SPEEDIE AND ASSOCIATES

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REPORT ON PHASE I ENVIRONMENTAL SITE ASSESSMENT

DESIGNATION: Desert Ridge Marketplace

LOCATION: 21001 North Tatum Boulevard
Phoenix, Arizona

CLIENT: Vestar DRM-OPCO, LLC and
The Arizona State Land Department

PROJECT NO: 210762EB

DATE: September 16, 2022
AAI DATE: August 23, 2022

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REGISTERED GEOLOGIST
CERTIFICATE NO.
32166
TIMOTHY J.
RHEINSCHMIDT
Date Signed 9/16/2022
ARIZONA, U.S.A.
Expires 12/31/2024

1.0 INTRODUCTION

This report presents the results of a Phase I Environmental Site Assessment (ESA) conducted on the subject property identified as the Desert Ridge Marketplace located at 21001 North Tatum Boulevard in Phoenix, Arizona. The work was authorized by Mr. Edward J. Reading of Vestar DRM-OPCO, LLC and was performed in accordance with our Proposal No. 81875E dated August 16, 2022.

1.1 Purpose and Scope of Report

This ESA report is conducted in conformance with ASTM Standard Practice E 1527-13 (herein denoted ASTM 1527) dated November 2013 to reflect a commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601) and petroleum products. Per ASTM 1527, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the "landowner liability protections," or "LLPs"): that is, the practice that constitutes "all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial and customary practice" as defined at 42 U.S.C. §9601(35)(B).

In defining a standard of good commercial and customary practice for conducting an environmental site assessment of a parcel of property, the goal of the process established by this practice is to identify, to the extent feasible pursuant to ASTM 1527, *Recognized Environmental Conditions* (RECs) in connection with the Property. The term REC is defined as the presence or likely presence of any hazardous substances or petroleum products in, on, or at a Property due to any release to the environment under conditions indicative of a release to the environment under conditions that pose a material threat of a future release to the environment. A *de minimis* condition is defined as a condition that generally does not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. A *Controlled Recognized Environmental Condition* (CREC) is defined as a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. A *Historical Recognized Environmental Condition* (HREC) is defined as a past release of hazardous substances or petroleum products that has occurred in connection with the Property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the Property to any required controls (for example, Property use restrictions, activity and

use limitations, institutional controls, or engineering controls). *De minimis* conditions are not RECs or CRECs (ASTM).

The scope of work for the assessment is in accordance with our above noted proposal and ASTM 1527 and included the following:

- All services were performed by an environmental professional under the direction of a professional engineer and/or geologist registered in the state of Arizona.

- Interviews (in person, by telephone or in writing) were attempted with owners, occupants, key site managers, and local government officials, as reasonable, regarding RECs on the subject property.

- ASTM Federal and State Standard Environmental Record Sources as well as selected additional local Environmental Record Sources, were reviewed (when reasonably ascertainable and to limits equal to or exceeding the minimum ASTM search distances) regarding RECs on the subject property.

- Standard Historical Sources were reviewed as reasonably ascertainable to develop a history of the previous uses of the subject property and surrounding area in order to identify those uses, which may have led to RECs in connection with the subject property.

- A site reconnaissance of the subject property was conducted including a site visit to visually and physically observe the general physical site setting, as well as the site components and structures for current and past Property uses and conditions (so far as these uses and conditions are observable). Additionally, current and past uses of adjoining sites were identified to the extent that these uses were observable during the on-site visit.

- This final report was written to describe indications of RECs observed during this assessment, our professional opinion thereto, and any recommendations for further investigation, as needed.

The scope of work for our Phase I ESA is based on the items identified herein which follow the general requirements set forth in ASTM Practice E 1527 and the EPA Standards and Practices for All Appropriate Inquiry (AAI) Rule, 40 CFR 312. This scope does not address whether requirements in addition to all appropriate inquiries have been met in order to qualify for the LLPs. This scope of work also does not address requirements of any state or local laws or of any federal laws other than the all appropriate inquiries provisions of the LLPs. The scope of work does not include, unless otherwise stated/included herein, chemical

analyses of site soils, air or groundwater, or vapor intrusion. Further, the scope also does not include inquiry into other issues such as wetlands, regulatory compliance, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality unrelated to releases of hazardous substances or petroleum products into the environment, high voltage power lines, asbestos-containing building materials, radon, lead-based paint, lead in drinking water, biological agents, and mold (considered by the ASTM Standard to be Business Environmental Risks and outside the standard scope of the ASTM practice). It should also be noted that this list of non-scope considerations is not intended to be all-inclusive. Some substances may be present on a property in quantities and under conditions that may lead to contamination of the property or of nearby properties but are not included in CERCLA's definition of hazardous substances (42 U.S.C. §9601(14)) or do not otherwise present potential CERCLA liability.

A previous Phase I ESA was performed for the subject property by Speedie and Associates and documented in a report dated April 30, 2021 (Revised and Reissued May 18, 2021). Additional information and the findings of this report is discussed in *Section 3.0 Standard Historical Sources, Previous Environmental Site Assessments* below. This Phase I ESA report was performed in accordance with the 4.7.1 *Use of Prior Information* of the ASTM standards. The previous Phase I ESA report was reviewed and information from the report was relied upon for this report.

This report included the items listed in the *Shelf Life of AAI Documents*, which specifies that all appropriate inquiries must be conducted within a one-year period prior to the date a property is acquired. The Environmental Protection Agency (EPA) has defined the acquisition date to be the date on which the property title is transferred. To ensure full coverage under the AAI rule, a valid ESA report must be completed within a 12-month period prior to transfer of title. The AAI date included on the cover of this report indicates the earliest date that research was performed for the different components of this project.

According to the ASTM 1527 Standard, this report is valid for only 180 days from the AAI date and may be updated if the report is less than a year old.

1.2 Property Background

1.2.1 Property Location

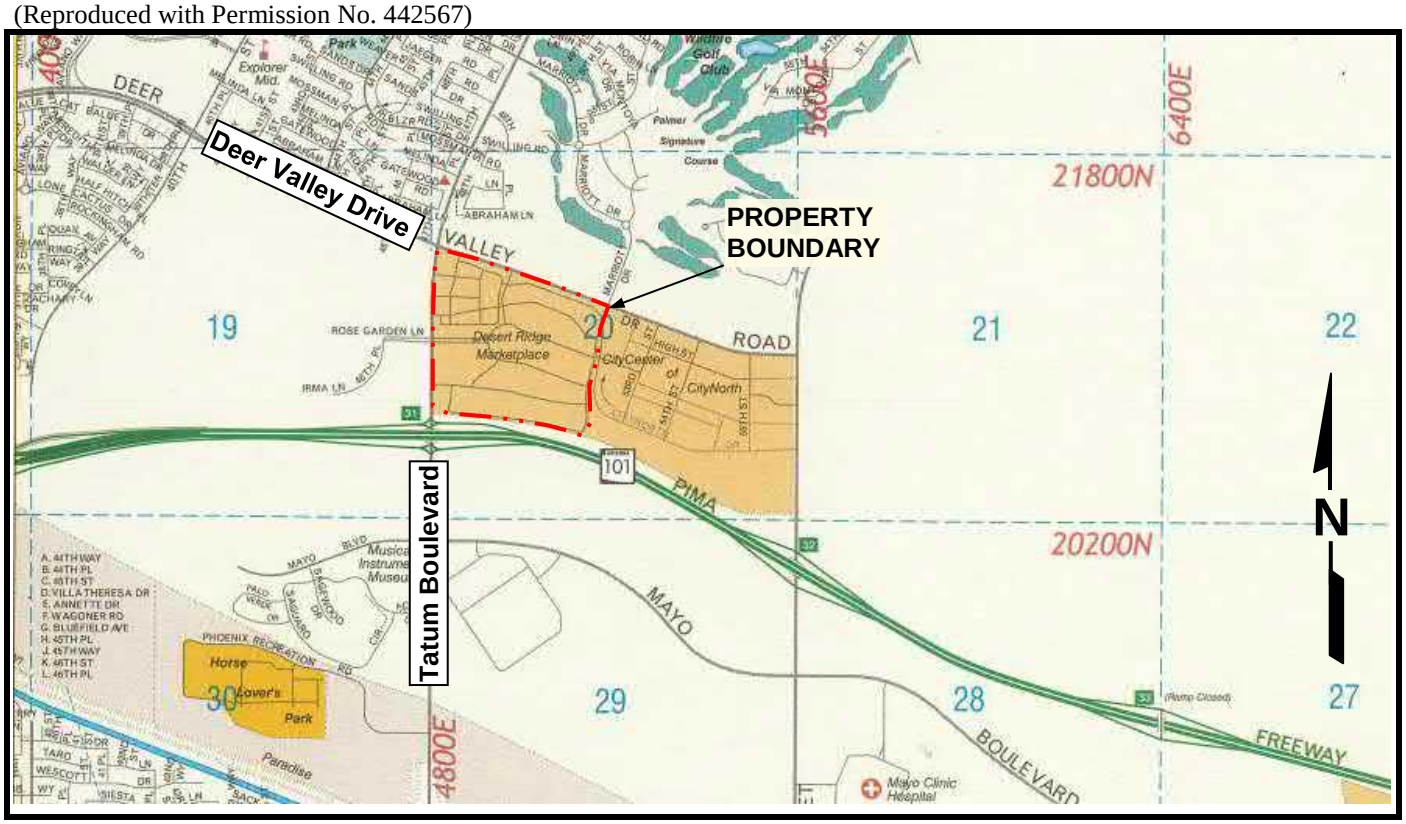
The subject property is situated in the western half of Section 20, Township 4 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona. The subject property was identified with a main physical address of 21001 North Tatum Boulevard in Phoenix, Arizona. The subject property was generally bound on the north by Deer Valley Drive, on the west by Tatum Boulevard, on the south by chain-link fencing, and on the east by chain-link fencing and City North Drive (See Figure 1.2.1.1).

1.2.2 Property Description

At the time of the site visit, the subject property consisted of approximately 115.23 acres of commercial land developed with the Desert Ridge shopping center. The shopping center consisted of multiple retail and commercial structures in varying sizes with some containing numerous individual suites. The subject property consisted of a grocery/drug store, a gas station/car wash, a pick-up/drop-off dry cleaner, retail shops, restaurants/bars, salons, a movie theatre, a bank, specialty shops, and associated paved parking. The subject property was accessed from Tatum Boulevard, which bordered the subject property to the west.

Figure 1.2.1.1 - Property Location

(Reproduced with Permission No. 442567)



2.0 PHYSICAL SETTING

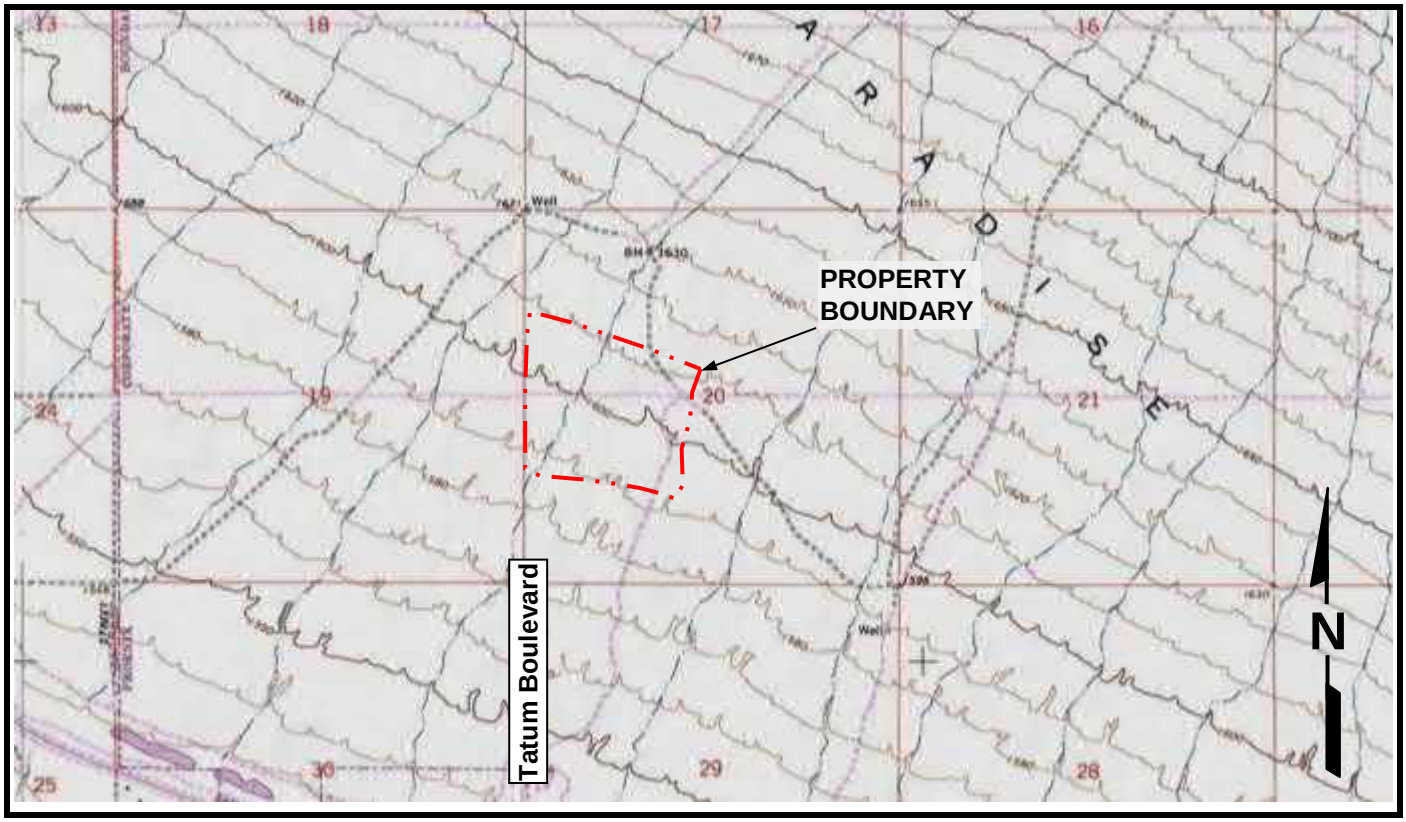
2.1 Topography

Approximate Property elevation: As depicted on the United States Geological Survey (USGS) 7.5 Minute Series Topographical Map (Figure 2.1.1), the Property elevation appears to be approximately 1,580 to 1,620 feet above mean sea level (USGS).

General down slope contour: Southwest (ibid.).

Flooding zone: Zone X: Areas of 0.2% annual chance flood (500-year flood); areas of 1% annual chance flood (100-year flood) with average depths of less than one (1) foot or with drainage areas less than one (1) square mile; and areas protected by levees from 1% annual chance flood (FEMA).

Figure 2.1.1 – Property Topography



2.2 Geology

Local soils: The soils for the subject property are classified as the Gilman loams with slopes that are zero (0) to three (3) percent. This deep, well-drained soil is found on flood plains and

alluvial fans. This soil type is characterized by moderate permeability, slow runoff, and slight erosion hazard (USDA).

Site specific conditions: Determination of site-specific geologic conditions was not within the scope of work for this phase of the study.

2.3 Regional Climatology, Surface Water Hydrology, and Hydrogeology

Average regional temperatures: 70-80°F to 100-110°F in July, 35-40°F to 65-70°F in January (Rascona).

Average regional precipitation: 7 to 9 inches per year (ibid.).

Average regional evaporation: 65 to 70 inches per year (ibid.).

Regional groundwater elevation: Regional groundwater maps developed by the Arizona Department of Water Resources (ADWR) revealed one (1) well located within a one-mile search distance of the subject property, with a groundwater elevation of 1,126 feet above mean sea level (377 feet below ground surface) and a southeasterly groundwater flow direction. However, groundwater flow resulting from local groundwater gradients may vary considerably in the area due to surface recharge, groundwater pumping and local subsurface geology (Rascona).

On-site water wells: ADWR Well Registry Reports were reviewed by Allands. No wells were identified in these reports with coordinates corresponding to the subject property (Allands). Further, no obvious visual indications of water wells were observed on the subject property at the time of the site visit.

Potable water source: City of Phoenix (Van Kleunen).

On-site surface water: Due to recent heavy rainfall, small pools of water were observed in low-lying areas throughout the subject property at the time of the site visit. Retention areas and dry wells were located along the western and southern boundaries of the subject property. Stormwater drains, catch basins and concrete spillways were observed throughout the parking areas of the subject property. The overall drainage of the subject property generally appeared to flow to the south and southwest. Concrete curbing and a canal appeared to prevent surface water from migrating partially across the boundaries of the subject property. However, it appeared that excess surface water could migrate across the western and northern boundaries via entrance/exit ways. Given that the surface area of the subject property was contiguous with the adjoining areas to the north, east, and west, on-site run-on may occur from up-gradient land and off-site discharges may occur to down-gradient land.

3.0 STANDARD HISTORICAL SOURCES

Standard Historical Sources were reviewed as necessary to develop a history of the previous uses of the Property and surrounding area in order to identify those uses that are likely to have led to RECs in connection with the subject property. These sources were reviewed in five (or less) year intervals in an attempt to identify all obvious uses of the subject property from the present until 1940 or until the Property's first developed use, whichever is earlier. Standard Historical Sources include Aerial Photographs, USGS 7.5 Minute Topographical Maps, Zoning/Land Use Records, Building Department Records, Local Street Directories, Fire Insurance Maps, Property Tax Files, Recorded Land Title Records, Previous Site Studies and Other Historical Sources. The specific sources used to identify the historical use of the subject property are described in the following sections. The earliest historical source reviewed during this assessment was an aerial photograph dated 1949. Historical research data was not reasonably ascertainable prior to 1949. Based on information gathered during this assessment, the subject property appeared to have been native desert land at that time.

3.1 Aerial Photographs

A review of selected aerial photography from 1949 to 2022 was conducted at Arizona State University (ASU); Google Earth's webpage (Google Earth); the Maricopa County Assessor's Office and Flood Control District web pages (Maricopa); National Environmental Title Research, LLC (NETR) and the City of Phoenix (Phoenix) to identify past uses and characteristics of the subject property, and to determine and evaluate the nature of previous activities existing on-site, on adjoining sites or within the adjacent area. A copy of a selected photograph is included in Figure 3.1.1.

Subject Property: In the 1949 aerial photograph, the subject property consisted of native desert land with natural washes. The subject property appeared unchanged between 1953 and 1976. In 1979, dirt trails were visible on the northern, central, and eastern sides of the subject property. No significant changes were visible on the subject property in the 1986 to 1993 aerial photographs. In 1996, the northern portion of the subject property had been graded and was vacant. The subject property appeared unchanged from 1997 to 1999. In 2000, the subject property had been graded and was vacant. By 2001, the subject property had been developed with most of the existing shopping center buildings and parking lots. In 2002 and 2003, additional structures were added to the southeast corner, northwest corner, and west central portions of the subject property. No significant changes were visible on the subject property in the 2004 to 2006 aerial photographs. In 2007 and 2008, two commercial buildings were added to the west central side of the subject property. The subject property appeared essentially the same in the 2009 to 2022 aerial photographs (ASU; Google Earth; Maricopa; NETR; Phoenix).

Adjacent Areas: In the 1949 aerial photograph, the adjacent areas consisted of native desert land with natural washes. No significant changes were visible on the adjacent areas in the 1953 and 1957 aerial photographs. In 1962, a dirt road was visible traversing the north and east adjoining properties. Except for additional dirt trails or dirt roads, the adjacent areas appeared unchanged in the 1964 to 1988 aerial photographs. In 1989, a paved road in the alignment of Tatum Boulevard bordered the subject property to the west. Another dirt road in the alignment of 56th Street was visible further to the east. Ponded water associated with new construction was visible on the east side of 56th Street. No significant changes were visible on the adjacent areas in the 1990 to 1994 aerial photographs. In 1995, another unpaved road in the alignment of Deer Valley Drive bordered the subject property to the north. The northwest adjoining property had been graded for new residential development. By 1997, residential homes had been developed on the northwest adjoining property and partially to the north. Additional residential homes and a golf course were under development further to the north and northeast. A strip of land to the south had been graded for construction of the Loop 101 Freeway. Construction activities associated with development of the Loop 101 Freeway were visible between 1998 and 2000. Additional residential homes with lakes or ponds had been developed to the northeast. Commercial development was also underway to the south of the freeway. In 2002, a hotel with tennis courts, parking, and a lazy river had been developed to the north. A school was being developed to the northwest. In 2004, new residential development was underway on the west adjoining property and further to the northwest. In 2006, apartment buildings were also being developed on the northeast adjoining property. By 2007, multiple apartment buildings and commercial buildings had been developed on the west adjoining property. New construction was underway to the east. Between 2008 and 2012, multiple commercial buildings, apartments, and additional residential homes had been developed to the east and northeast. A new residential subdivision had been developed further to the west. Additional commercial development was also visible to the southwest of the freeway. No significant changes were visible on the adjacent areas in the 2013 to 2016 aerial photographs. In 2017 and 2018, additional commercial development continued to the west along the north side of the freeway. In the 2020 aerial photograph, the east adjoining property was graded. The adjacent areas appeared essentially the same in the 2021 and 2022 aerial photographs (ASU; Google Earth; Maricopa; NETR; Phoenix).

Figure 3.1.1 - 2022 Aerial Photograph

3.2 Fire Insurance Maps

Fire insurance maps that show uses of properties at specified dates are produced by private fire insurance companies. The Sanborn Fire Insurance Maps available at the Arizona State Capital were reviewed by Allands. The subject property is not located within the boundaries of the Sanborn maps available at the Arizona State Capital (Allands).

3.3 Property Tax Files

Property tax files identify past owners of a Property and may contain appraisals, maps, sketches, photographs and other information concerning a Property. Property tax files accompanying the Allands report identified the tax parcel number for the subject property as 212-32-100C. The parcel was identified with a main physical address of 21001 North Tatum Boulevard. No improvements were indicated in the subject property tax files. The Property's assessed site use was listed as "State Property" (Allands; Maricopa).

3.4 Recorded Land Title Records

Recorded land title records are various documents regarding past use of a Property such as fee ownership, leases, land contracts, easements, liens, activity use limitations, and other relevant documents that are potentially descriptive of former site use. As part of this assessment, Allands reviewed appropriate public records in an effort to identify activity and use limitations recorded against the Property's legal description. The activity and use limitations researched included environmental permits, Brownfields and/or Voluntary Cleanup Programs, Federal, State, and Tribal Institutional/Engineering control registries, Voluntary Environmental Mitigation Use Restrictions (VEMURs), Declaration of Environmental Use Restriction (DEURs), and/or Environmental Liens. The documents reviewed identified no apparent indications of the above activity and use limitations for the subject property (Allands).

3.5 USGS Topographic Maps

Topographic maps may identify structures, roads and general use of a Property for the year determined by the date of the map. The USGS 7.5-minute topographic map containing the subject property, *Curry's Corner, Arizona*, was reviewed. The topographic map was dated 1964 and photorevised in 1982. A natural wash extended in a northeast to southwest direction across the western portion of the subject property in the 1964 topographic map. A dirt road traversed the eastern portion of the subject property in the 1982 photorevised version of the topographic map. No other features were depicted on the subject property on the topographic maps reviewed (USGS).

3.6 Local Street Directories

City street directories can provide ownership information and/or use of a property as referenced by a street address, once identified. Selected city directories were reviewed for tenants assigned to the address for the subject property in approximate five-year intervals from 1940 to 2022. The results of this review are summarized in Table 3.6.1 (Cole; Mullin-Kille; Polk).

Table 3.6.1 Local Street Directory Listings for 21001 North Tatum Boulevard

Tenant/Occupant	Period of Occupancy
Address Not Listed	1940-2000
Aaron Brothers Art & Framing; Aeropostale #607; Albertsons (76); Albertsons Osco; American Eagle Outfitters (46); Anchor Blue (461500); Back Stores of Phoenix Inc.; Bahama Breeze; Banfield The Pet Hospital; Bank of America (16-1010); Barbeques Galore Inc.; Barnes and Noble Booksellers; Bath & Body Works; Bikes Direct; Blockbuster Video (16-1000); Anna Bonachea; Brinker Restaurant Corp. (78-163); California Pizza Kitchen; Claires (40-1370); Clearburst Wireless; Cold Stone Creamery; Compass Bank; Connelly Billiards (8); Consulting LLC; Cool Crabs; Cotter Dusty DVM; Cycle Spectrum (1630307); Deal ME (46); Desert Ridge Cleaners; Desert Ridge Market Place (78); Jeanne B. Doucett (152); Palmer L. Doucett	2005

Table 3.6.1 Local Street Directory Listings for 21001 North Tatum Boulevard	
Tenant/Occupant	**Period of Occupancy**
(152); Dream Homes 4U LLC; DSW Shoe Warehouse Inc. (78); Einstein Bagel Corp. (80-1650); Famous Footwear (62); Elizabeth Farnlof; Fashion Nails & Spa; Fat Tuesday at Desert Ridge; Fatburger; Fridays; Genesco Inc. (1630-202); Godfrey Enterprises; Greatland Target (76-163); Grilled Expeditions (34-1110); Hat World Inc. (1440); Holdings LLC; Hot Topic; Hound Dogs (78-1630); Industrial (1430); International Golf; Islands; Jillians of Phoenix; Jo Ann Stores Inc.; Journeys; Keg Steakhouse & Bar; Keva Juice (18-1070); Kirklands #366; Kohls; Kohls Department Store (54); La Francia Handbags & Accessory (5); Lady of America Desert Ridge Market (18-103); Lane Bryant Inc.; Learning Express; Malees at Desert Ridge; Marshalls Mega (DD); Mary Martocci; Robert E. Martocci; Mimis Café; Motherhood; Motherhood Maternity/5985 (1630-151); MTS Inc.; Mureeza Beauty Salon; Nationwide Vision Center; Noahs Ark at Home; Noodles at Desert Ridge; Officemax (38-133); Officemax Inside Office Max; Old Navy (24); Omaha Steaks; On the Border Mexican Grill and Cantina; Once A Week Geek Inc.; One80 (A); Andrea Orozco; Manuel A Orozco (1630-179); Osco Drug Pharmacy #9339; Oxygen Experience; Pacific Sunwear of California; Panda Express; Payless Shoesource; Payless Shoesource #5086; Petsmart; Audrey B. Piper; Timothy S. Piper; PV Alteration (82); Ramsey & Assoc. Hr Consulting LLC; Relax the Back Store; Rock Bottom Restaurant & Brewery; Romanos Macaroni Grill (78-16303); Ross Dress For Less; Ross Stores Inc. Store 543; Salute Restaurante Italiano; Michela Scarlata; Scorch Bar; Scorch LLC; (66); Shopmainstreeteonline LLC (78-1630); Sleep America (18-1060); Sounds Like Music Inc. (12-131); Spirit Halloween Superstore; Spirit Halloween Superstore #6584; Starbucks Coffee (10); Stetson Electric LLC (1630); Stetson Electric LLC; Supercuts; Target Optical (1630-23); Target Optical Shop #4238; Target Pharmacy #1360; Target Stores; The Maytag Store; Tower Records Video Books (20); Ulta; Ultimate Electronics (72); UPS Store; Verizon Wireless (1630); Olga V Vybornova; World Noodles; XI Clothing (1630-481); XI Fashion Inc.; 100 Percent UV; 100 Uv (46-1420); 2627 S. 21st Street LLC (1630)	
007 Towing; 123 Cheap Locksmith & Car Lock Out; 1st AA 24 Hour Emergency Locksmith; Aaron Brothers (60); Aeropostale; Affordable Life (36-1250); American Eagle Outfitters; Anderson Emergency Locksmith; Annas Linens (1480); As You Wish Pottery; Auto Locks & Locksmith; Banfield The Pet Hospital (48-1530); Bank of America; Barbeques Galore (90); Barnes & Noble (42); Bath & Body Works; Bath Junkie Desert Ridge; Bbva Compass (70); Bikes Direct (18-1040); BJS Restaurants (92); Blockbuster (78-1640); Buehler Brian DDS (1690); California Pizza Kitchen; Carters Childwear (40-1370); Claires (1450); Cold Stone Creamery At Desert Ridge (36-1180); CVS Pharmacy; Dannys Family Car Wash (82); Dave & Busters Jillians Restaurant (1400); Lori Dawson; Desert Ridge Cleaners (1630-2); Desert Ridge Market Place Security; Desertcenter Security and Maintenance (1690); Nancy K. Diner; Dressbarn (1630-6); DSW (28); Einstein Bros Bagels; Every Kids Dentist (1650); Famous Footwear (62); Fashion Nails & Spa; Fatburger; Gamestop; Carol Gararo (1610); Hall of Frames; Hallmark Creations (1590); Hat World (1440); HiHealth (18-1020); Hollister; Homegoods (36-1280); Hot Topic (1460); Industrial Rideshop (1430); Islands Fine Burgers & Drinks Restaurant (36-1280); Jillians; JoAnn Fabrics & Crafts (1400); Journeys; Just Sports (36-1270); Keg Steakhouse & Bar (2); Keva Juice (34-1150); Kirklands (54); Kohls (30); Lane Bryant (5); Learning Express; Kelly Leeper; Locksmith Emergency Local (36-1240); Carolyn L Mathews (1630-4); Hilary McNicholas Meatballz (163047); Mimis Café (88); Mureeza Beauty Salon; Mureeza Day Spa; No Fear Desert Ridge; Officemax (1580); Old Navy (68); Omaha Steaks; On The Border (1000A); One The Border; The One Barbershop (98); Osco Drug (82); Pacsun; Paddock Pool Construction (36-1290); Panda Express (34-1120); Paradise Bakery Inc; Paradise Jewelry; Party City; Paul Randall COD (48-1520); Pearle Vision (18-1030); Petsmart (22) Pier 1 Imports; Porci Trading (52); Real Smiles Dental Implants (80-1700); Relax The Back (16-1010); Rock Bottom Restaurant And Brewery (38-1350); Rocky Mountain Chocolate Factory (36-1230); Romanos Macaroni Grill; Ross Dress For Less; Vance Ryan; Ryan Vance OD (4); San Felipes Cantina; Sandbar Mexican Grill Desert Ridge (48-1540); Scrubs And Beyond; Mako Segawa (18-1050); Sleep America (18-1060); Slices (36-1200); Jeffrey L Sobel; Southwest Billiards Llc (78-1630); Starbucks Coffee (36-1190); Stetson Electric; Subdiamond Llc; Suit Up (1630609); Sunglass Hunt; Supercuts (36-1220); Sweet Tomatoes; T Mobile Desert Ridge (94); Target (20); TGI Fridays (6); The Childrens Place; The Play Factory (38-1330); The Ups Store; Three Pigs Bbq LLC (1630); Total Wine & More; Tower Records Video Books (12); Ulta (72); Ultimate Electronics; Under Armour Desert Ridge; US Diversified Services (26) Vestar	2010

Table 3.6.1 Local Street Directory Listings for 21001 North Tatum Boulevard	
Tenant/Occupant	**Period of Occupancy**
Development; Viking Sewing Gallery (1515); Wet Seal (36-1260); K C Wise; Wolfleys Neighborhood Grill; XI Fashion Inc.; Yard House Restaurant (1)	
Affordable Life; Albertsons (76); Alex Shariflan DDS; All Mobile Matters (80-1690); AMC Desert Ridge 18; Annas Linens (32); Arizona Duplicator And Computer Supply (1630); As You Wish Pottery (48-1530); At Home Fitness (18-1090); Bank Of America; Barbeques Galore (90); Barnes & Noble (42); Bath & Body Works (70); BJS Restaurant & Brewhouse (92); Brian Buehler DDS; Café Zupas (80-1690); California Pizza Kitchen; Carters (40-1370); Charming Charlie Phoenix (44-1390); Claires (1450); Cold Stone Creamery (36-1180); Crazy 8 (46-1470); CVS Pharmacy; The Daily Method; Dannys Family Car Wash (82); Darin Reagan DDS (80-1690); Dave & Busters (44-1400); Cosme Delacruz; Desert Mountain Group Inc.; Desert Ridge Cleaners (163028); Desert Ridge Market Place Security; Desertcenter Security And Maintenance; DMG Capital Partners LP (80-1690); Jeanne B. Doucett; Palmer L. Doucett II (152); Dressbarn; DSW Designer Shoe Warehouse (64); Einstein Bros Bagels (80-1650); Event Concierge (1630-477); Every Kids Dentist & Orthodontics (80-1700); Famous Footwear (60); Fashion Nails And Spa; Fast Wireless (78-1610); Hal B Feinberg; Stacy C Feinberg; Focus World Inc; Gamestop; Garbanzo Mediterranean Grill (1630-2); Gebhart Paul DDS (80-1690); Felipe B Guerrero; Sherri Lee Guerrero (16302); Hall Of Frames (74-1590); Hallmark (74-1560); Hat World (46-1440); HiHealth; Hollister (18-1020); Homegoods (56); Hot Topic (46-1460); Industrial Rideshop; In-N-Out Burger (46-1430) Islands; Itsugar Desert Ridge; Jimmy Johns Gourmet Sandwich Shop; JoAnn Fabrics & Crafts (36-1160); Journeys; Just Sports (36-1270); Keg Steakhouse & Bar (2); Kirklands (54); Kohls; Lane Bryant @ Desert Ridge Marketplace (30); Marketplace Smiles Dentistry And Orthodontics (80-1690); MarshallsMega (56); Carolyn M Mathews; McFaddens Saloon; Metro Capital Partners LP (1630-4); Mimis Café (88); Mureeza Salon & Spa; Nationwide Vision Phoenix AZ Office; Nori; Officemax (74-1580); Old Navy (68); Omaha Steaks; On Air Sports (1000A); On The Border; The One Barbershop (98); Osco Drug (82); Panda Express (34-1120); Paradise Jewelry (48-1520); Paul Randall COD (18-1030); Pearle Vision; Pet Club (18-1030); Petsmart (22); Pier 1 Imports (52); Rocky Mountain Chocolate Factory (36-1230); Romanos Macaroni Grill (4); Ross Dress For Less (66); Jean Salem; Sandbar Mexican Grill; Bacon Sandwich (1630-6); Scrubs And Beyond (18-1080); Sleep America (18-1060); Slices; Smashburger (36-1200); Souplantation & Sweet Tomatoes (94); Sports Authority (26); Sprint Store By Fast Wireless (38-1326); Starbucks Coffee (36-1190); Ronald L Stone; Subdiamond LLC (16304); Sunglass Hut; Supercuts (36-1220); Target; Target Pharmacy; Tatum Locks (20); The Childrens Place; The Play Factory (38-1330); The UPS Store (1630); Tillys (62) TMobile Phoenix; Torrid (80-1680); Total Wine & More; Tower Records Video Books (12); Ulta (72); UPS Store 4350 (1630); Vestar Development; Vestar Estar DRM Opco LLC (46-1515); Viking (50); Wet Seal (36-1260); Susan Lee Willcutt; Wolfleys Neighborhood Grill; XI Fashion Inc. (217); Yard House Phoenix (48-1550)	2015
Aaron Brothers (60); Albertsons LLC (76); AMC Desert Ridge 18 (32); American Eagle Outfitters (46-1480); Annas Linen (18-1070); BJs Restaurant (92); Banfield The Pet Hospital (1630); Barbeques Galore (10); Barnes & Noble Booksellers (42); Bath & Body Works; Brinker Restaurant Corp (1630); California Pizza Kitchen (40-1360); Carters (40-1360); Childrens Place (38-1330); Cold Stone Creamery (36-1180); Compass Bank (76); Dress Barn Inc. (64); Event Concierge (1630); Famous Footwear (62); Fashion Nails & Spa (78-1610); Hall of Frames (4); Hallmark Creations (74-1560); Home Theater Store (36-1310); Hot Topic Inc. (46-1460); Industrial Ride Shop LLC (1630); Islands Restaurant (36-1160); Journeys (36-1270); Keg Steakhouse & Bar (2); Kirklands (54); Lane Bryant (58); Lids (46-1440); Marshalls (56); Massage Envy (29); Mimis Café (88); Mureeza Beauty Salon (74-1580); Nationwide Vision Center (74-1570); New Albertsons Inc. (82); No Fear Desert Ridge (36-1210); Office Max (24); Old Navy (68); Osco Drug Pharmacy 9338 (82); Pacific Dental Service (80-1690); Pacific Sunwear Inc. (36-1300); Panda Express (34-1120); Paradise Bakery Inc. (48-1520); Petsmart (22); Pier 1 Imports Inc. (52); Port Of Subs (78-1600); Reliable Protein Products (1630); Romanos Macaroni Grill (4); Ross Stores Inc. (66); Scrubs & Beyond (18-1080); Securaglobe Solutions (1630); Smoothie King (78-1600); Starbucks (36-1190); Sunglass Hut (36-1220); Supercuts (80-1670); Target (20); UPS Store (1630); Vestar Development Co; Vestar Properties Inc. (46-1515); Viking Sewing Gallery (50); Wet Seal Inc. (36-1260); XI Fashion Inc. (46-1410); Yard House Restaurants (48-1550)	2020

Table 3.6.1 Local Street Directory Listings for 21001 North Tatum Boulevard	
Tenant/Occupant	**Period of Occupancy**
Multi-Unit Address. Amazing Lash Studio, Apoch Inc., Bob's Discount Furniture, Café Zupas, CB Live, Crystal Clear Pool-Spa, District Stage At Desert Ridge, DSW Designer Shoe Warehouse, Briana Fisher, Five Below, Genesco Inc., HSM, Medici The Neapolitan Pizza Co., Mission Grove Church, Paris Gourmet, Sandbar Mexican Grill, Style By Design LLC, Tikka Shack, Tilly's, Torrid, Vestar-DM-Opco LLC, Victoria Secret, Viking Sewing Gallery, Whining Pig-Tatum, Keg Steakhouse & Bar (2), Thirsty Lion Gastropub & Grill (10), Barbeques Gallore (10), Omaha Steaks Store (10), Total Wine & More Wine Retail (12), Flower Child (16), Family First Vision Care AZ (18), Ear Piercing By Rowan (20), Froehlich Cydney Caye Od. (20), Starbucks (20), Target Optical (20), Target Stores (20), Banfield Pet Hospital (22), Petsmart (22), Massage Envy (29), Kohl's Department Store (30), AMC Dine-In Desert Ridge 18 (32), Desert Ridge Cleaners (32), Barnes & Noble (42), Home Goods (56), Marshalls-Mega (56), Famous Footwear (60), Ross Dress For Less (66), Old Navy (68), Bath & Body Works (70), Ulta Beauty (72), Albertson's (76), Albertson's Osco Pharmacy (82), CVS Pharmacy (82), UPS Access Point Location (82), Jacksons (84), Mimi's Café (88), Bank of America (90), BJ's Restaurant & Brewhouse (92), Comicx Restaurant Bar & Store (95), Majerle's Sports Grill (96), Comicx (102), Hall of Fame (1590), Blackhawk Property Management & Real Estate (1630), Kari Lee Brown, MD (1630), C NF Realty Partners LLC (1630), Copper Valley Painting LLC (1630), Craig's Pool Care Inc. (1630), Kari Lee Edling, M.D. (1630), Event Concierge (1630), Graham Tate Insurance (1630), Latitude 8 (1630), Latitude 8 Vac Rentals LLC (1630), Priority Appraisal LLC (1630), Pro Irrigation Svc (1630), Promergers LLC (1630), Reliable Protein Products (1630), Speech America Learning Assoc. (1630), UPS Store (1630), Breakfast Kitchen Bar (18101), BKBDR LLC (16-10), Verizon Wireless (16-10), Beauty District Salon Suites (18-10), Cynthia Boggs Skin Care Salon (18-10), EYE Q Vision LLC (18-10), Joint Chiropractic (18-10), Layered Locks LLC (18-10), Nekter Juice Bar (18-10), Pearle Vision (18-10), Scrubs & Beyond (18-10), Chipotle Mexican Grill (18-11), Jimmy John's (34-11), Panda Express (34-11), Cold Stone Creamery (36-11), Desertcenter Security-Mai Ntnc (36-11), Islands Restaurant (36-11), It'sugar (36-11), Starbucks (36-11), Journeys (36-12), Sharetea (36-12), Sizzle Korean BBQ (36-12), Slices (36-12), Pacsun (36-13), Game Stop (38-13), Kay Jewelers (38-13), CPK-California Pizza Kitchen (40-13), Dave & Buster's (44-14), American Eagle Outfitters (46-14), Claire's (46-14), Hot Topic (46-14), Xi Clothing Co. (46-14), Desert Ridge Marketplace (46-15), Just Sports (46-15), Vestar Development (46-15), Vestar Properties Inc. (46-15), As You Wish Pottery (48-15), Speedy Cash (48-15), Tikka Shack Indian Grub (48-15), Yard House (48-15), Kumon Math-Reading Ctr-Phoenix (74-15), Nationwide Vision (74-15), Rapid Iphone Repair (74-15), DR Medical Group LLC (78-16), Port of Subs (78-16), Smoothie King (78-16), Star of India Fashions (78-16), Einstein Bros Bagels (80-16), Marketplace Smiles Dentistry (80-16), Pacific Dental Svc (80-16), Supercuts (80-16), T-Mobile (80-16), AJR Public Adjusters (1630), Arizona Duplicator (1630), Bimini Platinum Care LLC (1630), Dupi Pack (1630), Enea Software & Svc Inc. (1630), Global Staffing Group (1630), Mineral Valuation Specialists (1630), Xpleo Media (1630), and private individuals	2022

Note: Numbers in parenthesis indicate the suite number in the building.

