located in, 928.01, skews young, low to moderate income and more likely to have very young children. Note the following statistics: average age 26.1 vs 33.7 City of Glendale; median household income \$46,382 vs \$60,499 City of Glendale; 12% use public transportation vs 2% City of Glendale; 6.9% of women gave birth in past year vs 6.6% City of Glendale. The affordability, number of 2 and 3 bedroom units and adjacent access to major bus lines, serve those in the neighborhood which in turn strengthens the City of Glendale because it reduces the stress of living paycheck to paycheck when housing is stable. The access to public transportation reduces costs, allowing residents to spend their paychecks on important items such as food, healthcare and needs of



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

their children. When residents are unsure of their living arrangements due to cost and need for personnel transportation, the stress is often born out on children and partners creating bad situations for them and the community. Ultimately, this project is about creating an environment where residents can thrive and thus build better lives for themselves and the neighborhood.

- e. Evidence of financing or lender interest, include pertinent documents as attachments (up to 10 points).

Narrative: Centerline on Glendale is receiving equity through federal and state low income housing tax credits, ARPA funds through the Arizona Department of Housing and Maricopa County, CDBG funds through the City of Glendale and project based vouchers from AHCCCS. Attached to this application is verification of those sources of funding.

- f. On-site support services to be provided (up to 10 points).

Narrative: Our on-site staff will leverage resources in the community in support of our residents, with a particular emphasis on our SMI population. In addition, through our partnership with AHCCCS, direct services and case management will be available to the SMI households from the AHCCCS organization.

- g. Location, characteristics, and distance to neighborhood amenities such as services, health care, and public transportation (up to 10 points).

Narrative: The number one reason this site was selected was its proximity to everything that residents need to live including transportation, retail, amenities and healthcare. Major bus routes surround the project on both Glendale Avenue and 67th Avenue. Stops are literally out the front door of the project. This will allow residents to quickly get to jobs both in Downtown Glendale, west toward Westgate Entertainment District or other job centers outside the city such as Downtown Phoenix. A quarter mile to the west, Mountain Park Health Center is constructing a brand new facility to serve the community and a half mile west is a Walmart Neighborhood Market. Immediately surrounding the site are multiple restaurants, service providers and schools, including Glendale High School. Downtown Glendale is less than a mile away.

- h. Describe waitlist management and advertising practices, how they would align to GHA's preference priorities, and how you would envision collaborating with GHA to promote waitlist opportunities (up to 10 points).

Narrative: Our property management division is well versed in navigating the layers of compliance that come with not only a LIHTC development but special needs populations, SMI setasides, funding sources at a local, state, and federal level, and Project Based Vouchers. Six months prior to the completion of construction, Proeprty Management will open an interest list and begin working with prospective tenants. Affirmative Fair Housing Marketing Plans are created to ensure compliance at a



Project Based Voucher Assistance Application

Limited Opportunity Under 24 CFR 983.51(b)(2)

For Selection Based on Previous Competition Only

Federal level and implement accessibility to all populations. We look forward to collaborating with GHA to reach an even larger prospective tenant base and increase the number of resources for accessibility.

VII. Required Attachments

- a. Previous Competition Award Letter and Contract
- b. Proof of Authority to Operate in the State of Arizona (Arizona Corporation Commission)
- c. Unit Summary Table: Include a table that identifies the number of requested PBV units, number of other subsidized units, number of market rate units, and total units by bedroom size.
- d. Proposed Contract Rent: Include a table that shows proposed contract rent per month based on unit size.

VIII. Optional Attachments

List any additional attachments by name and number that you will include with your application as needed:

Purchase and sale agreement/amendments for land ATTACHMENT E

DOUGLAS A. DUCEY
Governor



THOMAS M. SIMPLOT
Director

STATE OF ARIZONA
DEPARTMENT OF HOUSING
1110 WEST WASHINGTON, SUITE 280
PHOENIX, ARIZONA 85007

(602) 771-1000 WWW.AZHOUSING.GOV
FAX: 602-771-1002

VIA EMAIL, FEDEX AND U.S. MAIL

bswanton@gormanusa.com

sschwenn@gormanusa.com

April 1, 2022

Mr. Brian Swanton
Centerline on Glendale, LLC
c/o Gorman & Company, LLC
200 N. Main Street
Oregon, WI 53575-1447

RE: Reservation of 2022 State Low Income Housing Tax Credits
Centerline on Glendale Phase I / State LIHTC #STC-01-22

Dear Mr. Swanton:

The Arizona Department of Housing (the "Department") hereby notifies you of its decision on your application for Low Income Housing Tax Credits ("LIHTC") submitted February 15, 2022. The Department is pleased to officially notify you that the above-referenced project qualifies for a reservation of State Low Income Housing Tax Credits ("State Tax Credits") from the 2022 credit ceiling contingent on the fulfillment of the specific requirements and/or conditions described in this letter.

Reservation Amount

Based on its review of the 2022 state tax credit application for **Centerline on Glendale Phase I**, the Department issues this Reservation of 2022 State Tax Credits to **Centerline on Glendale, LLC** in the amount of **\$1,000,000**. The amount of State Tax Credits reserved to the project is the lesser of the following: (1) the amount computed under the Eligible Basis Analysis per the 2022-2023 Qualified Allocation Plan ("QAP"); or (2) the amount computed per the financial feasibility test in the 2022-2023 QAP.

Conditions

Applicant must meet all conditions stated within this letter to move forward in the State Tax Credits allocation process.

Condition 1

The Preliminary 4% LIHTC Application was received. To move forward in the State Tax Credit and 4% LIHTC process all Final Application Documents must be submitted and the issuance 4% LIHTC Determination of Qualification must be secured.

Centerline on Glendale – Phase I / #STC-01-22 / Reservation

April 1, 2022

Page 2

Condition 2

The reservation of State Tax Credits is conditioned on payment of the Reservation Fee in the amount of \$80,000 within 30 days of the Determination of Qualification for 4% LIHTCs.

Thank you for your application, we look forward to working with you on this project. Please contact Sheree Bouchee at sheree.bouchee@az.housing.gov if there are questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sheree Bouchee', with a stylized flourish at the end.

Sheree Bouchee
Rental Programs Administrator

Enclosures

cc: (sluster@gormanusa.com)
(cindy.stotler@az.housing.gov)

DOUGLAS A. DUCEY
Governor



THOMAS M. SIMPLOT
Director

STATE OF ARIZONA
DEPARTMENT OF HOUSING
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PHOENIX, ARIZONA 85007

(602) 771-1000 WWW.AZHOUSING.GOV
FAX: 602-771-1002

September 23, 2022
Revised December 21, 2022

VIA EMAIL

bswanton@gormanusa.com
mnesvacil@gormanusa.com

Mr. Brian Swanton
Gorman & Company, LLC
200 N Main Street
Oregon, WI 53575-1447

RE: ADOH Gap Financing Reservation
Centerline on Glendale - Phase I

Dear Mr. Swanton,

The Arizona Department of Housing ("ADOH" or the "Department") has received a request for up to \$3,000,000 in National Housing Trust Fund ("NHTF") and HOME dollars for the New Construction of a 186 unit housing community in Glendale, Arizona (the "Project").

This letter sets forth the terms and conditions under which the Department is conditionally reserving ADOH Gap Financing to supplement the allocation of Tax Credits to the Project. Where not herein defined, all terms are as defined in the 2022 Qualified Allocation Plan ("QAP").

This reservation letter includes a conditional gap determination based on the submission of initial the gap application and supporting documentation. The funding will be contingent upon the completion of an environmental review; final underwriting assessment and approval; and valid funding commitments from all other sources. The Department accepts no responsibility for any adverse consequences to the Project Owner if the Owner chooses to proceed with the Project based upon this letter.

Applicant: Centerline on Glendale, LLC

Loan Amount: Up to \$379,800 in National Housing Trust Funds
Up to \$2,620,200 in HOME dollars
(final amount will be based on underwriting and subsidy layering evaluation)

Loan Terms: ADOH loan shall be secured through a Deed of Trust and accrue simple interest annually at the long-term applicable federal rate as of the date the loan closes. The term of the loan will be based upon the longest period of affordability associated with the source of the funds awarded (15-30 years). The annual payment shall be the greater of: (1) an annual simple

Centerline on Glendale, LLC - ADOH GAP Financing

September 23, 2022 - Revised December 21, 2022

Page 2

interest hard payment to be determined by ADOH during underwriting or (2) Surplus Cash Flow. If loan is structured as a Surplus Cash note a minimum annual payment of \$1,000 will be required.

Loan Fees: There are no loan fees.

Pending the above-mentioned conditions, this letter of interest is confirmed for 30 days following final underwriting approval by ADOH.

We are pleased to support the development of Centerline on Glendale - Phase I and look forward to its completion. This project will help increase affordable housing in our community!

Sincerely,



Sheree Bouchee
Rental Programs Administrator

February 1, 2022

Brian Swanton, President & CEO
Gorman & Company, LLC
200 N. Main St.
Oregon, WI 53575

SUBJECT: Centerline on Glendale – Phase I
Project-Based Voucher Commitment

Dear Mr. Swanton:

This letter serves as a preliminary commitment to award twenty (20) project-based, long-term rental subsidies for the Centerline on Glendale – Phase I development in Glendale, AZ. This award is based on the provisions of the AHCCCS Housing Program's (AHP's) Permanent Supportive Housing Vouchers for persons with behavioral health needs.

This award of project-based rental subsidies is subject to conformance with all AHCCCS program requirements and review of project due diligence. Once all conditions are met, an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract will be executed. Once construction is completed and the property passes required inspections, AHCCCS's Housing Administrator will execute a Housing Assistance Payment (HAP) Contract with an initial term of up to 20 years. The AHCCCS Housing Administrator would also coordinate referrals of eligible members for those units.

As you know, AHCCCS is working with its partners Arizona Behavioral Health Corporation (ABC) and HOM, Inc., to design a program and a replicable model around project-based rental subsidies for new developments like yours. Finding affordable and available housing for those with mental health needs is a crisis in our state. Your willingness to set aside units in your new development for this population is admirable and greatly appreciated. If all affordable housing developers were willing to do this, our housing crisis would be far less severe.

Thank you for your interest in partnering with AHCCCS and our partnering housing agencies to house Arizona's seriously mentally ill residents. We look forward to working with you on this worthwhile project. Should you have any questions, please contact me at (602) 417-4290 or david.bridge@azahcccs.gov.

Sincerely,



David Bridge
Director of Housing Programs

DOUGLAS A. DUCEY
Governor



THOMAS M. SIMPLOT
Director

STATE OF ARIZONA
DEPARTMENT OF HOUSING
1110 WEST WASHINGTON, SUITE 280
PHOENIX, ARIZONA 85007

(602) 771-1000 WWW.AZHOUSING.GOV
FAX: 602-771-1002

VIA EMAIL, FEDEX AND U.S. MAIL
(bswanton@gormanusa.com)
(sschwenn@gormanusa.com)

April 1, 2022

Mr. Brian Swanton
Centerline on Glendale Two, LLC
c/o Gorman & Company, LLC
200 N. Main Street
Oregon, WI 53575-1447

RE: Reservation of 2022 State Low Income Housing Tax Credits
Centerline on Glendale Phase II / State LIHTC #STC-02-22

Dear Mr. Swanton:

The Arizona Department of Housing (the "Department") hereby notifies you of its decision on your application for Low Income Housing Tax Credits ("LIHTC") submitted February 15, 2022. The Department is pleased to officially notify you that the above-referenced project qualifies for a reservation of State Low Income Housing Tax Credits ("State Tax Credits") from the 2022 credit ceiling contingent on the fulfillment of the specific requirements and/or conditions described in this letter.

Reservation Amount

Based on its review of the 2022 state tax credit application for **Centerline on Glendale Phase II**, the Department issues this Reservation of 2022 State Tax Credits to **Centerline on Glendale Two, LLC** in the amount of **\$1,000,000**. The amount of State Tax Credits reserved to the project is the lesser of the following: (1) the amount computed under the Eligible Basis Analysis per the 2022-2023 Qualified Allocation Plan ("QAP"); or (2) the amount computed per the financial feasibility test in the 2022-2023 QAP.

Conditions

Applicant must meet all conditions stated within this letter to move forward in the State Tax Credits allocation process.

Condition 1

The Preliminary 4% LIHTC Application was received. To move forward in the State Tax Credit and 4% LIHTC process all Final Application Documents must be submitted and the issuance 4% LIHTC Determination of Qualification must be secured.

Centerline on Glendale – Phase II / #STC-02-22 / Reservation

April 1, 2022

Page 2

Condition 2

The reservation of State Tax Credits is conditioned on payment of the Reservation Fee in the amount of \$80,000 within 30 days of the Determination of Qualification for 4% LIHTCs.

Thank you for your application, we look forward to working with you on this project. Please contact Sheree Bouchee at sheree.bouchee@az.housing.gov if there are questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sheree Bouchee', with a stylized flourish at the end.

Sheree Bouchee
Rental Programs Administrator

Enclosures

cc: (sluster@gormanusa.com)
(cindy.stotler@az.housing.gov)

DOUGLAS A. DUCEY
Governor



THOMAS M. SIMPLOT
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(602) 771-1000 WWW.AZHOUSING.GOV
FAX: 602-771-1002

September 23, 2022
Revised December 21, 2022

VIA EMAIL
(bswanton@gormanusa.com)
(mnesvacil@gormanusa.com)

Mr. Brian Swanton
Gorman & Company, LLC
200 N Main Street
Oregon, WI 53575-1447

RE: ADOH Gap Financing Reservation
Centerline on Glendale - Phase II

Dear Mr. Swanton,

The Arizona Department of Housing ("ADOH" or the "Department") has received a request for up to \$3,000,000 in HOME dollars for the New Construction of a 182 unit housing community in Glendale, Arizona (the "Project").

This letter sets forth the terms and conditions under which the Department is conditionally reserving ADOH Gap Financing to supplement the allocation of Tax Credits to the Project. Where not herein defined, all terms are as defined in the 2022 Qualified Allocation Plan ("QAP").

This reservation letter includes a conditional gap determination based on the submission of initial the gap application and supporting documentation. The funding will be contingent upon the completion of an environmental review; final underwriting assessment and approval; and valid funding commitments from all other sources. The Department accepts no responsibility for any adverse consequences to the Project Owner if the Owner chooses to proceed with the Project based upon this letter.

Applicant: Centerline on Glendale Two, LLC

Loan Amount: Up to \$3,000,000 in HOME dollars (final amount will be based on underwriting and subsidy layering evaluation)

Loan Terms: ADOH loan shall be secured through a Deed of Trust and accrue simple interest annually at the long-term applicable federal rate as of the date the loan closes. The term of the loan will be based upon the longest period of affordability associated with the source of the funds awarded (15-30 years). The annual payment shall be the greater of: (1) an annual simple interest hard payment to be determined by ADOH during underwriting or (2) Surplus Cash

Flow. If loan is structured as a Surplus Cash note a minimum annual payment of \$1,000 will be required.

Loan Fees: There are no loan fees.

Pending the above-mentioned conditions, this letter of interest is confirmed for 30 days following final underwriting approval by ADOH.

We are pleased to support the development of Centerline on Glendale - Phase II and look forward to its completion. This project will help increase affordable housing in our community!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sheree Bouchee', with a stylized, cursive flourish extending to the right.

Sheree Bouchee
Rental Programs Administrator

February 1, 2022

Brian Swanton, President & CEO
Gorman & Company, LLC
200 N. Main St.
Oregon, WI 53575

SUBJECT: Centerline on Glendale – Phase II
Project-Based Voucher Commitment

Dear Mr. Swanton:

This letter serves as a preliminary commitment to award twenty (20) project-based, long-term rental subsidies for the Centerline on Glendale – Phase II development in Glendale, AZ. This award is based on the provisions of the AHCCCS Housing Program’s (AHP’s) Permanent Supportive Housing Vouchers for persons with behavioral health needs.

This award of project-based rental subsidies is subject to conformance with all AHCCCS program requirements, review of project due diligence and availability of funds to AHCCCS from the State of Arizona. Once all conditions are met, an Agreement to Enter into a Housing Assistance Payment (AHAP) Contract will be executed. Once construction is completed and the property passes required inspections, AHCCCS’s Housing Administrator will execute a Housing Assistance Payment (HAP) Contract with an initial term of up to 20 years. The AHCCCS Housing Administrator would also coordinate referrals of eligible members for the committed units.

As you know, AHCCCS is working with its partners Arizona Behavioral Health Corporation (ABC) and HOM, Inc., to design a program and a replicable model around project-based rental subsidies for new developments like yours. Finding affordable and available housing for those with mental health needs is a crisis in our state. Your willingness to set aside units in your new development for this population is admirable and greatly appreciated. If all affordable housing developers were willing to do this, our housing crisis would be far less severe.

Thank you for your interest in partnering with AHCCCS and our partnering housing agencies to house Arizona’s seriously mentally ill residents. We look forward to working with you on this worthwhile project. Should you have any questions, please contact me at (602) 417-4290 or david.bridge@azahcccs.gov.

Sincerely,



David Bridge
Director of Housing Programs



Corporations Division

COMMISSIONERS

Lea Márquez Peterson - Chairwoman
Sandra D. Kennedy
Justin Olson
Anna Tovar
Jim O'Connor

Date: 9/15/2021

Delivered via: Email

RITA L. SPEARS, P.C.
5777 S RURAL RD
STE 4
TEMPE AZ 85283
USA

RE: **Entity Name:** CENTERLINE ON GLENDALE, LLC
ACC File Number: 23264217
ACC Order Number: 202109021396782
Document Received Date: 09/02/2021
Document Type: Foreign Registration Statement

We are pleased to notify you that the document referenced above submitted for the entity referenced above has been APPROVED for filing.

The Corporations Division strongly recommends that you periodically monitor your foreign limited liability company's public record, which can be viewed at ecorp.azcc.gov. If you have questions or for further information, contact Customer Service at 602-542-3026, or, within Arizona only, 800-345-5819.

Division Director Tanya Gibson
1300 W. Washington Street, Phoenix, AZ 85007 | 602-542-3026 | azcc.gov

STATE OF ARIZONA



**Office of the
CORPORATION COMMISSION**

CERTIFICATE OF REGISTRATION

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

CENTERLINE ON GLENDALE, LLC

ACC file number: 23264217

a foreign limited liability company organized under the laws of Wisconsin, has been granted authority to transact business in Arizona as of 08/25/2021.

This Certificate relates only to the legal authority of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: 09/15/2021.



A handwritten signature in cursive script, reading "Matthew Neubert", written over a horizontal line.

Matthew Neubert, Executive Director

STATE OF ARIZONA



**Office of the
CORPORATION COMMISSION**

CERTIFICATE OF REGISTRATION

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

CENTERLINE ON GLENDALE TWO, LLC

ACC file number: 23288220

a foreign limited liability company organized under the laws of Wisconsin, has been granted authority to transact business in Arizona as of 10/25/2021.

This Certificate relates only to the legal authority of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: **11/02/2021**.



A handwritten signature in black ink that reads "Matthew Neubert".

Matthew Neubert, Executive Director



P: (608) 835-3900

F: (608) 835-3922



info@GormanUSA.com

www.GormanUSA.com



200 N Main Street

Oregon, WI 53575

Attachment C

Phase 1

Unit Type	City of Glendale	ACHHHS		Market Rate	Total
	PBV Units	PBV Units	LIHTC-only		
1BR	11	15	70	0	96
2BR	16	4	52	0	72
3BR	13	1	4	0	18
	40	20	126	0	186

Phase 2

Unit Type	City of Glendale	ACHHHS		Market Rate	Total
	PBV Units	PBV Units	LIHTC-only		
1BR	12	15	47	0	74
2BR	16	4	62	0	82
3BR	12	1	13	0	26
	40	20	122	0	182



 P: (608) 835-3900
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 200 N Main Street
Oregon, WI 53575

Attachment D

Phase 1

<u>Unit Type</u>	<u>Contract Rent</u>
1BR	\$1,511
2BR	\$1,791
3BR	\$2,476

Phase 2

<u>Unit Type</u>	<u>Contract Rent</u>
1BR	\$1,511
2BR	\$1,791
3BR	\$2,476

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is made and entered into by and between SAIA FAMILY LIMITED PARTNERSHIP, an Arizona limited partnership ("Seller"), and GORMAN & COMPANY, LLC, a Wisconsin limited liability company, its successors and/or assigns ("Purchaser").

This Agreement shall be deemed effective as of the date it is accepted, dated and signed by Seller, provided that on that date: (a) a copy of the fully executed Agreement is transmitted by email to Purchaser at the email addresses provided in Section 18 below; and (b) an original of the fully executed Agreement is sent via an overnight delivery service, for delivery the next morning, to Purchaser at the addresses set forth in Section 18 below (the "Effective Date"). Otherwise, the Effective Date shall be the date on which Purchaser receives from Seller a fully executed original of the Agreement.

Recitals:

A. Seller is the owner of certain real property located in Glendale, Arizona, which is identified on Exhibit A (the "Land").

B. Purchaser wishes to purchase the Land and certain other property from Seller, and Seller has agreed to sell to Purchaser the Land and such other property, all as described in this Agreement.

Now, therefore, in consideration of the foregoing Recitals, the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties hereby agree, with the intention of being legally bound, as follows:

1. Sale of Subject Property.

(a) Property. Subject to the terms and conditions of this Agreement, Seller will sell to Purchaser, and Purchaser will purchase from Seller, all of the following property (collectively, "Subject Property"):

(i) the Land;

(ii) All appurtenances, rights, privileges and easements benefiting, belonging, or pertaining to the Land, including, without limitation, all right, title, and interest of Seller: (i) in and to any land lying in the bed of any highway, street, or road, open or proposed, in front of, abutting or servicing the Land; (ii) in and to any condemnation awards, or payments in lieu of such awards, for change of grade, alignment or access rights with regard to such highways, streets and roads; and (iii) in and to any alleys, strips, or gores of land adjacent to the Land and any easements benefiting the Land (collectively, the "Appurtenances"); and

(iii) All buildings, improvements, and related facilities, if any, situated on the Land (together with the Land and Appurtenances, the "Real Property"); and

(iv) To the extent assignable, all Seller's interest in and to all governmental approvals, permits and licenses issued with respect to the Real Property (collectively, the "Licenses and Permits") and all Seller's interest in and to all drawings, plans, engineering reports, specifications, surveys, contract rights, and general intangibles related to the Real Property (collectively with the Licenses and Permits, the "Intangibles").

2. Purchase Price; Earnest Money. As consideration for the purchase of the Subject Property, Purchaser will pay to Seller the sum ("Purchase Price") of Five Million Forty-Four Thousand Thirty-Two Dollars (\$5,044,032.00). The Purchase Price will be payable as follows:

(a) Initial Deposit of Earnest Money. Within five (5) business days following the Effective Date, Purchaser will deposit the sum of \$50,000 (the "Initial Deposit") in the form of cash or a wire transfer of funds with the escrow department of Chicago Title Agency, Inc., 2525 E. Camelback, Suite 134, Phoenix, Arizona, 85016 ("Title Company"). The Initial Deposit and the Additional Deposit (defined below), when deposited, together with all accrued interest thereon, is referred to in this Agreement as the "Earnest Money." Title Company shall hold and apply the Earnest Money in accordance with the terms of a written Escrow Agreement prepared on a customary form provided by the Title Company, which Seller and Purchaser shall execute and deliver to one another and to Title Company promptly after the execution of this Agreement. Notwithstanding anything in this paragraph to the contrary, the Initial Deposit shall not be due from Purchaser until an Escrow Agreement has been duly executed by and delivered to each of Purchaser, Seller and Escrow Agent. The accrued interest portion of the Earnest Money shall accrue to the benefit of Purchaser.

(b) Additional Deposit of Earnest Money. Within five (5) business days following the LIHTC Acceptance Deadline Date (defined below), if Purchaser had not sooner terminated this Agreement in accordance with its terms, the Initial Deposit shall become non-refundable to Purchaser (but shall remain applicable to the Purchase Price) and Purchaser will deposit an additional \$50,000 (the "Additional Deposit") in the form of cash or a wire transfer of funds with the Title Company.

(c) Balance of Purchase Price. All Earnest Money shall be applicable to the Purchase Price at Closing (defined below). The balance of the Purchase Price, plus or minus prorations and other adjustments hereunder, if any, will be due by Purchaser at Closing. Purchaser will pay such balance to Title Company which shall make closing disbursements.

3. Feasibility Period; Appraisal and Purchase Price.

(a) Purchaser shall have a period of time commencing on the Effective Date and continuing through September 1, 2021 (the "Feasibility Period") to conduct any due diligence investigations, inspections, testing, review and analysis of the Subject Property and all information pertaining to the Subject Property as Purchaser may deem necessary, subject to the terms and conditions of Section 5(b) hereof. If Purchaser, in its sole discretion, determines that it does not desire to acquire the Subject Property, with or without reason, and notifies Seller before the expiration of the Feasibility Period of its election to terminate this Agreement, this Agreement thereupon shall be deemed terminated and there shall be no further obligation or liability on either of the parties hereto except as to any other obligations contained in this

Agreement that expressly survive such termination. If Purchaser elects to terminate this Agreement during the Feasibility Period as set forth in this paragraph, it shall return to Seller all Seller's Materials (defined below) and all Earnest Money (less the Independent Consideration (defined below) which shall be paid to Seller) shall be promptly returned to Purchaser. The failure of Purchaser to terminate this Agreement during the Feasibility Period shall be deemed a notice to Seller that Purchaser has elected to not terminate this Agreement during the Feasibility Period.

(b) During the Feasibility Period, Purchaser shall obtain, at Purchaser's sole cost and expense an appraisal of the Subject Property (the "Appraisal"). If the Appraisal does not confirm that the value of the Subject Property is at least equal to the Purchase Price, then Purchaser may elect, in its sole discretion, to terminate this Agreement. If Purchaser elects to terminate this Agreement as set forth in this paragraph, it shall return to Seller all Seller's Materials (defined below) and all Earnest Money (less the Independent Consideration (defined below) which shall be paid to Seller) shall be promptly returned to Purchaser. The failure of Purchaser to terminate this Agreement during the Feasibility Period shall be deemed a notice to Seller that Purchaser has elected to not terminate this Agreement during the Feasibility Period.

4. Title and Survey Review.

(a) During the Feasibility Period, Purchaser shall obtain: (i) at Seller's expense, a title commitment on the Real Property (the "Title Commitment") from the Title Company; and (ii) at Purchaser's expense, an ALTA/ACSM survey of the Real Property ("Survey"). Purchaser shall review the Title Commitment and Survey and satisfy itself as to all title and survey matters affecting the Real Property on or before the Financing Deadline Date.

