

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY
(HILLCREST)

This Agreement for Purchase and Sale of Real Property (this “Agreement”) is made and entered into as of the 1st day of March, 2022 (the “Effective Date”), by and between THE CITY OF BISBEE, an Arizona municipal corporation (“Seller”), and HILLCREST ESTATES, LP, an Arizona limited partnership (“Purchaser”)(individually, a “Party” and collectively, the “Parties”).

Preliminary Statements

A. Seller is the owner of that certain parcel of real property located at 1 Hillcrest Drive in Bisbee, Arizona, consisting of approximately 2.34 acres of land and structures, and identified as Cochise County, Arizona, Assessor’s Parcel Number 101-05-024, and legally described in Exhibit “A” hereto, which is by this reference incorporated herein, together with all rights, easements and appurtenances pertaining thereto, including, without limitation, any right, title and interest of Seller in and to adjacent streets, alleys and rights of way, and all buildings, improvements and fixtures located thereon or appurtenant thereto, machinery, equipment and other fixtures located thereon and owned by Seller (the “Property”).

B. Seller, as a municipal corporation, is in compliance with the provisions set forth in A.R.S. § 9-402 regarding sales of city-owned property.

C. Purchaser is applying for public financing to develop the Property under a low-income housing tax credit program through the Arizona Department of Housing (the “ADOH”)(the “Tax Credit Application”) and with so-called HOME funds (the “HOME Funds”) and other possible funding such as low-income vouchers (the “Vouchers”). The Tax Credit Application for the 2022 round of funding is due April 1, 2022, pursuant to the ADOH’s current Qualified Allocation Plan (the “QAP”).

D. The HOME Funds and the Vouchers are or may be provided by the United States Department of Housing and Urban Development (“HUD”), and the use of the HOME Funds and the Vouchers is governed by various statutes and regulations. Specifically, and without limitation, 24 CFR §58.22 limits site control and makes the Property subject to a determination by the appropriate public body of the desirability of the property for the contemplated project as a result of the completion of an environmental review in accordance with HUD regulations. A copy of 24 CFR §58.22 is attached hereto as Exhibit “B” and is incorporated herein by this reference.

E. The provisions of the QAP impose certain requirements to be included in agreements to acquire property being submitted for approval in the Tax Credit Application.

F. Purchaser desires to enter into an agreement to purchase the Property for the sole purpose of developing affordable housing, and Seller is willing to sell the Property for such sole purpose, all on the terms and conditions set forth in this Agreement and consistent with 24 CFR §58.22 and the conditions imposed by the QAP.

Agreements

THEREFORE, for mutual consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree:

1. Sale and Purchase. Seller hereby agrees to sell the Property to Purchaser, and Purchaser hereby agrees to purchase the Property from Seller, on the terms and conditions set forth in this Agreement.

2. Earnest Money Deposit. Within two (2) business days after the mutual execution of this Agreement, Purchaser will deposit with the Escrow Agent (as hereinafter defined) the sum of Thirty Thousand and No/100 Dollars US (\$30,000.00) as an earnest money deposit (the "Earnest Money Deposit"). The Earnest Money Deposit shall, at Purchaser's option, be held in an interest-bearing account in favor of Purchaser and shall be applied, along with any accrued interest thereon, to payment of the Purchase Price (as hereinafter defined) and otherwise held and applied as set forth herein.

3. Purchase Price. The Purchase Price of the Property shall be Six Hundred Thousand and No/100 Dollars US (\$600,000.00) (the "Purchase Price"). The Purchase Price shall be payable in full at the Closing (as hereinafter defined), payable in immediately available funds, which amount shall include the Earnest Money Deposit.

