

**PURCHASE AND SALE AGREEMENT
AND
ESCROW INSTRUCTIONS**

This Purchase and Sale Agreement and Escrow Instructions ("Agreement") is entered into effective as of March ____, 2022, by and between the City of Maricopa, an Arizona municipal corporation ("City" or "Seller"), and Honeycutt Ranch Apartments, L.P., a Arizona limited partnership ("Buyer"), on the terms and conditions contained herein.

1. Sale and Purchase. On the terms and conditions contained in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller approximately 11.73 acres of the real property generally located on the southeast corner of N. White and Parker Road and W Lococo St., Maricopa, Pinal county, Arizona, a portion of Assessor Parcel No. 502-03-012M, and legally described and depicted on Exhibit A, together with all of Seller's rights, title and interest in and to any improvements located thereon; (a) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights and air rights; (b) all oil, gas, and mineral rights not previously reserved; and (c) any other rights or privileges appurtenant to such real property (collectively, the "Property").

2. Escrow and Title Company. The City and Buyer shall open an escrow ("Escrow") with Royal Abstract National LLC, 125 Park Avenue, Suite 1610, New York, New York 10017, Attn: Michael Roberts ("Title Company") to facilitate the consummation of the sale of the Property. This Agreement shall also serve as escrow instructions to Title Company. The City and Buyer shall provide additional instructions reasonably requested by Title Company in connection with opening the Escrow or otherwise facilitating the consummation of the sale of the Property, not inconsistent with the terms of this Agreement. In the event of any conflict or inconsistency between any additional Escrow Instructions requested by Title Company and this Agreement, the provisions of this Agreement shall prevail.

3. Purchase Price; Earnest Money.

3.01 Purchase Price. The purchase price ("Purchase Price") to be paid by Buyer for the Property shall be Three Million Sixty-Five Thousand Seven Hundred Fifty-Two and 00/100 Dollars (\$3,065,752.00), which represents \$6.00 per square foot. In the event the Property is calculated at more or less than 11.73 acres in the Survey (defined in Section 5.03), the Purchase Price shall be adjusted accordingly based on the actual square footage to be purchased at a rate of \$6.00 per square foot. The Purchase Price shall be paid in cash or certified funds as follows:

(a) Payment of One Hundred Thousand and 00/100 Dollars (\$100,000.00) Earnest Money as set forth in Section 3.02.

(b) Payment of the remainder of the Purchase Price at Closing ("Closing Payment").

3.02 Earnest Money. On the Opening of Escrow (as defined in Section 4.01), Buyer shall deposit with the Title Company the amount of One Hundred Thousand and No/100 Dollars (\$100,000.00) ("Earnest Money"). The Earnest Money shall become non-refundable to Buyer at the expiration of the Feasibility Period (as defined in Section 6.02(b)), except as otherwise provided in this Agreement.

If the transaction contemplated hereby is consummated in accordance with the terms and provisions hereof, the Earnest Money shall be credited toward the Purchase Price at Closing. If

the transaction is not so consummated, the Earnest Money shall be held and delivered by the Title Company as hereinafter provided.

4. Escrow Opening and Closing.

4.01 Opening of Escrow. The Title Company shall sign and date this Agreement on the space provided at the end of this Agreement, indicating that Escrow has been opened as of such date ("Opening of Escrow"), which date shall be the date at which Title Company is in possession of a fully executed Agreement and the Earnest Money. The Title Company shall provide a copy of the fully executed Agreement to the City and Buyer within five (5) days of the Opening of Escrow.

4.02 Closing. The closing of this transaction and escrow (the "Closing" or "Close of Escrow") shall occur thirty (30) days after the later of (i) the expiration of the Feasibility Period (as defined in Section 6.02(b)); or (ii) the expiration of the Entitlement Period (as defined in Section 6.03), unless otherwise agreed to in writing by both parties.

