

When recorded, return to:
City Clerk
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

DEVELOPMENT AGREEMENT
Trailside Multi-Family Housing Development

This Development Agreement (the “Agreement”) is made and entered into as of this _____ day of _____, 2013, by and between the City of Flagstaff, an Arizona municipal corporation (the “City”), and Trailside MAR, LLC, a Delaware limited liability company authorized to do business in the State of Arizona (“Developer”). City and Developer may be referred to in this Agreement as “Party” in the singular, and “Parties” in the plural.

RECITALS

A. This Agreement is entered into pursuant to Arizona Revised Statutes (“A.R.S.”) § 9-500.05 with regard to the Trailside multi-family housing development (the “Project”) within the City of Flagstaff.

B. The Developer is the owner of certain parcels of land depicted and legally described in **Exhibit A**, a copy of which is attached hereto and incorporated by reference in this Agreement (collectively the “Property”).

C. The City and the Developer (the “Parties”) desire to enter into this Agreement in order, among other things, to facilitate development of the Property by providing for and establishing the community character of the Property, the type of land uses and the location, density and intensity of such land uses, designating twelve (12) units for affordable rental housing, and other matters relating to the development of the Property as depicted in the preliminary plan for the Project (the “Concept Plan”), a copy of which is attached as **Exhibit B**, and incorporated by reference in this Agreement.

D. In order to develop the Property under the Concept Plan, the Developer will be required to seek a rezoning of the Property from SC, Suburban Commercial Zone to HR, High Density Residential Zone as well as seek an amendment to the Flagstaff Area Regional Land Use and Transportation Plan (the “General Plan”), changing the classification of the Property from a Parks designation to a High Density Residential designation.

E. The City believes that the development of the Property pursuant to this Agreement would provide certain benefits to the City and the Developer believes that development of the Property pursuant to this Agreement would be beneficial and advantageous to the Developer.

NOW, THEREFORE, in consideration of the mutual covenants entered between and among the Parties, and in consideration of the benefits to accrue to each, the Parties agree as follows:

AGREEMENT

1. Amendment of the General Plan. The Developer will submit an application to amend the General Plan for certain parcels of the Property, described in **Exhibit A**, from a Parks designation to a High Density Residential designation. The City agrees to process said application and, in the event the General Plan amendment application is approved by the City Council, following a public hearing as required by A.R.S. § 9-461.06, the City will amend the General Plan to designate the parcels suitable for development as a high density residential development. The Developer acknowledges that the City Council has the absolute discretion to approve or disapprove the proposed amendment to the General Plan.

2. Implementation of Concept Plan through the Rezoning. The Developer will submit an application to rezone the Property from SC, Suburban Commercial Zone to HR, High Density Residential Zone in accordance with the Concept Plan. The Developer acknowledges that the City Council has the absolute discretion to approve or disapprove the proposed rezoning. The Parties acknowledge that certain stipulations (the “Rezoning Stipulations”) are likely to be approved in connection with the rezoning. The purpose of the Rezoning Stipulations is to address, among other things, adequate access and circulation, drainage, wastewater and water infrastructure facilities, resource protection, density, affordable housing, pedestrian circulation, as well as other factors required by the City’s codes and ordinances. In the event a conflict exists between the language set forth in one or more of the Rezoning Stipulations and the terms of this Agreement, the rezoning ordinance shall govern. Upon approval of the application to rezone the Property, and upon receipt of engineering and building and safety plans for the Property (the “Plans”), the City agrees to process the Plans in accordance with City codes and regulations. However, in the event the Property is rezoned and the Developer fails to obtain final plat approval or obtain an extension of zoning within two (2) years of the effective date of the rezoning ordinance, then the City may schedule a public hearing before the City Council for the purpose of causing the zoning on the Property to revert to the former classification of SC, Suburban Commercial Zone in accordance with A.R.S. § 9-462.01. Upon the City Council’s approval of the zoning reversion, this Agreement shall automatically become null and void.

3. Conditions of Development. Upon approval of the rezoning contemplated in **Section 2** of this Agreement, the City’s Community Development Division shall place a notation on the official zoning maps for the Property to reflect the zoning classification and boundaries approved in the rezoning. These maps may include appropriate indications that the approved zoning is conditional and that the zoning will vest upon the recordation of the final plat.

