

December 16, 2021

Dear Sir or Madam:

Rio Nuevo Multipurpose Facilities District, a special taxing district of the State of Arizona (the "District") hereby provides notice that it intends to formally approve a Government Property Lease (the "Lease") transaction with The Cadence Apartments, LLC, a Delaware limited liability company (the "Prime Lessee"), to renovate and convert two large buildings consisting of 108,782 square feet (the "Greyhound Building") and 118,575 square feet (the "Railyard Building") to market rate apartments at 350 E. Congress Street, Tucson, Arizona (the "Project"). The Lease will comply with the Government Property Lease Excise Tax statutes, Arizona Revised Statutes §42-6201 *et seq.*

Arizona Revised Statutes §42-6206(B)(1)(a) requires that as the government lessor the District must notify the governing bodies of the county and any city, town and school district in which the government property improvement is located at least sixty (60) days before a Lease is considered for final approval by the District's Board of Directors.

The name and address of the prime lessee is:

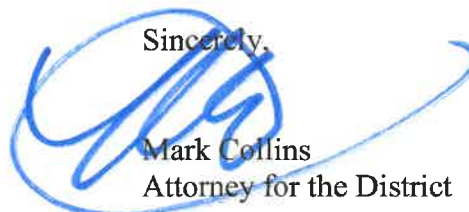
The Cadence Apartments, LLC
1095 E. 2100, Suite 110
Salt Lake City, Utah 84016
Attn: Chuck Bond

The term of the Lease will be for a period of up to 25 years commencing upon completion of construction as evidenced by a Certificate of Occupancy or a Letter of Commencement from the City of Tucson. The proposed use of the Project is apartments.

Lastly, pursuant to Arizona Revised Statutes §42-6206(B)(1)(b), a GPLET transaction requires that the government lessor determine that, within the term of the lease or development agreement, the economic and fiscal benefit to this state and the county, city or town in which the government property improvement is located will exceed the benefits received by the Prime Lessee as a result of the development agreement or lease on the basis of an estimate of those benefits prepared by an independent third party. Rio Nuevo commissioned such a study, a copy of which is available on the District's website <https://rionuevo.org>. As you will see the Economic Analysis concludes that the benefits to the public certainly outweigh the benefits received by the Prime Lessee.

If you have any questions, please contact me at (520) 388-4780 or by e-mail at mcollins@gustlaw.com.

Sincerely,



Mark Collins
Attorney for the District