

## **LIST OF EXHIBITS**

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(Exhibits consisting of maps and depictions will be removed for recording purposes; and are on file with and available from the City of Tempe City Clerk.)

**EXHIBIT A**  
**Legal Description and Depiction of Property**  
**See Attachments consisting of:**

Schedule A-1: Property owned by Eastline Ventures, LLC

Schedule A-2: Property held in Trust by Fidelity National Title Co.

Schedule A-3: Property consisting of Parking Option Parcels

Eastline Village Boundary Map (the Property is shaded in the depiction)

**SCHEDULE A-1**  
**Legal Description**  
**(Property Owned by Eastline Land Ventures LLC)**

PARCEL NO. 1 (APN: 133-02-035A):

Lot 16, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona;

EXCEPT that portion which was conveyed to the City of Tempe, an Arizona municipal corporation in Warranty

Deed recorded October 19, 2004 in Recording No. 20050943333, records of Maricopa County, Arizona, described as follows:

COMMENCING at the intersection of Apache Boulevard and River Drive;

Thence South 89 degrees 56 minutes 15 seconds West, a distance of 342.03 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 50.00 feet to the POINT OF BEGINNING;

Thence continuing South 00 degrees 06 minutes 40 seconds West, a distance of 7.69 feet;

Thence North 87 degrees 45 minutes 04 seconds West, a distance of 104.08 feet;

Thence North 00 degrees 06 minutes 40 seconds East, a distance of 3.49 feet;

Thence North 89 degrees 56 minutes 15 seconds East, a distance of 104.01 feet to the POINT OF BEGINNING.

PARCEL NO. 2(APN: 133-02-036A):

Lot 17, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona;

EXCEPT that portion which was conveyed to the City of Tempe, an Arizona municipal corporation in Warranty Deed recorded October 19, 2004 in Recording No. 20041221066, records of Maricopa County, Arizona, described as follows:

COMMENCING at the intersection of Apache Boulevard and River Drive;

Thence South 89 degrees 56 minutes 15 seconds West, 446.03 feet;

Thence South 00 degrees 06 minutes 40 seconds West, 50.00 feet to the POINT OF BEGINNING;

Thence continuing South 00 degrees 06 minutes 40 seconds West, 3.49 feet;

Thence North 87 degrees 45 minutes 04 seconds West, 49.36 feet;

Thence South 89 degrees 51 minutes 34 seconds West, 10.72 feet;

Thence North 00 degrees 10 minutes 36 seconds West, 1.51 feet;

Thence North 89 degrees 56 minutes 15 seconds East, 60.06 feet to the POINT OF BEGINNING.

PARCEL NO. 3 (APN: 133-02-037):

Lot 18, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 4 (APN: 133-02-038):

Lot 19, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 5 (APN: 133-02-039):

The East 52 feet of Lot 20, BUENA PARK PLAT NO. 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 6 (APN: 133-02-040):

Lot 20, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona; EXCEPT the East 52 feet thereof.

PARCEL NO. 7 (APN: 133-02-042):

Lot 21, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona; EXCEPT the East 55 feet.

PARCEL NO. 8 (APN: 133-02-043A):

Lot 22, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona. EXCEPT any portion that may be within the right of way of U.S. Highway 80; and also EXCEPT a part of Lot 22, Buena Park Plat 2, according to Book 33 of Maps, page 38, being located in the Southeast quarter of Section 24, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, as conveyed to the City of Tempe in Recording No. 20050076616, described as follows:

COMMENCING at the intersection of Apache Boulevard and Smith Road, said point being the Center of said Section 24;

Thence North 89 degrees 56 minutes 15 seconds East, a distance of 238.86 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 50.00 feet to the POINT OF BEGINNING; Thence North 89 degrees 56 minutes 15 seconds East, a distance of 26.80 feet;

Thence South 45 degrees 00 minutes 45 seconds West, a distance of 9.93 feet;

Thence South 89 degrees 54 minutes 40 seconds West, a distance of 19.79 feet;

Thence North 00 degrees 06 minutes 40 seconds East, a distance of 7.02 feet to the POINT OF BEGINNING.

PARCEL NO. 9 (APN: 133-02-044A):

Lot 23, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona; EXCEPT that part of Lot 23, Buena Park Plat 2, according to Book 33 of Maps, page 38, and located in the Southeast quarter of Section 24, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, as conveyed to the City of Tempe in Recording No. 20050119506, described as follows:

COMMENCING at the intersection of Apache Boulevard and Smith Road, said point being the center of said Section 24;

Thence North 89 degrees 56 minutes 15 seconds East, a distance of 134.85 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 50.00 feet to the POINT OF BEGINNING; Thence North 89 degrees 56 minutes 15 seconds East, a distance of 104.01 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 7.02 feet;

Thence South 89 degrees 54 minutes 40 seconds West, a distance of 104.01 feet;

Thence North 00 degrees 06 minutes 40 seconds East, a distance of 7.07 feet to the POINT OF BEGINNING.

PARCEL NO. 10 (APN: portion of 133-02-045E):

Lot 24, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona; EXCEPT the following described property:

BEGINNING at the Northeast corner of said Lot 24;

Thence South 200 feet; Thence West 60 feet; Thence North 200 feet;

Thence East 60 feet to the POINT OF BEGINNING; and

EXCEPT a part of Lot 24, Buena Park Plat 2, according to Book 33 of Maps, page 38 and located in the Southeast quarter of Section 24, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, as conveyed to the City of Tempe in Recording No. 20050943309, described as follows:

COMMENCING at the intersection of Apache Boulevard and Smith Road, said point being the center of said Section 24;

Thence South 00 degrees 07 minutes 34 seconds West, a distance of 50.00 feet to the POINT OF BEGINNING;

Thence North 89 degrees 56 minutes 15 seconds East, a distance of 74.86 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 7.10;

Thence south 89 degrees 54 minutes 40 seconds West, a distance of 52.84 feet;

Thence South 89 degrees 53 minutes 14 seconds West, a distance of 22.02 feet;

Thence North 00 degrees 07 minutes 34 seconds East, a distance of 7.14 feet to the POINT OF BEGINNING.

PARCEL NO. 11 (APN: 133-02-052):

The West 104 feet of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 12 (APN 133-02-056C)

The West 48 feet of the East 208 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, Page 38, records of Maricopa County, Arizona;

EXCEPT the South 30 feet thereof as conveyed in Warranty Deed recorded in Docket 81, Page 419.

PARCEL NO. 13 (APN 133-02-057)

The East 56 feet of the West 184 feet of the East 208 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, Page 38, records of Maricopa County, Arizona;

EXCEPT the South 30 feet thereof.

PARCEL NO. 14 (APN: 133-02-058):

The East half of the East 104 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona;  
EXCEPT the South 30 feet thereof.

PARCEL NO. 15 (APN: 133-02-059):

The West half of the East 104 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

**SCHEDULE A-2**  
**Legal Description**  
**(Trust Option Parcels held in Trust by**  
**Fidelity National Title Co.)**

PARCEL NO. 1 (APN: 132-70-151A):

Lot 5, ZELLA VISTA, according to Book 30 of Maps, page 40, records of Maricopa County, Arizona;

EXCEPT the North 100 feet thereof.

PARCEL NO. 2 (APN: 132-70-153):

Lot 7, ZELLA VISTA, according to Book 30 of Maps, page 40, records of Maricopa County, Arizona.

PARCEL NO. 3 (APN: 132-70-161A):

Lot 11, of ZELLA VISTA, according to Book 30 of Maps, page 40, records of Maricopa County, Arizona; EXCEPT that part conveyed to the City of Tempe on July 18, 2005 in Recording No. 20050993470, described as follows:

COMMENCING at the intersection of Apache Boulevard and Smith Road, said point being the center of Said Section 24;

Thence North 89 degrees 56 minutes 15 seconds East, along the centerline of Apache Boulevard, a distance of 134.80 feet;

Thence North 00 degrees 07 minutes 35 seconds East, a distance of 50.00 feet to the POINT OF BEGINNING;

Thence continuing North 00 degrees 07 minutes 35 seconds East, a distance of 14.39 feet;

Thence South 87 degrees 30 minutes 06 seconds East, a distance of 104.10 feet;

Thence South 00 degrees 07 minutes 35 seconds West, a distance of 9.74 feet;

Thence South 89 degrees 56 minutes 15 seconds West, a distance of 104.01 feet to the POINT OF BEGINNING.

PARCEL NO. 4 (APN: 132-70-162D):

The North 100.00 feet of Lot 12, ZELLA VISTA, according to Book 30 of Maps, page 40, records of Maricopa County, Arizona.

PARCEL NO. 5 (APNs: 132-72-033A, 034A, 035B, 035C and 036A):

Lots 10, 11 and 12, LOLA VISTA, according to Book 30 of Maps, page 20 records of Maricopa County, Arizona.

EXCEPT a part of Lots 10, 11 and 12 of Lola Vista Subdivision, as recorded in Book of Maps, page 20 and located in the Northeast quarter of Section 24, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at the intersection of Apache Boulevard and River Drive;

Thence North 00 degrees 07 minutes 35 seconds East, along the centerline of River Drive, a distance of 69.75 feet;

Thence South 89 degrees 52 minutes 25 seconds East, a distance of 30.00 feet to the POINT OF

BEGINNING;

Thence South 55 degrees 17 minutes 06 seconds East, a distance of 16.95 feet;  
Thence North 89 degrees 55 minutes 40 seconds East, a distance of 252.10 feet;  
Thence South 87 degrees 12 minutes 30 seconds East, a distance of 43.89 feet;  
Thence South 00 degrees 06 minutes 14 seconds West, a distance of 7.84 feet;  
Thence South 89 degrees 56 minutes 15 seconds West, a distance of 309.90 feet;  
Thence North 00 degrees 07 minutes 35 seconds East, a distance of 19.65 feet to the POINT OF BEGINNING.