5. Title

5.01 Status of Title. Within five (5) days after Opening of Escrow, or as soon thereafter as possible, Title Company shall provide Buyer and City with a current commitment for title insurance (the "Title Commitment") for the Property, disclosing all matters of record and other matters of which Title Company has knowledge which relate to the title to the Property, and a legible copy of each of the instruments and documents referred to in the Title Commitment. The Title Commitment shall include Title Company's requirements for Closing and issuing its title policy. Seller shall satisfy those requirements of Seller requiring a release of consensual monetary encumbrances on or before the Closing. Buyer shall have thirty (30) days after receipt of the Title Commitment and copies of all instruments and documents referred to in the Title Commitment, or ten (10) days after the receipt of any amendment thereto and copies of all instruments and documents referred to therein, to object in writing to Seller to any matter shown thereon. If Buyer fails to object within said period, the condition of title to the Property shall be deemed approved. If Buyer timely objects to any matter disclosed by the Title Commitment or any amendment thereto, the Seller may, but is not obligated, to use reasonable efforts to cure such objection(s) (although in no event shall the Seller be required to expend funds) within fifteen (15) days thereafter. If, within such 15-day period, the Seller is unsuccessful or responds that it is unwilling to cure Buyer's objection(s), Buyer shall have five (5) days following notice from the Seller of its inability or unwillingness to cure in which Buyer shall elect by delivering written notice to the Seller and Title Company either to (a) waive its objection(s); or (b) terminate this Agreement. If Buyer elects to terminate this Agreement, Title Company shall deliver the Earnest Money to Buyer without further notice to or from the Seller and neither party shall thereafter have any further rights or obligations hereunder except for those obligations that survive the termination of this Agreement or the Close of Escrow as provided in this Agreement. Failure by Buyer to make a timely election shall constitute an election to terminate this Agreement. Failure by the Seller to give any notice shall constitute the Seller's election not to cure. Notwithstanding anything else stated herein, in all events, regardless of whether Buyer has given notice of objection as stated above, the Seller shall be obligated to satisfy and otherwise remove all monetary and financial liens and encumbrances in existence at the time of execution of this Agreement or incurred by the Seller on or before Closing hereunder (other than current taxes not yet due). Any title exceptions which have been not been objected to or waived by Buyer shall be called "Permitted Title Exceptions."

5.02 Title Policy. At Closing, Title Company shall furnish to Buyer an ALTA extended coverage owner's policy of title insurance in the amount of the Purchase Price for the

Property insuring Buyer's title to the Property, subject only to those matters approved by Buyer pursuant to Section 5.01. The Seller shall pay the premium for a standard coverage owner's policy and Buyer shall pay the difference in premium cost between an ALTA extended coverage and a standard owner's policy and the cost of any endorsements requested by Buyer.

5.03 Survey. As soon as reasonably possible after the Opening of Escrow, the City shall obtain an ALTA survey to establish the legal description of the Property (the "Survey"). Buyer shall have until the end of the Feasibility Period, but not less than ten (10) days to review and approve the Survey of the Property or provide objections to any item on the Survey in its sole discretion. If Buyer timely objects to any matter disclosed on the Survey, the Seller may, but is not obligated, to use reasonable efforts to cure such objection(s) (although in no event shall the Seller be required to expend funds) within ten (10) days thereafter. If, within such 10-day period, the Seller is unsuccessful or responds that it is unwilling to cure Buyer's objection(s), Buyer shall have five (5) days following notice from the Seller of its inability or unwillingness to cure in which Buyer shall elect by delivering written notice to the Seller and Title Company either to (a) waive its objection(s); or (b) terminate this Agreement. If Buyer elects to terminate this Agreement, Title Company shall deliver the Earnest Money to Buyer without further notice to or from the Seller and neither party shall thereafter have any further rights or obligations hereunder except for those obligations that survive the termination of this Agreement or the Close of Escrow as provided in this Agreement. The City shall furnish to Buyer a final ALTA Survey of the Property prior to the Close of Escrow.

6. Preliminary Due Diligence; Examination of Property.

6.01 Preliminary Due Diligence. Within five (5) days after the Opening of Escrow, or as soon thereafter as possible, Seller shall provide to Buyer the following information (the "Property Information"), to the extent the Property Information is in the Seller's possession or control: an ALTA survey including existing cross-access easements, drainage easements, ditch easements and/or utility easements/agreements, title report, flood zone status/Elevation Certificate, proof of legal access, septic system reports and permits, well documentation and water rights, Phase 1 report or any other environmental studies or approvals related to current or past operations on the Property of which the Seller has knowledge, soil and archeological studies tax information, Seller's Property Disclosure Statement, list of mechanical equipment or other ancillary assets that will stay with the Property, Seller's corporate information and other information Seller may have in its possession concerning the Property.

The Seller makes no representation or warranty whatsoever regarding the Property Information, except that the Seller has no actual knowledge of any incorrect information contained therein (and such representation is made without investigation or review by the Seller or the Property Information). The Seller nor any of its respective officers, directors, employees, attorneys, engineers, agents or representatives shall be deemed to make or have made any representation or warranty as to the adequacy, validity, accuracy, fitness for a particular purpose or completeness of the Property Information, and neither Seller nor any of its officers, directors, employees, attorneys, engineers agents or representatives shall have any liability resulting from the use of or reliance on the Property Information. If this transaction does not close for any reason, Buyer shall not use any Property Information provided to Buyer and shall return the same and any copies thereof to the Seller.

