

**EXHIBIT A
TO
INVITATION FOR BIDS TO PURCHASE REAL PROPERTY FOR USE IN A
COMMUNITY LAND TRUST**

BID SHEET

Offeror

Firm/Company/Offeror: Verde Valley Community Development organization

Contact Person: Mary A. Chicoine

Contact Email Address: administration@vvcdo.com

Mailing Address: P.O. Box 157, Cottonwood, Arizona 86326

Phone: 928-598-8851

Type of Organization

☐ Individual or Single-Member LLC

☐ Corporation

☐ Partnership

☐ Trust

☒ Limited Liability Company

☐ Other _____

Tax ID#: 86-2451065

Bid Purchase Price: \$143,500

Proposed Closing Date: February 1, 2026

Intended Use of Property: The property will be placed in the Verde Valley Community Land Trust for workforce housing.

Intent to be bound by Bid: Mary A. Chicoine
(Signature of Individual Authorized to Sign Offer)

Mary A Chicoine
(Printed Name)

administration@vvcdo.com
(Email address)



October 21, 2025

The Verde Valley Community Development Corporation (VVCDO) respectfully submits the following bid in response to the Town of Jerome's Bid Solicitation Titled: **Invitation for Bids to Purchase Real Property for Use in a Community Land Trust with Solicitation Number 2025-003**. The Verde Valley Community Development Organization (VVCDO) is a nonprofit public charity recognized as tax-exempt by the IRS under Section 501(c)(3), EIN Number 86-2451065. One of its primary programs is the Verde Valley Community Land Trust (VVCLT).

Overview: The Verde Valley Community Land Trust (VVCLT) is a program of the VVCDO committed to the permanent stewardship of land and the permanent affordability of any housing located upon its land. Land acquired by the VVCDO is rarely resold. It is retained by the VVCLT, held in trust for the community. It provides for the exclusive use of its land by leasing out separate parcels to individual homeowners, cooperative housing corporation(s), non-profit developers of rental housing, or other nonprofit, governmental, or for-profit entities. The ground leases will last for typically 99 years. Buildings on the land are sold at an affordable price, and the owner holds the deed to the property while leasing the land from the VVCLT. The VVCLT will retain first right of refusal as an option to repurchase these buildings, should their owners ever choose to sell. The resale price is determined by a formula contained in the ground lease. This formula, which usually yields a resale price that is lower than the building's market value, is designed to give the seller a fair return for his/her investment, while giving future buyers fair access to a home at an affordable price. By design and by intent, the VVCLT is committed to preserving the affordability of housing (and other structures) – one owner after another, in perpetuity.

Protecting Occupancy, Use, Condition & Design of Affordable Housing: The VVCLT provides a durable mechanism not only for preserving the affordability of housing, but for preserving the occupancy, use, condition, and design of that housing as well. Embedded in the ground lease – or embedded in the deed covenant, if the VVCLT is serving as the steward for deed-restricted housing – are provisions that: (a) require the housing to be continually occupied as the owner's principal residence; (b) restrict the housing's use as a sub-leased rental property; (c) require the housing to be kept in good repair; and (d) require the housing to be maintained in compliance with local building and zoning codes.

Land Acquisition: The VVCDO/VVCLT can acquire land in three ways: (1) Purchase land at its market price, using funds they receive from public sources or funds that are donated or loaned from private sources; (2) Receive land as a gift from a private donor or governmental entity; and (3) Acquire land for a below-market price through a mechanism known as a "bargain sale,"

where the seller accepts cash for a portion of the land's value and claims a tax deduction for the remainder of the land's value.

Buildings on VVCLT Land: When the VVCLT acquires a parcel of land, there may already be a single-family house or a multi-unit building on the land. In other cases, the VVCLT can become an active developer, constructing new housing on lands recently acquired or previously "banked" for future development. VVCLTs may also make land available to another nonprofit organization for the construction of affordable housing. When affordably priced homes come into a VVCLT's portfolio because of inclusionary zoning, density bonuses, or other regulatory mandates or incentives, the VVCLT will become the long-term steward for occupancy, eligibility, and affordability controls imposed by local governments on housing built by for-profit developers.

