PAPAGO PARK CENTER INC.
MEETING NOTICE AND AGENDA

BOARD OF DIRECTORS MEETING
Thursday, April 16, 2026, No Sooner Than 9:45 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Directors: David Rousseau, President; Christopher Dobson, Vice President; Kevin Johnson, Mark Pace, and Leslie Williams

Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Board of Directors and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Board Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item ..... CHAIR DAVID ROUSSEAU

   - Request for approval of the minutes for the meeting of August 7, 2025

2. Review of the Treasurer's Report ..... SCOTT ERICKSON

3. Request for Approval of Papago Park Center, Inc. Operating and Capital Budgets for Fiscal Year 2027 ..... MITCHELL ROSEN

4. The Grand at Papago Park Center Development Update ..... MITCHELL ROSEN

5. Executive Session, Pursuant to A.R.S. §38-431.03(A)(3), for Discussion and Consultation with Attorneys Regarding Legal Advice Relating to a Miscalculation in Billing to Four Ground Sublease Tenants and, Pursuant to A.R.S. §38-431.03(A)(7), for Discussion and Consultation with Papago Park Center, Inc.'s Designated Representatives to Consider the Board's Position and Provide Instruction to Such Representatives Regarding an Incorrect Rent Adjustment on Four Ground Subleases
   ..... MICHAEL O'CONNOR and MITCHELL ROSEN

6. Adjourn ..... CHAIR DAVID ROUSSEAU

The Board may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Board on any of the matters listed on the agenda.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.

NOTICE WILL BE SENT REGARDING THE NEXT MEETING OF THE BOARD OF DIRECTORS OF PAPAGO PARK CENTER, INC.

04/09/2026

MINUTES
BOARD OF DIRECTORS
PAPAGO PARK CENTER, INC.

DRAFT

August 7, 2025

A meeting of the Board of Directors of Papago Park Center, Inc. (PPC Inc.), an Arizona corporation, convened at 9:58 a.m. on Thursday, August 7, 2025, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Directors of PPC Inc. present at roll call were Christopher J. Dobson, Vice President of PPC Inc. and SRP; and Kevin J. Johnson and Mark V. Pace of SRP.

Directors of PPC Inc. absent at roll call were David Rousseau, President of PPC Inc. and SRP; and Leslie C. Williams of SRP.

Also present were Sandra D. Kennedy and Jack M. White Jr., Directors of SRP; Larry D. Rovey, Governor of SRP; J. Rocky Shelton, Council Chair of SRP; Barry E. Paceley, Council Vice Chair of SRP; Colleen Resch-Geretti, Council Member of SRP; Jon W. Hubbard, Treasurer of PPC Inc. and Treasurer and Senior Director of Financial Operations and Compliance of SRP; Jason I. Riggs, Assistant Treasurer of PPC Inc. and Director of Treasury Operations and Compliance of SRP; John M. Felty, Secretary of PPC Inc. and Corporate Secretary of SRP; Lora F. Hobaica, Assistant Secretary of PPC Inc. and Assistant Corporate Secretary of SRP; Nina J. Mullins, Assistant Secretary of PPC Inc. and Senior Director of Land and PPC Inc. of SRP; Mitchell B. Rosen, Assistant Secretary and Designated Broker of PPC Inc. and Development Manager of PPC Inc. of SRP; Irene R. Avalos, Melissa J. Burger, Scott E. Erickson, Jeremy Fry, Ashleigh Hope, Brian J. Koch, Ken J. Lee, Sue Ann Perkinson of SRP; Justin Merritt of Southwest Value Partners; and Luis Ortiz and Corie Salas of Decron Properties.

In compliance with A.R.S. §38-431.02, Andrew Davis of the SRP Corporate Secretary's Office had posted a notice and agenda of the meeting of the Board of Directors of PPC Inc. at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, August 5, 2025.

Vice President and Director C.J. Dobson served as Chair.

Consent Agenda

Vice President and Director C.J. Dobson requested a motion for approval of the Consent Agenda, in its entirety.

On a motion duly made by Director M.V. Pace and seconded by Director K.J. Johnson,

the Board of Directors of PPC Inc. unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the PPC Inc. meeting on April 15, 2025, as presented.

Secretary J.M. Felty polled the Directors on Director M.V. Pace's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Directors Christopher J. Dobson, Vice President; and Kevin J. Johnson and Mark V. Pace	(3)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Directors David Rousseau, President; and Leslie C. Williams	(2)

Treasurer's Report

Using a PowerPoint presentation, Scott E. Erickson, SRP Senior Manager of Financial Systems and Controls, reviewed the fiscal year-to-date (May 1, 2024 – April 30, 2025) financial results (budget versus actuals) for operating income and expenses, master ground lease rent, and capital expenditures. They concluded with an overview of the balance sheets as of April 30, 2025.