4. Escrow.

(a) Appointment of Escrow Agent. The Parties hereby appoint Fidelity National Title Agency, attention Rebecca Sauers, One South Church Avenue, Suite 1410, Tucson, Arizona 85701, as the escrow agent (the "Escrow Agent") for the transaction contemplated by this Agreement. This Agreement shall serve as the Parties' escrow instructions. The Parties shall execute and deliver such other escrow instructions as are customary in the Tucson, Arizona, area. The Escrow Agent shall execute the Consent of Escrow Agent at the end of this Agreement.

(b) Prorations, Fees and Costs. The Escrow Agent shall prorate (i.e., apportion) between the Parties, in cash, as adjustments on the settlement statement, as of the Closing Date, the following:

(i) Taxes. Real property taxes for the Property are based on the latest information available to the Escrow Agent. Seller will pay all general and special assessments relating to the Property incurred before the Closing Date. Notwithstanding the foregoing, if the real property taxes for the year in which the Closing occurs are not known as of the Closing Date, then within thirty (30) days after the date that such real property taxes are levied, Purchaser and Seller shall readjust the proration of real property taxes based on the actual real property taxes for the year in which the Closing occurs, and each Party agrees to pay to the other within such thirty (30)-day period any sums owed to the other Party to effect such proration.

(ii) Other Prorations. Any other items Seller and Purchaser mutually instruct Escrow Agent to prorate as of the Closing Date. Seller shall pay in full, on or before the Closing, all special

assessments assessed against the Property prior to the Closing.

(iii) Seller's Fees and Costs. Seller will pay (i) the fee for the standard coverage portion of the owner's policy of title insurance to be obtained, and (ii) one-half of the Escrow Agent's escrow fee.

(iv) Purchaser's Fees and Costs. Purchaser will pay (i) one-half of the Escrow Agent's escrow fee, and (ii) the fee for any Purchaser-requested extended coverage portion (excluding the standard coverage portion) of the owner's policy of title insurance to be obtained and the cost of any title endorsements that Purchaser may request.

(c) Closing. The consummation of the transaction contemplated by this Agreement (the "Closing") shall take place on the earlier of: (i) October 31, 2022; and (ii) ten (10) business days after Purchaser's actual receipt of funding from the Tax Credit Application and other funding (the "Closing Date"), or on such other date as is mutually agreed upon, but in no event prior to HUD environmental clearance of the Property and issuance of the authority to use grant funds pursuant to 24 CFR §58.22, as more fully provided in Section 4(g) below, and, provided further, that the Closing shall not occur prior to the thirtieth (30th) day after the adoption by the City Council of Seller of an ordinance approving the transfer of the Property (or such extended time required by A.R.S. § 19-142). Seller and Purchaser shall execute and deliver any and all documents and instruments, and Purchaser shall pay such sums as are required under this Agreement, all of which shall be reflected in an agreed-upon settlement statement.

(d) Conveyance and Transfer. Seller shall deposit into escrow for recordation at the Closing a special warranty deed (the "Deed") conveying title to the Property to Purchaser, subject only to those matters set forth in the Title Commitment (as hereinafter defined) approved by Purchaser as set forth herein. Purchaser shall be entitled to possession of the Property on the date of the Closing, and Seller warrants that possession shall be so delivered.

(e) Title Insurance. Seller shall provide an ALTA extended form owner's title insurance policy to be issued by the Escrow Agent or its title insurance underwriter showing title to the Property vested in Purchaser in fee simple and subject only to the matters set forth in the Title Commitment approved by Purchaser. As set forth above, Seller shall be responsible for paying the premium for a standard coverage title insurance policy, and Purchaser shall be responsible for paying for the premiums for any additional title insurance coverage.