3.7 Building Department Records

Building department records are those records associated with the construction, alteration, or demolition of improvements on a property. These records are available at the City of Phoenix Planning and Development Department Records Section, and are sorted by address. A large volume of records were found for the address associated with the subject property. These records generally included permits for tenant improvements, temporary certificates of occupancy, electrical, plumbing, mechanical, fire flow tests, new fire hydrants, water services shutdowns, elevators inspections, sprinklers, and signage. Due to the volume of records found, only those records that provided additional historical information or that were determined to be a potential environmental concern are shown in Table 3.7.1 below (Phoenix).

Table 3.7.1 Building Permit Records Results for 21001 North Tatum Boulevard

Date	Type of Permit	Description
04/30/01	Permit	Permit to operate flammable and combustible liquids for fleet fueling (Vestar Development)
08/22/01	Building Permit	Installation of a new 3,200 gallon grease interceptor for a future Malee's Restaurant (Vestar Development)
10/17/01	Building Permit	New self-serve carwash with CMU walls and wood framing roof for Danny's Market-Carwash (Vestar Development)
11/21/01	Building Permit	Install vaulted fuel system. Vaulted tank installation for flammable/combustible liquid (Vestar Development)
12/11/01	Building Permit	Install liquid propane gas exchange program for Albertsons, Osco Drug, and BBQ Galore (Vestar Development)
01/03/02	Permit	Two-stop passenger hydraulic elevator for AMC Theatres, and Dave & Busters (Arizona State Land Department)
01/09/02	Permit	Underground vault protection with foam heads for 15,000 gallon tanks (Vestar Development)
01/14/02	Building Permit	Commercial build-out of existing shell building for Desert Ridge Dry Cleaners. No on-site cleaning, pick-up/drop-off only (Vestar Development)
01/23/02	Building Permit	Install automatic sprinkler system for Dry Cleaners at Desert Ridge (Vestar Development)
03/13/02	Permit	Install underground fireline for sprinklers in building. A separate permit required for tank vault fire protection and underground pipe for FDC's (Vestar Development)
03/26/02	Building Permit	Auto sprinkler installation, 5,000 s.f. for Danny Gourmet Market (Vestar Development)
04/04/02	Sign Permit	Shell logo for Danny's Gourmet Market
04/10/02	Building Permit	Fire alarm modifications for Danny's Gourmet Market (Vestar Development)
06/17/02	Permit	Two-stop passenger hydraulic elevator for Dave & Busters and Scorch Bar (Vestar Development)
09/20/02	Building Permit	Install 500 gallon above-ground liquid propane gas tank (Vestar Development)
01/29/03	Permit	Two-stop passenger traction elevator for Desert Ridge Marketplace
09/29/03	Permit	Two-stop passenger hydraulic elevator for Kohl's (Arizona State Land Department)
10/13/03	Permit	Two-stop passenger hydraulic elevator for Comicx Restaurant (Vestar Development)
12/05/03	Permit	Permit to store, handle, dispense or use flammable and combustible liquids, hazardous materials, and aerosol products for Target (Arizona State Land Department)
03/10/05	Building Permit	New electrical service and transformer (Arizona State Land Department)
02/10/06	Building Permit	Fountain Splash Pad remodel (Arizona State Land Department)
04/26/06	Building Permit	Replacement of existing sewer line from grease interceptor to the mall sewer for Bahama Breeze (Arizona State Land Department)
01/23/07	Building Permit	Remodel, remove and replace checkout and photo lab for CVS Pharmacy (Vestar Development)
03/09/07	Building Permit	Tenant remodel to a showroom of merchandise and minor pool chemicals for Paddock Pools (NPPI LLC LSE #03-105541-99)
06/18/07	Building Permit	Installation of a grease trap for Einstein Bagels (NPPI LLC LSE #03-105541-99)
02/05/09	Permit	Permit to store, handle or use flammable and combustible liquids for CVS Pharmacy (CVS Pharmacy)

Table 3.7.1 Building Permit Records Results for 21001 North Tatum Boulevard

Date	Type of Permit	Description
12/09/09	Permit/Complaint	A complaint was made regarding no permits for liquid propane gas exchange and does not appear secure, compressed gas bottles not secured in storage room at Danny's Gourmet Market & Chevron. The liquid propane gas cabinet was installed without benefit of plans review or permit and was removed, largely due to operator's failure to pay. Case was closed.
11/08/12	Commercial Inspection	It was reported that a kitchen remodel was taking place without proper building permit for Danny's Car Wash (NPPI LLC LSE #03-105541-99)
01/24/14	Building Permit	Install new 20/50 gallon grease interceptor for Paradise Bakery (NPPI LLC LSE #03-105541-99)
10/15/14	Building Permit	Install a 190-gallon above-ground diesel fuel sub-based generator tank
03/16/15	Building Permit	Modification of liquid propane gas exchange program from 12 count to 18 count
07/14/15	Building Permit	Interior remodel of photo lab - Suite #82 (NPPI LLC LSE #03-105541-99)
03/11/16	Building Permit	Return to service Building E elevator at old Scorch Bar location (NPPI LLC LSE #03-105541-99)
03/22/16	Building Permit	Installation of a 1,000-gallon grease interceptor for new Chipotle Restaurant (NPPI LLC LSE #03-105541-99)
05/11/16	Building Permit	Install one (1) 210-gallon diesel generator tank located outside (NPPI LLC LSE #03-105541-99)
01/05/18	Building Permit	Electric work – remove and replace eight (8) fuel dispensers with new Gilbarco Encore including new hanging hardware for Jackson Food Store (NPPI LLC LSE #03-105541-99)
06/01/18	Building Permit	Installation of carbon dioxide gas system and detection at Jacksons. Carbon dioxide shall not be introduced into the storage tank or piping system until it has been inspected and approved by the Planning and Development Department (NPPI LLC LSE #03-105541-99)
01/09/19	Building Permit	Return hydraulic passenger elevator to service for Desert Ridge Marketplace EQ 4075 (NPPI LLC LSE #03-105541-99)
09/08/20	Permit	General Inspection – customer needs to add some keys to their knox box located at Jacksons (NPPI LLC LSE #03-105541-99)
10/04/21	Permit	Commercial remodel – 3 shell suites
10/15/21	Permit	Commercial remodel – Soup Des Jour (tenant improvement of existing suite)
08/26/21	Permit	Demo Permit – partial interior demolition of Suite 1006 in preparation of a remodel
12/07/21	Permit	Commercial remodel (Barber Shop – Suite 16)
04/04/22	Permit	Tenant improvements – Artichoke Basille's Pizza (Bar/kitchen, dining room, restroom, exterior dining)
01/04/22	Permit	Fire alarm modification – Lens Crafters
01/21/22	Permit	Replacement of 1 split system air conditioner.
01/26/22	Permits	Interior demolition non-structural – demo permit Unit 48-1540, FP Medical Facility Permit (Desert Ridge Pain Facility – Suite 78-1640)
02/01/22	Permit	Fireline shutdown at Desert Ridge Marketplace (water services shutdown).
02/10/22	Permit	FP Special Hazards – CVS Caremark – high pile storage
02/17/22	Permit	Commercial remodel – Fly Bye Restaurant
03/15/22	Permit	Commercial miscellaneous – Nike – Add 3 split units and duct
03/18/22	Permit	Commercial miscellaneous - Dish wireless adding antennas

Table 3.7.1 Building Permit Records Results for 21001 North Tatum Boulevard		
Date	**Type of Permit**	**Description**
03/28/22	Permit	Landlord improvements – demo building 24
04/08/22	Permit	Automatic hood/system installation – Sid's Garage, Building 48, Suite 1540
07/01/22	Permit	Commercial remodel – Nordstrom Rack
06/20/22	Permit	Demo permit – Interior of Suite LL2
08/08/22	Permit	Commercial remodel – Building LL, Suite 2, Arizona Strants tenant improvements

3.8 Zoning/Land Use Records

Zoning/land use records show the uses allowed by the local government in the area encompassing a property. Mr. Jordan Robinson, with the City of Phoenix Planning and Development Department Zoning Section, was contacted regarding zoning for the subject property. Mr. Robinson reported that the subject property is currently zoned C-2, which was defined as Intermediate Commercial with a Desert Ridge Specific Plan Overlay and an Outer Loop Freeway Specific Plan Overlay. No historical zoning information was provided. The subject property was reportedly annexed by the City of Phoenix on June 27, 1978 (Phoenix).

3.9 Other Historical Sources

Other historical sources may be reviewed in addition to the previously identified Standard Historical Sources to identify past uses of the subject property. Other historical sources include, but are not limited to: miscellaneous maps, newspaper archives, internet sites, community organizations, local libraries, historical societies, current owners or occupants of neighboring properties, or records in the files and/or personal knowledge of the Property owner and/or occupants. No other historical sources were reviewed as part of the current Phase I ESA.

3.10 Previous Environmental Site Assessments

Previous environmental assessments are obtained, when possible, and reviewed for indications of previously identified RECs that may have existed on or near the Property. The following previous Phase I ESAs were performed for the subject property.

A previous *Report of Phase I ESA, Desert Ridge Marketplace, SEC of Tatum Boulevard and Deer Valley Road, Phoenix, Arizona* dated November 30, 1999 was performed by Speedie and Associates. The site consisted of vacant desert land with natural desert washes, a jeep trail, and a large fill pile near the northwest corner of the site. The previous assessment revealed no evidence of RECs in connection with the Property (Speedie, 1999).

A previous *Phase I ESA, Desert Ridge Marketplace, 21001 North Tatum Boulevard, Phoenix, Maricopa County, Arizona* dated February 23, 2016 was performed by Terracon Consultants, Inc. The previous assessment was performed for the Desert Ridge Marketplace that was occupied by various retail/commercial tenants, restaurants, a dry-cleaning drop-off service, and a car wash with fueling station. The previous assessment indicated that the shopping center contained six elevators, three (3) vaulted USTs, stormwater drainage areas, dry wells, grease traps, gas pipeline markers, interior floor drains, pad-mounted transformers, dumpsters/compactors, and decorative fountains. Desert Ridge Cleaners was located on-site but was a drop-off facility and no dry cleaning was performed on-site. The Terracon report indicated that RECs or CRECs were not identified in connection with the site. No additional investigation was warranted (Terracon, 2016).

A previous *Report on Phase I ESA, Desert Ridge Marketplace, 21001 North Tatum Boulevard, Phoenix, Arizona* dated April 30, 2021 (Revised & Reissued May 18, 2021) was performed by Speedie and Associates. The previous assessment was performed for the same 115.23 acres of commercial land occupied by the Desert Ridge shopping center as the subject property. The shopping center was occupied by a grocery/drug store, a gas station/car wash, a pick-up/drop off dry cleaner, retail shops, restaurants/bars, salons, a movie theater, a bank, specialty shops, and paved parking. The previous assessment report indicated that the underground storage tanks (USTs) located at the gas station were located within a subterranean vault. The previous report identified no evidence of RECs, CRECs, or HRECs in connection with the subject property. *De minimis* hydraulic oil staining was observed beneath the trash compactors outside the buildings and beneath the elevator equipment inside some of the buildings. Speedie and Associates recommended that the landscape debris and wind-blown trash be removed from the settling chambers in the dry wells (Speedie, 2021).

3.11 Historical Data Gaps

The standard historical sources were reviewed as part of this Phase I ESA and none of these sources were excluded from this assessment. The earliest reasonably ascertainable historical source reviewed during this assessment was an aerial photograph dated 1949. Based on the historical information gathered during this assessment, the subject property appeared to have been native desert land at that time. While historical information prior to 1949 was not reasonably ascertainable, based on the location of the subject property as well as the growth and use patterns in the Property area, it is Speedie and Associates opinion that the subject property was likely native desert land prior to 1949 and there are no significant data gaps associated with the historical use of the subject property.

4.0 INTERVIEWS

Interviews were attempted with users, owners, occupants, key site managers, and local government officials as necessary, regarding RECs for the subject property. These interviews were attempted in person, by telephone, or by a written questionnaire.

4.1 Occupants, Owners, User and Key Site Manager

As part of Speedie and Associates' Phase I ESA procedures, a questionnaire is provided to the client, owner, and key site manager, as necessary to obtain historical and current data about the subject property prior to the site visit. However, due to the typical brisk period between project initiation and the site visit, it is unusual for all three (3) contacts to have been made prior to the site visit. Mr. Jack Van Kleunen with Vestar DRM-OPCO, LLC, the client and User, indicated that there no significant changes and resubmitted the questionnaire he previously completed and dated April 5, 2021 on August 23, 2022. He reported that the subject property is currently used for retail. He indicated that there are 50 buildings located on the subject property, which were constructed in 2000-2001. He had no knowledge of the past uses of the subject property. The City of Phoenix provides water and sewer service, the Arizona Public Service (APS) provides electrical service, and Southwest Gas provides natural gas to the subject property. He further reported that he had no specialized knowledge of the subject property. Mr. Van Kleunen was not aware of the presence of any environmental liens or activity use limitations on the subject property. He had no knowledge of pending, threatened, past litigation, or administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the subject property. He had no knowledge of any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products. He had no knowledge of chemical releases or environmental cleanups that may have taken place on the subject property. He indicated that the purchase price for the subject property reasonably reflected current market values, and he was not aware of obvious indicators of the presence of contamination on the subject property. Mr. Van Kleunen indicated that he had no knowledge of whether there was fill material on the subject property. He was aware of USTs or above-ground storage tanks (ASTs) on the subject property. The environmental questionnaire also included an additional question regarding "Other Information for the Property" (also referenced in Sections 10.8 and 10.9 of the ASTM standard). He indicated that he was aware of previous environmental assessments, legal descriptions, site plans, and building plans. He referred us to Beau Hartwell with Vestar's corporate office for these records. He responded with a "no" to the other questions asked. He indicated that the reason the Phase I ESA is being performed is that it is a requirement for the State of Arizona land auction. He identified the Arizona State Land Department as the current Property owner (Van Kleunen).

Mr. Tim Ray, General Manager with Vestar and Property Manager was contacted on September 14, 2022. He provided Speedie and Associates with the most recent 2022 rent roll for the subject property (Ray).

Mr. Van Robinson with the Arizona State Land Department completed the questionnaire on August 23, 2022. He reported that the land of the subject property is fully improved. It is the land under Desert Ridge Marketplace. He had no knowledge of the past uses of the subject property. He further reported that he had no specialized knowledge of the subject property. Mr. Robinson was not aware of the presence of any environmental liens or activity use limitations on the subject property. He had no knowledge of pending, threatened, past litigation, or administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the subject property. He had no knowledge of any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products. He had no knowledge of chemical releases or environmental cleanups that may have taken place on the subject property. He indicated that he had no knowledge of whether the purchase price for the subject property reasonably reflected current market values, and he was not aware of obvious indicators of the presence of contamination on the subject property. Mr. Robinson indicated that he had no knowledge of whether there was fill material, USTs or ASTs on the subject property. The environmental questionnaire also included an additional question regarding "Other Information for the Property" (also referenced in Sections 10.8 and 10.9 of the ASTM standard). He did not respond to these questions. No other additional helpful documentation was provided. He identified the Arizona State Land Department as the current Property owner (Robinson).

A questionnaire was not submitted to a past owner of the subject property as it was reported by Mr. Bruce Campbell in the previous assessment that the land has been owned by the Arizona State Land Department since January 29, 1918 (Speedie, 2021).

The completed environmental questionnaires are included in Appendix A.

4.2 Local Government Officials

Interviews were conducted with local agency personnel and other persons noted in the appropriate sections of this report.

4.2.1 Local Agencies/City Departments

Representatives from the various city departments were contacted for additional information for the subject property. These departments include building permits and planning and development. The information provided from these local officials were included under Sections 3.7 and 3.8 above.

4.2.2 Fire Department

The Phoenix Fire Department was contacted to determine if documents regarding hazardous materials permits, hazardous materials incidents, or UST activities exist for the subject property. Ms. Rosa Arguelles, the Records Clerk with the Phoenix Fire Department, reviewed the records for the Property address of 21001 North Tatum Boulevard. Records found for the subject property address are listed in Table 4.2.2.1 below (Arguelles; Phoenix).

Table 4.2.2.1 Fire Department Records Results for 21001 North Tatum Boulevard

Date	Type of Record	Description
04/30/01	Fire Permit	Permit for flammable/combustible liquids – fleet fueling (Vestar Development)
12/11/01	Fire Permit	Install liquid propane gas exchange program for BBQ Galore (Vestar Development)
12/11/01	Fire Permit	Install liquid propane gas exchange program for Albertsons #1025 (Vestar Development)
12/11/01	Fire Permit	Install liquid propane gas exchange program for Osco Drug (Vestar Development)
05/09/02	Occupancy Activity Report	Inspection – Piping and tanks, primary pipe tested 50 psi, secondary 5 psi, tanks 5 psi, all joints soaped, no leaks noted, vents and VR tested, 5 psi permission to cover (Danny's Gourmet Market)
06/24/02	Occupancy Activity Report	Final inspection - Emergency x-off tested, UR hoses & nozzles supplied, break-a-way on hose provided, impact & sheer valves under dispensers, fire extinguishers provided, FDC for vaults marked as approved, dispenser protection provided (Danny's Family Gourmet)
09/20/02	Fire Permit	Install 500-gallon above-ground liquid propane tank (Vestar Development)
11/21/02	Fire Permit	Vaulted fuel system installation for flammable/combustible liquid tanks (Vestar Development)
11/25/02	Occupancy Activity Report	Violations to demonstrate excess flow valve, provide listed delivery fuel line hose, 500-gallon ASME propane tank-green tag. These violations were corrected on 11/27/02. An extinguisher violation was waived (Desert Ridge Marketplace)
12/05/03	Fire Permit	Permit for storage, handling and/or use of flammable and combustible liquids for Target #1360 (Arizona State Land Department)
12/05/03	Fire Permit	Permit for the storage or handling of aerosol products for Target #1360 (Arizona State Land Department)
12/05/03	Fire Permit	Permit to store, handle, dispense or use hazardous materials for Target #1360 (Arizona State Land Department)
09/12/08	Fire Department Letter	Notice of fire code violation observed during an inspection dated 09/12/08 at the CVS/Pharmacy #9339. Violations included obstructions near emergency exits;

Table 4.2.2.1 Fire Department Records Results for 21001 North Tatum Boulevard		
Date	**Type of Record**	**Description**
		sprinklers; remove combustible materials from sprinkler heads; provide new key in knox box; fire extinguishers; remove display and storage near manual fire alarm pull station, auto sprinkler system riser, and electrical service equipment. Correction actions made for the violations between 9/23/08 and 11/19/08. An operating permit is required to store, handle, or use 10-gallons of Class I-A or 30-gallons of Class 1-B or 1-C flammable liquids inside or outside of building – corrective action was taken on 02/03/09 to obtain a permit for flammable and combustible liquids (CVS/Pharmacy #9339)
02/05/09	Fire Permit	Permit to store, handle or use flammable and combustible liquids for CVS Pharmacy #9339 (CVS Pharmacy #9339)
10/15/14	Fire Permit	Installation of a 190-gallon above-ground diesel fuel sub-based generator tank
11/03/14	Fire Permit	Install liquid propane gas exchange program with 720 lbs. LPG (NPPI LLC LSE #03-105541-99)
03/16/15	Fire Permit	Modification of liquid propane gas exchange program from 12 Ct. to 18 Ct.
04/07/16	Fire Permit	Installation of carbon dioxide gas system with detection
05/11/16	Fire Permit	Installation of one (1) 210-gallon diesel above-ground generator tank located outside (NPPI LLC LSE #03-105541-99)
06/02/21	Fire Permit	Installation of a carbon dioxide gas system for the Yard
02/10/22	Fire Permit	Special hazards permit for high pile storage at CVS Caremark

4.2.3 Maricopa County Environmental Services Department

A records search for hazardous waste spills, ASTs, USTs, and septic systems for the subject property was performed online on the Maricopa County Environmental Services Department webpage. No records were found for the parcel number or Property address (Maricopa County Environmental Services).

4.2.4 Maricopa County Air Quality Department

The Maricopa County Air Quality Department was contacted to determine if documents regarding Permits to Operate (PTOs), Notices of Violations (NOVs), or records of complaints exist for the subject property. A large volume of records were found for the address for the subject property. The records were for asbestos, gasoline resale/gas dispensing/gas station with convenience store, USTs, and inspections. Only those records that provide additional historical information or are considered to be a potential environmental concern are shown in Table 4.2.4 below (Maricopa County Air Quality).

Table 4.2.4 Maricopa County Air Quality Department Records Results

Date	Type of Record	Description
06/24/02	Application for Authority to Operate and/or Construct a Gasoline Dispensing Operation	Dannys Gourmet Market (Suite 31) – gasoline retail station, car wash. 1-15,000-gallon unleaded, 1-15,000-gallon unleaded, 1 split-chamber 10,000-gallon unleaded/5,000-gallon diesel tanks in below-grade vault. Each gasoline tank is equipped with submerged fill pipe; spill containment equipment; 2-point State I Vapor Recovery System. Drawing shows facility and tanks located on the northwest corner of the subject property.
06/24/02	Air Quality General Permit-Authority to Operate and/or Construction Gasoline Dispensing Operations	Permit Number G02252; Issued 6/24/02 Danny's Carousel Family Car Wash Inc. Expired 11/03/08; Renewed as Danny's Tatum, LLC c/o Danny's Family Companies Expired 11/03/2018
12/30/02	Maricopa County Environmental Services Petroleum Storage	Danny's Gourmet Market #31 (Suite 84) – Remove gasoline <2 Teaspoons
12/03/03	Application for Authority to Operate and/or Construct a Gasoline Dispensing Operation	Dannys Family Carwash (Suite 84) – Existing Air Pollution Control Permit Number: G02252. One 25,000-gallon gasoline aboveground and two 15,000-gallon gasoline above-ground tanks. Each gasoline tank is equipped with submerged fill pipe; spill containment equipment; 2-point State I Vapor Recovery System. Drawing shows facility and tanks located on the northwest corner of the subject property.
03/11/04	Maricopa County Environmental Services Petroleum Storage	Danny's Family Carwash (Suite 84) – No issues noted
05/02/05	Maricopa County Environmental Services Petroleum Storage	Danny's Family Carwash (Suite 84) – NOV#25714 – observed standing gasoline one-half inch in north unleaded fill. Site cleaned up standing gasoline during inspection.
05/23/05	Maricopa County Invoice for Air Quality Annual Administrative Fee	Danny's Gourmet Market #31/Danny's Family Carousel Car Wash #8/Danny's Carousel Family Car Wash Inc. – Permit G99257, Expiration 11/03/08
06/25/03 thru 06/03/10	Maricopa County Invoices for Air Quality Annual Administrative Fee	Danny's Family Car Wash/Danny's Carousel Family Car Wash Inc. – Permit G02252, Expiration 11/03/08
09/23/08	Application for Authority to Operate and/or Construct a Gasoline Dispensing Operation (Renewal)	Dannys Family Gourmet Market (Suite 84) – Existing Air Pollution Control Permit Number: G02252. One 25,000-gallon gasoline aboveground and two 15,000-gallon gasoline above-ground tanks. Each gasoline tank is equipped with submerged fill pipe; spill containment equipment; 2-point State I Vapor Recovery System. Drawing shows facility and tanks located on the northwest corner of the subject property.
10/28/08	Maricopa County Environmental Services Petroleum Storage	Danny's Family Gourmet market (Suite 84) – spill containment violation.
09/11/09	Emissions Inventory	Volatile Organic Compounds (VOCs) – 2.343 tons
10/01/09	Maricopa County Air Quality Department Permit	60-Day Delinquency Notice – Danny's Family Gourmet Market (Danny's Tatum, LLC) – gasoline dispensing operation. Permit G02252, Expiration 11/03/13. Permit fees overdue.
02/10/10	Inspection Report	Danny's Family Gourmet Market – Permit #G02252 - No violations noted. Annual volume of gasoline delivered for 12 months was 3,984,352 gallons.
11/02/10	Legal: Motion to Shorten Time for Hearing on Disclosure Statement to Accompany Lender's Plan of Reorganization Dated October 27, 2010	Chapter 11 bankruptcy: Danny's Happy Valley, LLC, Danny's Raintree & Northsight, LLC, Danny's Scottsdale & Shea, LLC
02/16/11	Inspection Report	Danny's Tatum, LLC - No violations noted.

Table 4.2.4 Maricopa County Air Quality Department Records Results

Date	Type of Record	Description
01/30/13	Inspection Report	Danny's Tatum, LLC. No violations noted.
09/05/13	Renewal Application for General Permit – Gasoline Dispensing Operation	Danny's Family Gourmet Market - There will be no changes to the operating scenario from that defined in the existing permit.
08/19/14	Air Quality Permit Transfer Application (Approved)	Permit Number G02252, Existing Business: Danny's Family Gourmet Market to PacWest Energy LLC – DBA Jacksons
08/29/14	Air Quality General Permit-Authority to Operate and/or Construction Gasoline Dispensing Operations	Permit Number G02252 Pacwest Energy LLC dba Jacksons Issued: 6/24/02 Expired 11/03/2018
04/23/15	Inspection Report	Pacwest Energy LLC dba Jacksons - No violation noted
05/10/16	Inspection Report	Pacwest Energy LLC dba Jacksons - No violation noted
05/01/17	Inspection Report	Pacwest Energy LLC dba Jacksons - No violation noted
08/02/17	Facility Detail Report ID 35678	Arizona Specialty Demolition– Asbestos
06/29/18	Facility Detail Report ID 03499	Jackson's Gas Station – gasoline station with convenience store (Pacwest Energy) Emission Unit: 15,000-gallon gasoline UST/Silo – initial construction 6/24/02; 15,000-gallon liquid storage tank/Silo (split 10,000-Unleaded and 5,000-diesel)
08/21/18	Inspection Report	Pacwest Energy LLC dba Jacksons – No violation noted
02/19/19	Facility Detail Report ID 369759	Striker Demolition - Asbestos
11/01/19	Inspection Report	Pacwest Energy LLC dba Jacksons – Violations noted. Spill containment receptacle shall be equipped with an integral drain valve or other CARB-certified equipment to return spilled gasoline to the UST. On 11/4/19, Maricopa County Air Quality Department issued letter indicating the violation had been corrected.
02/04/21	Inspection Report	Pacwest Energy LLC dba Jacksons – No violations noted at time of inspection. No enforcement action in the past 5 years. Three (3) underground gasoline storage tanks were inspected. One unleaded premium tank was equipped with vapor and fill pipe receptacles. The spill containment receptacles were clean and free of liquid, debris, and foreign materials. Rubber gaskets were intact and in good condition. Fill pipe was measured 5" from the bottom of the tank. One unleaded regular tank was equipped with vapor and fill pipe receptacles. The spill containment receptacles were clean and free of liquid, debris, and foreign materials. Rubber gaskets were intact and in good condition. Fill pipe was measured 4" from the bottom of the tank. One unleaded regular tank was equipped with vapor and fill pipe receptacles. The spill containment receptacles were clean and free of liquid, debris, and foreign materials. Rubber gaskets were intact and in good condition. Fill pipe was measured 3.5" from the bottom of the tank.

5.0 CURRENT CONDITIONS

5.1 Current Property Use

A site reconnaissance was conducted to observe and record information concerning present site development, use, and conditions. A visual and physical survey of the existing subject property was conducted on September 12, 2022 by Messrs. Benjamin Larson and Daniel Jones of Speedie and Associates. Complete visual assessment of the subject property was hindered by landscaping, pavement, and the Property's development. The site visit was conducted by walking and driving about the subject property. Mr. Jason Payne, Director of Security for Desert Ridge, provided escorts for interior access of selected suites and accompanied Speedie and Associates personnel during the site reconnaissance. Due to hours of operation, the lunch hour restaurant rush, and/or tenant conflicts, the interiors of some of the suites could not be observed during the site visit. In addition, systematically chosen suites from each building were observed. The suites observed included a mix of vacant suites, unoccupied suites that were being used for storage or by security, and occupied suites that were representative of similar types of activities, such as restaurants and retail stores. It is our opinion that these limiting conditions do not impact our ability to identify RECs on the subject property. A *Site Plan* provided in Appendix B identifies Property boundaries and shows the location of the buildings and/or features on the subject property described in Table 5.1.1 below. A copy of the 2022 Rent Roll showing the name of the tenants in the buildings/structures are included in Appendix C. It should be noted that the tenants in the buildings are labeled by their building's alphabetic letter, which labeled on the *Site Plan* and the table below; the building letter corresponds with the last letters in the "Space" column of the 2022 Rent Roll.

At the time of the site reconnaissance, the subject property consisted of approximately 115.23 acres of commercial land developed with the Desert Ridge Marketplace shopping center. The subject property appeared essentially the same as it was during Speedie and Associates previous assessment, although there appeared to be new tenants and/or occupant changes in some of the buildings. The shopping center consisted of approximately 44 retail and commercial structures in varying sizes with some buildings containing multiple individual suites. The surface generally consisted of asphalt, concrete, and bare soil with landscaping. Paved parking areas were located outside of the building footprints and throughout the subject property. Stormwater drains and catch basins were observed in the paved parking areas throughout the subject property. Retention areas with dry wells were located along the western and southern boundaries of the subject property; retention areas were also observed near the northwest corner of the subject property. The buildings were generally occupied by a grocery store, a drug store, a gas station/car wash, a pick-up/drop-off dry cleaner, retail businesses, restaurants/bars, salons, a movie theatre, bank, and numerous specialty shops. The buildings were equipped with riser rooms and contained pad-mounted dry transformers inside electrical rooms. Trash enclosures, oil/water interceptors, hydraulic compactors, and/or grease bins were observed outside of the buildings. Several water fountains were observed in the central portion of the subject property. Mr. Tim Ray

with Vestar provided a 2022 Rent Roll that identified the current tenants in the shopping center. The Rent Roll included an alphabetical letter that referenced each tenant space or building. Detailed observations made during the site visit organized by this tenant or building reference number are provided in Table 5.1.1 below. Buildings with multiple tenants were grouped, where applicable. The list of the tenants in shopping center and the square-footage of the tenant suites are shown on the 2022 Rent Roll in Appendix C. Selected photographs taken on the site visit are included in Appendix D (Surface Photographs).