Buyer acknowledges and agrees that upon Closing, Seller shall sell and convey the Property to Buyer and Buyer shall accept the Property "**AS IS, WHERE IS, WITH ALL FAULTS,**" except to the extent expressly provided otherwise in this Agreement or any document executed by Seller and delivered to Buyer at Closing. Except as expressly set forth in this Agreement or any

document executed by Seller and delivered to Buyer at Closing, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, the Property information packages distributed with respect to the Property) made or furnished by Seller, or any property manager, real estate broker, agent or third party representing or purporting to represent Seller, to whomever made or given, directly or indirectly, orally or in writing. Buyer represents that it is a knowledgeable, experienced and sophisticated Buyer of real estate and that, except as expressly set forth in this Agreement, it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property and shall make an independent verification of the accuracy of any documents and information provided by Seller. Buyer will conduct such inspections and investigations of the Property as Buyer deems necessary, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same. By failing to terminate this Agreement prior to the expiration of the Feasibility Period, Buyer acknowledges that Seller has afforded Buyer a full opportunity to conduct such investigations of the Property as Buyer deemed necessary to satisfy itself as to the condition of the Property and the existence or non-existence or curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and will rely solely upon same and not upon any information provided by or on behalf of Seller or its agents or employees with respect thereto, other than such representations, warranties and covenants of Seller as are expressly set forth in this Agreement. Upon Closing, Buyer shall assume the risk that adverse matters, including, but not limited to, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by Buyer's inspections and investigations. Buyer hereby represents and warrants to Seller that Buyer is represented by legal counsel in connection with the transaction contemplated by this Agreement. Buyer waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller.

6.02 Examination of Property.

(a) Upon making prior arrangements with the Seller, Buyer, its agents or employees may enter upon the Property for the purposes of inspecting the Property, conducting environmental, soil, engineering, structural and other tests as Buyer may deem necessary. Buyer shall restore the affected portion of the Property to its condition prior to the performance of such studies or inspections. Buyer agrees to indemnify, defend and hold the Seller harmless for, from and against any liability and/or damages caused by Buyer in exercising the foregoing license (unless arising from Seller's gross negligence or willful misconduct), including, but not limited to any and all costs, expenses and attorneys' fees, through all mediation, arbitration, trial and appellate proceedings, and agrees that this obligation to indemnify shall survive any termination of this Agreement and the Close of Escrow. All expenses incurred in connection with the exercise of such license by Buyer shall be the responsibility of Buyer.

(b) Notwithstanding any provisions herein to the contrary, Buyer may terminate this Agreement, for any reason, by delivering written notice of such termination to the Seller and Title Company on or before the one hundred and twentieth (120th) day following the Opening of Escrow. The period between the Opening of Escrow and the last date on which Buyer may terminate this Agreement in accordance with the provisions of this Section 6.02(b) is herein called feasibility period ("Feasibility Period"). If Buyer elects to terminate this Agreement pursuant to this Section 6.02(b), the Title Company shall deliver the Earnest Money to Buyer without further notice to or from the Seller and neither party shall thereafter have any further rights or obligations hereunder except for those rights and obligations that survive termination of this Agreement or the Close of Escrow as provided in this Agreement.

6.03 Entitlement Period. In addition to the Feasibility Period (as defined in Section 6.02(b)), Buyer shall be entitled to an additional one hundred and twenty (120) days to obtain all necessary entitlements for the Property including, but not limited to, a FEMA flood map amendment and zoning ("Initial Entitlement Period"). So long as Buyer is actively pursuing the necessary entitlements for the Property during the Initial Entitlement Period, Buyer shall be allowed to extend the Entitlement Period up to four (4) times for an additional period of thirty (30) days each (a maximum extension time of one hundred and twenty (120) days) (the "Extended Entitlement Period" and, together with the Initial Entitlement Period, the "Entitlement Period"). Buyer may terminate this Agreement during the Entitlement Period and retain their Earnest Money by delivering written notice of such termination to the Seller and Title Company only if they are unable to obtain the necessary entitlements despite using best efforts to do so. In the event Buyer ceases to actively pursue the necessary entitlements at any time during the Entitlement Period, Seller may terminate this Agreement and retain the Earnest Money by delivering written notice of such termination to the Buyer and Title Company.