4. Modifications to Development Standards. Development of the Property shall be governed by the City’s ordinances, rules, guidelines and official policies controlling permitted uses of the Property, the density and intensity of uses, the maximum height and size of the buildings within the Property, as well as the standards for off-site and on-site public improvements in existence as of the effective date of this Agreement; provided, however, that

Developer shall obtain construction permits for one or more components of the Project described in **Section 6** below within two (2) years following the effective date of this Agreement.

5. Changes to the Rezoning. For the term of this Agreement, the City shall not initiate any changes or modifications to the zoning that may be approved for the Property pursuant to this Agreement except at the request of the owners of the Property for which such zoning change is sought.

6. Project Description. The Project contemplated by this Agreement shall consist of the following components:

- 6.1 Multi-family housing consisting of one hundred (111) rental units;
- 6.2 Including affordable housing consisting of twelve (12) rental units;

7. Site Layout and Design Considerations. In the event the proposed rezoning for the Property is approved by the City Council, the Developer agrees to incorporate the following design elements into the Project:

- 7.1 The site plan reflects building locations for pedestrian connectivity to the existing F.U.T.S. trail, while buffering the neighborhood with lower building heights, and “carriage units” against the I-40 as a sound and visual buffer. The architecture will utilize native materials, colors and roof forms that relate to the locale.

8. Standards. All public works facilities or infrastructure which Developer is required to construct pursuant to the provisions of this Agreement, and which, upon completion will be dedicated to the City, shall be designed and constructed to State and City standards, unless otherwise provided in this Agreement or as agreed to by the City Engineer in writing.

9. Construction of Public and Private Improvements.

9.1 Developer shall, at its own expense, construct or cause to be constructed all public and private improvements as required by the City’s code or ordinances and in accordance with approved specifications. Following construction of the described public improvements, and dedication of the same to the City, the City shall assume, at its expense, and in accordance with City policies, the maintenance and repair of all public improvements to be constructed.

9.2 Developer shall design and install all water and sewer mains and services within the Project per the City of Flagstaff’s Engineering Design and Construction standards and the Maricopa Association of Government’s standards as modified by the City of Flagstaff, except as provided by this Agreement and the City Engineer in writing.

10. Dedication of Public Easements. Public utility and drainage easements must be identified on the construction plans and dedicated prior to the issuance of building permits. Dimensions for these easements must be in accordance with City requirements.

11. Resource and Floodplain Protection. The Developer and City acknowledge and agree that resource protection provisions set forth in the City's Zoning Code are applicable to the entire Project. The Developer acknowledges and understands that it shall maintain twenty-five percent (25 %) of the existing forest resources in their natural state.

12. Affordable Housing. Developer agrees to comply with the affordable housing requirements set forth in **Exhibit C**, attached hereto and incorporated by this reference. The purpose of these requirements is to ensure that the affordable housing contribution of fourteen per cent (14%), of the number of units allowed before the density bonus is applied, or twelve dwelling units (12) of eighty-eight (88) allowable dwelling units and the long-term management of these units for households earning up to eighty per cent (80%) of the Area Media Income (AMI) as defined by the US Department of Housing and Urban Development (HUD), or its successors, is met and maintained for the life of this Agreement. The provisions of this **Section 12** shall survive termination of this Agreement.

13. Incentives.

In recognition of the Developer's agreement to set aside twelve (12) units for affordable rental housing purposes, the City has approved the following incentives for the Project:

- 13.1 A density bonus of twenty-three (23) units has been applied in accordance with Zoning Code Section 10-30.20.040(B)(2).
- 13.2 A forty-five percent (45%) reduction to the forest resources has been applied in accordance with Zoning Code Section 10-30.20.040(B)(1). The High Density Residential (HR) zone requires fifty percent (50%) forest resource protection. The Affordable Housing incentive is a forty-five percent (45%) reduction, which provides total forest resource protection of twenty-seven and one-half percent (27.5%).
- 13.3 A ten percent (10%) reduction of landscaping has been applied with regard to parking islands in accordance with Zoning Code Section 10-30.20.040(B)(5).