Table 5.1.1 Current Use

Building/Structure	Brief Description	REC Y/N?
Building A	Building A was occupied by AMC Theaters. The exterior of the Desert Ridge 18 AMC Dine-In contained a ticket sales booth located on the western side of the building. A trash enclosure was located on the eastern side of the building and a group of four (4) oil/water interceptors were observed near the southwest corner of the building. The interior of the two-story 18-plex theater building consisted of a lobby and concession stand, theater rooms, restrooms, a kitchen/food prep area, and a laundry room/janitorial area. A washer and dryer, floor sink, floor degreasers, carpet cleaners, and typical household cleaners and soaps were observed in the laundry/janitorial rooms. Floor drains were also observed in the restrooms, kitchen, and laundry/janitorial rooms. An elevator was observed on the first floor of the building. The second floor consisted of offices and operator rooms.	N
Building B (4 Suites)	Building B contained four (4) suites (B1 through B4). Three (3) of the suites were occupied by restaurants, which included the *Tikka Shack*, *Sid's Garage*, and the *Yard House*. The fourth suite was occupied by *As You Wish Pottery*. Access inside these Sid's Garage was chosen as the representative suite. The interior consisted of an open dining room, a kitchen, walk-in freezers, a storage area, and restrooms. Floor drains were observed inside the kitchen and restrooms. Three (3) three-stage grease traps and a hydraulic compactor were located to the north of the building.	N
Building BB (2 Suites)	Building BB contained three (3) retail suites that were occupied suites by *Jo-Ann Fabrics*, *Ski Pro*, and a *Kirkland Home Goods* store. The representative suite observed in this building was the *Jo-Ann Fabrics* suite. This suite consisted of an open sales area with a storage room, offices, a security room, changing rooms, a janitorial closet and restrooms. A floor sink and typical household cleaning supplies were observed within the janitorial closet. An overhead door and loading dock were observed in the storage room. A hydraulic trash compactor was also located near the loading dock north of the building near. Heavy surficial staining was observed on the intact concrete in the loading dock; the staining was beginning to extend toward the catch basin of the loading dock. Two (2) cellular towers within concrete block wall enclosures with diesel powered generators and heavy electrical components adjoined the building to the north. A lawn maintenance area that included a chain-link fence, potted plants, a conex storage box, and a roll-off dumpster were located northwest of the building. Approximately 25-gallons of gasoline, lawn maintenance equipment, tools and hardware were stored inside the conex box. Landscape clippings and trash were observed inside the roll-off dumpster.	N
Building C (6 Suites)	Building C contained 6 suites. All five (5) of the occupied suites were restaurants, including *Spitz Mediterranean*, *Cupbop*, *Panda Express, Jimmy John's,* and *Café Zupa*. A vacant suite, also a restaurant space, was also located within this building. The representative suite observed in this building was the *Jimmy John's* restaurant;	N

Table 5.1.1 Current Use		
Building/Structure	**Brief Description**	**REC Y/N?**
	observations were not made inside the other restaurants. The interior generally consisted of an open dining rooms, a food prep area, walk-in freezer, wash areas, and restrooms. Floor drains were observed inside the kitchen and restrooms. Four (4) oil-water separators were observed near the southeast corner of the building.	
Building CC	Building CC was occupied by *Marshalls and Home Goods*. The interior of the retail store consisted of an open floor plan containing clothing and home furnishings with storage rooms, offices, security rooms, changing rooms, janitorial closets and restrooms. A floor sink and typical household cleaning supplies were observed within the janitorial closets. The storage rooms included an overhead door and loading dock. A hydraulic trash compactor was also included in the loading dock area.	N
Building D (12 Suites)	There were 12 suites in Building D. Eight (8) of the suites were occupied by a mix of retail and restaurants, including *H&M Clothing*, *Victoria's Secret*, *Cartel Roasting Company*, *Cold Stone Creamery*, *Island Burgers, It's Sugar, Slices*, *Sizzle Korean BBQ*, *Sunglass Hut,* and *Sharetea*. The remaining suite was vacant and was observed as a storage area for various mall-related items including signs, umbrellas, chairs, and tables. The Desert Ridge security offices and public restrooms were also located in this building. The Desert Ridge security offices consisted of a video surveillance room, an administrative office, lockers and a storage area with uniforms and various medical supplies. The representative suites observed in this building were the *H&M Clothing* store and *Island Burgers* restaurant; observations were not made inside the other suites. The interior of the *H&M Clothing* store consisted of an open sales floor with changing rooms, restrooms and a storage room. A janitorial closet was observed with typical household cleaning supplies and a floor sink. The interior of *Island Burgers* consisted of an open dining room, a food prep area, a walk-in freezer, wash area, and restrooms. Floor drains were observed inside the kitchen and restrooms. A grouping of oil/water interceptors was observed near the southwest corner of the building. A hydraulic compactor and two (2) grease bins were centrally located on the south side of the building near the loading dock area.	N
Building DD	Building DD was occupied by *Lane Bryant*. The interior consisted of an open sales floor, a storage room, restrooms, a janitorial closet and an office. A floor sink was observed in the janitorial closet. A loading dock shared with Building CC was located on the north side of the building.	N
Building E (11 Suites)	Building E was occupied by the *XI Clothing*, *Journeys*, *The Whining Pig & Pig Tails*, *Hot Topic*, *Spencer's Gifts, Flip Flop Shop American Eagle*, *Len's Crafters*, *Rolling Rack Boutique*, *Pacific Sunwear*, and *Just Sports.* The representative suites observed in this building were the *Claire's Boutique*, *the Flip Flop Shop, Spencer's Gifts,* and *The Whining Pig & Pig Tails* restaurant; observations were not made inside the other suites. The interior of the retail stores included an open sales floor with a storage room, office and restroom located in the employee area. The *Whining Pig & Pig Tails* restaurant was situated in the basement of the building and accessible via a stairway and hydraulic lift elevator. The elevator room was centrally located on the western edge of the building near the kitchen and within the lower level of the restaurant/bar. No visible staining was observed near the hydraulic lift reservoir. An open air patio with floor drains was also observed on the western side of the building's lower level. The interior of the restaurant consisted of an open dining room and separate bar, a kitchen, a walk-in freezer, wash area, and restrooms. Floor drains were observed inside the kitchen and restrooms. A three-stage oil/water interceptor was observed near the northwest corner of the building.	N

Table 5.1.1 Current Use		
Building/Structure	**Brief Description**	**REC Y/N?**
Building EE	Building EE was occupied by *Famous Footwear and Tilly's*, a retail clothing and skateboard store. The interior of the suites were generally the same and consisted of an open retail sales floor with storage room, office, and restroom located in an employee area. Three (3) dumpsters were located on the northeast corner of the building.	N
Building F (3 Suites)	Building F consisted of three (3) suites in two (2) separate buildings. The two-story buildings were occupied by *Barnes & Noble*, *Creations Boutique* and *Dave and Busters;* the fourth suite was located above the *Creations Boutique* and vacant at the time of the site visit. *Dave and Busters and Barnes & Noble* suites were chosen as the representative suites; observations were not made inside the other suites. The interior of the first floor of the *Dave and Busters* suite consisted of restaurant space that included a lobby, several bars, a kitchen, a dining room, bowling alley, banquet hall, patio, and arcade. Floor drains were observed in each bar, in the kitchen, and inside the restrooms. A hydraulic elevator, three (3) dry transformers, a janitor's closet, flammable storage cabinet, and the bowling alley mechanical room were also observed inside the suite. No visible staining was observed near the hydraulic lift reservoir, in the mechanical room, or within the janitorial floor sink. The second floor suite was vacant at the time of site visit and comprised of two (2) former yoga studios, two (2) vacant offices and restrooms. Both restrooms included floor drains and showers. A grease trap and hydraulic trash compactor were observed on the north exterior side of the building. An elevator and exterior staircase on the northwestern corner of the building provided access to these second floor suite. Surficial staining was observed on the intact concrete floor beneath the hydraulic reservoir of the elevator equipment located on the first floor of the suite. No drains were observed in the elevator room. A separate standalone building was occupied by Barnes & Noble. An open floor plan with merchandise and a Starbucks coffee shop were made up a majority of this building. Storage of additional materials was located on the northeast corner of the building. Restrooms and office space were also located in this portion of the building, along with a three-stage grease trap in a fenced in exterior yard also on the northeast corner of the building.	N
Building FF	*Five Below* occupied the southern portion of the building at the time of the site visit and was not observed due to a tenant conflict. However, the northern portion of the building consisted of the maintenance shop for the Desert Ridge shopping center. The maintenance shop included a maintenance area, a chain-link fenced storage area, a break room, and restrooms. Numerous steel racks, three (3) hazardous material cabinets, tools, various rock, building materials, mastics, grout, paint, and 30 gallons of gasoline were also observed in the maintenance shop. An additional 25-gallons of gasoline were stored in a hazardous material cabinet along with a number of solvents, oil, hydraulic fluid, glues and stains. Surface oil staining was observed throughout the shop area, although this staining appeared confined to intact concrete and did not appear to extend further. Numerous power tools and small quantities of building materials were observed inside the chain-link enclosed area. An overhead door leading into the shop and charging stations were observed on the north side of the building. An open office area with lockers was located to the west of the maintenance shop area. Computers, personal effects and food related items were observed throughout this office area. A trash dumpster and five (5) electric golf carts were located on the north exterior side of the building.	N
Building G (5 Suites)	Occupied suites included the *Copper Blues Live*, *GameStop*, *Nike* and *Kay Jewelers*. Primarily consisting of retail spaces and a venue/restaurant space, the *Copper Blues*	N

Table 5.1.1 Current Use		
Building/Structure	**Brief Description**	**REC Y/N?**
	Live restaurant was observed as a representative space. The interior consisted of an open dining room and bar with an associated performance stage, a food prep area, a walk-in freezer, wash area, and restrooms. Floor drains were observed inside the kitchen and restrooms. A three-stage oil/water separator was observed centrally on the southern wall of the building.	
Building GG (4 Suites)	Building GG was occupied by retail spaces, including *Old Navy*, *Ulta Salon*, *Bath & Body Works*, and *Torrid*. The *Old Navy* suite was chosen as the representative suite; observations were not made in the other three (3) suites. The interior of the *Old Navy* suite included an open retail sales area with a storage room, offices, a security room, changing rooms, a janitorial closet and restrooms. A floor sink and typical household cleaning supplies were observed within the janitorial closet. An overhead door, a loading dock, and hydraulic trash compactor were located on the north side of the building.	N
Building H (2 Suites)	Building H was occupied by *California Pizza Kitchen* and *Artichoke Basille's*. The interior of the *California Pizza Kitchen* was chosen as the representative suite and consisted of an open dining room and bar with a food prep area, a walk-in freezer, wash area, and restrooms. Floor drains were observed inside the kitchen and restrooms. A three-stage oil/water separator was observed centrally on the southwestern corner of the building.	N
Building J1	Building J1 was occupied by *Majerle's Sports Grill*. Due to the lunch hour rush and access was limited inside this restaurant. A three-stage oil-water separator was located on the west side of the building and an outdoor dining area and trash receptacle were located on the south side of the building.	N
Building J2	Building J2 was occupied by the *Barrio Queen* restaurant. Due to the lunch hour rush, access was limited inside this restaurant. An outdoor dining area was located on the north side of the building. A three-stage oil-water separator and a trash receptacle were located on the southwest corner of the building.	N
Building LL (7 Suites)	Building LL was occupied by retail businesses, including *Hand and Stone Massage*, *Fly Bye To Go*, *Nationwide Vision*, *Kumon*, *Hall of Frames*, and *Rapid Iphone Repair*. A suite formerly occupied by a Hallmark store was also located in the building, but was vacant at the time of the site visit with ongoing tenant improvements. The *Kumon* was chosen as the representative suite; observations were not made inside the other suites. The interior of the *Kumon* suite consisted of an open classroom floor plan with desks, a storage room, restroom, and a janitorial closet. Typical household cleaning supplies and a floor sink were observed within the janitorial closet.	N
Building M	Building M consisted of a vacant former *Sweet Tomatoes* restaurant building. The interior of the suite contained an empty open dining room, a food prep area, a walk-in freezer, wash area, janitorial closet and restrooms. The janitorial closet included common household cleaning supplies and a floor sink. Floor drains were observed inside the kitchen and restrooms. A three-stage oil/water separator and a trash receptacle were located on the east side of the building.	N
Building M2	Building M2 was occupied by *Comicx Restaurant Bar & Store*. The interior of the two-story restaurant consisted of an open dining room, a food prep area, a walk-in freezer, wash area, janitorial closet and restrooms. Typical cleaning supplies and a floor sink were observed inside the janitorial closet. A retail section with merchandise was observed in the entry of the building. Floor drains were observed inside the	N

Table 5.1.1 Current Use		
Building/Structure	**Brief Description**	**REC Y/N?**
	kitchen and restrooms. A three-stage oil/water separator and a trash receptacle were located to the west of the building.	
Building MM (5 Suites)	Building MM was occupied by the *Backfit Health & Spine*, *The UPS Store*, *Green Cleaners*, *Fashion Nails*, and *Smoothie King/Port of Subs*. The *Green Cleaners* was chosen as the representative suite; observations were not made inside the other suites. The *Green Cleaners* contained a standard washing machine, dryer, a fitting room and mechanical rack system. No presses, dry cleaning equipment, or chemicals were observed inside the facility. The floor in the suite was carpeted and no noticeable floor drains were observed during the site visit.	N
Building N	Building N was occupied by *BJ's Restaurant*. The interior of the restaurant was typical and included dining areas, a kitchen and three (3) restrooms. An outdoor dining area was located on the south and east sides of the building. A three-stage oil/water separator was located on the northeast corner and a trash receptacle was located on the east side of the building.	N
Building NN	Building NN was occupied by an *Alberstson's Grocer*. The interior contained characteristics of a typical grocery store with food display areas and a floral shop. A *Starbucks Café*, restrooms, a janitorial closet, break room, and storage room were also located in the building. A loading dock was located on the east side of the building. A hydraulic trash compactor was observed near the loading dock area on the east side of the building.	N
Building PP	Building PP was occupied by a *Bank of America*. The interior contained characteristics of a typical bank (lobby, customer service windows, desks, etc.) and included restrooms, a break room, three (3) offices, and a vault. Access was only granted in the main lobby and common areas of the bank during the site visit for security reasons. A drive-thru was located on the southern exterior side of the building.	N
Building QQ	Building QQ was occupied by *Jacksons Food Store and Shell Gas Station*. The retail store/gas station was located on the northwest corner of the shopping center. The interior of *Jacksons Food Store* contained characteristics of a typical convenience store (soda, snacks, merchandise, oil, washer fluid, other car maintenance-related items etc.) and included restrooms, a janitorial closet, a food prep area, a break room, and a storage room. Floor drains were observed in the food prep area, the soda fountain area, and in the restrooms. A floor sink and typical household cleaning supplies were located within the janitorial closet. A retention area was observed on the northern and western sides of this area. Vent pipes and fill ports associated with the (3) gasoline storage tanks inside a vault were located on the western side of the area. *De minimis* oil-staining was observed throughout the paved parking and pump island areas of the gas station. A drive-thru car wash was located in the southeastern portion of the subject property. A three-stage oil/water separator and typical soaps and conditioners were stored in maintenance room of the car wash.	N
Building RR	Building RR was occupied by an *In-N-Out Burger*. The interior of the restaurant consisted of a dining area, kitchen, walk-in cooler, restrooms, an office, and a janitorial closet. A three-stage oil/water separator was located on the eastern side of the building.	N
Building SS	Building SS was occupied by *Mimi's Café*. The interior of the Café restaurant consisted of an open dining room, a food prep area, a walk-in freezer, wash area,	N

Table 5.1.1 Current Use		
Building/Structure	**Brief Description**	**REC Y/N?**
	janitorial closet and restrooms. Typical cleaning supplies and a floor sink were observed within the janitorial closet. Floor drains were observed inside the kitchen and restrooms. A three-stage oil/water separator and a trash receptacle were located to the east of the building.	
Building T (3 Suites)	Building T was occupied by *Keep it Cut* and *Flower Child* along with a vacant suite formerly occupied by Verizon Wireless. The *Flower Child* restaurant was chosen as the representative suite; observations were not made inside the other suites. The interior of the *Flower Child* restaurant consisted of a kitchen, food prep area, open dining room, wash area, walk-in cooler, and restrooms. Dishwashers and typical cleaning supplies were observed near the mop sink in the back of the kitchen. Floor drains were located near the sink area. A three-stage grease trap was observed on the east side of the building.	N
Building OO/TT (5 Suites)	Buildings OO and TT were occupied by the *Marketplace Smiles*, *T-Mobile*, *Supercuts*, a *CVS Drugstore*, and *Einstein Brothers Bagels*. The lone vacant suite was used by the Desert Ride Security. The *CVS Drugstore* was chosen as the representative suite; observations were not made inside the other suites. The interior contained typical characteristics of a drug store (a pharmacy, photo, and retail sales, etc.) and included restrooms, a janitorial closet, a break room, and a storage room. A loading dock was located on the east side of the building. A hydraulic trash compactor and trash bin were observed near the loading dock. A sump was observed in the loading dock area. The vacant suite was also observed and included an electric charging station for the security golf carts along with typical household cleaning supplies within the suites janitorial closet.	N
Building U (12 Suites)	Building U was occupied by *Chipotle*, *Nekter Juice Bar*, *Amazing Lash Studio*, *Eat the Frog Fitness*, *The Joint Chiropractic*, *Scrubs & Beyond*, *The Beauty District Salon Suites*, *European Wax Center*, *Reformed Pilates*, *Pearle Vision*, *Derma Health*, and the *Breakfast Kitchen Bar*. The *Chipotle* and *Nekter Juice Bar* restaurants were chosen as representative suites; observations were not made inside the other suites. The interior of the *Chipotle* restaurant consisted of a kitchen, food prep area, an open dining room, wash area, walk-in cooler, and restrooms. Dishwashers and typical cleaning supplies were observed near the mop sink in the back of the kitchen. Floor drains were observed near the sink area. The interior of the *Nekter Juice Bar* consisted of a kitchen, food prep area, open dining room, wash area, walk-in cooler, and restroom. Floor drains were located in the restroom, behind the service counter, and near the sink area. A grease trap and dumpsters were located on the southeast side of the building.	N
Building V	Building V was occupied by a *Target* and included a *CVS Pharmacy* and *Starbucks Coffee Shop* inside the store. The interior of the *Target* was located on the eastern portion of the suite. The interior included shopping aisles, restrooms, check-out registers, and a backroom with walk-in coolers and freezers for the grocery stock and shelving for product backstock. A flammable storage cabinet was observed with several 1-gallon cans of paint. A hydraulic baler, backflow preventer, and backup generator were also located in the back room. Access to the interior areas of the *CVS* and *Starbucks* was not available at the time of the site visit.	N

Table 5.1.1 Current Use		
Building/Structure	**Brief Description**	**REC Y/N?**
Building W	Building W was occupied by *PetSmart*; the *Banfield Pet Hospital* was located within the *PetSmart*. The interior consisted of registers, aisles, live animals (fish, birds, etc.), a break room, office, restrooms, a grooming area, and loading dock area. A floor cleaner and degreaser bottles were observed in the loading dock area. Floor drains were located inside the restrooms and the pet grooming station area.	N
Building X	Building X was occupied by Nordstrom Rack. The interior of the suite consisted of a showroom floor, loading/unloading dock, break room, janitor's closet, office, electrical room, and restrooms. A mop sink and floor cleaning chemicals were observed within the janitor's closet. A dry transformer was located in an electrical room.	N
Building Y	Building Y was occupied by *Bob's Discount Furniture* and *DSW Shoes*. The interior of Bob's Discount Furniture was viewed as the representative suite and consisted of a showroom floor, loading/unloading dock, break room, janitor's closet, office, electrical room, and restrooms. A mop sink and floor cleaning chemicals were observed within the janitor's closet. Two (2) dry transformers were located in an electrical room.	N
Building P	Building P was occupied by the *Sandbar Mexican Grill*. The interior consisted of a lobby, indoor dining area, two (2) bars, a kitchen, and an outside dining patio. A three-stage grease trap and trash bin were located to the north of the building.	N
Building L	Building L was occupied by *Barbeques Galore* and *Omaha Steaks*. The interior consisted of a showroom floor of barbeque grills, smokers, grilling accessories, a back storage area, an office, and restrooms. One (1) dry transformer was located in the storage area of the suite. Floor drains were observed in the restrooms and near the coolers for the *Omaha Steaks*. Locked propane storage containers were located outside of the building to the south.	N
Building R	Building R was vacant and previously occupied by the *Macaroni Grill*. The interior consisted of an empty lobby, bar, dining area, kitchen, and restrooms. Floor drains were observed inside the kitchen and bar areas. A grease trap was observed to the northeast of the building.	N

5.2 Transformers

In the past, oil found in electrical transformers contained Polychlorinated Biphenyls (PCBs), which have been found to be a human carcinogen. Since 1984, manufacturers of transformers have been certifying them "non-PCB", containing less than 50 parts per million (ppm). During the site visit, approximately 40 pad-mounted transformers were observed throughout the subject property. Dry transformers were observed inside a number of riser rooms and suites that were accessed. One of the transformers located near the west central side of the subject property was observed to be leaking. Staining from the leaking transformer was largely confined to a concrete pad, although this discoloration was observed to migrate into the surrounding landscaping. The other transformers appeared to be in good condition with no observed staining or odors. Ms. Amanda Gordon with the Arizona Public Service (APS) was previously contacted regarding the status of the transformers. Ms. Gordon reported that there were 43 pad-mounted transformers

located on the subject property and they were certified as non-PCB containing. She indicated that the PCB status of one (1) of the pad-mounted transformers was unknown (Gordon). The Environmental Protection Agency (EPA) does not consider PCB Status-Unknown transformers a dangerous health risk, and allows the continued use of untested transformers as long as procedures for service, inspection, and handling satisfy EPA guidelines.

5.3 Dry Wells

The ADEQ maintains a database of dry wells, the registration of which has been required since 1986. Allands reviewed this database for dry wells registered within a 0.125-mile search distance of the subject property. Based on this review, 33 dry wells were identified within the search distance and six (6) dry wells appeared to be registered to the subject property (Allands). During the site visit, six (6) drywells were observed along the western and southern boundaries of the subject property. Although landscaping debris and wind-blown trash were observed in the drywell settling chambers, the drywells appeared to be in fair condition, with no standing water, and no observed staining and/or odors.

5.4 Other ASTM Conditions

At the time of the site reconnaissance, Speedie and Associates did not observe any evidence of ASTs, USTs, unusual odors, pools of liquids, drums, stains, corrosion, stressed vegetation, pits, ponds, lagoons, waste or wastewaters, or septic systems at the subject property.

5.5 Adjoining Land Use

A visual survey of the adjoining sites and areas was conducted on September 12, 2022 by Messrs. Benjamin Larson and Daniel Jones of Speedie and Associates. The subject property was bound on the north by Deer Valley Drive followed by native desert land, new development, single-family residential homes, and the Marriott's Canyon Villas hotel beyond. The subject property was bound on the east by City North Drive followed by new construction and vacant land, and the High Street residential and commercial district to 56th Street beyond. The subject property was bound on the south by a canal followed by the Arizona State Route 101, and native desert land to Mayo Boulevard beyond. The subject property was bound on the west by Tatum Boulevard followed by the Desert Ridge Corporate Center and residential development with native desert land beyond.

6.0 STANDARD ENVIRONMENTAL RECORD SOURCES

A report of Standard Federal, State, and Tribal government environmental record sources located within the ASTM prescribed search parameters was generated by Allands. Speedie and Associates reviewed this report for indications of RECs affecting the subject property and adjoining properties. The report revealed six (6) facility records within the search parameters (Allands). A copy of the Allands report is located in Appendix E. A summary of the regulatory records search is summarized in Table 6 below.

Table 6. Standard Regulatory Records Search Summary

Database	Last Update Date	Minimum Search Distance (miles)	Number of Sites
Standard Federal ASTM Environmental Record Sources			
National Priorities List (NPL) (Superfund)/Proposed NPL/Department of Defense (DOD) Sites	08/22	1.0	0
Delisted NPL	08/22	0.5	0
Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)/No Further Remedial Action Planned (NFRAP)/Superfund Enterprise Management Systems (SEMS)	08/22	0.5	0
Resource Conservation and Recovery Act (RCRA) Generators	08/22	Subject Property and Adjoining Properties	5
RCRA – Corrective Action Sites	08/22	1.0	0
RCRA – Treatment, Storage, and Disposal (TSD) Facilities	08/22	0.5	0
Emergency Response Notification System (ERNS)	08/22	Subject Property	0
Standard State and Tribe ASTM Environmental Record Sources			
Water Quality Assurance Revolving Fund (WQARF) Areas	08/22	1.0	0
Superfund Program List (replaces ACIDS)	8/04	0.5	0
Solid Waste Facilities/Landfill Sites – Operating and Closed	05/99 & 05/04	0.5	0
Federal, Tribal, and State Control Registries	08/22	Subject Property	0
Brownfields/Voluntary Remediation Program (VRP)	12/16	0.5	0
Registered Underground Storage Tanks (USTs); Includes Tribal Records	08/22	Subject Property and Adjoining Properties	0
Leaking Underground Storage Tanks (LUSTs); Includes Tribal Records	08/22	0.5	0
Additional Environmental Record Sources			
RCRA Compliance Facilities	08/22	Subject Property and Adjoining Properties	0
Hazardous Materials Incidents Emergency Response Logbook	1984-06/01	Subject Property and Adjoining Properties	0
ADEQ Dry Well Registration Database (Includes Tribal Records)	08/22	Subject Property and Adjoining Properties	33
Environmental Permits	08/22	Subject Property	0
Drycleaners	06/06	Subject Property and Adjoining Properties	1

National Priority List (Superfund) Sites: Under Section 105 of CERCLA the EPA established a National Priorities List (NPL) of Superfund sites. In addition, proposed NPL and Department of Defense (DOD) sites were researched. These databases were provided by the EPA and the ADEQ. Inclusion on the NPL reflects a significant risk to public health and the environment and indicates a Federal Priority to remediate the site. The Allands report identified no (0) NPL/Proposed NPL/DOD sites within a 1.0 mile search distance of the subject property (Allands).

Delisted NPL Sites: Sites may be delisted from the NPL where no further response is appropriate. This database was provided by the EPA. The Allands report identified no (0) Delisted NPL sites within a 0.5 mile search distance of the subject property (Allands).

CERCLIS/NFRAP Sites: The Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the No Further Remedial Action Planned (NFRAP) list are CERCLIS sites which have no further remediation action planned. This database was archived by the EPA on November 12, 2013 and the Superfund Enterprise Management System (SEMS) replaced the former CERCLIS/NFRAP lists. The Allands report identified no (0) CERCLIS/NFRAP sites within a 0.5 mile search distance of the boundary of the subject property (Allands).

RCRA Generators: Under the Resource Conservation and Recovery Act (RCRA) the EPA compiles a database of facilities that are involved in the generation of hazardous materials. This database is compiled from Envirofacts and the EPA RCRAInfo Webpage. The webpage is checked for sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by RCRA and is checked for Federal RCRA Conditionally Exempt Small Quantity Generators (CEG – generate less than 100 kg of hazardous waste, or less than 1 kg of acutely hazardous waste per month); Federal RCRA Small Quantity Generators (SQG – generate between 100 kg and 1,000 kg of non-acutely hazardous waste per month); Federal Very Small Quantity Generator (VSQG – generates no more than 220 pounds (100 kg) of hazardous waste in any month and store no more than 2,200 pounds (1,000 kg) of hazardous waste at any given time; and Large Quantity Generators (LQG – generate over 1,000 kg of hazardous waste, or over 1 kg of acutely hazardous waste per month). The Allands report identified five (5) RCRA generators within a 0.125 mile search distance of the subject property and adjoining properties (Allands).

- Albertsons #1025, 21001 North Tatum Boulevard and the subject property, was indicated to be a VSQG (generates no more than 220 pounds (100 kg) of hazardous waste per month). This facility did not appear on the RCRA Compliance Log and no surficial flow paths or indications of impact from this RCRA facility to the subject property were identified during the site visit. Inclusion in the environmental regulatory databases as a RCRA generator does not necessarily indicate a REC but only the potential for a REC. This facility was not listed in any of the other environmental regulatory

databases. Therefore, the potential environmental impact from this facility to the subject property is believed to be low.

- CVS Pharmacy #9339, 21001 North Tatum Boulevard and the subject property, was indicated to be a VSQG (generates no more than 220 pounds (100 kg) of hazardous waste per month). This facility did not appear on the RCRA Compliance Log and no surficial flow paths or indications of impact from this RCRA facility to the subject property were identified during the site visit. Inclusion in the environmental regulatory databases as a RCRA generator does not necessarily indicate a REC but only the potential for a REC. This facility was not listed in any of the other environmental regulatory databases. Therefore, the potential environmental impact from this facility to the subject property is believed to be low.

- Home Depot USA Inc. #0068, 21001 North Tatum Boulevard and the subject property, was identified as a RCRA generator. This facility was a former tenant in the shopping center. The RCRA status was listed as "N", which indicated the facility was not a RCRA generator or the facility was an inactive RCRA generator. This facility did not appear on the RCRA Compliance Log and no surficial flow paths or indications of impact from this RCRA facility to the subject property were identified during the site visit. Inclusion in the environmental regulatory databases as a RCRA generator does not necessarily indicate a REC but only the potential for a REC. This facility was not listed in any of the other environmental regulatory databases. Therefore, the potential environmental impact from this facility to the subject property is believed to be low.

- Marketplace Smiles, 21001 North Tatum Boulevard and the subject property, was indicated to be a VSQG (generates no more than 220 pounds (100 kg) of hazardous waste per month). This facility did not appear on the RCRA Compliance Log and no surficial flow paths or indications of impact from this RCRA facility to the subject property were identified during the site visit. Inclusion in the environmental regulatory databases as a RCRA generator does not necessarily indicate a REC but only the potential for a REC. This facility was not listed in any of the other environmental regulatory databases. Therefore, the potential environmental impact from this facility to the subject property is believed to be low.

- Target Store #1360, 21001 North Tatum Boulevard and the subject property, was indicated to be a SQG (generates between 100 kg and 1,000 kg of hazardous waste per month). This facility did not appear on the RCRA Compliance Log and no surficial flow paths or indications of impact from this RCRA facility to the subject property were identified during the site visit. Inclusion in the environmental regulatory databases as a RCRA generator does not necessarily indicate a REC but only the potential for a REC. This facility was not listed in any of the other environmental regulatory databases. Therefore, the potential environmental impact from this facility to the subject property is believed to be low.

RCRA Facilities Undergoing Corrective Action: Under RCRA, the EPA compiles a database of federal RCRA facilities undergoing Corrective Action (formerly known as the RCRA CORRACTS List). This list is maintained by the EPA of RCRA sites in which contamination was discovered and where some level of corrective clean-up activities was undertaken. The Allands report identified no (0) facilities within a 1.0 mile search distance of the subject property (Allands).

RCRA TSD Facilities: Under RCRA, the EPA compiles a database of facilities that are involved in the treatment, storage, and disposal (TSD) of hazardous materials. The database is compiled from Envirofacts and the EPA RCRAInfo Website. The Allands report identified no (0) TSD facilities within a 0.5 mile search distance of the subject property (Allands).

ERNS List: The Emergency Response Notification System (ERNS) list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by the National Response Center and the EPA through the Right of Know Net by OMB Watch and Unison Institute. The Allands report identified no (0) ERNS sites within a 0.125 mile search distance of the subject property (Allands).

WQARF Areas: The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the Water Quality Assurance Revolving Fund (WQARF) program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. The database is provided by the ADEQ. The Allands report identified no (0) WQARF Registry sites within a 1.0 mile search distance of the subject property (Allands).

Arizona Superfund Program List: The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS). This list is more representative of the sites and potential sites within jurisdiction of the ADEQ Superfund Programs Section (SPS). This database is provided by ADEQ. The Allands report identified no (0) Arizona Superfund sites within a 0.5 mile search distance of the subject property boundary (Allands).

Solid Waste Facilities/Landfill Sites: The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the ADEQ Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills. The Allands report identified no (0) active or inactive landfills within a 0.5 mile search distance of the subject property (Allands).

Control Registries (Federal, Tribal, State): Under the requirements of the ASTM, Federal, State, and Tribal institutional control/engineering control registries were researched on the EPA Envirofacts. In addition, the AZURITE database from ADEQ was reviewed through ADEQ GIS eMaps, which retrieves institutional or engineering controls. The Allands report identified no (0) institutional or engineering controls for the subject property (Allands).

Brownfields/Voluntary Cleanup Program: The Arizona Department of Environmental Quality has developed an AZURITE Database, reviewed through ADEQ GIS eMaps and includes the ADEQ Voluntary Remediation Program (VRP) and/or the ADEQ Brownfields Tracking System. The Allands report identified no (0) Voluntary Remediation or Brownfields Sites within a 0.5 mile search distance of the subject property (Allands).

Registered Underground Storage Tanks (USTs): State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned USTs containing "regulated substances" complete a notification form and register the tank with the state. This database is from the ADEQ UST Log. The Allands report identified no (0) UST sites within a 0.125 mile search distance of the subject property and the adjoining properties (Allands).

Leaking Underground Storage Tank (LUST) Incident Reports: Owners of USTs are required to report to ADEQ any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. Tribal LUST records were researched when the subject property exterior boundaries were within the search distance of Tribal lands. The Allands report identified no (0) LUST facilities within a 0.5 mile search distance of the subject property (Allands).

RCRA Compliance Facilities: The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list indicates a history of compliance problems and RCRA regulatory violation. This database is from the ADEQ RCRA Compliance Log. The Allands report identified no (0) RCRA Compliance Log facilities within a 0.125 mile search distance of the subject property and adjoining properties (Allands).

Hazardous Materials Incident Emergency Response Logbook: The ADEQ Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the ADEQ Emergency Response Log. The Allands report identified no (0) Hazardous Materials Incidents within a 0.125 mile search distance of the subject property and adjoining properties (Allands).

Drycleaners: The ADEQ maintains a Drycleaners Inventory List that summarizes current and historic dry cleaners sites located throughout the state of Arizona. The database is dated June 2006. The Allands

report identified one (1) drycleaner located within a 0.125 mile search distance of the subject property and adjoining properties (Allands).

- Desert Ridge Cleaners, 21001 North Tatum Boulevard (Suite 78) and located in the shopping center of the subject property, was identified on the Dry Cleaners Inventory Log. According to the Allands Report, this facility was in business in 2005. The dry cleaner was in operation as Green Cleaners during the site visit. Based on other information found, this facility was a drop-off facility only and dry cleaning was not performed on-site. Speedie and Associates requested a review of the dry cleaner file from ADEQ. However, a dry cleaners file for this facility was not found by the ADEQ's Records Center. Speedie and Associates reviewed the *Report for the Arizona Department of Environmental Quality, Dry Cleaners Inventory Project* by Miller Brooks Environmental Inc. dated June 26, 2006 that was prepared for ADEQ. The inventory report included lists of dry cleaners with the known contamination and/or with the potential for a release. The facility was not listed in the Miller Brooks report. This facility was not identified as a RCRA Generator and did not appear on the RCRA Compliance Log. No indications of impact from this facility to the subject property were identified during the site visit. Therefore, the potential environmental impact from this facility to the subject property is believed to be low.

Environmental Permits: The ADEQ AZURITE Database System and EPA maintains a database of facilities that discharges a material directly or indirectly and adds any pollutant to the waters of the state. The Aquifer Protection Permit Rules requires them to obtain a permit. These permits include Groundwater Permits, Reuse Permits, National Pollutant Discharge Elimination System (NPDES) Permitted Facilities, and Aquifer Protection Permits. The Allands report identified no (0) Environmental Permits for the subject property (Allands).

7.0 NON-SCOPE CONSIDERATIONS

The following non-scope issue is not an REC and therefore is of no consequence regarding Appropriate Inquiry (CERCLA liability) per ASTM 1527. However, in an attempt to provide further information that may be required by future Property owner/occupant(s), Speedie and Associates provides the following information.

7.1 Asbestos

Asbestos Containing Material is a given material that contains > 1% Asbestos fibers by volume/layer of building material, and suspect ACMs are those materials that are other than wood, glass, or steel. The asbestos industry is one of the most regulated fields in today's market. Both the Occupational

Safety & Health Administration (OSHA) and the EPA have rules that govern the asbestos industry. These rules affect our clients because they govern asbestos containing materials (ACMs), which may be found in all buildings, regardless of the size or age of the structure. OSHA regulations govern the identification and management of ACMs within a structure, and the protection of employees who may disturb ACMs. The EPA governs ACMs within schools, and the disturbance of ACMs within any other structure that is deemed a "facility." The EPA identifies a "facility" as any institutional, commercial, public, industrial, or residential structure, installation, or building (including any structure, installation, or building containing condominiums or individual dwelling units operated as a residential cooperative, but excluding residential buildings having four or fewer dwelling units). Each Property building is considered a "facility" with a potential for asbestos impact.

7.1 Soil Vapor Impacts

A vapor encroachment condition (VEC) screen was evaluated under the general guidelines established by ASTM E2600 for Vapor Encroachment Screening on Property Involved in Real Estate Transactions. The Property conditions were reviewed for the likely presence of Chemicals of Concern (COC) vapors in the sub-surface from contaminated soil or groundwater on or within 0.33 miles of the subject property. In evaluating the potential for a VEC at the site, we evaluated the Tier 1 condition from information generally collected from the Phase I ESA. The information cited multiple tenants of the subject property in the environmental regulatory databases as potential areas of concern within a 0.33 miles search distance of the subject property. The tenants included Albertsons #1025, CVS Pharmacy #9339, Home Depot USA Inc. #0068, Marketplace Smiles, and the Target Store, which were listed as RCRA Generators; and Desert Ridge Cleaners was listed on the Dry Cleaners Inventory List. Inclusion in the environmental regulatory databases as a RCRA generator does not necessarily indicate a REC but only the potential for a REC. These facilities were not listed in any of the other environmental regulatory databases. Therefore, the potential environmental impact from these facilities to the subject property is believed to be low.

The Desert Ridge Cleaners, currently doing business as Green Cleaners, was located on the subject property and identified on ADEQ's Dry Cleaners List. However, this facility was only a pick-up/drop-off laundry facility and no dry cleaning was performed in the suite. The Green Cleaners is the current tenant of the suite and the same operations are being conducted. Additionally, the original building permit for Desert Ridge Dry Cleaners was reviewed. This building permit, dated January 14, 2002, confirmed the dry cleaners facility as a pick-up/drop-off location only. Based on this information and the VEC screen, Speedie and Associates does not believe there is a concern for VEC at this site at this time.

8.0 FINDINGS AND CONCLUSIONS

At the time of the site visit, the subject property consisted of approximately 115.23 acres of commercial land developed with the Desert Ridge Marketplace shopping center. The subject property appeared essentially the same as it was during Speedie and Associates previous assessment, although there appeared to be new tenants and/or occupant changes in some of the buildings. The shopping center consisted of multiple retail and commercial structures in varying sizes with some containing numerous individual suites. The subject property consisted of a grocery/drug store, a gas station/car wash, a pick-up/drop-off dry cleaner, retail shops, restaurants/bars, salons, a movie theatre, a bank, specialty shops, and associated paved parking.