(b) On or before to the Financing Deadline Date, Purchaser may deliver to Seller written notice of Purchaser's objections to any matters raised by the Title Commitment and Survey (the "Title and Survey Objections"). If Purchaser does not deliver any Title and Survey Objections on or before the Financing Deadline Date, Purchaser shall be deemed to have waived Purchaser's right to object to any title exceptions appearing on the Title Commitment or conditions reflected on the Survey (and the same shall not constitute Title and Survey Objections and shall be deemed acceptable to Purchaser in all respects). Purchaser shall not be obligated to raise any Financing Liens (as defined below) as Title and Survey Objections; it being understood that Seller shall cause all such Financing Liens to be removed of record as of Closing.

(c) Within ten (10) business days of receipt of any such notice of Title and Survey Objections as set forth in Section 4(b), Seller shall notify Purchaser in writing of Seller's election to cure, at Seller's sole expense, any or all of such Title and Survey Objections or Seller's election, in its sole and absolute discretion, not to cure any or all of such Title and Survey Objections ("Seller's Response Notice"). Prior to giving notice of an election not to cure Title and Survey Objections, Seller will consult with Purchaser in an attempt to resolve such Title and Survey Objections and if the same are reasonably susceptible of being resolved, will cooperate with Purchaser at no cost or expense to Purchaser and at minimal cost or expense to Seller and for time in resolving such Title and Survey Objections. If Seller notifies Purchaser in accordance with the preceding sentence that Seller is unable or unwilling to cure any of the Title and Survey Objections, then Purchaser shall notify Seller and Title Company, within three (3)

business days following receipt of Seller's Response Notice, of Purchaser's election, in its sole and absolute discretion, to either terminate this Agreement or proceed to Closing and accept title to the Subject Property subject to the Title and Survey Objections that Seller is unable or unwilling to cure, without any abatement of the Purchase Price, or any liability or obligation on the part of Seller by reason of such Title and Survey Objections. If Purchase elects to terminate this Agreement pursuant to this paragraph, this Agreement thereupon shall be deemed terminated and there shall be no further obligation or liability on either of the parties hereto except as to any other obligations contained in this Agreement that expressly survive such termination, Purchaser shall return all of Seller's Materials to Seller and all Earnest Money (less the Independent Consideration and Initial Deposit which shall be paid to Seller) shall be returned to Purchaser. If Purchaser fails to notify Seller of its election to terminate this Agreement within three (3) business days following receipt of Seller's Response Notice, then Purchaser shall be deemed to have waived such Title and Survey Objections and the same, if any, shall be deemed acceptable to Purchaser hereunder.

(d) At Closing, Seller shall convey the Real Property to Purchaser by Special Warranty Deed, subject only to the "Permitted Exceptions". The Permitted Exceptions shall consist of: (i) the lien of current general real estate taxes and other public charges which are not yet due and payable as of the Closing Date (defined below); (ii) zoning and all other applicable laws and standard governmental regulations which affect the Real Property; (iii) any matters shown on the Survey; (iv) acts done or suffered by, through or under, or judgments against, Purchaser; (iv) any other matters deemed acceptable to Purchaser pursuant to Sections 4(b) or 4(c) or approved in writing by Purchaser in Purchaser's reasonable discretion (collectively, the "Required Title Condition").

(e) Notwithstanding the foregoing, no deeds of trust, mortgages, other loan security instruments, construction liens, judgment liens or other financial encumbrances encumbering all or part of the Real Property ("Financing Liens") shall be deemed to be Permitted Exceptions. On or before the Closing Date, Seller shall cause the Real Property to be released from all Financing Liens created by Seller and shall cause any such Financing Liens not created by Seller but which encumber the Real Property to be bonded or insured over to the reasonable satisfaction of Purchaser and the Title Company. Seller may use proceeds from the Purchase Price to obtain such release.

(f) At Closing, Seller shall (i) execute Title Company's customary form of title affidavits and indemnities necessary to convey title to the Real Property in the Required Title Condition and to allow the Title Company to issue the Title Policy (defined below) at Closing (collectively, the "Seller Title Affidavits"), (ii) execute such other instruments as are customarily and reasonably required by the Title Company for compliance with tax reporting or disclosure requirements and which are acceptable to Seller in its reasonable discretion, and (iii) furnish such customary written evidence of Seller's organizational status and authority to consummate this transaction as the Title Company may reasonably require to insure title to the Real Property in the Required Title Condition (the "Seller Authority Documents").

(g) Notwithstanding anything to the contrary in this Agreement, any adverse title or survey matters arising after expiration of the Feasibility Period resulting from the acts or omissions of Seller shall be cured to the satisfaction of Purchaser at the expense of Seller before

Closing, and the time for Closing will be delayed until such time as such matters are addressed to the reasonable satisfaction of Purchaser.

5. Seller's Materials; Tests and Studies.

(a) Within five (5) days after the Effective Date, Seller agrees to deliver to Purchaser complete copies of all of the following to the extent they are in the possession of or are reasonably accessible to Seller: (i) copies of all Licenses and Permits and other Intangibles, (ii) any environmental assessments, testing, studies or reports of any kind, civil engineering studies or reports, drainage studies or reports and soils assessments, testing studies or reports with respect to the Subject Property, (iii) copies of any development agreements, plans, prior entitlement approvals and other zoning approvals with respect to the Subject Property; (iv) any surveys (including, but not limited to any ALTA surveys) and site plans of the Subject Property; (v) the most recent title commitment with respect to the Real Property and copies of all recorded documents, as well as a copy of any title insurance policy for the Real Property issued to Seller; (vi) tax bills for the three most recent tax years; (vii) copies of all building plans and any construction contracts and architectural contracts currently in effect; (viii) appraisals of the Land or other Subject Property; and (viii) information in possession of Seller regarding any pending or potential litigation, condemnation, rezoning or assessment with regard to the Subject Property (collectively, "Seller's Materials") for Purchaser's review and analysis; provided, however, that if Purchaser elects to terminate this Agreement during the Feasibility Period or otherwise terminates this Agreement in accordance with its terms, Purchaser shall promptly return all such Seller's Materials to Seller.

(b) During the time that this Agreement remains in effect, Purchaser and its agents or consultants shall have the right, at Purchaser's sole risk and expense, to inspect during normal business hours in the offices of Seller and make copies of all books, records and files relating to the Subject Property, on two (2) business days' prior notice to Seller. Further, during the time that this Agreement remains in effect, Purchaser and its agents and consultants shall have the right, at Purchaser's sole risk and expense, to access the Real Property and to perform such investigations, inspections, tests and studies with respect to the Subject Property as Purchaser shall deem necessary or advisable (the "Studies"); provided, however, Purchaser shall (i) provide to Seller reasonable advance notice before entering onto the Real Property to conduct the Studies with Seller having the right to designate its agent to accompany Purchaser during the Studies; (ii) Purchaser shall conduct its Studies in a manner so as not to harm or damage the Subject Property or interfere with the use or operation of the Subject Property by Seller; (iii) Purchaser shall not permit any lien or claim of lien to exist as against the Subject Property arising from the acts or omissions of Purchaser or its agents, employees or contractors; and, (iv) Purchaser shall repair and reasonably restore the Subject Property to the condition existing immediately prior to any Studies conducted by Purchaser upon the Subject Property to the extent physically damaged by the conduct of any such Studies or by any activities of Purchaser or its agents, employees or contractors on the Subject Property. Purchaser shall indemnify, defend and hold harmless Seller and its members, agents, employees and contractors (collectively, the "Indemnified Parties") from and against any and all suits, damages, liabilities, claims, and expenses, including reasonable attorneys' fees and litigation costs, incurred by any of the Indemnified Parties as a result of death or injury to person, physical damage to property or lien claims caused by the entry upon the Real Property or Studies conducted with respect to the



Subject Property by Purchaser (or its agents, contractors, or employees). Said indemnification shall expire two (2) years from the Effective Date hereof. Anything in this Agreement to the contrary notwithstanding, the obligations of Purchaser under this Section 5(b) will survive Closing and any termination of this Agreement to the extent set forth in the preceding sentence.

6. Low Income Housing Tax Credits; Tax Exempt Bonds; Financing Commitments.

(a) Seller acknowledges that Purchaser intends apply to the Arizona Department of Housing (“ADOH”) for an allocation of 4% Low Income Housing Tax Credits (“LIHTC”) which Purchaser intends to use to finance, in part, its development of a multifamily apartment project on the Real Property (such project being the “Purchaser’s Contemplated Project”). Purchaser’s ability to use the LIHTC to finance Purchaser’s Contemplated Project is dependent upon Purchaser obtaining a commitment from a qualified issuer of tax exempt bonds to issue such bonds in an amount of a type sufficient to generate proceeds needed to finance Purchaser’s Contemplated Project (such bonds being the “Tax Exempt Bonds”). On or before October 1, 2021 (the “LIHTC Application Deadline Date”), Purchaser may elect, in its sole discretion, to make an application to ADOH for LIHTC (such application being the “LIHTC Application”). If Purchaser elects, in its sole discretion, not to make a LIHTC Application on or before the LIHTC Application Deadline Date and notifies Seller on or before the LIHTC Application Deadline Date that Purchaser is not making a LIHTC Application, this Agreement shall be deemed terminated and there shall be no further obligation or liability on either of the parties hereto except as to any obligations contained in this Agreement that expressly survive such termination, Purchaser shall return all of Seller’s Materials to Seller and all Earnest Money (less the Independent Consideration which shall be paid to Seller) shall be promptly returned to Purchaser.

(b) Seller shall cooperate with Purchaser to provide any information regarding the Subject Property as may be necessary to allow Purchaser to submit the LIHTC Application and Seller shall take such other steps as Purchaser may reasonably request in connection with the LIHTC Application and Purchaser’s Contemplated Project, including, but not limited to submitting any applications for municipal approvals for a consolidation, subdivision or other re-platting of any portion of the Real Property, zoning or other municipal or governmental approvals necessary for Purchaser’s Contemplated Project.

(c) If, on or before November 30, 2021 (the “LIHTC Allocation Deadline Date”), Purchaser does not receive a final, non-appealable allocation (a/k/a an ADOH Initial Notice of Determination of Qualification for Tax Credits) of LIHTC from ADOH (a “LIHTC Allocation”) in an amount deemed sufficient by Purchaser, in its reasonable discretion, when combined with other available sources, to enable Purchaser to develop and construct the Purchaser’s Contemplated Project, Purchaser may notify Seller on or before the LIHTC Allocation Deadline Date that Purchaser has not received an acceptable LIHTC Allocation, in which case this Agreement shall be deemed terminated and there shall be no further obligation or liability on either of the parties hereto except as to any obligations contained in this Agreement that expressly survive such termination, Purchaser shall return all of Seller’s Materials to Seller and all Earnest Money (less the Independent Consideration which shall be paid to Seller) shall be promptly returned to Purchaser.

(d) If Buyer receives a LIHTC Allocation and does not terminate this Agreement as provided in the preceding paragraph by the LIHTC Allocation Deadline Date, Purchaser shall have through December 31, 2021 (the "LIHTC Acceptance Deadline Date") to determine, in Purchaser's sole discretion, to accept or reject the LIHTC Allocation and to execute and deliver a reservation or similar agreement with ADOH confirming Purchaser's acceptance of the LIHTC Allocation (a "Reservation Agreement"). If Purchaser notifies Seller on or before the LIHTC Acceptance Deadline Date that it does not intend to execute a Reservation Agreement, this Agreement shall be deemed terminated and there shall be no further obligation or liability on either of the parties hereto except as to any obligations contained in this Agreement that expressly survive such termination, Purchaser shall return all of Seller's Materials to Seller and all Earnest Money (less the Independent Consideration which shall be paid to Seller) shall be promptly returned to Purchaser.

(e) Purchaser shall have until 4:00 p.m. central time on March 31, 2022 (the "Financing Deadline Date") to secure financing commitments acceptable to Purchaser, in its sole discretion, necessary to complete the construction of Purchaser's Contemplated Project, including, but not limited to debt financing provided by the sale of the Tax Exempt Bonds, equity raised in connection with LIHTC and such other debt and equity financing as may be deemed sufficient by Purchaser to construct the Purchaser's Contemplated Project (collectively, the "Financing Commitments"). If on or before the Financing Deadline Date, Purchaser does not provide Seller with a notice confirming that it has obtained acceptable Financing Commitments, this Agreement shall be deemed terminated and there shall be no further obligation or liability on either of the parties hereto except as to any obligations contained in this Agreement that expressly survive such termination, Purchaser shall return all of Seller's Materials to Seller and all Earnest Money (less the Independent Consideration and the Initial Deposit which shall be paid to Seller) shall be promptly returned to Purchaser. At any time on or before the Financing Deadline Date, Purchaser may deliver a notice to Seller waiving its contingency set forth in this paragraph (a "Financing Waiver Notice"). Upon delivery of a Financing Waiver Notice, the Additional Deposit shall become non-refundable to Purchaser (but shall remain applicable to the Purchase Price).

7. Covenants by Seller. Seller covenants and agrees with Purchaser as follows from the Effective Date until the Closing Date:

(a) Transfers; Easements. Seller shall not transfer, encumber or restrict any of the Subject Property or any interest therein, or create or permit to be created any easements on the Real Property.

(b) Contracts. Seller shall not enter into or amend any contracts or agreements regarding the Subject Property (other than contracts in the ordinary course of business which are cancelable by the owner of the Subject Property, without penalty payable by Purchaser, either before or on the Closing Date or within thirty (30) days after giving notice thereof), without the prior written consent of Purchaser, which consent will not be unreasonably withheld or delayed.

(c) Operations. Seller will operate, maintain, repair and insure the Subject Property in a manner consistent with the existing operation, maintenance, repair and insurance of the Subject Property.

(d) Licenses; Leases; Occupancy Agreements. Seller shall not enter into any new license, lease or other occupancy or use agreement with respect to the Real Property without the prior written approval of Purchaser, which may be withheld in Purchaser's sole discretion.

(e) Notices. Promptly upon receipt, Seller shall provide Purchaser with copies of all written notices delivered or received by Seller under the Leases, relating to the Service Contracts or any other contract relating to the Subject Property, from neighboring property owners, from any insurance company which carries insurance on the Subject Property, from any governmental or quasi-governmental authority or from any other person or entity with respect to the Subject Property or any portion thereof.

(f) Continued Performance. Seller will not take or cause to be taken any action or fail to perform any obligation which would cause any of the representations or warranties contained in this Agreement to be materially untrue as of the Closing Date. Further, Seller shall promptly notify Purchaser, in writing, of any event or condition known to Seller that occurs before the Closing Date and causes a material change in the facts relating to, or the truth or accuracy of, any of the representations or warranties of Seller contained in this Agreement

(g) Changes in Zoning. Seller will not seek or approve any zoning change or other approval from any governmental authority with respect to the Subject Property without the prior written consent of Purchaser.

8. Representations and Warranties by Seller.

(a) Representations and Warranties. Seller represents and warrants to Purchaser as follows as of the Effective Date and again as of the Closing Date:

(i) Authority. Seller is a limited partnership, duly organized and validly existing and in good standing under the laws of the State of Arizona and duly qualified to transact business under the laws of the State of Arizona. Seller has the requisite power and authority to enter into and perform its obligations under this Agreement and Seller's Closing Documents (defined below). This Agreement and Seller's Closing Documents have been duly authorized by all necessary action on the part of Seller, and have been or will be at Closing, as applicable, duly executed and delivered by Seller. Seller's execution, delivery and performance of this Agreement and Seller's Closing Documents will not conflict with or result in a violation of Seller's organizational documents, or any judgment, order or decree of any court or arbiter, to which Seller is a party or affecting the Subject Property. To Seller's actual knowledge, this Agreement and Seller's Closing Documents when executed will be valid and binding obligations of Seller, enforceable against Seller in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.

(ii) FIRPTA. Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

(iii) Proceedings. Seller has not received written notice nor has knowledge of any action, claim, litigation, condemnation or proceeding of any kind pending or threatened against Seller which would have a material and adverse effect on the ability of Seller to perform its obligations under this Agreement, or against any portion of the Real Property. Seller (A) has not applied for, consented to, or is subject to the appointment of a receiver, trustee, custodian, liquidator or other similar official for itself or for all or a substantial part of its assets; (B) is not subject to a bankruptcy, insolvency, reorganization, liquidation, dissolution or similar proceeding, and has not admitted in writing its inability to pay its debts as they become due; (C) has not made an assignment for the benefit of creditors; (D) has not filed a petition or an answer seeking, consenting to, or acquiescing in a reorganization or an arrangement with creditors, or sought to take advantage of any bankruptcy law, insolvency law or other law for the benefit of debtors; or (E) has not filed an answer admitting the material obligations of a petition filed against it in any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar proceeding.

(iv) Condition of the Real Property. Seller has not received written notice from any governmental authority having jurisdiction over the Real Property of any violation of any applicable law, rule, regulation or code of any such governmental authority which has not been cured or remedied.

(v) Licenses; Leases; Occupancy Agreements. There are no licenses, leases or other occupancy or use agreements of any kind in place with respect to the Real Property, excluding a month-to-month verbal agreement with a local farmer for the purpose of growing cattle feed on the property, of which Seller shall terminate said agreement prior to the Closing Date. Seller shall provide such tenant all termination notices required by applicable law, including without limitation any notices required by Ariz. Rev. Stat. § 33-341(B).

(vi) Special Assessments. Except as may be shown on any tax bills delivered to Purchaser as part of Seller's Materials and the Title Commitment, Seller has not received any notice, in writing, of any special assessments or improvement district costs of any kind which affects the Subject Property.

(vii) Contracts. Other than contracts in the ordinary course of business which are cancelable by the owner of the Subject Property, without penalty payable by such owner within thirty (30) days after giving notice thereof, there are not contracts of any kind in place affecting the Subject Property.

(b) Representation and Warranty Becoming Untrue. In the event that, between the Effective Date and the Closing Date, Seller becomes aware that any of the foregoing representations and warranties of Seller, although true or correct on the Effective Date, is no longer true and correct in any material respect, Seller will promptly notify Purchaser thereof. If the representation or warranty is no longer true or correct due to any act or omission of Seller (or its agents or contractors), then Seller shall promptly cure the problem, so as to make the representation or warranty true and correct. If the representation or warranty is no longer true or correct for any reason(s) other than any act or omission of Seller (or its agents or contractors), then Seller covenants and agrees, within five (5) days after such notice (such five (5)-day period being sometimes hereinafter referred to as the "Warranty Cure Period"), either to notify

Purchaser in writing that Seller will not cure such then-incorrect representations and warranties or that Seller will use reasonable efforts to cure any such then-incorrect representations and warranties, and, in the event Seller so elects to try to cure, the Due Diligence Period and/or Closing, as the case may be, will be delayed for the period of time Seller undertakes such efforts as provided below. If Seller notifies Purchaser that Seller will not attempt to cure or if, after using such reasonable efforts, Seller cannot effect such cure on or before the expiration of the Warranty Cure Period, Purchaser will, within five (5) business days following either receipt of notice that Seller will not cure or the expiration of the Warranty Cure Period, elect either (i) to terminate this Agreement, or (ii) to proceed to Closing. Failure of Purchaser to notify Seller within the aforesaid five (5) business day period will constitute Purchaser's irrevocable election to proceed under clause (ii) of the immediately preceding sentence. In the event that Purchaser terminates this Agreement as provided in clause (i) above, then the Earnest Money shall be promptly returned to Purchaser, Purchaser shall promptly return Seller's Materials to Seller, and Purchaser and Seller shall be relieved of further obligations under this Agreement, except that the parties shall be entitled to enforce those obligations which expressly survive any termination of this Agreement.

9. Representations, Warranties and Covenants by Purchaser. Purchaser represents, warrants and covenants to Seller as follows as of the Effective Date and again as of the Closing Date:

(a) Purchaser is a Wisconsin limited liability company duly organized and validly existing and in good standing under the laws of the State of Wisconsin. Purchaser has the requisite power and authority to enter into and perform its obligations under this Agreement and Purchaser's Closing Documents (defined below). This Agreement and Purchaser's Closing Documents have been duly authorized by all necessary action on the part of Purchaser, and have been or will be at Closing, as applicable, duly executed and delivered by Purchaser. Purchaser's execution, delivery and performance of this Agreement and Purchaser's Closing Documents will not conflict with or result in violation of Purchaser's organizational documents, or any judgment, order or decree of any court or arbiter, to which Purchaser is a party. To Purchaser's knowledge, this Agreement and Purchaser's Closing Documents when executed will be valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, creditor's rights and other similar laws.

(b) Purchaser (i) has not applied for, consented to, or is subject to the appointment of a receiver, trustee, custodian, liquidator or other similar official for itself or for all or a substantial part of its assets; (ii) is not subject to a bankruptcy, insolvency, reorganization, liquidation, dissolution or similar proceeding, and has not admitted in writing its inability to pay its debts as they become due; (iii) has not made an assignment for the benefit of creditors; (iv) has not filed a petition or an answer seeking, consenting to, or acquiescing in a reorganization or an arrangement with creditors, or sought to take advantage of any bankruptcy law, insolvency law or other law for the benefit of debtors; and (v) has not filed an answer admitting the material obligations of a petition filed against it in any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar proceeding.

10. Closing.

(a) Closing Date. Closing of the transaction contemplated by this Agreement (“Closing”) shall be held through escrow with the Title Company on (i) June 30, 2022 or (ii) such other date as the parties may mutually agree (such date being the “Closing Date”). If the date determined for Closing as provided above falls on a day other than a business day, the Closing Date shall be postponed to the next following day which is a business day. The parties shall cooperate and use reasonable efforts to effect an escrow style closing or in such other fashion as may be reasonably acceptable to the parties and settlement agent that will not require personal attendance at Closing.

(b) Purchaser’s Conditions Precedent to Closing. Purchaser’s obligation to consummate the transaction contemplated by this Agreement will be subject to satisfaction or waiver of each of the following conditions (“Purchaser’s Closing Conditions Precedent”); provided, however, that Purchaser will have the unilateral right to waive any Purchaser’s Closing Condition Precedent, in whole or in part, by written notice received by Seller on or before the Closing Date:

(i) Tax Credits. All conditions necessary to allow Purchaser to obtain LIHTC shall have been satisfied or waived by ADOH.

(ii) Financing. All conditions necessary to allow Purchaser to obtain financing necessary for the completion of Purchaser’s Contemplated Project, including without limitation conditions for the issuance of Tax Exempt Bonds and all other conditions provided in Financing Commitments obtained by Purchaser shall have been satisfied or waived by the party imposing such conditions.

(iii) Representations and Warranties of Seller. The representations and warranties of Seller set forth in Section 8(a) hereof, subject to Section 8(b) hereof, will be true and correct in all material respects.

(iv) Obligations of Seller. Seller will have performed all of the obligations required to be performed by Seller under this Agreement, as and when required by this Agreement, in all material respects.

(v) Title to the Property. Title to the Real Property shall be in the condition required by this Agreement, and there shall be no new exceptions to title made between the effective date of the Title Report and the Closing Date, and the Title Company shall issue to Purchaser an ALTA 2006 extended coverage Owner’s Policy of Title Insurance (“Title Policy”) insuring Purchaser’s title to the Real Property for the sum equal to the Purchase Price conforming to the Required Title Condition set forth above and containing such endorsements as Purchaser shall have reasonably required.

(vi) Seller’s Closing Documents. Seller shall have executed and delivered all of the documents provided in Section 11(a) below.

(vii) Condition of Subject Property. There shall have been no material adverse change in the physical condition of the Real Property since the Effective Date.

(c) Failure of Purchaser's Conditions Precedent. If Purchaser notifies Seller of a failure to satisfy the conditions precedent set forth in Section 10(b) before the scheduled Closing Date, Seller may, within five (5) days after receipt of Purchaser's notice, agree to satisfy the condition before the scheduled Closing Date by written notice to Purchaser, and Purchaser shall thereupon be obligated to close the transaction provided Seller so satisfies such condition, provided however that the Closing Date shall not be extended to allow for such cure unless the Purchaser agrees in writing. If Seller fails to agree to cure or fails to cure such condition by the Closing Date (as the same may be modified by this paragraph), this Agreement may be terminated by Purchaser, all refundable Earnest Money (less the Independent Consideration which shall be paid to Seller) shall immediately be returned to Purchaser without any further action required from either party and neither party shall have any continuing obligations hereunder except as to those obligations which expressly survive termination; provided, however, if such failure of condition also constitutes a breach or default of Seller's covenants, representations or warranties set forth in this Agreement, Seller shall remain liable for such breach or default as set forth in this Agreement.

(d) Seller's Conditions Precedent to Closing. Seller's obligation to consummate the transaction contemplated by this Agreement will be subject to satisfaction or waiver of each of the following conditions ("Seller's Closing Conditions Precedent"); provided, however, that Seller will have the unilateral right to waive any Seller's Closing Condition Precedent, in whole or in part, by written notice received by Purchaser on or before the Closing Date:

(i) Representations and Warranties of Purchaser. The representations and warranties of Purchaser set forth in Section 9 hereof will be true and correct in all material respects.

(ii) Obligations of Purchaser. Purchaser will have performed all of the obligations required to be performed by Purchaser under this Agreement, as and when required by this Agreement, in all material respects.

(iii) Purchase Price. Purchaser shall have delivered the Purchase Price (subject to any adjustments, prorations and credits described in this Agreement) to Title Company.

(iv) Purchaser's Closing Documents. Purchaser shall have executed and delivered all of the documents provided in Section 11(b) below.

(e) Failure of Seller's Condition Precedent. In the event that any of Seller's Closing Conditions Precedent have not been satisfied or waived in writing by Seller as of the scheduled Closing Date, Seller shall have the right to terminate this Agreement by written notice to Purchaser given after the scheduled Closing Date, in which event this Agreement will terminate except as to those obligations which expressly survive termination, any non-refundable Earnest Money will be promptly delivered to Seller, and Purchaser shall promptly return Seller's Materials to Seller; provided, however, if such failure of condition also constitutes a breach or default of Purchaser's covenants, representations or warranties set forth in this Agreement, Purchaser shall remain liable for such breach or default as set forth in this Agreement.



11. Closing Deliveries.

(a) Seller's Closing Documents. On the Closing Date, Seller will execute and/or deliver to the Title Company or cause to be executed and/or delivered the following (collectively, "Seller's Closing Documents"):

(i) Deed. A Special Warranty Deed conveying the Real Property to Purchaser subject to only the Permitted Exceptions and otherwise acceptable to the Title Company for purposes of issuing the required Title Policy.

(ii) Title Affidavits and Authority Documents. The Seller Title Affidavits and Seller Authority Documents.

(iii) Assignment of Intangibles and Assumption Agreement. An Assignment of Intangibles and Assumption Agreement for the Intangibles, in a form mutually acceptable to the parties ("Assignment of Intangibles").