(g) Governmental Approval. Notwithstanding any implication to the contrary herein, if Purchaser is requesting ADOH Gap Financing, HOME or CDBG funding from any source, this Agreement is subject to a determination by the appropriate governmental body designated as the "recipient" on the desirability of the Property for the contemplated project as a result of the completion of the environmental review in accordance with 24 CFR Part 58. Further, notwithstanding any other provision of this Agreement, Purchaser shall have no obligation to purchase the Property, and no transfer of title to Purchaser may occur, unless and until the ADOH (and/or other "Responsible Entity", as applicable) has provided Purchaser and Seller with a written notification that: (i) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other contingencies of this

Agreement, (A) the purchase may proceed, or (B) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the Property; or (ii) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. The ADOH (and/or other "Responsible Entity", as applicable) shall use its best efforts to conclude the environmental review of the Property expeditiously.

(h) Property Agreements. Seller shall not enter into any agreements, contracts, applications, permits, or approvals relating to the Property that would remain in existence beyond the Closing.

(i) Operation of the Property. Prior to the Closing, Seller shall not voluntarily alter the condition of the Property and shall use commercially reasonable efforts to comply with all governmental statutes, rules and regulations affecting or relating to the Property.

5. Purchaser's Inspection Period and Development.

(a) Condition of the Property and Inspection. Purchaser shall have the right until June 8, 2022 (the "Feasibility Period"), in which to inspect, or hire third parties to inspect, the Property and to make design and use and other inquiries. To this end, Purchaser and its agents may go upon the Property to perform soil tests, surveys, engineering studies, environmental audits and such other tests or studies as Purchaser in its sole discretion may deem necessary or appropriate. All such tests and feasibility studies shall be performed in a manner and in locations approved by Seller and shall be at Purchaser's sole expense, and Purchaser shall indemnify and hold Seller harmless from any liability arising therefrom. Purchaser shall, upon the conclusion of any such inspections or tests, restore the Property so inspected to its condition prior to entry unless the Closing occurs.

Purchaser may terminate this Agreement because of failure to receive an award of tax credits pursuant to the Tax Credit Application or dissatisfaction with the condition of the Property in Purchaser's sole and absolute discretion upon the timely filing of a written notice with the Escrow Agent and Seller prior to the expiration of the Feasibility Period, whereupon the Earnest Money Deposit shall be refunded to Purchaser, and this Agreement shall be terminated, and the Parties' rights and obligations hereunder shall thereupon cease.

Upon the expiration of the Feasibility Period, provided that Purchaser shall not have terminated this Agreement as provided herein, the Earnest Money Deposit shall be deemed non-refundable, and the Escrow Agent shall release the Earnest Money Deposit to Seller, subject only to the provisions of Section 9(b) below.

(b) Status of Title to the Property. Seller shall cause the delivery of an ALTA extended coverage title insurance commitment (the "Title Commitment") to Purchaser within five (5) days after the date of this Agreement issued by the Escrow Agent's title insurance underwriter containing a commitment to issue an ALTA extended owner's title insurance policy to Purchaser in the full amount of the Purchase Price at the time of the Closing, subject only to the exceptions to title set forth in the Title Commitment approved by Purchaser. Along with the delivery of the

Title Commitment, the Escrow Agent shall also cause the delivery of legible copies of all Schedule “B” exceptions shown on the Title Commitment, which delivery may be electronically.

Purchaser shall have the Property surveyed at Purchaser’s sole expense, and, upon the completion of an ALTA survey of the Property, the Title Commitment shall be amended accordingly.

Purchaser may terminate this Agreement because of dissatisfaction with the status of title to the Property as set forth in the Title Commitment in Purchaser’s sole and absolute discretion upon the timely filing of a written notice with the Escrow Agent and Seller prior to the expiration of the Feasibility Period, whereupon the Earnest Money Deposit shall be refunded to Purchaser, and this Agreement shall be terminated, and the Parties’ rights and obligations hereunder shall thereupon cease.