14. Consolidation of Parcels. Developer agrees to consolidate those parcels of land depicted and legally described in **Exhibit A**, to pay all expenses associated with consolidation of the parcels, and to provide documentation evidencing consolidation to the City's Planning Development Department.

15. Notices. Unless otherwise specifically provided in this Agreement, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered upon personal delivery or as of the third business day after mailing by United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows:

To City:

City Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

To Developer

Trailside MAR LLC

Copy to:

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

16. General Provisions.

16.1 Amendment. This Agreement may be amended at any time by written amendment executed by all Parties, which amendment shall be recorded in the official records of Coconino County, Arizona within ten (10) days following its execution.

16.2 Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Arizona.

16.3 Assignment. All of the provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties, pursuant to A.R.S. § 9-500.05(D). In addition, Developer’s rights and obligations may only be transferred or assigned to a person or entity that has acquired the Property or a portion of it and only by a written instrument recorded in the official records of Coconino County, Arizona, expressly assigning such rights and obligations. Any such transfer or assignment shall not be valid as to the City until written notice has been sent to the City in accordance with **Section 15** of this Agreement. All rights and obligations of the Developer under this Agreement shall constitute covenants running with the land and shall be binding on all of the Developer’s successors and assigns.

16.4 Attorneys' Fees and Costs. Subject to **Section 15.17**, Mediation, if legal action by any Party is brought because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and court costs.

16.5 Authority. The person executing this Agreement on behalf of warrant and represent that he has the authority to execute this Agreement on behalf of the Developer, and that the execution of this Agreement has been approved by all required actions on the part of such Party, and that this Agreement is fully binding on such Party.

16.6 Cancellation for Conflict of Interest. This Agreement is subject to the cancellation provisions of A.R.S. § 38-511.

16.7 Consistent with General Plan. This Agreement ensures that all development on the Property shall be consistent with the City's General Plan recommendation for the Property as required by A.R.S. § 9-500.05(B).

16.8 Construction of Agreement. This Agreement has been arrived at by negotiation and shall not be construed against either Party to it or against the Party who prepared the last draft.

16.9 Counterparts. This Agreement may be executed by the Parties in three (3) counterparts, which counterparts shall be construed as a single document and have the same effect as if all of the Parties had executed the same instrument.

16.10 Cooperation. In the event of any action or proceeding brought by a third party, whether private or governmental, challenging the validity of this Agreement or any provision of it, the Parties shall cooperate in defending against such challenge, provided that each Party shall pay its own respective legal expenses and costs associated with such defense. During the entire course of any such proceeding, this Agreement shall remain in full force and effect.

16.11 Covenants Run with the Land. The covenants and agreements contained in this Agreement are mutual covenants and also constitute conditions to the subsequent or concurrent performance by the Party benefited thereby. All covenants shall be covenants running with the land, and shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

16.12 Effective Date. This Agreement shall be effective upon execution by the Parties and recordation in the Office of the Coconino County Recorder.

16.13 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and shall not be changed or added to except in the manner provided in **Section 16.1**. All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, other than those specifically incorporated in this Agreement, are superseded by this Agreement. The Parties acknowledge and agree that this Agreement is to be read and interpreted with the resolution approving the General Plan amendment and the rezoning ordinance.

16.14 Exhibits. All exhibits attached are incorporated by reference as though fully set forth in this Agreement.

16.15 Further Acts. Each of the Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

16.16 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a Party for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Coconino, State of Arizona, and the Parties waive all provisions of law providing for the filing, removal or change of venue to any other court. This **Section 16.16** shall survive termination of this Agreement.

16.17 Mediation. If a dispute arises out of or relates to this Agreement and if the dispute cannot be settled through negotiation, the Parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation will be self-administered and conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, New York 10017, (212) 949-6490, www.cpradr.org with the exception of the mediator selection provisions. The parties shall agree upon a mediator, failing which on the application of either party to the Director of the Alternative Dispute Resolution Program (“Director”) at the Coconino County Superior Court, a mediator will be appointed promptly by the Director for that purpose. Each party agrees to bear its own costs in mediation. The Parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation. This section does not constitute a waiver of a Party’s right to initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona Rules of Civil Procedure.