(iv) Original Documents. Originals of the Licenses and Permits to the extent that the same are in Seller's possession and have not previously been delivered to Purchaser.

(v) FIRPTA Affidavit. A non-foreign affidavit signed by Seller reasonably satisfactory to Purchaser and the Title Company.

(vi) Title Documents. Such other documents as may be reasonably required by the Title Company in order to issue the Title Policy required by this Agreement.

(vii) Closing Statement. A closing statement in form and substance acceptable to both Seller and Purchaser, and consistent with the terms, provisions and conditions of this Agreement (the "Closing Statement").

(viii) Transfer Tax Declarations. Such transfer tax and similar declarations, affidavits or certificates as may be required by applicable law, completed in a manner reasonably acceptable to Purchaser, including without limitation relating to any allocation of the Purchase Price.

(ix) Miscellaneous. Such other documents, instruments and affidavits as will be reasonably necessary to consummate the transaction contemplated by this Agreement, including, without limitation, affidavits identifying any brokers involved as the only persons entitled to a brokerage or similar commission in connection with consummation of the transaction contemplated hereby.

(b) Purchaser's Closing Documents. On the Closing Date, Purchaser will execute and/or deliver or cause to be executed and/or delivered to the Title Company the following (collectively, "Purchaser's Closing Documents"):

(i) Purchase Price. The Purchase Price (including the Earnest Money), plus or minus prorations and other adjustments, if any, in cash or by wire transfer of immediately available funds.

(ii) Assignment of Intangibles and Assumption Agreement. The Assignment of Intangibles.

(iii) Closing Statement. The Closing Statement.

(iv) Transfer Tax Declarations. Such transfer tax and similar declarations, affidavits or certificates as may be required by applicable law.

(v) Miscellaneous. Such other documents, instruments and affidavits as will be reasonably necessary to consummate the transaction contemplated by this Agreement, including, without limitation, affidavits identifying any brokers involved as the only persons entitled to a brokerage or similar commission in connection with consummation of the transaction contemplated hereby.

12. Adjustment and Prorations. At Closing, Seller and Purchaser will make the following adjustments and apportionment of expenses with respect to the Subject Property:

(a) Prorations. Real estate taxes, assessments, improvement district costs, rents, utilities, operating expenses and all other apportionable income and expenses paid or payable shall be apportioned pro rata on a per diem basis as of 12:01 A.M. on the Closing Date. All assessments and improvement district levied and/or assessed against the Subject Property before the Closing Date shall be paid in full by Seller at Closing regardless of whether the same may be paid in installments.

(b) Title Insurance. Seller will pay for the cost of the Title Commitment and for the insurance premiums charged by the Title Company for a Title Policy in the amount of the Purchase Price plus the costs of a "gap" endorsement and the costs of removing any standard exceptions on the Title Commitment from the Title Policy (e.g. costs for obtaining tax and assessment searches and the costs, if any, for endorsements necessary to insure title is in the Required Title Condition). Purchaser will pay for the cost of any insurance premiums for coverage over the amount of the Purchase Price and for other endorsements to the Title Policy which Purchaser obtains from the Title Company and for the costs of any lender's title insurance policy.

(c) Transfer and Recording Taxes. Seller shall pay any transfer taxes relating to the sale of the Subject Property, if any. Purchaser shall be responsible for all other recording taxes and fees imposed by the state, county or local municipality in which the Real Property is located, associated with the Closing contemplated by this Agreement.

(d) Operating Expenses. All operating costs of the Subject Property will be reconciled and allocated between Seller and Purchaser as of the Closing Date, so that Seller pays that part of such operating costs attributable to the period on or before the Closing Date, and Purchaser pays that part of such reasonable operating costs attributable to the period after the Closing Date.

(e) Attorneys' Fees. Each of the parties will pay its own attorneys' fees; provided, however, in the event of any litigation between the parties arising out of this Agreement or the collection of any funds due Purchaser or Seller pursuant to this Agreement, the prevailing party shall be entitled to recover from the other all reasonable, out-of-pocket costs incurred, including without limitation reasonable attorneys' and paralegals' fees and litigation costs, whether such fees and costs are incurred at trial, on appeal or in any bankruptcy proceedings.

(f) Other Costs. All other costs will be allocated in accordance with the customs prevailing in similar transactions in the greater metropolitan area in which the Real Property is located. Escrow closing fees charged by the Title Company shall be split equally between Seller and Purchaser.

(g) Errors. To the extent that errors are discovered in, or additional information becomes available with respect to, the prorations and allocations made at Closing, including, without limitation, any supplemental tax bills relating at least in part to the period of time before Closing, Seller and Purchaser agree to make such post-Closing adjustments as may be necessary to correct any such inaccuracy; however, all prorations will be deemed final no later than one (1) year after the Closing Date. Seller agrees to deliver to Purchaser copies of all invoices and payments related to the Subject Property received by Seller after Closing, and Purchaser shall do the same for Seller, to the extent that any such invoices or statements relate to the post-Closing adjustment described in this Section.

13. Default.

(a) Seller Default. If Seller shall (i) fail to consummate the purchase and sale contemplated herein when required to do so pursuant to the provisions hereof, time being of the essence, and Purchaser is ready, willing and able to perform, or (ii) otherwise breach or default under any of the provisions of this Agreement and Seller does not cure such failure, breach or default within ten (10) days after receipt of written notice from Purchaser specifying the breach or default, then Purchaser shall be entitled to exercise any and all remedies available to it at law or in equity, including, without limitation: (A) terminate this Agreement, receive back all Earnest Money (less the Independent Consideration which shall be paid to Seller), and at Purchaser's election, maintain a suit for damages incurred by Purchaser as a result of such breach or default, excluding consequential damages or (B) enforce specific performance of the terms, provisions and conditions of this Agreement. A claim for specific performance shall be filed in the superior court of Maricopa County, Arizona by no later than six (6) months following Seller's receipt of notice of Purchaser's claim of Seller default. For the avoidance of doubt, as part of its remedies under this Agreement, Purchaser shall be entitled to recover from Seller any Earnest Money paid under this Agreement, even if such Earnest Money is described herein as being non-refundable to Purchaser.

(b) Purchaser Default. If Purchaser shall (i) fail to consummate the purchase and sale contemplated herein when required to do so pursuant to the provisions hereof, time being of the essence, and Seller is ready, willing and able to perform, or (ii) otherwise breach or default under any of the provisions of this Agreement and Purchaser does not cure such failure, breach or default within ten (10) days after receipt of written notice from Seller specifying the

breach or default, then Seller shall have the right, as its sole remedy for default by Purchaser, to: (A) terminate this Agreement, receive the Independent Consideration and retain all Earnest Money as liquidated damages, and Purchaser and Seller shall be relieved of further obligations under this Agreement, at law or in equity (except that Purchaser and Seller shall be entitled to enforce those obligations which expressly survive any termination of this Agreement), in which event Purchaser shall promptly return Seller's Materials to Seller together with copies of any third party reports obtained by Purchaser with regard to the Subject Property or (B) at Seller's election, maintain a suit for damages incurred by Seller as a result of such breach or default, excluding consequential damages.

14. Damage. If any portion of the Subject Property is damaged before the Closing Date, Seller's only obligation with respect to such damage shall be to use commercially reasonable efforts to repair the damage and if such repairs have not been completed as of the Closing Date, Purchaser shall have the right to either delay the Closing Date until the repairs have been completed and paid for, or receive on the Closing Date the available insurance proceeds paid or payable as a result of such loss, damage or other casualty to the extent that such proceeds have not been applied to any repair work performed before the Closing Date and a credit against the Purchase Price in the amount of any deductible, and all unpaid claims and rights in connection with any such losses shall be assigned to Purchaser at Closing without in any manner affecting the Purchase Price; provided, however, that in the event that the cost of repair and restoration of such loss, damage or casualty is in excess of \$100,000.00, Purchaser shall have the right to terminate this Agreement by written notice to Seller given within twenty (20) days after receipt by Purchaser of notice from Seller that such casualty has occurred. In the event of any such termination pursuant to this Section 12, any non-refundable Earnest Money (less the Independent Consideration which shall be paid to Seller) shall be promptly returned to Purchaser, Purchaser shall promptly return Seller's Materials to Seller, and Purchaser and Seller shall be relieved of further obligations under this Agreement, at law or in equity (except that the parties shall be entitled to enforce those obligations which expressly survive any termination of this Agreement pursuant to Section 24 hereof). The term "cost of repair and restoration" shall mean an estimate from a reputable local contractor acceptable to Purchaser and Seller of the actual cost of repair and restoration and to be obtained by Purchaser.

15. Condemnation. If, before the scheduled Closing Date, eminent domain proceedings are commenced against the Subject Property, Seller will promptly give notice to Purchaser of such fact. If such proceedings relate to all or any part of the Subject Property, then at Purchaser's option (to be exercised within thirty (30) days after Seller's notice and in any event before the Closing Date), this Agreement will terminate. In the event of any such termination pursuant to this Section 13, any non-refundable Earnest Money (less the Independent Consideration which shall be paid to Seller) shall be promptly returned to Purchaser, Purchaser shall promptly return Seller's Materials to Seller, and Purchaser and Seller shall be relieved of further obligations under this Agreement, at law or in equity (except that the parties shall be entitled to enforce those obligations which expressly survive any termination of this Agreement). If Purchaser fails to elect to terminate (in the manner provided in this Section 13), then Seller will assign to Purchaser at the Closing Date all of Seller's right, title and interest in and to any award made or to be made in the condemnation proceedings, and there will be no reduction in the Purchase Price. Before the Closing Date, Seller will not designate counsel, appear in, or otherwise act with respect to the condemnation proceedings without Purchaser's prior written

consent, which consent will not be unreasonably withheld or delayed; provided, however, that if any action is necessary with respect to such proceeding to avoid any forfeiture or material prejudice in Seller's sole discretion, Seller will be entitled to take such action as and to the extent necessary without obtaining Purchaser's prior written consent. Purchaser shall be entitled to participate in, and Seller shall consult with Purchaser with regard to, any actions to be taken in connection with any condemnation proceeding.

16. Broker's Commission. Seller and Purchaser hereby represent and warrant to each other that in connection with the transaction contemplated hereby, no third party broker or finder has been engaged or consulted by such party or is entitled to compensation or commission in connection herewith. Seller and Purchaser will defend, indemnify and hold harmless each other from and against any and all claims arising out of the breach of the foregoing representation or warranty by such party. The indemnity obligations hereunder will include, without limitation, all damages, losses, risks, liabilities and expenses (including, without limitation, reasonable attorneys' fees and costs) arising from and related to matters being indemnified hereunder. No broker, finder or like party shall be entitled to rely (as a third-party beneficiary or otherwise) on the provisions herein claiming any right to commission or compensation or otherwise.

17. Assignment. Purchaser may assign its rights under this Agreement without the prior written consent of Seller to an affiliated entity owned or controlled by or under common control with Purchaser provided that Purchaser provides Seller with written copy of such assignment and assumption agreement before the Closing Date.

18. Notices. Any and all notices, demands, requests, submissions, approvals, consents, or other communications or documents required to be given, delivered or served or which may be given, delivered or served under or by the terms and conditions of this Agreement or otherwise, shall be in writing and delivered to the parties at their respective addresses below by; (a) personal/hand delivery, which shall be deemed to have been delivered on the date received by the recipient; (b) registered or certified U.S. Mail with return-receipt requested, which shall be deemed to have been delivered on the earlier of (i) the date of delivery to recipient set forth on the return-receipt or (ii) the date that is three (3) business days after being deposited with the U.S. Mail by sender; (c) overnight delivery service (such as Federal Express or other reputable service) with confirmation receipt requested, which shall be deemed to have been delivered on the earlier of (i) the date of delivery set forth on the confirmation receipt or (ii) one (1) business day after being deposited with such service by sender; or (d) email to the email address(es) below with a copy sent by any of the foregoing manners, which shall be deemed to have been delivered on the date sent provided that sender has received confirmation of valid receipt; provided that, in all cases, postage or delivery charges shall be prepaid by the sender.

If to Seller: Saia Family Limited Partnership
 Attn: Gabriel Saia Jr
 2120 E 6th St STE 16
 Tempe, AZ 85281
 email: gabe@eires.com

If to Purchaser: Gorman & Company, LLC
 Attention: President

200 N. Main St.
Oregon, Wisconsin
email: bswanton@gormanusa.com

with a required copy to:

Reinhart Boerner Van Deuren s.c.
Attention: Stephen Elliott
1000 North Water Street, Suite 2100
Milwaukee, Wisconsin 53202
email: selliott@reinhartlaw.com

Attorneys for each party will be authorized to give notices for each such party. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

19. **Captions.** The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

20. **Entire Agreement; Modification.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter herein contained, and all prior negotiations, discussions, writings and agreements between the parties with respect to the subject matter herein contained are superseded and of no further force and effect. No covenant, term or condition of this Agreement will be deemed to have been waived by either party, unless such waiver is in writing signed by the party charged with such waiver.

21. **Binding Effect.** This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

22. **Controlling Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Arizona.

23. **Severability.** The unenforceability or invalidity of any provisions hereof will not render any other provision herein contained unenforceable or invalid.

24. **Recordation.** Neither this Agreement nor any notice of this Agreement shall be recorded.

25. **Time of Essence.** Time is of the essence as to each and every provision of this Agreement.

26. **Binding Contract.** The parties hereto acknowledge that Purchaser will expend material sums of money in reliance on Seller's obligations under this Agreement in connection with negotiating and executing this Agreement, making applications for Tax Credits, conducting the inspections contemplated by this Agreement, seeking financing for the Contemplated Project and preparing for Closing, and that Purchaser would not have entered into this Agreement



without the availability of the Feasibility Period and other contingencies set forth in this Agreement. In consideration of the foregoing, the provision of a \$100 nonrefundable deposit (the "Independent Consideration"), the parties agree that adequate consideration exists so that Purchaser's rights to terminate this Agreement do not render this Agreement illusory. Seller and Purchaser each waive any and all rights to challenge the enforceability of this Agreement on the basis that any of the conditions or contingencies set forth herein are at Seller's or Purchaser's sole discretion or that any of the agreements contained herein are illusory. If either party challenges the enforceability of this Agreement in a manner that is inconsistent with the foregoing waiver, such party shall pay the other party's costs and expenses (including reasonable attorneys' fees) in enforcing this Agreement. The Independent Consideration is in addition to and independent of any other consideration or payment provided for in this Agreement and shall be retained by Seller notwithstanding: (a) the exercise of Purchaser's rights to terminate the Agreement, and/or (b) any other provision of this Agreement. The Independent Consideration shall be applied to the Purchase Price if this transaction closes. The Independent Consideration shall be paid by Purchaser to Seller by separate check promptly following the Effective Date.

27. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Either party may rely upon a facsimile or electronic (.pdf) copy of an executed counterpart of this Agreement and this Agreement shall be enforceable against the party executing such counterpart.

28. Business Days. As used in this Agreement, the term "business day" shall mean any day other than Saturday, Sunday or a holiday for the State of Arizona or national banks.

29. Real Estate License Disclosure. Seller hereby discloses that a principal of Seller (Gabriel Saia, Jr), holds a real estate license with the Department of Real Estate, State of Arizona.

30. Tax Deferred Exchange. Purchaser agrees to cooperate with Seller to qualify the transfer of the Property as a like kind exchange of property under Section 1031 of the Internal Revenue Code of 1986, as amended, provided that: (a) the exchange shall in no way hinder or delay Closing; (b) Purchaser shall not be required to take title to any property other than the Property; (c) Seller shall indemnify and pay all costs, fees and expenses related to the exchange; (d) Purchaser shall have no obligation with respect to the exchange except to cooperate with Seller; and (e) Seller shall hold harmless Purchaser from all costs, expenses and liabilities arising from the exchange or the effectiveness of the exchange.

[SIGNATURE PAGES FOLLOW]

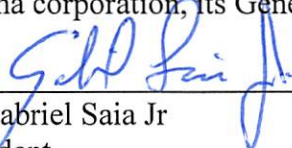
[SIGNATURE PAGE 1 OF 2 TO REAL ESTATE PURCHASE AND SALE AGREEMENT]

IN WITNESS WHEREOF, the Seller has caused this Agreement to have been executed and delivered as of the date first above written:

SELLER:

SAIA FAMILY LIMITED PARTNERSHIP,
an Arizona limited partnership;

By: SAIA ENTERPRISES, INC,
an Arizona corporation, its General Partner

By: 
Name: Gabriel Saia Jr
Its: President

Executed as of the 16 day of June, 2021.

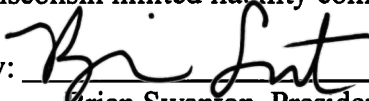


**[SIGNATURE PAGE 2 OF 2 TO REAL ESTATE PURCHASE AND SALE
AGREEMENT]**

IN WITNESS WHEREOF, the Purchaser has caused this Agreement to have been executed and delivered as of the date first above written:

BUYER:

GORMAN & COMPANY, LLC, a
Wisconsin limited liability company

By:  _____
Brian Swanton, President

Executed as of the 16 day of June, 2021.



Exhibit A

Legal Description of Land

[Full Legal Description To Be Inserted Upon Receipt of Title Commitment]

**Maricopa County, Arizona Assessor Parcel Nos. 144-07-004B; 144-07-004C; 144-07-004G;
144-07-005C**



SECOND AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

This Second Amendment to Real Estate Purchase and Sale Agreement (the "Amendment") is made and entered into by and among SAIA FAMILY LIMITED PARTNERSHIP, an Arizona limited partnership ("Seller"), and Centerline on Glendale, LLC, a Wisconsin limited liability company ("COG") and Centerline on Glendale Two, LLC, a Wisconsin limited liability company ("COG Two") and together with COG, "Purchaser") as of May __, 2022.

Recitals:

A. Purchaser and Seller are parties to a Real Estate Purchase and Sale Agreement with an Effective Date of June 16, 2021, as amended by a First Amendment to Real Estate Purchase and Sale Agreement with an Effective Date of September 28, 2021, as assigned to Purchaser by Gorman & Company, LLC, a Wisconsin limited liability company by an Assignment of Purchase Agreement dated May 10, 2022 (together, the "Original Agreement").

B. Purchaser and Seller wish to amend the Original Agreement as provided in this Amendment.

Now, therefore, in consideration of the foregoing Recitals, the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties hereby agree, with the intention of being legally bound, as follows:

1. Capitalized Terms. Capitalized terms used in this Amendment, but not otherwise defined herein, shall have the meaning given to them in the Original Agreement. The term "Agreement" used in this Amendment and in the Original Agreement shall mean the Original Agreement as amended by this Amendment.

2. Amendments.

(a) The Purchase Price is increased to Five Million One Hundred Ninety-Four Thousand Thirty-Two Dollars (\$5,194,032.00).

(b) Section 2(a) of the Agreement is amended to change the "Title Company" to be Stewart Title and Trust of Phoenix, Inc., 3131 E. Camelback Road, Suite 200, Phoenix, Arizona 85016. Seller and Purchaser shall execute and deliver such documents as may be required to evidence the transfer of the Earnest Money from Chicago Title Agency, Inc. to the Title Company. Purchaser shall pay costs related to the transfer of title and escrow from Chicago Title Agency, Inc. to Title Company.

(c) Section 10(a) of the Agreement is amended to provide that Closing shall occur on December 22, 2022 or such other date as the parties may mutually agree.

(d) Other than the satisfaction or waiver of Purchaser's Closing Conditions Precedent set forth in the Section 10(b)(iii), 10(b)(iv), 10(b)(v), 10(b)(vi), 10(b)(vii), Purchaser hereby waives any other contingencies set forth in the Agreement.

(e) All Earnest Money paid by Purchaser shall be immediately non-refundable other than in the event of a Seller default.

3. COG and GOG Two. Seller acknowledges that COG and COG Two each intend to purchase a portion of the Real Property and so much of the Intangibles as are related thereto at Closing, which specific portions of the Real Property and related Intangibles will be identified prior to Closing and which COG and COG Two may determine in their sole discretion, provided that between GOC and COG Two, they shall purchase all of the Subject Property. The following amendments are made to the Original Agreement relating to the foregoing:

(a) The Purchase Price shall be allocated between COG and COG Two based on the total square footage included in the portion of the Land each is purchasing. By way of illustration, if COG is purchasing 45% of the Land and GOG Two is purchasing 55% of the Land, COG will pay 45% of the Purchase Price and COG Two will pay 55% of the Purchase Price (in each case subject to credits and prorations contemplated by the Agreement. Prorations for income taxes and other expenses, and other adjustments to the Purchase Price contemplated by the Agreement shall be allocated between COG and COG Two in the same manner as the Purchase Price.

(b) A separate Special Warranty Deed shall be executed and delivered to each of COG and COG Two for those portions of the Real Property each is purchasing.

(c) A separate Assignment of Intangibles shall be executed and delivered by Seller and each of COG and COG Two for those portions of the Intangibles each COG and COG Two are purchasing.

(d) A separate Closing Statement shall be executed and delivered by Seller and each of COG and COG Two for those portions of the Subject Property each COG and COG Two are purchasing.

(e) Seller shall provide each of COG and COG Two with a separate Title Policy at Closing for their respective portions of the Real Property and title to the Real Property purchased by each of COG and COG Two will be in the Required Title Condition.

(f) Each of COG and COG Two ratify and make the representations and warranties set forth in Section 9 of the Agreement.

(g) Purchaser shall pay for any additional costs and expenses charged by Title Company for Closing in excess of what Seller would have paid had the transaction contemplated by the Agreement been closed as a sale from Seller to a single purchaser (*e.g.*, a second charge for closing costs, the cost of a second "gap" endorsement, the costs of a second set of tax and assessment searches, a second commitment, a second recording fee for a deed and other excess recording fees which would have otherwise been a Seller expense etc.).

4. Effect of Amendment. Except as expressly modified by this Amendment, the terms of the Original Agreement remain in full force and effect.,

5. Captions. The section headings or captions appearing in this Amendment are for convenience only, are not a part of this Amendment, and are not to be considered in interpreting this Amendment.

6. Binding Effect. This Amendment will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

7. Controlling Law. This Amendment will be governed by and construed in accordance with the laws of the State of Arizona.

8. Severability. The unenforceability or invalidity of any provisions hereof will not render any other provision herein contained unenforceable or invalid.

9. Counterparts. This Amendment may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Either party may rely upon a facsimile or electronic (.pdf) copy of an executed counterpart of this Amendment and this Amendment shall be enforceable against the party executing such counterpart.

[SIGNATURE PAGES FOLLOW]

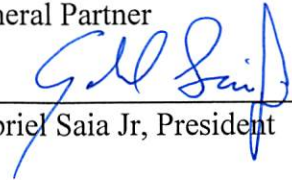
**[SIGNATURE PAGE TO FIRST AMENDMENT TO
REAL ESTATE PURCHASE AND SALE AGREEMENT]**

IN WITNESS WHEREOF, the Seller has caused this Amendment to have been executed and delivered as of the date first above written:

SELLER:

Saia Family Limited Partnership, an Arizona limited partnership

By: Saia Enterprises, Inc, an Arizona corporation, its General Partner

By:  _____
Gabriel Saia Jr, President

PURCHASER:

Centerline on Glendale, LLC, a Wisconsin limited liability company

By: Centerline on Glendale MM, LLC, a Wisconsin limited liability company, its managing member

By: GEC Centerline on Glendale, LLC, a Wisconsin limited liability company, its manager

By: Gorman & Company, LLC, a Wisconsin limited liability company, its manager

By:  _____
Brian Swanton, President

Centerline on Glendale Two, LLC, a Wisconsin limited liability company

By: Centerline on Glendale Two MM, LLC, a Wisconsin limited liability company, its managing member

By: GEC Centerline on Glendale Two, LLC, a Wisconsin limited liability company, its manager

By: Gorman & Company, LLC, a Wisconsin limited liability company, its manager

By:  _____
Brian Swanton, President

THIRD AMENDMENT TO REAL ESTATE PURCHASE AND SALE AGREEMENT

This Third Amendment to Real Estate Purchase and Sale Agreement (the “Amendment”) is made and entered into by and among SAIA FAMILY LIMITED PARTNERSHIP, an Arizona limited partnership (“Seller”), Centerline on Glendale, LLC, a Wisconsin limited liability company (“COG”) and Centerline on Glendale Two, LLC, a Wisconsin limited liability company (“COG Two” and together with COG, “Purchaser”) as of August 9, 2022.

Recitals:

A. Purchaser and Seller are parties to a Real Estate Purchase and Sale Agreement with an Effective Date of June 16, 2021, as amended by a First Amendment to Real Estate Purchase and Sale Agreement with an Effective Date of September 28, 2021, as assigned to Purchaser by Gorman & Company, LLC, a Wisconsin limited liability company by an Assignment of Purchase Agreement dated May 10, 2022 and amended by a Second Amendment to Real Estate Purchase and Sale Agreement dated May [blank], 2022 (together, the “Original Agreement”).

B. Purchaser and Seller wish to amend the Original Agreement as provided in this Amendment.

Now, therefore, in consideration of the foregoing Recitals, the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties hereby agree, with the intention of being legally bound, as follows:

1. Capitalized Terms. Capitalized terms used in this Amendment, but not otherwise defined herein, shall have the meaning given to them in the Original Agreement. The term “Agreement” used in this Amendment and in the Original Agreement shall mean the Original Agreement as amended by this Amendment.

2. Amendments.

(a) The Purchase Price is increased to Five Million Two Hundred Forty-Four Thousand Thirty-Two Dollars (\$5,244,032.00).

(b) Section 10(a) of the Agreement is amended to provide that Closing shall occur on February 22, 2023 or such other date as the parties may mutually agree.

(c) Purchaser shall instruct Title Company to release all Earnest Money deposited by Purchaser with Title Company to Seller or its exchange accommodator, as directed by Seller.

3. Effect of Amendment. Except as expressly modified by this Amendment, the terms of the Original Agreement remain in full force and effect.,

4. Captions. The section headings or captions appearing in this Amendment are for convenience only, are not a part of this Amendment, and are not to be considered in interpreting this Amendment.

5. Binding Effect. This Amendment will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6. Controlling Law. This Amendment will be governed by and construed in accordance with the laws of the State of Arizona.

7. Severability. The unenforceability or invalidity of any provisions hereof will not render any other provision herein contained unenforceable or invalid.

8. Counterparts. This Amendment may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Either party may rely upon a facsimile or electronic (.pdf) copy of an executed counterpart of this Amendment and this Amendment shall be enforceable against the party executing such counterpart.