(c) Cooperation. Purchaser shall have the right prior to the Closing to process and obtain all such applications, permits, licenses and approvals as are reasonably necessary or appropriate in connection with Purchaser’s efforts to develop the Property in accordance the Tax Credit Application, such as, by way of example, but not in limitation, submittal of any required development plan, permission of Purchaser’s consultants to make submittals while Seller is still in title to the Property, submittal of building plans and specifications for review and approval, applications for the extension of utilities services and submittals to any governmental agencies other than Seller (“Purchaser’s Development Activities”). Purchaser’s Development Activities shall be at no cost or expense to Seller. Seller hereby agrees promptly and fully to cooperate with Purchaser in connection with Purchaser’s Development Activities, including the consideration in a timely fashion of any submittals made to Seller itself. In connection with such cooperation, Seller shall from time to time, as requested by Purchaser, promptly sign any documents, instruments and letters that are reasonably necessary or appropriate in connection with Purchaser’s Development Activities. In no event shall Seller interfere with, delay or otherwise oppose any of Purchaser’s Development Activities with respect to the Sale Property.

(d) Appraisal. Purchaser’s obligation to complete the purchase of the Property as contemplated under this Agreement is further conditioned upon the ability of Purchaser to obtain a required appraisal of the Property sufficient to support its financing for the Purchase Price (the “Appraisal”). The Appraisal shall be obtained during the Feasibility Period. Purchaser shall engage the MAI appraiser that previously appraised the Property for Seller, Valbridge Property Advisors, to update the appraisal previously obtained by Seller.

6. Representations, Warranties and Covenants.

(a) Seller’s Representations, Warranties and Covenants. Seller makes the following representations and warranties to Purchaser, which are agreed to be a material part of the consideration hereunder, which shall be true when made and on the date of the Closing and that shall survive the Closing: (a) to Seller’s actual knowledge, the Property is not in violation of any statute, ordinance, rule or regulation of any federal, state, county or municipal authority, including, without limitation any air, noise, groundwater or similar environmental pollution laws or regulations; and (b) Seller is not a foreign person for purposes of the Internal Revenue Code. For

purposes of this Paragraph 6(a), the phrase “to Seller’s actual knowledge” means to the actual knowledge of the City Manager of Seller, without duty to commission third-party investigations or any other duty of investigation.

(b) Property Sold “AS-IS”. Except as may be expressly provided in this Agreement, Purchaser hereby acknowledges that Seller and its employees, agents, representatives, brokers and attorneys have not made, nor has Purchaser relied upon, any statements, materials, representations, or warranties, express or implied, of Seller or its employees, agents, representatives, brokers and attorneys. Purchaser acknowledges and agrees that it is relying solely on its own examination, inspection and investigation of the condition of the Property including, without limitation, the surface and subsurface thereof, all soil, engineering, environmental and other conditions that may affect the Property, any construction thereof, its zoning and use, its value, the development thereof and title, all as deemed necessary or appropriate, and Purchaser is entering into this Agreement and purchasing the Property based upon the results of such inspections and investigations and not in reliance on any statements, representations or agreements of Seller not expressly contained in this Agreement. As a result, Purchaser specifically acknowledges and agrees that Purchaser is acquiring the Property “AS IS, WHERE IS AND WITH ALL FAULTS”.

(c) Purchaser’s Authority. Purchaser hereby warrants and represents that it is a duly organized and validly existing limited partnership formed under the laws of the State of Arizona and authorized to transact business in the State of Arizona. The entry by Purchaser into the transaction contemplated by this Agreement and the performance by Purchaser of all of its obligations in connection herewith have been duly and validly authorized by all necessary actions, are in accordance with applicable law and are not in violation of Purchaser’s Limited Partnership Agreement or other organizational documents and authorities. This Agreement and all additional documents delivered in connection with this Agreement have been duly and validly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of Purchaser.