S.E. Erickson responded to questions from the Board.

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

The Grand at Papago Park Center
Development Update

Using a PowerPoint presentation, Mitchell B. Rosen, Assistant Secretary and Designated Broker of PPC Inc. and Development Manager of PPC of SRP, stated that the purpose of the presentation was to provide an informational update regarding The Grand Development Project.

M.B. Rosen provided a rendering and an ariel view of Lot 5 sited for the Alliance Residential's 290-unit multi-family project. They said that on June 21, 2022, the PPC Inc. Board agreed to extend the option period from August 6, 2022 to December 6, 2022, for $279,125. M.B. Rosen said that PPC Inc. has been having bi-monthly meetings with Alliance Residential and that Alliance Residential has spent approximately $3 million on drawings, extensions, and permits.

M.B. Rosen noted that the lease has been reviewed by Alliance Residential's lender (PNC Bank); the City of Tempe approval extension is complete (approvals vested through July 2027); the project budget and construction buyout has been ongoing and substantially complete; and the construction loan commitment is available with PNC

Bank (upon equity commitment, Alliance will submit for permits and commence construction). They said that the Alliance Residential project is currently in a holding pattern due to market uncertainties and lender requirements.

In conclusion, M.B. Rosen provided a rendering and an ariel view of Lots 2 and 12 sited for the Lincoln Property Company's options. They said that during the August 3, 2023, Board meeting, PPC Inc.'s Board extended options on Lots 2 and 12 through December 31, 2025, with Lincoln assigning $250,000 of the Roosevelt Way East future reimbursement of $847,533 to PPC Inc.; Lincoln has an option to extend an additional 12 months to December 31, 2026 by assigning an additional $100,000 of the Roosevelt Way East future reimbursement to PPC Inc.; and the office market demand is continuing to be monitored.

M.B. Rosen responded to questions from the Board.

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

Susan Guerra of Chesnut Properties entered the meeting during the presentation.

Fiscal Year 2026 (FY26) Election of Officers

Using a PowerPoint presentation, M.B. Rosen reminded the Board that pursuant to the Bylaws of PPC Inc., the officers of the corporation are elected on an annual basis. They stated that the proposed slate of officers included David Rousseau, President; Christopher J. Dobson, Vice President; Jon W. Hubbard, Treasurer; Jason I. Riggs, Assistant Treasurer; John M. Felty, Secretary; Lora F. Hobaica, Assistant Secretary; Nina J. Mullins, Assistant Secretary; and Mitchell B. Rosen, Assistant Secretary and Designated Broker. M.B. Rosen concluded by recommending that the Board adopt a resolution which includes the slate of officers to serve in FY26.

On a motion duly made by Director M.V. Pace, seconded by Director K.J. Johnson and carried, the Board adopted the resolution as follows:

RESOLUTION

RESOLVED, that the following persons are hereby elected as officers of Papago Park Center, Inc. (PPC Inc.), to serve in their respective capacities in Fiscal Year 2026:

President	David Rousseau
Vice President	Christopher J. Dobson
Treasurer	Jon W. Hubbard
Assistant Treasurer	Jason I. Riggs
Secretary	John M. Felty
Assistant Secretary	Lora F. Hobaica
Assistant Secretary	Nina J. Mullins
Assistant Secretary/ Designated Broker	Mitchell B. Rosen

Secretary J.M. Felty polled the Directors on Director M.V. Pace's motion for approval. The vote was recorded as follows:

YES:	Directors Christopher J. Dobson, Vice President; and Kevin J. Johnson and Mark V. Pace	(3)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Directors David Rousseau, President; and Leslie C. Williams	(2)

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

Appointment of Declarant Directors for Installation on the Papago Park Center Association (PPC Association) Board

Using a PowerPoint presentation, M.B. Rosen reminded the Board that the PPC Association was formed to manage the landscape and maintenance of the common area of Papago Park Center. They stated that the Bylaws of the PPC Association provide for a Board of Directors comprised of up to six members – four Directors appointed by PPC Inc. (Declarant Directors) and two Directors elected by the members of the PPC Association at its annual meeting (Member Directors).