[SIGNATURE PAGES FOLLOW]

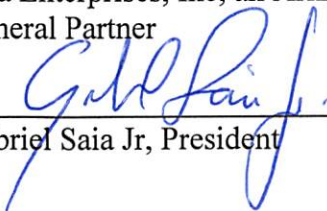
**[SIGNATURE PAGE TO THIRD AMENDMENT TO
REAL ESTATE PURCHASE AND SALE AGREEMENT]**

IN WITNESS WHEREOF, the Seller has caused this Amendment to have been executed and delivered as of the date first above written:

SELLER:

Saia Family Limited Partnership, an Arizona limited partnership

By: Saia Enterprises, Inc, an Arizona corporation, its General Partner

By: 
Gabriel Saia Jr, President

PURCHASER:

Centerline on Glendale, LLC, a Wisconsin limited liability company

By: Centerline on Glendale MM, LLC, a Wisconsin limited liability company, its managing member

By: GEC Centerline on Glendale, LLC, a Wisconsin limited liability company, its manager

By: Gorman & Company, LLC, a Wisconsin limited liability company, its manager

By: 
Brian Swanton, President

Centerline on Glendale Two, LLC, a Wisconsin limited liability company

By: Centerline on Glendale Two MM, LLC, a Wisconsin limited liability company, its managing member

By: GEC Centerline on Glendale Two, LLC, a Wisconsin limited liability company, its manager

By: Gorman & Company, LLC, a Wisconsin limited liability company, its manager

By: 
Brian Swanton, President

**SERIAL 220166-RFP AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES
Contract - Centerline on Glendale Two**

DATE OF LAST REVISION: March 23, 2022

CONTRACT END DATE: June 30, 2024

CONTRACT PERIOD THROUGH JUNE 30, 2024

TO: All Departments

FROM: Office of Procurement Services

SUBJECT: Contract for **AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **March 23, 2022**

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.



Kevin Tyne, Chief Procurement Officer
Office of Procurement Services

EK/mm
Attach

Copy to: Office of Procurement Services
Virginia Sturgill, Human Services
Rachel Milne, Human Services
Jamie Macfarlane, Human Services



AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES 220166-RFP

This Contract is entered into this 23rd day of March 2022 by and between Maricopa County (“County”), a political subdivision of the State of Arizona, and Centerline on Glendale Two, LLC, a Wisconsin Limited Liability Company (“Contractor” or “Developer”).

1.0 CONTRACT TERM

This Contract is for a term of 2 years and 3 months, beginning on the 23rd day of March 2022 and ending the 30th day of June 2024; however, all applicable terms and conditions of this Contract, and any Exhibits hereto, shall remain valid for the entire Affordability Period as defined in Exhibit C, Special Terms and Conditions, attached hereto and made a part hereof. (“Contractor” will be referred to in Exhibit C – Special Terms and Conditions, as “Developer”).

2.0 OPTION TO RENEW

The County may, at its option and with the concurrence of the Contractor, renew the term of this Contract up to a maximum of two years and six months. The Contractor shall be notified in writing by the Office of Procurement Services of the County’s intention to renew the Contract term at least 60 calendar days prior to the expiration of the original Contract term.

3.0 SPECIAL TERMS AND CONDITIONS TERM

Special Terms and Conditions (Exhibit C) Developer’s Contract Termination Date: 30 years from the date of issue of Certificate of Occupancy.

4.0 CONTRACT COMPLETION

In preparation for Contract completion, the Contractor shall make all reasonable efforts for an orderly transition of its duties and responsibilities to another provider and/or to the County. This may include, but is not limited to, preparation of a transition plan and cooperation with the County or other providers in the transition. The transition includes the transfer of all records and other data in the possession, custody, or control of the Contractor that are required to be provided to the County either by the terms of this agreement or as a matter of law. The provisions of this clause shall survive the expiration or termination of this agreement.

5.0 AVAILABILITY OF FUNDS

5.1 The provisions of this Contract relating to payment for services shall become effective when funds assigned for the purpose of compensating the Contractor as herein provided are actually available to County for disbursement. The County shall be the sole judge and authority in determining the availability of funds under this contract. County shall keep the Contractor fully informed as to the availability of funds.

5.2 If any action is taken by, any State agency, Federal department, or any other agency or instrumentality to suspend, decrease, or terminate its fiscal obligations under, or in connection with, this contract, County may amend, suspend, decrease, or terminate its obligations under, or in connection with, this contract. In the event of termination, County

shall be liable for payment only for services rendered prior to the effective date of the termination, provided that such services are performed in accordance with the provisions of this contract. County shall give written notice of the effective date of any suspension, amendment, or termination under this section, at least 10 days in advance.

6.0 DUTIES

The Contractor shall perform all duties stated in Exhibit B – Statement of Work, or as otherwise directed in writing by the Department of Housing, and the procurement officer (as applicable).

7.0 TERMS AND CONDITIONS

7.1 INDEMNIFICATION

7.1.1 To the fullest extent permitted by law, and to the extent that claims, damages, losses, or expenses are not covered and paid by insurance purchased by the Contractor, the Contractor shall defend, indemnify, and hold harmless the County (as Owner), its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses, and expenses (including, but not limited to attorneys' fees, court costs, expert witness fees, and the costs and attorneys' fees for appellate proceedings) arising out of, or alleged to have resulted from, the negligent acts, errors, omissions, or mistakes relating to the performance of this contract.

7.1.2 Contractor's duty to defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss, or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment of, or destruction of tangible property, including loss of use resulting therefrom, caused by negligent acts, errors, omissions, or mistakes in the performance of this contract, but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder.

7.1.3 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this section.

7.1.4 The scope of this indemnification does not extend to the sole negligence of County.

7.2 INSURANCE

7.2.1 Contractor, at Contractor's own expense, shall purchase and maintain, at a minimum, the herein stipulated insurance from a company or companies duly licensed by the State of Arizona and possessing an AM Best, Inc. category rating of B++. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

7.2.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this contract.

- 7.2.3 In the event that the insurance required is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two years beginning at the time work under this Contract is completed.
- 7.2.4 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.
- 7.2.5 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.
- 7.2.6 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.
- 7.2.7 The insurance policies required by this contract, except Workers' Compensation and Errors and Omissions, shall name County, its agents, representatives, officers, directors, officials, and employees as additional insureds.
- 7.2.8 The policies required hereunder, except Errors and Omissions, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials, and employees for any claims arising out of Contractor's work or service.
- 7.2.9 If available, the insurance policies required by this Contract may be combined with Commercial Umbrella Insurance policies to meet the minimum limit requirements. If a Commercial Umbrella insurance policy is utilized to meet insurance requirements, the Certificate of Insurance shall indicate which lines the Commercial Umbrella Insurance covers.

7.2.9.1 Commercial General Liability

Commercial General Liability (CGL) insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$3,000,000 for each occurrence, \$4,000,000 Products/Completed Operations Aggregate, and \$4,000,000 General Aggregate Limit. The policy shall include coverage for premises liability, bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provisions which would serve to limit third party action over claims. There shall be no endorsement or modifications of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

7.2.9.2 Errors and Omissions/Professional Liability Insurance

Errors and Omissions (Professional Liability) insurance which will insure and provide coverage for errors or omissions or professional liability of the Contractor, with limits of no less than \$2,000,000 for each claim.

7.2.9.3 Builder's Risk (Property) Insurance

Contractor shall purchase and maintain, on a replacement cost basis, Builders' Risk insurance and, if necessary, Commercial Umbrella insurance in the amount of the initial Contract amount, as well as subsequent modifications thereto for the entire work at the site. Such Builders' Risk insurance shall be maintained until final payment has been made or until no person or entity other than County has an insurable interest in the property required to be covered, whichever is earlier. This insurance shall include interests of County, Contractor, and all subcontractors and sub-subcontractors in the work during the life of the Contract and course of construction and shall continue until the work is completed and accepted by County. For new construction projects, Contractor agrees to assume full responsibility for loss or damage to the work being performed and to the structures under construction. For renovation construction projects, Contractor agrees to assume responsibility for loss or damage to the work being performed at least up to the full Contract amount, unless otherwise required by the Contract documents or amendments thereto. Builders' Risk insurance shall be on a special form and shall also cover false work and temporary buildings and shall insure against risk of direct physical loss or damage from external causes including debris removal, and demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for architect's service and expenses required as a result of such insured loss and other "soft costs" as required by the contract. Builders' Risk insurance must provide coverage from the time any covered property comes under Contractor's control and/or responsibility, 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 and while on the construction or installation site awaiting installation. The policy will provide coverage while the covered premises or any part thereof are occupied. Builders' Risk insurance shall be primary, and any insurance or self-insurance maintained by the County is not contributory. If the Contract requires testing of equipment or other similar operations, at the option of County, Contractor will be responsible for providing property insurance for these exposures under a Boiler and Machinery insurance policy or the Builders' Risk Insurance policy.

7.2.10 Certificates of Insurance

7.2.10.1 Prior to Contract award, Contractor shall furnish the County with valid and complete Certificates of Insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this Contract number and title.

7.2.10.2 In the event any insurance policy(ies) required by this Contract is (are) written on a claims-made basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual certificates of insurance.

7.2.10.3 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County 15 calendar days prior to the expiration date.

7.2.10.4 Certificate holder shall be identified as:

Maricopa County
c/o Risk Management
301 W Jefferson St., Suite 910
Phoenix, AZ 85003

7.2.11 Cancellation and Expiration Notice

Applicable to all insurance policies required within the insurance requirements of this contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without 30 days prior written notice to Maricopa County. Contractor must provide to Maricopa County, within two business days of receipt, if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to Maricopa County Office of Procurement Services and shall be mailed, or hand delivered to 160 S. 4th Avenue, Phoenix, AZ 85003, or emailed to the procurement officer noted in the solicitation.

7.3 TERMINATION FOR CONVENIENCE

Maricopa County and the Contractor may agree to mutually terminate the resultant Contract for convenience.

7.4 TERMINATION FOR DEFAULT

7.4.1 The County may, by written Notice of Default to the Contractor, terminate this Contract in whole or in part if the Contractor fails to:

7.4.1.1 perform the services within the time specified in this Contract or any extension;

7.4.1.2 make progress, so as to endanger performance of this contract; or

7.4.1.3 perform any of the other provisions of this contract.

7.4.2 The County's right to terminate this Contract under these subparagraphs may be exercised if the Contractor does not cure such failure after receipt of a Notice to Cure from the procurement officer specifying the failure and time frame allowed in which to remedy. The County shall allow for a time for cure that is no less than thirty (30) days in which to cure any Contractor default.

7.5 PERFORMANCE

It shall be the Contractor's responsibility to meet the proposed performance requirements.

7.6 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST

Notice is given that, pursuant to A.R.S. § 38-511, the County may cancel any Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of the County is at any time, while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the contract. Additionally, pursuant to A.R.S. § 38-511, the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of the County from any other party to the Contract arising as the result of the contract.

7.7 ASSIGNMENT

The Contractor may not assign to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing assignment must reference the Contract serial number and identify the job or project.

7.8 AMENDMENTS

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Board of Supervisors shall be responsible for approving all amendments for Maricopa County.

7.9 RIGHTS IN DATA

7.9.1 The County shall have the use of data and reports resulting from a Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to a Contract and to the performance thereunder.

7.9.2 Data, records, reports, and all other information generated for the County by a third party as the result of a Contract are the property of the County and shall be provided in a format designated by the County or shall be and remain accessible to the County into perpetuity.

7.10 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW

7.10.1 In accordance with Section MC1-373 of the Maricopa County Procurement Code, the Contractor agrees to retain (physical or digital copies of) all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six years after final payment or until after the resolution of any audit questions, which could be more than six years, whichever is longest. The County, Federal or State auditors and any other persons duly authorized by the department shall have full access to and the right to examine, copy, and make use of, any and all said materials.

7.10.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

7.11 AUDIT DISALLOWANCES

If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future invoices, request for credit, request for a check, or a deduction from current invoices submitted by the Contractor equal to the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

7.12 STRICT COMPLIANCE

Acceptance by County of a performance that is not in strict compliance with the terms of the Contract shall not be deemed to be a waiver of strict compliance with respect to all other terms of the contract.

7.13 VALIDITY

The invalidity, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of the contract.

7.14 SEVERABILITY

The removal, in whole or in part, of any provision of this Contract shall not void or affect the validity of any other provision of this contract.

7.15 NON-DISCRIMINATION

Contractor agrees to comply with all provisions and requirements of Arizona Executive Order 2009-09, including flow down of all provisions and requirements to any subcontractors. Executive Order 2009-09 supersedes Executive Order 99-4 and amends Executive Order 75-5 and is hereby incorporated into this Contract as if set forth in full herein. During the performance of this contract, Contractor shall not discriminate against any employee, client, or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability, or national origin. (Arizona Executive Order 2009-09 can be downloaded from the Arizona Memory Project at <http://azmemory.azlibrary.gov/cdm/singleitem/collection/execorders/id/680/rec/1.>)

7.16 WRITTEN CERTIFICATION PURSUANT to A.R.S. § 35-393.01

If Contractor or any subcontractor employed for the work engages in for-profit activity and has 10 or more employees, Contractor certifies it is not currently engaged in, and agrees for the duration of this agreement to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

7.17 DUNS NUMBER AND SYSTEM FOR AWARD MANAGEMENT REGISTRATION

Funding for activities under this Contract are provided through under the American Rescue Plan Act – Coronavirus State and Local Fiscal Recovery Funds Assistance Listing Number (ALN) 21.027. All Contractors that receive Federal funding must obtain a Data Universal Numbering System (DUNS) number through <http://fedgov.dnb.com/webform>. Contractor must also be registered and remain current with the System for Award Management (SAM) at www.sam.gov, a database of basic business information for Contractors that receive Federal funds.

7.18 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

7.18.1 The undersigned (authorized official signing on behalf of the Contractor) certifies to the best of his or her knowledge and belief that the Contractor, its current officers, and directors:

7.18.1.1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from being awarded any Contract or grant by any United States department or agency or any state, or local jurisdiction;

7.18.1.2 have not within a three-year period preceding this contract:

7.18.1.2.1 been convicted of fraud or any criminal offense in connection with obtaining, attempting to obtain, or as the result of performing a government entity (Federal, State or local) transaction or contract; or

7.20 CONTRACTOR Employee Whistleblower Rights and Requirement To INFORM EMPLOYEES of Whistleblower Rights

7.20.1 The parties agree that this Contract and employees working on this Contract will be subject to the Contractor employee whistleblower protections established by Title 41 U.S.C. § 4712 and Section 3.908 of the Federal Acquisition Regulation.

7.20.2 Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. § 4712, as described in Section 3.908 of the Federal Acquisition Regulation. Documentation of such employee notification must be kept on file by Contractor and copies provided to County upon request.

7.20.3 Contractor shall insert the substance of this clause, including this paragraph, in all subcontracts over the simplified acquisition threshold (\$250,000 as of fiscal year 2018).

7.21 CONTRACTOR LICENSE REQUIREMENT

The Contractor shall procure all permits, insurance, and licenses, and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any requirements, by any and all governmental or non-governmental entities as mandated to maintain compliance with and remain in good standing. The Contractor shall keep fully informed of existing and future trade or industry requirements, and Federal, State, and local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the department of any and all changes concerning permits, insurance, or licenses.

7.22 INFLUENCE

7.22.1 As prescribed in MC1-1203 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct, may be grounds for disbarment or suspension under MC1-902.

7.22.2 An attempt to influence includes, but is not limited to:

7.22.2.1 A person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any type of valuable contribution or subsidy that is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

7.22.3 If a person attempts to influence any employee or agent of Maricopa County, the chief procurement officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

7.23 CONFIDENTIAL INFORMATION

7.23.1 Any information obtained in the course of performing this Contract may include information that is proprietary or confidential to the County. This provision establishes the Contractor's obligation regarding such information.

7.23.2 The Contractor shall establish and maintain procedures and controls that are adequate to assure that no information contained in its records and/or obtained from the County or from others in carrying out its functions (services) under the

Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. The Contractor's procedures and controls, at a minimum, must be the same procedures and controls it uses to protect its own proprietary or confidential information. If, at any time during the duration of the contract, the County determines that the procedures and controls in place are not adequate, the Contractor shall institute any new and/or additional measures requested by the County within 15 business days of the written request to do so.

7.23.3 Any requests to the Contractor for County proprietary or confidential information shall be referred to the County for review and approval, prior to any dissemination.

7.24 PUBLIC RECORDS

Under Arizona law, all offers submitted and opened are public records and must be retained by the County at the Maricopa County Office of Procurement Services. Offers shall be open to public inspection and copying after Contract award and execution, except for such offers or sections thereof determined to contain proprietary or confidential information by the Office of Procurement Services. If an offeror believes that information in its offer or any resulting Contract should not be released in response to a public record request, under Arizona law, the offeror shall indicate the specific information deemed confidential or proprietary and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise from disclosure. The records manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

7.25 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, expressed, or implied.

7.26 UNIFORM ADMINISTRATIVE REQUIREMENTS

By entering into this contract, the Contractor agrees to comply with all applicable provisions of Title 2, Subtitle A, Chapter II, Part 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS contained in Title 2 C.F.R. § 200 *et seq.*

7.27 GOVERNING LAW

This Contract shall be governed by the laws of the State of Arizona. Venue for any actions or lawsuits involving this Contract will be in Maricopa County Superior Court, Phoenix, Arizona.

7.28 SPECIAL TERMS AND CONDITIONS AGREEMENT

Special terms and conditions can be found in Exhibit C – SPECIAL TERMS AND CONDITIONS which are incorporated herein and made a part hereof.

7.29 ORDER OF PRECEDENCE

If there is any conflict between the terms of this Contract and any exhibit to this Contract, unless otherwise specified, the terms of this Contract shall prevail.

7.30 INCORPORATION OF DOCUMENTS

7.30.1 The following are to be attached to and made part of this Contract:

7.30.1.1 EXHIBIT A – CONTRACTOR INFORMATION

7.30.1.2 EXHIBIT B – STATEMENT OF WORK

- 7.30.1.2.1 Attachment B1: Project Description
- 7.30.1.2.2 Attachment B2: Budget
- 7.30.1.2.3 Attachment B3: Project Schedule
- 7.30.1.2.4 Attachment B4: Budget Amendment Request Form
- 7.30.1.2.5 Attachment B5: HOME Income and Rent Limits
- 7.30.1.2.6 Attachment B6: Utility Allowances

7.30.1.3 EXHIBIT C – SPECIAL TERMS AND CONDITIONS

7.30.1.4 EXHIBIT D – ADDITIONAL PROCEDURES/FORMS

- 7.30.1.4.1 Attachment D1: Affirmative Marketing and Fair Housing Policies and Procedures
- 7.30.1.4.2 Attachment D2: Occupancy Restrictions and Project Unit Characteristics
- 7.30.1.4.3 Attachment D3: Prohibited Lease Provisions
- 7.30.1.4.4 Attachment D4: Request for Reimbursement Procedures
- 7.30.1.4.5 Attachment D5: Sample Request for Reimbursement Cover Letter
- 7.30.1.4.6 Attachment D6: Request for Reimbursement Form
- 7.30.1.4.7 Attachment D7: ARPA Progress Report
- 7.30.1.4.8 Attachment D8: Annual Rental Compliance Report

7.30.1.5 EXHIBIT E – SECURITY INSTRUMENTS

- 7.30.1.5.1 Attachment E1: Sample Declaration and Assignment of Affirmative Land Use; Deed of Trust; Promissory Note
- 7.30.1.5.2 Attachment E2: Sample ALTA / NSPS Land Title Survey

7.31 NOTICES

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County Human Services Department
Housing and Community Development
234 N. Central Ave., Third Floor,
Phoenix, AZ 85004
Attention: Rachel Milne, Assistant Director
Phone Number: 602-506-1528

AND

Maricopa County
Office of Procurement Services
160 S. 4th Avenue
Phoenix, Arizona 85003-1647

For Contractor:

Centerline on Glendale Two, LLC
200 N Main Street
Madison, WI 53703
Attention: Brian Swanton, President
Phone: 602-708-4889
Email: bswanton@gormanusa.com

7.32 INQUIRIES

7.32.1 Inquiries concerning information herein must be submitted prior to the question deadline date/time posted in the e-procurement platform, Periscope S2G, using the link in the "Q&A" tab.

7.32.2 Administrative telephone/email inquiries shall be addressed to:

ELIZABETH KUTTNER, PROCUREMENT OFFICER
TELEPHONE: (602) 506-0099
elizabeth.kuttner@maricopa.gov

7.32.3 Inquiries may be submitted by telephone but must be followed up in writing. No oral communication is binding on Maricopa County.

[signature page follows]

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

CENTERLINE ON GLENDALE, LLC, a Wisconsin limited liability company

By: Centerline on Glendale MM, LLC, a Wisconsin limited liability company, managing member
GEC Centerline on Glendale, LLC, a Wisconsin limited liability company, manager
Gorman & Company, LLC, a Wisconsin limited liability company, manager



AUTHORIZED SIGNATURE OF PRINCIPAL

Brian Swanton, President

PRINTED NAME AND TITLE

200 N Main Street, Oregon, WI 53575

ADDRESS

3/18/2022

DATE

MARICOPA COUNTY



CHAIRMAN, BOARD OF SUPERVISORS

MAR 23 2022

DATE

ATTESTED:



CLERK OF THE BOARD

MAR 23 2022

DATE

APPROVED AS TO FORM:



DEPUTY COUNTY ATTORNEY

03/23/2022

DATE

EXHIBIT A-CONTRACTOR (DEVELOPER) INFORMATION

DUNS#: 118609479	FEDERAL TAX ID: 87-3221575
COMPANY NAME:	Centerline on Glendale Two, LLC
DOING BUSINESS AS (dba):	
MAILING ADDRESS:	200 N Main Street, Madison, WI 53703
REMIT TO ADDRESS:	200 N Main Street, Madison, WI 53703
TELEPHONE NUMBER:	608-835-3900
FAX NUMBER:	
WWW ADDRESS:	www.gormanusa.com
REPRESENTATIVE NAME:	Brian Swanton
REPRESENTATIVE TELEPHONE NUMBER:	602-708-4889
REPRESENTATIVE EMAIL ADDRESS	bswanton@gormanusa.com

	YES	NO	REBATE
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FUEL COMPRISES (if applicable) 0% OF TOTAL BID AMOUNT

PAYMENT TERMS: RESPONDENT IS REQUIRED TO PICK ONE OF THE FOLLOWING. PAYMENT TERMS WILL BE CONSIDERED IN DETERMINING LOW BID. FAILURE TO CHOOSE PAYMENT TERMS WILL RESULT IN A DEFAULT TO NET 30 DAYS.

NET 60 DAYS

EXHIBIT B – STATEMENT OF WORK

Attachment B1: Project Description

Project Description:

The Project as described herein, Centerline on Glendale Phase II, shall utilize ARPA funds to construct phase two of a two phase 368-unit affordable rental housing community that shall be constructed in two simultaneous phases. This Project is located near the southeast corner of 67th Avenue and Glendale Avenue on parcels currently known as 144-07-004B, 144-07-004C, 144-07-004G and 144-07-005C (the "Property"). Phase II, includes 182 total units, including 74 one-bedroom, 82 two-bedroom and 26 three-bedroom high quality rental homes. Phase I, which is the subject of a separate project, shall include 186 total units, also with a mix of one, two and three-bedroom units. ARPA funds as well as Arizona State Housing Tax Credits ("SHTF"), federal 4% federal Low Income Housing Tax Credits ("LIHTC") and National Housing Trust Funds ("NHTF") from the Arizona Department of Housing (ADOH). The funds shall be used to construct 12 ARPA-assisted "floating" units at the Property ("ARPA-assisted units"). During the 30 year Period of Affordability (as that term is defined in the Agreement), the twelve (12) ARPA-assisted "floating" units shall consist of: (a) five (5) one-bedroom units; (b) five (5) two-bedroom units and (c) two (2) three-bedroom units. The term "floating" in this Agreement shall be defined as set forth in 24 C.F.R. § 92.252(j). The income restrictions on the ARPA-assisted units must be maintained during the entire Period of Affordability.

ARPA funds in the amount of \$3 Million are being sought to offset eligible land acquisition, hard construction costs, and project-specific soft costs for Phase II. One-hundred percent of the units in the development shall be affordable to households earning at or below 60% of the area median income ("AMI"), with at least 20 units in each phase (40 units total) being targeted to households earning at or below 30% of area median income. The Phase II project shall include a 6,800 square foot community service facility called the Glendale Center for Healthy Living, that shall be open to the public and contain a community kitchen for small business incubation in partnership with Local First Arizona, healthy living classes, telehealth stations, a fitness facility, and other uses to encourage multi-generational healthy living.

The Project plans to partner with the City of Glendale and the Arizona Health Care Cost Containment System (AHCCCS), as well as HOM, Inc and the Arizona Behavioral Health Corporation (ABC). Through this unique partnership, the Contractor shall be utilizing long-term project-based subsidies for the construction of permanent supportive housing units specifically for extremely low income seriously mentally ill and developmentally disabled households. Units shall be set-aside in the development for the duration of the affordability period to prevent this vulnerable population from becoming homeless. AHCCCS will provide long term rental subsidies for the eligible households through the AHCCCS Housing Programs (AHP). In fact, this is only the second time in Arizona history where 4% tax credits will be utilized to develop newly constructed affordable housing units with project-based subsidy and wrap-around services for this incredibly difficult to house population.

Project Eligibility:

Property Standards - Housing that is constructed or rehabilitated with ARPA funds must meet all applicable local codes, rehabilitation, and construction standards, ordinances, and zoning ordinances, including Section 504 of the Rehabilitation Act of 1973 and Fair Housing Act, as amended, at the time of project completion. All work shall meet decent, safe and sanitary housing standards consistent with HOME regulations including HUD Housing Quality Standards and Maricopa County Housing Rehabilitation Standards. These standards are available on the Maricopa County website under Housing & Community Development or upon request.

Occupancy Requirements – The Project staff shall determine and verify income eligibility of tenants for the ARPA assisted-units prior to occupancy of a unit. The occupancy of the ARPA-assisted units must be by households whose income is at or below 60% AMI (very low income) throughout the Period of Affordability; see **Exhibit B, Attachment B5: HOME Income and Rent Limits**. The Project shall define "Annual Income" as it is defined at 24 C.F.R. Part 92 and shall document sources of income and examine eligibility on an annual basis in order to meet requirements of HOME regulations at 24 C.F.R. Part 92.203. Additional

guidance and resources are outlined in **Exhibit D, Attachment D2: Occupancy Restrictions and Project Unit Characteristics**.

Rental Requirements - The ARPA-assisted units shall be designated as Low HOME units, which are outlined in **Exhibit B, Attachment B5: HOME Income and Rent Limits**. Utility Allowances are outlined in **Exhibit B, Attachment B6: Utility Allowances**. The Low HOME rent limit is the maximum rent allowed for a ARPA-assisted unit; the maximum rent amount includes the utility allowance. Any increase in the lesser of these rent limits must be approved by HUD and the State of Arizona Department of Housing. The Developer shall provide to us a written request for the increase in rent limits and supporting documentation for the justification of this request.