7. Real Estate Commission. Seller shall not be obligated to pay any real estate commission in connection with the transaction contemplated hereby. If, but only if, the transaction contemplated hereby is consummated, Purchaser shall pay a real estate commission to Stonecorner Real Estate and Development, Inc., an Arizona corporation, pursuant to a separate agreement. Purchaser represents and warrants to Seller that no other real estate commission is or will be due any real estate broker in connection with the transaction contemplated by this Agreement. Purchaser agrees to indemnify and hold Seller harmless from any and all claims, actions or other liabilities with respect to any claimed rights to a commission. This indemnity shall survive the termination of this Agreement.

8. Additional Conditions to the Closing. Purchaser’s obligation to consummate the transaction contemplated by this Agreement is conditioned upon the following:

(a) The execution and delivery by Seller of any and all documents and instruments necessary to consummate the transaction contemplated hereby;

(b) The performance by Seller of all provisions of this Agreement required to be performed prior to or by the date of the Closing;

- (c) The truth of the material representations made by Seller in this Agreement; and
- (d) Purchaser's receipt of the tax credits applied for in the Tax Credit Application.

In the event that any of the foregoing conditions (a), (b) and (c) fail, Purchaser may pursue its remedies under Section 9(b) hereof. In the event that the foregoing condition (d) fails, Purchaser shall be entitled to terminate this Agreement by giving written notice of termination to the Escrow Agent and Seller at or before the Closing, but Seller shall be entitled to retain the Earnest Money Deposit.

Seller's obligation to consummate the transaction contemplated by this Agreement is conditioned upon the following:

(a) The execution and delivery by Purchaser of any and all documents and instruments necessary to consummate the transaction contemplated hereby;

(b) The performance by Purchaser of all provisions of this Agreement required to be performed prior to or by the date of the Closing;

(c) The truth of the material representations made by Purchaser in this Agreement; and

(d) Purchaser's receipt of the tax credits applied for in the Tax Credit Application; notwithstanding any implication to the contrary, provided that Purchaser shall have performed subsections (a), (b) and (c) immediately above, the failure of Purchaser to receive such tax credits shall be the only condition excusing Seller's performance of this Agreement.

In the event that any of the foregoing conditions (a), (b) and (c) fail, Seller shall be entitled to pursue its remedies under Section 9(a) hereof. The failure of the foregoing condition (d) shall not be deemed a default hereunder.

9. Default.

(a) Seller's Remedies. If Purchaser fails to consummate the transaction contemplated hereby, being obligated to do so, Seller's sole and exclusive remedy shall be to terminate this Agreement and retain the Earnest Money Deposit, following ten (10) days' written notice to Purchaser of its default and the failure of Purchaser to cure the default within such ten (10)-day period. Subject to the provisions of Section 9(c) immediately below, Seller hereby waives any and all rights to, and shall have no other right to, seek damages, specific performance or any other rights or remedies at law or in equity against Buyer.

(b) Purchaser's Remedies. If Seller fails to consummate the transaction contemplated hereby, being obligated to do so, and Seller has failed to cure its default within ten (10) days following written notice thereof from Purchaser, Purchaser may elect, at its sole option: (i) to terminate this Agreement, in which case the Parties' rights and obligations hereunder shall thereupon cease and in which case Seller shall be obligated to reimburse Purchaser for the Earnest

Money Deposit previously released to Seller; or (ii) pursue an action for specific performance. Subject to the provisions of Section 9(c) below, Purchaser hereby waives any and all other rights and remedies at law or in equity arising by reason of the default of Seller other than those specifically set forth above.

(c) Post-Closing Remedies. Notwithstanding the provisions hereinbefore set forth in this Section 9, the Parties specifically acknowledge and agree that after the Closing, should a default occur under any of the closing documents, or should any default occur under any one or more of the provisions of this Agreement that survive the Closing, each Party shall be entitled to exercise such rights and remedies as may be available pursuant to the terms of such documents, at law or in equity, except as such documents may specifically limit such remedies. Further notwithstanding the foregoing, each Party hereby waives any claim that such Party may have for incidental or consequential damages arising out of a failure of performance of the other Party under this Agreement.

