DW 11.11.2025

PRE-DEVELOPMENT AGREEMENT

THIS PRE-DEVELOPMENT AGREEMENT (hereinafter "Agreement") is made and entered as of November ___, 2025 (the "Effective Date") by and among **Northern Arizona Intergovernmental Public Transportation Authority d/b/a Mountain Line** (the "Authority"), and **SERVITAS, LLC** (the "Developer"); the Authority and Developer shall sometimes collectively be referred to herein as the "Parties" and each as a "Party".

RECITALS

WHEREAS, the Authority is an intergovernmental public transportation authority created pursuant to Arizona Revised Statutes Title 28, Chapter 26, whose member government entities are: Coconino County; the City of Flagstaff; the Arizona Authority of Regents, acting for and on behalf of Northern Arizona Authority; and Coconino Community College; and

WHEREAS, as described further in the Authority's RFP No. 2025-200 for Workforce Housing Developer ("RFP") and Developer's submission in response to the RFP ("Developer Proposal"), the Authority seeks to enter into a public-private partnership transaction pursuant to which the Authority enter into a ground lease ("Ground Lease") with a special purpose limited liability company whose sole member is a nonprofit 501(c)(3) corporation (the "Lessee"), pursuant to which Lessee will design, finance, construct, operate and maintain a new multifamily rental housing community (the "Project") on an approximately 4.3 acre site on North Kaspar Drive in the City of Flagstaff owned by the Authority, as more particularly described in Exhibit A attached hereto ("Property"). The Project will have approximately 141 new multifamily rental housing units with certain common amenities and surface parking facilities and will be structured to serve a range of workforce housing demands, with a mix of units targeting households making not more than 80% Average Median Income (AMI) and 100% AMI, as described in the Developer Proposal (the "P3 Objectives") or as needed to meet market study demand and ensure financial viability; and

WHEREAS, the Authority created a P3 selection committee (the "P3 Committee") and on August 29, 2025, the Authority identified the Developer as its preferred development partner for the Project following a comprehensive RFP evaluation and interview process conducted by the P3 Committee; and

WHEREAS, the Authority has selected the Developer for the negotiation of definitive agreements to design, build, finance, operate, and maintain the Project, and desires to enter into this Agreement with the Developer to enable the Developer to engage in certain design work, geotechnical testing and research, survey and limited site work, and other "Pre-Development Activities" (hereinafter defined) in furtherance of such negotiations; and

WHEREAS, the Developer recommended that J.P. Morgan Securities LLC ("JPMorgan") support the Project in the capacity of investment banker and requested that JPMorgan develop a plan of financing for the Project; and

WHEREAS, the Authority and the Developer each desire to memorialize certain terms and conditions regarding the Project before the Financial Closing (as defined herein) when the definitive Ground Lease and Development Agreement would be executed;

AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, and intending to be legally bound hereby, the Authority and the Developer agree as follows:

1. General Description of the Transaction. The Parties have entered into this Agreement in anticipation of entering into the Ground Lease and to facilitate the financing, design, permitting, and construction of the Project as follows:

(a) *Selection of Lessee.* No less than six (6) months before the anticipated Financial Close, the Developer will identify a nonprofit 501(c)(3) corporation with experience acting as lessee in similar public-private partnership developments and qualified to assume the duties of Lessee in furtherance of its charitable mission. The selection of Lessee is subject to approval of the Authority, which shall not be unreasonably withheld.

(b) *Lessee Responsibilities Generally*. The Lessee will be responsible for the following:

(i) construct, finance, operate and maintain the Project pursuant to the Ground Lease (or cause Developer and/or Manager to perform such services pursuant to the Development Agreement and/or Property Management Agreement described below);

(ii) engage the Developer to provide development services for the Project pursuant to a development agreement to be entered into between the Developer and the Lessee (the "Development Agreement"). Developer will assist in coordinating the Project financing and provide turnkey development services; and

(iii) engage Servitas Management Group, LLC (the "Manager") to provide day-to-day property management services pursuant to a property management agreement (the "Property Management Agreement") that satisfies the safe harbor guidelines outlined in IRS Rev. Proc. 2017-13 for management contracts related to facilities financed with qualified 501(c)(3) tax-exempt bonds.

(c) *Developer Responsibilities Generally*. The Developer is responsible for identifying the sources of financing for the Project and shall be responsible for all costs for the planning, design, development, permitting and financing of the Project; provided that the Authority shall be responsible for the costs of its legal counsel and consultants, which at this time are identified as Dickinson Wright PLLC and Rieth Jones Advisors, respectively. The Parties currently anticipate that upon completion

of the pre-development activities and at or before (as dictated by financing) financial closing of the Project Indebtedness (the "Financial Closing"), as further described in paragraph 1(e) below: (A) Authority and Lessee will enter into the Ground Lease; (B) Lessee and Developer will enter into the Development Agreement; and balance of necessary documents will be entered into by various parties. Lessee and Property Manager will enter into the Property Management Agreement not later than six months prior to the substantial completion date of construction of the Project. The Ground Lease, the Development Agreement and the Management Agreement shall be consistent with the terms set forth in Exhibit B attached hereto. The Development Agreement and Property Management Agreement are subject to review and approval by the Authority, such approval shall not be unreasonably withheld, delayed, or conditioned, provided that such agreements are in general conformance with the Developer's Proposal, the final project pro forma and this Agreement, as amended.

(d) *Land Use Restriction Agreement.* Concurrently with the execution of the Ground Lease, the Authority and Lessee will enter into an agreement, which may, if necessary, be recorded against the Property as a land use restriction agreement (the "Land Use Restriction Agreement"), to establish tenant income limitations that meet the workforce housing P3 Objectives and satisfy state and local requirements for property tax exemption and related affordability requirements. Such agreement shall remain in effect for the duration of the Project Indebtedness and Ground Lease. If the Parties determine that a property tax exemption for the Project can be obtained under Arizona state law without the recordation of a Land Use Restriction Agreement, then the tenant income limitations required to meet the workforce housing P3 Objectives may be set forth in the Ground Lease as a covenant of the Lessee.

(e) *Plan of Financing*. The Lessee intends to secure financing for the Project through the issuance by a municipal conduit bond issuer of one or more series of tax exempt "qualified 501(c)(3)" private activity bonds to fund 100% of the costs of the Project (the "Project Financing"), including the reimbursement of any Pre-Development Expenses (as defined in Section 4 below). Developer intends to work with JPMorgan to assist with the optimal structuring of the Project Financing. The plan of financing shall be subject to the consent and approval of the Authority, such consent not to be unreasonably withheld. Developer shall take the lead in engagement of such attorneys, financial advisors, underwriters and other professionals as it may determine are necessary to achieve Financial Closing. The Authority will cooperate with these efforts and be responsible for the costs of its own legal counsel and consultants.