7. Representations and Warranties.

7.01 Seller's Representations and Warranties. Seller makes the following representations and warranties, all of which shall be true and correct at the Closing and which shall survive Closing:

(a) To the Seller's actual knowledge, and except as reflected in the Title Documents, there are no claims, actions, suits, or other proceedings pending or threatened or any governmental department or agency or any other corporation, partnership, entity or person whomsoever, nor any voluntary actions or proceedings contemplated by the Seller, which in any manner or to any extent may detrimentally affect Buyer's right, title or interest in and to the Property, or the Seller's ability to perform the Seller's obligations under this Agreement.

(b) Seller has the full power and authority to enter into and perform this Agreement according to the terms hereof and the individuals executing this Agreement and all documents delivered pursuant to this Agreement on behalf of the Seller are authorized to do so.

(c) To the Seller's actual knowledge, and except as reflected in the Title Documents, there are no agreements, commitments or understandings by or between the Seller and any third party pursuant to which the Seller or its successors in interest are required to convey, dedicate, sell or transfer any part of the Property or to grant any easement, water right, right-of-way, road or license in respect to any part of the Property.

(d) To the Seller's actual knowledge, the Seller has not received any notices and the Seller is not otherwise aware that the Property was not or is not in compliance with all federal, state of Arizona and local laws, ordinances and regulations relating to environmental protection, occupational health and safety, public health and safety or public nuisance or menace (collectively "Environmental Laws"). To the Seller's actual knowledge there has been no production, storage, transport, release, spillage or disposal upon the Property of any hazardous substances, hazardous waste, hazardous materials, toxic substances, contaminants, or any other substances declared to be hazardous or toxic under any Environmental Laws.

(e) To the Seller's actual knowledge, there is no pending or threatened condemnation or similar proceedings affecting the Property or any part thereof and the Seller has no knowledge that any such proceeding is presently contemplated.

(f) This Agreement and all documents required hereby to be executed by the Seller are and shall be valid, legally binding obligations of, and enforceable against the Seller, in accordance with their terms.

As used in this Agreement, "To the Seller's actual knowledge" shall mean the actual, present knowledge of the City Manager at the time of signing this Agreement without making any independent investigations or inquiries.

(g) Except as otherwise expressly set forth in this Agreement and the Deed, neither the Seller nor its members, employees, agents, representatives, attorneys or contractors (collectively "Seller's Parties") have made any representations, guaranties, promises, assurances or warranties, express or implied, to Buyer including, without limitation, any pertaining to the suitability of the Property for any purpose, the profitability of owning or operating the Property, the physical or environmental condition thereof, the suitability, habitability or merchantability or fitness of the Property for Buyer's intended use or for any use whatsoever, the rentals, income or expenses thereof, the net or gross acreage contained therein, the zoning thereof, the condition of title thereto, the existence or satisfaction of any local, state or federal approvals or permits for the development or use thereof, the availability or existence of water, sewer or other utilities, the existence or nonexistence of any hazardous substances or materials in, on or under the Property, or as to any past, present or future matter whatsoever. The Seller acknowledges and agrees that this disclaimer has been specifically negotiated and that the Property will be sold in the condition described in Section 6.01.

7.02 Buyer's Representations and Warranties. Buyer represents and warrants to the Seller:

(a) Buyer has the full power and authority to enter into and perform this Agreement according to the terms hereof and the individual executing this Agreement on behalf of Buyer is authorized to do so.

(b) This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of, and enforceable against Buyer, in accordance with their terms.

(c) Buyer acknowledges and agrees that with the aid of independent expert advice it will have had an opportunity to satisfy, prior to the expiration of the Feasibility Period, itself regarding the condition of the Property, and that the Property will be purchased "**AS IS AND WITH ALL FAULTS**". Buyer shall assume the responsibility and risk of all defects to and conditions of the Property, including such defect and conditions, if any, which cannot be observed by inspection. The Buyer acknowledges and agrees that this disclaimer has been specifically negotiated and that the Property will be sold in its then-present condition.

8. Remedies.

8.01 Seller's Remedies. In the event Buyer fails to perform its obligations pursuant to this Agreement (and such failure continues for a period of ten (10) days following written notice to the Buyer) for any reason except due to the Seller's default or failure to perform its obligations hereunder, the Seller shall be entitled as its sole remedy to terminate this Agreement and Title Company shall deliver to the Seller the Earnest Money as liquidated damages and not as penalty, in full satisfaction of claims against Buyer hereunder. Seller and Buyer agree that the Seller's damages resulting from Buyer's default are difficult, if not impossible, to determine and the amount of the Earnest Money is a fair estimate of those damages which has been agreed to in an

effort to cause the amount of said damages to be certain. Nothing in this Section shall limit the Seller's right to recover attorneys' fees under Section 8.03 below. Notwithstanding anything in this Agreement to the contrary, any limited partner of Buyer shall have the option, but not the obligation, to cure any default of the Buyer under this Agreement and Seller shall accept such cure as if it were made directly by the Buyer.