10. Miscellaneous.

(a) Assignment.

(i) Assignment by Purchaser. Purchaser shall not have the right to assign its rights under this Agreement with without the prior written consent of Seller, which consent may be withheld in Seller's sole discretion. No such assignment shall relieve Buyer of any obligations hereunder and Seller and any such permitted assignee shall remain jointly, severally and collectively liable for all Seller's obligations hereunder.

(ii) Assignment by Seller. Seller may not assign or transfer its rights and obligations under this Agreement without the prior written consent of Purchaser, which consent may be withheld in Purchaser's discretion.

(b) Entire Agreement. This Agreement represents the entire agreement between the Parties and supersedes all prior negotiations, representations, agreements, arrangements and understandings, if any, either written or oral, between the Parties with respect to the subject matter of this Agreement, none of which shall be used to interpret or construe this Agreement. Any amendment or modification to this Agreement shall be in writing and mutually agreed upon by both Purchaser and Seller.

(c) Counterpart Executions. This Agreement may be executed in one or more counterparts, each of which shall be deemed as original, but all of which together shall constitute one and the same document.

(d) Law Governing and Venue. This Agreement has been executed and delivered in the State of Arizona and shall be construed and enforced in accordance with the laws of such state, without regard to conflict of law principles. Any action to enforce any provision of this Agreement or to obtain any remedy with respect this Agreement shall be brought exclusively in the Superior Court, Cochise County, Arizona (or, as may be appropriate, in the Justice Courts of Cochise County, Arizona or in the United States District Court for the District of Arizona, if, and only if,

the Superior Court lacks jurisdiction over such action). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.

(e) Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns.

(f) Attorney's Fees. If any suit shall be brought by either Party to enforce or cancel this Agreement, the prevailing Party to such suit shall be entitled to recover all costs and expenses necessarily incurred in connection therewith, including reasonable attorney's fees to be fixed by a court.

(g) Notices. All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when delivered in person or by facsimile or by email or on the third business day after posting in a United States Post Office, directed by certified mail, return receipt requested, to the Parties as follows, or to such address as either party may later designate by like notice to the other:

TO PURCHASER:

Hillcrest Estates, LP
C/O LF Hillcrest Housing, Inc.
Attn: Daniel J. Ranieri, President & CEO
504 W. 29th Street
Tucson, Arizona 85713
Facsimile: 520-792-0564
Email: dan.ranieri@lafrontera.org

With copy to:

Joe F. Tarver
JOE F. TARVER, P.C.
4710 N. Caida Place
Tucson, Arizona 85718
Facsimile: None
Email: jftarver@outlook.com

TO SELLER:

City of Bisbee
Attention: City Manager
76 Erie Street
Bisbee, Arizona 85603
Facsimile: 520-432-6069
Email: spauken@bisbeeaz.com

With copy to:

Joseph D. Estes
Gust Rosenfeld, PLC
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553
Facsimile: 602-254-4878
Email: jestes@gustlaw.com

TO THE ESCROW AGENT:

Fidelity National Title Agency, Inc.
Attention: Rebecca Sauers
One South Church Avenue, Suite 1410
Tucson, Arizona 85701
Facsimile: 520-844-6456
Email: rebecca.sauers@fnf.com

(h) Severability. If any term, covenant, condition or provision of this Agreement or the documents and instruments executed and delivered in connection herewith is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

(i) Other Documents. Purchaser and Seller agree to execute and deliver any and all other documents or instruments necessary or desirable to carry out the intents and purposes of this Agreement.

(j) Time of the Essence. Time is of the essence in the performance by the Parties of their obligations under this Agreement.

(k) Facsimile and Email Signatures. Facsimile, email and electronic transmissions of signatures to this Agreement shall be considered delivery and shall be deemed binding.

(l) Benefit and Burden. This Agreement and the terms, covenants and conditions hereof shall inure to the benefit of, and shall be binding upon, the Parties, their respective heirs, executors, administrators, successors and assigns.