(f) *Exclusivity.* During the term of this Agreement (as described in Section 11(a)), the Authority agrees that it will negotiate exclusively with the Developer with respect to the development of the Project.

(g) *City Development Agreement*. The Developer and the Authority will work cooperatively to enter into a development agreement (the "City Development

Agreement") with the City of Flagstaff (the "City") which will seek to accomplish the following objectives:

(i) obtain a commitment from the City to fund and complete the construction of East Linda Drive extension connecting to North Kaspar Drive to achieve a complete public right of way with new utilities and drainage infrastructure as may be required for the development of the Project. Once completed the right of way shall be demised to the City.

(ii) Expedited permitting, waiver of fees and ad valorum taxes and such other development incentives as the City may be able to provide to the Project.

2. Collaborative Process.

(a) *Collaboration of the Parties; Cooperation of the Authority.* The Parties agree to work in a collaborative manner to achieve completion of the Project as set forth in this Agreement. The Authority acknowledges that the performance of the Pre-Development Activities by the Developer will require the cooperation of the Authority, the review and approval of plans, design and construction standards and practices relating to the Project, the coordination of on-site activities, consenting to the terms of the Project Financing, assisting with the City Development Agreement and other items relating to the Project. The Authority agrees to work in good faith with the Lessee to provide such information as may be reasonably required in a timely manner in order to enable the Developer to perform its Pre-Development Activities.

(b) *Designated Representatives.* For ease of communication and accountability, each the Authority and the Developer shall identify a primary point-of-contact for purposes of coordinating all aspects of the Pre-Development Activities (each such person being a "Designated Representative"). The Designated Representatives shall participate in regularly scheduled planning and progress meetings relating to the Pre-Development Activities, and will coordinate all communication, requests, reviews, and approvals relating to such matters.

(c) *Records and Other Correspondence.* The Developer shall provide the Authority's Designated Representative with access to all material plans (including incremental productions used or necessary for entitlement process, prior to submission to authority having jurisdiction), designs (including revisions of previously approved plans), agreements, and pricing exercises, as may be reasonably requested by the Authority relating to the Pre-Development Activities.

(d) Unless otherwise agreed to in writing, the Designated Representatives shall meet at least bimonthly to exchange Project information and resolve any Project related issues.

3. Pre-Development Activities.

(a) *Target Financial Closing Date*. The Authority desires for the Project to achieve Financial Closing within twenty-four (24) months from the execution of this Agreement (the "Target Financial Closing Date"), and the Developer agrees to perform services pursuant to this Agreement (the "Pre-Development Activities") to endeavor to complete the Pre-Development Activities and achieve Financial Closing Project by the Target Financial Closing Date. During the term of this Agreement, the Developer may extend the Target Financial Closing Date in six month increments by written notice to the Authority so long as it is working in good faith to meet the objectives of this Agreement.

(b) *Developer Responsibilities*. The Developer's responsibilities shall include the following:

(i) Developer will advance funds for all Pre-Development Expenses including due diligence. Developer will be reimbursed for such advances from the proceeds of the Project Indebtedness at Financial Closing. If full reimbursement of Pre-Development Expenses is not financially viable, the Developer shall be reimbursed from Project cashflows as a subordinated expense of the Project, at an interest rate per annum not to exceed the lesser of (i) the sum of the Wall Street Journal Prime Rate plus 175 basis points or (ii) 10% per annum (the "Reimbursement Rate").

(ii) Developer will be responsible for coordinating all Project land use issues, including site plan approvals and all other governmental approvals, licenses and permits for construction of the Project; however, the Authority will cooperate and assist with the procurement of the same. The Authority will assist with entitlements, including, where beneficial, signing on as co-applicant.

(iii) Developer will be responsible for the preparation of development plans and coordination of development plans in accordance with all applicable laws, rules and regulations, including coordination of development plans with East Linda Vista Drive improvements.

(iv) Developer shall maximize the design and construction quality within budget parameters.

(v) Developer shall provide a level of quality that achieves a useful life that at a minimum meets the 50-year term of the Ground Lease

(vi) Developer shall provide for the highest possible aesthetic quality, durability and sustainability within budget.

(c) *General Contractor*. Developer has identified Mainer Multifamily as the proposed general contractor for the Project (the "Contractor"). Should Developer seek to change the Contractor, it shall provide notice to Authority of such change, and the Authority's approval of such change shall not be unreasonably withheld, delayed or conditioned. If the Authority dictates the use of a particular contractor, the risk

of that contractor's performance shall shift to the Authority. The Developer and the Contractor shall enter into a guaranteed maximum price construction contract which is consistent with market terms for similar projects. Developer shall provide the Authority with a copy of the agreement with the general contractor for the Authority's approval prior to execution, which shall not be unreasonably withheld, limited or delayed. Should the Authority request a modification to the construction contract for any reason and such modification results in an increase in the Project construction costs, the Authority shall be responsible for the additional costs. The Authority shall be listed as a co-Obligee on the Contractor's payment and performance bonds for the Project.

(d) *Architect.* Developer has identified Hord Coplan Macht as the proposed architect for the Project (the "Architect"). Should Developer seek to change the Architect, it shall provide notice to Authority of such change, and the Authority's approval of such change shall not be unreasonably withheld, delayed or conditioned. If the Authority dictates the use of a particular architect, the risk of that architect's performance shall shift to the Authority. The Developer shall engage the Architect to perform certain design services prior to Financial Closing, including but not limited to, the preparation of preliminary drawings, conceptual designs, schematic designs, preliminary specifications, design development, and construction documents for the Project in accordance with the design criteria to be agreed upon by the Parties. The Developer and the Architect shall enter into an agreement for architectural services which is consistent with market terms for similar projects.

(e) *Third Party Beneficiary*. Developer shall make the request that the Authority shall be named as a third-party beneficiary of the agreements with the engineer, Architect and Contractor. Such third-party beneficiary status shall be subject to step-in right of the Secured Lender and to any assignment or consent to perform executed in favor of the Lessee, Secured Lender or Developer.

(f) *Early Access to the Property.* The Authority hereby grants the Developer, the Architect, the Contractor, other Project consultants engaged by Developer, and the employees, agents, contractors, and other duly authorized representatives of the foregoing (collectively, the "Developer Representatives"), a revocable, non-exclusive license for reasonable access to, under, and over the Property during normal business hours to allow the Developer Representatives to conduct such due diligence inspections, studies, and investigations, subject to the terms and conditions of this Agreement. It is understood that this license is being granted for a temporary period for the purpose of conducting the Pre-Development Activities and will commence upon the execution of this Agreement and expire upon the earlier of Financial Closing or the termination of this Agreement pursuant to the terms contained herein. Prior to any entry by the Developer Representatives upon the Property, the Developer Representatives shall provide the Authority with evidence of commercial general liability insurance in accordance with the limits attached hereto as Exhibit C.