16.18 Modification. No modification of this Agreement shall be deemed effective unless in writing and signed by the Parties, and any waiver granted shall not be deemed effective except for the instance and circumstances particularly specified in a written waiver executed by the Party against whom enforcement of the waiver is sought.

16.19 No Partnership; No Agency. It is specifically understood and agreed by and among the Parties that the development of the Project on the Property is a private development, that no Party is acting as the agent of any other Party in any respect, and that each Party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. The Parties acknowledge and agree that this Agreement does not create a partnership, joint venture or similar entity, and that no such partnership, joint venture or similar entity has been created by THE City and the Developer.

16.20 No Obligation to Develop Property. Except as specifically set forth in this Agreement, there shall be no obligation for the City or the Developer to complete any part or all of the Project.

16.21 No Third Party Beneficiaries. No person or entity other than a Party to this Agreement or a legal representative, successor in interest or assign of such Party shall be entitled to rely on this Agreement or the performance of Developer or the City; this Agreement is not made for the benefit of any person or entity not a Party; and no such

person or entity shall be entitled to assert any claim arising out of, or in connection with, this Agreement.

16.22 Proposition 207 Waiver. The Developer hereby waives and releases the City from any and all claims under A.R.S. §§ 12-1134 through 12-1138, including any right to compensation for reduction to the fair market value of the Property which is or arises out of the subject matter of this Agreement, whether such reduction in value occurs now or in the future. The terms of this waiver shall run with the land and shall be binding upon all other successors in interest, heirs, successors, or assigns.

16.23 Recordation of Agreement. In accordance with A.R.S. § 9-500.05(D), this Agreement shall be recorded in its entirety in the official records of the Coconino County Recorder, State of Arizona no later than ten (10) days from the date of its execution.

16.24 Remedies. If either party to this Agreement breaches any provision of this Agreement, the non-defaulting party shall be entitled to all remedies available at both law and in equity, including specific performance.

16.25 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect construction or interpretation of this Agreement.

16.26 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the Parties.

16.27 Term. The term of this Agreement shall commence on the effective date of this Agreement as defined in **Section 16.12** and shall automatically terminate on the tenth (10th) anniversary of such date unless previously terminated.

16.28 Time is of the Essence. For purposes of enforcing the provisions of this Agreement, time is of the essence.

16.29 Waiver. No waiver by any Party to this Agreement of a breach of any of the terms, covenants, conditions or this Agreement shall be construed or held to be a waiver of any succeeding or proceeding breach of the same or any other term, covenant or condition of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement by and through their authorized representatives.

City of Flagstaff

Trailside MAR LLC

Mayor

By:

Its:

Attest:

City Clerk

Approved as to form:

City Attorney

STATE OF ARIZONA)
) ss
County of Coconino)

On this ____ day of _____, 2013, before me, a Notary Public, personally appeared Jerry Nabors, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument as the Mayor of Flagstaff, and acknowledged that he executed the same on behalf of the City of Flagstaff, for the purposes therein contained.

Notary Public

My Commission Expires: _____

STATE OF _____)
) ss
County of _____)

On this ____ day of _____, 2013, before me, a Notary Public,
personally appeared _____, known to be and satisfactorily proven
to be the person whose name is subscribed to the foregoing instrument and acknowledged that he
executed the same on behalf of Trailside MAR LLC for the purposes therein contained.

Notary Public

My Commission Expires: _____

EXHIBIT A
LEGAL DESCRIPTION

Trailside Apartments, App. No. PSPR20130006, Legal Description for Narrative

LEGAL DESCRIPTION FROM TITLE REPORT, PTA #00666256, 9/06/2012:

LOTS 2, 3, AND 4, PARCEL 1, AS SHOWN ON DIVISION OF LAND MAPS, RECORDED IN CASE 2, MAP 334, RECORDS OF COCONINO COUNTY, ARIZONA, BEING A RESUBDIVISION OF "COMMERCIAL AREA" OF UNIVERSITY HEIGHTS, AS SHOWN ON THE PLAT THEREOF RECORDED IN CASE 2, MAPS 276-276D, RECORDS OF COCONINO COUNTY, ARIZONA.