Continuing, M.B. Rosen stated that the proposed slate of Declarant Directors to serve in FY26 consisted of David Rousseau, Christopher J. Dobson, Kevin J. Johnson, and Leslie C. Williams. They noted that the PPC Inc. Board had already authorized President D. Rousseau to vote the shares of PPC Inc. (by proxy) at the Annual Members Meeting directly following this meeting of the Board of Directors of PPC Inc. In addition, M.B. Rosen said that the PPC Association Board had previously nominated a proposed slate of Member Directors to be elected at the Annual Members Meeting. They concluded by recommending Board approval.

On a motion duly made by Director M.V. Pace, seconded by Director K.J. Johnson and carried, the Board appointed the following Declarant Directors to serve on the Board of Directors of the PPC Association in FY26:

David Rousseau
Christopher J. Dobson
Kevin J. Johnson
Leslie C. Williams

Secretary J.M. Felty polled the Directors on Director M.V. Pace's motion for approval. The vote was recorded as follows:

YES:	Directors Christopher J. Dobson, Vice President; and Kevin J. Johnson and Mark V. Pace	(3)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Directors David Rousseau, President; and Leslie C. Williams	(2)

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

Appointment of Declarant Directors for Installation on
The Grand at Papago Park Center Association
(The Grand at PPC) Board

Using a PowerPoint presentation, M.B. Rosen reminded the Board that The Grand at PPC was formed to maintain, care for, and repair any and all real or personal property owned or controlled by the PPC Association, including the common areas and all improvements thereon; adopting and enforcing PPC Association rules; establishing The Grand Design Review Committee; and fixing, determining, levying, and collecting assessments from the Members of Papago Park Center. They stated that the Bylaws of The Grand at PPC provide for a Board of Directors comprised of three Directors appointed by PPC Inc. (Declarant Directors).

Continuing, M.B. Rosen stated that the proposed slate of directors to serve in FY26 consisted of David Rousseau, Christopher J. Dobson, and Mark V. Pace. They concluded by recommending Board approval.

On a motion duly made by Director M.V. Pace, seconded by Director K.J. Johnson and carried, the Board appointed the following Declarant Directors to serve on the Board of Directors of The Grand at PPC in FY26:

David Rousseau
Christopher J. Dobson
Mark V. Pace

Secretary J.M. Felty polled the Directors on Director M.V. Pace's motion for approval. The vote was recorded as follows:

YES:	Directors Christopher J. Dobson, Vice President; and Kevin J. Johnson and Mark V. Pace	(3)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Directors David Rousseau, President; and Leslie C. Williams	(2)

Copies of the PowerPoint slides used in this presentation are on file in the SRP Corporate Secretary's Office and, by reference, made a part of these minutes.

There being no further business to come before the Board of Directors of PPC Inc., the meeting adjourned at 10:23 a.m.

John M. Felty
Secretary

Papago Park Center, Inc.

Treasurer's Report

Scott Erickson
Corporate Accounting Services
April 16, 2026

Agenda

Papago Park Center, Inc.