8.02 Buyer's Remedies. If the Seller (1) fails to perform any of its obligations under this Agreement prior to the Closing for any reason other than the default of Buyer or the termination of this Agreement (and such failure continues for a period of ten (10) days following written notice to the Seller), or (2) breaches a representation and warranty, then the Seller shall be in default under this Agreement and, as Buyer's sole and exclusive remedy, Buyer may elect to: (i) waive the default and proceed to close this transaction and the Escrow; or (ii) pursue specific performance of this Agreement; or (iii) terminate this Agreement and receive the Earnest Money from the Title Company; provided, however, if specific performance is unavailable because of the affirmative or intentional acts or omissions of the Seller, Buyer may bring suit for damages as a result of the Seller's default hereunder. As a condition precedent to Buyer's right to pursue specific performance under section (ii) above, Buyer shall (a) not be in default under this Agreement; and (b) file suit therefore in the Superior Court of Arizona in Pinal County, Arizona on or before 5:00 pm MST on or before the date that is sixty (60) days immediately following the scheduled Closing Date. Nothing in this Section shall limit Buyer's right to recover attorneys' fees under Section 8.03 below.

8.03 Attorneys' Fees. In the event either party hereto is required to employ an attorney because of the other party's default, then the defaulting party shall pay the non-defaulting party's reasonable attorneys' fees incurred in the enforcement of this Agreement.

8.04 Waiver. Seller and Buyer waive the right to pursue consequential or punitive damages against the other.

9. Conditions Precedent to Seller's Obligations. The obligations of the Seller under this Agreement are subject to the satisfaction, on or prior to the Closing, of the following conditions, all or any of which may be waived in writing by the Seller:

(a) All representations and warranties made by Buyer in this Agreement and in any written statements delivered to the Seller by Buyer under this Agreement shall be true and correct as of the Closing.

(b) Buyer shall have performed and complied with all obligations of Buyer required by this Agreement to be performed or complied with by Buyer on or prior to the Closing.

(c) All documents required to be delivered by Buyer on or prior to the Closing shall have been properly executed by Buyer and delivered to Escrow Agent or the Seller in form and substance reasonably satisfactory to Seller.

10. Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction, on or prior to the Closing, of the following conditions, all or any of which may be waived in writing by Buyer:

(a) All representations and warranties made by the Seller in this Agreement and in any written statement delivered to Buyer by the Seller under this Agreement shall be true and correct as of the Closing.

(b) Seller shall have performed and complied with all its respective obligations

required by this Agreement to be performed or complied with by it on or prior to the Closing.

(c) All documents required to be delivered by the Seller on or prior to the Closing shall have been properly executed by the Seller and delivered to Escrow Agent or Buyer in form and substance reasonably satisfactory to Buyer.

(d) Title Company shall have irrevocably committed to issue the Title Policy.

11. Closing.

11.01 Closing Matters.

(a) At Closing, the Seller shall execute, deliver and acknowledge the following documents:

(i) A special warranty deed ("Deed") conveying the Property, subject only to ad valorem taxes for the year of closing and applicable Permitted Title Exceptions;

(ii) An affidavit, signed and acknowledged by the Seller under penalties of perjury, certifying that the Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign person within the meaning of Section 1445 and Section 7701 of the Internal Revenue Code of 1986 and the associated Treasury Regulations;

(iii) An affidavit of property value as required by law; and

(iv) Such other documents as are reasonably necessary to close and consummate the purchase and sale transaction contemplated by this Agreement and as may be required by the lender for the Buyer.

(b) At Closing, Buyer shall:

(i) Deliver the Closing Payment to Title Company;

(ii) Execute and deliver an affidavit of property value as required by law; and

(iii) Execute and deliver such other documents as are reasonably necessary to close and consummate the purchase and sale transaction contemplated by this Agreement and as may be required by the lender for Buyer or the Title Company.

(c) Title Company shall transfer the Cash Payment to the Seller by wire transfer upon the Close of Escrow.

(d) Possession of the Property shall be delivered to Buyer at Closing.

11.02 Taxes. At Closing, all taxes (real and personal), fees and assessments, if applicable, shall be prorated as of the date of the Closing.

11.03 Closing Costs. Escrow fees charged by Title Company shall be paid one-half (1/2) by the Seller and one-half (1/2) by Buyer. The Seller shall pay the premium chargeable for a Standard's Owners Policy of Title Insurance and if Buyer desires to have ALTA Extended Coverage, then Buyer shall pay the incremental portion of the premium applicable to the extended

coverage. Seller shall pay the fee for recording the Deed. Except as otherwise provided in Section 8.03, each party shall be responsible for the payment of its own attorneys' fees incurred in connection with the transaction, which is the subject of this Agreement.