EXCEPTING THEREFROM ANY PORTION OF SUBJECT PROPERTY CONVEYED TO THE CITY OF FLAGSTAFF RECORDED IN DOCKET 1404, PAGE 906, RECORDS OF COCONINO COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

AN IRREGULAR SHAPED PAREL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 21 NORTH, RANCE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, BEING A PORTION OF THAT PARCEL OF LAND DESCRIBED AS UNIVERSITY HEIGHTS AND RECORDED IN CASE 2 MAP 276-276D, (RECORD #1, R1) OFFICE OF THE RECORDER (O,C,C,R.), FLAGSTAFF, ARIZONA, AND BEING MORE PARTICULARLLY DESCRIBED AS FOLLOWS:

THAT PARCEL OF LAND BOUND ON THE WEST BY THE WEST LINE OF A 40 FOOT WIDE DRAINAGE EASEMENT DESCRIBED IN (R1) AND BOUND ON THE EAST BY THE EAST LINE OF SAID (R1), WHICH IS COINCIDENT WITH THE WEST RIGHT-OF-WAY LINE OF U.S. ROUTE 89.

EXCEPT THEREFROM ANY PORTION LYING WITHIN THAT PARCEL OF LAND DESCRIBED IN DOCKET 609, PAGE 74 (O.C.C.R.).

ALSO EXCEPT THEREFROM ANY PORTION WITHIN THAT PARCEL OF LAND DESCRIBED IN DOCKET 1376, PAGE 15 (O.C.C.R.).

ALSO EXCEPT THEREFROM ANY PORTION LYING WITHIN LOTS 9 AND 10 (R1).

AND

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF ARIZONA, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, BY INSTRUMENT RECORDED AS DOCKET 1983, PAGE 358, RECORDS OF COCONINO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF LOTS 3 AND 4, PARCEL 1, AS SHOWN ON DIVISION OF LAND MAPS, RECORDED IN CASE 2, MAP 334, RECORDS OF COCONINO COUNTY, ARIZONA, BEING A RESUBDIVISION OF "COMMERCIAL AREA" OF UNIVERSITY HEIGHTS, AS SHOWN ON THE PLAT THEREOF RECORDED IN CASE 2, MAPS 276-276D, RECORDS OF COCONINO COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT A 3/4" IRON PIPE MARKING THE EAST QUARTER CORNER OF SECTION 29, TOWNSHIP 21 NORTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA;

THENCE SOUTH 00°32'30" EAST ALONG THE EAST LINE OF SAID SECTION A DISTANCE OF 420.69 FEET TO THE EXISTING SOUTHERLY RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 40 (ASHFORK-FLAGSTAFF HIGHWAY);

THENCE NORTH 63°52'40" WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 4.83 FEET TO THE TRUE POINT OF BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4;

THENCE CONTINUING NORTH 63°52'40" WEST, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, A DISTANCE OF 264.70 FEET;

THENCE NORTH 26°17'10" EAST, A DISTANCE OF 25.00 FEET;

THENCE NORTH 63°52'40" WEST, A DISTANCE OF 416.85 FEET;

THENCE FROM A LOCAL TANGENT BEARING OF SOUTH 63°52'40" EAST, ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 280.00 FEET, A LENGTH OF 118.78 FEET;

THENCE SOUTH 63°52'40" EAST, A DISTANCE OF 90.86 FEET;

THENCE SOUTH 38°39'42" EAST, A DISTANCE OF 511.75 FEET TO THE EASTERLY LINE OF SAID LOT 3;

THENCE ALONG SAID EASTERLY LINE OF SAID LOTS 3 AND 4, NORTH 29°24'13" EAST, A DISTANCE OF 218.49 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINS 4.02 ACRES OF LAND MORE OR LESS AS SHOWN ON EXHIBIT B WHICH BY THIS REFERENCE IS MADE A PART HEREOF.

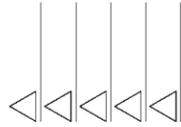
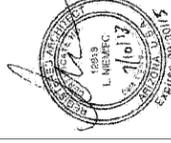


Expires: 3/31/15

City File Number _____

Descriptive Title _____

EXHIBIT B
CONCEPT PLAN



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Contractor must verify all dimensions of project before proceeding with the work. Do not reproduce these drawings or specifications without the expressed written permission of the Architect.

the Architect whether the project for which they are made is executed or not. The Architect shall not be held responsible for any errors or omissions in the drawings or specifications or for any consequences arising from the use of the drawings or specifications for any purpose other than that intended by the Architect.