Year-to-date through January 31, 2026

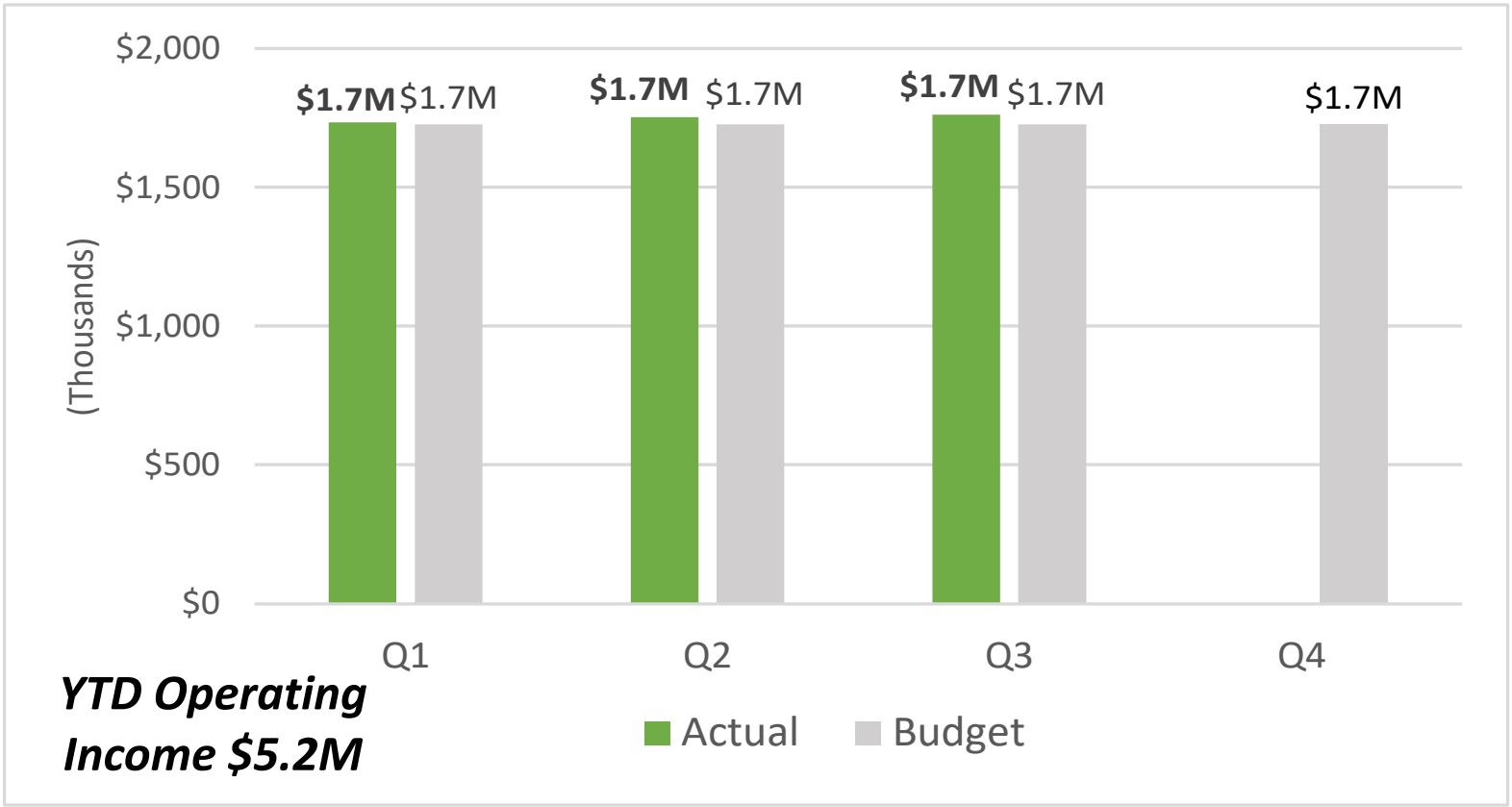
- Income Statement
  - Operating Income
  - Operating Expenses
  - Master Ground Lease
- Capital Expenditures
- Balance Sheet

Income Statement

Papago Park Center, Inc.
Income Statement
Year-to-date through January 31, 2026

(Thousands)	Actual	Budget	$-Variance
Operating Income	$ **5,248**	$ 5,181	$ 67
Operating Expenses	**5,959**	5,855	104
Net Operating Income (Loss)	**(711)**	(674)	(37)
Other Income and Expenses	**148**	135	13
Net Income (Loss) before Income Taxes	**(563)**	(539)	(24)
Income Tax Expense	**72**	109	(37)
Net lncome (Loss) after Income Taxes	$ **(635)**	$ (648)	$ 13