(g) *Performance of Work.* The Developer shall use commercially reasonable efforts to cause its contractors to carry out their duties and responsibilities in accordance with the standard of care of experienced contractors of multifamily residential real estate projects in Flagstaff, Arizona. The Development Agreement shall set forth target dates for substantial completion and occupancy of the Project (the "Target Delivery Date"). Notwithstanding the obligation of the Developer to endeavor to achieve substantial completion of the Project on or before the Target Delivery Date, the Parties understand and agree that certain additional steps may be necessary to complete the Project for use on or before the Target Delivery Date. The Parties agree to cooperate in good faith to evaluate and work together on all aspects of the Project.

(h) *Completion Guaranty*. Developer agrees that within the Development Agreement it will guaranty Project completion on-time and on-budget as such development budget and Project timeline may be agreed upon by the Parties and set forth in the Development Agreement.

(i) *Work Product.* The preliminary drawings, conceptual designs, schematic designs, preliminary specifications, design development, construction plans, professional third-party reports commissioned by the Developer (such as environmental, geotechnical, survey, and other work product prepared by or on behalf of the Developer (such as budgets, proformas and market studies)) in connection with the Pre-Development Activities (collectively, the "Work Product") is property of the Developer or third parties engaged by the Developer unless and until any one or more of the following should occur (an "Assignment Event"):

(i) The execution of the Ground Lease, the completion of Financial Closing and reimbursement to Developer of all Pre-Development Expenses shall have occurred; provided, however, that any rights of the Authority in the Work Product will be subject to the Secured Lender's collateral assignment and security interest in such Work Product;

(ii) A Termination Event shall occur and the Authority elects to purchase the Work Product for a price as described in Section 7(d) hereof.

Upon the occurrence of any one or more of an Assignment Event, the Developer shall promptly deliver to the Authority a non-exclusive license to all Work Product (other than any such information which is proprietary to the Developer or its affiliates) and shall cause third parties to provide a similar non-exclusive license, subject to terms of any agreement governing such Work Product, to the Authority all of the Developer's or third parties' Work Product, subject to the terms of applicable third party agreements.

4. Pre-Development Budget.

The Developer plans to expend in good faith monies to engage third-parties and to allocate internal resources in furtherance of the development of the Project. Such expenditures anticipated to be expended in furtherance of the development of the Project are specifically described in a pre-

development budget (such budget, as amended or modified, the "Pre-Development Budget"). The Developer shall prepare a Pre-Development Budget and provide a copy to the Authority. The Developer shall have the right to modify the Pre-Development Budget provided that it identifies such modifications to the Authority with in its next budget report. The expenditures identified in the Pre-Development Budget are collectively referred to in this Agreement as the "Pre-Development Expenses." The activities described and identified in the Pre-Development Budget are collectively referred to in this Agreement as the "Pre-Development Activities." The Developer shall submit to the Authority a report on or prior to the 15th day of each month commencing January 15, 2026, detailing the amount of Pre-Development Expenses, by type or category, incurred by the Developer in the preceding month. The Parties acknowledge and agree that at such time as the Pre-Development Activities have been completed information will be available to determine the final project budget for the Project. No Pre-Development Activities that include site work, construction or demolition activities may be commenced by the Developer prior to entering into a limited scope site access agreement covering such activities and without the prior approval by the Authority.

5. Development Fee.

The Developer acknowledges that the Development Agreement will provide for the payment of a development fee by the Lessee to the Developer ("Development Fee"). By executing this Agreement, except as otherwise identified herein, the Authority has not agreed to pay the Development Fee. While the Development Agreement will definitively set forth the amount of the Development Fee and terms and conditions upon which the Development Fee will be paid, Developer agrees generally that the Development Agreement will provide for following:

(a) The Development Fee is to be calculated as 7.4% of the total Project development budget, excluding the Development Fee and financing costs. Development Fee is subject to adjustment based upon risk variation from RFP and Developer Proposal, not to exceed ten percent (10%) of the total development costs of the Project, excluding the Development Fee and financing costs, subject to the mutual agreement of the Parties.

(b) The Development Fee is to be paid by the Lessee in accordance with the following schedule as long as the Developer is not in default of its obligations under the Project Agreements:

(i) Though fully earned as of the date of financial closing, Developer hereby agrees that the Development Fee shall be paid as follows:

(1) An amount equal to fifty percent (50%) of the Development Fee shall be paid to the Developer at the Financial Closing;

(2) An amount equal to forty percent (40%) of the Development Fee shall be paid to the Developer on a monthly basis based on the percentage of Project completion as noted in the monthly pay application (e.g., if Project is 25% completed, then the monthly payment of Development Fee would be

such amount that would result in 25% of the remaining 40% balance of the Development Fee to have been disbursed) beginning the month following the month in which Financial Closings occurs; and

(3) an amount equal to ten percent (10%) of the Development Fee shall be paid to the Developer upon Final Completion.

(c) Should the Authority terminate the Development Agreement or the Project, in general, after Financial Closing, but before Final Completion, for any reason other than Developer's default, the Developer shall be paid the remaining balance of the total Development Fee.

6. Pre-Development Process.

(a) *Development Plan Submittal.*

(i) Except as allowed herein, Developer will not commence construction of the Project or develop any other portion of the Property (i) prior to the full execution of the Ground Lease; or (ii) without the Authority's prior approval of a Development Plan Submittal pursuant to the process set forth in this Agreement. The Authority's feedback/consent will focus on achieving the P3 Objectives. The Authority will not be expected to review constructability.

(ii) The Developer agrees that it shall submit to the Authority an initial Development Plan Submittal by not later than December 31, 2026. A "Development Plan Submittal" will include schematic design drawings: (i) a preliminary site plan (depicting the approximate property lines, building footprints, parking spaces, drives, monument sign location); (ii) utility plans; (iii) architectural plans; (iv) landscaping plans; and (v) such other plans as Authority may reasonably request. The Development Plan Submittal shall also specify the proposed tenant income restrictions for the residential units.