Historically, the subject property appeared to be native desert land from 1949 until 1999. In 2000, the northern portion of the subject property appeared to have been graded and was vacant. By 2001, the subject property was being developed with the shopping center buildings. By 2003, the majority of the structures and parking associated with the shopping center appeared to be complete. Except for different tenants in the buildings, the subject property appeared unchanged from 2004 to 2022. Tenants in the buildings generally included a grocery store, restaurants, banks, salons/spas, a movie theater, a drop-off/pick-up cleaners (Desert Ridge Cleaners/Green Cleaners), a drug store, a Danny's Market/Family Car Wash and gas station, and various retail businesses. The Desert Ridge Cleaners suite is currently occupied by Green Cleaners and is still operated as only a drop-off/pick-up cleaner.

The former Danny's Market/Family Car Wash was located on the northwest corner of the subject property. This gas station contained a convenience store, car wash, and three (3) underground storage tanks (two (2) 15,000-gallon gasoline USTs and a 10,000-gallon/5,000-gallon split gasoline UST) inside a subterranean vault. The USTs were installed in 2002. Based on Fire Department records and documents obtained from the Maricopa County Air Quality Department, there have been incidents regarding small amounts of standing gasoline observed inside the vault during inspections and Notice of Violations (NOVs) were issued. However, in each case, the site was cleaned up and the facility was returned to compliance. In 2002, the gas station/car wash changed ownership and became Jacksons Gas Station. No violations were noted in the most recent inspection conducted by Maricopa County Air Quality Department. Based on the regulatory status and the location of the USTs inside a subterranean vault, the gasoline station and associated USTs do not represent a REC at this time.

A previous Phase I ESA was performed for the subject property by Terracon and a report was issued on February 23, 2016. The previous assessment was performed for the Desert Ridge Marketplace that was occupied by various retail/commercial tenants, restaurants, a dry-cleaning drop-off service, and a car wash with fueling station. The Terracon report indicated that Desert Ridge Cleaners was a pick-up/drop-off facility and no dry cleaning was performed on-site. The Terracon report indicated that RECs or CRECs were not identified in connection with the site. No additional investigation was warranted.

Speedie and Associates conducted two (2) previous Phase I ESAs for the subject property, which were documented in reports dated 1999 and 2021. The previous 2021 assessment reported that the USTs located at the gas station were located within a subterranean vault. No evidence of RECs, CRECs, or HRECs were identified in connection with the subject property in the previous environmental reports. *De minimis* hydraulic oil staining was observed beneath the trash compactors outside the buildings and beneath the elevator equipment inside some of the buildings.

The subject property was identified in the environmental regulatory databases, including RCRA Generators, the Dry Cleaners Inventory Log, and Registered Dry Wells. Inclusions in these environmental regulatory databases are not considered a REC. No other environmental regulatory listings were identified in the vicinity of the subject property.

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM Standard Practice E 1527 for the subject property identified as the Desert Ridge Marketplace located at 21001 North Tatum Boulevard in Phoenix, Arizona. Any exceptions to, or deletions from, this practice are described in Section 1.1 of this report. Based on information collected during Phase I ESA procedures and analysis, this assessment has revealed no evidence of RECs, controlled recognized environmental conditions (CRECs), or historical recognized environmental conditions (HRECs), in connection with the subject property. No *de minimis* conditions were identified except for surficial hydraulic oil staining observed beneath the trash compactors outside the buildings and beneath the elevator equipment inside some of the buildings.

9.0 RECOMMENDATIONS

Based on information collected during Phase I ESA procedures and analysis, we recommend no further investigation in regards to RECs at the subject property at this time.

However, we offer the following recommendations:

- During the site reconnaissance, landscaping debris and wind-blown trash were observed in the drywell settling chambers. The drywells should be annually inspected and cleaned out as needed on a regular basis as part of routine maintenance activities.

- The APS should be contacted to repair and/or replace the leaking transformer located near the west central side of the subject property.

10.0 LIMITATIONS

Our investigation has been carried out with diligence and detail consistent with prevailing standards and engineering practice. The scope of this investigation was limited to visual and physical observations made during the site visit, interviews with public agency personnel and a review of reasonably ascertainable records and literature. As a result, our conclusions are based largely on information supplied by others. We as environmental professionals are not required to verify the information, but may rely on the information unless actual knowledge concerning the validity of the information is known or is obvious to the professional, based on other collected information. The assessment focus was on identifying the presence or likely presence of any hazardous substances or petroleum products on a Property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the subject property or into the ground, groundwater, or surface water of the subject property. We are unable to predict events, which may occur after our site visit and result in Property contamination, such as “midnight” dumping or accidental spillage.

No environmental site assessment can wholly eliminate uncertainty regarding the potential for RECs in connection with a Property. Performance with ASTM Practice environmental 1527 is intended to reduce, but not eliminate uncertainty, in connection with a Property while recognizing reasonable limits of time and cost. It should not be concluded or assumed that an inquiry was not appropriate inquiry merely because the inquiry did not identify RECs in connection with a Property. Additionally, it cannot be assumed that any RECs identified during the assessment are the only conditions to exist for the subject property. Any conclusion should not be construed as a guarantee for absence, or an attempt at quantification of materials creating RECs, but merely the results of the assessment.

11.0 RELIANCE

We have performed our services for this project in accordance with our proposal and the report is solely for the use of Vestar DRM-OPCO, LLC and the Arizona State Land Department. Any reliance on this report by any other party shall be at such party's sole risk.

12.0 REPORT CERTIFICATION

This environmental site assessment was performed by an environmental professional or conducted under the supervision or responsible charge of an environmental professional. We declare that, to the best of our professional knowledge and belief, the individuals associated with the preparation of this report meet the definition of Environmental professional as defined in §312.10 of 40 CFR 312 and we have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. A summary of Project Personnel Credentials is included in Appendix F.

Respectfully submitted,
Speedie and Associates

Benjamin Larson
Environmental Specialist

Timothy J. Rheinschmidt, R.G.
Project Geologist

REGISTERED GEOLOGIST
CERTIFICATE NO.
32166
TIMOTHY J.
RHEINSCHMIDT
Date Signed 9/16/2022
ARIZONA, U.S.A.
Expires 12/31/2024

Connie F. Jiron
Project Manager

Christina T. Vickers
Environmental Division Manager

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SPEEDIE AND ASSOCIATES
Geotechnical • Environmental • Materials Engineers

APPENDIX A

ENVIRONMENTAL QUESTIONNAIRES

Questionnaire
TRANSMITTAL

SPEEDIE AND ASSOCIATES
GEOTECHNICAL/ENVIRONMENTAL/MATERIALS ENGINEERS
3331 E. Wood St., Phoenix, Arizona 85040 Telephone (602) 997-6391 Fax (602) 943-5508

To:	Jack Van Kleunen
Company:	Vestar DRM-OPCO, LLC
Email:	jvankleunen@vestar.com
Phone:	(602) 866-0900
Re:	Phase I ESA
Date:	April 5, 2021
Time:	2:43 PM
Pages:	6 pages, including this cover sheet.

Speedie & Associates is performing a Phase I Environmental Site Assessment (ESA) for the Desert Ridge Marketplace located at the southeast corner of Tatum Boulevard and Deer Valley Road in Phoenix, Arizona (APN 212-32-100C). In order to obtain additional information and better familiarize ourselves with the Property prior to our site inspection, we provide an Environmental Questionnaire to the Client (User), the current and past Property owners, and key site manager(s).

Attached is the questionnaire. Please complete and return the questionnaire to me as quickly as possible. If you have any questions, please do not hesitate to contact me.

Thank you.

PHASE I ESA - QUESTIONNAIRE

Project Name: **Desert Ridge Marketplace**
Project Location: **SEC Tatum Blvd & Deer Valley Rd in Phoenix, Arizona**
Project Number: **210762EA**

A Phase I Environmental Site Assessment (ESA) conducted in conformance with ASTM Standard Practice E1527-13 (herein denoted ASTM 1527) dated November 2013 reflects a commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601) and petroleum products. Per ASTM 1527, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the "landowner liability protections," or "LLPs"): that is, the practice that constitutes "all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial and customary practice" as defined at 42 U.S.C. §9601(35)(B). As per the ASTM practice, in order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "Brownfields Amendments"), the user should provide the following information to the environmental professional. Failure to conduct these inquiries could result in a determination that "all appropriate inquiries" is not complete.

This questionnaire is being provided to you as either the Client (user), property owner, or key site manager, to provide data for the performance of this assessment and to better familiarize ourselves with the property prior to our site inspection. This allows us to make better use of our site inspection time, expedite the completion of our report, provide a better overall assessment, and comply with the referenced ASTM Standard.

Please complete the questionnaire and return it to Speedie and Associates as soon as possible. We ask that you answer the questions in good faith and to be as specific as possible. Please attach any pertinent documentation and a detailed description of the property boundaries. **Please do not forward this questionnaire.** During the course of this assessment, attempts will be made to contact Property owners, tenants, employees, etc. These contacts are made to provide information regarding past, and present use of the property. Speedie & Associates will attempt to secure relevant public information regarding the property. However, if specific confidentiality is required for this assessment (ie. no contact with employees, tenants, etc.), please inform Speedie & Associates of these requirements as soon as possible.

1. **Environmental liens that are filed or recorded against the Property (40 CFR 312.25).**
Did a search of recorded land title records (or judicial records where appropriate) identify any environmental liens filed or recorded against the Property under federal, tribal, state or local law?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

Are there any pending, threatened, past litigation, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the Property?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

Do you have knowledge of any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

2. **Activity and use limitations (AULs) that are in place on the Property or that have been filed or recorded against the Property (40 CFR 312.26(a)(1)(v) and (vi)).**
Did a search of recorded land title records (or judicial records where appropriate) identify any AULs, such as engineering controls, land use restrictions or institutional controls that are in place at the Property and/or have been filed or recorded against the Property under federal, tribal, state or local law?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

Are there any discharge permits assigned to the Property (i.e. Solid Waste, Hazardous Waste, Aquifer Protection Permits (APP), Air Quality, NPDES)?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

3. **Specialized knowledge or experience of the person seeking to qualify for the LLP (40 CFR 312.28).**
Do you have any specialized knowledge or experience related to the Property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the Property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

Are there any alternate or past addresses for the Property?

Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

4. **Relationship of the purchase price to the fair market value of the Property if it were not contaminated (40 CFR 312.29).**
Does the purchase price being paid for this Property reasonably reflect the fair market value of the Property?

Yes _X_ No __ Unknown __

If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the Property?

Yes __ No __ If yes, please give details or enclose information.

5. **Commonly known or reasonably ascertainable information about the Property (40 CFR 312.30).**

Are you aware of commonly known or reasonably ascertainable information about the Property that would help the environmental professional to identify conditions indicative of releases or threatened releases? For example:

a. What are the current uses of the Property?
Retail.

b. Do you know the past uses of the Property? If yes, please give details or enclose information.

Yes __ No _X_ Unknown __

c. Do you know of specific chemicals that are present or once were present at the Property?

Yes __ No _X_ Unknown __

d. Do you know of spills or other chemical releases that have taken place at the Property?

Yes __ No _X_ Unknown __

e. Do you know of any environmental cleanups that have taken place at the Property?

Yes __ No _X_ Unknown __

6. **The degree of obviousness of the presence or likely presence of contamination at the Property, and the ability to detect the contamination by appropriate investigation (CFR 40 312.31).**
Based on your knowledge and experience related to the Property are there any obvious indicators that point to the presence or likely presence of releases at the Property?

Yes __ No _X_ Unknown __

7. Site ownership information:

Current Property Owner information (Photocopy this page if additional space needed).

Name: Vestar DRM-OPCO, LLC

Address: 2425 E. Camelback Rd., Suite 750

City: Phoenix State: AZ Zip Code: 85016

Phone Number 602-866-0900 Fax Number 602-956-8721

Email Address: bunderstahl@vestar.com

Date Purchased: N/A Date Sold: N/A

Past Ownership.

Name: State of Arizona
Arizona State Land Dept (ground leased to Vestar DRM-OPCO, LLC on 7/20/2000)

Address: 1616 W. Adams St.

City: Phoenix State: Arizona Zip Code: 850007

Phone Number N/A Fax Number N/A

Email Address: N/A

Date Purchased N/A Date Sold N/A

Please identify a key site manager for the property. The key site manager should be someone with good knowledge of the uses and physical characteristics of the property (i.e. property manager, plant supervisor, head maintenance person, etc.) and can provide access to the site.

Name: Jim Brennan

Representing: Vestar DRM-OPCO, LLC

Address: 21001 N. Tatum Blvd., #46-1515

City: Phoenix State: Arizona Zip Code: 85050

Phone Number: 480-513-7586 Fax Number: 480-563-1829

Email Address: jbrennan@vestar.com

Please provide the complete and correct address for the property.

21001 N. Tatum Blvd.
Phoenix, AZ 85054

8. Other information regarding the property:

Are any of the following available for use as a part of this study?

Previous Environmental Assessments	_X_ Yes __No __ Unk
Environmental Compliance Audits	__ Yes _ No _X_ Unk
Environmental Permits	__ Yes _No _X_ Unk
Registrations for Underground or Aboveground Storage Tanks	__ Yes __ No _X_ Unk
Registrations for Underground Injection Systems	__ Yes _ No _X_ Unk
Material Safety Data Sheets (MSDS)	__ Yes _ No _X_ Unk
Community Right-to-Know Plans	__ Yes _ No _X_ Unk
Safety Plans, Preparedness and Prevention Plans, Spill Prevention, Countermeasure and Control Plans	__ Yes _ No X__ Unk
Geotechnical or Hydrogeologic Reports	__ Yes _ No X__ Unk
Hazardous Waste Generator Notices/Reports	__ Yes _ No _X_ Unk
Records of violations of environmental laws	__ Yes _ No _X_ Unk
Legal Descriptions/Site Plans/Building Plans	_X_ Yes __ No __ Unk
Risk Assessments	__ Yes _ No _X_ Unk
Recorded Activity and Use Limitations on the Property	__ Yes _ No _X_ Unk
Annual SARA Reports	__ Yes _ No _X_ Unk

If any of the above documents are available please provide copies with the return of this questionnaire, or provide names, and telephone numbers where copies can be obtained.

Copies are on file at the corporate office of Vestar. The phone number is 602-866-0900.

Are there currently, or have there been in the past, any underground (USTs) or aboveground storage tanks (ASTs) located on the property? _X_ Yes __ No __ Unknown

If yes, are there any Tank Registration or Tank Removal Documents available?
__ Yes _X_ No __ Unknown

If there are buildings on site?

How many buildings are there? 50
When were the buildings constructed? 2000-2001

Indicate which companies, city or other (ie. private well) provide utilities to the property:

Water: City of Phoenix
Electric: APS
Gas: SW Gas

Other utility information:

Type of sewage disposal system: City
Age of sewage disposal system: 20 years
Heating/cooling source (gas, oil, electric, radiators, etc.): N/A

Please identify all past and current tenants assigned to the property.

Attached.

Briefly describe past and current site operations.

Retail.

Briefly identify the origin of any fill material on-site.

What is the reason the Phase I is being performed?

Requirement for State of Arizona land auction.

What is the type of property transaction (i.e., sale, purchase, exchange, etc.)?

Auction of fee interest in land by State of Arizona.

If the Property is to be redeveloped, what is the proposed development?

N/A.

If you are the User of the report, please identify all parties who may *rely* on the Phase I Report.

Arizona State Land Department will provide this as part of its auction materials.

Questionnaire Completed By: Jack Van Kleunen (Printed Name)

_____(Signature)

Representing: Vestar DRM-OPCO, LLC Date: April 5, 2021

From: Jack Van Kleunen <jvankleunen@vestar.com>
Sent: Tuesday, August 23, 2022 12:36 PM
To: Adela Buster
Cc: Beth Understahl
Subject: RE: approved phase 1 proposal

No problem

Jack Van Kleunen
Senior Vice President Construction
2415 East Camelback Road, Suite 100
Phoenix, Arizona 85016
Direct-602-553-2622
Office-602-866-0900
Jvankleunen@vestar.com

From: Adela Buster <abuster@speedie.net>
Sent: Tuesday, August 23, 2022 12:19 PM
To: Jack Van Kleunen <jvankleunen@vestar.com>
Cc: Beth Understahl <BUnderstahl@vestar.com>
Subject: FW: approved phase 1 proposal

Thanks Jack – Can we use today's date as the date that the questionnaire was signed? The attached still has the April 5, 2021 date.

Thank you,

Adela Buster | Environmental Research Specialist
SPEEDIE & ASSOCIATES, LLC
A Universal Engineering Sciences Company

t: 602.344.4717 **c:** 602.550.8308 **e:** abuster@speedie.net
3331 E. Wood St., Phoenix, Arizona 85040

From: Jack Van Kleunen <jvankleunen@vestar.com>
Sent: Tuesday, August 23, 2022 12:16 PM
To: Adela Buster <abuster@speedie.net>
Cc: Beth Understahl <BUnderstahl@vestar.com>
Subject: approved phase 1 proposal

Jack Van Kleunen
Senior Vice President Construction
2415 East Camelback Road, Suite 100
Phoenix, Arizona 85016
Direct-602-553-2622
Office-602-866-0900
Jvankleunen@vestar.com

From: phx-exec@vestar.com <phx-exec@vestar.com>
Sent: Tuesday, August 23, 2022 12:24 PM
To: Jack Van Kleunen <jvankleunen@vestar.com>
Subject: Scan

Questionnaire
TRANSMITTAL

SPEEDIE AND ASSOCIATES
GEOTECHNICAL/ENVIRONMENTAL/MATERIALS ENGINEERS
3331 E. Wood St., Phoenix, Arizona 85040 Telephone (602) 997-6391 Fax (602) 943-5508

To:

Company: Arizona State Land Department

Email:

Phone:

Re: Phase I ESA

Date: August 23, 2022

Time: 4:57 PM

Pages: 6 pages, including this cover sheet.

Speedie & Associates is performing a Phase I Environmental Site Assessment (ESA) for the Desert Ridge Marketplace located at 21001 North Tatum Boulevard in Phoenix, Arizona (APN 212-32-100C). In order to obtain additional information and better familiarize ourselves with the Property prior to our site inspection, we provide an Environmental Questionnaire to the Client (User), the current and past Property owners, and key site manager(s).

Attached is the questionnaire. Please do not forward this questionnaire. Please complete and return the questionnaire to me as quickly as possible. If you have any questions, please do not hesitate to contact me.

Thank you.

PHASE I ESA - QUESTIONNAIRE

Project Name: **Desert Ridge Marketplace**
Project Location: **21001 N. Tatum Blvd. in Phoenix, Arizona**
Project Number: **210762EB**

A Phase I Environmental Site Assessment (ESA) conducted in conformance with ASTM Standard Practice E1527-13 (herein denoted ASTM 1527) dated November 2013 reflects a commercial and customary practice in the United States of America for conducting an environmental site assessment of a parcel of commercial real estate with respect to the range of contaminants within the scope of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601) and petroleum products. Per ASTM 1527, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability (hereinafter, the "landowner liability protections," or "LLPs"): that is, the practice that constitutes "all appropriate inquiries into the previous ownership and uses of the property consistent with good commercial and customary practice" as defined at 42 U.S.C. §9601(35)(B). As per the ASTM practice, in order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "Brownfields Amendments"), the user should provide the following information to the environmental professional. Failure to conduct these inquiries could result in a determination that "all appropriate inquiries" is not complete.

This questionnaire is being provided to you as either the Client (user), property owner, or key site manager, to provide data for the performance of this assessment and to better familiarize ourselves with the property prior to our site inspection. This allows us to make better use of our site inspection time, expedite the completion of our report, provide a better overall assessment, and comply with the referenced ASTM Standard.

Please complete the questionnaire and return it to Speedie and Associates as soon as possible. We ask that you answer the questions in good faith and to be as specific as possible. Please attach any pertinent documentation and a detailed description of the property boundaries. **Please do not forward this questionnaire.** During the course of this assessment, attempts will be made to contact Property owners, tenants, employees, etc. These contacts are made to provide information regarding past, and present use of the property. Speedie & Associates will attempt to secure relevant public information regarding the property. However, if specific confidentiality is required for this assessment (ie. no contact with employees, tenants, etc.), please inform Speedie & Associates of these requirements as soon as possible.

1. **Environmental liens that are filed or recorded against the Property (40 CFR 312.25).**
   Did a search of recorded land title records (or judicial records where appropriate) identify any environmental liens filed or recorded against the Property under federal, tribal, state or local law?

   Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

   Are there any pending, threatened, past litigation, or past administrative proceedings relevant to hazardous substances or petroleum products in, on or from the Property?

   Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

   Do you have knowledge of any notices from any governmental entity regarding any possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products?

   Yes ___ No ___ Unknown _X_ If yes, please give details or enclose information.

2. **Activity and use limitations (AULs) that are in place on the Property or that have been filed or recorded against the Property (40 CFR 312.26(a)(1)(v) and (vi)).**
   Did a search of recorded land title records (or judicial records where appropriate) identify any AULs, such as engineering controls, land use restrictions or institutional controls that are in place at the Property and/or have been filed or recorded against the Property under federal, tribal, state or local law?

   Yes ___ No _X_ Unknown ___ If yes, please give details or enclose information.

   Are there any discharge permits assigned to the Property (i.e. Solid Waste, Hazardous Waste, Aquifer Protection Permits (APP), Air Quality, NPDES)?

   Yes ___ No ___ Unknown _X_ If yes, please give details or enclose information.

3. **Specialized knowledge or experience of the person seeking to qualify for the LLP (40 CFR 312.28).**
   Do you have any specialized knowledge or experience related to the Property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the Property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?

   Yes ___ No ___ Unknown _X_ If yes, please give details or enclose information.

   Are there any alternate or past addresses for the Property?

   Yes ___ No ___ Unknown _X_ If yes, please give details or enclose information.

4. **Relationship of the purchase price to the fair market value of the Property if it were not contaminated (40 CFR 312.29).**
   Does the purchase price being paid for this Property reasonably reflect the fair market value of the Property?

   Yes _X_ No ___ Unknown ___

   If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the Property?

   Yes __ No _X_ If yes, please give details or enclose information.

5. **Commonly known or reasonably ascertainable information about the Property (40 CFR 312.30).**

   Are you aware of commonly known or reasonably ascertainable information about the Property that would help the environmental professional to identify conditions indicative of releases or threatened releases? For example:

   a. What are the current uses of the Property?
      The land is fully improved. It is the land under Desert Ridge Marketplace.

   b. Do you know the past uses of the Property? If yes, please give details or enclose information.

      Yes ___ No ___ Unknown _X_

   c. Do you know of specific chemicals that are present or once were present at the Property?

      Yes ___ No ___ Unknown _X_

   d. Do you know of spills or other chemical releases that have taken place at the Property?

      Yes ___ No ___ Unknown _X_

   e. Do you know of any environmental cleanups that have taken place at the Property?

      Yes ___ No ___ Unknown _X_

6. **The degree of obviousness of the presence or likely presence of contamination at the Property, and the ability to detect the contamination by appropriate investigation (CFR 40 312.31).**
   Based on your knowledge and experience related to the Property are there any obvious indicators that point to the presence or likely presence of releases at the Property?

   Yes ___ No ___ Unknown _X_

7. Site ownership information:

Current Property Owner information (Photocopy this page if additional space needed).

Name Arizona State Land Department

Address 1110 W. Washington St, Suite 510

City Phoenix State AZ Zip Code 85007

Phone Number 602-542-4621 Fax Number _____

Email Address: _____

Date Purchased _____ Date Sold _____

Past Ownership.

Name _____

Address _____

City _____ State _____ Zip Code _____

Phone Number _____ Fax Number _____

Email Address: _____

Date Purchased _____ Date Sold _____

Please identify a key site manager for the property. The key site manager should be someone with good knowledge of the uses and physical characteristics of the property (i.e. property manager, plant supervisor, head maintenance person, etc.) and can provide access to the site.

Name _____

Representing _____

Address _____

City _____ State _____ Zip Code _____

Phone Number _____ Fax Number _____

Email Address: _____

Please provide the complete and correct address for the property.

Please get this address from Vestar, they have recently moved.

8. Other information regarding the property:

Are any of the following available for use as a part of this study? All unknown

Previous Environmental Assessments	___ Yes ___No ___ Unk
Environmental Compliance Audits	___ Yes ___ No ___ Unk
Environmental Permits	___ Yes ___ No ___ Unk
Registrations for Underground or Aboveground Storage Tanks	___ Yes ___ No ___ Unk
Registrations for Underground Injection Systems	___ Yes ___ No ___ Unk
Material Safety Data Sheets (MSDS)	___ Yes ___ No ___ Unk
Community Right-to-Know Plans	___ Yes ___ No ___ Unk
Safety Plans, Preparedness and Prevention Plans, Spill Prevention, Countermeasure and Control Plans	___ Yes ___ No ___ Unk
Geotechnical or Hydrogeologic Reports	___ Yes ___ No ___ Unk
Hazardous Waste Generator Notices/Reports	___ Yes ___ No ___ Unk
Records of violations of environmental laws	___ Yes ___ No ___ Unk
Legal Descriptions/Site Plans/Building Plans	___ Yes ___ No ___ Unk
Risk Assessments	___ Yes ___ No ___ Unk
Recorded Activity and Use Limitations on the Property	___ Yes ___ No ___ Unk
Annual SARA Reports	___ Yes ___ No ___ Unk

If any of the above documents are available please provide copies with the return of this questionnaire, or provide names, and telephone numbers where copies can be obtained.

Are there currently, or have there been in the past, any underground (USTs) or aboveground storage tanks (ASTs) located on the property? ___ Yes __ No _x_ Unknown

If yes, are there any Tank Registration or Tank Removal Documents available?

___ Yes __ No _x_ Unknown

If there are buildings on site?

How many buildings are there? Check with Vestar_____

When were the buildings constructed? _____

Indicate which companies, city or other (ie. private well) provide utilities to the property:

Water: _____

Electric: _____

Gas: _____

Other utility information:

Type of sewage disposal system:____City_____

Age of sewage disposal system: _____

Heating/cooling source (gas, oil, electric, radiators, etc.) _____

Please identify all past and current tenants assigned to the property.

Briefly describe past and current site operations.

Briefly identify the origin of any fill material on-site.

What is the reason the Phase I is being performed?

Required due diligence

What is the type of property transaction (i.e., sale, purchase, exchange, etc.)?

Land sale

If the Property is to be redeveloped, what is the proposed development?

If you are the User of the report, please identify all parties who may *rely* on the Phase I Report.

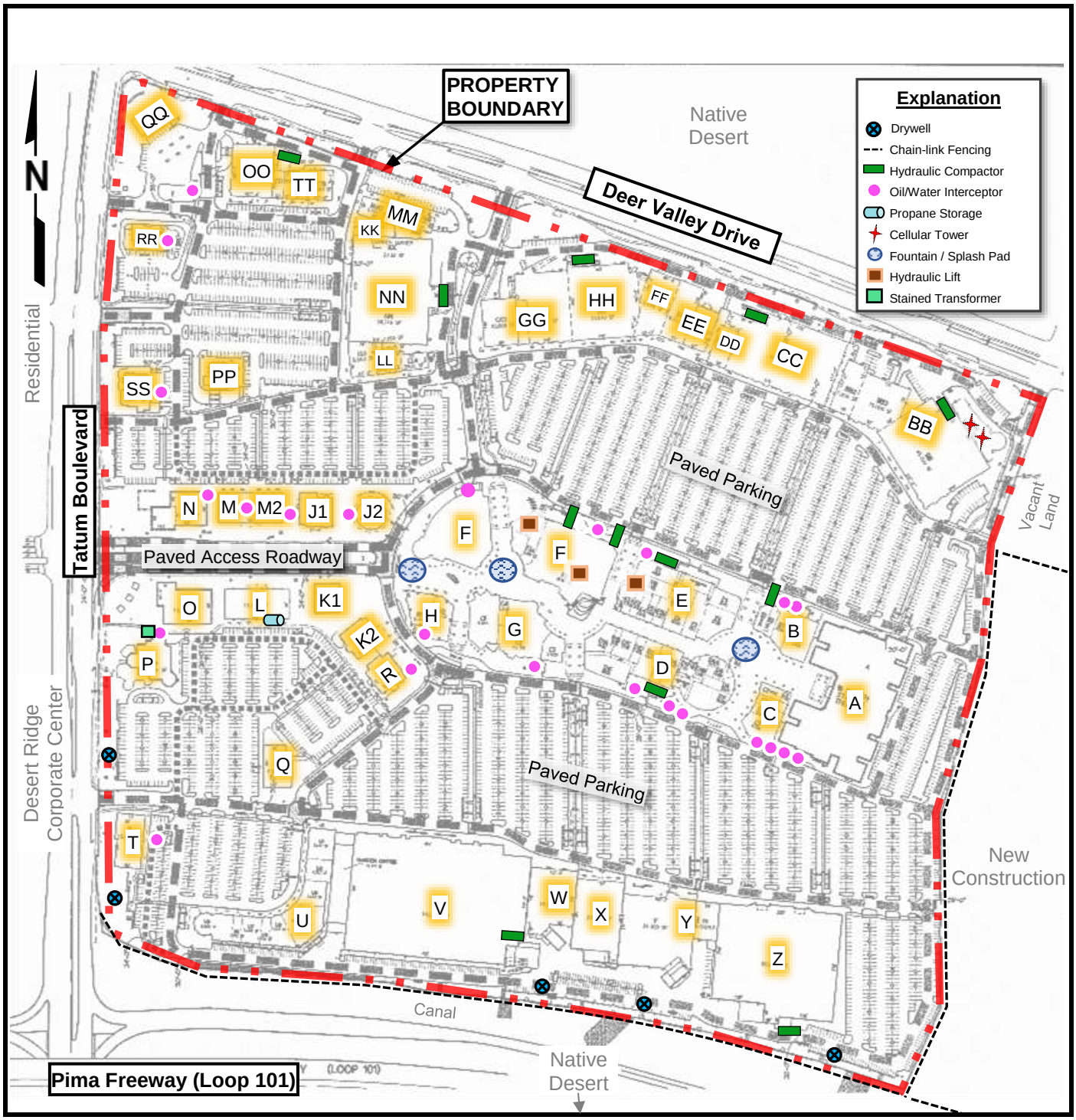
Questionnaire Completed By: Van Robinson (Printed Name)

Van Robinson (Signature)

Representing: Arizona State Land Department Date: 8/23/22

APPENDIX B

SITE PLAN



Note: The tenants in the buildings are listed on the 2022 Rent Roll included in Appendix C. The alphabetic letter shown on the buildings correspond to the last letters in the "space" column of the 2022 Rent Roll.

SPEEDIE AND ASSOCIATES
Geotechnical • Environmental • Materials Engineers

APPENDIX C

2022 RENT ROLL

8/31/2022 SZ

DESERT RIDGE MARETPLACE

2022 Tenant GLA Roster

TENANT	SPACE	SF	OPEN DATE	PREMISE ADDRESS	SUITE #	VACANCY SF
MAJORS						
AMC Dine-In Desert Ridge 18	M000A	76,389	11/16/2001	21001 N. Tatum Blvd.	32	
Target #T1360	M000V	153,314	1/2/2001	21001 N. Tatum Blvd.	20	
PetSmart #1039	M000W	19,235	12/14/2001	21001 N. Tatum Blvd.	22	
Nordstrom Rack #416	M000X	**23,500**	**TBD**	21001 N. Tatum Blvd.	24	23,500
Bob's Discount Furniture	M000Y	34,300	8/7/2020	21001 N. Tatum Blvd.	26	
Kohl's #615	M000Z	88,863	10/10/2003	21001 N. Tatum Blvd.	30	
JoAnn #1965	M00BB	45,000	10/18/2001	21001 N. Tatum Blvd.	50	
Marshalls #824	M00CC	48,475	10/28/2001	21001 N. Tatum Blvd.	56	
Barnes & Noble #2039	M00F1	27,930	10/24/2001	21001 N. Tatum Blvd.	42	
Dave & Busters	M00F2	62,000	1/1/2005	21001 N. Tatum Blvd.	44-1400	
Five Below #3000	M00FF	8,678	8/1/2019	21001 N. Tatum Blvd.	64	
Old Navy #6528	M00GG	17,575	10/1/2006	21001 N. Tatum Blvd.	68	
Ross #543	M00HH	32,798	11/16/2001	21001 N. Tatum Blvd.	66	
DSW #29172	M00Y1	23,188	8/15/2003	21001 N. Tatum Blvd.	28	
Nike	M0G2A	13,602	9/9/2021	21001 N. Tatum Blvd.	38-1330	
Ulta Beauty #108	M0GG1	10,730	10/24/2001	21001 N. Tatum Blvd.	72	
				Major S.F. of Vacancies		**23,500**
TOTAL MAJOR SF:		**758,388**				
PADS						
Barbaques Galore	P000L	12,745	4/29/2016	21001 N. Tatum Blvd.	10	
VACANT - former Sweet Tomatoes	P000M	6,970		21001 N. Tatum Blvd.	93	6,970
BJ's Restaurant #447	P000N	8,000	3/14/2006	21001 N. Tatum Blvd.	92	
Total Wine & Spirits #1003	P000O	19,000	9/12/2008	21001 N. Tatum Blvd.	12	
Sandbar Mexican Grill	P000P	8,346	9/15/2010	21001 N. Tatum Blvd.	14	
The Keg Steakhouse + Bar	P000Q	8,000	4/20/2002	21001 N. Tatum Blvd.	2	
Majerle's Sports Grill	P00J1	4,904	9/11/2010	21001 N. Tatum Blvd.	96	
Barrio Queen	P00J2	5,678	10/9/2017	21001 N. Tatum Blvd.	98	
ComicX	P00M2	8,000	12/4/2019	21001 N. Tatum Blvd.	95	
Thirsty Lion Gastropub & Grill	P00R1	6,500	12/23/2019	21001 N. Tatum Blvd.	6	
VACANT - former Macaroni Grill	P00R2	6,851		21001 N. Tatum Blvd.	4	6,851
				Pad S.F. of Vacancies		**13,821**
TOTAL PAD SF:		**114,136**				
SHOPS						
Flower Child	P00T1	3,500	6/20/2018	21001 N. Tatum Blvd.	16-1000	
Keep It Cut	P00T3	1,500	4/18/2022	21001 N. Tatum Blvd.	16-1006	
Verizon Wireless	P00T2	4,967	11/6/2009	21001 N. Tatum Blvd.	16-1010	
Tikka Shack	S00B1	2,006	4/14/2019	21001 N. Tatum Blvd.	48-1520	
As You Wish	S00B2	1,700	7/31/2007	21001 N. Tatum Blvd.	48-1530	
Sid's Garage	S00B3	3,269	5/15/2022	21001 N. Tatum Blvd.	48-1540	
Yard House	S00B4	10,000	9/26/2005	21001 N. Tatum Blvd.	48-1550	
Spitz Meditteranean (fka Santorini's)	S00C1	1,720	Not Open RCD = 4/10/22	21001 N. Tatum Blvd.	34-1140	0
VACANT - formerly Paris Douceurs	S00C2	800		21001 N. Tatum Blvd.	34-1150	800
CupBop	S00C3	2,008	5/21/2021	21001 N. Tatum Blvd.	34-1130	
Panda Express #640	S00C4	2,240	11/1/2001	21001 N. Tatum Blvd.	34-1120	
Café Zupas	S00C5B	3,600	6/1/2012	21001 N. Tatum Blvd.	34-1110	
Jimmy Johns #2176	S00C5A	1,260	11/1/2012	21001 N. Tatum Blvd.	34-1115	
Victoria's Secret Pink	S00D3	4,000	6/27/2019	21001 N. Tatum Blvd.	36-1250	
Soap Des Jour	S00D4	2,650	7/15/2022	21001 N. Tatum Blvd.	36-1240	