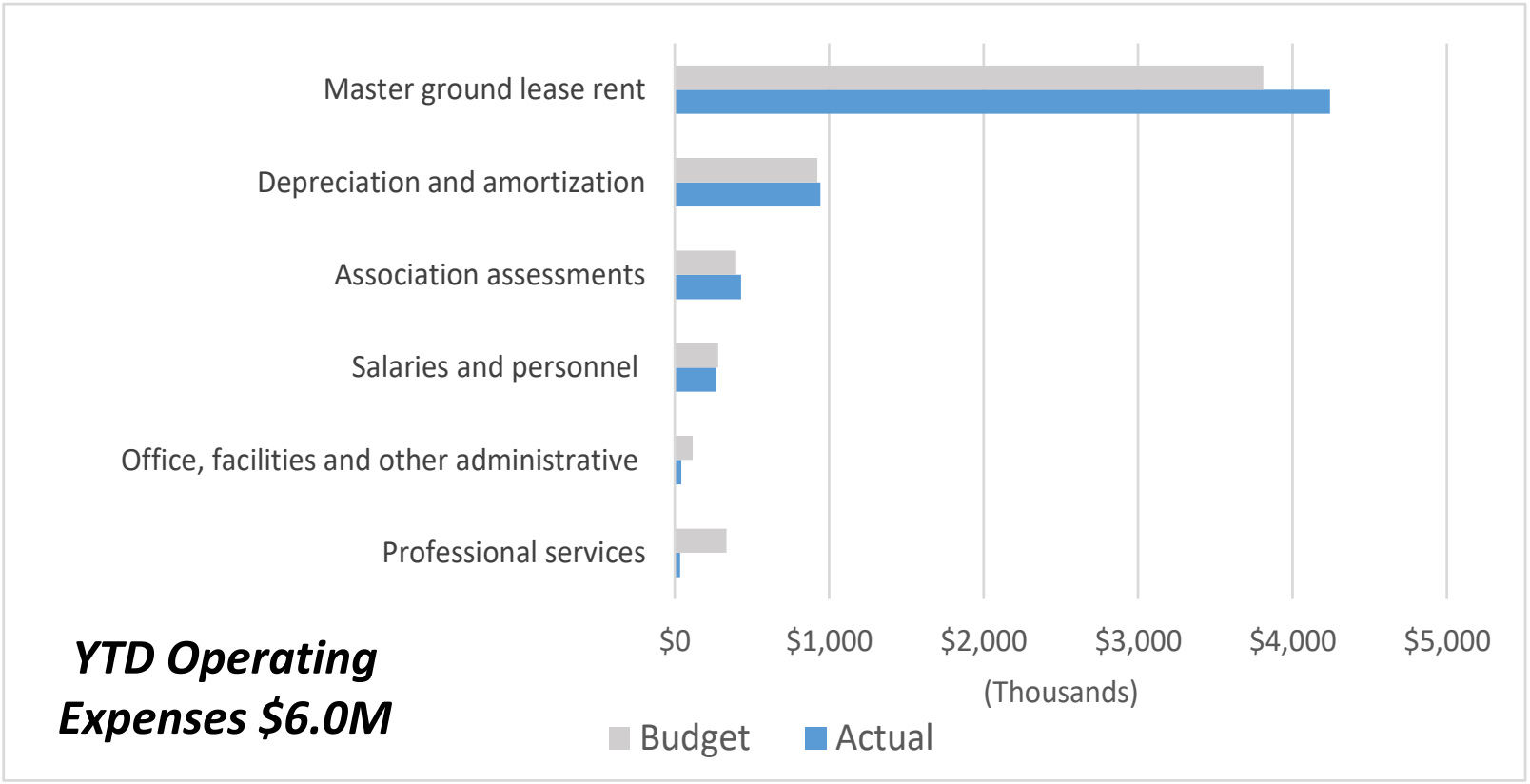
Papago Park Center, Inc.
Operating Income
Year-to-date through January 31, 2026



YTD Operating Income $5.2M

Papago Park Center, Inc.

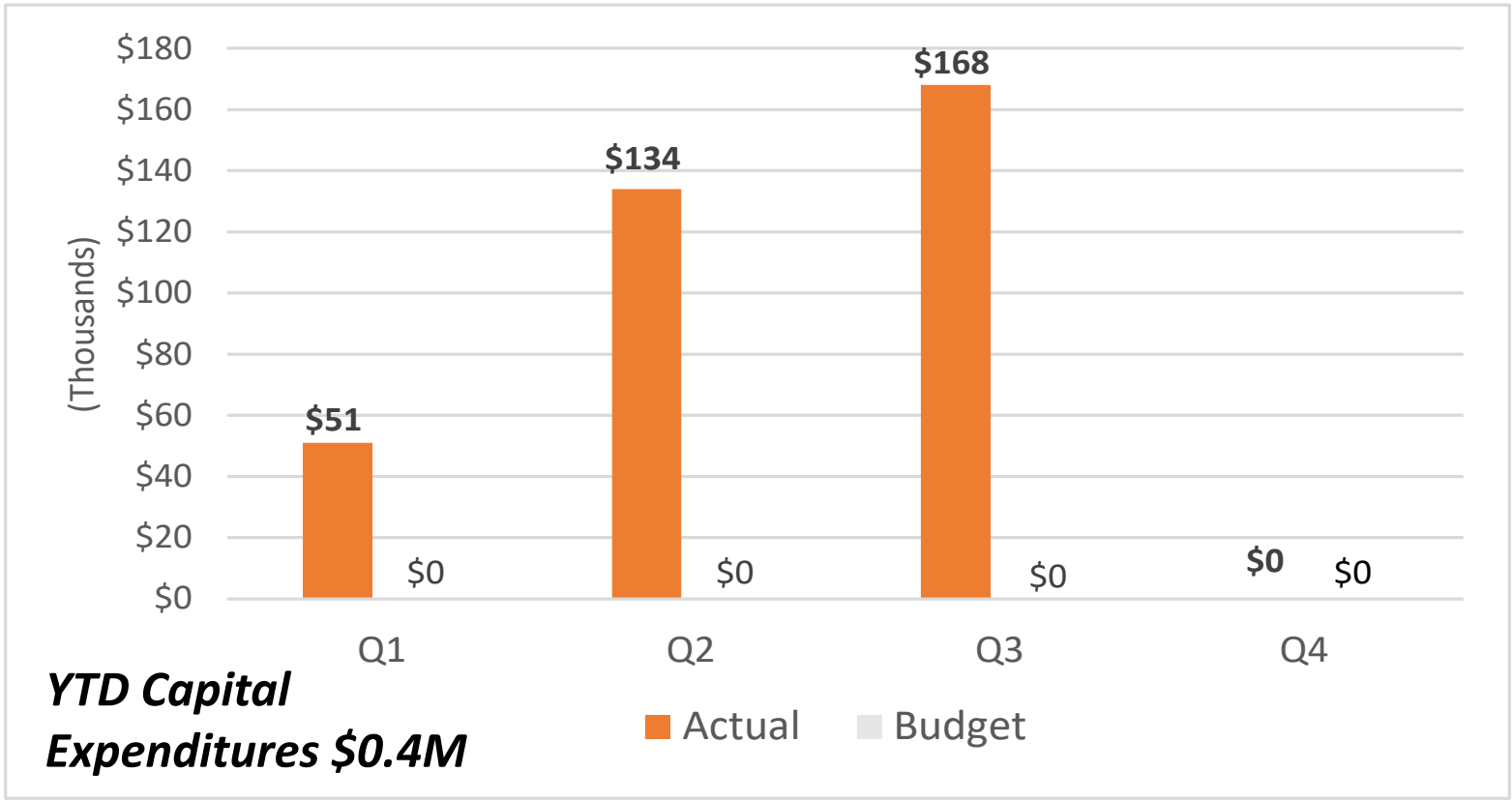
Operating Expenses – Budget v. Actual
Year-to-date through January 31, 2026