PARCEL NO. 6 (APN: 133-02-031A):

Lot 13, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

EXCEPT that part of Lot 13, Buena Park Plat 2, as recorded in Book 33 of Maps, page 38, and located in the Southeast quarter of Section 24, Township 1 North, Range 4 East of the Gila and Salt River Base and Meridian Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the intersection of Apache Boulevard and River Drive;

Thence South 89 degrees 56 minutes 15 seconds West, a distance of 30.00 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 50.00 feet to the POINT OF BEGINNING;

Thence continuing South 00 degrees 06 minutes 40 seconds West, a distance of 19.27 feet;

Thence North 50 degrees 05 minutes 49 seconds West, a distance of 15.16 feet;

Thence South 89 degrees 55 minutes 40 seconds West, a distance of 92.36 feet;

Thence North 00 degrees 06 minutes 40 seconds East, a distance of 9.55 feet;

Thence North 89 degrees 56 minutes 15 seconds East, a distance of 104.01 feet to the POINT OF BEGINNING.

PARCEL NO. 7 (APNs: 133-02-032A, 133-02-033A):

Lot 14, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

EXCEPT any portion lying within the land conveyed to the City of Tempe, a municipal corporation, by Deed recorded May 10, 2005 in Recording No. 20050610943, described as follows:

COMMENCING at the intersection of Apache Boulevard and River Drive;

Thence South 89 degrees 56 minutes 15 seconds West, a distance of 134.01 feet;

Thence South 00 degrees 06 minutes 40 seconds West, a distance of 50.00 feet to the POINT OF BEGINNING;

Thence continuing South 00 degrees 06 minutes 40 seconds West, a distance of 9.55 feet;

Thence South 89 degrees 55 minutes 40 seconds West, a distance of 104.01 feet;

Thence North 00 degrees 06 minutes 40 seconds East, a distance of 9.57 feet;

Thence North 89 degrees 56 minutes 15 seconds East, a distance of 104.01 feet to the POINT OF BEGINNING.

PARCEL NO. 8 (APN: 133-02-034A):

Lot 15, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona;

EXCEPT that portion which was conveyed to the City of Tempe, an Arizona municipal

corporation in Final Order of Condemnation recorded January 23, 2006 in Recording No. 2006-0097083, records of Maricopa County, Arizona, described as follows:  
COMMENCING at the intersection of Apache Boulevard and River Drive;  
Thence South 89 degrees 56 minutes 15 seconds West, 238.02 feet;  
Thence South 00 degrees 06 minutes 40 seconds West, 50.00 feet to the POINT OF BEGINNING;  
Thence continuing South 00 degrees 06 minutes 40 seconds West, 9.57 feet;  
Thence South 89 degrees 55 minutes 40 seconds West, 57.17 feet;  
Thence North 87 degrees 45 minutes 04 seconds West, 46.88 feet;  
Thence North 00 degrees 06 minutes 40 seconds East, 7.69 feet; Thence North 89 degrees 56 minutes 15 seconds East, 104.01 feet to the POINT OF BEGINNING.

PARCEL NO. 9 (APN: 133-02-047C):

The South 65.21 feet of the North 77 feet of the East 104 feet of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 10 (APN: 133-02-047B):

The South 65.21 feet of the North 142 feet of the East 104 feet of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 11 (APN: 133-02-047D):

The South 65.21 feet of the North 207.65 feet of the East 104 feet of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.  
EXCEPT that part, if any, lying within the South 75 feet of said Tract C.

PARCEL NO. 12 (APN: 133-02-050):

The South 75 feet of the East 104 feet of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona; and  
The East 12 feet of the West 104 feet of the East 208 feet of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.  
EXCEPT the North 196 feet thereof.

PARCEL NO. 13 (APN: 133-02-053):

The East 104 feet of the West half of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 14 (APN: 133-02-054):

The West 104 feet of the East half of Tract C, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

**SCHEDULE A-3**  
**Legal Description**  
**(Parking Option Parcels)**

PARCEL NO. 1 (APN: 133-02-045E, portion):

The West 134.93 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 2 (APN: 133-02-060):

The North 122.38 feet of the East 104.00 feet of the West 238.93 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona.

PARCEL NO. 3 (APN: 133-02-061):

Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona;

EXCEPT the West 134.93 feet; and

EXCEPT the East 416.00 feet; and

EXCEPT the North 122.38 feet; and

EXCEPT the South 30.00 feet.

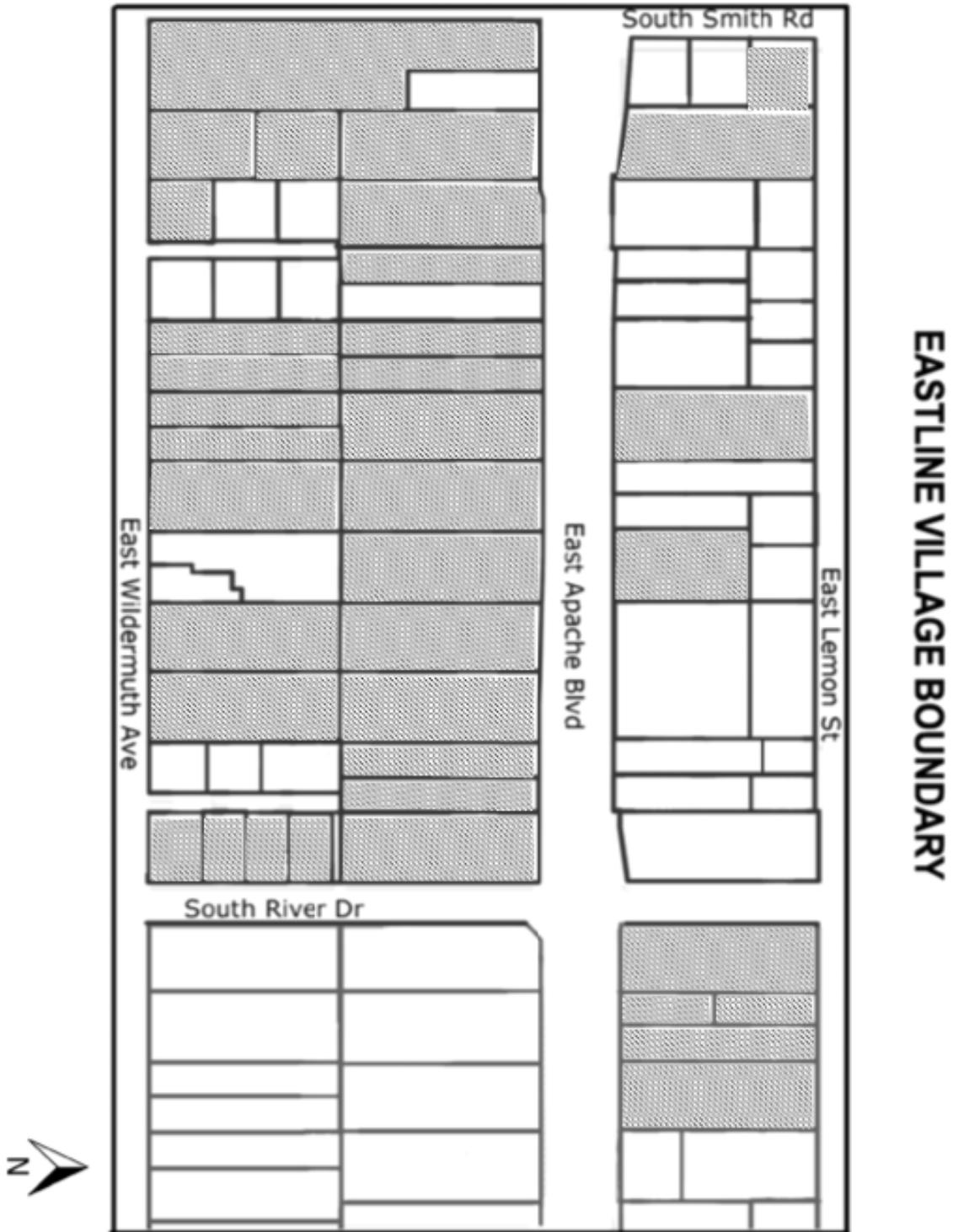
PARCEL NO. 4 (APN: 133-02-066):

The West 92.00 feet of the East 416.00 feet of Tract D, BUENA PARK PLAT 2, according to Book 33 of Maps, page 38, records of Maricopa County, Arizona;

EXCEPT the North 188.00 feet; and

EXCEPT the South 30.00 feet thereof.

Eastline Village Boundary Map (the Property is shaded in the depiction)



**EXHIBIT B**  
**Legal Description**  
**City Property**

Phase I City Property

PARCEL NO. 1 (APN: 133-02-041):

The East 55 feet of Lot 21, BUENA PARK PLAT 2, according to Book 33 of Maps, Page 38, records of Maricopa County, Arizona.

Phase III City Property

PARCEL NO. 2 (APN: 132-70-152A):

Lot 6, ZELLA VISTA, according to Book 30 of Maps, Page 40, records of Maricopa County, Arizona;

EXCEPT the East 52 feet, thereof.

and

APN: 132-70-152C:

The East 52 feet of Lot 6, ZELLA VISTA, according to Book 30 of Maps, Page 40, records of Maricopa County, Arizona;

EXCEPT the North 100 feet thereof.

PARCEL NO. 3 (APN: 132-70-159):

Lot 10, ZELLA VISTA, according to Book 30 of Maps, page 40, records of Maricopa County, Arizona;

EXCEPT the North 90 feet thereof.