Affordability Period – The Developer shall ensure all housing assisted under this Agreement meets the affordability requirements of 24 C.F.R. § 92.254 or § 92.252, as applicable.

Deliverables

Beneficiaries	
Number of households (units)	12
Number of people (approximate)	27

Use of ARPA Funds - The ARPA funds provided under this Agreement shall be used for the cost detailed in the budget found in Attachment B2.

EXHIBIT B – STATEMENT OF WORK

Attachment B2: Budget

FUND SOURCES		
Sources		Total
Bank Debt	Debt Financing	\$16,083,000
Federal Low Income Housing Tax Credit Equity	Debt Financing	\$16,694,069
State Low Income Housing Tax Credit Equity	Debt Financing	\$5,999,400
Deferred Developers Fee	Debt Financing	\$2,016,966
ADOH Gap Financing	Grants/Soft Loans	\$2,000,000
MCHSD ARPA Funds	Grants/Soft Loans	\$3,000,000
		\$45,793,435

BUDGET SUMMARY			
Name of Activity: Centerline of Glendale Phase II			
	ARPA Funds	Additional Sources	TOTAL COST
Acquisition Costs			
Land	\$ -	\$ 2,494,603	\$ 2,494,603
Building Acquisition	\$ -	\$ -	\$ -
Other: taxes, title, recording	\$ -	\$ -	\$ -
General Development Costs			
Construction Hard Costs- Residential	\$ 3,000,000	\$ 22,660,000	\$ 25,660,000
Construction Costs- Nonresidential	\$ -	\$ -	\$ -
Contractor OH, Profit, and Gen. Conditions	\$ -	\$ 3,510,000	\$ 3,510,000
Hard Costs Contingency	\$ -	\$ 1,949,000	\$ 1,949,000
Environmental- inspection and remediation	\$ -	\$ 35,750	\$ 35,750
Demolition	\$ -	\$ -	\$ -
Site Planning	\$ -	\$ -	\$ -
Architect Fees	\$ -	\$ 1,049,000	\$ 1,049,000
Engineering Fees	\$ -	\$ 200,000	\$ 200,000
Survey, Permit, Tests	\$ -	\$ 55,000	\$ 55,000
Legal Fees	\$ -	\$ 255,000	\$ 255,000
Other Professional Fees	\$ -	\$ 25,000	\$ 25,000
State Finance Agency Tax Credit Fees	\$ -	\$ 290,507	\$ 290,507
Syndication	\$ -	\$ 75,000	\$ 75,000
Bond Cost of Issuance Fees	\$ -	\$ 250,000	\$ 250,000
Permits and Fees Paid for by Developer	\$ -	\$ 500,000	\$ 500,000
Accounting and Cost Certification	\$ -	\$ 37,500	\$ 37,500
Title and Recording	\$ -	\$ 75,000	\$ 75,000
Market Study/Appraisal	\$ -	\$ 26,000	\$ 26,000
Real Estate Taxes	\$ -	\$ 91,000	\$ 91,000
Insurance	\$ -	\$ 155,000	\$ 155,000
Construction Period Interest	\$ -	\$ 1,550,000	\$ 1,550,000
Construction Financing Fees	\$ -	\$ 247,500	\$ 247,500
Permanent Financing Fees	\$ -	\$ 193,623	\$ 193,623
Marketing Expense	\$ -	\$ 55,000	\$ 55,000
Reserves	\$ -	\$ 1,310,765	\$ 1,310,765
Soft Cost Contingency	\$ -	\$ 40,000	\$ 40,000

Developer's Fee			
Developer's Fee	\$ -	\$ 5,663,187	\$ 5,663,187
Homeownership Counseling			
Counseling fee	\$ -	\$ -	\$ -
Program Administration Costs*			
Program Management Services	\$ -	\$ -	\$ -
Staff	\$ -	\$ -	\$ -
Supportive Services			
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTALS	\$ 3,000,000	\$ 42,793,435	\$ 45,793,435

EXHIBIT B – STATEMENT OF WORK

Attachment B3: Project Schedule

Project Milestone	Estimated Completion Date	Comments
Site Acquisition	6/30/2022	
Construction Loan (Closing Date)	11/29/2022	
Partnership Closing (Closing Date)	11/29/2022	
Permanent Loan Commitment	08/15/2022	
Permanent Loan Closing		
Other Funds Firm Commitment	04/15/2022	Source: NHTF
Other Funds Firm Commitment		Source:
Environmental Review Completion	6/15/2022	
Authority to Use Grant Funds	7/15/2022	
Zoning Entitlements	4/26/2022	
Plans Submitted to the Municipality	8/1/2022	
Civil Permits Issued	11/30/2022	
Building Permits Issued	11/30/2022	
Contractors Notice to Proceed Issued	11/30/2022	
Construction Mobilization	11/30/2022	
25% Completion	02/01/2023	
50% Completion	07/19/2023	
75% Completion	01/01/2024	
Certificate of Occupancy	05/31/2024	
ARPA-Assisted Units Occupied	06/30/2024	Leasing shall begin 03/01/2024
100% Occupancy	12/31/2024	

EXHIBIT B – STATEMENT OF WORK

Attachment B4: Budget Amendment Request Form

Please complete the form below to be considered for an Agreement amendment. This form must be completed for each type of amendment requested.

Requested Amendment for:

Project Number _____		Developer _____	
Program Representative _____			
Person Completing Form _____			
Contact Number _____			

Extension of Contract End Date		
Original Contract End Date		
Current Contract End Date (including approved extensions)		
Proposed Contract End Date		
Proposed grant funds to be carried over	\$ _____	From Program Year: _____
*Required Attachment A revised implementation schedule showing when major milestones shall be completed for each activity.		

Change in Proposed Accomplishments (Please explain below)		
	Original	Proposed Changes
Project Summary Provide a one-sentence summary of the activity for which you are requesting funds.		
Primary Target Group of Beneficiaries		
Estimated Number Benefited	No. of People	
	No. of Housing Units	
	Other	

Amendment to Scope of Work
Please include a description of the Original Scope of Work.
Please include a description of Proposed Amendment(s).

Budget

Any increase to total original grant amount requires Board of Supervisor's Approval. No attachments are required, but budget information must be included below.

Original Approved Budget		Proposed Amended Budget	
Funds	Total Funds	Funds	Total Funds

**Please include the following for the amendment requested:

<p>1. Identify the reasons for the proposed amendment(s).</p>
<p>2. Steps being taken to avoid any future amendment requests for the same reasons</p>

I approve the amendment(s) requested to be incorporated into our current agreement. All other provisions of the agreement shall remain unchanged.

Authorized Signature

Date

FOR OFFICE USE ONLY	
<input type="checkbox"/>	Recommended for Approval
<input type="checkbox"/>	Not Recommended for Approval due to: _____
_____ Staff Signature	_____ Date
_____ Assistant Director Signature	_____ Date

EXHIBIT B – STATEMENT OF WORK

Attachment B5: HOME Income and Rent Limits

Updated HOME income rent limits from the Maricopa County Housing & Community Development division are available on an annual basis. These limits are adjusted annually by the U.S. Department of Housing & Urban Development (HUD). The Developer can request the updated limits from the County or by going to <https://www.maricopa.gov/3893/Notices-Documents> or going to HUD's website for the updated versions each year.

EXHIBIT B – STATEMENT OF WORK

Attachment B6: Utility Allowances

Utility Allowance Determination - A utility allowance must be used when determining all eligible unit rents only if, and only for, utilities that are paid directly by the resident. If all utilities are provided by the owner/agent, there is no utility allowance. A copy of the current utility allowance schedule must be submitted to the County each year with the Annual Report. It is noted that utility allowance schedules often remain the same from year to year. If the table has not changed, the owner/agent should include a copy of a letter so stating from the appropriate authority dated in the calendar year covered by the annual report.

If a project is receiving both ARPA and LIHTC funding, a County may coordinate with the LIHTC agency to obtain a project-specific agency estimate or may accept a UA approved by the LIHTC agency based on its actual usage methodology.

EXHIBIT C – SPECIAL TERMS AND CONDITIONS

Funding Completion Date: June 30, 2024

Developer: Centerline on Glendale Two, LLC

CFDA Number: CFDA 21.027 American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Funds

DUNS Number: 118609479

These Special Terms and Conditions are attached to and made part of the Contract - AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES 220166-RFP.

1. The County is the recipient of funds from the United States of America pursuant to the American Rescue Plan Act of 2021 (ARPA).

2. On December 9, 2021, County did solicit proposals from developers seeking to obtain ARPA funds for projects that are to include affordable housing within the County.

3. Developer, in response to said solicitation, did submit a proposal for a project known as Centerline on Glendale Phase II.

4. County has reviewed Developer's proposal and has determined that said proposal is eligible for funding pursuant to the criteria established by the County.

5. The purpose of these Special Terms and Conditions is to set forth the basis pursuant to which the County will provide to Developer money from the allocation of ARPA funds made available to HSD, and to establish that the failure of Developer to abide by or perform any of these term or condition shall result in the breach of the Contract.

6. The following words and phrases shall have the definitions set forth when used in this Agreement:

- a. "Claim for reimbursement" means the process and procedures the Developer must use to obtain the disbursement of the funds being provided pursuant to the Contract. Claims for reimbursement may include claims for reimbursement for the costs of Work if such costs have already been paid using other funds.
- b. "Declaration" means a document executed by Developer and recorded in the office of the Maricopa County recorder against the Project Property restricting units, or some of them, in the Project as available only to residents who income qualify for a period that is not shorter than thirty (30) years.
- c. "Deed of Trust" means a security instrument executed by Developer and recorded in the office of the Maricopa County Recorder that secures the repayment of the funds advanced to the Developer under certain conditions set forth in the document.
- d. "Obligations Secured" means the Promissory Note, the Contract and the Declaration to be executed and, as appropriate, recorded in connection with securing the repayment of the funds to Developer under certain conditions set forth in those documents.
- e. "Period of Affordability" means a term of thirty (30) years, commencing on the date any certificate of occupancy is issued to the Project, during which all housing assisted under the Contract shall satisfy the requirements set forth on Exhibit D, attachment D2 to the Contract.
- f. "Project" means Centerline on Glendale Phase II, all as submitted to the County by Developer in response to the solicitation by the County on January 11, 2022.

- b. Notify the Developer of any deficiencies in the claim for reimbursement and itemize what additional information, if any, is need.
- c. Conduct, if, in the opinion of the County it is necessary, an inspection of the Project.
- d. Disburse all funds for which and to the extent of approval of the submitted claim for reimbursement in the manner, amount, increment, and timeframe determined at County's discretion.

14. Funding is contingent upon the availability of funds. If any action is taken by any State agency, federal department or any other agency or instrumentality to suspend, decrease or terminate its fiscal obligation under, or in connection with the Contract, the County may amend, suspend, decrease or terminate its obligations under or in connection with the Contract. In the event of termination, the County will, subject to the provisions of paragraphs 9, 10, 11, 12, 13 and 15 hereof, disburse funds for Work performed prior to the effective date of the termination. The County will give written notice of the effective date of any suspension, amendment, or termination under this Section at least 10 calendar days in advance.

15. Prior to occupancy of the Project the total sum of all claims for reimbursement shall not exceed ninety-five percent (95%) of total funding to Developer by the County pursuant to the Contract. Developer shall submit all claims for reimbursement, including the final claim for reimbursement post issuance of the final certificate of occupancy, not later than June 30, 2024, unless extended pursuant to paragraph 14 hereof. The term "occupancy" for purposes of obtaining the balance of funding for the Project will be as defined on Exhibit D, attachment D2 attached hereto and made a part hereof. However, in no event will the balance of funds be released to Developer unless and until all of the ARPA-assisted units are completed, leased and the tenants are income qualified.

16. The County will not be liable for any contracts entered into by Developer in anticipation of receiving payments under the Contract.

17. Not later than July 30 of each year and continuing until the expiration of the Affordability Period, Developer shall provide to the County:

- a. A copy of the then current rent rolls.
- b. Proof that all residents of the Project are qualified by income to reside in the Project.
- c. A copy of the then current forms of lease required to be executed by residents of the Project.
- d. Such other information as, in the sole discretion of the County, is necessary to demonstrate to the County that all requirements with respect to affordability are satisfied.
- e. Schedule with the County an inspection to allow the County to ensure all units are in compliance with Housing Quality Standards (HQS).

18. Notwithstanding any reporting obligations set forth herein, Developer shall provide any and all progress reports attached to ARPA funding by the federal government, the State of Arizona and/or the County. Furthermore, until "occupancy" of the Project as defined on Exhibit D, attachment D2 attached hereto and made a part hereof, Developer shall provide County with progress reports not less frequently than 15 days after the end of each calendar quarter, providing the information required by and on the form attached hereto as Exhibit D, attachment D7. In addition to the obligations set forth herein, Developer shall, simultaneously with the reporting obligation of the receiving entity, provide County with a copy of all reports and filings made with the federal government and/or the State of Arizona and/or any municipality, with respect to the Project.

19. Developer shall comply with any and all federal, state and local statutes, ordinances, resolution, regulations and rules, and any violation of any such law shall be deemed to be a material breach of the Contract. Specifically, Developer shall comply with all applicable provisions of American Rescue Plan Act 2021 and the Coronavirus State and Local Fiscal Recovery Funds.

20. Developer must receive prior written approval from the County for all Project amendments involving changes in the scope of the work, completion dates of project phases, location of approved activities, or budget.

21. The parties shall execute and deliver all such documents and perform all such acts as reasonably may be requested by the other party in order to conduct the activities described herein and to enforce the applicable affordability requirements.

22. Developer shall acknowledge the contribution of the County in all related publications during the Term of the Contract. Developer shall not use the name of Maricopa County in any other manner without prior written consent. Developer shall not use the County of Maricopa logo in any publications, marketing, or any other type of media without prior written authorization.

23. APPROVAL BY LENDERS AND INVESTOR

Developer intends to obtain financing from one or more lenders in order to develop and build the Project (each a "Lender"). Developer also intends to obtain state and federal low income housing tax credits and raise equity by admitting an investor member or members (each an "Investor Member") as a member of Developer in exchange for allocating such low income housing tax credits to Investor Member. The parties acknowledge that the Lender(s) and Investor Member(s) have not yet been identified by Developer, and that once identified, such Lender(s) and Investor Member(s) have the right to review and approve the terms of this Contract and related agreements, including without limitation, the Declaration and Assignment of Affirmative Land Use, Deed of Trust, and Promissory Note (including the repayment terms and conditions thereof). County and Developer may, but shall not be required to, make such amendments or modifications to this Contract and related agreements as Lender(s) and Investor Member(s) may reasonably require upon their review of the same.

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D1: Affirmative Marketing and Fair Housing Policies and Procedures

The public, property owners, and potential tenants will be informed about the responsibilities of the Project in complying with Fair Housing Act and Affirmative Marketing, regulations and the goal of attracting persons from all racial, ethnic, and gender groups in the housing market area to the available housing. This policy applies equally to all recipients of ARPA funds. The ARPA funds defer to the HOME Regulations regarding Fair Housing and Equal Opportunity (Title VI of the Civil Rights Act of 1964, As Amended, The Fair Housing Act, Equal Opportunity in Housing (Executive Order 11063, As Amended by Executive Order 12259), and the Age Discrimination Act of 1975, As Amended; (https://www.hud.gov/program_offices/fair_housing_equal_opp) and Affirmative Marketing (24 CFR Part 92.253(d); 2 CFR Part 92.351(a); HUD Executive Orders 11625, 12432, 12138).

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D2: Occupancy Restrictions and Project Unit Characteristics

This Attachment describes the specific affordability requirements and occupancy restrictions for the Project required by the applicable program regulations and the project characteristics as described and represented to the County. The Project shall be operated and maintained according to the unit mix and with the amenities described herein.

1. Residential Rental Unit Mix. The Developer acknowledges that the Project shall contain 182 total residential rental units of which, 0 are to be rented at market rates and 12 are ARPA-Assisted Units. The ARPA-Assisted Units shall be floating Units

2. Tenant Income and Rent Restrictions. The ARPA-Assisted Units shall be rented to qualifying tenants at the income levels and the rent limits described below:

[The following paragraphs may be deleted or revised as necessary to meet specific Project requirements]

- a) At least 12 units; a) five (5) one-bedroom units; (b) five (5) two-bedroom units and (c) two (2) three-bedroom units in the Project shall be Low Program Rent units and must be occupied by low-income households initially earning no more than 60% of the area median income adjusted by family size with rents not to exceed the lesser of: (1) the Fair Market Rent or (2) the Low Program Rent.
 - b) For the purposes of distinguishing High Program Rent Units from Low Program Rent Units, increases in tenant income are permitted as follows: In the event that the income of a tenant occupying a Low Program Rent unit or a Very Low Program Rent unit increases but does not exceed 80% of the area median income, that unit shall become a High Program Rent unit. To replace the Low Program Rent unit or a Very Low Program Rent unit, the Declarants must rent the next available unit to a Low Program Rent tenant or a Very Low Program Rent tenant as the case may be. The rent of the initial tenant whose income has increased may be increased to the High Program Rent for the unit. This process shall not increase the number of ARPA-Assisted Units. If the tenant's income increases above 80% of the area median income, the unit shall still be considered to be a High Program Rent unit but the tenant's rent must be adjusted as described under paragraph 2(e), below. The next available unit of comparable size or larger must be rented to tenants eligible for a ARPA-Assisted Unit and the rent can be adjusted as appropriate.
 - c) Annual Recertification of Tenant Income: The Developer must reexamine the income of tenants living in ARPA-Assisted Units at least annually. Each recertification must take place on the anniversary of the original income evaluation and lease signing unless the Declarants has adopted an annual schedule to perform all verifications at the same time.
 - d) Source Documentation – The ARPA fund will defer to The HOME regulations in 24 C.F.R. 92.203 for the income eligibility of applicants to be determined by examining source documentation which provides evidence of annual income. Verification of household income must be verified by the developer in accordance with 24 CFR 92.203. The project shall obtain and keep as part of its records the required documentation from the applicant for all ARPA-assisted units on an annual basis.
 - e) Over-income Tenants - If, during the annual requalification process stipulated in 24 C.F.R. 92. 203 a tenant is determined to be over income, the Developer shall designate the next available comparable unit as a floating ARPA- assisted unit and apply all HOME regulatory requirements and those of this Agreement to that unit. Developer shall notify the County of any requirements of other funding that conflict with the requirements of this Agreement; the parties agree to take reasonable steps to remedy such conflicts if possible and necessary
3. Supportive Services. The Developer acknowledges that supportive services shall be made available to tenants on the Project.

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D3: Prohibited Lease Provisions

The ARPA funded units will defer to HOME Regulations regarding prohibited lease terms. Pursuant to 24 CFR 92.253(b), the following terms are prohibited from inclusion in leases of ARPA- assisted. units: for the period of affordability agreed upon herein.

1. Agreement to be Sued. Tenant shall not be required to agree to be sued, admit guilt or consent to judgement in favor of the landlord in legal proceedings brought forth in connection with the lease agreement.
2. Treatment of Property. Landlord shall not take, hold, or sell tenant' s personal property without notice and a court decision on the rights of the respective parties.
3. Excusing Owner from responsibility. Tenant shall not be required to hold landlord or landlord' s agents harmless in any action or failure to act, whether unintentional or negligent.
4. Waiver of Notice. Tenant shall not be required to waive notification of a lawsuit instituted by landlord.
5. Waiver of Legal Proceedings. Tenant shall not be required to waive a court proceeding in an eviction process.
6. Waiver of Jury Trial. Tenant shall not be required to waive any right to a trial jury.
7. Waiver of Right to Appeal Court. Decisions. Tenant shall not be required to waive their rights to appeal a court decision associated with the lease.
8. Tenant's Payment of Legal Fees. Tenant shall not be required to pay any legal costs of landlord associated with a court proceeding.
9. Mandatory Supportive Services. Tenant shall not be required to accept supportive services in connection with their occupancy of the ARPA- assisted unit.

Developer acknowledges and agrees that inclusion of any of these provisions in a ARPA- assisted lease agreement, regardless of intent, is unenforceable.

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D4: Request for Reimbursement Procedures

1. Cover letter to County on the Developer's letterhead, signed by the Project's authorized official/representative
2. Status update of the project along with photos showing the progress of the construction
3. Request for Reimbursement Form
4. Certified Request for Payment from Contractor
5. Contractor Invoices
6. Proof of payment-cancelled checks or EFT's for all receipts submitted

The County reserves the right to delay processing of reimbursements under this Agreement until all required documents and back-up information is submitted to the County.

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D5: Sample Request for Reimbursement Cover Letter

AGENCY LETTERHEAD

Date

Rachel Milne, Assistant Director
Maricopa County Human Services Department
234 North Central Avenue
Phoenix, AZ 85004

Re: Project Name:
Quarterly Report Enclosed _____
Contract Number: _____ Payment Request Number: _____

Dear _____:

This letter certifies that (Agency Name) (“Project Name”) has complied with the requirements of the Department of Housing and Urban Development, Maricopa County, the ARPA Program and our agreement for reasonable and necessary costs of construction. The Project additionally certifies the files, including project management documentation files, and financial documentation of expenditures incurred in accordance with the program rules and regulations for eligible costs.

Therefore, the Project respectfully requests reimbursement of funds in the amount of \$_____ as established by the attached itemized expenditure invoice, other invoices, current project status report, proof of payment and other supporting documentation. If you have any questions, please contact me at _____.

Sincerely,

Signature: _____
Printed Name: _____
Title: _____

Enclosures

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D6: Request for Reimbursement Form



AMERICAN RECOVERY PLAN ACT 2021
AFFORDABLE HOUSING DEVELOPMENT

MARICOPA COUNTY HUMAN SERVICES DEPT REQUEST FOR REIMBURSEMENT - BUDGET SUMMARY (PAGE 1 OF 3)		Reimbursement # (MM/DD/YYYY)
Developer Name		Date (MM/DD/YYYY)
Project Name		Contract Amount (\$) \$0.00
County Contract No		Contract Balance (\$) \$0.00
Address		Contract Start Date (MM/DD/YYYY)
Contact Person		Contract End Date (MM/DD/YYYY)
Phone		Email

Reimbursement Request Letter and Itemized Payment Statement (Page 2 of 3) must accompany this form.

A	B	C	D	E	F	G	I	J	K	L	M	N	O	
BUDGET ITEM NO	BUDGET LINE ITEM	ARPA BUDGET	ARPA EXPENDED PREVIOUSLY	ARPA EXPENDED THIS PERIOD	ARPA EXPENDED TO DATE (D+E)	ARPA % COMPLETE (F/C)	ARPA BALANCE (C-F)	OTHER SOURCE FUNDS BUDGETED	OTHER SOURCE FUNDS EXPENDED	OTHER SOURCE FUNDS BALANCE (I-J)	TOTAL PROJECT BUDGET (C+I)	TOTAL PROJECT EXPENDED (F+J)	TOTAL PROJECT BALANCE (G+K)	TOTAL PROJECT % COMPLETE (M/L)
1	Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
2	Building Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
3	Other taxes, title, recording	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
4	Construction Hard Costs-Residential	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
7	Construction Costs-Nonresidential	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
8	Contractor O/H, Profit, and Gen. Conditions	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
7	Hard Costs Contingency	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
8	Environmental-Inspection and remediation	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
9	Demolition	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
10	Site Planning	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
11	Architect Fees	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
12	Engineering Fees	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
13	Survey, Permit, Tests	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
14	Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
15	Other Professional Fees	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
16	Accounting and Cost Certification	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
17	Title and Recording	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
18	Market Study/Appraisal	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
19	Rent Expense Taxes	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
20	Insurance	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
21	Construction Period Interest	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
22	Construction Financing Fees	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
23	Marketing Expenses	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
24	Inventory	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
30	Soft Cost Contingency	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
31	Other	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
32	Developer's Fee	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
33	Management Consulting Fee	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
34	Program Admin Program Management Services	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
35	Program Admin Staff	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
36	Supporter Services	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
37		\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
GRAND TOTAL		\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!

Recipient Authorized Signature		Date	Title
Recipient Authorized Signatory certifies that all activities undertaken by the contractor with funds provided under this contract have been carried out in accordance with the contract.			
Performance Reports: Current YES/NO			
MCHSD Project Coordinator Approval		Date	For MCHSD Use Only
MCHSD Grants Act Approval		Date	MCHSD Assistant Director Approval
			Date

A version of this form will be available in an Excel format.

EXHIBIT D- ADDITIONAL PROCEDURES/FORMS

Attachment D7: ARPA Progress Report



AMERICAN RECOVERY PLAN ACT 2021
AFFORDABLE HOUSING DEVELOPMENT

MARICOPA COUNTY HUMAN SERVICES DEPT QUARTERLY REPORT - EXPENDITURE & PSUMMARY (PAGE 1 OF 1)														
Developer Name										Reporting Period: (MM/DD/YYYY)				
Project Name										Date Submitted: (MM/DD/YYYY)				
County Contract No.										Contract Address (A): (RPT)				
Address										Contract Address (B): (RPT)				
Contract Person										Contract Start Date: (MM/DD/YYYY)				
Phone										Contract End Date: (MM/DD/YYYY)				
Reports are Due 15 days after the end of each calendar quarter. Submit Exhibit D, attachment D9 if units begin to be occupied before final completion of the project.														
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
REPORT #	BUDGET LINE ITEM	ARPA BUDGET	ARPA EXPENDED PREVIOUSLY	ARPA EXPENDED THIS PERIOD	ARPA EXPENDED TO DATE	ARPA % COMPLETE	ARPA BALANCE	OTHER SOURCE FUNDS BUDGETED	OTHER SOURCE FUNDS EXPENDED	OTHER SOURCE FUNDS BALANCE	TOTAL PROJECT BUDGET	TOTAL PROJECT EXPENDED	TOTAL PROJECT BALANCE	TOTAL PROJECT % COMPLETE
					(D+E)	(F/G)	(G-F)			(J-K)	(L+M)	(L+M)	(N-O)	(O/P)
1	Year 1 Quarter 1 (July 1, 2021 - March 31, 2021)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
2	Year 1 Quarter 2 (April 1, 2021 - June 30, 2021)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
3	Year 1 Quarter 3 (July 1, 2021 - Sept 30, 2021)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
4	Year 1 Quarter 4 (Oct 1, 2021 to Dec 31, 2021)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
5	Year 2 Quarter 1 (Jan 1, 2022 - March 31, 2022)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
6	Year 2 Quarter 2 (April 1, 2022 - June 30, 2022)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
7	Year 2 Quarter 3 (July 1, 2022 - Sept 30, 2022)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
8	Year 2 Quarter 4 (Oct 1, 2022 to Dec 31, 2022)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
9	Year 3 Quarter 1 (Jan 1, 2024 - March 31, 2024)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00
10	Year 3 Quarter 2 (April 1, 2024 - June 30, 2024)	\$0.00	\$0.00	\$0.00	\$0.00	4000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	4000.00

P	Q	R	S
PROJECT RELEASED	ESTIMATED DATE OF COMPLETION	ACTUAL DATE OF COMPLETION	STATUS/NOTES
Site Acquisition			
Construction Loan (Closing Date)			
Partnership Closing (Closing Date)			
Permanent Loan Commitment			
Permanent Loan Closing			
Other Funds Firm Commitment			
Other Funds Firm Commitment			
Environmental Review Completion			
Authority to Use Grant Funds			
Zoning Entitlements			
Plans Submitted to the Municipality			
Civil Permits Issued			
Building Permits Issued			
Contractors Notice to Proceed Issued			
Construction Mobilization			
70% Completion			
80% Completion			
70% Completion			
Certificate of Occupancy			
ARPA-Assisted Units Occupied			
100% Occupancy			

A version of this form will be available in an Excel format.