11.04 Commissions. Neither Seller nor Buyer have retained or engaged a real estate broker, commission agent or any other person who is or may be entitled to payment of a commission or finder's fee or other compensation in connection with the transaction contemplated by this Agreement. Seller and Buyer shall indemnify, hold harmless and defend the other, its successors and assigns for, from and against any and all claims, demands, actions, costs and expenses, including reasonable attorney and accounting fees and court costs arising out of any claim by any real estate broker or other person claiming through the indemnifying party that such person is entitled to any commission or fee in connection with this transaction. The provisions of this Section 11.04 shall survive the Closing.

12. Condemnation and Risk of Loss.

12.01 Condemnation. If, prior to Closing, any governmental authority or other entity having condemnation authority shall institute an eminent domain proceeding or take any steps preliminary thereto (including the giving of any direct or indirect notice of intent to institute such proceedings) with regard to the Property, and the same is not dismissed on or before ten (10) days prior to Closing, Buyer shall be entitled either to terminate this Agreement upon written notice to Seller or to waive such right of termination and receive all such condemnation proceeds. In the event Buyer elects to terminate this Agreement under this Section 12.01, the Title Company shall forthwith return to Buyer the Earnest Money and neither party to this Agreement shall thereafter have any further rights or obligations hereunder except for those rights and obligations that survive termination of this Agreement or the Close of Escrow as provided in this Agreement.

12.02 Risk of Loss. The risk of loss or damage to the Property and all liability to third persons until the Close of Escrow shall be borne by the Seller. Buyer shall assume all risks of loss or damage to the Property and all liability to third persons upon the Close of Escrow.

13. Schedule of Performance and Reversion Option. Notwithstanding any contrary provisions contained in this Agreement, Buyer and Seller hereby agree:

(a) Within thirty-six (36) months after Close of Escrow, Buyer shall have at least 228 multi-family housing units (the "Development") constructed and available for occupancy;

(b) Buyer shall be responsible for any costs and fees including, but not limited to, impact fees, plan review fees and permit fees and shall be subject to the City's or other appropriate governmental entity's normal plan submittal, review and approval processes, fees and day-to-day inspection services.

The failure of Buyer to satisfy this condition, unless the parties mutually agree in writing to an extension of time, shall result in the City having the option of taking back the title to the Property, and the Seller shall refund to the Buyer the sum of the amount paid to the Seller by Buyer for the Property (the "Reversion"). A Notice of Reversion Option, as set forth in Exhibit B, shall be recorded against the Property upon Close of Escrow. In the event the Seller exercises this option, the Buyer agrees to immediately sign any and all documents necessary to provide Seller with clear and unencumbered title to the Property upon the receipt of the funds from Seller. Prior to exercising this option, Seller will give the Buyer thirty (30) days written notice. Notwithstanding anything to the contrary contained herein, the Reversion and the rights granted to the Seller pursuant to this Section 13 shall be subordinate to any loan currently or contemporaneously with the Close of

Escrow encumbering the Property. Upon issuance of any temporary or permanent certificate of occupancy in connection with the Development, the Reversion and the rights granted to the Seller pursuant to this Section 13 will extinguish and Seller will execute and record against the Property a form of release and termination of the Reversion acceptable to Buyer and the Title Company in each parties' reasonable discretion.

The Buyer shall not sell, assign, transfer or convey the Property until Buyer has fully met the conditions of this Section, unless otherwise agreed to in writing by the Seller in the Seller's sole and absolute discretion. Notwithstanding anything to the contrary contained herein, any transfer or conveyance of the Property as the result of a foreclosure or deed in lieu of foreclosure in connection with any loan encumbering the Property shall be a permitted transfer hereunder and shall not require any approval or consent.

14 Miscellaneous.

14.01 Notices. Any and all notices, demands or requests required or permitted hereunder shall be in writing and shall be effective (i) upon personal delivery or facsimile transmission (facsimile transmission must include verification of transmission), (ii) one (1) business day after being deposited with any commercial air courier or express service providing next day delivery or (iii) immediately if delivered by electronic mail, addressed as follows:

To Buyer: Honeycutt Ranch Apartments, L.P.
401 Wilshire Blvd., #1070
Santa Monica, CA 90401
Attention: Ben Taylor
E-mail: btaylor@lincolnavicap.com

With copy to: Lincoln Capital Acquisition, LLC
680 5th Avenue, 17th Floor
New York, NY 10019
Attention: Hanna Jamar
E-mail: hanna@lincolnavicap.com

With copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402
Attention: John Stern
E-mail: jstern@winthrop.com

To City: City of Maricopa
Attn: Rick Horst, City Manager
39700 West Civic Center Plaza
Maricopa, Arizona 85138
Email: rick.horst@maricopa-az.gov

With copy to: Denis M. Fitzgibbons, City Attorney
Fitzgibbons Law Offices, P.L.C.
1115 E. Cottonwood Lane, Suite 150
P.O. Box 11208
Casa Grande, Arizona 85130-0148
Email: denis@fitzgibbonslaw.com

Escrow Agent: Michael Roberts
Royal Abstract National LLC
125 Park Avenue, Suite 1610,
New York, New York 10017
Email: mroberts@royalabstract.com

Buyer, the City or Escrow Agent may change its address for notice by giving notice in the manner provided above. The inability to deliver because of a changed address of which no notice was given, or rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any telephone numbers or e-mail addresses provided in this Agreement are for aiding informal communications only, and notices shall not be effective if provided orally or if sent only by e-mail. Seller shall deliver any notices provided to Buyer under this Agreement to the limited partner of Buyer after Buyer provides Seller with the name and notice address of Buyer's limited partner.

14.02 Time of the Essence; Date of Performance. Time is of the essence of this Agreement, and Buyer and Seller hereby agree to perform each and every obligation hereunder in a prompt and timely manner; provided, however, that if the date for the performance of any action or the giving of any notice which is required hereunder, occurs on a Saturday, Sunday or legal holiday, the date for performance or giving of notice shall be the next succeeding business day.

14.03 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited hereunder, such provision shall be ineffective to the extent of such prohibition or invalidation which shall not invalidate the remainder of such provision or the remaining provisions of this Agreement.

14.04 Waiver. The waiver by either party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted herein, nor shall same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

14.05 Entire Agreement. This Agreement, contains the entire agreement of the parties hereto with respect to the matters covered hereby, supersedes all prior agreements, arrangements and understandings between the parties and no other agreement, statement or promise made by either party hereto that is not contained herein shall be binding or valid. All exhibits to this Agreement are by this reference incorporated herein.

14.06 Amendments. This Agreement may be amended only by written document signed by each of the parties hereto.

14.07 Further Performance. Each party shall, whenever and as often as it shall be requested by the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and documents, including supplemental escrow instructions, as may be reasonably necessary in order to complete the sale, conveyance and transfer herein provided and to do any and all things as may be requested in order to carry out the intent and purpose of this Agreement.

14.08 Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. A party's signature on this Agreement or any amendment hereto

may be provided by facsimile or electronically scanned and shall be effective upon transmission to the other party hereto.

14.09 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, devisees, personal and legal representatives, successors and assigns.

14.10 Governing Law; Venue. This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of the State of Arizona, without giving effect to the principles of conflicts of law. The parties agree that should any court action be commenced relating to this Agreement, that the Pinal County Superior Court shall be the appropriate and exclusive venue therefore. The parties expressly waive any and all provisions of law providing for a change of venue to any other state or federal court.

14.11 Dispute Resolution. In the event a dispute arises under this Agreement, Buyer and Seller agree that there shall be a thirty (30) day moratorium on litigation during which time the Buyer and Seller agree to attempt to settle the dispute by non-binding mediation before commencement of litigation. The mediation shall be held under the Commercial Mediation Rules of the American Arbitration Association ("AAA") but shall not be under the administration of the AAA unless agreed to by the Buyer and Seller in writing, in which case all administrative fees shall be divided evenly between the Buyer and Seller. The matter in dispute shall be submitted to a mediator mutually selected by Buyer and Seller. If the Parties cannot agree upon the selection of a mediator within ten (10) days, then within five (5) days thereafter, the Buyer and Seller shall request that the Presiding Judge of the Superior Court in and for the County of Pinal, State of Arizona, appoint the mediator. The mediator selected shall have at least ten (10) years of experience in mediating or arbitrating disputes relating to commercial property. The cost of any such mediation shall be divided equally between the Buyer and Seller. The results of the mediation shall be nonbinding with either Buyer or Seller free to initiate litigation upon the conclusion of the latter of the mediation or of the thirty (30) day moratorium on litigation. The mediation shall be completed in one day (or less) and shall be confidential, private, and otherwise governed by the provisions of A.R.S. § 12-2238, to the extent allowed by the Arizona Open Meetings Law, § 38-431 et. seq.