**EXHIBIT C**  
**Schedule of Performance**

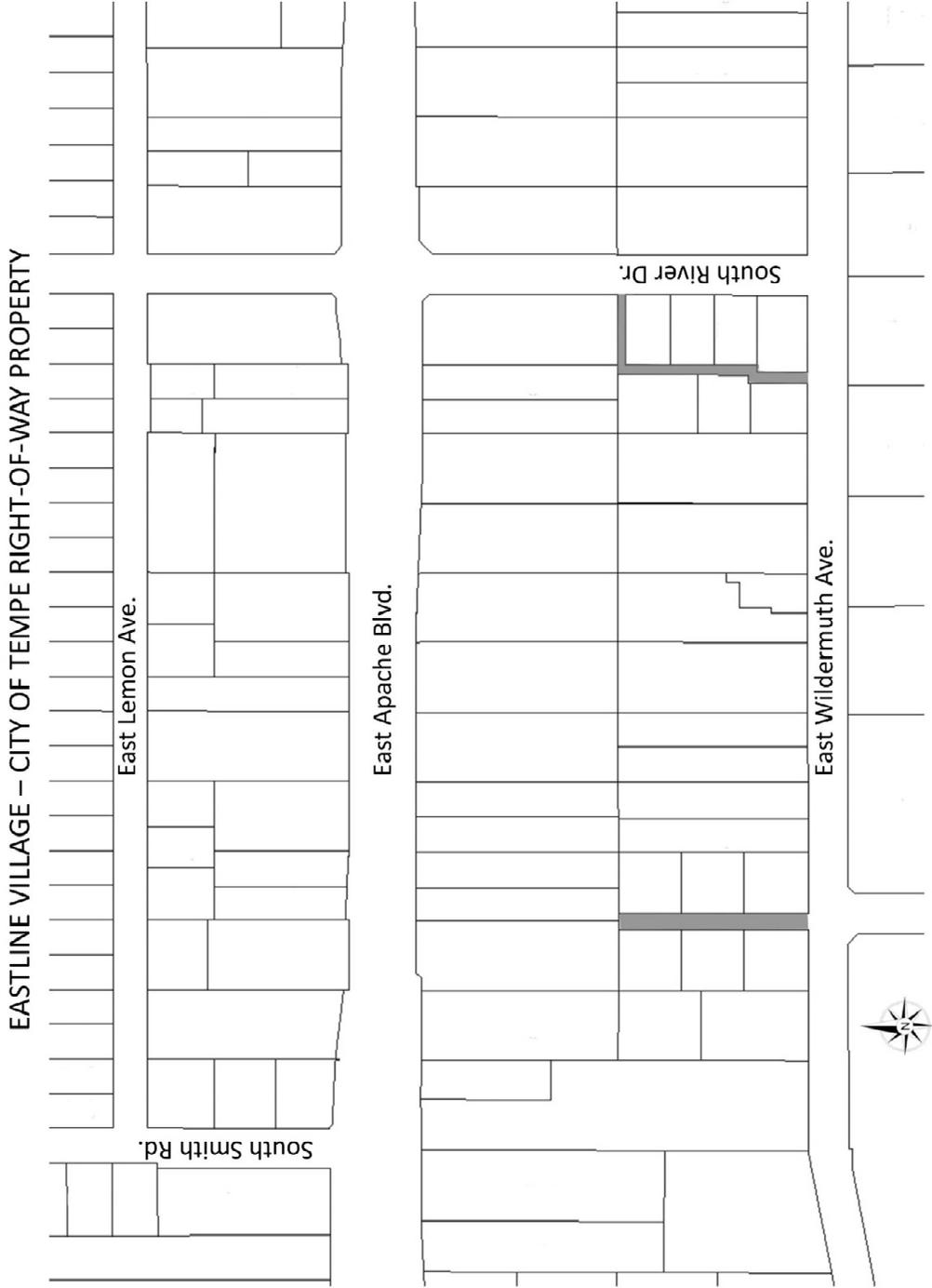
Phase I

Obtain Certificate of Occupancy for Building 1 by May 1, 2020  
Obtain Certificate of Occupancy for Building 2 by May 1, 2020

Phase II

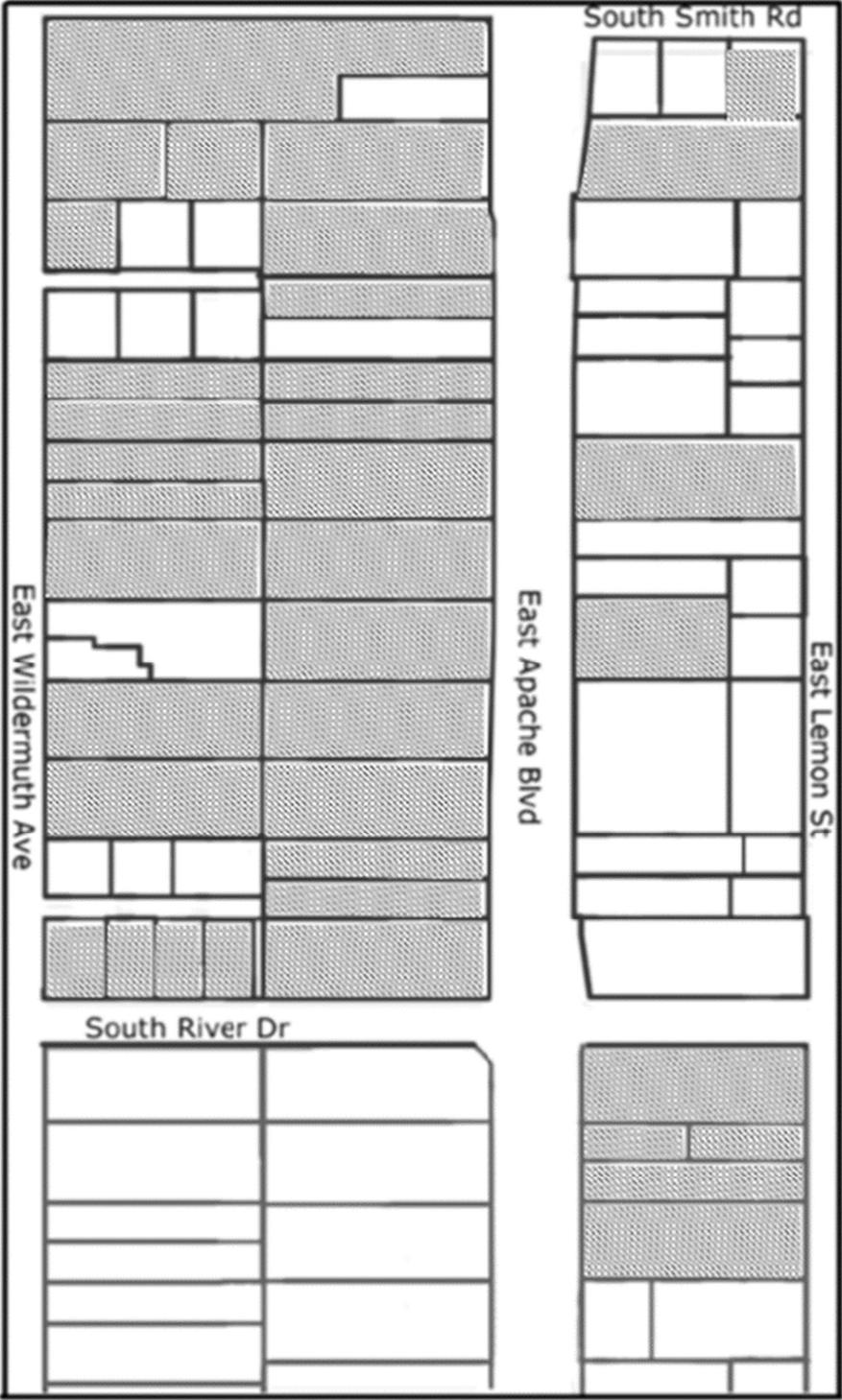
Obtain Certificate of Occupancy for Building 3 by May 1, 2030