YTD Operating Expenses $6.0M

Capital Expenditures

Papago Park Center, Inc.
Capital Expenditures
Year-to-date through January 31, 2026



YTD Capital Expenditures $0.4M

Balance Sheets

Papago Park Center, Inc.
Balance Sheets

(Thousands)	1/31/2026	4/30/2025	$-Change	%-Change
Current assets	$ 9,397	$ 8,147	$ 1,250	15.3%
Fixed assets, net	22,236	22,792	(556)	-2.4%
Other assets	716	750	(34)	-4.5%
Total Assets	**$ 32,349**	**$ 31,689**	**$ 660**	**2.1%**
Accrued liabilities	$ 2,938	$ 1,731	$ 1,207	69.7%
Unearned revenue	6,374	6,354	20	0.3%
Other liabilities	1,538	1,470	68	4.6%
Total Liabilities	**10,850**	**9,555**	**1,295**	**13.6%**
Shareholder Equity	21,499	22,134	(635)	-2.9%
Total Liabilities & Shareholders' Equity	**$ 32,349**	**$ 31,689**	**$ 660**	**2.1%**

Papago Park Center, Inc.

Mitchell Rosen
Development Manager
April 16, 2026

Papago Park Center, Inc. Operating & Capital Budgets

- PPC management recommends approval of the FY27 Operating & Capital Budgets

Papago Park Center, Inc. Operating & Capital Budgets

PPC Inc. FY27 Budget

(in Thousands)	FY27 Budget	FY26 Budget	$ Variance
OPERATING INCOME			
Land Lease	$7,016	$6,908	$108
OPERATING EXPENSES			
Master Ground Lease Rent	5,145	5,080	65
Professional Services	468	446	22
Salaries and Personnel	385	375	10
Association Assessments	603	520	83
Office, Facilities, Other Administrative	136	154	(18)
Depreciation and Amortization	1,252	1,231	21
Total Operating Expenses	7,989	7,806	183
Net Operating Income (Loss)	(973)	(898)	(75)
OTHER INCOME AND EXPENSES			
Interest Income	180	180	-
Net Operating Income (Loss) Before Taxes	($793)	($718)	($75)
CAPITAL EXPENDITURES*	$0	$0	$0

Papago Park Center, Inc. Operating & Capital Budgets

Board Action Recommended

- PPC management recommends approval of the FY27 Operating & Capital Budgets

Papago Park Center, Inc.