Homeowner Eligibility: The VVCLT will target households with incomes equal to or below 150% of the Yavapai County Area Median Income which is updated annually by the United States Department of Housing and Urban Development (HUD). See the attached for AMI values for 2025. Secondary requirements include:

- Completing a HUD-approved homebuyer education course and participating in pre-purchase homebuyer education and counseling.
- Being a first-time homebuyer as defined by HUD. The HUD definition of a first-time homebuyer is an individual who has not owned a principal residence within the three years prior to purchasing a new home.
- Owning and occupying the property as their primary residence.
- Qualifying for a fixed rate, fully amortizing mortgage not to exceed 30 years with debt ratios that meet underwriting requirements.
- Meeting employment and residency requirements as specified in the acquisition of the property. This bid requires the property to be used as a new workforce housing option for Town of Jerome employees and others who live and work within Town of Jerome limits.
- Being at least 18 years old.
- Being a U.S. citizen or registered alien.

Financing: Though homes for sale through the VVCLT are more affordable than market-rate housing, few low-income or moderate-income households will be able to buy a VVCLT home out of their own savings. They will need mortgage financing. Consequently, the VVCLT will work with local lenders to secure mortgages for our homeowners. It is the intent of the VVCLT that a homeowner will pay no more than 30% of a household's gross income. For owners, housing costs include principal, interest, property taxes, and hazard insurance. For renters, costs include rent and tenant-paid utilities (except telephone and cable).

Home Purchase and Resale Formula: An appraisal is secured on the property. The price of the appraised value of the land is subtracted from the total appraised value. The remaining value is reduced by defined percentage to make the home financially accessible to income-qualified home buyers. A resale formula is used to determine the maximum price at which a shared equity home can be resold, providing an opportunity for the homeowner to benefit from some portion of the home's appreciation while still remaining affordable to households at the program's target income levels. The appraisal-based formula will be used for the calculation. The appraisal-based formula calculates the resale price using a percentage of the increase in market value since the home's purchase. The homeowner will receive 25% of the home's appreciation with 75% being retained by the VVCLT.

Purchase Price of Home:

Project Calculation:

Estimated Purchase Price	<u>\$210,000</u>	
(Purchase price is estimated to be the amount we sell it for)		
Renovation Cost – per contract		\$ 38,000
Contingency		\$ 7,500
Administrative/Legal/Etc/Closing Costs		\$ 21,000
Proceeds to Town of Jerome		<u>\$143,500</u>
Balance	\$210,000	\$210,000

Town of Jerome to remove all appliances and furniture from inside and outside the property.
Clean all overgrowth around the home.

Project Economics:

Proceeds to Town of Jerome	<u>\$143,500</u>	
VVCDO to pay at bid		\$ 14,350 Bid Bond*
VVCDO to pay upon sale of 655 Holly		<u>\$129,150</u>
Balance	\$143,500	\$143,500

A copy of the Bid Bond documentation is attached.

FY 2025 Income Limits Summary

FY 2025 Income Limit Area	Median Family Income	FY 2025 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Prescott Valley-Prescott, AZ MSA	\$87,300	Very Low (50%) Income Limits (\$)	31,700	36,250	40,750	45,300	48,950	52,550	56,200	59,800
		Extremely Low Income Limits (\$)*	19,050	21,800	26,650	32,150	37,650	43,150	48,650	54,150
		Low (80%) Income Limits (\$)	50,750	58,000	65,250	72,500	78,300	84,100	89,900	95,700
		AMI (100%) Income Limits (\$)	61,100	69,800	78,550	87,300	94,300	101,250	108,250	115,200
		AMI (120%) Income Limits (\$)	68,150	77,900	87,600	97,350	105,150	112,950	120,700	128,500
		AMI (150%) Income Limits (\$)	76,150	87,000	97,900	108,800	117,450	126,150	134,850	143,550

NOTE: **Yavapai County** is part of the **Prescott Valley-Prescott, AZ MSA**, so all information presented here applies to all of the Prescott Valley-Prescott, AZ MSA. The **Prescott Valley-Prescott, AZ MSA** contains the following areas: Yavapai County, AZ.