**EXHIBIT D**  
Depiction of City Right-of-Way and Alley



**EXHIBIT E**  
**Additional Property (unshaded area)**

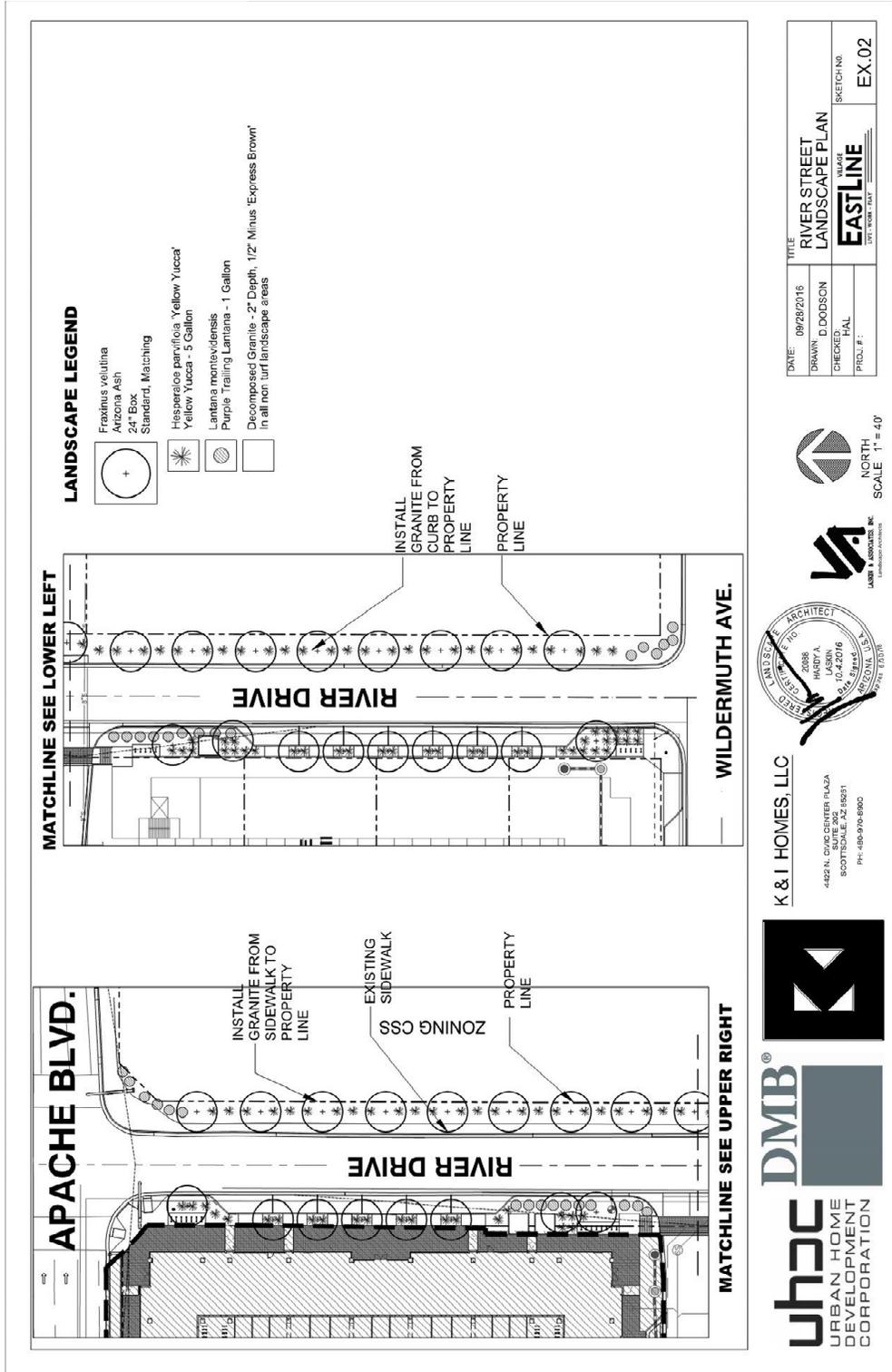
**EASTLINE VILLAGE BOUNDARY**



**EXHIBIT F**  
**Eastline Village Building Design**

- a. Quality, durable construction (Type I, II or III construction) preferred.
- b. Independent HVAC system.
- c. Durable finishes such as metal, brick, or ground-faced concrete masonry units.
- d. Washer/dryer laundry facilities in each unit.
- e. “Above code” energy efficiency (higher performance than 2012 IECC).
- f. At least one walk-in closet comparable to those found in single family detached product.
- g. High ceilings (>8 feet) in living/family/great room areas.
- h. Glazing (natural light calculated in % of floor area) greater than building code minimums.
- i. At least one full bath including separate shower and separate tub.
- j. For ground floor style units (townhome designed), individual garages.
- k. Additional storage space or bike storage (possible common area amenity).
- l. Open floor plans and spacious bedrooms.
- m. Community amenities superior to common apartment complexes.
- n. Sound Transmission Ratings of STC 55 or better and an Insulation Impact Class (IIC) rating of 55 or better between units. A STC 39 rating or better for exterior walls.
- o. Deep-set balconies with adequate seating space for indoor/outdoor use (not projected balconies).
- p. For large multi-story buildings, centralized space for refuse/recycling service.
- q. Fiber ready for high speed internet, security.
- r. Private entry and minimum of 60 sf of private balcony or patio for each unit.
- s. Minimum of one covered or garaged parking space per unit.
- t. No micro-units allowed. Minimum unit sizes as follows:
  - Studios – Not allowed
  - One Bedroom – minimum unit size 700 sf
  - Two Bedroom – minimum unit size 900 sf
  - Three Bedroom – minimum unit size 1,200 sf

# EXHIBIT G Landscape Illustration



### LANDSCAPE LEGEND

- Fragaria vesicaria*
- Arizona Ash
- 24" Box Standard, Matching
- Hesperaloe parviflora* 'Yellow Yucca'
- Yellow Yucca - 5 Gallon
- Lantana montividenensis*
- Purple Trailing Lantana - 1 Gallon
- Decomposed Granite - 2" Depth, 1/2" Minus 'Express Brown' in all non-turf landscape areas

**DATE:** 09/29/2016

**DRAWN BY:** D.DODSON

**CHECKED BY:** HAL

**PROJ. #:**

**TITLE:** RIVER STREET LANDSCAPE PLAN

**SCALE:** EASTLINE

**DATE:** 09/29/2016

**EX. #:** EX.02

**K & I HOMES, LLC**

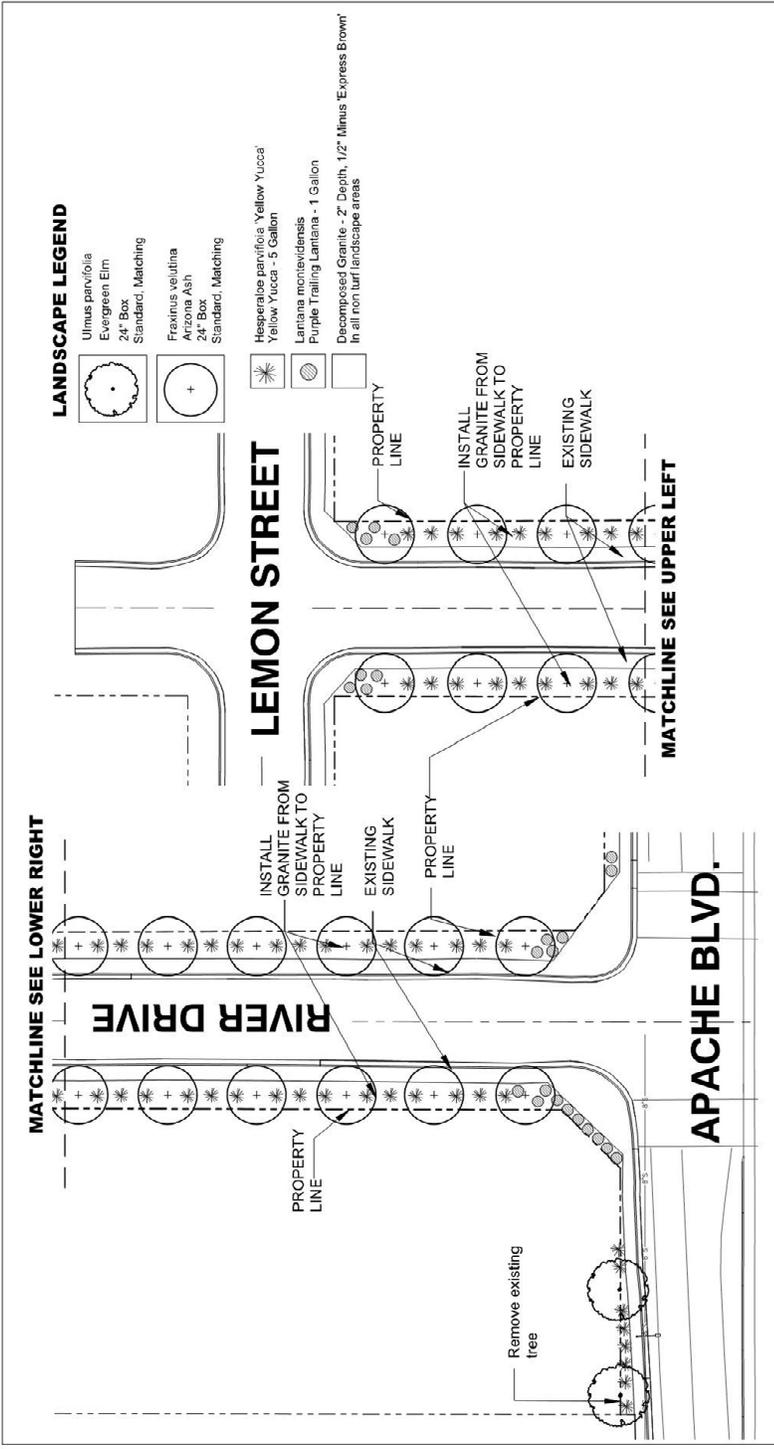
4522 N. CIVIC CENTER PLAZA  
SUITE 202  
SCOTTSDALE, AZ 85251  
PH: 480-970-8900

**HARRY A. JENSON**  
ARCHITECT  
2088  
1016 1/2 ST  
PHOENIX, AZ 85016

**NORTH**  
SCALE: 1" = 40'

**uhdc**  
URBAN HOME DEVELOPMENT CORPORATION

**DMB**



**LANDSCAPE LEGEND**

- Ulmus parvifolia
- Evergreen Elm
- 24" Box Standard, Matching
- Fraxinus velutina
- Purple Ash
- 24" Box Standard, Matching

- Hesperaloe parviflora "Yellow Yucca"
- Yellow Yucca - 5 Gallon
- Lantana montevidensis
- Purple Trailing Lantana - 1 Gallon
- Decomposed Granite - 2" Depth, 1/2" Minus "Express Brown"
- In all non turf landscape areas

**LEMON STREET**

MATCHLINE SEE LOWER RIGHT

RIVER DRIVE

APACHE BLVD.