(iii) The Authority shall have a period of fifteen (15) business days from its receipt to review and approve a Development Plan Submittal ("Authority's Plan Review Period"). The Authority will not withhold any approval except for reasonable cause and will not otherwise act in an arbitrary or capricious manner in connection with the review, revision, approval or disapproval of a Development Plan Submittal. If the Authority does not approve of a Development Plan Submittal, Authority will, prior to the expiration of Authority's Plan Review Period deliver to Developer, a written explanation (the "DP Objection Notice") detailing the reasons why Authority does not approve the same. The explanation shall include facts, analyses and reasons that support the conclusion and a suggested cure. If Authority timely delivers a DP Objection Notice, then Authority and Developer shall meet

within fifteen (15) business days thereafter to resolve any objections in a manner reasonably satisfactory to Authority and Developer. After meeting with Authority, Developer will revise and resubmit the Development Plan Submittal to Authority (consistent with any resolutions from such meeting), and Authority will have ten (10) business days after receipt of such revised Development Plan Submittal within which to approve or further comment on the revised Development Plan Submittal. This procedure shall continue until the Development Plan Submittal, as revised by Developer is approved by the Authority.

(iv) So long as Developer obtains Authority approval of an initial "Development Plan Submittal" and thereafter proceeds in material compliance with the approved submittal, Developer will not be required to obtain subsequent additional approvals from Authority, except at the substantial completion of the design development phase where Developer shall present the Authority with the final design plans and allow the Authority at least ten (10) business days to review and confirm that the plans are in material compliance with the approved Development Plan Submittal. The Project will otherwise be developed in accordance with approvals from applicable governmental authorities.

(b) *Design Documents*. The design process shall be a collaborative effort which will allow Authority to provide timely feedback on the aesthetic and performance components of the Project, through the design development phase. The Authority shall have seven (7) days from receipt of any Design Documents to provide objections or comments. If no objection is received after seven (7) days, the Design Documents shall be deemed approved. Once the design development documents are approved by the Authority to proceed to construction drawings, and provided that the design development documents include sufficient structural and design specifications so that the Authority is able to provide informed consent, the design will be deemed approved by the Authority. When the plans are ready for submission to the City for permitting, the Authority shall receive the construction drawings for review and approval, which shall be subject to the same seven (7) review process described above. Any change to the construction drawings requested by the Authority for any reason other than non-conformance with the previously approved design development documents, shall result in a change order to the Authority for any associated increases in design or construction costs. Nothing by way of this provision is intended to impose liability on the Authority for increased Project costs for modifications requested by the City or any other authority having jurisdiction over the Project required to obtain a building permit.

(c) *Market Study*. Developer shall procure a market study for the Project and all other due diligence as may be required to obtain Project financing.

(d) *Modifications to Unit Mix, etc*. If Developer determines that modifications to the unit mix, income restriction, amenities or other components set forth in Developer Proposal are required to achieve financial feasibility, Developer may make such

modifications, provided that (i) the Project is able to retain its designation and character as a "workforce housing" multifamily rental housing facility to achieve the P3 Objectives as contemplated in the RFP and Developer Proposal, and (ii) the Authority consents to such modifications, such consent not to be unreasonably withheld .

7. Termination.

(a) This Agreement may be terminated as a result of the occurrence of any one of the following events by giving written notice to the other Parties:

(i) the Developer may terminate this Agreement at any time in the event Developer determines that the development of the Project is not feasible due to the unavailability of financing.

(ii) Subject to subsection (c) below, the Authority may terminate this Agreement in the event the Financial Closing Date has not been achieved by the fifth anniversary of the Effective Date.

Each of the events described in clauses (i) and (ii) are referred to as a "Termination Event").

(b) Upon the earlier of (i) the Project has not achieved Financial Closing by the fifth anniversary of the Effective Date or (ii) the Parties mutually agree in writing that the Project is not financially viable under the proposed P3 Objectives (the earliest of such dates being referred to as the "Pivot Date"), then Developer shall have exclusive access to the property for development or otherwise for a period of five (5) additional years from the Pivot Date to attempt to create a financially viable project consistent with the terms of the City Development Agreement or any other income producing temporary use which does not violate the terms of this Agreement, with the proceeds from such development to be used first to reimburse Developer for all of its pre-development expenses, including interest thereon accrued from the Pivot Date at the Reimbursement Rate and accrued Development Fee, which shall not exceed 50% of the Development Fee. Upon satisfaction of the reimbursement obligation owed to Developer as described in the preceding sentence, any excess cash flow from such alternative development shall remain the property of Authority.

(c) Notwithstanding the provisions of Section 7(c), the Authority shall have the right, but not the obligation, at any time after the Pivot Date to terminate the Pre-Development Agreement and purchase the Work Product by paying to Developer an amount equal to its Pre-Development Expenses, including interest thereon accrued from the Pivot Date at the Reimbursement Rate, and one quarter of its Developer Fee (based on 7.4% of the total development costs, excluding the Development Fee and financing costs). Any revenue generated from the use or development of the property during this exclusive period shall be used to reimburse Developer for Pre-Development Expenses and accrued Developer Fee. Any

application for reimbursement of the Pre-Development Expenses shall be itemized and shall be accompanied by sufficient documentation evidencing that such costs were expended by the Developer directly or indirectly through the Developer Representatives. The Developer shall be responsible for maintaining all records and receipts.

8. Representations of the Authority. Subject in all respects to the limitations set forth in Section 10(a) herein, the Authority represents to the Developer as of the Effective Date, as follows:

(a) The Authority has full legal right, power and authority under the constitution and laws of the State of Arizona (the "State") to enter into and deliver this Agreement, and to carry out and to consummate the transactions contemplated herein.

(b) When signed and delivered by the respective parties thereto, this Agreement will constitute the legal, valid and binding obligation of the Authority enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, by the exercise of judicial discretion in appropriate cases, and by the limitation on legal remedies against governmental units of the State.

(c) After due investigation and inquiry, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the knowledge of the Authority, threatened against the Authority or any basis therefor: (i) which in any way contests the organization or existence of the Authority; (ii) which would materially and adversely affect the performance by the Authority of any of its obligations under this Agreement or the transactions contemplated herein; or (iii) which would affect in any way the validity or enforceability of this Agreement.

(d) After due investigation and inquiry, the execution and delivery of this Agreement by the Authority and the performance of its obligations contained herein will not conflict with or constitute a material breach of or default under any judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject.

9. Representations and Warranties of the Developer. The Developer warrants and represents to the Authority as of the Effective Date, as follows:

(a) The Developer is duly organized and validly existing under the laws of the State of Texas and has full legal right, power and authority to enter into and deliver this Agreement, and to carry out and to consummate the transactions contemplated herein.

(b) The Developer has duly authorized and approved the execution and delivery of this Agreement and the consummation by the Developer of the transactions contemplated herein.