Document A310™ – 2010

Bid Bond

CONTRACTOR:

(Name, legal status and address)
Verde Valley Community Development
Organization
40 Stutz Bearcat
Sedona AZ 86336

SURETY:

*(Name, legal status and principal place
of business)*
NGM Insurance Company
55 West St
Keene NH 03431

OWNER:

(Name, legal status and address)
Town of Jerome
PO Box 335
Jerome AZ 86331

BOND AMOUNT: \$10% of amount bid

PROJECT:

(Name, location or address, and Project number, if any)
Purchase real property for use in a community and land trust
#2025-003
655 Holly Ave (APN 401-07-080A)

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

Init.

Signed and sealed this 3rd day of October, 2025


(Witness) Mark Tuttle, VVCD
Board Chair


(Witness)

Verde Valley Community Development Organization
(Contractor as Principal) (Seal)


(Title) Mary A Chicoine, Executive Director

NGM Insurance Company

(Surety)

(Title) Jenna L Sparks, Attorney-In-Fact

Init.



POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That NGM Insurance Company, a Florida corporation having its principal office in the City of Jacksonville, State of Florida, pursuant to Article IV, Section 2 of the By-Laws of said Company, to wit:

"Article IV, Section 2. The board of directors, the president, any vice president, secretary, or the treasurer shall have the power and authority to appoint attorneys-in-fact and to authorize them to execute on behalf of the company and affix the seal of the company thereto, bonds, recognizances, contracts of indemnity or writings obligatory in the nature of a bond, recognizance or conditional undertaking and to remove any such attorneys-in-fact at any time and revoke the power and authority given to them. "

does hereby make, constitute and appoint David Sparks, Jenna L Sparks, Melissa Schooler

its true and lawful Attorneys-in-fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed, bonds, undertakings, recognizances, contracts of indemnity, or other writings obligatory in nature of a bond subject to the following limitation:

1. No one bond to exceed Twenty Five Million Dollars (\$25,000,000)

and to bind NGM Insurance Company thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NGM Insurance Company; the acts of said Attorney are hereby ratified and confirmed.

This power of attorney is signed and sealed by facsimile under and by the authority of the following resolution adopted by the Directors of NGM Insurance Company at a meeting duly called and held on the 2nd day of December 1977.

Voted: That the signature of any officer authorized by the By-Laws and the company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the company as the original signature of such office and the original seal of the company, to be valid and binding upon the company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, NGM Insurance Company has caused these presents to be signed by its Assistant Secretary and its corporate seal to be hereto affixed this 24th day of August, 2023.

NGM INSURANCE COMPANY By:

Lauren K. Powell

Vice President, Corporate Secretary



State of Wisconsin,
County of Dane.

On this 24th day of August, 2023, before the subscriber a Notary Public of State of Wisconsin in and for the County of Dane duly commissioned and qualified, came Lauren K. Powell of NGM Insurance Company, to me personally known to be the officer described herein, and who executed the preceding instrument, and she acknowledged the execution of same, and being by me fully sworn, depose and said that she is an officer of said Company, aforesaid: that the seal affixed to the preceding instrument is the corporate seal of said Company, and the said corporate seal and her signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Company; that Article IV, Section 2 of the By-Laws of said Company is now in force.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at Madison, Wisconsin this 24th day of August, 2023.

My Commission Expires May 21, 2027

I, Nathan Hoyt, Assistant Vice President of NGM Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said Company which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company at Madison, Wisconsin this
3rd day of October, 2025.

Nathan Hoyt Assistant, Vice President