MATCHLINE SEE UPPER LEFT

**uhdc**  
URBAN HOME DEVELOPMENT CORPORATION

**DMB**  
DESIGN MANAGEMENT BUREAU

**K & I HOMES, LLC**  
4422 N. CIVIC CENTER PLAZA  
SCOTTSDALE, AZ 85251  
PH: 480-970-8900

**LANDSCAPE ARCHITECT**  
20083  
10420 G  
PHOENIX, AZ 85024  
REGISTERED PROFESSIONAL ARCHITECT  
STATE OF ARIZONA

**LAUNY & ASSOCIATES, INC.**  
LANDSCAPE ARCHITECTS

**NORTH**  
SCALE 1" = 30'

DATE: 09/28/2016  
DRAWN: D.DODSON  
CHECKED: J.PAL  
PROJECT: RIVER STREET LANDSCAPE PLAN

TITLE: RIVER STREET LANDSCAPE PLAN  
SHEET NO.: EASTLINE  
DATE PLOTTED: EX.01

# EXHIBIT H Water Line

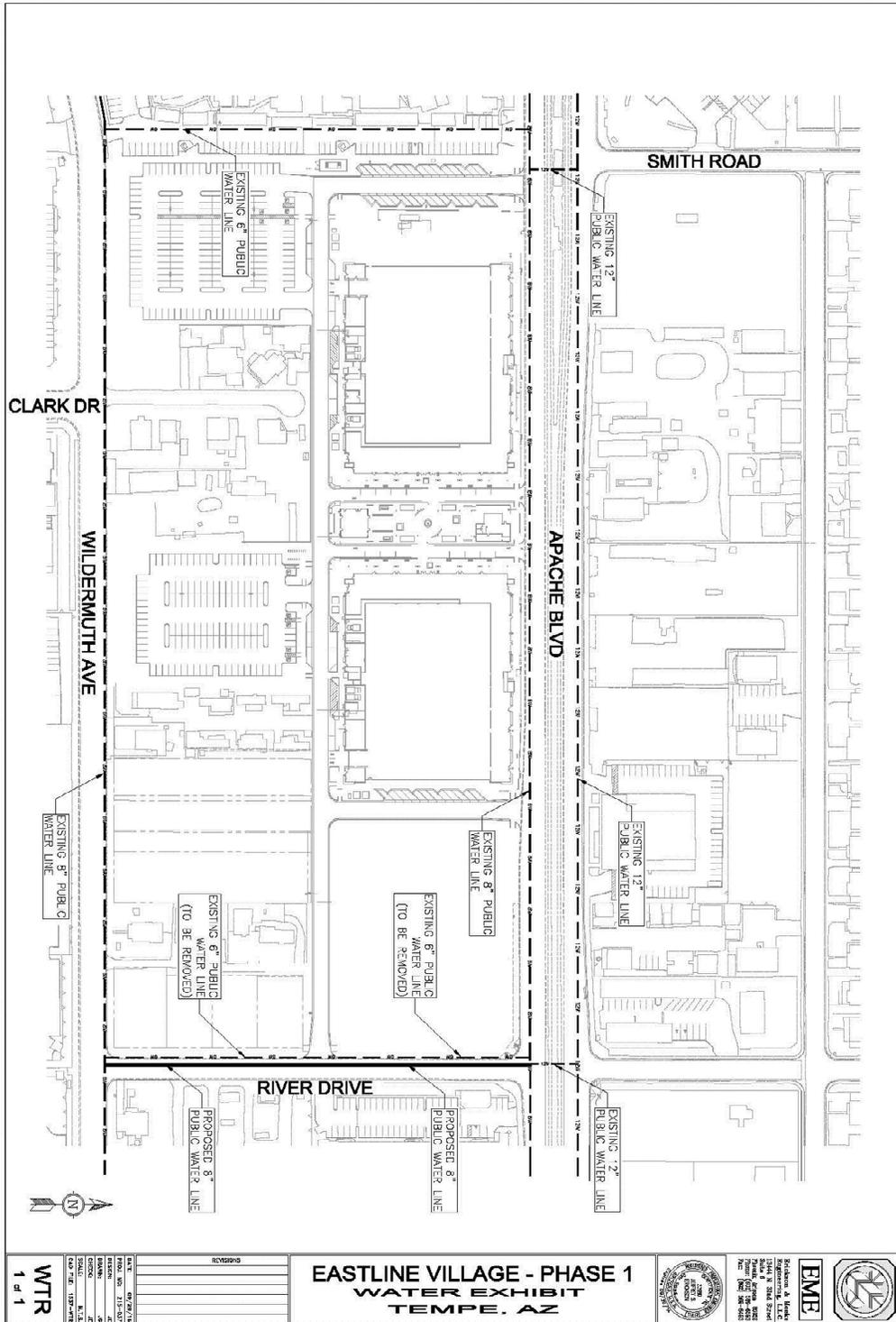






EXHIBIT A  
To Special Warranty Deed

Property

**EXHIBIT K**  
FORM OF LAND AND IMPROVEMENTS LEASE

**WHEN RECORDED, RETURN TO:**

City of Tempe Basket

**LAND AND IMPROVEMENTS LEASE**

THIS LAND AND IMPROVEMENTS LEASE (“**Lease**”) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_ (the “**Effective Date**”) by and between the **CITY OF TEMPE**, a municipal corporation (“**Landlord**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Tenant**”).

**RECITALS**

- A. Landlord has title of record to the real property as described in *Exhibit A* hereto (the “**Land**”), together with all rights and privileges appurtenant thereto and all improvements and future additions thereto or alterations thereof (collectively, the “**Premises**”).
- B. This Lease is entered into pursuant to that certain Development and Disposition Agreement dated as of \_\_\_\_\_, 2016 (the “**DDA**”), between Landlord and Eastline Land Ventures, LLC, a Delaware limited liability company (“**Developer**”). Capitalized terms used herein without definitions shall have the meanings given such terms in the DDA.
- C. The Premises are located in a redevelopment area established pursuant to Title 36, Chapter 12, Article 3 of Arizona Revised Statutes (A.R.S. §§36-1471 et seq.). Tenant’s construction of the Premises resulted in an increase in property value of at least one hundred percent.
- D. The Premises will be subject to the Government Property Lease Excise Tax as provided for under A.R.S. §42-6203 (A).

**AGREEMENT**

For and in consideration of the rental and of the covenants and agreements hereinafter set forth to be kept and performed by Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises for the term, at the rental and subject to and upon all of the terms, covenants and agreements hereinafter set forth.

1. Quiet Enjoyment. Landlord covenants and agrees with Tenant that conditioned upon Tenant's paying the Total Rent (defined in Section 3) herein provided and performing and fulfilling, in all material respects, the covenants, agreements, conditions and provisions herein to be kept, observed or performed by Tenant (taking into account any applicable cure period), Tenant may at all times during the term hereof peaceably, quietly and exclusively have, hold and enjoy the Premises.

2. Term. The term of this Lease shall be for a period of 15 years from the date of issuance of a Certificate of Occupancy for the improvements constructed on the Premises; provided, however, that this Lease shall automatically terminate if:

(a) Developer fails to complete construction of Building 3 of Phase II of the Project by the date specified in the Schedule of Performance unless (i) such date has been extended pursuant to Section 4.5 of the DDA, or (ii) at the time this Lease would otherwise terminate, construction of said Building 3 is 80% complete, as certified by Developer's architect, and Developer diligently pursues construction to completion within six months after the date this Lease would otherwise have terminated, in which event this Lease shall continue to the end of its stated term, provided that if construction is not completed within said six-month period then this Lease shall terminate immediately at the end of the sixth month; or

(b) Developer (i) fails to reach the Minimum Commercial Occupancy Level by the second anniversary of the date of Effective Date of this Lease, or (ii) thereafter fails to maintain the Minimum Commercial Occupancy Level for a period of 360 consecutive days at any time during the remaining term of this Lease. The intent of the parties is that the Minimum Commercial Occupancy Level be satisfied at all times during the entire term of this Lease; however, if Developer is unable after the application of its commercially reasonable efforts to meet or maintain such level, Developer may so notify City and elect to continue this Lease, in which case it shall commence payment of rent hereunder, in an amount equal to \$2000 per month (or portion thereof), such rent to be payable to City retroactively to the date the Minimum Commercial Occupancy Level fell below the requisite minimum level (but no sooner than the second anniversary of the date of execution of this Lease) and continuing on the first day of every month thereafter until Developer achieves the Minimum Commercial Occupancy Level.

(Capitalized terms used in this Section 2 without definition shall have the meanings given such terms in the DDA.)

3. Rental. In addition to any amounts Tenant may be required to pay pursuant to Section 2(b) above, Tenant covenants to pay to Landlord as rental for the Premises the sum of \$10.00 per year on the Effective Date and every anniversary thereof (the "Total Rent"). Tenant shall have the right to prepay the \$150.00 Total Rent for the entire term of this Lease. The consideration for this Lease includes, without limitation: Tenant's payment of the entire cost of construction of the improvements constituting the Premises, Tenant's performance, in all material respects, of the covenants and obligations under this Lease and Tenant's contribution toward fulfillment of Landlord's policy and desire to promote development within a redevelopment area, to encourage the creation of jobs within the City of Tempe, and to enhance

tax revenues resulting from the operation of businesses on the Premises, including transaction privilege taxes. Tenant, at its option and without prejudice to its right to terminate this Lease as provided herein, may prepay the Total Rent for the entire lease term, but upon any early termination of this Lease, Landlord shall not be obligated to refund any portion of the prepaid Total Rent.

4. Leasehold Mortgage of Premises.

4.1 Subject to this Section 4, Tenant is hereby given the absolute right without the Landlord's consent to create a security interest in Tenant's leasehold interest under this Lease (and in any subleases and the rents, income and profits therefrom) by mortgage, deed of trust, collateral assignment or otherwise. Any such security interest shall be referred to herein as a "Leasehold Mortgage," and the holder of a Leasehold Mortgage shall be referred to herein as a "Leasehold Mortgagee."

4.2 No liability for the performance of Tenant's covenants and agreements hereunder shall attach to or be imposed upon any Leasehold Mortgagee, unless such Leasehold Mortgagee forecloses its interest and becomes the Tenant hereunder, following which the liability shall attach only during the term of ownership of the leasehold estate by said Leasehold Mortgagee.

5. Taxes; Lease Obligations.

5.1 Payment. Tenant shall pay and discharge all general and special real estate and/or personal property taxes and assessments levied or assessed against or with respect to the Premises during the term hereof and all charges, assessments or other fees payable with respect to or arising out of this Lease and all recorded deed restrictions affecting or relating to the Premises. Any sales, use, excise or transaction privilege tax consequence incurred by Landlord because of this Lease or in relation to the Premises or improvements included therein may be passed on to the Tenant either directly if applicable or as "additional rent."

5.2 Omitted.

5.2 Protest. Tenant may, at its own cost and expense, protest and contest, by legal proceedings or otherwise, the assessed valuation of the Premises, or the validity or amount of any such tax or assessment herein agreed to be paid by Tenant and shall first pay said tax or assessment under protest (or if permitted, provide a bond or other assurance of payment) if legally required as a condition to such protest and contest, and Tenant shall not in the event of and during the bona fide prosecution of such protest or proceedings be considered in default with respect to the payment of such taxes or assessments in accordance with the terms of this Lease.

5.3 Procedure. Landlord agrees that any proceedings contesting the assessed valuation of the Premises or amount or validity of taxes or assessments levied against the Premises or against the rentals payable hereunder may be filed or instituted in the name of Landlord or Tenant, as the case may require or permit, and the Landlord does hereby appoint the Tenant as its agent and attorney-in-fact, during the term of this Lease, to execute and deliver in

the name of the Landlord any document, instrument or pleading as may be reasonably necessary or required in order to carry on any contest, protest or proceeding contemplated in this Section. Tenant shall hold the Landlord harmless from any liability, damage or expense incurred or suffered in connection with such proceedings.

5.4 Allocation. All payments contemplated by this Section 5 shall be prorated for partial years at the Effective Date and at the end of the Lease term.

5.5 GPLET Liability. As required by A.R.S. §42-6206, Landlord hereby gives notice of the tax liability of Tenant under A.R.S. Title 42, Article 5. Tenant shall be responsible for any and all applicable property taxes and all applicable government property lease excise taxes described in A.R.S. §42-6201 et seq. or similar laws in force from time to time that may be imposed on the Premises or on any interest of Tenant in the Premises under this Lease.