(c) When executed and delivered by the respective parties thereto, this Agreement will constitute the legal, valid and binding obligation of the Developer enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, by the application of equitable principles, and by the exercise of judicial discretion in appropriate cases.

(d) The Developer is not in breach of or default in any material respect under, as applicable, its charter or organizational documents, its articles of incorporation or its bylaws, or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Developer is a party or to which the Developer is, or any of its property or assets are otherwise subject.

(e) After due investigation and inquiry, there is no legal action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the knowledge of the Developer, threatened against the Developer or any basis therefor: (i) which in any way contests the organization or existence of the Developer; (ii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the operations or financial condition of the Developer; (iii) which would materially and adversely affect the performance by the Developer of any of its obligations under this Agreement or the transactions contemplated herein; or (iv) which would affect in any way the validity or enforceability of this Agreement. No voluntary or involuntary bankruptcy or insolvency proceeding or any petition or action of receivership under any state or federal law has been commenced or threatened against the Developer.

(f) After due investigation and inquiry, the execution and delivery of this Agreement by the Developer and the performance of its obligations contained herein will not conflict with or constitute a material breach of or default under judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject.

10. State Law Matters.

(a) *State Law Limitations and Prevailing Laws Applicable to the Authority.* The Authority is an intergovernmental public transportation authority organized under the laws of the State of Arizona. The Parties expressly agree that following provisions shall control over any conflicting provisions contained in this Agreement.

(i) No Liens on Public Property. No provision of the Agreement purporting to grant to the Developer (A) a security interest or lien against the real or personal property of the Authority; or (B) a contractual right or power

of attorney to take control over or otherwise handle or dispose of the property of the Authority, shall be of force and effect.

(ii) Court Costs. No provision of this Agreement requiring the Authority or Authority to pay court costs, costs of suit, or attorney fees incurred by the Developer or any other person in enforcing or interpreting the terms of this Agreement shall be of force and effect, except as otherwise expressly permitted by the laws of the State.

(iii) Open Records. Any obligation of the Authority under this Agreement to (A) keep the terms and provisions of this Agreement confidential; and/or (B) not disclose the terms of this Agreement, shall be binding on the Authority only to the extent permitted by law, including without limitation A.R.S. §39-121 et seq. or any successor law or other similar statutory provisions (the "Arizona Public Records Law").

(iv) Privileges and Immunities. No provision of this Agreement shall constitute, nor is it intended to constitute, a waiver of any other exemptions, privileges or immunities of the Authority under the constitution and laws of the State of Arizona.

(v) No Violation of Prevailing Law. The Authority shall not be required to perform any act or refrain from performing any act under this Agreement if that performance or non-performance would constitute a violation of the constitution or laws of the State.

11. General Provisions.

(a) *Term of this Agreement.* Unless otherwise mutually agreed upon by the Parties, this Agreement shall automatically terminate upon the earlier of (i) the Financial Closing, (ii) a Termination Event; (iii) five years after the Pivot Date; or (iv) the tenth anniversary of the Effective Date; unless extended in writing by the Parties. The provisions of Section 11(c), 11(d) and 11(e) shall also survive the termination of this Agreement.

(b) *Insurance.* Developer shall be responsible for ensuring that Developer, Developer Representatives, or other third party contractors performing Predevelopment Activities (collectively the "Developer Group") shall secure and maintain at all times while this Agreement is in force insurance coverages of the nature and with minimum limits equal to or in excess of the requirements set forth on Exhibit C, attached hereto and incorporated herein (the "Required Coverage"). The satisfaction of any deductibles or self-insured retentions attendant to said coverages shall be the sole responsibility of the Developer Group. The Authority shall use reasonable efforts to add the Project to its insurance portfolio, with the premium to be paid by the Project as an operating expense.

(c) *Indemnity.* The Developer shall, up to the Required Coverage, defend, indemnify and hold harmless the Authority, and its officers, members, agents and employees

from and against any and all liability, damage, loss, cost and expense (including, but not limited to, court costs and attorneys' fees) arising from any claim of a third party of any nature, including those for personal injury (including death) or property damage to the extent that such liability, damage, loss, cost or expense is caused by or is attributable to the gross negligence or willful misconduct of the Developer, its contractors, agents or employees, and/or any default by the Developer in the performance of its covenants or obligations under this Agreement. The Required Coverage shall be construed to limit Developer's obligations pursuant to this Section 11(c) except and unless required by applicable law for an underlying obligation to be enforceable, in which event the Developer's relevant obligation shall not be limited. If the Required Coverage secured and maintained by Developer include limits in excess of those minimum limits required by this Agreement, the Authority shall be an additional insured to the full extent of the limits provided by such insurance. Additionally, nothing contained in this Agreement is intended to limit the scope of Required Coverage available to the Authority as additional insured.

(d) *Disclaimer.* THE WARRANTIES OF THE PARTIES SET FORTH IN SECTIONS 8 AND 9 HEREIN ARE IN LIEU OF, AND EACH OF THE PARTIES EXPRESSLY EXCLUDE, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ERROR FREE PERFORMANCE.

(e) *Limitation of Liability.* EXCEPT AS PROVIDED BY REQUIRED COVERAGE PURSUANT TO SECTION 11(C), AND TO THE EXTENT ALLOWED BY THE CONSTITUTION AND THE LAWS OF THE STATE OF ARIZONA, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR THE LOSS OF PROFITS, REGARDLESS OF THE FORM OF ACTION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY REMEDY. EACH PARTY ACKNOWLEDGES THAT THIS LIMITATION OF LIABILITY REFLECTS AN INFORMED, VOLUNTARY ALLOCATION BETWEEN THE PARTIES OF THE RISKS (KNOWN AND UNKNOWN) THAT MAY EXIST IN CONNECTION WITH THIS AGREEMENT AND CONSTITUTES A SUBSTANTIAL PORTION OF THE CONSIDERATION EXCHANGED BETWEEN THE PARTIES WITH RESPECT TO THIS AGREEMENT.

(f) *Notice.* Any notices required or permitted under this Agreement must be in writing and will be deemed given: (a) three (3) business days after it is deposited and post-marked with the United States Postal Service, postage prepaid, certified mail, return receipt requested, (b) the next business day after it is sent by overnight carrier, (c) on the date sent by email transmission with electronic confirmation of receipt by the party being notified, or (d) on the date of delivery if delivered personally. The

parties may change their respective notice address by sending to the other party a notice of the new address. Notices should be addressed as follows.