EXHIBIT E-SECURITY INSTRUMENTS

Attachment E1: Sample Declaration and Assignment of Affirmative Land Use;
Deed of Trust; Promissory Note

WHEN RECORDED, RETURN TO:

Maricopa County
Human Resources Department
Assistant Director
Housing and Community Development Department
234 North Central Avenue, 3rd Floor
Phoenix, Arizona 85004

Declaration and Assignment of Affirmative Land Use

[SUBJECT TO LENDER AND INVESTOR REVIEW AND APPROVAL]

This Declaration and Assignment of Affirmative Land Use (the "Declaration"), dated this _____ day of _____, 2022, by Centerline on Glendale Two, LLC, a Wisconsin limited liability company ("Declarant"), its successors and assigns, for the benefit of the Maricopa County, a body politic and corporate, by and through its Human Services Department, an agency of the Maricopa County, together with any successor and assignees, to its rights, duties, and obligations (collectively, "County").

RECITALS

WHEREAS, the County has been authorized under Arizona Revised Statutes Section 11-251, *et seq.* to, among other things, facilitate development of affordable housing in Arizona by providing funding for property development through loans and grants; and

WHEREAS, the County is the recipient of funds from the United States of America pursuant to the American Rescue Plan Act of 2021 (ARPA); and

WHEREAS, by Resolution adopted by the Maricopa County Board of Supervisors on _____, 2021, the sum of \$30,000,000 of the ARPA funding has been allocated to the Maricopa County Human Services Department ("HSD") to facilitate the creation of affordable housing within the County; and

WHEREAS, Declarant is the record owner of property upon which Declarant propose to develop a _____ housing project located on lands within the County of Maricopa, State of Arizona, the legal description of which is more particularly set forth in Exhibit A and known as _____("Project"); and

WHEREAS, Declarant submitted a proposal to the County seeking ARPA funds for the Project, which proposal has met with favorable consideration and funding for which will be

provided conditioned upon Declarant recording a Declaration whereby units within the Project shall remain affordable for a terms of not fewer than thirty (30) years; and

WHEREAS, Declarant, intends, declares, acknowledges, and covenants for itself and its successors and assigns that the regulatory and restrictive covenants set forth in this Declaration, governing the use and occupancy of the Project or any portion of it, are covenants running with the Project land for the term stated in this Declaration and are binding upon all subsequent declarants of the Project land for such term.

NOW, THEREFORE, Declarant declares as follows:

1. Incorporation. The above recitals are incorporated as a substantive portion of this Declaration.

2. Representations, Covenants, and Warranties of Declarant. Declarant represents and warrant as follows:

(a) Declarant has good and marketable title to the real property and improvements constituting the Project.

(b) There are 182 units available for rental and residential use in the Project.

(c) Twelve (12) units; a five (5) one-bedroom units; (b) five (5) two-bedroom units and (c) two (2) three-bedroom units in the Project shall be designated as floating ARPA-assisted units low-income units which will meet the requirements of 24 C.F.R. § 92.252 (“County ARPA Units”).

(d) The twelve (12) County ARPA Units shall be leased for no more than the U.S. Department of Housing and Urban Development annually published LOW HOME RENT LIMIT to individuals or families whose income shall not exceed sixty percent (60%) of the Area Median Income pursuant to the guidelines set forth in 24 C.F.R. § 92.203 through the period of affordability;

(e) The Project will meet the property standards as set forth in 24 C.F.R. § 92.251 through the period of affordability.

(f) All affordable units occupied by income qualified tenants shall be of comparable quality to other units in the Project.

(g) Declarant covenants and agrees not to discriminate on the basis of race, color, religion, sex, national origin, age, disability and genetic information in the leases for occupancy of the Project or in conjunction with the employment or application for employment of any person or persons for the operation and management of said Project.

(h) Declarant covenants and agrees to comply with the Violence Against Women Reauthorization Act of 2013, as applicable to the Project.

(i) The affordability period shall commence on the date the County, or such other jurisdiction with permitting authority over the Project, issues a certificate of occupancy for the Project.

3. The units identified on Exhibit 2, attached hereto and made a part hereof, shall be subject to the terms and restrictions as described on said Exhibit 3 (“Affordability Requirements”) for the entirety of the affordability period.

4. Expiration of Restrictions. The restrictions created by this Declaration and as described on Exhibit 2 attached hereto and made a part hereof, shall expire on the date that is 360 months from the date the affordability period commenced (“Expiration Date”). The restrictions created by this Declaration and this Declaration shall automatically expire on the Expiration Date. Upon request of Declarant, or a subsequent owner of the Project, following the Expiration Date, the County shall execute and deliver a notice of expiration of this Declaration in a form acceptable for recording in Maricopa County.

5. Effect and Amendment. This Declaration shall run with and be binding on the land and may be amended only with the prior written approval of the County.

6. Severability. The invalidity of any clause, part or provision of this Declaration shall not affect the validity of the remaining portions thereof.

7. Governing Law. This Declaration shall be governed by the laws of the State of Arizona and, where applicable, the laws of the United States of America. Declarant consents to venue for any action to enforce this Declaration being in the Superior Court located in Maricopa County.

8. Assignment of Declaration. Declarant hereby assigns and sets over to Assignee, and Assignee hereby accepts assignment of, all of Declarant’s rights and obligations under this Declaration.

[signature pages follow]

IN WITNESS WHEREOF, Declarant and Assignee have caused this Declaration to be signed by their duly authorized representative, as of the day and year first above written.

DECLARANT:

Centerline on Glendale Two, LLC
a Wisconsin limited liability company

By: Centerline on Glendale Two MM, LLC, a Wisconsin limited liability company, managing member

By: GEC Centerline on Two Glendale, LLC, a Wisconsin limited liability company, manager

By: Gorman & Company, LLC, a Wisconsin limited liability company, manager

Date: _____

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2022, by _____, who personally appeared and acknowledged themselves to be the _____, and that they as such, being authorized to do so, executed the foregoing instrument for the purposes stated in it.

My term of office expires: _____

Notary Public

EXHIBIT 1 –Legal Description

INFORMATION WILL BE ADDED AT A LATER DATE

SAMPLE

EXHIBIT 2 –Project Description

Project Description:

The Project as described herein, Centerline on Glendale Phase I will utilize ARPA funds to construct phase 2 of a 2 phase 368-unit affordable rental housing community that will be constructed in two simultaneous phases. This Project is located near the southeast corner of 67th Avenue and Glendale Avenue on parcels currently known as 144-07-004B, 144-07-004C, 144-07-004G and 144-07-005C (the “Property”). Phase II, includes 182 total units, including 74 one-bedroom, 82 two-bedroom and 26 three-bedroom high quality rental homes. Phase I, which is the subject of a separate project, will include 186 total units, also with a mix of one, two and three-bedroom units. ARPA funds as well as Arizona State Housing Tax Credits (“SHTF”), federal 4% federal Low Income Housing Tax Credits (“LIHTC”) and National Housing Trust Funds (“NHTF”) from the Arizona Department of Housing (ADOH). The funds will be used to construct twelve (12) ARPA-assisted “floating” units at the Property (“ARPA-assisted units”). During the thirty (30) year Period of Affordability (as that term is defined in the Agreement), the twelve (12) ARPA-assisted “floating” units shall consist of: (a) five (5) one-bedroom units; (b) five (5) two-bedroom units and (c) two (2) three-bedroom units. The term “floating” in this Agreement shall be defined as set forth in 24 C.F.R. § 92.252(j). The income restrictions on the ARPA-assisted units must be maintained during the entire Period of Affordability.

ARPA funds in the amount of \$3 Million are being sought to offset eligible land acquisition, hard construction costs and project-specific soft costs for Phase II. One hundred percent of the units in the development will be affordable to households earning at or below 60% of the area median income (“AMI”), with at least 20 units in each phase (40 units total) being targeted to households earning at or below 30% of area median income. The Phase I development will include a 6,000 square foot leasing office and multi-purpose facility that will include space for property management, case management and human services, job training and educational programming, and indoor and outdoor recreational space, including a splash pad and dog park. The Phase II project will include a 6,800 square foot community service facility called the Glendale Center for Healthy Living, that will be open to the public and contain a community kitchen for small business incubation in partnership with Local First Arizona, healthy living classes, telehealth stations, a fitness facility, and other uses to encourage multi-generational healthy living.

The Project plans to partner with the City of Glendale and the Arizona Health Care Cost Containment System (AHCCCS), as well as HOM, Inc and the Arizona Behavioral Health Corporation (ABC). Through this unique partnership, we are utilizing long-term project-based subsidies for the construction of permanent supportive housing units specifically for extremely low income seriously mentally ill and developmentally disabled households. Units will be set-aside in the development for the duration of the affordability period to prevent this vulnerable population from becoming homeless. AHCCCS will provide long term rental subsidies for the eligible households through the AHCCCS Housing Programs (AHP). In fact, this is only the second time in Arizona history where 4% tax credits will be utilized to develop newly constructed affordable housing units with project-based subsidy and wrap-around services for this incredibly difficult to house population.

Project Eligibility:

Property Standards - Housing that is constructed or rehabilitated with ARPA funds must meet all applicable local codes, rehabilitation and construction standards, ordinances, and zoning ordinances, including Section 504 of the Rehabilitation Act of 1973 and Fair Housing Act, as amended, at the time of project completion. All work will meet decent, safe and sanitary housing standards consistent with HOME regulations including HUD Housing Quality Standards and Maricopa County Housing Rehabilitation Standards. These standards are available on the Maricopa County website under Housing & Community Development or upon request.

Occupancy Requirements – The Project staff will determine and verify income eligibility of tenants for the ARPA assisted-units prior to occupancy of a unit. The occupancy of the ARPA-assisted units must be by households whose income is at or below 60% AMI (very low income) throughout the Period of Affordability; see **Exhibit B, Attachment B5: HOME Income and Rent Limits**. The Project will define “Annual Income” as it is defined at 24 C.F.R. Part 92 and will document sources of income and examine eligibility on an annual basis in order to meet requirements of HOME regulations at 24 C.F.R. Part 92.203. Additional

guidance and resources are outlined in **Exhibit D, Attachment D2: Occupancy Restrictions and Project Unit Characteristics**.

Rental Requirements - The ARPA-assisted units will be designated as Low HOME units, which are outlined in **Exhibit B, Attachment B5: HOME Income and Rent Limits**. Utility Allowances are outlined in **Exhibit B, Attachment B6: Utility Allowances**. The Low HOME rent limit is the maximum rent allowed for a ARPA-assisted unit; the maximum rent amount includes the utility allowance. Any increase in the lesser of these rent limits must be approved by HUD and the State of Arizona Department of Housing. You will provide to us a written request for the increase in rent limits and supporting documentation for the justification of this request.

Affordability Period – You will ensure all housing assisted under this Agreement meets the affordability requirements of 24 C.F.R. § 92.254 or § 92.252, as applicable.

Deliverables

Beneficiaries	
Number of households (units)	12
Number of people (approximate)	27

Use of ARPA Funds - The ARPA funds provided under this Agreement shall be used for the cost detailed in the budget found in Attachment B2.

SAMPLE

EXHIBIT 3- Occupancy Restrictions and Project Unit Characteristics

This Attachment describes the specific affordability requirements and occupancy restrictions for the Project required by the applicable program regulations and the project characteristics as described and represented to the County. The Project shall be operated and maintained according to the unit mix and with the amenities described herein.

4. Residential Rental Unit Mix. The Developer acknowledges that the Project will contain 182 total residential rental units of which, 0 are to be rented at market rates and 12 are ARPA-Assisted Units. The ARPA-Assisted Units shall be floating Units

5. Tenant Income and Rent Restrictions. The ARPA-Assisted Units shall be rented to qualifying tenants at the income levels and the rent limits described below:

[The following paragraphs may be deleted or revised as necessary to meet specific Project requirements]

- a) At least [12] units; a) five (5) one-bedroom units; (b) five (5) two-bedroom units and (c) two (2) three-bedroom units in the Project shall be Low Program Rent units and must be occupied by low-income households initially earning no more than 60% of the area median income adjusted by family size with rents not to exceed the lesser of: (1) the Fair Market Rent or (2) the Low Program Rent.
 - b) For the purposes of distinguishing High Program Rent Units from Low Program Rent Units, increases in tenant income are permitted as follows: In the event that the income of a tenant occupying a Low Program Rent unit or a Very Low Program Rent unit increases but does not exceed 80% of the area median income, that unit shall become a High Program Rent unit. To replace the Low Program Rent unit or a Very Low Program Rent unit, the Declarants must rent the next available unit to a Low Program Rent tenant or a Very Low Program Rent tenant as the case may be. The rent of the initial tenant whose income has increased may be increased to the High Program Rent for the unit. This process shall not increase the number of ARPA-Assisted Units. If the tenant's income increases above 80% of the area median income, the unit shall still be considered to be a High Program Rent unit but the tenant's rent must be adjusted as described under paragraph 2(e), below. The next available unit of comparable size or larger must be rented to tenants eligible for a ARPA-Assisted Unit and the rent can be adjusted as appropriate.
 - c) Annual Recertification of Tenant Income: The Developer must reexamine the income of tenants living in ARPA-Assisted Units at least annually. Each recertification must take place on the anniversary of the original income evaluation and lease signing, unless the Declarants has adopted an annual schedule to perform all verifications at the same time.
 - d) Source Documentation – The ARPA fund will defer to The HOME regulations in 24 C.F.R. 92.203 for the income eligibility of applicants to be determined by examining source documentation which provides evidence of annual income. Verification of household income must be verified by the developer in accordance with 24 CFR 92.203. The project shall obtain and keep as part of its records the required documentation from the applicant for all ARPA-assisted units on an annual basis.
 - e) Over-income Tenants - If, during the annual requalification process stipulated in 24 C.F.R. 92. 203 a tenant is determined to be over income, the Developer will designate the next available comparable unit as a floating ARPA- assisted unit and apply all HOME regulatory requirements and those of this Agreement to that unit. Developer will notify the County of any requirements of other funding that conflict with the requirements of this Agreement; the parties agree to take reasonable steps to remedy such conflicts if possible and necessary
6. Supportive Services. The Developer acknowledges that supportive services shall be made available to tenants on the Project.

EXHIBIT E-SECURITY INSTRUMENTS

Attachment E2: Sample ALTA / NSPS Land Title Survey

Requested By:
When Recorded Return to:
Maricopa County
Human Services Department
Attn: Housing and Community Development Division
234 N. Central Ave., Ste. 300
Phoenix, AZ 85004

DEED OF TRUST

[SUBJECT TO LENDER AND INVESTOR REVIEW/APPROVAL]

<p>Effective Date:</p> <p>_____, 2022</p>	<p>County and State where Real Property is located: Maricopa County, Arizona</p>
<p>TRUSTOR:</p> <p>DEVELOPER</p>	<p>BENEFICIARY:</p> <p>Maricopa County Human Services Department Attn: Housing and Community Development Division 234 N. Central Ave., Ste. 300 Phoenix, AZ 85004</p>
<p>TRUSTEE:</p>	
<p>Project Property:</p> <p>PROJECT</p> <p>APN:</p>	<p>Obligations Secured:</p> <p>Promissory Note Amount \$3,000,000.00</p>

Subject Real Property: Trustor is the record owner of the Project Property by deed recorded with the Maricopa County Recorder RECORDING INFORMATION, commonly known as PROJECT and further described in **Exhibit A** hereto (the "Project Property"), incorporated by this reference. Trustor has all of the beneficial and equitable interest in and to the Project Property and is lawfully seized and possessed of the Project Property.

1. **Conveyance.** Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the Project Property, subject to existing taxes, covenants, conditions, restrictions, rights of way and easements of record, to be held as security for the payment by Trustor of the Obligations Secured as described on the cover page hereof, and for the performance of other obligations of Trustor as set forth in this Deed of Trust.
2. **Appurtenances.** Trustor grants, together with the Project Property, all buildings and improvements now or hereafter erected thereon and all fixtures attached to or used in connection with the Project Property (including, without limiting the generality of the foregoing, all ventilating, heating, air conditioning, refrigeration, plumbing and lighting fixtures), together with all leases, rents, issues, profits or income therefrom (hereinafter "Property Income"), subject, however, to the right power and authority hereinafter given to Beneficiary to collect and apply such Property Income.
3. **Obligations Secured.** The obligations secured by this Deed of Trust are: a certain Agreement executed by and between Trustor and Beneficiary and dated _____ (the "Agreement"); a Promissory Note dated of even date herewith in the original principal amount of \$3,000,000.00 made by Trustor in favor of Beneficiary ("Promissory Note"); and the Declaration of Covenants, Conditions, and Restrictions of even date herewith executed by Trustor in favor of Beneficiary in conjunction with this Deed of Trust ("Declaration"). The Agreement, Promissory Note and Declaration are collectively referred to herein as the "Obligations Secured." Capitalized terms used herein and not otherwise defined have the same meaning as the defined terms as set forth in the Agreement.
4. **Taxes, Assessments and Trust Expenses.** Trustor shall pay, before delinquent, all taxes and assessments affecting the Project Property, all encumbrances, charges and liens, when due, with interest, on the Project Property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this trust and all lawful charges, costs and expenses of any reinstatement of this Deed of Trust following a default.
5. **Fire Insurance.** Trustor shall, at Trustor's expense, maintain in force fire and extended coverage insurance in any amount of not less than the full replacement value of any buildings which may exist on the Project Property with loss payable to Beneficiary. Trustor shall provide fire insurance protection on its furniture, fixtures and other personal property on the Project Property in an amount equal to the full insurable value thereof and promises that any insurance coverage in this regard will contain a waiver of the insurer's right of subrogation against Beneficiary. The amount collected under any insurance policy may be applied to any indebtedness hereby secured and in such order as the Beneficiary may determine, or at the option of the Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder or cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.
6. **Liability Insurance.** Trustor shall, at Trustor's expense, maintain in force policies of liability insurance, with Beneficiary as an additional insured thereunder, insuring Trustor against any claims resulting from the injury to or the death of any person or the damage to or the destruction of any property belonging to any person by reason of Beneficiary's interest hereunder or the use and occupancy of Project Property by Trustor. Such insurance shall be in the following amounts:
 - a. \$2,000,000 against any claim resulting from injury to or the death of any one person.
 - b. \$4,000,000 against any claim resulting from injury to or deaths of any number of persons from any one accident.
 - c. \$2,000,000 against any claim resulting from the damage to or destruction of any property belonging to any person.

7. **Processing of Insurance Policies.** Trustor shall promptly deliver to Beneficiary the originals or true and exact copies of all insurance policies including flood insurance (if required) by this Deed of Trust. Trustor shall not do or omit to do any act which will in any way impair or invalidate any insurance policy required by this Deed of Trust. All insurance policies shall contain a written obligation of the insurer to notify Beneficiary in writing at least 10 days prior to any cancellation thereof. Failure to maintain all insurance required under any of the Obligations Secured or this Deed of Trust shall be deemed a default and entitle Beneficiary to proceed in accordance with this Deed of Trust for such default.
8. **Indemnification of Trustee and Beneficiary.** Trustor shall hold Trustee and Beneficiary, harmless from and indemnify them for any and all claims of any nature whatsoever against Trustee or Beneficiary resulting from their interests hereunder or the acts of Trustor except to the extent that any claim raised by a third party is the result of the gross negligence or intentional misconduct of the Trustee or Beneficiary. Such indemnification shall include reasonable attorneys' fees and costs, including cost of evidence of title. Trustor shall appear in, and defend, any action or proceeding purporting to affect the security hereof or the rights or powers of the Trustee or Beneficiary; and shall pay all costs and expenses of Trustee or Beneficiary, including costs of evidence of title and attorneys' fees in a reasonable sum in such action or proceeding which Trustee or Beneficiary may appear, and in suit brought by Beneficiary to foreclose on this Deed of Trust.
9. **Right of Beneficiary or Trustee to Pay Obligations of Trustor.** If Trustor fails or refuses to pay any sums due to be paid by it under the provisions of this Deed of Trust, or fails or refuses to take any action as herein provided, then Beneficiary or Trustee shall have the right, but not the obligation, to pay any such sum due to be paid by Trustor and to perform any act necessary. The amount of such sums paid by Beneficiary or Trustee for the account of Trustor and the cost of any such action, together with interest thereon at the maximum legal contractual rate per annum, from the date of payment until satisfaction, shall be added to the Obligations Secured, unless otherwise specified by Beneficiary at the time of such payment. No excuse of obligation contained in any of the Obligations Secured shall be applicable to any payments made by Beneficiary or Trustee pursuant to this paragraph. The payment by Beneficiary or Trustee of any such sums or the performance of any such action shall be prima facie evidence of the necessity therefore.
10. **Condemnation.** Subject to the written requirements of any subordination agreement executed by Beneficiary, any award of damages in connection with any condemnation or injury to any of the Project Property by reason of public use or for damages for private trespass or injury thereto are assigned in full and shall be paid to Beneficiary, who shall apply them to the payment of the principal of the Obligations Secured, the interest thereon, and any other charges and amounts secured hereby in such manner as Beneficiary may elect. Any remaining balance shall be paid to Trustor. Beneficiary may, at Beneficiary's option, appeal from any such award in the name of Trustor.

Unless Trustor and Beneficiary otherwise agree in writing, any application of such proceeds to principal shall not extend or postpone the due dates of any installment payments of the Obligations Secured or change the amount of such payments.
11. **Affordability.** At all times Trustee shall ensure that the affordability requirements, attached hereto and made a part hereof as Exhibit B, and of the Obligations Secured, are satisfied. Failure to satisfy the affordability requirements under any of the Obligations Secured shall be deemed a default and entitle Beneficiary to proceed in accordance with this Deed of Trust for such default.
12. **Care of Property.** Trustor shall take reasonable care of the Project Property and the buildings thereon and shall adequately maintain the Project Property in good repair and condition as at the date the Project Property shall obtain a certificate of occupancy from Maricopa County, or such jurisdiction with permitting authority over the Project Property, ordinary depreciation excepted. Trustor shall commit or permit no waste and do no act which will unduly impair or depreciate the value of the Project Property. For purposes of this section, adequate maintenance includes (a) removal of debris, salvage, junk cars, trash in and/or around the Project Property; (b) ongoing maintenance of landscaping of premises; and (c) compliance with "good faith effort" to maintain and clean interior and exterior of structure in compliance with 24 CFR 92.251 (f), Minimum Property Standards. If the Trustor fails to so care for the Project Property, then Beneficiary, at its option, may make or contract for the necessary repairs or remediation necessary to restore the Project Property

and, the Trustor shall reimburse Beneficiary for the reasonable cost of such repairs and remediation on a timetable set by Beneficiary. No excuse of obligation contained in any of the Obligations Secured shall be applicable to any payments made by Beneficiary pursuant to this paragraph.

13. **Right to Inspect Project Property.** In addition to any inspection rights otherwise granted to Beneficiary pursuant to the Obligations Secured, at all convenient and reasonable times, upon prior notice to Trustor, Beneficiary or Trustee shall have the right and license to go on and into the Project Property to inspect it in order to determine whether the provisions of the Obligations Secured are being kept and performed. The Trustor agrees and understands that periodic site inspections will be made by Beneficiary.
14. **Event of Default.** In addition to any other items of default identified herein, each of the following shall be considered an event of default ("Event of Default") of this Deed of Trust:
- a. The occurrence of an event of default or breach of any provision of the Agreement, Promissory Note or any other term of this Deed of Trust after written notice to Trustor and an opportunity to cure such default or breach, or failure of Trustor to pay on demand by Beneficiary any amount for which demand is made on Beneficiary by the U.S. Federal Government arising from the failure by Trustor of the Project Property to comply and is not caused, partially or otherwise by the Trustee or Beneficiary.
 - b. The failure of Trustor to perform any duty or obligation required by the Obligations Secured and such failure continues after applicable cure periods;
 - c. The removal or attempted removal by Trustor of any property included in the Project Property without the consent of Beneficiary;
 - d. The failure of Trustor to maintain the Project Property in accordance with paragraph 11 above and such failure continues after applicable cure periods;
 - e. Abandonment of the Project Property by Trustor;
 - f. The filing, execution or occurrence of:
 - i. A petition in bankruptcy by or against Trustor which is not dismissed within one hundred twenty (120) days.
 - ii. A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution or other relief of the same or different kind under any provision of the Bankruptcy Act which is not dismissed within one hundred twenty (120) days.
 - iii. Adjudication of Trustor as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense.
 - iv. An assignment by Trustor for the benefit of creditors, whether by trust, mortgage or otherwise.
 - v. A petition or other proceedings by or against Trustor for the appointment of a trustee, receiver, guardian, conservator or liquidator of Trustor with respect to all or substantially all its property which petition is not dismissed within one hundred twenty (120) days.
 - vi. Trustor's dissolution or liquidation or the taking of possession of Trustor's property by any governmental authority in connection with dissolution or liquidation.
 - g. A reasonable determination by Beneficiary that the security of the Deed of Trust is inadequate or in danger of being impaired or threatened from any cause whatsoever.
 - h. The sale, conveyance, transfer or attempted conveyance or transfer, or subjection to a mortgage or deed of trust, whether voluntary, involuntary or by operation of law, of the Project Property or any interest in it, without prior written consent of Beneficiary. Upon any prospective purchaser of the Project Property executing all necessary documents concerning the affordability requirements

of the Obligations Secured, and upon Beneficiary being satisfied said prospective purchaser is capable of managing the Project Property to ensure satisfaction of the affordability requirements of the Obligations Secured going forward, Beneficiary's consent will not be unreasonably withheld, conditioned or delayed. Notwithstanding the forgoing, Beneficiary will not unreasonably withhold consent to any refinance of indebtedness on the Property to which the Promissory Note or this Deed of Trust are subordinate does not constitute a default so long as such refinancing is conducted for the sole purpose of loss mitigation or foreclosure prevention. Refinance activity regarding indebtedness on the Property for purposes of "cashing out," equity or that is otherwise not for the purpose of loss mitigation, foreclosure prevention, or retention of the property without the written consent of the Beneficiary is hereby deemed to constitute a default of the Note and Deed of Trust during the 360 month duration of the Note.