6. Use. Subject to the applicable provisions of this Lease and A.R.S. §42-6201(2), the Premises may be used and occupied by Tenant for any lawful purpose, including without limitation the sale of alcoholic beverages, subject to Tenant obtaining all required permits, licenses, and approvals from the Arizona Department of Liquor Licenses and Control.

7. Landlord Non-Responsibility. Landlord shall have no responsibility, obligation or liability under this Lease whatsoever with respect to any of the following:

7.1 Utilities, including gas, heat, water, light, power, telephone, sewage, and any other utilities supplied to the Premises;

7.2 Disruption in the supply of services or utilities to the Premises;

7.3 Maintenance, repair or restoration of the Premises;

7.4 Any other cost, expense, duty, obligation, service or function related to the Premises.

8. Entry by Landlord. Landlord and Landlord's agents shall have the right at reasonable times and upon reasonable notice to enter upon the Premises for inspection, except that Landlord shall have no right to enter portions of any building on the Premises without consent of the occupant or as provided by law.

9. Alterations. Subject to this Section 9, Tenant shall have the right, in its sole and absolute discretion, and without the consent of Landlord, to construct additional improvements on the Premises, and to make subsequent alterations, additions or other changes to any improvements or fixtures on the Premises existing from time to time, and the Premises shall constitute all such improvements as they exist from time to time. In connection with any action which Tenant may take with respect to Tenant's rights pursuant hereto, Landlord shall not be responsible for and Tenant shall pay all costs, expenses and liabilities arising out of or in any way connected with such improvements, alterations, additions or other changes made by Tenant,

including without limitation materialmen's and mechanic's liens. Tenant covenants and agrees that Landlord shall not be called upon or be obligated to make any improvements, alterations or repairs whatsoever in or about the Premises, and Landlord shall not be liable or accountable for any damages to the Premises or any property located thereon. Tenant shall have the right, in its sole and absolute discretion, and without the consent of Landlord, at any time to demolish or substantially demolish improvements located upon the Premises (provided that this Lease shall terminate if the Premises are so demolished). In making improvements and alterations, Tenant shall not be deemed Landlord's agent and shall hold Landlord harmless from any expense or damage Landlord may incur or suffer. During the term of this Lease, title to all improvements shall at all times be vested in Landlord.

10. Easements, Dedications and Other Matters. At the request of Tenant, and provided that no Event of Default (as defined in Section 17.1) shall have then occurred and be continuing, Landlord shall dedicate or initiate a request for dedication to public use of the improvements owned by Landlord within any roads, alleys or easements and convey any portion so dedicated to the appropriate governmental authority, execute (or participate in a request for initiation by the appropriate commission or department of) petitions seeking annexation or change in zoning for all or a portion of the Premises, consent to the making and recording, or either, of any map, plat, condominium documents, or declaration of covenants, conditions and restrictions of or relating to the Premises or any part thereof, join in granting any easements on the Premises, and execute and deliver (in recordable form where appropriate) all other instruments and perform all other acts reasonably necessary or appropriate to the development, construction, demolition, redevelopment or reconstruction of the Premises.

11. Insurance. During the term of this Lease, the Tenant shall, at Tenant's expense, maintain general public liability insurance against claims for personal injury, death or property damage occurring in, upon or about the Premises. The limitation of liability of such insurance shall not be less than \$5,000,000.00 combined single limit. The minimum policy limits shall be increased whenever deemed appropriate by Landlord's Risk Management to adequately reflect current market conditions. All of Tenant's policies of liability insurance shall name Landlord and all Leasehold Mortgagees as additional insureds, and, at the written request of Landlord, certificates with respect to all policies of insurance or copies thereof required to be carried by Tenant under this Section 11 shall be delivered to Landlord. Each policy shall contain an endorsement prohibiting cancellation or non-renewal without at least thirty (30) days prior notice to Landlord (ten (10) days for nonpayment); provided, however, that if Tenant's insurance carrier refuses to provide such an endorsement, Tenant shall notify Landlord of any notices received by Tenant relating to any potential event of cancellation or nonrenewal, and the failure to obtain such endorsement shall not be a default hereunder. Tenant may self-insure the coverages required by this Section with the prior approval of Landlord, which will not be unreasonably withheld, and may maintain such reasonable deductibles and retention amounts as Tenant may determine.

12. Liability; Indemnity. Except for any claims and liabilities that could have been asserted against Landlord if it were not the owner of the Premises, Tenant covenants and agrees that Landlord is to be free from liability and claim for damages by reason of any injury to any person or persons, including Tenant, or property of any kind whatsoever and to whomsoever

while in, upon or in any way connected with the Premises during the term of this Lease or any extension hereof, or any occupancy hereunder, Tenant hereby covenanting and agreeing to indemnify and save harmless Landlord from all liability, loss, costs and obligations on account of or arising out of any such injuries or losses, however occurring, unless caused by the sole and gross negligence or willful misconduct of Landlord, its agents, employees, or invitees. Landlord agrees that Tenant shall have the right to contest the validity of any and all such claims and defend, settle and compromise any and all such claims of any kind or character and by whomsoever claimed, in the name of Landlord, as Tenant may deem necessary, provided that the expenses thereof shall be paid by Tenant. The provisions of this Section shall survive the expiration or other termination of this Lease.

13. Fire and Other Casualty. In the event that all or any portion of any improvements or fixtures within the Premises shall be totally or partially destroyed or damaged by fire or other casualty, then, at Tenant's election, either: (i) this Lease shall continue in full force and effect, and, subject to this Section 13, Tenant, at Tenant's sole cost and expense, may, but shall not be obligated to, rebuild or repair the same; or (ii) this Lease shall terminate with respect to all of the Premises or to such portions of the Premises as Tenant may elect. Landlord and Tenant agree that the provisions of A.R.S. § 33-343 shall not apply to this Lease. In the event that Tenant elects to repair or rebuild the improvements, any such repair or rebuilding shall be performed at the sole cost and expense of Tenant. If there are insurance proceeds resulting from such damage or destruction, Tenant shall be solely entitled to such proceeds, whether or not Tenant rebuilds or repairs the improvements or fixtures, subject to the applicable provisions of this Lease and of any Leasehold Mortgage.

14. Condemnation.

14.1 Entire or Partial Condemnation. If the whole or any part of the Premises shall be taken or condemned by any competent authority for any public use or purposes during the term of the Lease, this Lease shall terminate with respect to the part of the Premises so taken and any other portion of the Premises as may be specified by Tenant, and, subject to this Section 14, Tenant reserves unto itself the right to claim and prosecute its claim in all appropriate courts and agencies for any award or damages based upon loss, damage or injury to its leasehold interest (as well as relocation and moving costs). In consideration of Tenant's payment for all of the cost of construction of the improvements constituting the Premises, Landlord hereby assigns to Tenant all claims, awards and entitlements relating to the Premises arising from the exercise of the power of condemnation or eminent domain.

14.2 Continuation of Lease. In the event of a taking of less than all of the Premises, this Lease shall continue in effect with respect to the portion of the Premises not so taken or specified by Tenant to be removed from this Lease.

14.3 Temporary Taking. If the temporary use of the whole or any part of the Premises or the appurtenances thereto shall be taken, the term of this Lease shall not be reduced or affected in any way. The entire award of such taking (whether paid by way of damages, rent, or otherwise) shall be payable to Tenant, subject to the applicable provisions of this Lease and of any Leasehold Mortgage.

14.4 Notice of Condemnation. In the event any action is filed to condemn the Premises or Tenant's leasehold estate or any part thereof by any public or quasi-public authority under the power of eminent domain or in the event that an action is filed to acquire the temporary use of the Premises or Tenant's leasehold estate or any part thereto, or in the event that action is threatened or any public or quasi-public authority communicates to Landlord or Tenant its desire to acquire the temporary use thereof, by a voluntary conveyance or transfer in lieu of condemnation, either Landlord or Tenant shall give prompt notice thereof to the other and to any Leasehold Mortgagee. Landlord, Tenant and each Leasehold Mortgagee shall each have the right, at its own cost and expense, to represent its respective interest in each proceeding, negotiation or settlement with respect to any taking or threatened taking. No agreement, settlement, conveyance or transfer to or with the condemning authority affecting Tenant's leasehold interest shall be made without the consent of Tenant and each Leasehold Mortgagee.

15. Termination Option.

15.1 Grant of Option. In the event changes in applicable law nullify, remove, or vitiate the economic benefit to Tenant provided by this Lease, or if any person or entity succeeds to Tenant's interest hereunder by foreclosure sale, trustee's sale, or deed in lieu of foreclosure (collectively, "**Foreclosure**"), or if Tenant, in its sole and absolute discretion, so elects for any or no reason, Tenant or Tenant's successor by Foreclosure shall have the option ("Option"), exercisable by written notice to Landlord, and with no additional consideration, to terminate this Lease as to the entire Premises or as to such portions of the Premises as Tenant may specify, in each case, effective thirty (30) days after the date of the notice. Upon default under the Leasehold Mortgage (after giving effect to all applicable notice and cure rights), Tenant or Leasehold Mortgagee shall have the option, exercisable by written notice to Landlord, to terminate this Lease effective twenty (20) days after the date of the notice. Tenant need not be in compliance with the terms and provisions of this Lease in order to notice, exercise, and consummate the Option; except that Tenant shall have paid any amounts due City hereunder before any such termination may become effective.

15.2 Title Vesting in Tenant. Simultaneously with, and effective as of, any termination of this Lease, including without limitation, as provided in Section 15.1, title to the Premises (including all improvements constituting a part thereof) shall automatically vest in Tenant and Landlord shall comply with the obligations under Article 31.

15.3 Leasehold Mortgagees and Tenant. If there are any Leasehold Mortgagees as defined in Section 4.1, Tenant may not as of such time terminate, modify or waive its Option under this Section without the written approval of the Leasehold Mortgagees, and Landlord will not recognize or consent thereto without such approval.