To the Authority: Mountain Line

Jacki Lenners
Deputy General Manager
Mountain Line
216 W. Phoenix Ave.
Flagstaff, AZ 86001
W: 928.679.8933
Email: jlenners@mountainline.az.gov

Copy to:

Scott Holcomb
Dickinson Wright PLLC
1850 North Central Avenue, Suite 1400
Phoenix, AZ 85004
W: 602-285-5028
Email: SHolcomb@dickinsonwright.com

To the Developer: Servitas

Servitas LLC
c/o Angel Rivera
Executive Vice President
5525 N. MacArthur Blvd
Suite 900 Irving, TX 75038
Telephone: (972)759-1607
Email:arivera@servitas.com

Copy to:

Steven D. Gonzalez
Hinshaw & Culbertson, LLP
2811 Ponce de Leon Blvd.
Suite 1000
Coral Gables, Florida 33134
Email: sgonzalez@hinshawlaw.com

(g) Designation of Representatives.

Designated Representative for the Authority:

Jacki Lenners
Deputy General Manager

Mountain Line
216 W. Phoenix Ave.
Flagstaff, AZ 86001
W: 928.679.8933
Email: jlenners@mountainline.az.gov

Designated Representative for the Developer:

Garrett Scharton
Senior Vice President
5525 N. MacArthur Blvd
Suite 900 Irving, TX 75038
Telephone: (972)759-1600
Email:gscharton@servitas.com

(h) *Force Majeure.* Neither party hereto is required to perform any non-monetary term, condition, or covenant of this Agreement if performance is prevented or delayed by a natural occurrence, fire, flood, pandemic, epidemic, quarantine, national or regional emergency, governmental order or action, civil commotion, riot, war (declared and undeclared), revolution, act of foreign or domestic terrorism, embargo, act of God, or other similar occurrence, the cause of which is not reasonably within the control of such party and which by due diligence it is unable to prevent or overcome ("Force Majeure Occurrence").

(i) *Waivers.* No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.

(j) *Governing Law and Venue.* This Agreement shall be governed by and construe in accordance with the laws of the State of Arizona without reference to choice of law principles thereof, and all claims relating to or arising from this Agreement, or the breach of the provisions hereof, whether sounding in tort, contract or otherwise, shall likewise be governed by, construed and enforced in accordance with the laws of the State (without regard to choice of laws or conflict of laws rules). The Parties agree that the proper venue for any action regarding this Agreement shall be in Coconino County, Arizona. Developer agrees that it will comply with all federal, state, or local laws or regulations applicable to Developer's performance under this Agreement, and agrees to obtain and maintain all permits, licenses and other approvals required in connection with the operations contemplated under the Agreement.

(k) *Binding Effect, Successors and Assigns.* This Agreement shall be binding upon and shall inure to the exclusive benefit of the Parties and their respective successors and assigns. There are no third-party beneficiaries to this Agreement. Neither party may assign any part or all of its rights, interests or obligations under this Agreement without the prior written consent of the other Party, and

any assignment made by either Party without the prior written consent of the other Party shall be null, void and of no force or effect.

(l) *Compliance with Federal Immigration Laws and Regulations*. Pursuant to the provisions of A.RS. § 41-4401, Developer warrants to Authority that Developer and all its subcontractors are in compliance with all federal immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S.§ 23-214(A). Developer acknowledges that a breach of this warranty by Developer or any of its subcontractors is a material breach of this Agreement, subject to penalties up to and including termination of this Agreement or any subcontract. Authority retains the legal right to inspect the papers of any employee of Developer, or any subcontractor hired to work on behalf of Developer in connection with this Agreement, to ensure compliance with this warranty.

(i) Authority may conduct random verification of the employment records of Developer and any of its subcontractors to ensure compliance with the above-stated warranty.

(ii) Authority will not consider Developer or any of its subcontractors in material breach of the foregoing warranty if Developer and its subcontractors establish that they have complied with the employment verification provisions prescribed by 8 U.S.C.A. § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by A.RS. § 23-214(A).

(iii) The provisions of this Section must be included in any contract Developer enters into with any and all of its subcontractors who Developer hires to provide Services under this Agreement or any subcontract. For this subsection 23.3 only, "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor, which includes construction or maintenance of any structure, building or transportation facility or improvement to real property.

(m) *Cancellation For Conflict Of Interest*. Pursuant to the provisions of A.R.S. § 38-511, the Authority may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Authority is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a contractor to any other party to the contract with respect to the subject matter of the contract.

(n) *No Israel Boycott and No Uyghurs Forced Labor*. The Developer certifies to the Authority that it is not currently engaged in, and agrees for the duration of this Agreement not to engage in, a boycott of Israel as defined in A.R.S. § 35-393. The Developer also certifies to Authority that it does not currently, and agrees for the duration of this Agreement that it will not, use the forced labor of ethnic Uyghurs in the People's Republic of China, any goods or services produced by the forced

labor of ethnic Uyghurs in the People's Republic of China, or any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China, and will abide by all requirements set forth in A.R.S. § 35-394.

(o) *Relationship of the Parties.* For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, the Developer is an independent for-profit organization and is not a state employee, partner, joint venturer, or agent of the Authority. The Developer will not bind nor attempt to bind the Authority to any agreement or contract. As an independent for-profit organization, the Developer is solely responsible for all of its taxes, withholdings, and other statutory or contractual obligations of any sort.

(p) *Severability.* If any agreement, condition, covenant or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

(q) *Entire Agreement; Amendment.* This Agreement represents the final, entire agreement among the Parties and supersedes any and all prior commitments, agreements, representations and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior, contemporaneous or subsequent oral agreements or discussions of the Parties hereto. There are no unwritten oral agreements among the parties hereto. The provisions hereof may be amended or waived only by an instrument in writing signed by the Parties.

(r) *Counterparts; e-Signatures.* This Agreement may be signed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages. The Parties agree that digital or facsimile signatures shall be given the same legal effect as original signatures, and the Parties hereby agree to accept delivery of digital signatures by e-mail in "pdf' form, or via DocuSign, Adobe Sign, or any similar means of digital delivery.

(Signature Page Follows)

Having read and understood this Pre-Development Agreement, in witness thereof, the duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

Authority:

NORTHERN ARIZONA INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY d/b/a MOUNTAIN LINE

By:_____
Name: Heather Dalmolin
Title: CEO and General Manager

Developer

SERVITAS, LLC

By:_____
Name: Angel Rivera
Title: Executive Vice President

EXHIBIT A

Property

The Property is the 4.3 acre site which is shown as the Subject Parcel below but excludes the approximately 1.0 acre of property which is located south of the easement for utilities shown below. An updated ALTA survey of the Property will be obtained by the Developer as a Pre-Development Activity.