DESERT RIDGE MARETPLACE

2022 Tenant GLA Roster

TENANT	SPACE	SF	OPEN DATE	PREMISE ADDRESS	SUITE #	VACANCY SF
Islands Fine Burgers & Drinks #035	S00D5	5,600	2/26/2006	21001 N. Tatum Blvd.	36-1160	
It'Sugar	S00D6	2,653	9/26/2012	21001 N. Tatum Blvd.	36-1170	
Cold Stone Creamery #20269	S00D7	800	1/1/2007	21001 N. Tatum Blvd.	36-1180	
Cartel Coffee Lab	S00D8	**1,154**	**TBD**	21001 N. Tatum Blvd.	36-1190	1,154
Lane Bryant #6926	S00DD	5,000	10/19/2001	21001 N. Tatum Blvd.	58	
XI Clothing	S00E1	7,689	12/30/2009	21001 N. Tatum Blvd.	46-1410	
Flip Flop Shops	S00E3	813	6/17/2022	21001 N. Tatum Blvd.	46-1440	
Claire's Boutique #6926	S00E4	1,346	12/1/2006	21001 N. Tatum Blvd.	46-1450	
Rolling Rack Boutique	S00E7	4,100	10/30/2021	21001 N. Tatum Blvd.	46-1490	
Just Sports #430	S00E8	2,117	11/21/2009	21001 N. Tatum Blvd.	46-1500B	
Tikka Shack Prep Space	S00E10	600	4/14/2019	21001 N. Tatum Blvd.		
Kay Jewelers #2882	S0G3B	1,823	8/27/2016	21001 N. Tatum Blvd.	38-1324	
LensCrafters #A-681	S00E9	3,545	2/17/2022	21001 N. Tatum Blvd.	46-1510	
Tilly's #0145	S00EE	9,945	10/25/2011	21001 N. Tatum Blvd.	62	
Copper Blues Stand Up Live	S00G1	10,364	12/28/2018	21001 N. Tatum Blvd.	38-1350	
Torrid #5288	S00GG3	3,000	10/6/2013	21001 N. Tatum Blvd.	68-1345	
Pacific Sunwear #0600	S00E8A	3,610	12/15/2001	21001 N. Tatum Blvd.	36-1290	
VACANT - former Verizon	S00G4	3,068		21001 N. Tatum Blvd.	38-1340	3,068
California Pizza Kitchen #159	S00H1	5,000	1/22/2002	21001 N. Tatum Blvd.	40-1370	
Artichoke Basille's Pizza	S00H2	**3,510**	**TBD**	21001 N. Tatum Blvd.	40-1365	3,510
VACANT - former part of Carter's	S0H2A	2,992		21001 N. Tatum Blvd.	40-1360	2,992
Chipotle	S00U1	2,249	7/21/2016	21001 N. Tatum Blvd.	18-1100	
Nekter Juice Bar	S00U1B	1,393	11/1/2016	21001 N. Tatum Blvd.	18-1096	
Amazing Lash Studios	S00UC	1,962	9/2/2016	21001 N. Tatum Blvd.	18-1093	
Eat the Frog Fitness	S00U3	2,872	1/26/2020	21001 N. Tatum Blvd.	18-1090	
The Joint	S00U3A	1,042	9/2/2016	21001 N. Tatum Blvd.	18-1085	
Scrubs & Beyond	S00U2	4,000	7/27/2011	21001 N. Tatum Blvd.	18-1080	
The Beauty District	S00U4	8,422	9/1/2016	21001 N. Tatum Blvd.	18-1070	
RADI8 Hot Yoga	S00U5	4,082	5/8/2022	21001 N. Tatum Blvd.	18-1060	
European Wax Center #0066	S00U6	1,975	8/29/2019	21001 N. Tatum Blvd.	18-1050	
Reformed Pilates	S00U7	1,442	4/3/2017	21001 N. Tatum Blvd.	18-1040	
Pearle Vision	S00U8	3,435	2/11/2004	21001 N. Tatum Blvd.	18-1030	
Derma Health Skin & Laser	S00U9	2,679	11/19/2020	21001 N. Tatum Blvd.	18-1020	
Breakfast Kitchen Bar	S00U9A	3,500	1/5/2020	21001 N. Tatum Blvd.	18-1010	
Kirkland's #366	S0BB2	5,000	2/1/2009	21001 N. Tatum Blvd.	54	
Ski Pro	S0BB3	14,941	6/21/2021	21001 N. Tatum Blvd.	52	
Sunglass Hut #03581	S0D10	800	2/1/2007	21001 N. Tatum Blvd.	36-1220	
ShareTea	S0D11	750	10/1/2019	21001 N. Tatum Blvd.	36-1230	
H&M	S0D1C	20,761	9/26/2019	21001 N. Tatum Blvd.	36-1219	
Slices	S0D9A	1,109	3/24/2006	21001 N. Tatum Blvd.	36-1200	
Sizzle Korean BBQ	S0D9B	1,961	10/28/2016	21001 N. Tatum Blvd.	36-1210	
Journeys #1025	S0E2A	1,808	12/15/2001	21001 N. Tatum Blvd.	36-1270	
The Whining Pig & Pig Tails	S0E2B	4,045	11/9/2018	21001 N. Tatum Blvd.	46-1405	
Hot Topic #0338	S0E5A	1,675	4/25/2019	21001 N. Tatum Blvd.	46-1460	
Spencer's Gifts #2226	S0E5B	2,437	3/10/2021	21001 N. Tatum Blvd.	46-1470	
Famous Footwear #3150	S0EE1	6,440	7/13/2011	21001 N. Tatum Blvd.	60	
American Eagle #686	S0E6A	5,800	7/11/2002	21001 N. Tatum Blvd.	46-1480	
Massage Envy #0931	S00Z1	3,187	11/25/2011	21001 N. Tatum Blvd.	29	
Creations Boutique	S0F3B	7,669	1/21/2020	21001 N. Tatum Blvd	44-1390	
Fat Tuesday	S0F3A	**358**	**TBD**	21001 N. Tatum Blvd	**TBD**	358

DESERT RIDGE MARETPLACE

2022 Tenant GLA Roster

TENANT	SPACE	SF	OPEN DATE	PREMISE ADDRESS	SUITE #	VACANCY SF
VACANT - former Daily Method	S0F3C	3,604		21001 N. Tatum Blvd.	44-2380	3,604
Bath & Body Works #01704	S0GG2	3,200	10/19/2001	21001 N. Tatum Blvd.	70	
GameStop #6282	S00G3A	1,742	12/11/2008	21001 N. Tatum Blvd.	38-1322	
				Shops S.F. of Vacancies		**15,486**
TOTAL SHOPS SF:	**282,391**					
NEIGHBORHOOD						
Albertson's #0025	M00NN	57,560	12/12/2001	21001 N. Tatum Blvd.	76	
CVS #09339L01	M00OO	15,251	8/1/2006	21001 N. Tatum Blvd.	82	
Bank of America #PAZ32200000	P00PP	4,345	2/12/2001	21001 N. Tatum Blvd.	90	
Jacksons	P00QQ	5,000	8/1/2001	21001 N. Tatum Blvd.	84	
In-N-Out Burger #160	P00RR	3,160	12/22/2001	21001 N. Tatum Blvd.	86	
Mimi's Café #60061	P00SS	6,637	9/24/2001	21001 N. Tatum Blvd.	88	
Fly Bye	S0LL1	2,000	7/14/2022	21001 N. Tatum Blvd.	74-1557	
Hand & Stone Massage & Facial Spa	S0LL-1A	2,486	5/28/2022	21001 N. Tatum Blvd.	74-1555	
VACANT - former part of Hallmark	S0LL-1C	1,350		21001 N. Tatum Blvd.	TBD	1,350
Dakota London Hair Extensions	S0LL2	**1,350**	**TBD**	21001 N. Tatum Blvd.	74-1570 ?	1,350
Kumon Math & Reading	S0LL3	1,600	12/2/2020	21001 N. Tatum Blvd.	74-1580	
Hall of Frames	S0LL4	1,396	12/1/2006	21001 N. Tatum Blvd.	74-1590	
Rapid iPhone Repair	S0LL5	1,318	5/7/2021	21001 N. Tatum Blvd.	74-1565	
BackFit Health & Spine	S0MM1	4,004	9/8/2018	21001 N. Tatum Blvd.	78-1640	
The UPS Store #4350	S0MM2	1,400	12/1/2007	21001 N. Tatum Blvd.	78-1630	
Green Cleaners	S0MM3	1,400	1/1/2007	21001 N. Tatum Blvd.	78-1620	
Fashion Nails	S0MM4	800	12/30/2009	21001 N. Tatum Blvd.	78-1610	
Smoothie King / Port of Subs	S0MM5	1,600	12/1/2008	21001 N. Tatum Blvd.	78-1600	
Marketplace Smiles 1 & 2	S0TT1	1,400	5/26/2005	21001 N. Tatum Blvd.	80-1690	
(Pacific Dental #112)	S0TT2	3,000	3/1/2009	21001 N. Tatum Blvd.		
T-Mobile #8522 (AZPH001932)	S0TT3	1,490	11/1/2005	21001 N. Tatum Blvd.	80-1680	
Supercuts #82213	S0TT4	1,493	3/1/2008	21001 N. Tatum Blvd.	80-1670	
VACANT - former Walkin Wills	S0TT5	1,815		21001 N. Tatum Blvd.	80-1660	1,815
Einstein Bros. Bagels #3291	S0TT6	2,200	12/1/2008	21001 N. Tatum Blvd.	80-1650	
				Neighborhood S.F. of Vacancies		**4,515**
TOTAL NEIGHBORHOOD SF:	**124,055**					
TOTAL SF:	**1,154,915**			**Total S.F. of Vacancies:**		**57,322**

SPEEDIE AND ASSOCIATES
Geotechnical • Environmental • Materials Engineers

APPENDIX D

SURFACE PHOTOGRAPHS

APPENDIX D: Surface Photographs

Photo No. 1: Southwest corner of the subject property facing east along the southern boundary.

Photo No. 2: Southwest corner of the subject property facing northeast and looking across the subject property.

Photo No. 3: Southwest corner of the subject property facing north along the western boundary.

Photo No. 4: Northwest corner of the subject property facing south along the western boundary.

Photo No. 5: Northwest corner of the subject property facing southeast and looking across the subject property.

Photo No. 6: Northwest corner of the subject property facing east along the northern boundary.

APPENDIX D: Surface Photographs

Photo No. 7: Northeast corner of the subject property facing west along the northern boundary.

Photo No. 8: Northeast corner of the subject property facing southwest and looking across the subject property.

Photo No. 9: Northeast corner of the subject property facing south along the eastern boundary.

Photo No. 10: Southeast corner of the subject property facing north along the eastern boundary.

Photo No. 11: Southeast corner of the subject property facing northwest and looking across the subject property.

Photo No. 12: Southeast corner of the subject property facing west along the southern boundary.

Photo No. 13: View of typical pad-mounted transformer centrally located on the subject property.

Photo No. 14: View of typical dry transformer primarily observed in the electrical rooms/loading dock areas in the buildings.

Photo No. 15: View of paved parking lot and the surrounding buildings of the Desert Ridge Marketplace.

Photo No. 16: View of paved drive located along the central and periphery portions of the subject property.

Photo No. 17: View of typical hydraulic compactor, electrical and grease interceptor area located on the northern exterior wall of Building F.

Photo No. 18: View of *de minimis* hydraulic fluid staining on intact concrete observed on the JoAnn Fabric's loading dock in Building BB.

APPENDIX D: Surface Photographs

Photo No. 19: View of roof scupper centrally located on the subject property.

Photo No. 20: View of landscaped retention areas located on the northern and western portions of the subject property.

Photo No. 21: View of stormwater drains and associated drywells located in the southwestern most retention area.

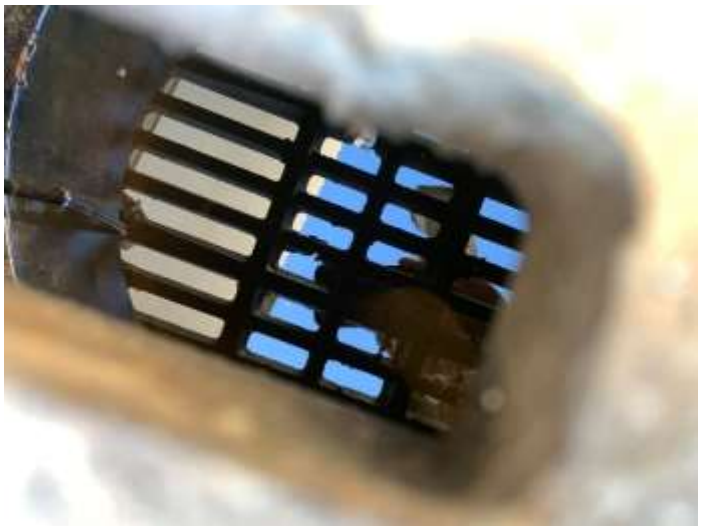


Photo No. 22: View of sump pump or similar located on the northern side of Building OO/TT.

Photo No. 23: View of three-stage oil/water interceptors located on the southern side of Building D.

Photo No. 24: View of car wash located in the area around Building QQ.

APPENDIX D: Surface Photographs

Photo No. 25: View of gasoline storage tanks located near the northwest corner of the subject property.

Photo No. 26: View of vent pipes from gasoline storage tanks located on the western subject property boundary.

Photo No. 27: View of grease bin and three-stage grease interceptor centrally located south of Building G.

Photo No. 28: View of cellular tower stations located near the northeast corner of the subject property.

Photo No. 29: View of gasoline back-up generator located near the northeast corner of the subject property.

Photo No. 30: View of propane tank protected by bollards centrally located near the northern subject property boundary.

APPENDIX D: Surface Photographs

Photo No. 31: View of shared public space located centrally on the subject property.

Photo No. 32: View of retail walkway located centrally on the subject property.

Photo No. 33: View of water fountain located centrally on the subject property.

Photo No. 34: View of bocce ball pits centrally located on the subject property.

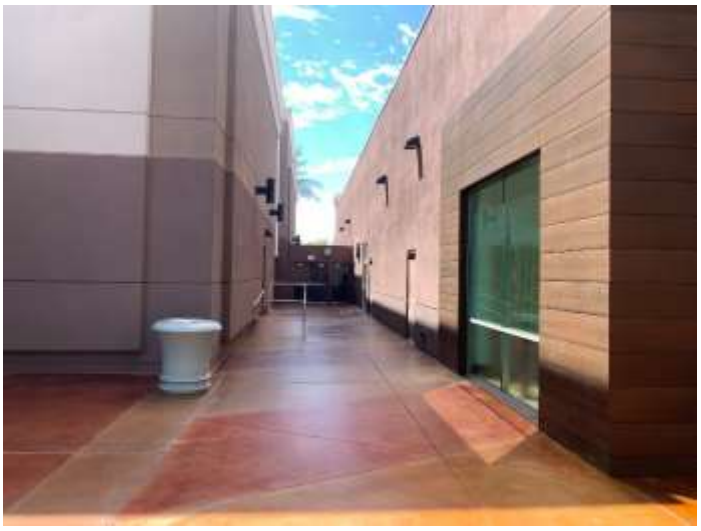


Photo No. 35: View of typical walkway located between Buildings A & B.

Photo No. 36: View of fire riser room located on the interior of Barnes & Noble; the western Building F.

Photo No. 37: View of the interior of the AMC Theatre lobby located in Building A.

Photo No. 38: View of the interior of a Barnes and Noble retail store located in the western Building F.

Photo No. 39: View of Desert Ridge Cleaners, a drop off location for an off-site drycleaner.

Photo No. 40: View of the interior of the Flip Flop Shops retail store located in Building E.

Photo No. 41: View of below grade patio area at the centrally located Leaping Frog restaurant.

Photo No. 42: View of unoccupied suite located in Building D.

Photo No. 43: View of tools, hardware, solvents, and detergent located in Dave & Busters.

Photo No. 44: View of medical, battery and an emergency spill kit located in backroom of the Kohl's Department Store.

Photo No. 45: View of floor sink located in the janitorial closet of Shell Gas Station located in Building QQ.

Photo No. 46: View of chemical storage located in the storage room of the Shell Gas Station in Building QQ.

Photo No. 47: View of stored chemicals inside a hazardous material cabinet located in the maintenance shop in Building FF.

Photo No. 48: View of hydraulic lift reservoir located on the second floor of Building F.

APPENDIX A: Adjoining Properties Photographs

Photo No. 1: View of northern adjoining property. (Native desert Land – No Posted Address)

Photo No. 2: View of eastern adjoining properties. (Vacant Land/High Street multi-family residential shopping mall – No Posted Address/5415 E High Street)

Photo No. 3: View of southern adjoining properties. (Canal and Arizona State Route 101 – No Posted Addresses)

Photo No. 4: View of western adjoining property. (Desert Ridge Corporate Center – 20940 N Tatum Boulevard)

SPEEDIE AND ASSOCIATES
Geotechnical • Environmental • Materials Engineers

APPENDIX E

REGULATORY DATABASE (ASTM) SEARCH

Allands

14947 W. Piccadilly Road, Goodyear, AZ 85395 • Phone: 623-535-7800 • Fax: 623-535-7900
www.allands.com • e-mail: sharon@allands.com

Historical Title and Environmental Research

REGULATORY DATABASE (ASTM) SEARCH

YOUR FILE NO: 210762EB

ALLANDS FILE NO: 2022-08-053D

DATE OF REPORT: August 27, 2022

ALLANDS hereby reports the search results of Federal and State Databases according to ASTM standards for Phase I Environmental Site Assessments E 1527-21. Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Speedie & Associates.

1. The land referred to in this report is located in Maricopa County, Arizona, described as follows:

Property located at 21001 North Tatum Boulevard, Phoenix, Arizona, being in the East Half of Section 20, Township 4 North, Range 4 East, Gila and Salt River Base and Meridian.

REGULATORY DATABASE SEARCH SUMMARY

Database	Date of Database	Approximate Minimum Search Distance (miles)	Reported Facilities
Standard Federal ASTM Environmental Record Sources			
NPL (National Priorities List) / Proposed NPL / DOD (Department of Defense Sites)	08/22	1.0	0
Delisted National Priorities List	08/22	0.5	0
CERCLIS (Comprehensive Environmental Response, Compensation and Liability Information System)/No Further Remedial Action Planned (NFRAP) / Superfund Enterprise Management Systems (SEMS)	08/22	0.5	0
RCRA (Resource Conservation and Recovery Act)	08/22	Site and adjoining	5
RCRA – Corrective Action Sites	08/22	1.0	0
RCRA –TSDFs	08/22	0.5	0
ERNS (Emergency Response Notification System)	08/22	Site only	0
Standard State ASTM Environmental Record Sources			
WQARF (Water Quality Assurance Revolving Fund) Areas	08/22	1.0	0
Superfund Program List (replaces ACIDS)	08/04	0.5	0
Solid Waste Facilities/Landfill Sites – Operating and Closed	05/99 & 05/04	0.5	0
Federal and State Control Registries	08/22	Site only	0
Brownfields / Voluntary Remediation Program	12/16	0.5	0
Registered USTs (Underground Storage Tanks) (includes Tribal Records)	08/22	Site and adjoining	0
LUSTs (Leaking Underground Storage Tanks) Incident Reports (includes Tribal Records)	08/22	0.5	0
Additional Environmental Record Sources			
RCRA Compliance Facilities	08/22	Site and adjoining	0
Hazardous Materials Incidents Emergency Response Logbook	1984-06/01	Site and adjoining	0
ADEQ Drywell Registration Database (includes Tribal Records)	08/22	Site and adjoining	33
Environmental Permits	08/22	Site only	0
Fire Insurance Maps	Various	Site and adjoining	0
Topographical / Aerial Maps	See text	Site and adjoining	2
VEMUR / DEUR / LIENS / DEURTRACKER	08/22	Site only	0
DRYCLEANER	06/06	Site and adjoining	1
Arizona Department of Water Resources Well Registration Database	08/22	Site and adjoining	See Text

Allands contacts the appropriate sources on a quarterly basis to maintain currency of data

Standard Federal ASTM Environmental Record Sources

SUPERFUND NATIONAL PRIORITIES LIST (NPL)

Under Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act the Environmental Protection Agency established a National Priorities List (NPL) of Superfund sites. In addition, Proposed NPL and DOD (Department of Defense) Sites are researched in the section. These databases are provided by the EPA and the Arizona Department of Environmental Quality, dated August, 2022, and searched to identify all NPL/Proposed NPL/ DOD sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No National Priorities List (NPL) / Proposed NPL / DOD Sites were found located within a 1.0 mile search distance from subject property exterior boundaries

DELISTED NATIONAL PRIORITIES LIST

Site may be delisted from the National Priorities List where no further response is appropriate. This database is provided by the Environmental Protection Agency, dated August, 2022, and searched to identify all Delisted NPL Sites within a 0.5 mile search distance from subject property exterior boundaries.

No Delisted National Priorities List (NPL) Sites were found located within a 0.5 mile search distance from subject property exterior boundaries

FEDERAL CERCLIS / NFRAP LIST / SEMS

The CERCLIS list contains sites which are either proposed to or on the NPL and sites which are in the screening and assessment phase for possible inclusion on the NPL. Those sites on the NFRAP list have no further remedial action planned. This database has been archived by EPA as of November 12, 2013 and the Superfund Enterprise Management System (SEMS) has replaced the former CERCLIS/NFRAP lists and is dated August, 2022 and searched for currently active and formerly active facilities within a 0.5 mile search distance from subject property exterior boundaries.

No CERCLIS / NFRAP / SEMS facilities were found located within a 0.5 mile search distance from subject property exterior boundaries

RESOURCE CONSERVATION AND RECOVERY ACT FACILITIES (RCRA)

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the generation of hazardous materials. This database is compiled from Envirofacts and the EPA RCRAInfo Web dated August, 2022 and checked for Federal RCRA facilities located at subject property and adjoining properties.

EPA ID	FACILTY	ADDRESS	NOTIF. DATE	STATUS
AZR000515882	Albertsons #1025	21001 N Tatum Blvd	2/24/2022	VSQG
AZR000511022	CVS Pharmacy #9339	21001 N Tatum Blvd	1/20/2022	VSQG
AZR000500934	Home Depot USA Inc 0068	21001 N Tatum Blvd	8/2/2006	N
AZR000500850	Marketplace Smiles	21001 N Tatum Blvd	11/1/2019	VSQG
AZR000501742	Target Store 1360	21001 N Tatum Blvd	2/7/2022	SQG

CODES:

LQG: Large quantity generator (more than 1000 kg per month)
SQG: Small quantity generator (100 – 1000 kg per month)
CEG: Conditionally exempt small quantity generator (less than 100 kg per month)
VSQG: Very Small Quantity Generators
N : Not a generator verified or inactive generator

FEDERAL RCRA FACILITIES UNDERGOING CORRECTIVE ACTION

Under RCRA the Environmental Protection Agency compiles a database of federal RCRA facilities undergoing Corrective Action. Formerly known as the RCRA CORRACTS List, this list is maintained by the EPA of RCRA sites at which contamination has been discovered and where some level of corrective clean-up activity has been undertaken. This database is dated August, 2022, and checked for facilities which occurred within a 1.0 mile search distance from subject property exterior boundaries.

No Facilities were found which occurred within a 1.0 mile search distance from subject property exterior boundaries

FEDERAL RCRA TSD FACILITIES

Under RCRA the Environmental Protection Agency compiles a database of facilities that are involved in the transportation, treatment, storage, or disposal of hazardous materials. This database is compiled from Envirofacts and the EPA RCRAInfo Web dated August, 2022, and checked for Facilities which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No TSD Facilities were found which occurred within a 0.5 mile search distance from subject property exterior boundaries

FEDERAL EMERGENCY RESPONSE NOTIFICATION SYSTEM (ERNS) LIST

The ERNS list is a national database used to collect information on reported releases of oil and hazardous substances. This database is provided by the National Response Center and the EPA through the Right of Know Net by OMB Watch and Unison Institute from 1983 to August, 2022, and checked for incidents located at subject property only.

No incidents were found located at subject property

Standard State ASTM Environmental Record Sources

WATER QUALITY ASSURANCE REVOLVING FUND (WQARF)

The state of Arizona established a remedial program under A.R.S. 49-282 to facilitate the conservation and clean-up of Arizona drinking water and water sources. Under the authority of the WQARF program, the state actively identifies any actual or potential impact upon state waters, evaluates the extent of contamination, identifies parties responsible, and provides money grants to assist in clean-up activities. This database is provided by the Arizona Department of Environmental Quality dated August, 2022, and searched to identify all WQARF sites within a 1.0 mile search distance from subject property exterior boundaries.

Note: Due to inconsistency between the general area site description in the Narrative site information and the detailed site map, the distance/directions are determined based upon the most current site map available from ADEQ.

No WQARF Registry List sites were found located within a 1.0 mile search distance from subject property exterior boundaries

ARIZONA SUPERFUND PROGRAM LIST

The Arizona Superfund Program List replaces the Arizona CERCLIS Information Data System (ACIDS) This list is more representative of the sites and potential sites within jurisdiction of the Arizona Department of Environmental Quality Superfund Programs Section (SPS). This database is provided by the Arizona Department of Environmental Quality, dated August, 2004, and searched to identify all sites within a 0.5 mile search distance from subject property exterior boundaries.

No facilities on the Arizona Superfund Program List were found located within a 0.5 mile search distance from subject property exterior boundaries

Program Status codes:

Pending PI	WQARF Preliminary Investigation (PI) is scheduled or in process
On Registry	PI has resulted in inclusion of a site on the WQARF Registry
ACTIVE	The Department of Defense is presently addressing the site
On NPL	site has been listed on the CERCLA National Priorities List

LANDFILLS

The state of Arizona maintains listings of closed and permitted, operating landfills and solid waste dump sites. Lists of closed facilities are not necessarily complete - older dumping areas may not be documented. This database is from the Arizona Department of Environmental Quality Waste Programs Division; Solid Waste Section Directory of Arizona Active and Inactive Landfills dated May, 1999 and May, 2004, and checked for active and inactive landfills located within a 0.5 mile search distance from subject property exterior boundaries.

No active nor inactive landfills were found located within a 0.5 mile search distance from subject property exterior boundaries

Codes:

MSWLF: **Municipal Solid Waste Landfills**
CSWLF: **Closed Solid Waste Landfills**
CSWOD: **Closed Solid Waste Dumps**

FEDERAL, TRIBAL AND STATE CONTROL REGISTRIES

Under ASTM E 1527-21, Federal, State and Tribal institutional control / engineering control registries need to be researched. EPA Envirofacts was reviewed for federal institutional or engineering controls and The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which retrieves any institutional or engineering controls, dated August, 2022, and was researched for inclusion of subject property only.

No institutional or engineering controls were found which occurred at subject property

BROWNFIELDS / VOLUNTARY CLEANUP PROGRAM

The Arizona Department of Environmental Quality has developed the AZURITE Database, reviewed through ADEQ GIS eMaps, which includes the ADEQ Voluntary Remediation Program dated August, 2018 and the ADEQ Brownfields Tracking System, dated December, 2016, and searched for sites which occurred within a 0.5 mile search distance from subject property exterior boundaries.

No brownfield sites were found which occurred within a 0.5 mile search distance from subject property exterior boundaries.

REGISTERED UNDERGROUND STORAGE TANKS (UST)

State (A.R.S. 49-1001 to 1014) and Federal (RCRA Subtitle I) laws require that persons who own or have owned underground storage tanks containing "regulated substances" complete a notification form and register the tank with the state. Tribal UST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the Arizona Department of Environmental Quality UST Log dated August, 2022, and searched for UST sites located at subject property and adjoining properties.

No registered underground storage tanks were found located at subject property nor adjoining properties

REGISTERED LEAKING UNDERGROUND STORAGE TANKS (LUST)

Owners of USTs are required to report to the Arizona Department of Environmental Quality any and all releases of tank contents for which ADEQ maintains an ongoing file documenting the nature of contamination and the status of each such incident. Tribal LUST records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ LUST Log dated August, 2022, and searched for LUST sites located within a 0.5 mile search distance from subject property exterior boundaries.

No registered leaking underground storage tanks were found located within a 0.5 mile search distance from subject property exterior boundaries

Additional Environmental Record Sources

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) COMPLIANCE FACILITIES

The RCRA Compliance Log lists facilities that have been or presently are under investigation for non-compliance with RCRA regulations. Inclusion of any facility on this list indicates a history of compliance problems and RCRA regulatory violation. This database is from the Arizona Department of Environmental Quality RCRA Compliance Log, dated August, 2022, and searched for compliance facilities at subject property and adjoining properties.

No compliance facilities were found located at subject property nor adjoining properties

HAZARDOUS MATERIAL INCIDENTS

The Arizona Department of Environmental Quality (ADEQ) Response Team documents spills and incidents involving hazardous materials that are reported to the unit. This database is from the Arizona Department of Environmental Quality Emergency Response Log from 1984 through June, 2001, and checked for hazardous material incidents located at subject property and adjoining properties.

No hazardous material incidents were found located at subject property nor adjoining properties

ADEQ DRY WELL REGISTRATION DATA BASE

Dry wells are constructed for the purpose of collecting storm waters. Currently dry wells are required to be registered with ADEQ; however due to the passage of House Bill 2410 the Arizona State Drywell Registration Program has been repealed and will be replaced by an Underground Injection Control Program once granted by the EPA. Tribal Drywell records are researched when subject property exterior boundaries are within search distance of Tribal lands. This database is from the ADEQ dry well registration database dated August, 2022, and searched for dry wells located at subject property and adjoining properties.

FACILITY	ADDRESS	BEG REG #	END REG #	TOTAL WELLS
Desert Ridge Retail Plaza	20910 N Tatum Blvd	37559	37560	2
Us Bank @ Desert Ridge	20930 N Tatum Blvd	30178		1
Desert Ridge Medical Campus / Phase 2	20940 N Tatum Blvd	34406	34409	4
Desert Ridge Marketplace	21001 N Tatum Blvd	20525	20531	6
Shade At Desert Ridge Apts	21150 N Tatum Blvd	45099	45104	6
Desert Ridge Corporate Center	Nwc Loop 101 & Tatum Blvd	30105	30106	2
Desert Ridge Corporate Center / Building 2	Nwc Tatum Blvd & Loop 101	34145	34150	6
ASR Well 6A-W308	21425 N 47th Place	95843-NOB12		6

ENVIRONMENTAL PERMITS

These lists include Groundwater Permits, Reuse Permits; National Pollutant Discharge Elimination System (NPDES) Permitted Facilities and Aquifer Protection Permits. Any facility which discharges a material that directly or indirectly adds any pollutant to the waters of the state may be required to obtain a permit as required by the Aquifer Protection Permit Rules. These databases are from the Arizona Department of Environmental Quality through its AZURITE Database System and the Environmental Protection Agency and updated to August, 2022, and checked for inclusion of subject property only.

Subject property was not found on these lists

FIRE INSURANCE MAPS

A review was made at the Arizona State Capital Archives for Fire Insurance Maps, more commonly known as Sanborn Maps, which covered the area in which the subject property is located. Subject property is not located within the boundaries of available maps.

USGS 7.5 MINUTE TOPOGRAPHICAL MAPS
AERIAL PHOTOS

The United States Geological Survey Topographic maps and Aerial Photos are derived from Terrain Navigator Software from My Topo, a Trimble Company. (www.mytopo.com) and are for informational purposes only.

NAME	TYPE	DATE	REVISION	CONTOUR INTERVAL
Curry's Corner	Topo	1964	1982	10 feet
Bing	Aerial	2021		

VOLUNTARY ENVIRONMENTAL MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR'S); DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR); AND ENVIRONMENTAL LIENS

A.R.S. 49-152. This states that the Director of the Arizona Department of Environmental Quality shall allow property owners, who have voluntarily elected to remediate their property for nonresidential uses, to record in the applicable county recorder's office a VEMUR limiting, by legal description, the area necessary to protect public health and the environment to nonresidential uses if contamination remains on the property at or above certain levels. In accordance with Arizona Administrative Code (A.A.C.) R18-7-201 et. Seq., a Declaration of Environmental Use Restriction (DEUR) is a voluntary notice to deed which restricts the use of a property to non-residential use. ADEQ maintains a repository listing of sites remediated under programs administered by the department. This is called the Remediation and DEUR Tracking System (RDT) ADEQ's RDT was researched for inclusion of subject property only.

No VEMUR'S, DEUR'S; nor Environmental Liens were found listed for subject property

DRYCLEANERS

The Drycleaners Inventory List summarizes current and historic dry cleaners sites throughout the state of Arizona and is not all inclusive. This database is from the Report for the Arizona Department of Environmental Quality Dry Cleaners Inventory Project, dated June, 2006, and searched for dry cleaners sites located at subject property and adjoining properties.

STREET	NAME_1	FROM_1	TO_1	OPERATORS	YEARS IN SERVICE
21001 N Tatum Blvd # 78	Desert Ridge Cleaners	2005	2005	1	1

ARIZONA DEPARTMENT OF WATER RESOURCES
WELL REPORT

This database is from the Arizona Department of Water Resources Well Report Operations Division Report, dated August, 2022. This report identifies existing wells sequenced by legal description and checked for inclusion of subject site and adjacent properties within 10 Acres.