16. Assignment; Subletting.

16.1 Transfer by Tenant. At any time and from time to time Tenant shall have the right (in its sole discretion) to assign this Lease and Tenant's leasehold interest or to sublease

all of or any part of the Premises to any person or entity for any use permitted under this Lease, without the consent of the Landlord.

16.2 Liability. Each assignee, other than any residential subtenant, hereby assumes all of the obligations of Tenant under this Lease (but not for liabilities or obligations arising prior to such assignment becoming effective). Each assignment shall automatically release the assignor from any personal liability in respect of any obligations or liabilities arising under this Lease from and after the date of assignment, and Landlord shall not seek recourse for any such liability against any assignor or its personal assets. Landlord agrees that performance by a subtenant or assignee of Tenant's obligations under this Lease shall satisfy Tenant's obligations hereunder and Landlord shall accept performance by any such subtenant.

17. Default Remedies; Protection of Leasehold Mortgagee and Subtenants.

17.1 Default. It shall be an "**Event of Default**" hereunder if (a) Tenant fails to observe and perform any material provision of this Lease to be observed or performed by Tenant and such failure remains uncured for a period of sixty (60) days after written notice from Landlord, or (b) Tenant fails to pay any Tax when due, and such failure continues for sixty (60) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such sixty (60) day period, no Event of Default shall be deemed to have occurred if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion.

17.2 Remedies. Upon the occurrence of an Event of Default, Landlord may at any time during the continuance thereof, by written notice to Tenant, terminate this Lease, in which case Tenant shall immediately surrender possession of the Premises to Landlord. This Section constitutes the provision required under A.R.S. §42-6206(A)(2) that failure by the prime lessee to pay the Tax after notice and an opportunity to cure is an event of default that could result in divesting the prime lessee of any interest or right or occupancy of the government property improvement.

17.3 Leasehold Mortgagee Default Protections. If any Leasehold Mortgagee shall give written notice to Landlord of its Leasehold Mortgage, together with the name and address of the Leasehold Mortgagee, then, notwithstanding anything to the contrary in this Lease, until the time, if any, that the Leasehold Mortgage shall be satisfied and released of record or the Leasehold Mortgagee shall give to Landlord written notice that said Leasehold Mortgage has been satisfied, Landlord shall provide written notice of any default under this Lease to Leasehold Mortgagee and Leasehold Mortgagee shall have the rights described in Section 20 of this Lease.

18. Consent of Leasehold Mortgagee. No act or agreement between or on the part of Landlord or Tenant to cancel, terminate, surrender, amend, or modify this Lease or Tenant's right to possession shall be binding upon or effective as against the Leasehold Mortgagee without its prior written consent.

19. Notice to Leasehold Mortgagee. If Landlord shall give any notice, demand, election or other communication required hereunder (hereafter collectively “**Notices**”) to Tenant hereunder, Landlord shall concurrently give a copy of each such Notice to the Leasehold Mortgagee at the address designated by the Leasehold Mortgagee. Such copies of Notices shall be sent by registered or certified mail, return receipt requested or by overnight delivery, and shall be deemed given seventy-two (72) hours after the time such copy is deposited in a United States Post Office with postage charges prepaid, addressed to the Leasehold Mortgagee or when received if sent by overnight mail. No Notice given by Landlord to Tenant shall be binding upon or affect Tenant or the Leasehold Mortgagee unless a copy of the Notice shall be given to the Leasehold Mortgagee pursuant to this Section. In the case of an assignment of the Leasehold Mortgage or change in address of the Leasehold Mortgagee, the assignee or Leasehold Mortgagee, by written notice to Landlord, may change the address to which such copies of Notices are to be sent.

20. Leasehold Mortgagee Cure Rights. The Leasehold Mortgagee shall have the right for a period of thirty (30) days after the expiration of any grace period afforded Tenant to perform any term, covenant, or condition under this Lease and to remedy any Event of Default by Tenant hereunder or such longer period as the Leasehold Mortgagee may reasonably require to affect a cure, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant, and the Leasehold Mortgagee shall thereby and hereby be subrogated to the rights of Landlord. The Leasehold Mortgagee shall have the right to enter upon the Premises to give such performance.

21. Prosecution of Foreclosure or Other Proceedings. In case of an Event of Default by Tenant in the performance or observance of any nonmonetary term, covenant or condition to be performed by it hereunder, if such default cannot practicably be cured by the Leasehold Mortgagee without taking possession of the Premises, in such Leasehold Mortgagee’s reasonable opinion, or if such default is not susceptible of being cured by the Leasehold Mortgagee, then Landlord shall not serve a notice of lease termination pursuant to Section 17.2, if and so long as:

a. the Leasehold Mortgagee shall proceed diligently to obtain possession of the Premises as mortgagee (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure Events of Default as are reasonably susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession); or

b. the Leasehold Mortgagee shall institute foreclosure proceedings and diligently prosecute the same to completion (unless in the meantime it shall acquire Tenant’s estate hereunder, either in its own name or through a nominee, by assignment in lieu of foreclosure and subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession).

22. Effect of Cure Upon Event of Default. The Leasehold Mortgagee shall not be required to obtain possession or to continue in possession as mortgagee of the Premises pursuant to Section 21(a) above, or to continue to prosecute foreclosure proceedings pursuant to Section 21(b) above, if and when such Event of Default shall be cured. If a Leasehold Mortgagee, its

nominee, or a purchaser at a foreclosure sale shall acquire title to Tenant's leasehold estate hereunder, an Event of Default that is not reasonably susceptible to cure by the person succeeding to the leasehold interest shall no longer be deemed an Event of Default hereunder.

23. Extension of Foreclosure or Other Proceedings. If any Leasehold Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant, the times specified in Sections 21(i) and (ii) above, for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

24. Additional Consent of Leasehold Mortgagee. No option of Tenant hereunder may be exercised, and no consent of Tenant allowed or required hereunder, shall be effective without the prior written consent of any Leasehold Mortgagee.

24.1 Protection of Subtenant. Landlord covenants that notwithstanding any default under or termination of this Lease or of Tenant's possessory rights, Landlord: (i) so long as a subtenant within the Premises complies with the terms and conditions of its sublease, shall not disturb the peaceful possession of the subtenant under its sublease, and in the event of a default by a subtenant, Landlord may only disturb the possession or other rights of the subtenant as provided in the Tenant's sublease, (ii) shall recognize the continued existence of the sublease, (iii) shall accept the subtenant's attornment, as subtenant under the sublease, to Landlord, as landlord under the sublease, and (iv) shall be bound by the provisions of the sublease, including all options, and shall execute documents as may be reasonably required by such subtenants to evidence these agreements.

25. New Lease.

25.1 Right to Lease. Landlord agrees that, in the event of termination of this Lease for any reason (including but not limited to any Event of Default by Tenant), Landlord, if requested by any Leasehold Mortgagee, will enter into a new lease of the Premises with the most senior Leasehold Mortgagee requesting a new lease, which new lease shall commence as of the date of termination of this Lease and shall run for the remainder of the original term of this Lease, at the rent and upon the terms, covenants and conditions herein contained, provided:

a. Such Leasehold Mortgagee shall make written request upon Landlord for the new lease within sixty (60) days after the date such Leasehold Mortgagee receives written notice from Landlord that the Lease has been terminated;

b. Such Leasehold Mortgagee shall pay to Landlord at the time of the execution and delivery of the new lease any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Landlord shall have incurred by reason of such termination; and

c. Such Leasehold Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Tenant, and shall further remedy any other conditions which Tenant under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Leasehold Mortgagee.

25.2 The Tenant under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises as Tenant had under the Lease immediately prior to its termination.

25.3 Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 25 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by their termination of this Lease.

26. No Obligation. Nothing herein contained shall require any Leasehold Mortgagee to enter into a new lease pursuant to Section 25 or to cure any default of Tenant referred to above.

27. Possession. If any Leasehold Mortgagee shall demand a new lease as provided in Section 25, Landlord agrees, at the request of, on behalf of and at the expense of the Leasehold Mortgagee, upon a guaranty from it reasonably satisfactory to Landlord, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Tenant from the Premises, but not any subtenants actually occupying the Premises or any part thereof.

28. Grace Period. Unless and until Landlord has received notice from each Leasehold Mortgagee that the Leasehold Mortgagee elects not to demand a new lease as provided in Section 25, or until the period therefore has expired, Landlord shall not cancel or agree to the termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Leasehold Mortgagee.

29. Effect of Transfer. Neither the foreclosure of any Leasehold Mortgage (whether by judicial proceedings or by virtue of any power of sale contained in the Leasehold Mortgage), nor any conveyance of the leasehold estate created by this Lease by Tenant to any Leasehold Mortgagee or its designee by an assignment or by a deed in lieu of foreclosure or other similar instrument shall require the consent of Landlord under, or constitute a default under, this Lease, and upon such foreclosure, sale or conveyance, Landlord shall recognize the purchaser or other transferee in connection therewith as the Tenant under this Lease.

30. No Merger. In no event shall the leasehold interest, estate or rights of Tenant hereunder, or of any Leasehold Mortgagee, merge with any interest, estate or rights of Landlord in or to the Premises. Such leasehold interest, estate and rights of Tenant hereunder, and of any Leasehold Mortgagee, shall be deemed to be separate and distinct from Landlord's interest, estate and rights in or to the Premises, notwithstanding that any such interests, estates or rights shall at any time be held by or vested in the same person, corporation or other entity.

31. Surrender, Reconveyance.

31.1 Reconveyance Upon Termination or Expiration. On the last day of the term of this Lease or upon any termination of this Lease, whether under Article 15 above or otherwise, title to the Premises (including all improvements constituting a part thereof) shall automatically vest in Tenant at no cost or expense to Tenant other than as set forth in Section 33 below.

31.2 Reconveyance Documents. Without limiting the foregoing, Landlord upon request shall execute and deliver to Tenant: (i) a special warranty deed reconveying all of Landlord's right title and interest in the Premises (including all improvements constituting a part thereof) to Tenant; (ii) a memorandum in recordable form reflecting the termination of this Lease; (iii) an assignment of Landlord's right, title and interest in and to all licenses, permits, guaranties and warranties relating to the ownership or operation of the Premises to which Landlord is a party and which are assignable by Landlord; and (iv) such other reasonable and customary documents as may be required by Tenant or its title insurer including, without limitation, FIRPTA and mechanic's lien affidavits, to confirm the termination of this Lease and the revesting of title to the Premises (including all improvements constituting a part thereof) in all respects in Tenant.