Project by others except by the expressed written permission of the Architect.



Flagstaff, AZ
 PROPOSED ADDRESS
 600 W. UNIVERSITY
 HEIGHTS DRIVE

Site Plan
 Scale: 1" = 50'-0"

DATE: 5-14-2013
 SHEET NO.:
 PROJECT NO.:

AS-1

PROJECT OWNER/DEVELOPER
 MARK CHABON
 CHABON DEVELOPMENT
 89 ANIMITY LANE
 BUFFALO, NY 14215

PROJECT ARCHITECT
 L.R. NIEMIEC ARCHITECTS
 8585 E. HARTFORD DRIVE SUITE 115
 SCOTTSDALE, AZ 85255

PROJECT DATA (THIS PROJECT WILL BE CONSTRUCTED IN ONE PHASE)

PARCEL SIZE: 4.92 +/- NET ACRES
 EXISTING ZONING: H.C. PROPOSED ZONING: H.R.
 DENSITY: 21.61 DOLLAR PER ACRE (110) TOTAL UNITS

TYPE	MARKET RATE AFFORDABLE QUANTITY	%	GROSS SF.	BALCONY SF.	GROSS SF.
CARRIAGE (1 BED 1 BATH)	12	11	6672		1944
STUDIO	2	6	463		4367
A1 (1 BED 1 BATH)	35	33	5683		24444
B1 (2 BED 2 BATH)	28	27	5398		28140
B2 (2 BED 2 BATH)	18	16	1166		29369
TOTALS	95	100			89683

* EXCLUDED BALCONY

ATTACHED GARAGES (62) IN 38-FLEX + (18) IN CARRIAGE BLDG. = 78 (22.2%)
 DIRECT ACCESS GARAGE
 GROUND FLOOR UNITS (6) HAVE DIRECT ACCESS GARAGE

CORRIDORS	GROSS SF.
1ST FLOOR	11,826
2ND FLOOR	1,189
3RD FLOOR	1,789
BALCONIES	6,369
TOTAL	34,269 SF.

COMMON AREAS	GROSS SF.
CLUBHOUSE/OFFICE	2,029
CABANA	649
TOTAL COMMON AREAS	2,719

SUMMARY OF TOTAL BUILDINGS	GROSS SF.
APARTMENTS	89,683
GARAGES	19,159
CORRIDORS/BALCONIES	34,269
COMMON AREAS	2,719
TOTALS	141,830 SF.

MARKET RATE PARKING:
 MARKET RATE: 1.15
 STUDIO: 1.15
 A1- (30'x27.5' = 6.3)
 B1- (30'x27.5' = 6.75)
 B2- (18'x27.5' = 4.95)
 REQUIRED = 26025 SPACES

TOTAL REQUIRED = 2600 SPACES
 TOTAL PARKING PROVIDED = 193 SPACES
 NET REDUCTION OF 1% USE 8.8%
 REDUCTION OR 11 PARKING SPACES = 260 SPACES = 193 SPACES

PARKING CALCULATIONS
 APN 12-20-013A
 APN 12-20-014B
 APN 12-20-015C

AFFORDABLE INCENTIVES PROPOSED:
 A. DENSITY BONUS
 B. RESOURCE PROTECTION REDUCTION
 C. 1% LANDSCAPE STANDARD REDUCTION

PARKING PROVIDED:
 15 GARAGE + 114 SURFACE = 129 SPACES/11 UNITS = 11.9 SPACES PER UNIT
 11 OF THE PARKING SPACES SHALL BE ACCESSIBLE

INDICATES BIKE RACK
 EACH SPACE = 8'x2'
 (BIKE PARKING REQ. 89,683=8,968)

NOTE:
 AT LEAST 7% OF THE UNITS, BUT NO LESS THAN ONE SHALL BE A TYPE 'A1' UNIT.
 THESE UNITS MUST BE DISPERSED AMONG THE VARIOUS CLASSES OF UNITS.