Imaged Records are available at: http://infoshare.azwater.gov/docushare/dsweb/HomePage

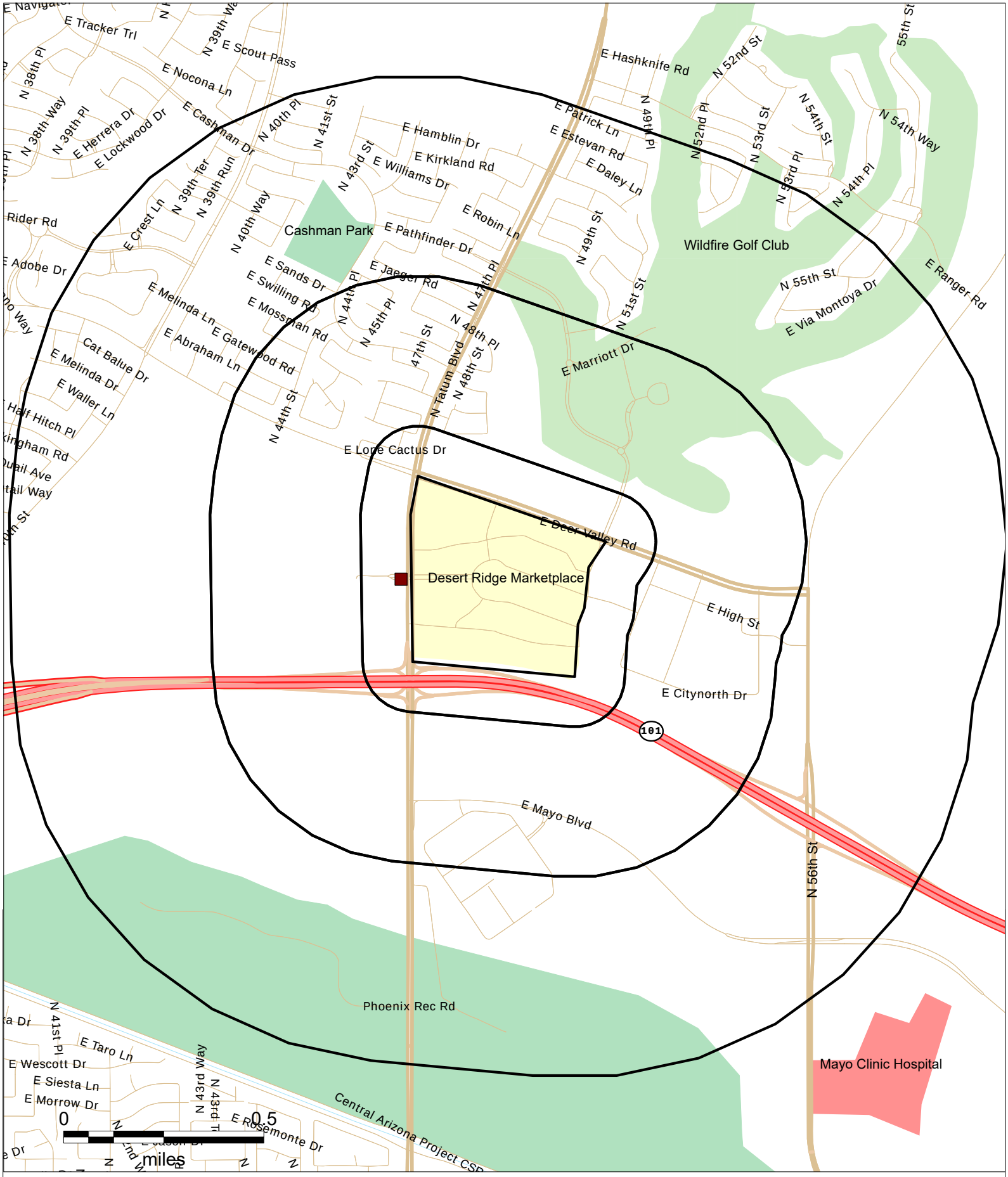
Water Uses (WU)

A	Irrigation
B	Utility (Water Co.)
C	Commercial
D	Domestic
E	Municipal
F	Industrial
G	Recreational
H	Remediation
I	Mining
J	Stock
K	Other - Exploration
L	Drainage
M	Monitoring
N	None
O	Other - Non-Production
P	Remediation
R	Recharge
T	Test
U	Unknown
V	Dewatering

Legal Description

T	Township
N/S	North or South
R	Range
E/W	East or West
S	Section
Q1	Quarter of Section (160 Acres)
Q2	Quarter of Section (40 Acres)
Q3	Quarter Quarter Quarter of Section (10 acres)
ID	Well Registration Number
WD	Well Depth
WL	Water Level
DIA	Casing width

ID	T	N/S	R	E/W	S	Q1	Q2	Q3	WU	WD	WL	DIA	NAME
549038	4	N	4	E	19	NE	NE	SE	E	1350	466	18	Phoenix, City Of,
226726	4	N	4	E	19	NE	NE	SE	E	1350	494	19	City of Phoenix



LEGEND

N W E S

SITE

USTs

LUSTs

CERCLA / NFRAP

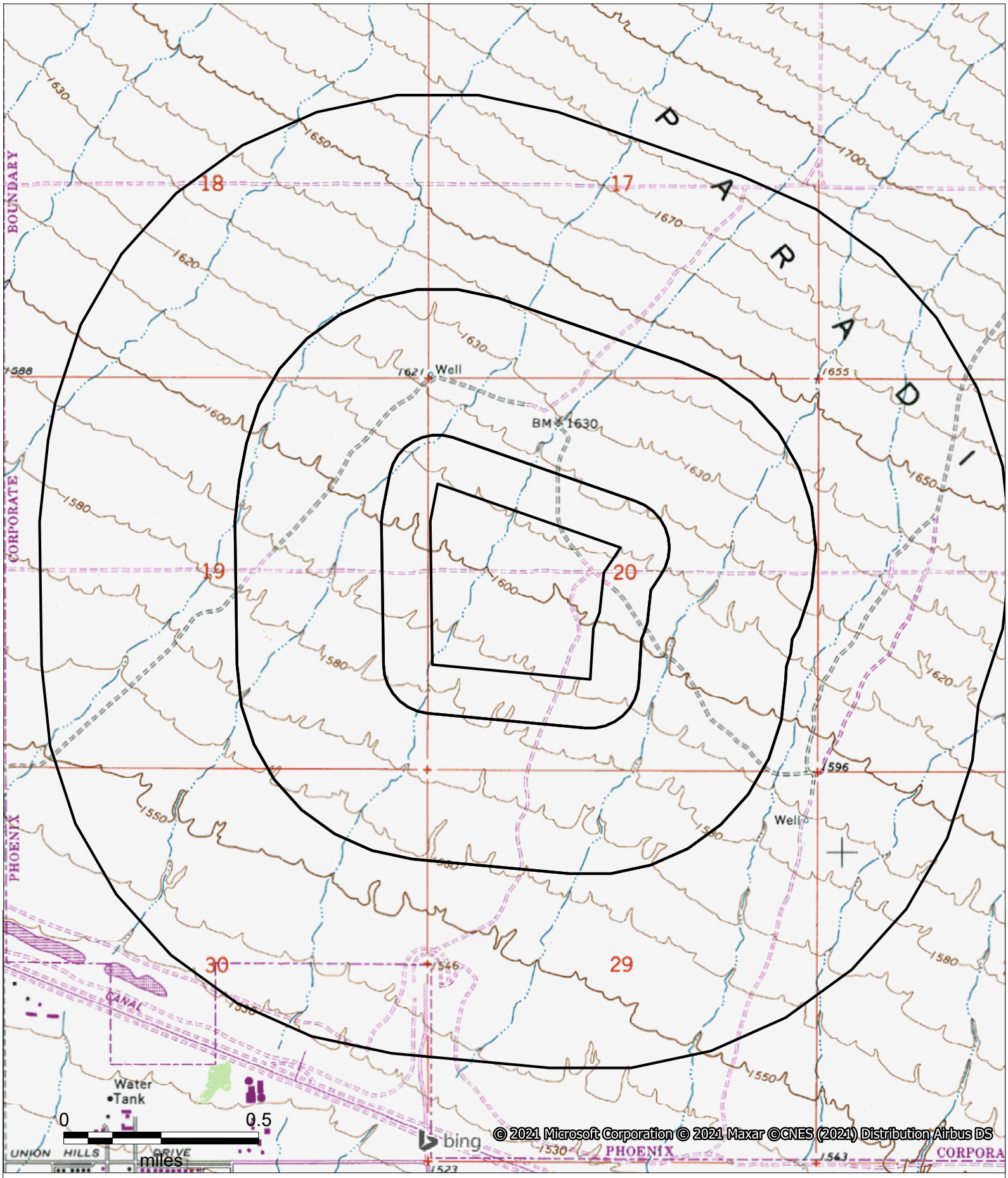
LANDFILLS

RCRA *

RCRA COMPLIANCE

2022-08-053

* multiple facilities



LEGEND

N W E S

★ SITE

◆ USTs

▼ LUSTs

● CERCLA / NFRAP

◉ LANDFILLS

■ RCRA

▲ RCRA COMPLIANCE

2022-08-053

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LUSTs

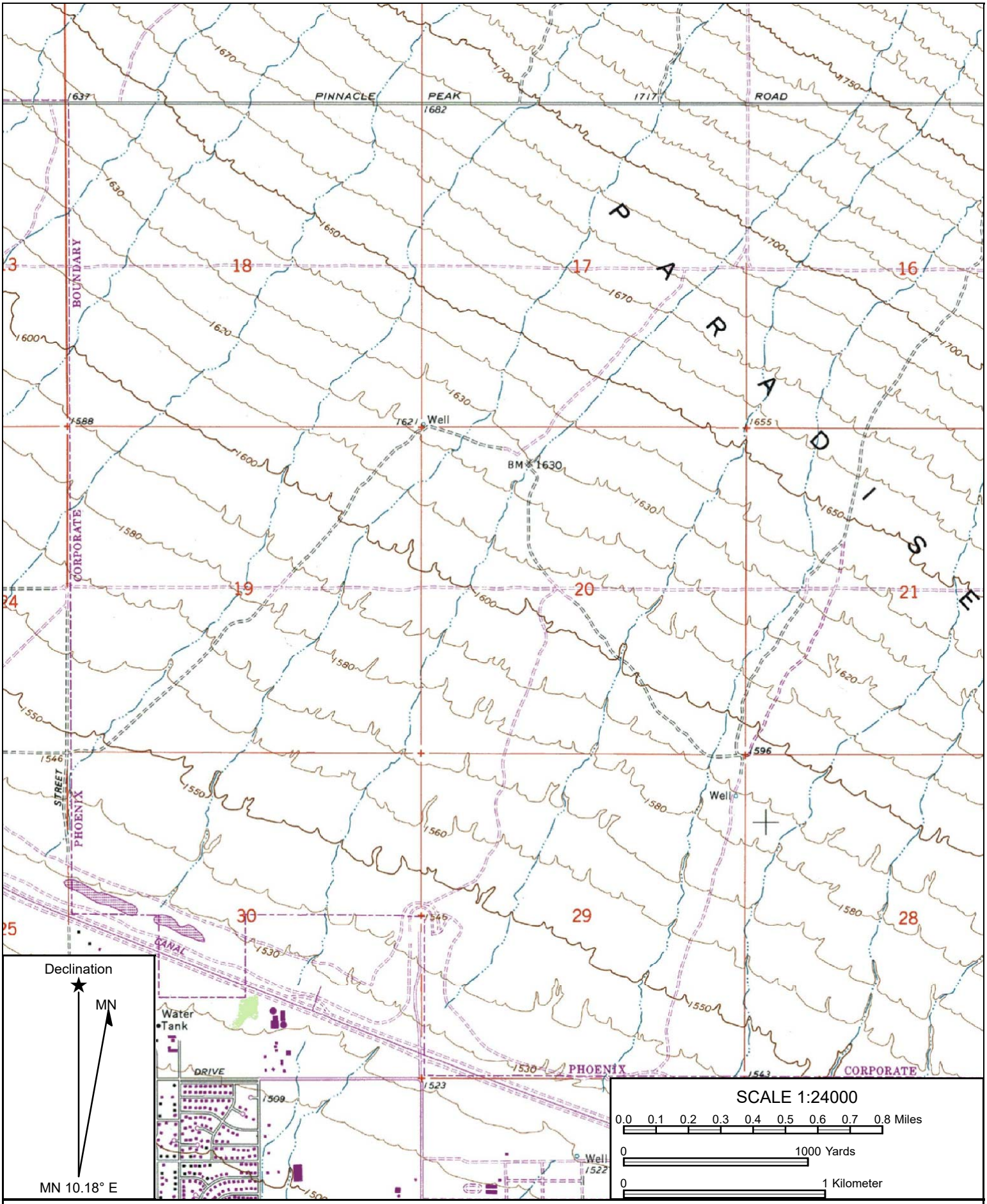
CERCLA / NFRAP

LANDFILLS

RCRA

RCRA COMPLIANCE

2022-08-053



Name: CURRYS CORNER
Date: 08/27/22
Scale: 1 inch = 2,000 ft.

Location: 033° 40' 35.1211" N, 111° 58' 22.4060" W
2022-08-053

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Allands

14947 W. Piccadilly Road, Goodyear, AZ 85395 • Phone: 623-535-7800 • Fax: 623-535-7900
www.allands.com • e-mail: sharon@allands.com

Historical Title and Environmental Research

TITLE AND JUDICIAL RECORDS FOR ENVIRONMENTAL LIENS AND ACTIVITY AND USE LIMITATIONS; VOLUNTARY ENVIRONMENTAL MITIGATION USE RESTRICTIONS BY OWNERS (VEMUR) AND DECLARATION OF ENVIRONMENTAL USE RESTRICTIONS (DEUR)

YOUR FILE NO: 210762EB

ALLANDS FILE NO: 2022-08-053E

Date of Report: August 27, 2022
Title Plant Date***: August 19, 2022
***The Title Plant Date reflects the most current data made available by the information sources used at the time the research was performed.

ALLANDS hereby presents an Environmental Search Report from 1980 to present on the land described below, Allands is not responsible for errors in the available records. The total liability is limited to the fee paid for this report. This is a confidential, privileged and protected document for the use of Speedie & Associates.

1. The land referred to in this report is located in Maricopa County, Arizona.

2. Assessor's No.:212-32-100C

3. No VEMUR'S, DEUR'S; Environmental Liens, Brownfields, institutional controls, engineering controls, environmental covenants, environmental easements, land use covenants and agreements, environmental land use controls, or activity and use limitations, if any, were found currently recorded against the property as searched at the subject county recorder's office.

Parcel 212-32-100C

8/23/2022 11:32:16 AM

212-32-100C

Commercial Parcel

This is a Commercial parcel located at 21001 N TATUM BLVD 1630 PHOENIX 85054. The current owner is ARIZONA STATE LAND DEPT. It is located in the STATE PLAT NO 24 DESERT RIDGE AMD subdivision, and MCR 37626. Its current year full cash value is $113,695,100.

MAPS | PICTOMETRY | $ VIEW/PAY TAX BILL | DEED

OWNER | VALUATIONS | MAP FERRET | SIMILAR PARCELS

REGISTER RENTAL | PRINT DETAILS

PROPERTY INFORMATION

21001 N TATUM BLVD 1630 PHOENIX 85054

MCR #	37626
Description	STATE PLAT NO 24 DESERT RIDGE AMD MCR 376/26 TH POR TRACT 3 BLOCK 5 DAF BEG INTERSEC WLY LN SD TR 3 BLCK 5 & NLY R/W LN PIMA FRWY TH N 853.20F TO W4 COR SEC 20 TH N 395.94F TO TAN CUR CONC E WI RAD 4975.00F TH ALG ARC SD CUR 880.82F TH S 72D 48M E 974.82F TO TAN CUR CONC SW WI RAD 10000.00F TH SELY ALG ARC SD CUR 536.01F TH S 69D 44M E 1092.77F TH S 20D 15M W 70.00F TH S 20D 15M W 364.94F TH S 04D 09M W 371.62F TH S 15D 00M W 410.29F TH S 505.07F TH S 24D 29M W 230.70F TO PT N/T CUR CONC SLY WI RAD BEAR N 18D 51M E TH WLY ALG SD CUR WI RAD 4696.38F ARC DIST 1531.01F TH W 510.02F TH N 44D 54M W 120.38F TH N 264.65F TH W 65.00F TO POB P/F 00-0555239
Lat/Long	|
Lot Size	5,019,581 sq ft.
Zoning	C-2
Lot #	
High School District	PARADISE VALLEY UNIFIED #69
Elementary School District	PARADISE VALLEY UNIFIED SCHOOL DISTRICT
Local Jurisdiction	PHOENIX
S/T/R	20 4N 4E
Market Area/Neighborhood	00/
Subdivision (51 Parcels)	STATE PLAT NO 24 DESERT RIDGE AMD

OWNER INFORMATION

ARIZONA STATE LAND DEPT

Mailing Address	222 SW COLUMBIA ST STE 700, PORTLAND, OR 97201 USA
In Care Of	C/O SKB / SCANLANKEMPERBARD
Deed Number	940382544
Last Deed Date	05/12/1994
Sale Date	n/a
Sale Price	n/a

VALUATION INFORMATION

We provide valuation information for the past 5 years. For mobile display, we only show 1 year of valuation information. Should you need more data, please look at our data sales.

The Valuation Information displayed below may not reflect the taxable value used on the tax bill due to any special valuation relief program. CLICK HERE TO PAY YOUR TAXES OR VIEW YOUR TAX BILL

Tax Year	2023	2022	2021	2020	2019
Full Cash Value	$113,695,100	$51,939,700	$51,939,700	$51,126,700	$44,058,500
Limited Value	$28,350,894	$27,000,851	$25,715,096	$24,490,568	$23,324,350
Legal Class	2.R	2.R	2.R	2.R	2.R
Description	AG / VACANT LAND / NON-PROFIT R/P	AG / VACANT LAND / NON-PROFIT R/P	AG / VACANT LAND / NON-PROFIT R/P	AG / VACANT LAND / NON-PROFIT R/P	AG / VACANT LAND / NON-PROFIT R/P
Assessment Ratio	15.0%	15.0%	15.0%	15.0%	15.0%
Assessed LPV	$4,252,634	$4,050,128	$3,857,264	$3,673,585	$3,498,653
Property Use Code	9528	9528	9528	9528	9528
PU Description	State Property	State Property	State Property	State Property	State Property
Tax Area Code	691300	691300	691300	691300	691300
Valuation Source	Notice	Notice	Notice	Notice	Notice

MAP FERRET MAPS

Mapferret maps, also known as MapId maps, pdf maps, or output maps are now available here without having to search.

- **Parcel Maps (3)**
- **Subdivision Maps (49)**

MCR Maps (49)

Book/Map Maps (72)

CAUTION! USERS SHOULD INDEPENDENTLY RESEARCH AND VERIFY INFORMATION ON THIS WEBSITE BEFORE RELYING ON IT.

The Assessor's Office has compiled information on this website that it uses to identify, classify, and value real and personal property. Please contact the Maricopa County S.T.A.R. Center at (602) 506-3406 if you believe any information is incomplete, out of date, or incorrect so that appropriate corrections can be addressed. Please note that a statutory process is also available to correct errors pursuant to Arizona Revised Statutes 42-16254.

The Assessor does not guarantee that any information provided on this website is accurate, complete, or current. In many instances, the Assessor has gathered information from independent sources and made it available on this site, and the original information may have contained errors and omissions. Errors and omissions may also have occurred in the process of gathering, interpreting, and reporting the information. Information on the website is not updated in "real time". In addition, users are cautioned that the process used on this site to illustrate the boundaries of the adjacent parcels is not always consistent with the recorded documents for such parcels. The parcel boundaries depicted on this site are for illustrative purposes only, and the exact relationship of adjacent parcels should be independently researched and verified. The information provided on this site is not the equivalent of a title report or a real estate survey. Users should independently research, investigate and verify all information before relying on it or in the preparation of legal documents.

By using this website, you acknowledge having read the above and waive any right you may have to claim against Maricopa County, its officers, employees, and contractors arising out of my reliance on or the use of the information provided on this website.

AMENDMENT

OF

COMMERCIAL LEASE

LONG TERM

LEASE NO.

03-105541

I hereby certify that this instrument is a true and complete copy as shown by the Records of the Arizona State Land Department.
WITNESS my signature and seal this 12th day of October, 2001
STATE LAND COMMISSIONER
BY [signature]

Vestar at Desert Ridge

AMENDMENT TO

ARIZONA STATE LAND DEPARTMENT

COMMERCIAL LEASE NO. 03-105541-99

THIS AMENDMENT TO COMMERCIAL LEASE is entered into between THE STATE OF ARIZONA, as Trustee, through the State Land Commissioner ("Lessor"), and VESTAR DRM-OPCO, L.L.C., a Delaware limited liability company ("Lessee"), with respect to Arizona State Land Department Commercial Lease No. 03-105541-99 ("Lease").

Lessor and Lessee hereby agree as follows:

1. Definitions. Capitalized terms used herein shall have the same definitions given to them in the Lease.

2. Acreage for Purpose of Calculating Rent. Lessor and Lessee agree that pursuant to ***Section 7.5*** of the Lease and as a result of Right of Way No. 16-105767 being granted across the Parcel, as of this date the acreage included in the Parcel for the purpose of calculating rent under ***Article 4*** of the Lease is one hundred eight and three tenths (108.3) acres. The legal description of this 108.3 acres is attached hereto as ***Exhibit "A"***.

3. Rights of Way Not Affecting Acreage. Lessor and Lessee agree that the issuance of Rights of Way Nos. 16-105753 and 16-105757 shall not reduce or change the acreage included in the Parcel for the purpose of calculating rent.

4. Ratification. Except as expressly provided for herein, all of the terms and conditions of the Lease shall remain in full force and effect and are hereby ratified by the parties hereto.

5. Effective Date. This Amendment to Commercial Lease shall be effective as of July 6, 2001.

IN WITNESS WHEREOF, the parties have executed this Amendment to Commercial Lease effective as of July 6, 2001.

LESSOR:

STATE OF ARIZONA

By: James L. Adams
Its: Deputy State Land Commissioner

LESSEE:

VESTAR DRM-OPCO, L.L.C., a Delaware limited liability company

By: Vestar Arizona XXVIII, L.L.C., an Arizona limited liability company
Its: Managing Member

By: Lee T. Hanley
Lee T. Hanley
Its: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 12 day of Oct, 2001 by James L. Adams, by signing the name of the State Land Commissioner by himself as duly authorized.

Marilyn L Rose
Notary Public

My Commission Expires:
20 Aug 04

OFFICIAL SEAL
MARILYN L. ROSE
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Aug. 20, 2004

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 4th day of April, 2001 by Lee T. Hanley as President of Vestar Arizona XXVIII, L.L.C., as Managing Member of Vestar DRM-OPCO, L.L.C., a Delaware limited liability company, on behalf of the company.

Shelly K. Orozco
Notary Public

My Commission Expires:
4/20/2001

SHELLY K. OROZCO
Notary Public - Arizona
MARICOPA COUNTY
My Commission Expires
APRIL 20, 2002

EXHIBIT A

LEGAL DESCRIPTION
OF
DESERT RIDGE(NET)

A PORTION OF TRACT 3, BLOCK 5, OF STATE PLAT NO. 24 DESERT RIDGE AMENDED, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 376 OF MAPS, PAGE 26 AND LOCATED IN A PORTION OF SECTION 20, TOWNSHIP 4 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 THE WESTERLY LINE OF SAID TRACT 3, BLOCK 5 AND THE NORTHERLY RIGHT-OF-WAY LINE OF THE PIMA FREEWAY;

THENCE DEPARTING PERPENDICULAR TO SAID WESTERLY LINE OF SAID TRACT 3, BLOCK 5, SOUTH 89° 58' 52" EAST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE PIMA FREEWAY, A DISTANCE OF 65.00 FEET TO THE **POINT OF BEGINNING**;

THENCE SOUTH 89° 58' 48" EAST, A DISTANCE OF 5.00 FEET, TO THE EASTERLY LINE OF THE WESTERLY 70.00 FEET OF SAID TRACT 3;

THENCE NORTH 00° 01' 08" EAST, ALONG SAID EASTERLY LINE A DISTANCE OF 853.12 FEET, TO A POINT ON THE EAST/WEST MID-SECTION LINE OF SAID SECTION 20;

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
33321
MICHAEL
PUNTER
Date Signed 2/22/00
ARIZONA U.S.A.

THENCE SOUTHEASTERLY, ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 9930.00 FEET ALONG SAID PARALLEL LINE THROUGH A CENTRAL ANGLE OF 03° 04' 16", AND AN ARC LENGTH OF 532.26 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 69° 44' 02" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 1092.77 FEET;

THENCE SOUTH 20° 15' 58" WEST, DEPARTING SAID PARALLEL LINE THAT LIES 70.00 FEET SOUTH OF SAID NORTH LINE OF TRACT 3, BLOCK 5, A DISTANCE OF 364.94 FEET;

THENCE SOUTH 04° 09' 03" WEST, A DISTANCE OF 371.62 FEET;

THENCE SOUTH 15° 00' 13" WEST, A DISTANCE OF 410.29 FEET;

THENCE SOUTH 00° 00' 00" WEST, A DISTANCE OF 505.07 FEET;

THENCE SOUTH 24° 29' 18" WEST, A DISTANCE OF 230.70 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE SOUTHERLY, SAID POINT HAVING A RADIAL BEARING OF NORTH 18° 51' 14" EAST; SAID POINT IS ALSO ON THE NORTHERLY RIGHT OF WAY OF THE PIMA FREEWAY RIGHT OF WAY AS SHOWN ON SAID STATE PLAT NO. 24 DESERT RIDGE AMENDED;

THENCE WESTERLY ALONG SAID CURVE AND SAID NORTHERLY RIGHT OF WAY LINE, HAVING A RADIUS OF 4696.38 FEET, THROUGH A CENTRAL ANGLE OF 18° 40' 42," FOR A ARC A DISTANCE OF 1531.01 FEET; TO A POINT OF TANGENCY;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT OF WAY NORTH 89° 49' 28" WEST, 510.02 FEET;

THENCE DEPARTING SAID EAST/WEST MID-SECTION LINE NORTH 00° 01' 35" EAST (NORTH 00° 01' 28" EAST, RECORD) ALONG THE EASTERLY LINE OF THE WESTERLY 70.00 FEET OF SAID TRACT 3, A DISTANCE OF 395.94 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY;

THENCE NORTHERLY, ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 4905.00 FEET THROUGH A CENTRAL ANGLE OF 08° 57' 37", AND AN ARC LENGTH OF 767.08 FEET TO A POINT ON A NON-TANGENT LINE, SAID POINT HAVING A RADIAL BEARING OF NORTH 81° 00' 48" WEST;

THENCE NORTH 58° 59' 43" EAST, A DISTANCE OF 28.09 FEET, TO A POINT 71.00 FEET SOUTH OF THE NORTH LINE OF TRACT 3, BLOCK 5 OF STATE PLAT MAP NO. 24 DESERT RIDGE AMENDED, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA IN BOOK 376 OF MAPS, PAGE 26;

THENCE SOUTH 72° 48' 18" EAST, ALONG A PARALLEL LINE 71.00 FEET SOUTH OF SAID NORTH LINE OF TRACT 3, BLOCK 5, A DISTANCE OF 119.33 FEET;

THENCE SOUTH 17° 11" 42" WEST, A DISTANCE OF 5.00 FEET;

THENCE SOUTH 72° 48" 18" EAST, ALONG A PARALLEL LINE 76.00 FEET SOUTH OF SAID NORTH LINE OF TRACT 3, BLOCK 5, A DISTANCE OF 30.00 FEET;

THENCE SOUTH 81° 20" 09" EAST, A DISTANCE OF 40.45 FEET;

THENCE SOUTH 72° 48' 18" EAST, ALONG A PARALLEL LINE 70.00 FEET SOUTH OF SAID NORTH LINE OF TRACT 3, BLOCK 5, A DISTANCE OF 683.85 FEET, TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY;

THENCE NORTH 44° 54' 13" WEST, A DISTANCE OF 120.38 FEET, TO A POINT THAT IS PERPENDICULAR 65.00 FEET FROM THE WEST LINE OF SAID TRACT 3, BLOCK 5;

THENCE NORTH 00° 01' 08" EAST ALONG A LINE PARALLEL TO AND 65.00 DISTANT FROM SAID WEST LINE A DISTANCE OF 264.65 FEET TO THE **POINT OF BEGINNING**.

EXCEPT THE FOLLOWING:

BEING A PORTION OF TRACT 3, BLOCK 5 OF STATE PLAT NO. 24 DESERT RIDGE AMENDED, AS RECORDED IN BOOK 376 OF PLATS, PAGE 26, MARICOPA COUNTY RECORDS, AND LOCATED IN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 20, TOWNSHIP 4 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE WEST LINE OF SAID TRACT 3, BLOCK 5 AND THE NORTHERLY RIGHT OF WAY LINE OF THE PIMA FREEWAY;

THENCE DEPARTING PERPENDICULAR TO SAID WEST LINE OF SAID TRACT 3, SOUTH 89°58'52" EAST, ALONG SAID NORTHERLY RIGHT OF WAY LINE OF THE PIMA FREEWAY, A DISTANCE OF 65.00 FEET;

THENCE SOUTH 00° 01' 08" WEST ALONG A LINE PARALLEL TO AND 65.00 DISTANT FROM THE SAID WEST LINE, 73.65 FEET TO **THE POINT OF BEGINNING;**

THENCE DEPARTING SAID WEST LINE, SOUTH 07°21'20" EAST, 132.45 FEET;

THENCE SOUTH 63°51'16" EAST, 167.50 FEET;

THENCE SOUTH 77°29'33" EAST, 90.34 FEET;

THENCE SOUTH 85°56'56" EAST, 498.50 FEET;

THENCE SOUTH 77°58'10" EAST, 132.07 FEET TO A POINT ON SAID NORTHERLY RIGHT OF WAY LINE OF THE PIMA FREEWAY, AS SHOWN ON STATE PLAT NO. 24 SAID POINT BEING ON A NON-TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIAL BEARING OF NORTH 03°40'47" EAST;

THENCE WESTERLY ALONG SAID CURVE AND SAID NORTHERLY RIGHT OF WAY LINE, HAVING A RADIUS OF 4696.38 FEET, THROUGH A CENTRAL ANGLE OF 03°30'15" AN ARC LENGTH OF 287.23 FEET;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT OF WAY LINE, NORTH 89°49'28" WEST, 510.02 FEET;

THENCE CONTINUING ALONG SAID NORTHERLY RIGHT OF WAY LINE, NORTH 44°54'13" WEST, 120.38 FEET, TO A POINT THAT IS PERPENDICULAR 65.00 FEET FROM THE WEST LINE OF SAID TRACT 3, BLOCK 5;

THENCE NORTH 00°01'08" EAST ALONG THE EASTERLY LINE OF THE WESTERLY 65.00 FEET OF SAID TRACT 3, BLOCK 5, A DISTANCE OF 191.00 FEET TO **THE POINT OF BEGINNING**.

THE ABOVE DESCRIBED PARCEL 108.30 ACRES (NET) MORE OR LESS.

ASSIGNMENT

OF

COMMERCIAL LEASE

LONG TERM

LEASE NO.

03-105541-99

ASSIGNMENT OF COMMERCIAL LEASE

The State Land Commissioner hereby consents to the Assignment of Lease Number 03 - 105541 - 99 which expires on July 6, 2092
(Date of expiration)
and hereby orders that the lease and all rights therein are hereby assigned and transferred to:

VESTAR DRM-OPCO, L.L.C.,
a Delaware limited liability company
c/o Vestar Development II, L.L.C.
2425 E. Camelback Rd., Suite #750
Phoenix, AZ 85016

This assignment is made pursuant to application to assign the lease made by ASSIGNOR(S):

NPP1, L.L.C., an Arizona limited liability company

and pursuant to application for the assumption of said lease made by ASSIGNEE(S):

VESTAR DRM-OPCO., L.L.C., a Delaware limited liability company

and in accordance with the laws of the State of Arizona and the rules of the State Land Department.

This assignment is made without waiver or relinquishment of any rights of the State of Arizona which may exist under the lease assigned and does not initiate any new rights to the assignee of this lease other than the rights as are set forth in the existing lease. The assignee(s) hereby assumes and agrees to perform all obligations of the lessee under the lease and accepts the lease subject to all existing terms and conditions.

Dated this 19th day of July, 2000

State of Arizona
State Land Commissioner

(SEAL)

By Linda Fortney

Assg Comm #03 - 05/99

When recorded, return to:

Allen J. Kasen
Vestar Development Co.
2425 East Camelback Rd., Suite 750
Phoenix, AZ 85016

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2000-0555240 07/21/2000 02:51
IRENE 6 OF 58

Escrow No. 311,783 JAS
LAWYERS TITLE OF ARIZONA, INC.
6/50

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE ("Assignment") is made as of July 20, 2000 between NORTHEAST PHOENIX PARTNERS, an Arizona general partnership, NPP1, LLC, an Arizona limited liability company ("Assignor"), and VESTAR DRM-OPCO, L.L.C., a Delaware limited liability company ("Assignee"), with reference to the following facts:

A. Assignor is the owner and record title holder of the Lessee's interest in Arizona State Land Department Commercial Lease No. 03-105541-99 dated July 7, 1993, between Assignor as Lessee and the State of Arizona, as Trustee, through the State Land Commissioner, as Lessor, which Lease is evidenced by that certain Memorandum of Lease recorded July 21, 2000 at **Instrument No. 00-** 0555239 Records of Maricopa County, Arizona.

B. Assignee is purchasing Assignor's interest in and to said Lease from Northeast Phoenix Partners, which has caused Assignor to enter into this Assignment;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged and confessed, the parties hereby agree as follows:

1. ASSIGNMENT OF LEASE

1.1 Assignor does hereby grant, assign, transfer and set over, to Assignee the Lease and all rights of Assignor contained therein.

20000055521400

2. ASSIGNOR'S REPRESENTATIONS

Assignor and Northeast Phoenix Partners represent and warrant that:

2.1 Assignor is the sole owner of all of the Lessee's right, title and interest in and to the Lease.

2.2 The Lease has not been altered, modified or amended except as otherwise disclosed to Assignee.

2.3 To the actual knowledge of Assignor or Northeast Phoenix Partners, neither the Lessor nor the Lessee under the Lease is in default in the performance of any of the terms, covenants, conditions or agreements required of it pursuant to the Lease.

3. DUTIES AND OBLIGATIONS

3.1 Assignor hereby delegates to Assignee all of the duties and obligations of performance of and by the Lessee under the Lease; and for and in consideration of the Lease herein being assigned to Assignee, Assignee hereby accepts this Assignment and agrees to assume and perform, and hereby assumes, all of the duties, obligations, covenants, agreements, promises, terms, conditions and provisions contained in the Lease to be observed, kept, performed or complied with by Lessee under the Lease from and after the effective date hereof, including, but not limited to, the obligation to pay rent.

4. HOLD HARMLESS

4.1 Assignor and Northeast Phoenix Partners agree to indemnify and hold Assignee and its agent(s) free and harmless from any and all claims, demands, costs, damages and liabilities (including, without limitation, reasonable attorneys' fees, paralegal fees and costs of court) arising because of a breach of lease by Assignor which originated or is alleged to have originated prior to the date of this Assignment.

4.2 Assignee agrees to indemnify and hold Assignor and Northeast Phoenix Partners and their agent(s) free and harmless from any and all claims, demands, costs, damages and liabilities (including, without limitation, reasonable attorneys' fees, paralegal fees and costs of court) arising because of a

breach of lease by Assignee which originated or is alleged to have originated on or following the date of this Assignment.

IN WITNESS WHEREOF, this Assignment has been executed by the parties as of the date first set forth above.

"Assignor"

NPP1, LLC, an Arizona limited liability company,

By: NORTHEAST PHOENIX PARTNERS, an Arizona general partnership
Its: Manager

By: V.M.A. PHOENIX, INC. an Arizona corporation
Its: General Partner

By: _____
J. Michael Martin
Its: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20th day of July, 2000, by J. Michael Martin as Vice President of V.M.A. Phoenix, Inc., an Arizona corporation, the general partner of Northeast Phoenix Partners, an Arizona general partnership, the manager of NPP1, LLC, an Arizona limited liability company, on behalf of the company.

Elizabeth Pha Hale
Notary Public

My Commission Expires:
3-25-2003

OFFICIAL SEAL
ELIZABETH PHA HALE
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires Mar. 25, 2003

NORTHEAST PHOENIX PARTNERS, an Arizona general partnership

By: V.M.A. PHOENIX, INC. an Arizona corporation
Its: General Partner

By: _____
J. Michael Martin
Its: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20th day of July, 2000, by J. Michael Martin as Vice President of V.M.A. Phoenix, Inc., an Arizona corporation, the general partner of Northeast Phoenix Partners, an Arizona general partnership, on behalf of the partnership.

_____
Notary Public

My Commission Expires:
3-25-2003

OFFICIAL SEAL
ELIZABETH PHA HALE
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires Mar. 25, 2003

20000552140

"Assignee"

VESTAR DRM-OPCO, L.L.C., Delaware limited liability company

By: Vestar Arizona XXVIII, L.L.C., an Arizona limited liability company
Its: Managing Member

By: _____
Name: Lee T. Hanley
Title: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20th day of July, 2000 by Lee T. Hanley as President of Vestar Arizona XXVIII, L.L.C., as Managing Member of Vestar DRM-OPCO, L.L.C., a Delaware limited liability company, on behalf of the company.

_____
Notary Public

My Commission Expires:
3-25-2003

OFFICIAL SEAL
ELIZABETH PHA HALE
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires Mar. 25, 2003

2000055521400

ASSIGNMENT OF COMMERCIAL LEASE

The State Land Commissioner hereby consents to the Assignment of Lease Number 03 - 105541 - 99 which expires on July 6, 2092
(Date of expiration)
and hereby orders that the lease and all rights therein are hereby assigned and transferred to:

VESTAR DRM-OPCO, L.L.C.,
a Delaware limited liability company
c/o Vestar Development II, L.L.C.
2425 E. Camelback Rd., Suite #750
Phoenix, AZ 85016

This assignment is made pursuant to application to assign the lease made by ASSIGNOR(S):

NPP1, L.L.C., an Arizona limited liability company

and pursuant to application for the assumption of said lease made by ASSIGNEE(S):

VESTAR DRM-OPCO., L.L.C., a Delaware limited liability company

and in accordance with the laws of the State of Arizona and the rules of the State Land Department.

This assignment is made without waiver or relinquishment of any rights of the State of Arizona which may exist under the lease assigned and does not initiate any new rights to the assignee of this lease other than the rights as are set forth in the existing lease. The assignee(s) hereby assumes and agrees to perform all obligations of the lessee under the lease and accepts the lease subject to all existing terms and conditions.

Dated this 19th day of July, 2000

State of Arizona
State Land Commissioner

(SEAL)

By Lydia Forsey

Assg Comm #03 - 05/99

20000555240
OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL

The foregoing instrument is
a full, true and correct
copy of the original record
in this office.

Attest: 07/26/2000 11:40:16 AM

By _____ Recorder

RECEIVED
JUL 26 2000
AZ STATE
LAND DEPT.

COMMERCIAL LEASE

LONG TERM

LEASE NO.

03-105541-99

ARIZONA STATE LAND DEPARTMENT

COMMERCIAL LEASE

BY AND BETWEEN

THE STATE OF ARIZONA

AND

NPP1, LLC

ASSIGNMENT LEASE

ARIZONA STATE LAND DEPARTMENT
COMMERCIAL LEASE NO. 03-105541-99
(Assignment Lease)

THIS COMMERCIAL LEASE ("Lease") is made and entered into as of the 7th day of July, 1993, by and between THE STATE OF ARIZONA as Trustee ("Lessor"), through the State Land Commissioner ("Commissioner"), and NPP1, LLC, an Arizona limited liability company ("Lessee"), pursuant to A.R.S. § 37-281.02.

RECITALS:

As of July 7, 1993, Lessor was the owner of approximately 5,700 acres of real property in Phoenix, Arizona located north of the Central Arizona Project Canal and south of Pinnacle Peak Road between 32nd Street and 64th Street (the "Entire Parcel").

Lessor intends to develop the Entire Parcel as a master planned community known as "Desert Ridge" in accordance with the Desert Ridge Development Plan (the "Development Plan").

Lessor has previously entered into a long-term ground lease (the "Master Lease") with Northeast Phoenix Partners (the "Master Developer"), pursuant to which the Master Developer leased approximately 337 acres of land from Lessor, which land comprised the commercial core of Desert Ridge (the "Core Land").

Pursuant to the terms of the Master Lease, the Master Developer has the right to assign portions of the Master Lease to other parties and cause the Lessor to enter into a new lease directly with the Master Developer's assignee with respect to the portion of the Master Lease and the Core Land that has been assigned. The terms of the new lease are required to be identical with those of the Master Lease, except as expressly provided for in the Master Lease.

The Master Developer has now assigned its interest in the Master Lease with respect to the portion of the Core Land described on ***Exhibit*** "B" attached hereto (the "Parcel") to NPP1, LLC, an Arizona limited liability company ("Lessee").

The Lessor and the Lessee now desire, pursuant to the terms of the Master Lease, to enter into a new lease for the Parcel for the balance of the Master Lease term on the terms and conditions set forth herein. Lessor and Lessee acknowledge that this Lease is not in fact a new lease, but a continuation of the Master Lease with respect to the Parcel, and acknowledge that this new lease is being executed for administrative convenience and not to change the economic terms of the Master Lease. However, from and after the execution of this Lease, the Master Lease shall be of no further force and effect with respect to the Parcel.

NOW, THEREFORE, in consideration of these premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS

1.1 Act. A.R.S. § 37-331 through § 37-338, known as the Urban Lands Act, and as such may be amended or modified from time to time during the term hereof.

1.2 Additional Amounts. As defined in ***Section*** 5.1.

1.3 Affiliated Entity. Any person, corporation, trust, partnership, joint venture, limited liability company, or other entity shall be deemed an Affiliated Entity of Lessee if:

(a) Lessee owns, either directly or through another entity owned or controlled by Lessee, at least fifty percent of the outstanding stock or other equity interest in the entity, or

(b) Such entity owns, either directly or through another entity which is under common control with such entity, at least fifty percent (50%) of the outstanding stock or other equity interest in Lessee.

For purposes of this Section 1.3, (i) Lessee shall be deemed to control an entity if it owns a majority of all stock or other equity interests in the entity which are entitled to vote and (ii) an entity shall be deemed to be under common control with another entity if there is more than a fifty percent (50%) overlap in the ownership of the equity interests in the two entities.