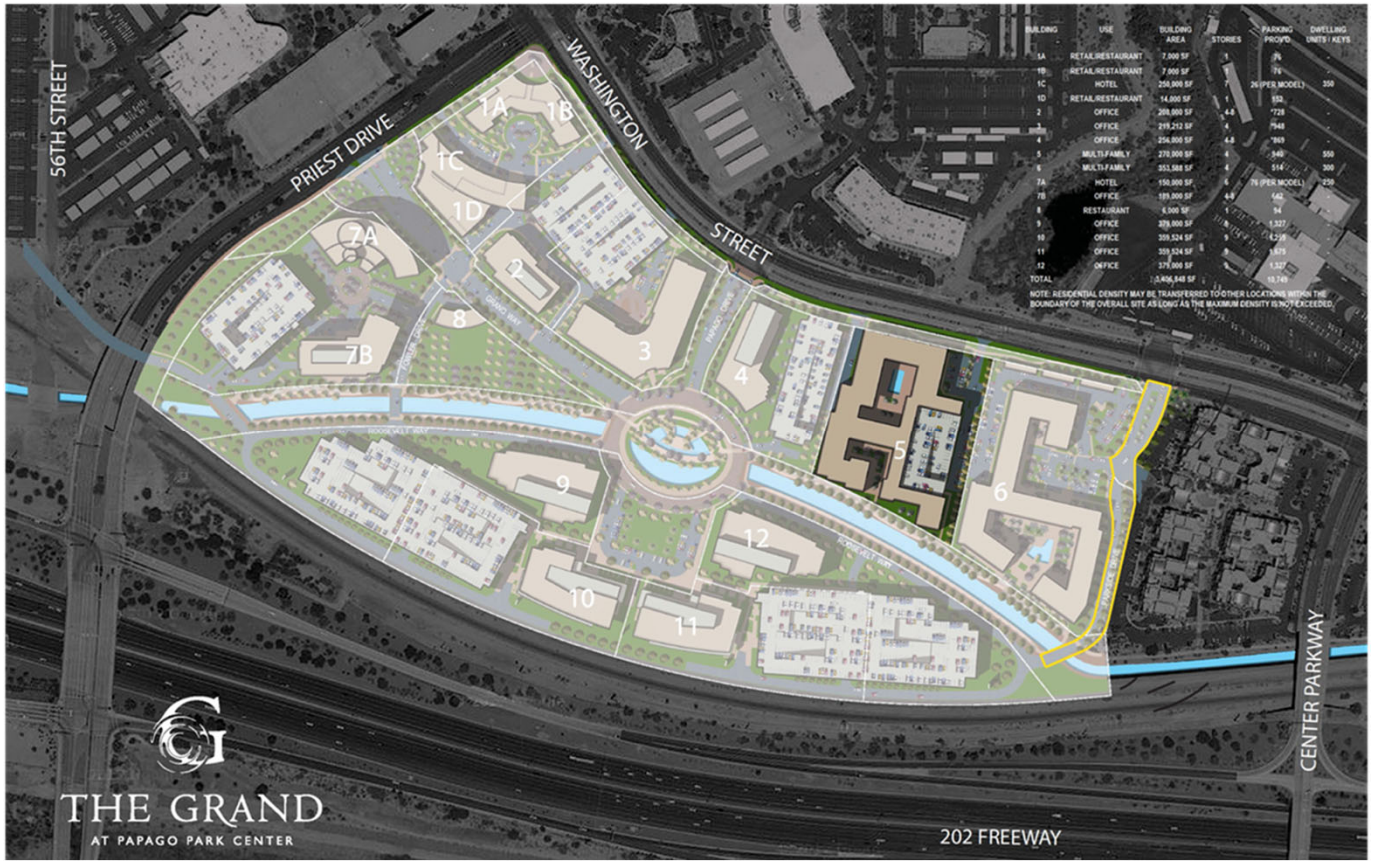
Mitchell Rosen
Development Manager
April 16, 2026

The Grand Development Update

Provide updates on the following:

- Alliance Residential's 290-unit multi-family project on Lot 5
- Lincoln Property Company's options on Lots 2 and 12
- ISB zoning effort