(m) Calculating Time Periods. In computing any time period prescribed or allowed by this Agreement, the day of the act or event from which the time period begins to run is not included and the last day of the time period is included. Acts that must be performed prior to the Closing must, if feasible, be performed three (3) full business days prior.

(n) Conflict of Interest. This Agreement is subject to the Conflict of Interest provisions of Arizona Revised Statutes § 38-511, as amended.

(o) Agreement Survives Closing. All obligations referred to herein to be performed at a

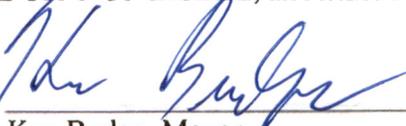
time or times after the Closing and all warranties and representations contained herein shall survive the Closing and delivery of the Deed.

(p) Risk of Loss. The risk of any loss or destruction of all or any part of the Property prior to the Closing shall be upon Seller. If, prior to the Closing, the Property is partially damaged or destroyed as a result of flood or other casualty, including a taking by eminent domain by any governmental entity, Purchaser shall have the sole option to (i) terminate this Agreement (and receive a full refund of the Earnest Money Deposit), or (ii) consummate the transaction contemplated hereby, without reduction in the Purchase Price and contemporaneously accept an assignment at the Closing of all proceeds of insurance from insurance policies or amounts due from any governmental entity covering the damage or destruction of the Property or the taking thereof, Seller then being obligated to assist Purchaser in collecting such proceeds. If Purchaser does not elect either of such alternatives prior to the Closing, Purchaser shall be deemed to have elected the option set forth in clause (ii) immediately above.

SIGNATURES FOLLOW ON NEXT PAGE

SELLER:

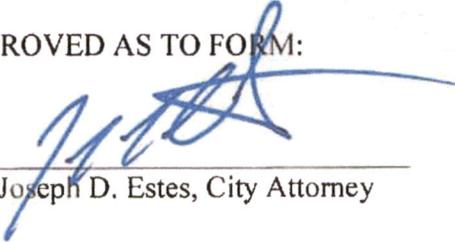
THE CITY OF BISBEE, an Arizona municipal corporation

By: 
Ken Budge, Mayor

ATTEST:

By: 
Ashlee Coronado, City Clerk

APPROVED AS TO FORM:

By: 
Joseph D. Estes, City Attorney

PURCHASER:

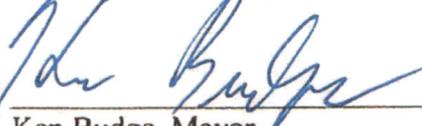
HILLCREST ESTATES, LP, an Arizona limited partnership

By: LF Hillcrest Housing, Inc., an Arizona corporation,
General Partner

By: _____
Daniel J. Ranieri, President & CEO

SELLER:

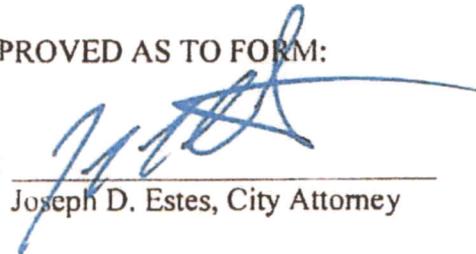
THE CITY OF BISBEE, an Arizona municipal corporation

By: 
Ken Budge, Mayor

ATTEST:

By: 
Ashlee Coronado, City Clerk

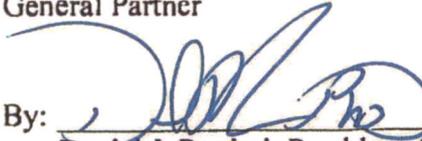
APPROVED AS TO FORM:

By: 
Joseph D. Estes, City Attorney

PURCHASER:

HILLCREST ESTATES, LP, an Arizona limited partnership

By: LF Hillcrest Housing, Inc., an Arizona corporation,
General Partner

By: 
Daniel J. Ranieri, President & CEO

CONSENT OF ESCROW AGENT

The undersigned hereby agrees to act as Escrow Agent pursuant to the foregoing Agreement for Purchase and Sale of Real Property.