1.4 Assignee. A person or entity to whom an Assignment is made.

1.5 Assignment. A transfer by Lessee of all of its rights, title, interest and obligations hereunder to all or any portion of the Parcel.

1.6 Board. State of Arizona Land Department Board of Appeals.

1.7 City. The City of Phoenix, Arizona.

1.8 Commencement Date. July 7, 1993.

1.9 Commissioner. The Arizona State Land Commissioner.

1.10 Constitution. The Constitution of the State of Arizona.

1.11 Date of Determination. The fifth (5th), tenth (10th), fifteenth (15th), twentieth (20th), twenty-fifth (25th), thirtieth (30th), thirty-fifth (35th), fortieth (40th), forty-fifth (45th), fiftieth (50th), fifty-fifth (55th), sixtieth (60th), sixty-fifth (65th), seventieth (70th), seventy-fifth (75th), eightieth (80th), eighty-fifth (85th), ninetieth (90th) and, if necessary, the ninety-fifth (95th) anniversaries of the Development Date.

1.12 Department. The Arizona State Land Department and any successor agency, board or commission.

1.13 Desert Ridge. That certain real property which is being developed as a master planned community in accordance with the Development Plan.

1.14 Development Date. July 7, 1998.

1.15 Development Plan. The Desert Ridge Development Plan approved by the Commissioner by his Order dated November 29, 1990, pursuant to A.R.S. § 37-334, and any future amendments thereto or revisions thereof.

1.16 Enabling Act. Enabling Act for the admission into the Union of New Mexico and Arizona. (Act June 20, 1910, c. 310, 36 Stat. 557).

1.17 Expiration Date. As defined in ***Section*** 3.1.

1.18 Impositions. All assessments and charges for utilities and communication services; all assessments imposed pursuant to the Core CC&Rs or the Master CC&Rs; all license, permit and other authorization fees; all taxes, duties, charges and assessments of every kind and nature imposed by any public or governmental authority pursuant to any current or subsequently enacted law, ordinance, regulation or order which during the term of this Lease become due, or imposed upon, charged against, measured by or become a lien on: (a) the Parcel; (b) any Improvements or personal property of Lessee located on the Parcel; (c) the interest of Lessee in this Lease or in the proceeds received by Lessee from any Assignments and/or Subleases of the Premises.

1.19 Improvements. As defined in ***Section*** 8.1.

1.20 Interest Rate. The rate of interest established pursuant to A.R.S. § 37-241(D) or any successor statute. In the event there is no successor statute to A.R.S. § 37-241(D), the Interest Rate for a given period shall equal the average rate of return realized by the Arizona Treasurer's office on investments during the preceding five (5) year period.

1.21 Lease Year. In the case of the first (1st) Lease Year, the twelve (12) month period following the Commencement Date and in the case of subsequent Lease Years, the twelve (12) month period following each anniversary of the Commencement Date.

1.22 Leasehold Mortgagor. Lessee or any other mortgagor of a leasehold interest created by this Lease.

1.23 Master CC&Rs. That certain Declaration of Covenants, Conditions and Restrictions for Desert Ridge recorded by Master Developer on February 7, 1994, as Instrument No. 94-0106341, Official Records of Maricopa County, Arizona, as amended from time to time, and as made applicable, if at all, to the Parcel by that certain Declaration of Covenants, Conditions, Restrictions and Easements for Desert Ridge Commercial Core recorded by Master Developer on 7-21, 2000 as Instrument No. 00-0555236, Official Records of Maricopa County, Arizona and that certain Tract Declaration for the Parcel recorded on 7-21, 2000 as Instrument No. 00-0555237, Official Records of Maricopa County, Arizona (collectively the "Core CC&Rs").

1.24 Notice of Valuation The annual notice sent to owners of real property by the Maricopa County Assessor's Office pursuant to A.R.S. Section 42-221(D), or any comparable provision, which notice sets forth the full cash value of property subject to the real property tax.

1.25 Parcel. That certain real property containing approximately one hundred sixteen and 71 one hundredths (116.71) acres and depicted as a portion of Parcel 5.A on the Development Plan Map attached hereto as ***Exhibit*** "A". The Parcel is legally described on ***Exhibit*** "B" attached hereto.

1.26 Permitted Mortgage. Any mortgage, deed of trust, agreement for sale or other security device creating an encumbrance on Lessee's leasehold interest, a true and complete copy of which has been properly filed with the Department pursuant to A.R.S. § 37-255.

1.27 Permitted Mortgagee. The holder of a Permitted Mortgage.

1.28 Premises. The Parcel together with all rights and easements appurtenant thereto as expressly granted by this Lease, Improvements, temporary or portable structures, and personal property located on, below or above the Parcel.

1.29 Sublease. A transfer by Lessee of less than all of its rights, title, interest and obligations hereunder to all or any portion of the Parcel. Any further Assignments or Subleases made by Sublessees shall also be included within the meaning of the term Sublease.

1.30 Sublessee. The lessee under a Sublease.

1.31 Subparcel. Any parcel into which the Parcel may be subdivided in the course of the development of the Parcel pursuant to an assignment or a sublease of a portion of the Parcel (as opposed to a sublease of any Improvements located on the Parcel). Each Subparcel shall (to the extent possible) be treated as a separate tax parcel for real estate tax purposes.

1.32 Trust. The Trust established by the Enabling Act and the Constitution to manage State trust land in Arizona.

ARTICLE 2.

PARCEL

2.1 The Parcel. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, for the term, at the Base Rent or Alternative Rent, if applicable, and in accordance with the provisions set forth herein, the Parcel.

2.2 Condition. Lessee has examined the physical condition of the Parcel, is familiar with it, and takes it "as is". Lessor makes no express or implied warranties as to the physical condition of the Parcel. Notwithstanding the foregoing, nothing herein is intended to limit Lessee's rights with respect to any existing environmental contamination as set forth in ***Article*** 12 herein.

ARTICLE 3.

TERM

3.1 Commencement, Expiration. The term of this Lease shall be for a period of ninety-nine (99) years commencing on July 7, 1993, which was the date that the Master Lease was auctioned by the Department ("Commencement Date"), and ending on July 6, 2092 ("Expiration Date"), unless sooner canceled or terminated as provided herein.

ARTICLE 4.

RENT

4.1 Base Rent. Subject to ***Section*** 4.6, Lessee shall pay rent to Lessor based on a percentage of the appraised land value of the Parcel, as adjusted pursuant to ***Section*** 4.4 ("Base Rent").

4.2 Acreage For Purpose of Calculating Base Rent and Alternative Rent. Pursuant to ***Section 7.5*** of this Lease and as a result of perpetual easement Public

Use Interests that have heretofore been granted across the Parcel, as of this date the acreage included in the Parcel for the purpose of calculating Base Rent and Alternative Rent under this Lease is one hundred twelve and nineteen hundredths (112.19) acres and is legally described on ***Exhibit*** "C" attached hereto.

4.3 Appraised Land Value. The current appraised land value ("Current Appraised Land Value") of the Parcel for the first (1st) Lease Year through and including the Lease Year in which the Phase One Infrastructure is completed shall be $12,000.00 per acre. The Current Appraised Land Value for the Lease Year commencing on the Development Date through the fifth (5th) Lease Year after the Development Date shall be $50,000.00 per acre. For the purposes of adjusting the Current Appraised Land Value, $50,000.00 per acre shall hereinafter be referred to as the "Base Land Value."

4.4 Adjustment of Land Value. After the Development Date, the Current Appraised Land Value shall be adjusted in five (5) year intervals on each Date of Determination.

(a) On the first (1st) Date of Determination (the fifth (5th) anniversary of the Development Date), the Current Appraised Land Value for the next five (5) Lease Years shall be determined by increasing the Base Land Value by a two percent (2%) simple annual increase for the previous five (5) Lease Years.

(b) On the second (2nd) Date of Determination, the Current Appraised Land Value for the next five (5) Lease Years shall be determined by (i) increasing the Current Appraised Land Value (as previously adjusted pursuant to ***Section*** 4.4(a)) by ten percent (10%) of the Base Land Value (representing a two percent (2%) per year simple interest increase) and (ii) increasing the amount computed pursuant to subclause (b)(i) by an additional ten percent (10%) in anticipation of the impact of the Pima/Outer Loop Freeway on land value.

(c) On the third (3rd) Date of Determination (and for all subsequent Dates of Determination), the Current Appraised Land Value for the following five (5) Lease Years shall be determined by increasing the Current Appraised Land Value (as used for the prior five-year period) by fifteen percent (15%) of the Base Land Value (representing a three percent (3%) simple annual increase for the previous five (5) Lease Years).

The Current Appraised Land Value for each Lease Year, as computed pursuant to this ***Section***, is set forth in the table in ***Section*** 4.5 under the column heading "Current Appraised Land Value Per Acre.

4.5 Calculation of Base Rent. Base Rent shall be determined based on a percentage of the Current Appraised Land Value, as adjusted pursuant to ***Section*** 4.4.

For the first (1st) Lease Year and for each subsequent Lease Year until the Development Date, Base Rent shall equal one percent (1%) of the Current Appraised Land Value, as follows:

Year	Current Appraised Land Value Per Acre	Percentage of Land Value	Base Rent Per Acre
1	$12,000	1%	$120
2 through the year prior to the Development Date	$12,000	1%	$120

For the first (1st) Lease Year after the Development Date, Base Rent shall equal one and one-half percent (1.5%) of the Current Appraised Land Value determined in accordance with the following schedule. The percentage of land value used to determine Base Rent shall gradually increase based on the following agreed-upon schedule:

Lease Year after the Development Date	Current Appraised Land Value Per Acre	Percentage of Land Value	Base Rent Per Acre
1	$ 50,000	1.50%	$ 750
2	$ 50,000	1.75%	$ 875
3	$ 50,000	2.00%	$ 1,000
4	$ 50,000	2.50%	$ 1,250
5	$ 50,000	3.00%	$ 1,500
6	$ 55,000	3.70%	$ 2,035
7	$ 55,000	4.14%	$ 2,277
8	$ 55,000	4.58%	$ 2,519
9	$ 55,000	5.20%	$ 2,860
10	$ 55,000	5.46%	$ 3,003
11	$ 66,000	5.90%	$ 3,894
12	$ 66 000	6.34%	$ 4,184
13	$ 66,000	6.78%	$ 4,475
14	$ 66,000	7.22%	$ 4,765
15	$ 66,000	7.66%	$ 5,056
16	$ 73,500	8.10%	$ 5,954
17	$ 73,500	8.54%	$ 6,277
18	$ 73,500	8.98%	$ 6,600

19	$ 73,500	9.42%	$ 6,924
20	$ 73,500	10.00%	$ 7,350
21	$ 81,000	10.00%	$ 8,100
22	$ 81,000	10.00%	$ 8,100
23	$ 81,000	10.00%	$ 8,100
24	$ 81,000	10.00%	$ 8,100
25	$ 81,000	10.00%	$ 8,100
26	$ 88,500	10.00%	$ 8,850
27	$ 88,500	10.00%	$ 8,850
28	$ 88,500	10.00%	$ 8,850
29	$ 88,500	10.00%	$ 8,850
30	$ 88,500	10.00%	$ 8,850
31	$ 96,000	10.00%	$ 9,600
32	$ 96,000	10.00%	$ 9,600
33	$ 96,000	10.00%	$ 9,600
34	$ 96,000	10.00%	$ 9,600
35	$ 96,000	10.00%	$ 9,600
36	$103,500	10.00%	$10,350
37	$103,500	10.00%	$10,350
38	$103,500	10.00%	$10,350
39	$103,500	10.00%	$10,350
40	$103,500	10.00%	$10,350
41	$111,000	10.00%	$11,100
42	$111,000	10.00%	$11,100
43	$111,000	10.00%	$11,100
44	$111,000	10.00%	$11,100
45	$111,000	10.00%	$11,100
46	$118,500	10.00%	$11,850
47	$118,500	10.00%	$11,850
48	$118,500	10.00%	$11,850
49	$118,500	10.00%	$11,850
50	$118,500	10.00%	$11,850
51	$126,000	10.00%	$12,600
52	$126,000	10.00%	$12,600
53	$126,000	10.00%	$12,600
54	$126,000	10.00%	$12,600
55	$126,000	10.00%	$12,600
56	$133,500	10.00%	$13,350
57	$133,500	10.00%	$13,350
58	$133,500	10.00%	$13,350
59	$133,500	10.00%	$13,350
60	$133,500	10.00%	$13,350
61	$141,000	10.00%	$14,100
62	$141,000	10.00%	$14,100
63	$141,000	10.00%	$14,100

64	$141,000	10.00%	$14,100
65	$141,000	10.00%	$14,100
66	$148,500	10.00%	$14,850
67	$148,500	10.00%	$14,850
68	$148,500	10.00%	$14,850
69	$148,500	10.00%	$14,850
70	$148,500	10.00%	$14,850
71	$156,000	10.00%	$15,600
72	$156,000	10.00%	$15,600
73	$156,000	10.00%	$15,600
74	$156,000	10.00%	$15,600
75	$156,000	10.00%	$15,600
76	$163,500	10.00%	$16,350
77	$163,500	10.00%	$16,350
78	$163,500	10.00%	$16,350
79	$163,500	10.00%	$16,350
80	$163,500	10.00%	$16,350
81	$171,000	10.00%	$17,100
82	$171,000	10.00%	$17,100
83	$171,000	10.00%	$17,100
84	$171,000	10.00%	$17,100
85	$171,000	10.00%	$17,100
86	$178,500	10.00%	$17,850
87	$178,500	10.00%	$17,850
88	$178,500	10.00%	$17,850
89	$178,500	10.00%	$17,850
90	$178,500	10.00%	$17,850
91	$186,000	10.00%	$18,600
92	$186,000	10.00%	$18,600
93	$186,000	10.00%	$18,600
94	$186,000	10.00%	$18,600

If necessary:

95	$186,000	10.00%	$18,600
96	$193,500	10.00%	$19,350
97	$193,500	10.00%	$19,350
98	$193,500	10.00%	$19,350
99	$193,500	10.00%	$19,350

Commencing with the twentieth (20th) Lease Year after the Development Date, the percentage of land value used to determine Base Rent shall be ten percent (10%) and shall remain at ten percent (10%) for the rest of the Lease term.

4.6 Alternative Rent. Lessor and Lessee agree that the scheduled increases in Base Rent may not adequately compensate Lessor for the increase in land values which the parties anticipate will result as Desert Ridge develops. In an effort to provide Lessor with a mechanism for participating in the economic benefits to be derived from increased land values as the development of Desert Ridge proceeds, Lessee shall, commencing with the fifteenth (15th) Lease Year after the Development Date, pay as rent for any Subparcel for which a Notice of Valuation has been issued, the greater of the prorated Base Rent for such Subparcel or an alternative rent based on a percentage of the value of Improvements constructed on such Subparcel ("Alternative Rent").

4.7 Calculation of Alternative Rent. The prorated portion of the Base Rent for each Subparcel shall be determined by multiplying the Base Rent for the Parcel by a fraction, the numerator of which shall be the number of acres within the Subparcel and the denominator of which shall be the number of acres within the Parcel. Lessee shall not be obligated to pay Alternative Rent on any Subparcel unless and until the Maricopa County Assessor issues a Notice of Valuation for any Improvements constructed on such Subparcel. Alternative Rent for the Subparcel shall be determined by multiplying 0.0035 by the "full cash value" of the Improvements on the Subparcel, as such term is presently defined in A.R.S. § 42-201(4), as shown on the Notice of Valuation issued by the Maricopa County Assessor for the immediately preceding calendar year (*e.g.*, for a Lease Year commencing March 1, 2020, the "full cash value" of Improvements would be determined by the Notice of Valuation issued for calendar year 2019). For example, if in the sixteenth (16th) Lease Year after the Development Date, the Parcel still contains 112.19 acres for the purpose of calculating Base Rent or Alternative Rent, if applicable, (*i.e.*, there have been no assignments and no further perpetual easements granted) and a one (1) acre Subparcel has been developed with Improvements that were assessed at a full cash value of Two Million Dollars ($2,000,000.00), the Base Rent or Alternative Rent, if applicable, for the Subparcel shall be determined as follows:

Base Rent for Parcel:

Base Rent Per Acre = $5,954 (See ***Section*** 4.5)	X	Number of Acres in Parcel = 112.19	=	Base Rent for Parcel $667,979.26

Base Rent for Subparcel:

Number of Acres in Subparcel = 1 Number of Acres in Parcel = 112.19	X	Base Rent for Parcel = $667,979.26	=	Base Rent for Subparcel = $5,954

Alternative Rent for Subparcel:

Full Cash Value of Improvements = $2,000,000	X	.0035	=	$7,000

Because the Alternative Rent ($7,000) is greater than the Base Rent ($5,954) for the Subparcel, Lessee is obligated to pay the Alternative Rent of $7,000.

For each Lease Year for which Alternative Rent might be payable hereunder (*i.e.,* for the fifteenth Lease Year after the Development Date and for all subsequent Lease Years), Lessee shall provide to Lessor a written statement computing the amount of Alternative Rent which would be payable hereunder (the "Alternative Rent Statement"). The Alternative Rent Statement shall (i) include a copy of all Notices of Valuation for Improvements located on the Parcel (including Improvements owned by Sublessees), and (ii) include an explanation of how the amount of Alternative Rent was determined. Lessee shall be responsible for obtaining any required information to prepare the Alternative Rent Statement from its sublessees and all assignees of all or a portion of this Lease shall be responsible for preparing an Alternative Rent Statement for their respective Parcel or Subparcel. The Alternative Rent Statement for each Lease Year shall be delivered to Lessor at least six (6) months prior to start of the Lease Year to which it relates (*e.g.,* the first Alternative Rent Statement shall be due six (6) months prior to the start of the fifteenth Lease Year after the Development Date). Lessor shall approve the Alternative Rent Statement so long as it is complete and the computations therein are accurate. Lessor shall notify Lessee of the total Base Rent or Alternative Rent, if applicable, payable for each Parcel or Subparcel at least thirty (30) days prior to the beginning of the next Lease Year. The Alternative Rent or Base Rent, as applicable, for each Parcel or Subparcel shall then be payable on the first day of the next Lease Year.

If at any time the Maricopa County Assessor's Office (or any successor State or local government body charged with valuing properties for ad valorem tax purposes) no longer uses the "full cash value" or a similar method for determining the value of real property for ad valorem tax purposes, then Lessee and Lessor shall mutually agree in writing on a different appraisal process for determining the full cash value of any Improvements constructed on any Subparcel. The full cash value determined by the mutually agreeable appraisal method will then be substituted for the full cash value set forth in the Notice of Valuation issued by the Maricopa County Assessor for the purposes of calculating Alternative Rent hereunder. Lessee or the owner of the Improvements may appeal in good faith the assessed value of the Improvements on all or any portion of the Parcel in the same manner provided by law for the appeal of real property taxes. Lessor shall execute such documents as may be necessary to establish Lessee's or owner's right to appeal such assessed value. Lessor and Lessee shall be bound by the result of any such appeal. If Lessee or the owner of the Improvements elects to appeal the assessed value, but the appeal has not been finally resolved by the time the Alternative Rent based on such assessed value is due hereunder, Lessee shall pay the Alternative Rent based on the

contested assessed value during the pendency of the appeal. If the appeal results in a reduction in the assessed value, Lessee shall be entitled to a credit for the difference between the Alternative Rent Lessee paid based on the contested assessed value and the Alternative Rent actually due based on the reduced assessed value. Such credit (together with interest thereon at the Interest Rate from the time the contested Alternative Rent was paid until such credit is received) shall be applied against the Base Rent or Alternative Rent, if applicable, payable for the Lease Year following the resolution of the appeal.

4.8 Due Date. Lessee shall pay the Base Rent or Alternative Rent, if applicable, described herein without offset or deduction, except as provided herein, and without notice or demand. The Base Rent or Alternative Rent, if applicable, for the first (1st) Lease Year shall be due on the Commencement Date and for each Lease Year after the first (1st) Lease Year, the Base Rent or Alternative Rent, if applicable, shall be due on the anniversary of the Commencement Date.

4.9 Notice of Default. Unless the time for payment of the Base Rent or Alternative Rent, as applicable, has been extended pursuant to ***Section*** 4.12, if by the due date for the payment of such Base Rent or Alternative Rent, if applicable, Lessor has not received the payment which has become due and payable, Lessor shall deliver to Lessee (and to all Permitted Mortgagees who have complied with ***Section*** 20.2 hereof) written notice demanding that within thirty (30) days thereafter, Lessee pay such Base Rent or Alternative Rent, if applicable, together with penalty and interest as described in ***Sections*** 4.10 and 4.11.

4.10 Interest. Unless the time for payment of the Base Rent or Alternative Rent, if applicable, has previously been extended pursuant to ***Section*** 4.12, there shall be added to any Base Rent or Alternative Rent payment which has become due and has not been paid, interest at the Interest Rate from and after the thirtieth (30th) day following the date that the Base Rent or Alternative Rent payment became due.

4.11 Penalty. In addition to the interest required by ***Section*** 4.10, a penalty in the amount of five percent (5%) of the Base Rent or Alternative Rent payment shall be added to any Base Rent or Alternative Rent payment not paid on time.

4.12 Extension. Prior to the time the Base Rent or Alternative Rent, if applicable, becomes due, upon Lessee's written request, Lessor may extend the time for payment of the Base Rent or Alternative Rent, if applicable, for an additional period not to exceed a total period of more than ninety (90) days. No more than three (3) extensions may be granted by Lessor during any one (1) Lease Year. If an extension is granted, there shall be added to the deferred payment a penalty of five percent (5%) and interest at the Interest Rate on the deferred payment and penalty. This deferred Base Rent or Alternative Rent, if applicable, penalty and interest shall be a lien on the Improvements and other personal property of Lessee on the Parcel.

4.13 Arrears. If the Base Rent or Alternative Rent, if applicable, is at any time one (1) calendar year in arrears, this Lease shall, subject to the other provisions of this Lease, automatically terminate, and Lessor shall proceed to cancel it on the records of Lessor.

4.14 Prepaid Base Rent. Lessee shall be allowed to prepay Base Rent for all or a portion of the Parcel after the later of (i) the Development Date or (ii) the fourth (4th) Lease Year and under the following conditions:

(a) Lessee shall be allowed to prepay Base Rent in any Lease Year after the fourth (4th) Lease Year for all or any portion of the Parcel so long as the prepayment includes all the remaining Base Rent payable through the ninety-ninth (99th) year on the portion of the Parcel for which prepayment is being made.

(b) The calculation of prepaid Base Rent shall include a discounting for present value of the revenue stream. The discount rate for prepayment shall be the interest rate being earned by the State of Arizona Treasurer's office on long-term investments (10 years or more) as announced by the Treasurer's office for the month immediately preceding the prepayment (as provided for in A.R.S. § 37-295). If at any time the State of Arizona Treasurer's office ceases to announce a long-term interest rate, the discount rate shall be determined using a comparable measure of interest rates on long-term investments reasonably acceptable to Lessor and Lessee. Notwithstanding the preceding, in no event shall the discount rate used for a prepayment exceed the maximum rate permitted by applicable law as of the date of such prepayment.

(c) Prepayments shall be based on entire Base Rent payments for the years in which Lessee elects to prepay Base Rent, and not pro rata portions of years.

(d) Prepayments of Base Rent shall be based on the table set forth in ***Section*** 4.5 using the "Current Appraised Land Value" column.

(e) Prior to prepayment of Base Rent on less than the entire Parcel, Lessee must obtain the written permission of the Commissioner as to the size, location and configuration of portions of the Parcel for which Lessee requests prepayment, which approval shall not be unreasonably withheld.

(f) Upon a prepayment of Base Rent on any Subparcel, an amendment to this Lease shall be executed deleting the prepaid Subparcel from this Lease and adjusting the Base Rent hereunder. A new lease for the prepaid Subparcel shall be executed which properly reflects the prepayment.

(g) The Table in ***Section*** 4.5 sets forth the Base Rent payable on the Parcel on an annual basis. If a portion of the Base Rent for the Parcel is prepaid pursuant to this ***Section***, Base Rent on the remainder of the acreage within the Parcel shall be due and payable on a pro rata basis annually according to the Table in ***Section*** 4.5. Base Rent for those portions of the Parcel for which Base Rent is not prepaid shall be determined as follows:

If Lessee elects to prepay Base Rent on one (1) acre of the total 112.19 acres (assuming that 112.19 acres is the total acreage then counted for the purpose of calculating Base Rent under this Lease), the Base Rent for the remaining 111.19 acres shall be calculated as follows:

$$\frac{(A-B)}{A} \times C$$

A = Number of Acres in Parcel before Prepayment

B = Number of Acres Prepaid

C = Base Rent otherwise payable for the Lease Year in question pursuant to ***Section*** 4.5

This pro rata formula may be used at any time throughout the term of this Lease for calculating rent on acreage remaining subject to this Lease either as a result of prepayment of Base Rent on other acreage or relinquishment of acreage due to dedication for public use, issuance of rights of way, Assignments or any other manner which reduces the acreage on which Base Rent is due.

(h) Even if Lessee prepays Base Rent on any Subparcel, Alternative Rent shall still be due and payable; provided, however, that the amount of Alternative Rent payable on such Subparcel shall be determined as follows: The Alternative Rent for such prepaid Subparcel shall equal the Alternative Rent determined in accordance with ***Section*** 4.7 less the Base Rent which would be payable for such Subparcel if Alternative Rent did not apply and Base Rent had not been prepaid. For example, if the Alternative Rent for such Subparcel determined in accordance with ***Section*** 4.7 is $7,000 and the Base Rent which would be payable for such Subparcel if Alternative Rent did not apply is $5,954, the Alternative Rent for the prepaid Subparcel would be determined as follows:

Alternative Rent		Base Rent		
$7,000	-	$5,954	=	$1,046

(i) Lessee acknowledges that in no event will it be entitled to a refund of prepaid Base Rent.

ARTICLE 5.

ADDITIONAL AMOUNTS

5.1 Definition. In addition to the Base Rent or Alternative Rent, if applicable, Lessee shall also pay or cause to be paid all Impositions and all other costs, expenses, liabilities, obligations or other payments which Lessee under this Lease assumes and agrees to pay, all of which are hereinafter referred to individually and collectively as "Additional Amounts."

5.2 Payment. Lessee shall pay or cause to be paid all Additional Amounts before any interest, penalty, fine or cost accrues for nonpayment; provided, however, that if any Additional Amounts may by law be paid in installments, Lessee may pay such Additional Amounts in installments. Such installments may not extend past the Expiration Date unless (i) any improvements to which the Additional Amounts relate will survive the Expiration Date and substantially benefit the Parcel (*e.g.*, local assessments for street improvements), and (ii) Lessor gives its written approval (which approval shall not be unreasonably withheld). Lessee shall pay all such installments and any applicable interest at the time they become due and before any further penalty or fine may be added thereto.

5.3 Evidence. Within a reasonable period after Lessee's receipt of Lessor's written request, Lessee shall furnish to Lessor pertinent official receipts or other proof satisfactory to Lessor evidencing the payment of any Additional Amounts before the same become delinquent.

5.4 Interest. If Lessee fails to pay or cause to be paid in accordance with ***Section*** 5.2 any Additional Amounts, then Lessor shall have all the rights and remedies provided in ***Section*** 22.2, as in the case of nonpayment of Base Rent or Alternative Rent, if applicable, and in ***Section*** 18.1, including the right to interest at the Interest Rate on all such Additional Amounts, if and to the extent paid by Lessor from and after the date of Lessee's nonpayment.

5.5 Taxes. Notwithstanding the foregoing provisions of this Article, Lessor and Lessee intend that Lessee shall not be obligated to pay either ad valorem property taxes on the Parcel, or taxes for rent received by Lessor pursuant to this Lease, or any assessment in lieu thereof. Lessor agrees that Lessee shall have no responsibility or liability for any tax imposed upon Lessor's interest in the Parcel or in this Lease. However, subject to the provisions of ***Article*** 23 herein, Lessor shall have no liability to Lessee if Lessee's leasehold interest becomes subject to an ad valorem or similar tax. Nothing contained in this ***Section*** shall act to supersede or modify the provisions of ***Article*** 23 herein.

ARTICLE 6.

USE OF THE PARCEL AND PREMISES

6.1 Uses. The Parcel shall be used for any use permitted by the Development Plan, as may be amended or revised from time to time. All uses of the Parcel not expressly authorized or permitted by this Lease are expressly prohibited.

6.2 Development Plan. Lessor has leased the Parcel for development, construction, operation and use consistent with the Development Plan, as the same may be amended or revised from time to time. Lessee may develop, construct and operate the Parcel only in accordance with the Development Plan; provided, however, that if Lessee desires to develop the Parcel in a manner which is different than the Development Plan, Lessee shall submit for Lessor's approval an amendment to or revision of the Development Plan and shall otherwise comply with all requirements of amending or revising the Development Plan set forth in the Development Plan or applicable law. So long as Lessee complies with all of the applicable requirements for amending the Development Plan, Lessor shall not unreasonably withhold or delay its consent. If the revised or amended Development Plan would require zoning inconsistent with any existing zoning, Lessor agrees to authorize Lessee to submit and process a request for a change of zoning to the City. Any rezoning shall be done upon the mutual agreement of both Lessee and Lessor.

6.3 Zoning. The Parcel is subject to the "Desert Ridge Specific Plan" as approved by the City pursuant to Ordinance G-3350, as adopted on July 18, 1990 (the "Specific Plan"). Lessee agrees to abide by the applicable provisions of the Specific Plan and the City zoning regulations made applicable by that Plan, and the other applicable City land use ordinances. For purposes of this ***Section***, "Minor Amendments" to the Specific Plan (as defined in the Specific Plan), as well as actions of rezoning or development approval hearings contemplated by the Specific Plan shall be considered to be consistent with and to implement the Development Plan. "Major Amendments" to the Specific Plan (as defined in the Specific Plan) shall require consideration by Lessor under ***Section*** 6.2 as an amendment to the Development Plan.

6.4 Artifacts. Any materials, including but not limited to pottery or other archaeological artifacts, found on or in the Parcel during the course of any survey, excavation or construction, are Lessor's property, and Lessee shall not remove them or permit removal without Lessor's approval. If Lessor requires the removal of such artifacts but such removal materially and adversely affects the ability of Lessee to use a portion of the Parcel for its intended purpose as defined in this Article, Lessee may, with approval of Lessor, surrender the adversely affected portion of the Parcel, which may include land on which no artifacts were discovered, and be released of all obligations as to that portion of the Parcel. The leased acres which are surrendered pursuant to this ***Section*** shall also be excluded from the acreage included in the Parcel for the purpose of calculating Base Rent and Alternative Rent under ***Article*** 4. If Lessor requires the removal of such artifacts but

such removal materially and adversely affects Lessee's use of the entire Parcel, Lessee may, with approval of Lessor, surrender the entire Parcel. Lessor will grant its approval of the surrender of all or a portion of the Parcel pursuant to this ***Section*** 6.4 where the removal of the artifacts will create substantial economic harm to Lessee.

6.5 Waste. Lessee shall not conduct or permit to be conducted any public or private nuisance on the Premises, nor commit or permit to be committed any waste thereon. Lessee shall not move, use, destroy, cut or remove (or permit to be moved, used, destroyed, cut or removed) any timber, cactus, protected native plants, standing trees or products on the Parcel except only those which are necessary for the use of the Parcel pursuant to the Development Plan. Lessee shall report to Lessor any known or suspected trespass or waste committed on the Parcel.

6.6 Conformity to Law. Lessee shall maintain the Premises in a clean and safe condition. Lessee shall not use or permit the Premises to be used in any manner that is not in conformity with all generally applicable federal, state, county and municipal laws, statutes, ordinances and regulations.

6.7 Minerals. Lessor excepts and reserves out of the Parcel all oils, gases, geothermal resources, coal, ores, minerals, fertilizer and fossils of every kind which may be in or upon the Parcel. Notwithstanding the foregoing, Lessor reserves no right to enter upon the Parcel to inspect, explore or extract any such items without the prior written consent of Lessee unless the reservation of such a right of entry is required by the Constitution or the Enabling Act. The Commissioner has determined, as part of its decision to auction this Lease and pursuant to A.R.S. § 37-287(B), that the reservation of an unrestricted right of entry is not in the best interests of the State lands. Lessee may withhold its consent to a request by Lessor for entry if Lessee believes in its sole discretion that any such entry would delay, interfere with or otherwise adversely affect the development, construction, operation or use of the Parcel. Lessee shall be entitled to reasonable compensation for any damages resulting from the exercise of the rights reserved hereunder.

6.8 Quiet Enjoyment. Lessor warrants that Lessee shall quietly have, hold and enjoy the Parcel and the Premises during the term of this Lease so long as Lessee is not in default (i.e., any required notice having been given and any applicable cure period having expired) under this Lease.

6.9 Surrender. Lessee shall surrender peaceable possession of the Premises upon the Expiration Date of this Lease.

6.10 Ground Water Rights. No person, including Lessee, shall be permitted to enter upon the Parcel to explore or drill for water. This ***Section*** shall not, however, prohibit environmental assessments, water sampling, and/or soil tests customary in connection with the development of commercial properties in the Phoenix, Arizona metropolitan area.

ARTICLE 7.

EASEMENTS AND DEDICATIONS

7.1 Grant. Lessor hereby agrees to make land available for easements and fee dedications (hereinafter called "Public Use Interest") for roadways, access, utilities and drainage over, under, upon and across such portions of the Parcel as are identified and designated from time to time by Lessee and are reasonably necessary or desirable for implementation of the Development Plan as required by the City. Such Public Use Interest shall be either fee interests or perpetual easements, as required by pertinent governmental authorities and permitted by state law, and shall in all cases survive cancellation or termination of this Lease and the leasehold interest created pursuant hereto.

7.2 Designation. Before Lessor will make a Public Use Interest available, Lessee shall deliver a legal description of the pertinent portion of the Parcel and a completed application for right-of-way describing the nature of the Public Use Interest required.

7.3 Purchase. A perpetual easement Public Use Interest shall be purchased from Lessor by prepaying the Base Rent pursuant to ***Section 4.14*** for the acreage covered by the Public Use Interest.

7.4 Dedication to Public Agencies. After notification and upon receiving full compensation for the Public Use Interest in the manner described above, Lessor shall immediately execute and deliver a patent or perpetual easement, as the case may be, for the Public Use Interest in recordable form to the purchaser of the Public Use Interest. The purchaser of the Public Use Interest shall thereupon immediately dedicate the Public Use Interest to the pertinent governmental authorities or utilities and record such Public Use Interest in the office of the Maricopa County Recorder. Upon such dedication with respect to a perpetual easement Public Use Interest, this Lease shall automatically be subordinate to such Public Use Interest and Lessee shall have no responsibilities under this Lease with respect to the portion of the Parcel included in the Public Use Interest (except for matters occurring prior to the dedication) until such time, if ever, that the governmental entity or the utility abandons the Public Use Interest. Upon such abandonment, the Public Use Interest shall automatically become subordinate to this Lease until such time, if ever, that the Public Use Interest is once again dedicated to a governmental authority or a utility. Lessor shall also execute such other and further documents as may be required to fully implement the intent of this ***Section***, provided that any other documents executed pursuant to this ***Section*** shall not affect any real property other than the portion of the Parcel designated and sold for the Public Use Interest.

7.5 Reduction of Parcel. Upon dedication to and acceptance by the pertinent governmental authority or utility of a fee Public Use Interest, the portion of the

Parcel included in the fee Public Use Interest shall be deducted from the Parcel for all purposes under this Lease and this Lease shall be terminated as to such portion of the Parcel. Upon dedication to and acceptance by the pertinent governmental authorities or utilities of a perpetual easement Public Use Interest, the acreage included in the Public Use Interest, unless otherwise agreed to by Lessee, shall remain in the Parcel but shall be deducted from the acreage included in the Parcel for the purpose of calculating Base Rent and Alternative Rent under ***Article 4***. If the governmental entity or the utility ever abandons the perpetual easement Public Use Interest, then the acreage comprising the Public Use Interest shall once again be included in the acreage of the Parcel for calculating Alternative Rent (but not Base Rent) until such time, if ever, that the Public Use Interest is once again dedicated to a governmental authority or a utility. A Public Use Interest shall not become a Subparcel.

7.6 Easements. At Lessee's election and without further consent of Lessor, Lessee may, from time to time, create private, exclusive or non-exclusive easements over, under, upon and across the Parcel for roadway, access, drainage and utilities, including, without limitation, water, power, gas, electric, sewer, telephone, cable television and other communications; provided, however, that such easements shall be for a term not greater than ninety-nine (99) years from the Commencement Date. Any such easement shall terminate upon the later of (a) the termination of this Lease, or (b) the termination of all Subleases and Space Leases to which the Lessor attorns in accordance with this Lease and which are utilizing the easement. Lessor shall not be entitled to any compensation for such easements.