Alliance Residential Site Map – Lot 5

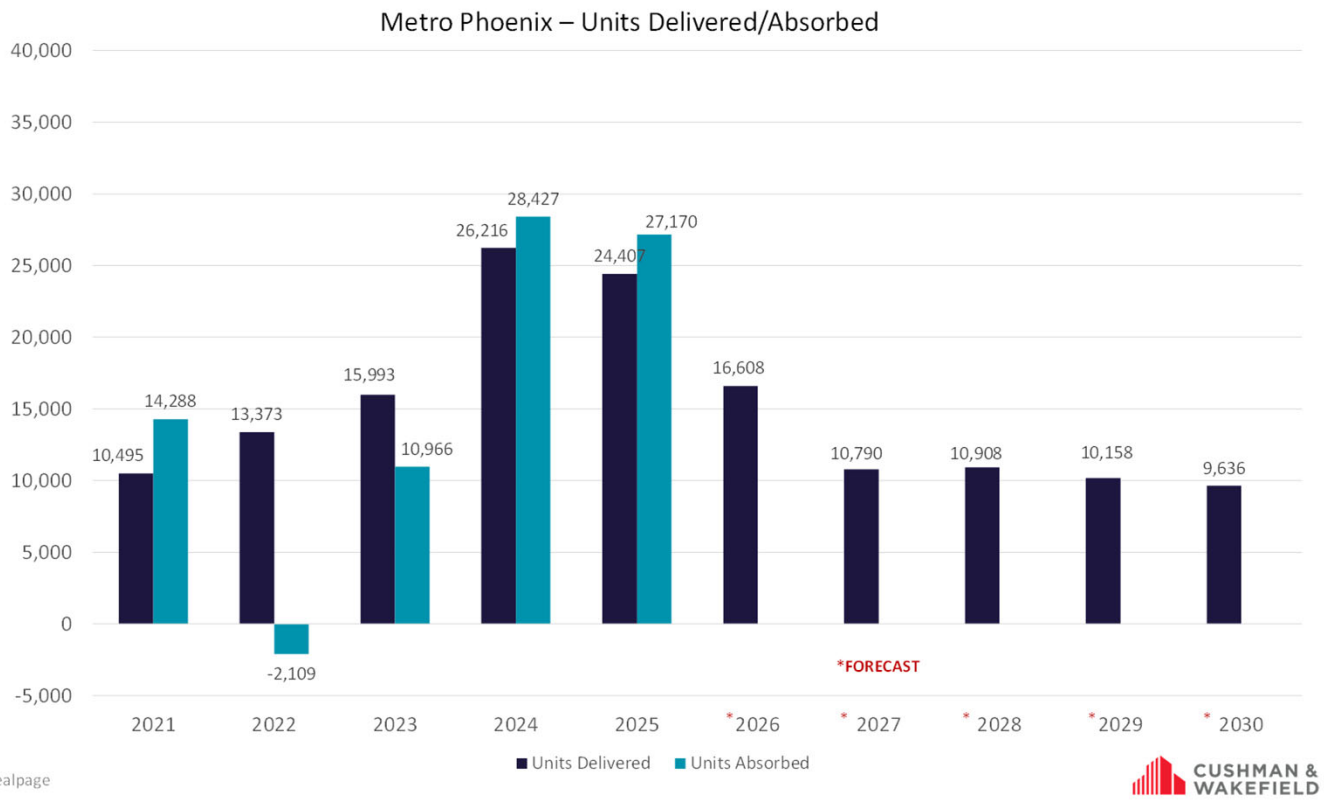


Alliance Residential – Lot 5 Elevation

Alliance Residential Development Update

- Alliance spent $2.5M on entitlement, construction drawings, and other costs
- Construction cost have been a challenge:
  - Hard costs in Phase I (2018) = $165 PSF 300,000 s.f. = $49.5M
    - Rents – $1,802
  - Hard costs in Phase II (2023) = $298 PSF 300,000 s.f. = $89.4M
    - Rents – $2,278
  - Hard costs in Phase II (2025) = $280 PSF 300,000 s.f. = $84.0M
    - Rents – $1,918
  - Hard costs in Phase II (2026) = $271 PSF 300,000 s.f. = $81.3M
    - Rents – $1,966

Alliance Residential Development Update



Alliance Residential Development Update

- Credit continues to be an obstacle for financing ground leases
- PPC is in ongoing discussions with Alliance re Lot 5
- PPC is meeting with them once a month
- Credit/pricing continues to be the obstacle for Alliance to move forward
- PPC continues to believe Alliance is the best partner for the site and will move forward

The Grand Development Update

Lincoln Property Company ("LPC")

- At the August 3, 2023, board meeting PPC, Inc.'s Board extended an option to LPC on Lots 2 and 12 through December 31, 2025 (29 months)
- LPC had an option to extend 12 months, to December 31, 2026, by assigning an additional $100,000 of the Roosevelt Way East future reimbursement to PPC, Inc. but elected not to do so
- Continue to monitor office market demand

The Grand Site Map – Lots 2 and 12

ISB Site Map for 19.17 acres – 1,062 units proposed

• Neighborhood meeting	February 20, 2026 - Completed
• Development Review Commission	April 28, 2026
• City Council Hearing (Intro/1st Hearing)	May 14, 2026
• City Council Hearing (2nd Hearing)	June 4, 2026

ISB Site Map for 19.17 acres – 1,062 units proposed