- i. Notwithstanding anything to the contrary in the Obligations Secured, the following shall not constitute a default under the Obligations Secured or this Deed of Trust (a) the sale, transfer, conveyance or pledge of any membership interest in an investor member, if any, and (b) any amendment to an operating agreement of the Trustor (the "Operating Agreement"), which does not affect the financial terms of the Operating Agreement, and does not otherwise adversely affect the security interest of Beneficiary in the Project Property or Declaration.

15. Cure Rights.

- a. Beneficiary shall give Trustor and any other person identified in paragraph 29 below, simultaneous written notice of any monetary Event of Default occurring under the terms of the Promissory Note prior to exercising any remedies thereunder. Trustor shall have a period of thirty (30) business days after receipt of such notice, or such longer period of time as may be set forth in the Promissory Note, to cure the default prior to exercise of remedies under the Promissory Note or this Deed of Trust.
- b. Beneficiary shall give Trustor and any other person identified in paragraph 26 below, simultaneous written notice of any non-monetary default or Event of Default occurring under the term of the Obligations Secured, prior to exercising any remedies. Such non-monetary default or Event of Default shall not remain uncured for more than one hundred twenty (120) calendar days. If Beneficiary determines that Trustor has taken and diligently, continually and in good faith continues corrective action and that the non-monetary default or Event of Default cannot be corrected within the 120-day cure period, Beneficiary may, in its sole discretion, allow Trustor such additional time as may be reasonably necessary to cure the non-monetary default or Event of Default before Beneficiary exercises any remedies.
- c. Beneficiary agrees that any cure of any Event of Default described in the Obligations Secured by any person identified in paragraph 26 below, shall be deemed to be cure by Trustor and shall be accepted or rejected on the same basis as if made by Trustor.

16. Acceleration. In the event of default by Trustor, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice setting forth the nature thereof and of Beneficiary's election to cause the Project Property to be sold under this Deed of Trust. Beneficiary shall also deposit with Trustee all documents evidencing the Obligations Secured and any expenditures secured hereby.

17. Trustee's Sale. Upon receipt of Beneficiary's notice of election to cause the Project Property to be sold, Trustee shall, in accordance with all provisions of law, give Trustor notice of trustee's sale and, after the lapse of the required amount of time, sell the Project Property at public auction, at the time and place specified in the Notice of Trustee's Sale, to the highest bidder of cash in lawful money of the United States, payable at the time of sale. Any persons, including Trustor, Trustee or Beneficiary may purchase at the Trustee's Sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale. Upon sale, Trustee shall deliver to the purchaser a Trustee's Deed conveying the Project Property, but without any covenant or warranty, expressed or implied.

18. **Proceeds of Trustee's Sale.** After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title in connection with the sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest, and the remainder, if any, to the persons legally entitled thereto or as provided by ARS §33-812 as currently codified or as amended.
19. **Defaults on Prior Encumbrances.** If there are mortgages upon the Project Property or other encumbrances which are prior in time or prior in right, then Trustor promises to comply with the terms of those prior mortgages or encumbrances. If Trustor fails to comply with such terms and defaults on those mortgages or obligations, such default shall also be considered a default of this Deed of Trust, and Trustee or Beneficiary herein may advance the monies necessary to remedy such defaults, and, if it does, such monies shall be added to the Obligations Secured and shall bear the maximum contractual legal rate of interest from the date monies are tendered unless otherwise specified by Beneficiary at the time of such payment. Beneficiary may also proceed on this default by exercising the same remedies it has on this Deed of Trust.
20. **Foreclosure and Other Remedies.** In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies available hereunder and at law or in equity. All rights and remedies shall be cumulative.
21. **Reinstatement after Default.** Notwithstanding Beneficiary's acceleration of sums secured by this Deed of Trust, Trustor shall have the right to have any proceedings begun by Beneficiary to enforce this Deed of Trust discontinued and to have the Deed of Trust reinstated at any time before the day of the Trustee's Sale or before the filing of a foreclosure action. In order to have the Deed of Trust reinstated after default, the Trustor must:
- a. Pay to Beneficiary the entire amount due under this Deed of Trust and the Obligations Secured, other than such portion of the principal as would not be due had no default occurred;
 - b. Cure all defaults or covenants or agreements of Trustor regarding the Agreement as contained in this Deed of Trust;
 - c. Pay costs and expenses incurred by Beneficiary and Trustee in enforcing the terms of this Deed of Trust and pursuing remedies;
 - d. Pay reasonable attorney's fees actually incurred by Beneficiary and Trustee;
 - e. Pay the recording fee for any cancellation of notice of sale; and
 - f. Pay the Trustee's fees, in an amount not to exceed \$600 or one half of one per cent of the entire unpaid principal sum secured, whichever is greater.
22. Upon reinstatement, this Deed of Trust and the Obligations Secured hereby shall remain in full force and effect as if no acceleration had occurred.
23. **Assignment of Property Income, Right of Entry and Appointment of Receiver.** As additional security, Trustor hereby gives Beneficiary the right, power and authority, during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any Event of Default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable.
24. Upon any such uncured Event of Default and subject to the interest of the superior lien holders identified in Exhibit A to the Promissory Note, Beneficiary may at any time, with notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property Income; in its own name sue for or otherwise collect such Property Income, including amounts past due and unpaid; and apply the same, less costs and expenses of operation and

collection, including reasonable attorney's fees, upon any indebtedness secured hereby, or as otherwise appropriate to preserve Beneficiary's security interest and ensure compliance with the Program, Department Guidance, and Federal Guidance (as those terms are defined in the Promissory Note); and in such order as Beneficiary may determine.

25. The entering upon and taking possession of the Property Income, the collection of such Property Income and the application thereof, shall not cure or waive any default or notice of Trustee's Sale hereunder or invalidate any act done pursuant to such notice.
26. **Acts of Trustee Affecting Project Property.** At any time, with notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Obligations Secured for endorsement, Trustee may, without liability, release and reconvey all or any part of the Project Property, consent to the making and recording, or either, of any map or plat of all or any part of the Project Property; join in granting any easement thereon; join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof.
27. Any such action by Trustee may be taken without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by Trustee's action be credited on the indebtedness.
28. **Satisfaction of the Obligation.** If Trustee receives full payment of the Obligations Secured in the amount secured or at the Maturity Date of the Promissory Note, whichever is earlier, at the request of Trustor, Beneficiary or Trustee shall acknowledge satisfaction of the Deed of Trust by recording and delivering to Trustor a Satisfaction or Release of Realty Deed of Trust in accordance with A.R.S. § 33-712. However, the Declaration and Assignment of Affirmative Land Use recorded against the Project property shall remain in full force and in effect for the entire duration of its term.
29. **Notices.** Copies of all notices and communications concerning this Deed of Trust shall be mailed to the Parties at the addresses specified in this Deed of Trust. Any change of address shall be communicated to the other Parties in writing. Any documents which may adversely affect the rights of any party to this Deed of Trust shall be dispatched by Certified Mail, Return Receipt Requested. A copy of all foregoing notices and communications shall be mailed to:

30. **Headings.** The marginal or topical headings of the provisions herein are for convenience only and do not define, limit or construe the contents of these provisions.
31. **Interpretation.** In this Deed of Trust, whenever the context so requires, masculine gender includes the feminine and neuter, and the singular includes the plural and vice versa.
32. **Applicable Law.** This Deed of Trust shall be subject to and governed by the laws of the State of Arizona, in particular the provisions of ARS Title 33, Chapter 6.1, regardless of the fact that one or more Parties now is or may become a resident of a different state.
33. **Nonwaiver.** The failure of the Beneficiary at any time to require performance of any provision or to resort to any remedy provided under this Agreement, or the Beneficiary's agreement to provide accommodation outside the terms of this Agreement, shall in no way affect the right of the Beneficiary to require contract performance or to resort to a remedy at any time, or to refuse to make accommodation thereafter, nor shall the waiver by any party of a breach be deemed to be a waiver of any subsequent breach. A waiver shall not be effective unless it is in writing and signed by the party against whom the waiver is being enforced. No course of dealing or any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.
34. **Succession of Benefits.** The provisions of this Deed of Trust shall inure to the benefit of and be binding upon the Parties hereto, their heirs, personal representatives, conservators and permitted assigns.

35. **Successor Trustee.** Beneficiary may appoint a Successor Trustee in the manner prescribed by law. A Successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.
36. **Entire Agreement.** The terms of this Deed of Trust, the Obligations Secured and attached Exhibit A executed this date constitute the entire agreement among the Parties and the Parties represent that there are no collateral or side agreements not otherwise provided for within the terms of this Deed of Trust.
37. **Time of Essence.** Time is of the essence in this Deed of Trust and every term, condition, covenant and provision hereof.
38. **Modification.** No modification of this Deed of Trust shall be binding unless evidenced by an agreement in writing and signed by all Parties.
39. **Partial Invalidity.** If any provision of this Deed of Trust is held to be invalid or unenforceable all the remaining provisions shall nevertheless continue in full force and effect.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

TRUSTOR/BORROWER:
Centerline on Glendale Two, LLC,
a Wisconsin limited liability company

By: Centerline on Glendale Two MM, LLC, a Wisconsin limited liability company, managing member

By: GEC Centerline on Glendale Two, LLC, a Wisconsin limited liability company, manager

By: Gorman & Company, LLC, a Wisconsin limited liability company, manager

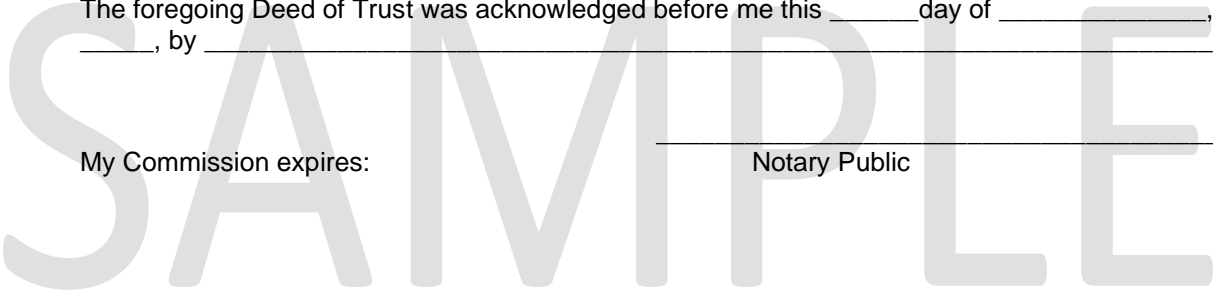
By: _____
Brian Swanton, President

STATE OF _____)
) ss.
County of _____)

The foregoing Deed of Trust was acknowledged before me this _____ day of _____,
_____, by _____

My Commission expires:

Notary Public



Reviewed, Approved and Agreed to Pursuant to Paragraph 38.

MARICOPA COUNTY, a political subdivision of the State of Arizona

Name, Title

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing Deed of Trust was acknowledged before me this _____ day of _____,
_____, by _____.

My Commission expires:

Notary Public

SAMPLE

BENEFICIARY

By: _____

Title: _____

STATE OF ARIZONA)

)ss.

County of Maricopa)

The foregoing Deed of Trust was acknowledged before me this ____day of _____, _____, by _____, Chairman, Board of Supervisors

My Commission expires:

Notary Public

Do not destroy this Deed of Trust or the note that it secures. Both must be delivered to the Trustee for cancellation before release and conveyance will be made.

Escrow No.

41.

SAMPLE

Exhibit A
Legal Description

INFORMATION WILL BE ADDED AT A LATER DATE

SAMPLE

PROMISSORY NOTE**[SUBJECT TO LENDER AND INVESTOR
REVIEW/APPROVAL]**

Maricopa County, Arizona
_____, 2022

For value received, Centerline on Glendale Two, LLC ("Borrower") promises to pay to the County of Maricopa, an Arizona body politic ("County"), the sum of THREE MILLION AND 00/100 DOLLARS (\$3,000,000.00) (the "Obligation") payable in accordance with the terms of certain agreement between Maricopa County Administered by its Human Services Department and Centerline on Glendale Two, LLC dated _____, 2022 (the "Agreement"), attached hereto and incorporated herein.

1. The definition of any capitalized term or word used and not otherwise defined shall have the meaning set forth in the Loan Agreement.
2. The Note shall bear zero percent (0%) interest. The term of this Note shall coincide with the Affordability Period as set forth in the Agreement. Principal payments of \$_____ shall be made annually on the first day of June commencing the year following completion of the project (the "Annual Payment") from the Borrower's Net Cash Flow, as hereinafter defined, in the order determined by Borrower's Amended and Restated Operating Agreement dated as of _____, 2022 (the "Operating Agreement"). "Net Cash Flow" shall mean the sum of gross rent revenues (less rental taxes and tenant security deposits) plus other income received by the Borrower from the operation of the Project, less (a) annual accrued debt service for the first and second priority loans, (b) payment of any unpaid Deferred Development Fee amount, (c) actual operating expenses (including amounts deposited in replacement reserve account) and excluding allowable depreciation, and (d) payments of the Asset Management Fee pursuant to the Operating Agreement . Net Cash Flow shall be calculated based on the Borrower's audited financial statements for the calendar year preceding the Annual Payment date. All outstanding principal shall be due and payable in full on or before _____, 20__.
3. During the Affordability Period as set forth in the Agreement, Borrower shall comply with all of the terms, restrictions and conditions in said Agreement and the Declaration and Assignment of Affirmative Land Use recorded in accordance with said Agreement, that ensure the housing provided in whole or in part with the funds evidenced by this Promissory Note remains subject to affordability requirements and available to those residents who qualify for such housing. So long as the Project Property as defined in the Agreement, shall remain affordable in accordance with the terms of said Agreement and the Declaration and Assignment of Affirmative Land Use for the full term of this Promissory Note, all obligations set forth herein shall be forgiven without the necessity of repayment. If said Project Property fails to remain affordable as defined aforesaid, the full obligation evidenced herein shall be come immediately due and payable in full.

4. This Note shall bind and inure to the benefit of the respective permitted successors and assigns of the Borrower and the County.
5. Payments shall be made in lawful money of the United States of America at the administrative offices of Maricopa County Human Services Department at the following address: 234 N. Central Ave., Phoenix, Arizona, 85004.
6. The prevailing party in a suit on this Note shall recover, as part of the judgment, reasonable attorney's fees that may be fixed by the judge of the court.
7. This Note shall be evidenced and secured by the following documents, all of which will be executed in favor of the County on even date herewith and will be duly recorded in the Office of the Recorder of Maricopa County, Arizona:
 - a. The Agreement
 - b. The Declaration and Assignment of Affirmative Land Use
 - c. Deed of Trust
8. Borrower's obligations under this Note are nonrecourse to Borrower and its members and may be enforced solely out of the proceeds of the sale of the property in accordance with the Deed of Trust.
9. The Note shall be governed by, and construed in accordance with, the laws of the State of Arizona.
10. Time is of the essence in this Note and every term, condition, covenant and provision hereof.
11. The Deed of Trust and this Note are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of any senior lender recorded prior in time to the Deed of Trust, as reflected on Exhibit A attached hereto.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has signed this Note on this ____ day of _____, 2022.

Centerline on Glendale Two, LLC,
a Wisconsin limited liability company

By:

Its:

Brian Swanton, President

STATE OF _____)

) ss.

County of _____)

The foregoing Promissory Note was acknowledged before me this ____ day of _____,
2022, by _____.

My Commission expires:

Notary Public

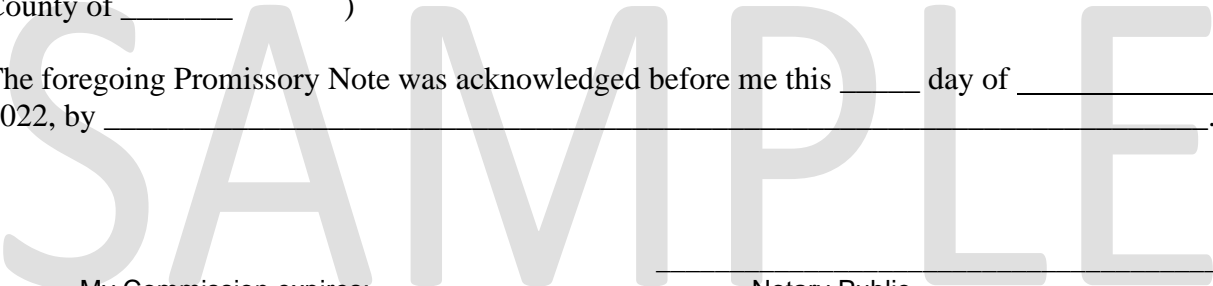


Exhibit A

List of Permitted Encumbrances (Order of Priority)

1. [Senior Lender]
2. ADOH
3. [Others?]

INFORMATION WILL BE ADDED AT A LATER DATE

CENTERLINE ON GLENDALE TWO, LLC, 200 N MAIN STREET, OREGON, WI 53575

PRICING SHEET: NIGP CODE 95296

Terms: NET 60 DAYS

Vendor Number: VS0000007040

Certificates of Insurance Required

Contract Period: To cover the period ending **June 30, 2024.**

Response to 220166-RFP Affordable Housing Development Opportunities



GORMAN
& COMPANY

Respondent: Brian Swanton, President & CEO of Gorman & Company, LLC
January 11, 2022

January 11, 2022

Andrea Stupka, Procurement Officer
Maricopa County
Andrea.Stupka@maricopa.gov

RE: Response to 220166-RFP Affordable Housing Development Opportunities
Centerline on Glendale Phase II (182 Units) – Glendale, AZ

Dear Ms. Stupka and evaluation committee:

Gorman & Company, LLC is proud to submit to the Maricopa County Human Services Department (MCHSD) an application for ARPA funds for the new construction of a 182-unit mixed-income permanent supportive rental housing community. This project is part of a two-phased development that will ultimately create a total of 368 units of new affordable housing in Glendale's Centerline Redevelopment Area with wrap-around supportive services. With immediate access to major employment hubs in downtown Glendale and in the nearby Westgate Entertainment District, major bus lines on both Glendale Avenue and 67th Avenue, as well as walking distance to nearby Glendale High School and Aquatic Center, and just a block from the soon-to-be constructed Mountain Park Health Clinic, this site is perfectly situated to not only address critical housing needs in the west valley, but also address the full spectrum of the social determinants of health.

The project will be located on a fully-zoned, shovel ready, 13-acre parcel of land that is entitled for the 182 units planned for Phase II as well as the 186 additional units in Phase I (subject of a separate application for MCHSD ARPA funds). This development is being developed in two simultaneous phases simply for financial engineering reasons as Gorman & Company is seeking an allocation of Arizona State Housing Tax Credits for both phases, along with federal 4% federal Low Income Housing Tax Credits, in an effort to maximize the financial feasibility of the overall project. The large size of the project requires two separate state tax credit allocations. While each phase will be owned by two separate legal entities under two independent debt and equity structures, the project will share access and amenities across phases and be operated as one community once completed.

Centerline on Glendale will be an integral part of the comprehensive revitalization strategy for the Glendale Centerline redevelopment area, which was originally established as a redevelopment area in the 1980's and is also part of a Qualified Census Tract. What is particularly unique about this development is our partnership with the City of Glendale and the Arizona Health Care Cost Containment System (AHCCCS), as well as HOM, Inc and the Arizona Behavioral Health Corporation (ABC). Through this unique partnership, we are utilizing long-term project-based subsidies for the construction of permanent supportive housing units specifically for extremely low income seriously mentally ill and developmentally disabled households. Units will be set-aside in the development for the duration of the affordability period to prevent this vulnerable population from becoming homeless. AHCCCS will provide long term rental subsidies for the eligible households through the AHCCCS Housing Programs (AHP).

Through a series of meetings and design charrettes we held over the past several months, the following guiding principles emerged which serve as the cornerstones of our proposal:



1. Glendale's Centerline Redevelopment Area has significant heritage, and the residents are very committed to the neighborhood. Accordingly, this project should be viewed as a neighborhood redevelopment effort and an economic development effort, more than just a housing redevelopment effort and award-winning design should be a minimum expectation.
2. As a part of a master redevelopment plan, this site for is ideal given its location between both downtown Glendale and the Westgate Entertainment District, numerous amenities and its proximity to grocery, retail shopping, health services, schools and the like.
3. In order for this effort to be successful, the final product must include significant and meaningful community partnerships, including intentional resident engagement before, during and after project completion.
4. As project-based rental assistance is a scarce resource, a portion of the newly redeveloped units should be set-aside to house populations at high risk of homelessness, with a preference for seriously mentally ill, adults with developmental disabilities and veteran populations, utilizing the best practices found in the Housing First Permanent Supportive Housing model.
5. Indoor and outdoor facilities for comprehensive, multi-generational resident services should be a priority to compliment the amenities offered throughout the area.

This development will be accessible to the physically disabled and sensory impaired. 100% of the units are designed utilizing Universal Design principles for accessibility and visitability. The project will contain both Type-A (fully accessible) and Type-B (adaptable) units. The project has been designed to provide a balance of safety and security needs with tenants' independence and sense of well-being.

The resident population of the project will be mixed and diverse, including families with children, single individuals, elderly, disabled, and special needs. The project is in an extremely diverse census tract with a relatively high percentage of Hispanic households. The project will affirmatively further fair housing by developing a housing project that will serve the needs of a diverse tenant base, including households of varying demographics than the prevailing demographics in the census tract. In addition, the site and surrounding area is the center of a focused and concerted revitalization strategy.

As you will see in the attached response, Centerline on Glendale Phase II is a unique opportunity to be the focus of the master redevelopment plan for the Glendale Centerline redevelopment area, just west of the historic center of the City of Glendale. Centerline on Glendale will be a significant asset for low and moderate-income renters who are seeking an environmentally and economically sustainable housing option with on-site resident services, along with accessible features for the disabled and a permanent supportive housing environment for high-risk families, individuals, and seniors.

Thank you for your time and consideration to this request. We look forward to furthering our partnership with the Maricopa County Human Services Department as we work to revitalize the City of Glendale.



Brian Swanton, President & CEO

5.6.1.1.1 – Centerline on Glendale I & II is a to-be-constructed 368-unit affordable rental housing community that will be constructed in two simultaneous phases. Phase II, the subject of this application, includes 182 total units, including 74 one-bedroom, 82 two-bedroom and 26 three-bedroom high quality rental homes. Phase I, which is the subject of a separate application, will include 186 total units, also with a mix of one, two and three-bedroom units. This development is being developed in two simultaneous phases simply for financial engineering reasons as Gorman & Company is seeking an allocation of Arizona State Housing Tax Credits for both phases, along with federal 4% federal Low Income Housing Tax Credits, in an effort to maximize the financial feasibility of the overall project. The large size of the project requires two separate state tax credit allocations. While each phase will be owned by two separate legal entities under two independent debt and equity structures, the project will share access and amenities across phases and be operated as one community once completed. Gorman & Company has developed several projects in a similar fashion, including Madison Heights I & II in Avondale, AZ (funded, in part, with MCHSD HOME funding), Escobedo I & II in Mesa, AZ and Esperanza En Escalante I & II in Tucson, AZ.

ARPA funds in the amount of \$3 Million are being sought to offset eligible land acquisition, hard construction costs and project-specific soft costs for Phase I. One hundred percent of the units in the development will be affordable to households earning at or below 60% of the area median income, with at least 20 units in each phase (40 units total) being targeted to households earning at or below 30% of area median income. The Phase I development, subject of a separate application, will include a 6,000 square foot leasing office and multi-purpose facility (similar in nature to Madison Heights in Avondale) that will include space for property management, case management and human services, job training and educational programming, and indoor and outdoor recreational space, including a splash pad and dog park. This Phase II project will include a 6,800 square foot community service facility called the Glendale Center for Healthy Living, that will be open to the public and contain a community kitchen for small business incubation in partnership with Local First Arizona, healthy living classes, telehealth stations, a fitness facility, and other uses to encourage multi-generational healthy living. This exciting facility is being integrated into the project at the request of the City of Glendale as this area of the City has no access to a Boys & Girls Club, YMCA, LA Fitness or similar facility.

What is particularly unique about this development is our partnership with the City of Glendale and the Arizona Health Care Cost Containment System (AHCCCS), as well as HOM, Inc and the Arizona Behavioral Health Corporation (ABC). Through this unique partnership, we are utilizing long-term project-based subsidies for the construction of permanent supportive housing units specifically for extremely low income seriously mentally ill and developmentally disabled households. Units will be set-aside in the development for the duration of the affordability period to prevent this vulnerable population from becoming homeless. AHCCCS will provide long term rental subsidies for the eligible households through the AHCCCS Housing Programs (AHP). In fact, this is only the second time in Arizona history where 4% tax credits will be utilized to develop newly constructed affordable housing units with project-based subsidy and wrap-around services for this incredibly difficult to house population. The only other example of constructing new permanent supportive housing at scale using 4% tax credits was at Heritage at Surprise, a 100-unit project development in partnership between Gorman & Company and the Housing Authority of Maricopa County. Centerline on Glendale I & II looks to more than triple the scale of that successful model and place a significant dent in the number of homeless SMI and developmentally disabled households in Maricopa County.

5.6.1.1.2 – The site to be acquired for this exciting new mixed-income permanent supportive housing development is located near the southeast corner of 67th Avenue and Glendale Avenue. The subject site is currently vacant land and located in a Qualified Census Tract (QCT). It is also strategically located at the west end of the City of Glendale’s Centerline Redevelopment Area, as well as the Centerline Overlay District’s ‘Market District’ character area. In fact, this will be the largest housing development ever constructed in the Glendale Centerline Redevelopment Area, which runs from 67th Avenue east to 43rd Avenue along Glendale Avenue. The site is conveniently located along major Valley Metro bus routes with frontage on both Glendale Avenue and 67th Avenue. The site is also walking distance to Glendale High School, which includes a city pool, as well as Smith Elementary School and a brand-new Mountain Park Federally Qualified Health Center (FQHC) that will be breaking ground in 2022.

5.6.1.1.3 – This 13-acre vacant lot, which is being bifurcated into two separate tax parcels, one for Phase I and one for Phase II, is already hard zoned for multi-family development and can accommodate the 368 units planned for the full site. We are currently 75% completed with a PAD process for both phases which is designed to create reduced parking requirements, decreased setbacks, and other minor site modifications. We held a community meeting regarding the PAD with no public opposition. It is important to note that this project has the full support of Councilman Jamie Aldama from Glendale’s Ocotillo District, as well as City Manager Kevin Phelps and Jean Moreno, Glendale’s Director of Community Services.