32. Title and Warranties. Notwithstanding anything to the contrary in this Section, Landlord shall convey the Premises to Tenant subject only to: (i) matters affecting title as of the date of this Lease, and (ii) matters created by or with the written consent of Tenant. The Premises shall be conveyed "AS IS" without representation or warranty whatsoever. Notwithstanding the prohibition on the creation of any liens by or through Landlord set forth in this Section, upon any reconveyance, Landlord shall satisfy all liens and monetary encumbrances on the Premises created by Landlord.

33. Expenses. All costs of title insurance, escrow fees, recording fees and other expenses of the reconveyance to Tenant, except Landlord's own attorneys' fees and any commissions payable to any broker retained by Landlord, shall be paid by Tenant.

34. Trade Fixtures, Machinery and Equipment. Landlord agrees that all trade fixtures, machinery, equipment, furniture or other personal property of whatever kind and nature kept or installed on the Premises by Tenant or Tenant's subtenants may be removed by Tenant or Tenant's subtenants, or their agents and employees, in their discretion, at any time and from time to time during the entire term or upon the expiration of this Lease. Tenant agrees that in the event of damage to the Premises due to such removal it will repair or restore the same. Upon request of Tenant or Tenant's assignees or any subtenant, Landlord shall execute and deliver any consent or waiver forms submitted by any vendors, landlords, chattel mortgagees or holders or owners of any trade fixtures, machinery, equipment, furniture or other personal property of any kind and description kept or installed on the Premises by any subtenant setting forth the fact that Landlord waives, in favor of such vendor, landlord, chattel mortgagee or any holder or owner, any lien, claim, interest or other right therein superior to that of such vendor, Landlord, chattel mortgagee, owner or holder. Landlord shall further acknowledge that property covered by such

consent or waiver forms is personal property and is not to become a part of the realty no matter how affixed thereto and that such property may be removed from the Premises by the vendor, landlord, chattel mortgagee, owner or holder at any time upon default by the Tenant or the subtenant in the terms of such chattel mortgage or other similar documents, free and clear of any claim or lien of Landlord.

35. Estoppel Certificate. Landlord shall at any time and from time to time upon not less than ten (10) days' prior written notice from Tenant or any Leasehold Mortgagee execute, acknowledge and deliver to Tenant or the Leasehold Mortgagee a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any; (ii) acknowledging that there are not, to Landlord's knowledge, any uncured defaults on the part of Tenant hereunder, or specifying such defaults if they are claimed; and (iii) certifying such other matters relating to this Lease as Tenant or the Leasehold Mortgagee may reasonably request. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the leasehold estate and/or the improvements.

Landlord's failure to deliver a statement within the time prescribed shall be conclusive upon Landlord (i) that this Lease is in full force and effect, without modification except as may be represented by Tenant; (ii) that there are no uncured defaults in Tenant's performance; and (iii) the accuracy of such other matters relating to this Lease as Tenant as may have been set forth in the request.

36. General Provisions.

36.1 Attorneys' Fees. In the event of any suit instituted by either party against the other in any way connected with this Lease or for the recovery of possession of the Premises, the parties respectively agree that the successful party to any such action shall recover from the other party a reasonable sum for its attorneys' fees and costs in connection with said suit.

36.2 Transfer or Encumbrance of Landlord's Interest. Landlord may not transfer or convey its interest in this Lease or in the Premises during the term of this Lease. Landlord shall not grant or create mortgages, deeds of trust or other encumbrances of any kind against the Premises or rights of Landlord hereunder.

36.3 Captions; Attachments; Defined Terms.

a. The captions of the sections of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease.

b. Exhibits attached hereto, and addendums and schedules initialed by the parties, are deemed by attachment to constitute part of this Lease and are incorporated herein.

c. The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. The obligations contained in this Lease to be performed by Tenant and Landlord shall be binding on Tenant's and Landlord's successors and assigns only during their respective periods of ownership.

36.4. Entire Agreement. This Lease and the Development Agreement between Landlord and Tenant, along with any addenda, exhibits and attachments hereto or thereto, constitutes the entire agreement between Landlord and Tenant relative to the Premises and this Lease, the Development Agreement and the addenda, exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by the party to be bound thereby. Landlord and Tenant agree hereby that all prior or contemporaneous oral agreements between and among themselves and their agents or representatives relative to the leasing of the Premises are merged in or revoked by this Lease and the Development Agreement, except as set forth in any addenda hereto or thereto.

36.5 Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

36.6 Binding Effect; Choice of Law. The parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof. All of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Arizona.

36.7 Memorandum of Land and Improvements Lease. The parties shall, concurrently with the execution of this Lease, complete, execute, acknowledge and record (at Tenant's expense) a Memorandum of Land and Improvements Lease, a form of which is attached hereto as Exhibit B.

36.8 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or if mailed by United States certified or registered mail, return receipt requested, postage prepaid, or by overnight mail, as follows:

If to Landlord:           City of Tempe  
                                  City Manager's Office  
                                  31 East 5th Street  
                                  Tempe, Arizona 85281

With a copy to: City of Tempe  
City Attorney's Office  
31 East 5th Street  
Tempe, Arizona 85281

If to Tenant: Eastline Development LLC  
Attn: Eric Carlson  
7600 E. Doubletree Ranch Rd., Suite 300  
Scottsdale, AZ 85258-2137

With a copy to: Eastline Development LLC  
Attn: Mary Alexander, Esq.  
7600 E. Doubletree Ranch Rd., Suite 300  
Scottsdale, AZ 85258-2137

or at such other place or to such other persons as any party shall from time to time notify the other in writing as provided herein. The date of service of any communication hereunder shall be the date of personal delivery or seventy-two (72) hours after the postmark on the certified or registered mail, or the date received if sent by overnight mail, as the case may be.

36.9 Waiver. No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver or the breach of any covenant, term or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term or condition.

36.10 Negation of Partnership. Landlord shall not become or be deemed a partner or a joint venturer with Tenant by reason of the provisions of this Lease.

36.11 Leasehold Mortgagee Further Assurances. Landlord and Tenant shall cooperate in, including by suitable amendment from time to time of any provision of this Lease which may be reasonably requested by any proposed Leasehold Mortgagee for the purpose of implementing the mortgagee-protection provisions contained in this Lease, allowing that Leasehold Mortgagee reasonable means to protect or preserve the lien of its Leasehold Mortgage upon the occurrence of a default under the terms of this Lease and of confirming the elimination of the ability of Tenant to modify, terminate or waive this Lease or any of its provisions without the prior written approval of the Leasehold Mortgagee. Landlord and Tenant each agree to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to effect any such amendment; provided, however, that any such amendment shall not in any way affect the term or rent under this Lease nor otherwise in any material respect adversely affect any rights of Landlord under this Lease.

37. Nonrecourse. While Tenant retains an interest in the Premises, Landlord's sole recourse for collection or enforcement of any judgment as against Tenant shall be solely against the leasehold interest under this Lease and the improvements on the Premises and while Tenant retains an interest in the Premises, except as otherwise permitted by law, may not be enforced

against or collected out of any other assets of Tenant nor of its beneficiaries, joint venturers, owners, partners, shareholders, members or other related parties.

38. Counterparts. This Lease may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date and year first written above.

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

LANDLORD:

**CITY OF TEMPE**, a municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

By: \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**EXHIBIT A**  
**of Land and Improvements Lease**

Land

**EXHIBIT B**  
**of Land and Improvements Lease**

**WHEN RECORDED, RETURN TO:**

**MEMORANDUM OF LAND AND IMPROVEMENTS LEASE**

THIS MEMORANDUM OF LAND AND IMPROVEMENTS LEASE (“Memorandum”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 201\_\_, by and between the CITY OF TEMPE, an Arizona municipal corporation (“City”), and \_\_\_\_\_, a \_\_\_\_\_ (“Tenant”).

1. The City and Tenant have entered into that certain Land and Improvements Lease, dated \_\_\_\_\_, 201\_\_ (“Lease”), whereby the City leases to Tenant that real property and improvements more particularly described in Exhibit “A” attached hereto and by this reference incorporated herein (“Property”).
2. This Memorandum is being recorded to give constructive notice to all persons dealing with the Property that the City leases to Tenant the Property, and that the City and Tenant consider the Lease to be a binding agreement between the City and Tenant regarding the Property.
3. This Memorandum is not a complete summary of the Lease. The provisions of this Memorandum shall not be used in interpreting the Lease. In the event of any conflict between the terms and provisions of this Memorandum and the Lease, the terms and provisions of the Lease shall govern and control.
4. This Memorandum may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Memorandum has been executed as of the day and year first set forth above.

[insert signature blocks for Tenant]

STATE of            )  
                          ) ss.  
County of            )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_ 2016 by \_\_\_\_\_, \_\_\_\_\_ of CITY OF TEMPE, an Arizona municipal corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

STATE of            )  
                          ) ss.  
County of            )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_ by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

**EXHIBIT L**  
**Certificate of Completion**

When recorded, return to

City of Tempe  
31 East Fifth Street  
Tempe, Arizona 85281  
Attention: City Clerk

CERTIFICATE OF COMPLETION

In accordance with the terms of the Development and Disposition Agreement dated \_\_\_\_\_, 2013, by and between the CITY OF TEMPE (CITY) and \_\_\_\_\_, and recorded \_\_\_\_\_ at Recorders No. \_\_\_\_\_, this Certificate of Completion is issued for the building located on the following described parcel of land:

Construction of improvements were initiated on or about \_\_\_\_\_, and were completed on or about \_\_\_\_\_, as evidenced by the Letter of Compliance attached as Exhibit A.

Dated: \_\_\_\_\_.

Respectfully,

\_\_\_\_\_  
Community Development Manager  
City of Tempe, Arizona

STATE OF ARIZONA        )  
  ) ss.  
COUNTY OF MARICOPA    )

The foregoing Certificate of Completion, consisting of two (2) pages, was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_ the Community Development Manager of the City of Tempe, an Arizona municipal corporation, and that in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_