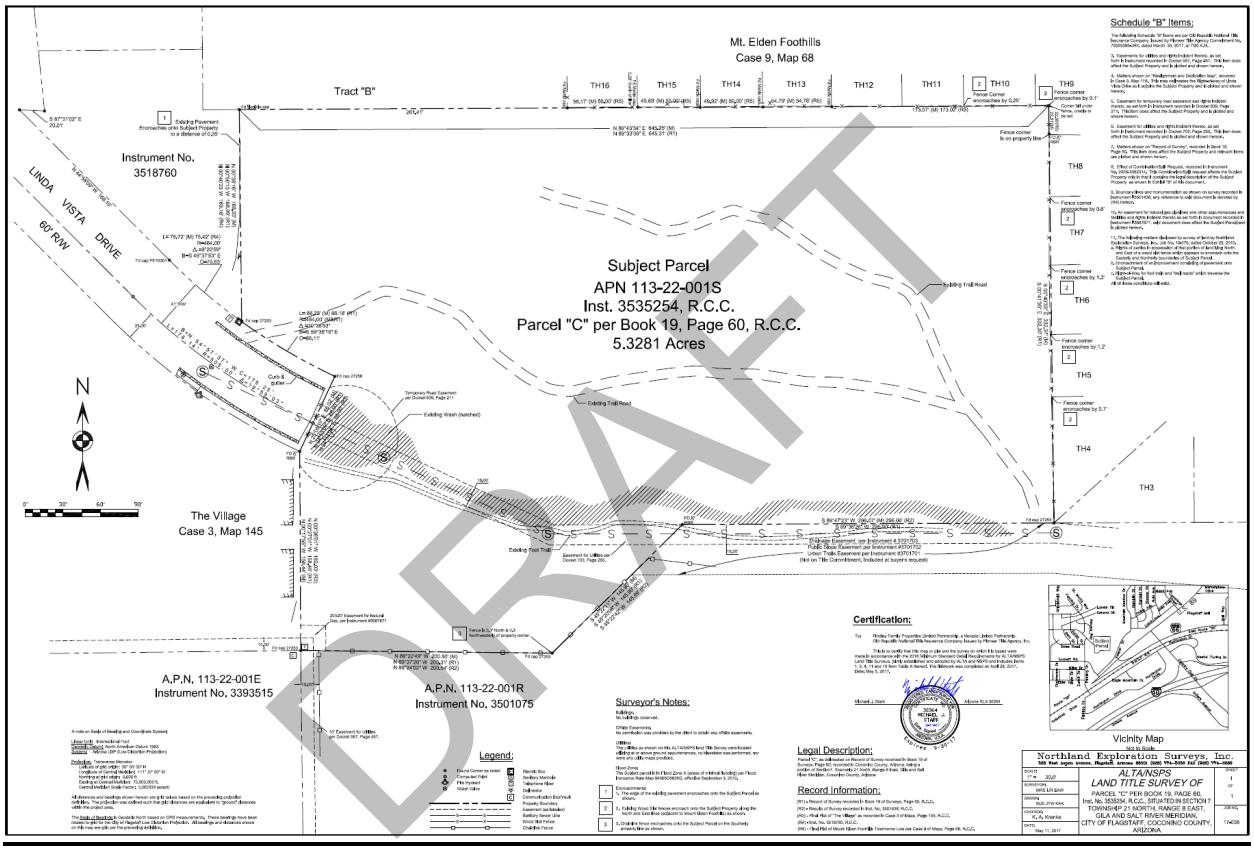

EXHIBIT B

Certain terms of the Ground Lease, Development Agreement and Management Agreement

[Copied from Sections 7, 8 and 9 of Term Sheet describing the Ground Lease, Development Agreement and Management Agreement]

1. Ground Lease	The Ground Lease between Mountain Line and Lessee will address the following: • Term: 50 year initial term. Ground Lease will terminate upon repayment of the Project Indebtedness. Upon termination of the Ground Lease the ground and all improvements shall revert to Mountain Line. • Ground Rent: 25% of annual Excess Cash Flow will be distributed to Mountain Line as ground rent. 75% of annual Excess Cash Flow will be applied to prepayment of Project Indebtedness. This ground rent formula is subject to further negotiation if required to make the Project financially feasible. "Excess Cash Flow" will be defined in the financing documents, but generally means cash flow remaining at fiscal year-end after satisfaction of all current operations and maintenance expense (including fees of Manager and Lessee), debt service expense, and funding of all repair and replacement, operating, debt service and other reserves required by the financing documents. • Operating Budget: Annual operating budgets and capital plans shall include commercially reasonable repair and replacement reserves. • Rent: Rental rates will be established so as to maintain project affordability, taking into account the payment of operating expenses and Project Indebtedness, consistent with requirements of the related financing documents and in furtherance of Lessee's non-profit charitable mission. • Default: Ground Lease shall specify remedies for default of Lessee, subject to reasonable cure periods, including customary step-in rights by the Secured Lender and similar protections required by the financing documents. • Property Taxes: The Project is intended to be structured in a manner to achieve exemption from Arizona ad valorem real estate taxes. Lessee shall be responsible for any taxes (real estate and personal property) assessed to the Project. • Lender Rights: Mountain Line will not subordinate its interest in the Site or its position as Ground Lessor; however, Mountain Line will grant the trustee for the bond financing or other secured lender (the "Secured Lender") the right to cure defaults. Secured Lender and any subordinate lender rights and remedies will be sufficient for a financeable ground lease. • Financial Reporting: o Lessee will deliver to Mountain Line the same annual audited financials and other annual operating information related to the

	Project as provided to the Secured Lender or otherwise required by the continuing disclosure undertaking entered into by Lessee with respect to the bond financing. ○ Lessee will operate the Project on an open book basis • Capital Reserves: Repair and replacement reserves shall be allocated from Project revenue by the Lessee in amounts not less than as may be required by the loan documents. • Insurance: Customary insurance requirements will be provided by Lessee. Mountain Line shall use reasonable efforts to add the Project to its insurance portfolio, with the premium to be paid by the Project as an operating expense. • Capital Needs Assessment: Lessee to engage independent engineer to provide a capital needs assessment report for Project facility every 5 years commencing with the 10 year anniversary of placed in service. Report to be shared with Mountain Line. Cost of report to be carried as a Project expense.
2. Development Agreement	The Development Agreement between Lessee and Developer will address the following: • Project will open for occupancy not later than a date to be agreed upon. • Developer will enter into a guaranteed maximum price construction contract with General Contactor. General Contactor will construct the Project in accordance with all applicable laws, rules and regulations. • Developer shall be responsible for governmental approvals, licenses and permits for construction of the Project. • Developer, with and through General Contactor shall develop a safety program with strict safety standards (zero- harm safety culture). • No mechanics liens will be allowed to persist and Developer shall secure prospective waivers from all consultants and contractors. • General Contractor will obtain payment and performance bonds. • Developer shall provide reasonable and customary construction and completion guarantees. Project completion guarantees shall be subject to Force Majeure and reasonable limits of liabilities. • Developer shall secure lien waivers and post lien bond if necessary, partial and final from all subcontractors. • Developer shall make the request that Mountain Line shall be named as a third-party beneficiary of the agreements with the engineer, architect and contractor. Such third-party beneficiary status shall be subject to step-in right of Secured Lender and to any assignment or consent to perform executed in favor of the Project Company, Secured Lender or Developer. • All contracts shall include a standard of care consistent with the construction industry for contractor, subcontractors and engineers;