5.6.1.1.4 – The full 13-acre parcel is currently under an exclusive purchase contract with Gorman & Company, LLC (or its assigns) as the buyer. Saia Family Limited Partnership, the current property owner, is the seller. The purchase contract was executed on June 16, 2021 and amended on September 28, 2021. As mentioned above, the site is properly zoned for multi-family housing.

5.6.1.1.5 – Centerline on Glendale – Phase II will include total site acreage of 6.27 acres and will comprise the northern portion of the site with frontage on Glendale Avenue to the north. This phase of the project will include 74 one-bedroom units with an average size of 640 square feet; 82 two-bedroom units with an average size of 836 square feet; and 26 three-bedroom units with an average size of 1,094 square feet. The entire project will be designed utilizing Universal Design to maximize accessibility and visitability. All units will either be Type-A fully accessible or Type-B adaptable and 100% of the units will contain proper turning radii in kitchen and bathroom areas for wheelchair accessibility, elevated outlets and lowered wall switches, two-by-four backing behind the drywall in the bathrooms for the easy addition of grab bars, and other comprehensive accessibility features.

5.6.1.1.6 – Appraisal is attached.

5.6.1.1.7 – Syndication cost for the syndication of the 4% Low Income Housing Tax Credits is included in the Project Development Budget and is reflected in the Sources and Uses Workbook as a use of funds. All investors handle syndication costs slightly differently and price these costs differently. Final syndication costs will be adjusted after an equity investor is selected later this year.

5.6.1.1.8 – As we expand the permanent supportive housing component of this project, we intend to seek out additional project-based subsidies to increase the number of 30% AMI units for high-risk populations. We have had preliminary discussions with the Arizona Department of Economic Security’s (DES’s) Division of Developmental Disabilities (DDD) for the placement of Section 811 rental subsidies for adults with developmental disabilities. However, Section 811 subsidies could not be brought into the project until after construction completion. We have also discussed the possibility of an allocation of Project-Based Housing Choice Vouchers (e.g. – Project-Based Section 8) with the City of Glendale. However, to secure vouchers from the City of Glendale, we would have to compete in a competitive process, which the City anticipates implementing the coming months. While both DES-DDD Section 811 subsidies and City of Glendale Section 8 Project-Based Vouchers are anticipated, neither source of subsidy is currently committed to this project.

Further, we anticipate an allocation of Arizona State Housing Tax Credits and federal 4% Low Income Housing Tax Credits, as well as \$2 million in National Housing Trust Funds from the Arizona Department of Housing (ADOH). Applications for all three of these sources will be submitted to ADOH on February 15, 2022. As a result, this project is assuming Davis-Bacon and Section 3 compliance throughout the construction process. These added costs are factored into our hard cost budget. Should other governmental assistance be obtained in the future, MCHSD will be notified promptly.

5.6.1.1.9 – Centerline on Glendale - Phase II will have a projected total development cost of \$45,793,435. This project’s primary funding mechanism will be a tax-exempt bond issuance through the Arizona Industrial Development Authority (AZIDA) along with a non-competitive allocation of federal 4% Low Income Housing Tax Credits (LIHTC). Our annual federal 4% LIHTC request will be approximately \$1,855,071 and will generate approximately \$16.7 Million in equity for the project. We have already secured preliminary approval of this transaction from the AZIDA in December of 2021. Our preliminary application to ADOH for non-competitive 4% LIHTC will be submitted on February 15, 2022. While our unit count in Phase I is slightly lower than Phase II, our costs for Phase II are slightly higher. This is simply due to the larger amount of square footage in Phase II with more three-bedroom units.

In terms of competitive funding sources, we will also be submitting an application to ADOH on February 15, 2022 for Arizona State Housing Tax Credits in the amount of \$1 million, which is expected to generate \$6 Million in equity. We will also be submitting a request to ADOH for \$2 million in National Housing Trust Funds at the same time. We have been told by ADOH that NHTF funding is readily available for projects that have units set aside for households earning at or below 30% of Area Median Income as we do with this project.

5.6.1.1.10 – We are not requesting ARPA funds for supportive services. However, Gorman’s Property Management Division will be offering a comprehensive on-site supportive services program in partnership with Local First Arizona and the City of Glendale. We have budgeted for a full-time on-site Resident Services Coordinator to manage a wide array of intergenerational and wrap-around supportive services along with our partners.

5.6.1.1.11 – Again, we are not requesting ARPA funding for supportive services as these costs are built into our operational budget. However, the additional costs in our budget for supportive services will be partially offset by the additional cash flow generated by the project-based rental subsidies. This will ensure that funding for resident services will be sustainable throughout the 30-year compliance period. This is a similar model that has been successfully utilized at our other permanent supportive housing projects mentioned above (e.g. Madison Heights, Escobedo, Esperanza En Escalante and Heritage at Surprise).

5.6.1.1.12 – As mentioned above, Centerline on Glendale is intended to create a working and repeatable model for creating permanent supportive housing units at scale using 4% LIHTC to finance large scale new construction of affordable rental units with project-based subsidy and wrap-around supportive services, integrated into a high quality, mixed-income community with access to services and amenities that address the social determinants of health.

In addition to the growing homeless issue in the Valley, we have large numbers of Section 8 recipients, SMI populations, and developmentally disabled populations that have immediate access to rental subsidies yet have no place to take that subsidy due to a disastrous lack of housing supply in the Phoenix metro area. This project is designed to attack that issue head on by creating a large number of affordable units using 4% and state housing tax credits, designating a significant portion of those units to housing providers with rental subsidy programs who cannot find adequate housing for their low income and special needs populations, and project-basing those subsidies through long term (20+ year) subsidy contracts. This guarantees the subsidy providers such as the City of Glendale, AHCCCS, HOM, Inc, ABC, DES-DDD, and the like long-term access to units for their special populations and allows the owner of the real estate to leverage the income streams from the rental subsidy to fund resident services in a sustainable way. If, for example, we were able to create 100 subsidized units in this development alone for special populations (50 in Phase I and 50 in Phase II) and developers can repeat this model ten times in ten different locations throughout the region, we could reduce homelessness in high-risk populations by 1,000 households. That's a remarkable shift in addressing homelessness in Maricopa County, and the resources are out there to get it done.

As mentioned above, at this time we currently have a firm commitment from AHCCCS for 40 long term project-based subsidies for the Seriously Mentally Ill population (20 in Phase I and 20 in Phase II). However, after securing an award of tax credits, we intend to seek out additional project-based subsidies through the City of Glendale for low income and homeless families and veterans, as well as DES and ADOH through the Section 811 program for adults with developmental disabilities. Due to programmatic rules for these subsidies, we either have to compete for those additional subsidies through an RFP process or wait until after construction completion. We ultimately hope to house as many as 100 special needs households (50 in Phase I and 50 in Phase II) by the time construction is completed. Note, however, that the financial feasibility of this project is solely based on the 20 units commitment to this phase by AHCCCS in partnership with HOME, Inc and ABC.

5.6.1.1.13 – See attached 30-year proforma.

5.6.1.1.14 – Gorman Property Management, LLC manages and operates 70 affordable and mixed-income properties across the nation, including 10 in Arizona, totaling over 5,000 units. We provide asset management services to an additional 629 units of third-party managed assets that we own. Maintaining our management company within the Gorman & Company umbrella allows us to customize our tenant selection criteria to our specific target population while conforming to investor, Section 42, and federal, state and local funding regulations. Gorman and all its subsidiaries comply with Equal Opportunity, Fair Housing, and Equal Access Rule.

Gorman utilizes a software platform called RealPage, which is a professional suite of property management tools that automates, centralizes and accounts for every dollar of revenue and every expense related to the property. This includes a centralized accounting, reporting and array of spend management tools. Rents are collected by check, money order, or credit/debit card. No cash receipts are allowed. All payments received are deposited into an FDIC-insured deposit account daily and all monthly accounting reports are produced by our corporate financial management team under the direction of our Chief Financial Officer, our Controller, and our Assistant Controller.

The physical management of Centerline at Glendale will be staffed and overseen by Gorman Property Management, LLC. A property of this size, when combined with the subsequent phase, will include a Property Manager, an Assistant Manager, and 2 Leasing Specialists along with an Administrative Assistant. We will also have a full time Resident Services Coordinator on-site. On the maintenance side, we will have a Lead Maintenance Technician as well as two full time Maintenance Technicians. All staff will be overseen by our Regional Director of Property Management.

The general maintenance of each Gorman property is a high priority. Maintenance items will include, but not be limited to, exterior and interior cleaning, painting, decorating, plumbing, electrical, mechanical, carpentry, and other normal maintenance and repair work necessary to maintain the property, the welfare of the residents or any other person. Gorman utilizes a web-based maintenance work order module through our RealPage software which automates the daily, weekly, monthly and annual maintenance tasks necessary to preserve each asset long term. All maintenance requests from residents, or work orders initiated by management, will be recorded and will become part of the resident's file (which shall be made available for review by that resident at his or her request) and a work order record system which will be available for management and all compliance agencies.

In terms of advertising and marketing, most of our properties use building signage and a customized website for marketing purposes. Third party advertising is generally not required to maintain a lengthy waitlist. We all advertise with the local housing authority. All advertising includes the Fair Housing/Equal Opportunity logo. Our waitlist management system, which is a chronological wait list based upon the date and time an application is received, is coordinated through our RealPage software and will be managed in accordance with Section 42 Low Income Housing Tax Credit guidelines, as well as any regulatory guidelines established by all other funding sources. All regulatory agreements will be kept on-site. Upon application in-take, which will take place at our on-site leasing office and/or online, all files are reviewed by our off-site team of compliance officers before a file is approved for move-in. In terms of credit and criminal

background, we utilize a third-party approval/denial system for automatic acceptance or rejection of potential tenants based on pre-determined criteria established in a Resident Selection Plan to avoid any fair housing issues. Federal, State, and City fair housing laws cover equally all units in the Property. All practices, in every aspect of the Plan, must not subject any person to discrimination prohibited by Fair Housing laws, which prohibit discrimination based on race, color, religion, sex, handicap, familial status, national origin, marital status, ancestry, gender identity, and sexual orientation.

Accessible units will be offered to eligible families with disabilities requiring the accessibility features of the unit in accordance with 24 CFR 8.27.

5.6.1.1.15 – Gorman Property Management, LLC is highly experienced in managing properties with multiple set-asides. We have a team of compliance specialists that track and manage the requirements for each funding source and the applicable tenant. All compliance, upper management, and several key site team members have certifications such as COS, HCCP, RAD PBV and Multifamily Housing Specialist. Third parties such as Theopro and Nan McKay provide training for these certifications. Continuing education is provided for staff to keep abreast of changes throughout the year. Gorman currently maintains a staff of 9 full-time compliance specialists, including a Director of Compliance, to ensure the ongoing operational compliance of our national portfolio.

5.6.1.1.16 – Since 1984, Gorman & Company has specialized in downtown revitalization, mixed-use and live-work housing, workforce housing, neighborhood transformation, historic renovation and preservation of affordable housing. We are consistently ranked among the “Top 50 Affordable Housing Developers” in the U.S. by Affordable Housing Finance Magazine, and regularly receive local and national recognition for our catalytic developments.

Gorman & Company works closely with local governments and municipal groups to help cities meet their development, planning, economic and social goals. Gorman’s ability to assemble the resources necessary to tackle challenging developments has made us an industry leader in partnering with communities to address affordable and workforce housing needs. Our team has experience in managing multiple development projects occurring simultaneously, the majority of which involve complex layers of financing, bureaucratic processes and approval, design work, construction, and lease-up to management.

Gorman & Company is a vertically integrated development firm. We have the in-house capacity to produce affordable, multifamily development projects from concept to delivery. Over the past 35 years, we have developed internal functions that allow us to address the comprehensive range of development activities that are required by projects. We have over 400 employees with a wide range of affordable and workforce housing experience, including market analysis, development project conceptualization, financial analysis and syndication, architecture, construction, property management, relocation and asset management. Of the 120+ developments Gorman & Company has completed in the past 38 years, the company has never had a foreclosure, has never defaulted, and has never had the general partner replaced by the investor. We have also never lost tax credits or any other funding sources due to non-compliance issues.



Below is an outline of some of our key development team members for the Centerline on Glendale project:

DEVELOPER Gorman & Company, LLC	Brian Swanton, President & CEO
	Zach Johnson, Director of Housing Finance
	Dan Klocke, Development Project Manager
	Cassandra Bishop, Development Project Manager
ARCHITECT OF RECORD Gorman Architectural, LLC	Peter Meyer, Lead Architect
GENERAL CONTRACTOR Gorman General Contractors, LLC	Ron Swiggum, VP of Construction
	Stephen Burke, Project Manager
PROPERTY MANAGER Gorman Property Management, LLC	Laura Narduzzi, Director of Operations
	Sara Luster, Regional Manager
ACCOUNTANT Baker Tilly	Tina Huisman, Partner

Brian Swanton, President & CEO

Brian Swanton transitioned into the role of President & Chief Executive Officer for Gorman & Company in 2018, after serving as the Arizona Market President since 2008. During his tenure as Arizona Market President, Mr. Swanton led a multi-disciplinary team that designed and constructed over 1,000 units of new housing across the State with an emphasis on permanent supportive housing for families, seniors, veterans and chronically homeless populations in both urban and rural locations. In addition, Gorman was procured by the Housing Authority of Maricopa County (“HAMC”) to redevelop some of the first public housing units in the country using HUD’s Rental Assistance Demonstration (RAD) program. Under Mr. Swanton’s leadership, Gorman was competitively selected by the City of Phoenix to be its master development partner for two public housing RAD conversion projects and to serve as the Housing Implementation Entity (HIE) for the \$30 million HUD Choice Neighborhood Initiative (CNI) grant to improve the Edison-Eastlake Community near downtown Phoenix. This grant is in the process of transforming 577 public housing units into a vibrant 1,011 unit mixed-income neighborhood east of downtown Phoenix. As a result of Mr. Swanton’s foresight and focus to pursue public-private partnerships with Public Housing Authorities, Gorman has become a national leader in the redevelopment of RAD conversion projects.

Zach Johnson Director of Housing Finance

Zach Johnson serves as the Director of Housing Finance, providing oversight and support on financing structure and HUD processes, with a primary focus on Gorman’s Public Housing Authority relationships throughout the country. He plays a vital role in financial modeling, deal structuring, and sourcing debt and equity for repositioning public housing portfolios with our Housing Authority partners. He is responsible for underwriting each phase of the Edison-Eastlake Community redevelopment which was awarded a Choice Neighborhood Implementation Grant from the U.S. Department of Housing and Urban Development in 2018. Since joining Gorman in 2008, Mr. Johnson has led Gorman’s financial underwriting



efforts across all of our national markets and has gained extensive experience with a variety of HUD financing structures, as well as the RAD, Section 18 and blended programs. Mr. Johnson's primary focus is structuring projects with Low Income Housing Tax Credits, tax-exempt bonds and other affordable housing resources. Mr. Johnson received his BA in Finance from the University of Wisconsin-Whitewater.

Dan Klocke, Development Project Manager

Dan Klocke joined Gorman & Company in 2020 to help manage the company's continued growth in the Arizona market. Previously, he worked with the Downtown Phoenix Partnership for seventeen years, serving as the Executive Director for the past four. Mr. Klocke began working with the Partnership to oversee the Downtown Phoenix Community Development Corporation, a nonprofit affiliate which sought out potential affordable housing developments. He brings with him extensive experience working closely with local governments and boards of directors to coordinate development strategies for affordable housing communities. He has often served as a sounding board with residents and community stakeholders to strategize innovative ways to build affordable housing into existing neighborhoods which simultaneously serves as a catalyst for revitalization. Mr. Klocke earned his degree at the University of Notre Dame and a masters from Tufts University in law and diplomacy. He received a real estate development certificate from Arizona State University.

Cassandra Bishop, Development Project Manager

Cassandra serves as Development Project Manager in the Colorado and Arizona markets. She works closely with Market Presidents on all phases of a development from site selection to stabilization, specializing in crafting responses to RFQs and RFPs, coordinating due diligence of a land or financial closing, and recognizing our projects for national awards. As part of a vertically integrated firm, she often bridges communication between development and architecture, construction, and property management to ensure projects stay on schedule and all departments are in lockstep. Previously Cassandra worked as an administrative assistant to the Development team and aided both the CFO and CEO. Cassandra holds a bachelor's degree from University of Wisconsin-Green Bay in Business Administration with an emphasis in Marketing.

Peter Meyer, Lead Architect

Mr. Meyer has over 30 years of experience in architectural design and has been a registered Architect in Wisconsin since 2001 and in Arizona since 2013. He has a vast amount of experience and knowledge in light frame design and construction techniques for both residential and commercial buildings. He first served Gorman & Company as a Project Architect, and more recently as Architect of Record and Lead Architect serving our Arizona market. He has been responsible for the design and supervision of over 1,500 affordable housing apartments since joining Gorman & Company in 2011. Mr. Meyer is a member of the American Institute of Architects and proudly supports developing and designing sustainable affordable housing throughout the state of Arizona.

Ron Swiggum, Vice President of Construction

Mr. Swiggum has over 25 years of experience in construction project management. As part of a vertically integrated development company, he has a breadth of skills beyond general contracting including coordination of design professionals, development and training of personnel, strategic business planning, risk management, profit and loss oversight, and customer relations. He directed construction for one of



the largest “Green Communities” Public Housing Authority developments east of the Mississippi River and oversaw the construction for an innovative workforce housing development in Monroe County, Florida. He also served as Construction Project Manager for award winning Gorman & Company affordable housing development in Glendale, Arizona as well as a LEED Platinum project. Mr. Swiggum has most recently completed oversight for an \$80M Hotel and Convention Center in the City of Rockford, Illinois.

Stephen Burke, Project Manager

Mr. Burke was first introduced to the construction industry working in high school as a laborer for his father’s residential & commercial construction company. After departing Indiana University for Arizona in 2007, his career in construction originated as an Assistant Project Manager building custom homes in North Scottsdale, AZ. In 2010, he accepted a role in Safety with the Safeway Group as their Intel Site Safety Manager and was ultimately promoted to Project Manager. Mr. Burke moved into multifamily construction in 2015 as a Project Manager for American Preservation Builders where he managed and supervised the renovation of their multifamily projects. Since then, he has attained experience with HUD and tax credit developments while successfully Mr. Burke takes pride in leading and guiding the professional development in others.

Laura Narduzzi, Director of Operations

Ms. Narduzzi received her degree in Hotel and Restaurant Management from the University of Wisconsin – Stout in 1989. She joined Gorman & Company in 2009 and now is the Director of Operations. She oversees the operations of Gorman’s management division as well as supervises several corporate functions including facilities, marketing, training and compliance. Ms. Narduzzi works closely with Development, Design and Construction in the development process to ensure strong viability and long-term sustainability and leads the relocation effort associated with many of Gorman’s projects.

Sara Luster, Regional Manager

Ms. Luster joined Gorman & Company in 2018 and leads the Southwest multifamily market, supervising the operations of more than 1,000 units. She oversees all facets of property operations for the portfolio to achieve financial goals and ownership objectives while adhering to all Gorman & Company policies, all applicable laws and ordinances, including Fair Housing and equal employment laws. Prior to joining Gorman & Company, she brings a wealth of experience in her 15 years of affordable housing experience, serving in roles as compliance officer, district manager and in multiple on-site management positions.

5.6.1.1.17 - Our team has experience in managing multiple development projects at the same time, the majority of which are extremely complex in terms of financing, regulation and approval, design, and architecture. Gorman & Company’s integrated functions, including development, architecture, construction, relocation and property management, allow us to collaboratively develop and construct highly successful developments from the very early stages through our creative public-private partnerships. All of the parties sit at the same table to program a development from concept through final execution, and we always engage our public and non-profit partners, as well as the surrounding community, in a comprehensive design charrette process to maximize buy-in from the residents we serve.

Since Gorman’s inception in 1984, we have developed over 9,000 units totaling nearly \$2 billion in assets. With a portfolio this large spanning the nation, Gorman is no stranger to working with multiple partners



on each and every development. Gorman has developed projects in Wisconsin, Arizona, New Mexico, Colorado, Illinois, Florida, Arkansas, and is currently working on projects located in Georgia, Ohio and Michigan. Being vertically integrated allows all departments to maintain constant and thorough communication from development to operations. We are consistently asked to return to communities to develop additional projects as we stand by our commitments and build award winning projects. When we receive an RFP award, we enthusiastically deliver on our promises and maintain a long-term commitment to our community partners. Gorman is experienced in developing financially feasible projects that include the ownership of the land being retained by the current owner, whether that is a municipality, County, housing authority, non-profit or for-profit owner. We are well versed in structuring projects that incorporate a ground lease, joint venture, and various other partnership arrangements.

Since starting our Arizona based office in 2008, we have completed 19 developments, are under construction with three, moving towards closing with two, and have six developments in the pipeline. Since starting our work in Arizona in 2008, we have received 23 LIHTC awards from the Arizona Department of Housing and have partnered with eight different syndicators with a competitive bid process for each project.

Gorman & Company has cultivated strong working relationships with local and national funding partners. Our development projects frequently employ financing in the form of Low-Income Housing Tax Credit (LIHTC) equity; CDBG, TIF, and NSP; city, county, and state HOME funds; EB-5, Federal Home Loan Bank AHP funding, local property tax exemptions, and more. We have significant experience with HUD programs and funding sources such as HOPE VI, CNI, RAD, project-based, and tenant-based vouchers, as well as FHA-backed financing such as Section 221(d)(4) and 223(f) and the latest debt products from Fannie Mae and Freddie Mac.

We are agile and creative in securing financing and are proficient at incorporating non-standard funding sources such as private equity and foundation grants. Many of our projects also incorporate partnerships with land and property owners to further leverage resources into the development. In our projects we are constantly discovering new sources of funding in order to ensure development goals are implemented. Our proficiency coupled with perseverance and outside-the-box thinking is a powerful company characteristic.

5.6.1.1.18 – We recognize that our request for \$3 million in ARPA funding for Phase II and an additional request of \$3 million for Phase I is a significant request. However, the ability to produce a total of 368 new service-enriched permanent supportive housing units represents a County investment of \$16,304 per unit and will be leveraged into a \$90 Million investment in this important neighborhood revitalization area near downtown Glendale. Also, with construction costs where they are today, every dollar matters. As a matter of practice, Gorman & Company only asked for what we truly think we need to make a project work financially, and we have even had a history of returning excess funds to the County that were allocated on previous projects that were not needed, as we did with the HOME funds allocated to Madison Height I & II. However, if we were required to reduce our allocation of ARPA funds, we would certainly work with our underwriting team to find creative ways to reduce costs through value engineering and/or raise additional gap funds through other possible sources if necessary.

5.6.1.2 - Please accept the following exceptions to the Affordable Housing Development Opportunities Solicitation Serial # 220166

- 5.6.1.9 Attachment G – Financial Information
 - Commitment letters for first mortgage and investment tax credits
 - We will seek lender and investor partnerships after the award of tax credits
 - Construction cost estimate
 - We will have a construction cost estimate after the award of tax credits
 - Construction contract
 - We will draft a construction contract after the award of tax credits
- 5.6.1.11 Attachment I – Relocation Forms
 - Not applicable
- 5.6.1.13 Exhibit 2 – Sole Proprietor Waiver
 - Not applicable

Exhibit B

Description of work to be performed under this Agreement

Centerline on Glendale Phase II is a 182-unit mixed-income permanent supportive rental housing community. This project is part of a two-phased development that will ultimately create a total of 368 units of new affordable housing in Glendale's Centerline Redevelopment Area with wrap-around supportive services. With immediate access to major employment hubs in downtown Glendale and in the nearby Westgate Entertainment District, major bus lines on both Glendale Avenue and 67th Avenue, as well as walking distance to nearby Glendale High School and Aquatic Center, and just a block from the soon-to-be constructed Mountain Park Health Clinic, this site is perfectly situated to not only address critical housing needs in the west valley, but also the full spectrum of the social determinants of health.

The project is located on a fully zoned, shovel ready, 13-acre parcel of land that is entitled for the 182 units planned for Phase II as well as the 186 additional units in Phase I. This project is being developed in two simultaneous phases for financing reasons. While each phase will be owned by two separate legal entities under two independent debt and equity structures, the project will share access and amenities across phases and be operated as one community once completed.

This development will be accessible to the physically disabled and sensory impaired. 100% of the units are designed utilizing Universal Design principles for accessibility and visitability. The project will contain both Type-A (fully accessible) and Type-B (adaptable) units. The project has been designed to provide a balance of safety and security needs with tenants' independence and sense of well-being as a cornerstone of the community.

All work completed has been designed to comply with Housing Quality Standards (HQS), Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23.

Exhibit C

Description of housing

The project is located on a fully zoned, shovel ready, 13-acre parcel of land that is entitled for the 182 units planned for Phase II as well as the 186 additional units in Phase I. This development is being developed in two simultaneous phases simply for financial engineering reasons as well as financial feasibility. While each phase will be owned by two separate legal entities under two independent debt and equity structures, the project will share access and amenities across phases and be operated as one community once completed.

This development will be accessible to the physically disabled and sensory impaired. 100% of the units are designed utilizing Universal Design principles for accessibility and visitability. The project will contain both Type-A (fully accessible) and Type-B (adaptable) units. The project has been designed to provide a balance of safety and security needs with tenants' independence and sense of well-being as a cornerstone of the community.

The resident population of the project will be mixed and diverse, including families with children, single individuals, elderly, disabled, and special needs. The project is in an extremely diverse census tract with a relatively high percentage of Hispanic households. The project will affirmatively further fair housing by developing a housing project that will serve the needs of a diverse tenant base, including households of varying demographics than the prevailing demographics in the census tract. In addition, the site and surrounding area is the center of a focused and concerted revitalization strategy.

The total Residential Floor Area of the one-bedroom units will range from 639-648 square feet, two bedrooms from 803-901 square feet, and three bedrooms from 1,105 square feet.

Centerline on Glendale Phase I has received an allocation of 40 Project Based Vouchers from the City of Glendale, five of which are reserved for individuals experiencing homelessness, which will be allocated as follows:

- Twelve (12) one-bedroom/one-bath units approximately 639-648 square feet with approved initial rent at \$1,511 with a utility allowance of \$102
- Sixteen (16) two-bedroom/one-bath units approximately 803-901 square feet with approved initial rent at \$1,791 with a utility allowance of \$122
- Twelve (12) three-bedroom/two-bath units approximately 1,105 square feet with approved initial rent at \$2,476 with a utility allowance of \$148

All work completed has been designed to comply with Housing Quality Standards (HQS), Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23.