14.12 Headings and Construction. The headings set forth in this Agreement are inserted only for convenience and are not in any way to be construed as part of this Agreement or a limitation on the scope of the particular paragraph to which it refers. Where the context requires herein, the singular shall be construed as the plural, and neutral pronouns shall be construed as masculine and feminine pronouns, and vice versa. This Agreement shall be constructed according to its fair meaning and neither for nor against either party hereto.

14.13 Tax Reporting. Title Company, as the party responsible for Closing the transaction contemplated hereby within the meaning of Section 6045(e) of the Code, shall file all necessary information, reports, returns and statements (collectively, the "Tax Reports") regarding this transaction as required by the Code, including, without limitation, the Tax Reports required pursuant to Section 6045 of the Code. Title Company further agrees to indemnify and hold Buyer and Seller, and their respective attorneys and brokers, harmless from and against all claims, costs, liabilities, penalties, or expenses resulting from Title Company's failure to file the Tax Reports which Title Company is required to file pursuant to this paragraph.

14.14 Conflict of Interest. This Agreement is subject to the conflict of interest provisions set forth in A.R.S. Section 38-511.

14.15 Assignment. Buyer shall have the right to assign its rights under this

Agreement without the consent of Seller in its sole and absolute discretion.

[The remainder of this page has been left intentionally blank.]

ACKNOWLEDGEMENT AND AGREEMENT BY TITLE COMPANY

The Title Company hereby acknowledges receipt of a fully executed copy of this Agreement on this ___ day of _____, and agrees to accept, hold, deliver and disburse the Earnest Money, together with all interest accrued thereon and received by the Title Company, strictly in accordance with the terms and provisions of this Agreement and without the necessity of further consent or instruction by City or Buyer. The Title Company is hereby designated as, and agrees to undertake the obligations of, the Reporting Person pursuant to Section 6045 of the Internal Revenue Code and the regulations promulgated thereunder.

By: _____
Michael Roberts
Royal Abstract National LLC
125 Park Avenue, Suite 1610
New York, New York 10017

EXHIBIT A

Legal Description of the Property

INSERT

EXHIBIT B

Notice of Reversion Option

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

NOTICE OF REVERSION OPTION

THIS NOTICE OF REVERSION OPTION (“Notice”) gives notice that as of this _____ day of _____, 2022, the City of Maricopa, an Arizona municipal corporation (“City”), has a reversion option on certain real property generally located on the southeast corner of N. White and Parker Road and W Lococo St., Maricopa, Pinal County, State of Arizona, as more specifically described in Exhibit “A” attached hereto (“Property”).

1. On _____, 2022, the City and Honeycutt Ranch Apartments, L.P., a Arizona limited partnership (“Buyer”) entered into a Purchase and Sale Agreement and Escrow Instructions containing a Reversion Option for the Property (“Agreement”).

2. The Property was transferred to Buyer pursuant to a Special Warranty Deed recorded on _____, 2022 at Fee No. 2022- _____ in the Official Records of the Pinal County Recorder.

3. Pursuant to the Agreement, City and Buyer agreed that if Buyer fails to timely complete the requisite improvements, as set forth in Section 13 of the Agreement, the City shall have the option of taking back title to the Property, and the City shall refund to the Buyer the sum of the amount paid to the Seller by Buyer for the Property. In the event the City exercises this option as set forth in the Agreement, Buyer agrees to immediately sign any and all documents necessary to provide City with clear and unencumbered title to the Property upon the receipt of any funds required from the City pursuant to the reversion option. Notwithstanding anything to the contrary contained herein or in the Agreement, the Reversion (as defined in the Agreement) and the rights granted to the City thereby shall be subordinate to any loan currently or hereinafter encumbering the Property. Upon issuance of any temporary or permanent certificate of occupancy in connection with the Development (as defined in the Agreement), the Reversion and the rights granted to the City thereby will extinguish and Seller will execute and record against the Property a form of release and termination of the Reversion acceptable to Buyer and the Title Company (as defined in the Agreement).

4. The terms, covenants and provisions of the Agreement, the terms of which are hereby incorporated by reference into this Notice, will run with the Property while in effect and shall extend to and be binding upon the respective heirs, devisees, personal and legal representatives, successor and assigns of City and Buyer.

IN WITNESS WHEREOF, City has executed this Notice of Reversion Option as of the day and year first above written.

[SIGNATURE ON NEXT PAGE]

CITY OF MARICOPA,
an Arizona municipal corporation

By: _____
Ricky A. Horst, City Manager

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing was acknowledged before me this ____ day of _____, 2022, by Ricky A. Horst, the City Manager of the City of Maricopa, an Arizona municipal corporation, who acknowledged that he signed the foregoing instrument on behalf of the City.

Notary Public

My Commission Expires:

23522454v2