NEW WALKING/BIKE PATH TO EXISTING PATH
 NEW WALKING/BIKE PATH TO EXISTING PATH

REFUSE ENCLOSURE WITH 6' HIGH CHAIN LINK FENCE
 REFUSE ENCLOSURE WITH 6' HIGH CHAIN LINK FENCE

EXISTING CURB CUTTER & SIDEWALK
 CLUBHOUSE INCLUDES RECREATIONAL APPOINTMENTS FOR CHILDREN FOR AGES 5 TO 12

BIKE RACK
 CABANA

PROJECT BENCHMARK
 PER CODE: MGD88
 ELEV. = 6893.07

BEULAH BLVD.
 KATZER DR.



PROJECT OWNER/DEVELOPER
 MARK CHABON
 CHABON DEVELOPMENT
 89 ANIMITY LANE
 BUFFALO, NY 14215

PROJECT ARCHITECT
 L.R. NIEMIEC ARCHITECTS
 8585 E. HARTFORD DRIVE SUITE 115
 SCOTTSDALE, AZ 85255

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B1 (2 BED 2 BATH)	28	27	5398		28140
B2 (2 BED 2 BATH)	18	16	1166		29369
TOTALS	95	100			89683

* EXCLUDED BALCONY

ATTACHED GARAGES (62) IN 38-FLEX + (18) IN CARRIAGE BLDG. = 78 (22.2%)
 DIRECT ACCESS GARAGE
 GROUND FLOOR UNITS (6) HAVE DIRECT ACCESS GARAGE

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MARKET RATE PARKING:
 MARKET RATE: 1.15
 STUDIO: 1.15
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PARKING CALCULATIONS
 APN 12-20-013A
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 APN 12-20-015C

AFFORDABLE INCENTIVES PROPOSED:
 A. DENSITY BONUS
 B. RESOURCE PROTECTION REDUCTION
 C. 1% LANDSCAPE STANDARD REDUCTION

PARKING PROVIDED:
 15 GARAGE + 114 SURFACE = 129 SPACES/11 UNITS = 11.9 SPACES PER UNIT
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INDICATES BIKE RACK
 EACH SPACE = 8'x2'
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BIKE RACK
 CABANA

PROJECT BENCHMARK
 PER CODE: MGD88
 ELEV. = 6893.07

BEULAH BLVD.
 KATZER DR.



PROJECT OWNER/DEVELOPER
 MARK CHABON
 CHABON DEVELOPMENT
 89 ANIMITY LANE
 BUFFALO, NY 14215

PROJECT ARCHITECT
 L.R. NIEMIEC ARCHITECTS
 8585 E. HARTFORD DRIVE SUITE 115
 SCOTTSDALE, AZ 85255

PROJECT DATA (THIS PROJECT WILL BE CONSTRUCTED IN ONE PHASE)

PARCEL SIZE: 4.92 +/- NET ACRES
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TYPE	MARKET RATE AFFORDABLE QUANTITY	%	GROSS SF.	BALCONY SF.	GROSS SF.
CARRIAGE (1 BED 1 BATH)	12	11	6672		1944
STUDIO	2	6	463		4367
A1 (1 BED 1 BATH)	35	33	5683		24444
B1 (2 BED 2 BATH)	28	27	5398		28140
B2 (2 BED 2 BATH)	18	16	1166		29369
TOTALS	95	100			89683

* EXCLUDED BALCONY

ATTACHED GARAGES (62) IN 38-FLEX + (18) IN CARRIAGE BLDG. = 78 (22.2%)
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TOTAL	34,269 SF.

COMMON AREAS	GROSS SF.
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CABANA	649
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BIKE RACK
 CABANA

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EXHIBIT C
AFFORDABLE HOUSING REQUIREMENTS

Affordability Requirements

1. Duration of Affordability Provisions.

The provisions in Section 12 of the Development Agreement between **Trailside MAR, LLC, a Delaware limited liability company authorized to do business in the State of Arizona (“Developer”)** and the City of Flagstaff (the “Agreement”) pertaining to affordability are applicable for thirty (30) years.

2. Applicability of Affordability Provisions.

The affordability provisions pertain to fourteen percent (14%) or twelve dwelling units (12), of the number of units allowed before the density bonus is applied, or eighty-eight (88) allowable dwelling units and the long-term management of these units. “Rent Restricted Units” means those units affordable for households earning no more than eighty percent (80%) of the Area Median Income (AMI), as defined annually by the U.S. Department of Housing and Urban Development (HUD) or its successor. If a successor is not identified, the City of Flagstaff will issue comparable income guidelines.