The Escrow Agent has established Escrow No. [REDACTED], pursuant to the terms hereof. The "Effective Date" under this Agreement shall be the date on which the Escrow Agent has established this escrow file, and such "Effective Date" is the 1st day of March, 2022.

FIDELITY NATIONAL TITLE AGENCY, INC.

By: Judy Kaiser

Name: Judy Kaiser for Rebecca Sauers, Escrow Officer

EXHIBIT "A"
LEGAL DESCRIPTION OF HILLCREST PROPERTY

The surface to a depth of 40.00 feet immediately beneath the surface of those portions of the Garfield Lode Mining Claim and the Fashion Lode Mining Claim in Warren Mining District, being shown on Mineral Survey No. 1871 on file in the Bureau of Land Management, as granted by Patent recorded in Book 20 of Deeds of Mines, Page 105, records of Cochise County, Arizona, described as follows:

BEGINNING at a point whence Corner No. 1 (PD#1201) of the Garfield Patented Mining Claim, U.S. Mineral Survey No. 1871, bears South 51 degrees 49 minutes West, a distance of 166.70 Feet;

Thence North 40 degrees 39 minutes East a distance of 422.20 feet;

Thence South 33 degrees 04 minutes East, a distance of 225.05 feet;

Thence South 21 degrees 57 minutes West, a distance of 245.70 feet;

Thence South 53 degrees 04 minutes West, a distance of 73.00 feet;

Thence South 88 degrees 36 minutes West, a distance of 107.50 feet;

Thence North 44 degrees 30 minutes West, a distance of 200.00 feet to the POINT OF BEGINNING.

EXHIBIT "B"
24 CFR §58.22

Sec. 58.22 Limitations on activities pending clearance.

(a) Neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in Sec. 58.1(b) on an activity or project until HUD or the state has approved the recipient's RROF [Request for Release of Funds] and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in Sec. 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

(b) If a project or activity is exempt under Sec. 58.34, or is categorically excluded (except in extraordinary circumstances) under Sec. 58.35(b), no RROF is required and the recipient may undertake the activity immediately after the responsible entity has documented its determination as required in Sec. 58.34(b) and Sec. 58.35(d), but the recipient must comply with applicable requirements under Sec. 58.6.

(c) If a recipient is considering an application from a prospective subrecipient or beneficiary and is aware that the prospective subrecipient or beneficiary is about to take an action within the jurisdiction of the recipient that is prohibited by paragraph (a) of this section, then the recipient will take appropriate action to ensure that the objectives and procedures of NEPA [National Environmental Policy Act] are achieved.

(d) An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with this part and the cost of the option is a nominal portion of the purchase price. There is no constraint on the purchase of an option by third parties that have not been selected for HUD funding, have no responsibility for the environmental review and have no say in the approval or disapproval of the project.

(e) Self-Help Homeownership Opportunity Program (SHOP). In accordance with section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note), an organization, consortium, or affiliate receiving assistance under the SHOP program may advance nongrant funds to acquire land prior to completion of an environmental review and approval of a Request for Release of Funds (RROF) and certification, notwithstanding paragraph (a) of this section. Any advances to acquire land prior to approval of the RROF and certification are made at the risk of the organization, consortium, or affiliate and reimbursement for such advances may depend on the result of the environmental review. This authorization is limited to the SHOP program only and all other forms of HUD assistance are subject to the limitations in paragraph (a) of this section.

(f) Relocation. Funds may be committed for relocation assistance before the approval of

the RROF and related certification for the project provided that the relocation assistance is required by 24 CFR part 42.