	architect's in the area. • Developer will provide or cause to be provided all required insurances under the loan documents, including the General Contactor and all other contracted parties. Mountain Line shall be named as additional insured on coverages as may be appropriate. • Developer's contingency shall be included in the Project development budget, shall be transparent to Mountain Line and Lessee and shall be controlled and managed by Developer, in its sole discretion. • Developer fee shall be consistent with fee set forth in Developer Proposal. • Developer fee is subject to adjustment based upon risk variation from proposal, not to exceed ten percent (10%) of the total development costs of the Project. • Development Agreement and any amendments which impact the aesthetic look of the Project or increase the Project risk profile or the Project economics, are subject to Mountain Line approval. • Mountain Line shall be a third party beneficiary of the Development Agreement. Such third-party beneficiary status shall be subject to step-in right of Secured Lender and to any assignment or consent to perform executed in favor of the Project Company, Secured Lender or Developer. All construction costs, and any cost overruns shall be the responsibility of the Developer, subject to Force Majeure and changes and additional non-code required scope requested by Mountain Line.
3. Property Management Agreement	The Property Management Agreement between the Lessee and the Manager shall provide as follows: • Management of the Project by Lessee in accordance with APPA Level 2 levels of cleanliness. • Lessee shall engage a qualified third party to undertake a comprehensive inspection every five years to insure that the Project is being maintained in accordance with the standard of care set forth in the Property Management Agreement. Cost of inspection report to be a Project expense. • Manager may be replaced for cause or convenience, provided that Mountain Line will not have sole authority to require a management change and any decisions thereof will be made in collaboration with the Lessee (similar concept will apply when selecting a replacement Manager). • Any replacement manager must have demonstrated expertise in managing similar facilities. • Property Management Agreement must be a qualified management agreement meeting safe harbor guidelines of IRS Rev. Proc. 2017-13. • Manager fee shall be consistent with fee set forth in Developer Proposal. • Property Management Agreement and any amendments are subject to Mountain Line approval, such consent not to be unreasonably withheld or

	delayed. • Mountain Line shall be a third party beneficiary of the Property Management Agreement. Such third-party beneficiary status shall be subject to step-in right of Secured Lender and to any assignment or consent to perform executed in favor of the Project Company, Secured Lender or Developer.

EXHIBIT C

Insurance Requirements

[*Subject to review and confirmation*]

Prior to accessing the Property, Developer shall obtain or require its contractors to obtain at least the following insurance in the form, with companies admitted to do business in the State of Arizona and having an A.M. Best Rating of A-VII or better, and in amounts (unless otherwise specified), as the Authority may require:

1. Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than:

   Employers Liability - Each Accident - $1,000,000
   Employers Liability - Each Employee - $1,000,000
   Employers Liability - Policy Limit - $1,000,000

   Policies must include (a) Other States Endorsement to include Arizona if business is domiciled outside the State of Arizona, and (b) a waiver of all rights of subrogation and other rights in favor of the Authority;

2. Commercial General Liability Insurance with limits of not less than:

   Each Occurrence Limit - $1,000,000
   Damage to Rented Premises - $300,000
   Medical Expenses (any one person) - $5,000
   Personal & Advertising Injury - $1,000,000
   General Aggregate - $2,000,000
   Products - Completed Operations Aggregate - $2,000,000

3. Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than $1,000,000 Combined Single Limit Bodily Injury and Property Damage.

4. Excess Liability Coverage. Developer's contractors shall provide and maintain during the term of their services, including any warranty periods, excess liability insurance coverage, providing coverage in excess of the limits specified above for Commercial General Liability, Business Automobile Liability and Employers Liability coverage. Such policy shall have the same inception and expiration dates as the underlying labiality policies and coverage no less broad than those in the primary policies or program. Minimum limits shall be:

   Each Occurrence Limit - $5,000,000
   Products - Completed Operations Aggregate - $5,000,000

Annual Aggregate - $5,000,000

Without limiting the foregoing, such excess coverage shall "follow form" with regard to the primary coverage (i.e. shall provide coverage) to the extent such primary coverage's limits are designated to the Project and such primary coverage provides for an extended period for Products - Completed Operations coverage.

5. Errors and Omissions Insurance with limits of not less than $1,000,000 per claim and $1,000,000 in the aggregate.

6. Developer will require all contractors to carry the insurance described in paragraph 1, excluding the endorsement described in 1(a), and Commercial General Liability insurance with per occurrence limits of not less than $1,000,000 and general aggregate limits of not less than $2,000,000. Contractor shall also require any design professionals engaged by Contractor to maintain Errors and Omissions insurance in compliance with paragraph 5.

7. Certificates of insurance evidencing the existence of all insurance required under this Exhibit after the execution and delivery of this Agreement and prior to the performance or continued performance of any services to be performed by any contractors or any subcontractors as delegated to Developer under this Agreement.

8. Certificates of insurance evidencing the continued existence of all insurance upon renewal. Insurance policies, with the exception of Workers' Compensation, Employer's Liability and Errors and Omissions, shall be endorsed and name the Authority as Additional Insureds for on-going and completed operations. All policies will be endorsed to provide a waiver of subrogation in favor of the Authority. All policies with the exception of Workers' Compensation, Employer's Liability and Errors and Omissions will be endorsed to provide primary and non-contributory coverage. Notice of Cancellation shall be provided to the Authority in accordance with policy provisions and shall provide for 30 days advance written notice prior to any cancellation, material change, or non-renewal (10 days for non-payment) relating to any insurance policy required herein.

9. The insurance policies required in this Agreement will be kept in force for the periods specified below:

   A. Commercial General Liability Insurance, Business Automobile Liability Insurance; will be kept in force until receipt of Final Payment by Developer to the respective contractor.

   B. Workers' Compensation Insurance and Employer's Liability Insurance will be kept in force until the services have been fully performed and accepted by the Authority in writing.

   C. Errors and Omissions Insurance will be maintained an additional two (2) years after the services have been fully performed and accepted by the Authority in writing.