The monthly rental price for the Rent Restricted Units shall be no more than thirty-three percent (33%) of the monthly income for a household not to exceed 80% AMI and include utilities and other charges for the unit. The pricing structure will be initially set for the Rent Restricted Units by bedroom size and defined in the Affordability Plan.

3. Rent Restricted Units.

The Rent Restricted Units shall be maintained at twelve (12) units or fourteen percent (14%) of the number of units allowed before the density bonus for the development is applied, or 12 of 88 dwelling units. Developer shall provide affordable units as follows: seven (7) studios; three (3) one-bedroom apartments; and two (2) two-bedroom apartments.

3.1 The Affordability Plan, as referenced, in this Section shall be completed and agreed upon by both parties prior to the issuance of building permits.

3.2 The Rent Restricted Units shall be dispersed throughout the development. Prior to issuance of the Certificate of Occupancy, the Housing Manager of the City of Flagstaff, or designee, shall state in writing that the standards set forth in this Agreement, pertaining to the Permanent Affordability Requirements, have been put in place and that the initial Rent Restricted Units are identified with associated rents.

3.3 The Owner or its designee, working with the City of Flagstaff, or its designee, shall designate, on an annual basis, the location, size, and unit count of the Rent Restricted Units. This process shall coordinate with the annual HUD AMI adjustment, anticipated for December first of each year, subsequent annual rent pricing adjustment, and annual audit. On a semi-annual basis, the Developer or its designee shall provide the City with a current waiting list and coinciding household incomes.

3.4 The Developer shall market the Rent Restricted Units in the same manner as market rate units and will advertise in at least one main local or regional media outlet, such as Apartment Finder.

3.5 The Developer shall provide an initial lease-up period not to exceed one (1) year for the first rental after Certificate of Occupancy, which is mutually agreed upon and defined within the Affordability Plan.

4. Eligibility Criteria.

A household is defined as all individuals who reside in the Unit more than fifty percent (50%) of the time. All employed individuals over the age of eighteen (18) that live within the Unit must be considered for income verification. The Developer or its designee must utilize a standardized income verification formula, accepted by the City of Flagstaff. All subsequent changes of a roommate or roommates, or changes in household occupancy shall be re-certified for eligibility under the applicable AMI levels. Annual income re-certification shall coincide with lease renewal. If, at the time of income re-certification, the household's income is greater than one hundred percent (100%) AMI, the household shall be given ninety (90) days to vacate the Rent Restricted Unit or begin paying market rate rent. Additional eligibility criteria shall be provided in the Affordability Plan.

5. Vacancies.

5.1 When an occupant of a Rent Restricted Unit must either vacate the unit permanently or has voluntarily provided standard notice to the Developer or its designee that the household will no longer be renting that unit, the Developer or its designee will notify the City of the vacancies within the Rent Restricted Units in the time specified in the Affordability Plan.

5.2 If the Rent Restricted Unit is not rented to an eligible household, the Unit may be marketed and rented as a market rate unit, providing that the Rent Restricted unit count is maintained at twelve (12) units total.

6. Reporting.

The detailed reporting of the Rent Restricted Units will be outlined in the Affordability Plan. In general, the Developer or its designee, shall provide the City, at a minimum, the following information and notices:

6.1 The location and AMI overview of the households residing within the Rent Restricted Units. This process shall coordinate with the annual HUD AMI adjustment, subsequent annual rent pricing adjustment, and annual audit.

6.2 A current waiting list, and coinciding household AMI.

- 6.3 Notify the City of the vacancies within the Rent Restricted Units.
- 6.4 Notify the City regarding the incomes of the households who are actively in the Rent Restricted Units.

7. Audits and Inspections.

All records, with respect to the affordable housing requirements of the Agreement, shall be made available to the City, or its designee, at any time during normal business hours as often as the City deems necessary to audit, examine, and make excerpts or transcripts of all relevant data provided. Failure of the Developer or its designee to comply with these audit requirements will constitute a material breach of this Development Agreement.