7.7 Reservation of Rights-of-Way. The Commissioner has determined, as part of its decision to auction this Lease and pursuant to A.R.S. § 37-287(B), that the reservation of the right to grant easements or rights-of-way is not in the best interests of the State lands. Accordingly, Lessor reserves no right to grant easements or rights-of-way over, under, across or upon the lands embraced by this Lease except as required by the Constitution or the Enabling Act. If the Commissioner grants an easement or right-of-way required by the Constitution or the Enabling Act, Lessee shall be entitled to reasonable compensation for any and all damages resulting from such a grant and to have the acreage included within the easement or right-of-way deducted from the acreage included in the Parcel for the purpose of calculating Base Rent and Alternative Rent and treated as a dedicated perpetual easement Public Use Interest under ***Sections 7.4*** and ***7.5***.

7.8 Improvements. Lessee shall not be entitled to reimbursement under ***Article 8*** of this Lease for any Improvements placed in a Public Use Interest and dedicated to a governmental authority or utility as described in ***Section 7.4***.

ARTICLE 8.

CONSTRUCTION AND IMPROVEMENTS

8.1 Definition. All buildings, streets, curbs, sewers, drainage and flood control structures, sidewalks, fences, utilities, landscaping, signs and other structures of every kind and nature which exist, at any time, on, above or below the Parcel or a portion thereof and which cannot be removed without destroying their value are considered Improvements under this Lease.

8.2 Owner. Except as may otherwise be set forth herein, Lessee is the registered owner of the Improvements and shall be entitled to reimbursement for all such Improvements constructed on the Parcel without being required to file any applications to construct or make such Improvements, any reports of such Improvements or any other information concerning such Improvements except as set forth in this Article.

8.3 Site Plan. Within thirty (30) days after the City has approved a site plan for the construction of Improvements upon the Parcel, Lessee shall provide the Commissioner with a copy of the approved site plan for the Improvements (hereinafter called "Site Plan"). Such Site Plan shall conform with the requirements and restrictions of the Development Plan. The Site Plan shall include a legal description and survey of the pertinent portion of the Parcel locating the Improvements, utilities, grading and drawings of the elevation of the Improvements. At the end of the fifth (5th) Lease Year, and every five year period thereafter, Lessee, following the receipt of written request therefor from Lessor, shall provide Lessor with notice of substantial changes to the Improvements, together with a revised Site Plan of such Improvements. In addition, from time to time, upon the request of Lessor, Lessee shall provide Lessor with copies of all surveys, engineering and/or environmental reports, feasibility studies, blueprints and/or other documentation regarding the Parcel or the Improvements constructed thereon which are in Lessee's actual possession or control at the time the request is made. Lessee may require that the Lessor pay the reasonable cost of copying such documentation as a condition making such copies. All documents delivered to Lessor pursuant to the preceding two sentences shall be provided for Lessor's information, without warranty by Lessee.

8.4 Annual Statement. Pursuant to A.R.S. § 37-292(D), Lessee shall, on or before July 1 of each year, file with Lessor a sworn statement setting forth the character of the Improvements and their actual cash value.

8.5 Ownership. All Improvements constructed by Lessee shall be the property of Lessee or any successor-in-interest ("Owner") and shall, unless they become the property of Lessor as herein specifically provided, be subject to assessment for ad valorem taxes in the name of the Owner. Except as otherwise specifically provided herein, the Owner shall be entitled to reimbursement for its Improvements, as provided in ***Section*** 8.7, upon expiration of the Lease.

8.6 Subleases. In connection with any Sublease or Assignment, Lessee may sell all its rights, title and interest in and to any and all Improvements and may allow Sublessees or Assignees to construct Improvements, in which event the party which so purchases or constructs such Improvements, and its successors and assigns, shall thereafter be deemed to be the Owner of such Improvements and shall be subject to the requirements, and enjoy the benefits, of this Lease as to such Improvements.

8.7 Reimbursement for Improvements.

8.7.1 Reimbursement by Purchaser of Parcel. If at any time after this Lease is terminated (whether by expiration of the term or earlier termination) all or any part of the Parcel is sold pursuant to ***Article*** 24, and the purchaser is not the Owner of the Improvements located on such portion of the Parcel, the purchaser shall pay to the Owner ten percent (10%) of the appraised value of the Improvements determined in accordance with ***Section*** 8.8 on the date of sale and the balance within thirty (30) days thereafter. Failure by the purchaser to pay the balance of the purchase price (or the fifteen percent (15%) of the purchase price if an installment sale of the Improvements is made pursuant to ***Subsection*** 8.7.2) within thirty (30) days after the date of sale shall constitute a forfeiture of all rights to the land and all payments made by the purchaser.

8.7.2 Installment Sale of Improvements. If Lessor determines that the appraised value of the Improvements is so great that competitive bidding for the Parcel will be hindered, Lessor may sell the Improvements on installments payable by the purchaser at: ten percent (10%) at the time of sale, fifteen percent (15%) thirty (30) days thereafter and fifteen percent (15%) annually thereafter for five (5) years, together with six percent (6%) interest on the balance remaining unpaid which amount, until paid, shall be a first lien upon the purchaser's interest in the Parcel. The purchaser shall covenant with the Owner and Lessor to keep the Improvements in good condition and keep the Improvements insured for the full value thereof for the benefit of Lessor and the Owner until such time as the Owner receives full payment for the Improvements from Lessor. Thereafter, the purchaser shall keep the Improvements insured for the full value thereof for the benefit of Lessor until Lessor has received full payment for the Improvements. Payments shall be made at the time and in the manner prescribed for payments to Lessor on the Parcel, and any default in the payment for Improvements shall be deemed a default in the payment for the Parcel. If Lessor cancels the purchaser's interest in the Parcel as a result of such default or for any other reason, the Improvements shall become the property of Lessor and the balance due Owner for the payments on the Improvements shall be a legal charge against the State of Arizona.

8.7.3 Method of Payment to Owner If Installment Sale is Made. If the Improvements are sold on an installment basis, twenty-five percent (25%) of the appraised value of the Improvements shall be paid at the time of sale by Lessor to the Owner after deducting all Base Rent or Alternative Rent, if applicable, penalties, interest and costs owed to Lessor on account of the land. The balance of the appraised value of

the Improvements shall become a legal charge against Lessor. Upon Lessee's surrender of possession of the Premises, the Owner shall file with the Department of Administration its claim for the balance due on the appraised value of the Improvements remaining unpaid. If the claim bears Lessor's approval as to correctness and certification that possession of the Parcel and Improvements has been surrendered (or upon the claim being established to be correct and possession being established to have been surrendered by a court of competent jurisdiction), it shall be paid by the state treasurer on the warrant from the Department of Administration from any fund in which there is money subject to investment. Notwithstanding the foregoing, if Lessee has not previously been paid in full for the Improvements out of some other fund, Lessee shall be paid the balance owed it for the Improvements out of the proceeds being received by Lessor for the Improvements from the installment purchase of the Improvements pursuant to ***Subsection*** 8.7.2 above. Interest shall be paid on the unpaid balance of the warrant by Lessor as permitted by law from and after the 180th day following the date the state treasurer received the warrant.

8.7.4 Reimbursement by Succeeding Lessee. If at the end of the term of this Lease, a lease for the Parcel is granted to one other than the Owner, the Owner shall be reimbursed by the succeeding lessee for the Improvements. If the Owner and the succeeding lessee do not agree upon the value of the Improvements, either party may file with Lessor an application for appraisal of the Improvements. An appraisal of the Improvements shall be made by Lessor and Lessor shall give notice of the amount thereof by registered mail to each party, subject to the succeeding lessee's appeal rights as provided by law. The notice shall require that the succeeding lessee pay to Lessor on account for the Owner the entire amount of the appraised value of the Improvements within thirty (30) days of the date of notice unless the value is greater than the projected rent for the term of the new lease. In that instance, the Commissioner may require that payment of ten percent (10%) of the appraised value of the Improvements be made within thirty (30) days of the notice, fifteen percent (15%) within sixty (60) days, twenty-five percent (25%) at the end of the first (1st) year of the new lease, and twenty-five percent (25%) at the end of each year thereafter until the entire balance is paid. The Commissioner may also require payment on any other payment schedule which is permitted by law; provided, however, that Lessor must obtain Lessee's prior written consent to any other payment schedule. Until the entire balance is paid, the Owner shall have a first lien upon the Improvements and upon the succeeding lessee's leasehold interest, and the succeeding lessee shall not be permitted to sell, assign or transfer his lease nor sell, assign or remove any Improvements from the Parcel until the Owner is paid in full for such Improvements. A default in the payment for the Improvements shall be treated in the same manner and subject to the same penalties and liabilities as failure to timely pay the rent, including cancellation of the lease. Until the entire appraised value of the Improvements has been paid to the Owner, the succeeding lessee shall covenant with the Owner to keep the Improvements in good condition and keep the Improvements insured for full value for the benefit of the Owner.

8.7.5 Impact of Default by Succeeding Purchaser or Lessee. If a succeeding purchaser or lessee defaults on its purchase or lease before it has fully paid for

the Improvements, as provided for herein, the Owner of the Improvements shall still be entitled to receive the balance of the amount due it for the Improvements on a subsequent sale or lease of the Parcel by Lessor.

8.8 Appraisal. If the value of the Improvements must be determined by appraisal, said appraisal shall consider the condition and current value of the Improvements and their suitability for uses ordinarily made of the lands on which the Improvements are located at the time of the appraisal.

8.9 Removal. With the approval of any pertinent Permitted Mortgagee, the Owner of the Improvements shall have the right, from time to time, to remove or demolish all or any part of such Improvements on the Parcel without any obligation to reconstruct Improvements thereon; provided, however, that Lessee shall continue to be obligated to pay the Base Rent or Alternative Rent, if applicable, as set forth in ***Article*** 4 (except that Alternative Rent shall thereafter be computed taking into account that such Improvements have been demolished or removed).

8.10 Insurance Proceeds. Subject to the rights of any pertinent Permitted Mortgagee and to any rights of Lessor to the proceeds by reason of any lien created under ***Section*** 4.13, the Owner shall be entitled to any casualty insurance proceeds resulting from the destruction of any Improvements; provided, however, that Lessee shall remain obligated to pay to Lessor the Base Rent or Alternative Rent, as applicable, as provided in ***Article*** 4.

8.11 Improvement District. Notwithstanding anything to the contrary in this Lease, Lessor and Lessee acknowledge and agree that the Parcel may be included within the boundaries of a City or county special assessment or improvement district, provided, however, that any assessment or lien shall attach and encumber only Lessee's leasehold interest and the Improvements. This provision does not constitute approval by the Commissioner of an improvement plan required by A.R.S. § 37-335.02. Lessee shall furnish Lessor with the amounts of assessments and charges of every character levied against the leasehold interest or the Improvements as soon as the assessments are charged or levied. Lessee agrees to make timely payment of all assessment charges. If any installment of any assessment or charge against Lessee's leasehold interest is not paid when due, the superintendent of streets of the City or county improvement district in which the Parcel is located shall, after thirty (30) days' written notice to Lessee, notify Lessor of the nonpayment. Such nonpayment shall be a default under this Lease. If the delinquent amounts against the leasehold interest and Improvements are not paid within thirty (30) days from the date the notice of nonpayment is received by Lessor, then Lessor may exercise its rights under ***Section*** 18.1 or may act to cancel this Lease. This ***Section*** shall not be construed as constituting a lien against the fee interest of Lessor in the Parcel, nor an obligation against Lessor to pay charges or assessments imposed pursuant to an improvement plan. No action of any nature may be brought to forfeit, terminate or foreclose Lessor's title or fee interest in the Parcel for failure of Lessee to pay any assessment.

ARTICLE 9.

REPAIRS AND MAINTENANCE

Lessor shall be under no obligation to maintain, repair, rebuild or replace any Improvement on the Premises. At its own expense Lessee shall, subject to the provisions of ***Section*** 8.9 and ***Articles*** 13 and 14, keep and maintain the Premises in good order, condition and repair in conformity with legal requirements.

ARTICLE 10.

LIENS

10.1 Payment; Indemnity. Lessee shall be responsible for payment of all costs and charges for any work done by or for it on the Premises or in connection with Lessee's occupancy thereof, and, subject to the provisions of ***Section*** 10.2, Lessee shall keep the Premises free and clear of all mechanics' liens and other liens and encumbrances on account of work done for or authorized by Lessee or persons or entities claiming under it or bond over such liens according to state law. Lessee expressly agrees to and shall indemnify and hold Lessor harmless against liability, damages, costs, attorneys' fees and all other expenses or loss on account of claims of lien or other encumbrances of laborers or material men or others for work performed or materials or supplies furnished for or authorized by Lessee or persons or entities claiming under it.

10.2 Release; Contest. If, because of any act or omission (or alleged act or omission) of Lessee, any mechanics', materialmen's or other lien, charge or order for the payment of money shall be filed or recorded against the Premises or against Lessor (whether or not such lien, charge or order is valid or enforceable as such), Lessee shall, at its own expense, cause the same to be released and discharged of record within thirty (30) days after Lessee shall have received notice of the filing or recording thereof, or Lessee may, within said period, record a surety bond pursuant to A.R.S. § 33-1004, in the case of mechanics' or materialmen's liens, or furnish to Lessor a bond, letter of credit or other instrument satisfactory to Lessor against any other lien, charge or order, in which case Lessee shall have the right in good faith to contest the validity or amount thereof. Notwithstanding the foregoing, if Lessee has already furnished a bond to a Permitted Mortgagee, Lessee may satisfy the requirements of this ***Section*** 10.2 by providing Lessor with a copy of such bond.

10.3 Notice. Should any claims of lien or other encumbrances be filed against the Parcel or any action purporting to affect the title to the Parcel be commenced, the party receiving notice of such lien or action shall immediately give the other party written notice thereof.

ARTICLE 11.

CONTESTS

Notwithstanding anything contained herein to the contrary, after written notice to Lessor, Lessee may contest by appropriate legal proceedings, conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any Imposition, legal requirement, lien, encumbrance, charge or any other adverse claim against the Premises provided that: (a) the fee interest of Lessor shall not thereby be encumbered (or, if encumbered, such fee interest is adequately protected by a bond or similar security ensuring payment of the disputed item in the event Lessee's protest is unsuccessful); (b) such proceeding shall operate to suspend the collection of any fine, fee, charge, assessment or Imposition from Lessor and the Parcel; and (c) Lessor shall not thereby become subject to any civil or criminal liability whatsoever for Lessor and Lessee's failure to comply.

ARTICLE 12.

INDEMNIFICATION

12.1 Losses. Subject to ***Section*** 12.3 below, Lessee hereby expressly agrees to indemnify and hold Lessor harmless, or cause Lessor to be indemnified and held harmless, from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including attorneys' fees and costs (collectively "Losses"), which may be imposed upon or incurred by or asserted against Lessor by reason of the following:

(a) any accident, injury or damage to any person or property occurring on or about the Premises or any portion thereof;

(b) any use, nonuse or condition of the Premises or any portion thereof; and

(c) any failure on the part of Lessee to perform or comply with any of the provisions of this Lease.

Lessee agrees to indemnify Lessor for any such Losses except such matters caused by or resulting from Lessor's willful misconduct, misfeasance or active negligence.

12.2 Defense. In case any action or proceeding is brought against Lessor by reason of any such occurrence, Lessee, upon Lessor's request and at Lessee's expense, will resist and defend such action or proceeding, or cause the same to be resisted and defended, either by legal counsel designated by Lessee or, where such occurrence is

covered by liability insurance, by legal counsel designated by the insurer if so required by such insurer.

12.3 Environmental Damage. Lessee hereby agrees to and does indemnify and hold Lessor harmless from and against any and all liability, obligations, losses, damages, penalties, claims, environmental response and cleanup costs and fines, and actions, suits, costs, taxes, charges, expenses and disbursements, including legal fees and expenses of whatsoever kind or nature (collectively, "claims" or "damages") imposed on, incurred by or reserved against Lessor in any way relating to or arising out of the existence or presence of any "Regulated Substance," as defined herein, on, under or from the Parcel from and after the Commencement Date, provided that the same did not exist on, under or from the Parcel on or prior to said Commencement Date, and any claims or damages in any way related to or arising out of the removal, treatment, storage, disposition, mitigation, cleanup or remedying of the Regulated Substances on the Parcel. Lessor agrees that Lessee has no obligation to and does not indemnify Lessor for any claims or damages due to any Regulated Substances existing or present on the Parcel prior to or on the Commencement Date.

For the purposes of this Lease, the term "Regulated Substances" shall include but not be limited to substances defined as "regulated substances," "hazardous waste," "hazardous materials," "toxic substances," "pollutants," "toxic pollutants," "herbicides," "fungicides," "rodenticides," "insecticides," "contaminants" or "pesticides" in any relevant federal, state and environmental laws, and the regulations, rules and ordinances adopted and publications promulgated pursuant to the local, state and federal laws. This indemnification shall include, without limitation, claims or damages arising out of any violations of applicable federal, state and local environmental laws, regulations, ordinances or subdivisions thereof. The foregoing environmental indemnity shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Parcel and shall be governed by the laws of the State of Arizona. Notwithstanding the foregoing, and except as provided in ***Section*** 16.4 hereof, Lessor agrees that upon an assignment of all or a portion of this Lease in accordance with the provisions of ***Article*** 16 hereof, the assignor of such portion of this Lease shall be released from the obligation to indemnify Lessor for any claims or damages arising from Regulated Substances existing or present on the Parcel from and after the date of any Assignment of the Parcel or any portion thereof, provided the same did not exist on, under or from the Parcel on or prior to the date of such Assignment. The assignee of any such portion or all of this Lease shall remain responsible to indemnify Lessor for all such claims with respect to the assigned portion of the Lease.

In the event any such action or claim is brought or asserted against Lessor, Lessee shall have the right, subject to the right of Lessor to make all final decisions, (a) to participate with Lessor in the conduct of any further required cleanup, removal or remedial actions and/or negotiation and defense of any claim indemnifiable under this environmental indemnity provision, having reasonable regard to the continuing conduct of the operation/business located on the Parcel and (b) to participate with Lessor in

negotiating and finalizing any agreement or settlement with respect to any such claim or cleanup.

Lessee agrees to provide Lessor with copies of all information it receives or obtains regarding the environmental condition of the Parcel, including, but not limited to, any environmental audits Lessee may conduct on the Parcel.

12.4 Limit. In the event Lessee discovers any Regulated Substance on the Parcel and such Regulated Substance existed on the Parcel prior to the Commencement Date, Lessee shall have the right to surrender the affected portion of the Parcel, which may include land on which Regulated Substances were not actually discovered, to Lessor and shall have no further obligation to pay rent on such portion under ***Article*** 4. If the existence of such Regulated Substances materially and substantially affects Lessee's ability to use the entire Parcel, Lessee may surrender the entire Parcel to Lessor and terminate this Lease. Alternatively, Lessee shall have the right to take appropriate remedial action with respect to the Regulated Substance, including, but not limited to, defending any claim arising out of, or related to, the existence of the Regulated Substance on the Parcel and carrying out any required clean-up, and may set-off any costs of such remedial action against the Base Rent or Alternative Rent, if applicable, due hereunder. If Lessee elects to take remedial action (rather than partially or completely terminate this Lease), then, as a condition to Lessee having the right to offset the cost of such remedial action against Base Rent or Alternative Rent, if applicable, (a) Lessor shall have the right to approve Lessee's plans for remedial action (which approval shall not be unreasonably withheld or delayed) and (b) Lessor shall have the right to pay for such remedial action out of other funds (rather than through an offset against Base Rent or Alternative Rent, if applicable) if it so chooses.

ARTICLE 13.

INSURANCE

13.1 Liability. Lessee or Permitted Mortgagee as required, at its expense, shall at all times during the term of this Lease maintain (or cause to be maintained) in full force commercial general liability insurance, which insures Lessee and Lessor against liability for injury to persons and property, and death of any person or persons occurring in, on, or about the Premises, or arising out of Lessee's development, construction, maintenance, use or occupancy thereof. All commercial general liability policies shall contain a provision that Lessor shall be named as an additional insured and shall be entitled to recovery under the policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence or wrongdoing of Lessee, its servants, agents, employees, sublessees, concessionaires or permittees. Further, the policies shall provide that their coverage is primary over any other insurance coverage available to Lessor, its servants, agents and employees. Each such policy shall provide, to the extent reasonably possible, that no cancellation or termination thereof on account of nonpayment of premiums or any other reason shall be effective until at least thirty (30) days after

receipt by Lessor or any pertinent Permitted Mortgagee of written notice thereof. Any and all insurance shall be in a form satisfactory to Lessor and Lessor reserves the right to request and receive certified copies of any or all policies including endorsements.

13.2 Amounts. The insurance shall afford protection of not less than $1,000,000 in combined single limits for bodily injury and property damage and each liability policy shall be written on an occurrence basis, provided, however, that the minimum amount of coverage for the above shall be adjusted upward on Lessor's reasonable request so that such respective minimum amounts of coverage shall not be less than the amounts then required by statute or generally carried on similarly improved real estate in Maricopa County, Arizona, whichever is greater. Should the amounts then required by statute or generally carried on similarly improved real estate in Maricopa County, Arizona be substantially less than the amount carried by Lessee during the term of this Lease, Lessee will reasonably request that the respective minimum amounts be lowered and Lessor shall not unreasonably withhold consent to the adjustment. If at any time Lessee shall fail, neglect or refuse to cause such insurance to be provided and maintained, then Lessor may, at its election and after written notification to Lessee, procure or renew such insurance and any amounts paid therefor by Lessor shall be an Additional Amount with interest at the Interest Rate from the date of Lessor's payment of such premium until repaid by Lessee due within ninety (90) days after Lessee's receipt of written notice from Lessor of Lessor's payment of such premium. Lessee shall provide proof of renewal of insurance policies thirty (30) days after the expiration of prior policies.

13.3 Insurer. The insurance provided for pursuant to this Article shall be effected under a valid and enforceable policy or policies issued by insurers of recognized responsibility authorized to do business in the State of Arizona. Such policies may be carried under a blanket policy so long as the coverage afforded is no less than that required under this Article.

13.4 Copies. Copies of all the executed policies of insurance, including endorsements or certificates thereof, shall be delivered to Lessor prior to Lessee's use of the Parcel.

ARTICLE 14.

DAMAGE

If the Improvements or any portion thereof are damaged or destroyed during the term of this Lease, Lessee may arrange, at its expense, for the repair, restoration and reconstruction of the same substantially to its former condition, or for development and construction of a new project which is permitted by the Development Plan. In any event, such damage or destruction shall not terminate this Lease or relieve Lessee from its duties and liabilities hereunder, except that the computation of Alternative Rent hereunder shall take into account any such damage, destruction and/or reconstruction.

ARTICLE 15.

TRADE FIXTURES AND PERSONAL PROPERTY

Except as otherwise provided in this Lease, any removable trade fixtures, signs, equipment and other personal property (collectively, "Personal Property") installed in or on the Premises by Lessee, Assignees, Sublessees, concessionaires or occupants, so long as such removal shall not result in structural damage (unless the party removing such property commits to and does repair such damage), shall remain the property of the party who installed it (unless ownership is otherwise vested in Lessee under any Assignment, Sublease or other agreement). If Lessee transfers any Personal Property in connection with any Assignment, Sublease or other agreement, the document evidencing such transfer shall specify whether Lessee is retaining ownership of such Personal Property or transferring ownership to the Assignee, Sublessee or other transferee. The owner of such Personal Property shall have the right at any time to remove or permit removal of any and all of the same.

ARTICLE 16.

ASSIGNMENTS AND SUBLEASES

16.1 Assignments. Without approval by Lessor, Lessee shall have the right at any time and from time to time during the term of this Lease:

(a) to assign all or any part of its right, title and interest in and to this Lease to one or more Affiliated Entities for any purpose; and

(b) to assign or otherwise encumber by way of mortgages, deeds of trust or otherwise, all or any part of its rights, title and interest in and to this Lease to any persons or entities for the purpose of obtaining financing for all or any portion of the Parcel.

Furthermore, with Lessor's prior approval which shall not be unreasonably withheld or delayed, and so long as there then is no uncured default, Lessee may at any time and from time to time during the term hereof freely assign all of its right, title, interest and obligations hereunder to all or any portion of the Parcel. The parties agree that in determining whether to give its consent to a proposed assignment, it shall be reasonable for Lessor to inquire regarding the identity of the assignee and the uses to which the assigned portion of the Parcel will be put after the assignment, and if such inquiry suggests that the use or uses will involve more than an incidental use of Regulated Substances on the assigned portion of the Parcel, it shall be reasonable for Lessor to require reasonable security and/or safeguards against the release of such Regulated Substances as a condition to giving its consent to an assignment. For purposes of the preceding sentence, the retail sale of pre-packaged Regulated Substances (e.g. quarts of motor oil) for use off the premises shall be deemed an incidental use, whereas the operation of a gas station, quick-lube or similar facility on the Parcel shall be deemed more than an incidental use. Lessor shall be deemed to have consented to an assignment if it does not object to the assignment within forty-five (45) days after Lessee requests its consent to the assignment. Concurrently with an Assignment by Lessee hereunder, Lessor shall enter into a new lease (an "Assignment Lease") with the Assignee for the portion of the Parcel so assigned with the Assignee. The Assignment Lease shall include the provisions in this Lease which are applicable to the pertinent portion of the Parcel so assigned.

16.2 Form of Assignment. The form of Assignment Lease for an assigned Subparcel shall be substantially identical to this Lease. Any Assignment Lease which is not in substantial conformity with this Lease must be approved by Lessor in writing.

16.3 Reduced Rent. After the effective date of an Assignment, Lessee shall be relieved of its obligation to pay Base Rent or Alternative Rent, if applicable, on the pertinent portion of the Parcel and the acreage of the pertinent portion of the Parcel shall be deducted from the acreage included in the Parcel for the purposes of calculating Base Rent and Alternative Rent under ***Article*** 4. Similarly, Lessee shall be relieved from any obligation to pay Impositions with respect to the assigned portion of the Parcel arising after the effective date of the assignment (such Impositions being thereafter the obligation of the Assignee).

16.4 Assignments to Affiliates Without Consent Notwithstanding any other provision in this Lease, if Lessee (a) assigns all or a portion of this Lease to an Affiliated Entity and (b) does not obtain Lessor's consent to such assignment, then Lessee shall remain secondarily liable for all of the assignee's obligations under the portion of the Lease which is assigned, including, but not limited to, the indemnification obligations contained in ***Article*** 12 hereof. Lessee shall be relieved from such secondary liability if it subsequently obtains Lessor's consent to the assignment, which consent shall not be unreasonably withheld.

16.5 Default. If any Assignee fails to perform its obligations as lessee under its Assignment Lease with Lessor, Lessor agrees that Lessee shall have the right, but not the obligation, to cure such default if any Permitted Mortgagee fails to exercise its rights to cure such default as may be provided in such Assignment Agreement. If Lessee elects to cure such default, Lessee shall have the right, but not the obligation, to assume the Assignee's rights, title, interest and obligations in and to the pertinent portion of the Parcel assigned to such Assignee, subject to the rights of any Permitted Mortgagee. Lessor agrees that, if such a default occurs, Lessor will first provide any Permitted Mortgagee with the opportunity to cure such default. If such Permitted Mortgagee fails or elects not to cure such default, Lessor shall provide Lessee with the same notices, rights and opportunities to cure as are afforded to Permitted Mortgagees under ***Article*** 21, including, but not limited to, the rights set forth in ***Section*** 20.5.

16.6 Subleases. At any time and from time to time during the term hereof, so long as there then is no uncured default, and without further approval by Lessor, Lessee may, as set forth below, freely grant one or more Subleases covering all or any portion of the Parcel, may provide for further subleasing or assignment of all or any portion of the Premises at any level removed from Lessor (all of which are hereinafter referred to as Subleases), and may grant such Subleases to any person or entity, including any parties which are affiliated either directly or indirectly with Lessee.

16.6.1 Terms. Each Sublease shall be upon such terms and conditions as Lessee and the pertinent Sublessee shall mutually agree; provided, however, that:

(a) The term of such Sublease shall not be greater than ninety-nine (99) years from the Commencement Date plus any extensions or renewals hereof;

(b) Except as otherwise set forth herein, no Sublease shall relieve Lessee of its responsibility to pay and perform all of its obligations hereunder;

(c) Lessee shall not be entitled under a Sublease to collect rent which is prepaid in excess of one (1) year in advance, unless Lessee either (i) prepays this Lease with respect to the portion of the Parcel affected by the Sublease, as provided for in ***Section*** 4.14 above, or (ii) provides Lessor with a bond which is in such form as is reasonably satisfactory to Lessor and secures payment to Lessor of the pro rata portion of such prepaid rent which Lessor would be entitled to receive as Base Rent or Alternative Rent, as applicable, under this Lease for the pertinent portion of the Premises.

16.6.2 Attornment. If this Lease is terminated prior to the expiration of its term, then, so long as each Sublessee complies with the terms and conditions set forth in its Sublease and shall attorn thereunder directly to Lessor, Lessor

shall attorn to such Sublessee in accordance with the terms of the pertinent Sublease; provided, however, that:

(a) Lessor's obligations thereunder shall be no greater and its rights no less than those set forth in this Lease; and

(b) No Sublessee shall be required to make any payment to Lessor unless and until such Sublessee shall have received written notice from Lessor of the termination of this Lease and a direction that payments and performance thereafter be made directly to Lessor. Thereafter, upon such Sublessee's timely payment or performance to Lessor, Lessor shall not be entitled to claim a default for not having received any corresponding payment or performance from Lessee; provided, however, that if a Sublessee receives conflicting written notices demanding payment or performance from Lessor and Lessee, such Sublessee shall have the right to interplead such payment and/or other matters in any court of competent jurisdiction, in which event such Sublessee shall not be deemed in default and payment or performance when and as ordered by such court shall constitute full performance. So long as a Sublessee has made payment or performance to Lessor or interpleaded such matters and is not subject to termination for default of the pertinent Sublease, Lessor shall not join that Sublessee as a party defendant in any action or proceeding or take any other action for the purpose of terminating said Sublessee's interest and estate because of any default under or termination of this Lease. Moreover, notwithstanding the termination of this Lease, so long as Lessee has complied with the requirements hereof relating to Subleases, Lessor shall recognize any and all Subleases entered into pursuant to the terms hereof and any executory contracts to make Subleases pursuant to the terms hereof (so long as such executory contracts to make Subleases are subject to the requirements of ***Subsection*** 16.6.1 hereof); provided, however, that any and all benefits which would thereafter accrue to Lessee under the Sublease shall belong to Lessor.

16.6.3 Space Leases. Notwithstanding the provisions of ***Subsection*** 16.6.2(a) above, the following provisions shall apply to Subleases that are "Space Leases" as hereinafter defined:

(a) For purposes of this ***Subsection*** 16.6.3, a "Space Lease" shall be any Sublease which involves the lease of all or a portion of the Improvements located on the Parcel. The term "Space Lease" is therefore intended to cover leases of office and retail space within buildings located on the Parcel but may also include a lease of an entire building located on the Parcel. The term "Space Lease" shall not include a lease of land only and shall also exclude any Sublease to an Affiliate of Lessee.

(b) If this Lease is terminated prior to the expiration of its term, then, so long as each tenant under a Space Lease complies with the terms and

conditions of its Space Lease and shall attorn directly to Lessor, Lessor shall attorn to such Space Lease in accordance with the terms of the pertinent Space Lease except only as follows:

(i) Lessor shall not assume any affirmative obligations of the landlord with respect to any Space Lease (*e.g.*, to construct Improvements, to maintain and/or repair leased premises, or to maintain and/or repair Common Areas). In consideration of Lessor not assuming any such affirmative obligations, the tenant under a Space Lease shall have the right (but not the obligation), alone or in conjunction with similarly situated tenants under other Space Leases, to perform any affirmative obligations of the landlord under the Space Lease and to set-off the amount expended by such tenant in performing such affirmative obligations against the rent due to Lessor under the Space Lease; provided, however, that unless Lessor has otherwise agreed, in no event shall such set-off reduce the rent payable to Lessor under any such Space Lease below 50% of the rent otherwise payable thereunder. Lessor may agree to allow a greater set-off to a tenant under a Space Lease if Lessor believes such a set-off is in the best interests of the Trust. The tenant's rights with respect to such affirmative obligations shall be limited to such a set-off right or, if permitted by the terms of the Space Lease, to terminating its Space Lease. In no event shall a tenant under a Space Lease have any right to recover damages against Lessor for failing to perform any affirmative obligation under any Space Lease.

(ii) All Space Leases shall be subject to the terms of ***Subsection*** 16.6.1 and to ***Subsection*** 16.6.2(b).

(iii) Except as specified in ***Subsections*** 16.6.2(a) and 16.6.3(b)(i) and (ii) above, Lessor shall honor all provisions of any Space Lease.

16.7 Notice of Assignments and Subleases. Within a reasonable period of time after the execution of each Assignment or Sublease, Lessee shall give Lessor a notice of the Assignment or Sublease which shall specify the following:

(a) the pertinent portion of the Premises;

(b) the commencement and termination date for the Assignment or Sublease; and

(c) the Assignee's or Sublessee's address for notice.

Notwithstanding the foregoing, nothing herein shall require Lessee (or any assignee or sublessee of Lessee) to give Lessor notice of (or obtain Lessor's consent to)

any lease of space within any Improvements (*e.g.*, leases of office or retail space within an existing building), even if such lease includes the right to use common areas (*e.g.*, parking).

ARTICLE 17.

CONDEMNATION

17.1 Condemnation Proceeds. Lessor and, if a default does not exist under this Lease, Lessee and any pertinent Permitted Mortgagees and Sublessees shall cooperate in prosecuting and collecting their respective claims for an award on account of a taking of all or any portion of one or more Subparcels and all damages or awards (with any interest thereon) to which Lessor, Lessee or any pertinent Permitted Mortgagees and Sublessees may be entitled by reason of any taking of all or any portion of one or more Subparcels (herein referred to as "Condemnation Proceeds"). Except as expressly provided in this Article, no taking of any interest in all or any portion of one or more Subparcels shall be grounds for termination of this Lease or any provision thereof by Lessor or Lessee.

(a) Lessor at all times, regardless of when the taking occurs, shall be entitled to receive, with interest thereon, that portion of the award as shall represent compensation for its loss of Base Rent or Alternative Rent, if applicable, under this Lease, plus its reversionary interest at the end of the term of this Lease both discounted to present value, plus option periods, if any, in the land taken, with such land being valued as vacant and unimproved land (such value being hereinafter referred to as the "land value"). Lessor shall also be entitled to costs awarded in the condemnation proceeding proportionately attributable to such land value and loss of Base Rent or Alternative Rent, if applicable. Finally, Lessor shall be entitled to severance damages for any harm caused by the taking to any surrounding state lands.

(b) During all the Lease term, Lessee shall be entitled to the entire balance of the award (including, but not limited to, all amounts awarded for the Improvements and any damages thereto and for the value of Lessee's Leasehold), which balance is hereinafter referred to as "award balance".

(c) If the values of the respective interests of Lessor and Lessee shall be determined according to the provisions of subdivisions (a) and (b) of this ***Section*** in the proceeding pursuant to which the Subparcel(s) shall have been taken or condemned, the values so determined shall be conclusive upon Lessor and Lessee. If such values shall not have been thus separately determined, such values shall be fixed by agreement between Lessor and Lessee or if they are unable to agree, then the controversy shall be resolved by arbitration in accordance with ***Article*** 25.

17.2 Rent Reduction; Right to Terminate. If Lessee reasonably believes that any taking of a Subparcel diminishes the value of the remainder of the Parcel, Lessee shall have the right to a pro rata reduction in the Base Rent or Alternative Rent, if applicable, for the Parcel based on the impact of the taking on the value of the Parcel. Lessee shall provide Lessor with written notice of its calculation of the reduction. If Lessor fails to agree with Lessee's calculation, then the controversy shall be resolved by arbitration in accordance with Article 25. If Lessee reasonably believes that taking of a Subparcel materially and substantially affects Lessee's ability to use the balance of the Parcel, Lessee may surrender the balance of the Parcel and terminate this Lease.

ARTICLE 18.

LESSORS' RIGHT TO PERFORM AND INSPECT

18.1 Right to Perform; Emergency Repairs. If a default occurs which is not cured within the applicable cure periods, then Lessor may, but without being obligated to do so, cure such default by making such payment or performing such act for the account and at the expense of Lessee. No such payment or performance by Lessor shall operate to release or discharge Lessee from any obligation hereunder. All sums paid by Lessor pursuant to this Article and all costs and expenses (including reasonable attorneys' fees and costs) so incurred shall constitute Additional Amounts payable by Lessee to Lessor on demand. In addition, in the case of an emergency (e.g. an ongoing leak of a Regulated Substance contaminating the Parcel), the Lessor may, but without being obligated to do so, enter the Parcel to perform emergency repairs without waiting for the expiration of any applicable cure period, provided however that in such event Lessee reserves the right to contest the necessity for any such emergency repair and/or the method chosen for carrying out any such emergency repair in the event Lessor seeks to recover the cost of such emergency repair from Lessee.

18.2 Inspection. Lessee acknowledges and agrees that Lessor and its authorized representatives shall have the right to enter the Premises and any portion thereof at all reasonable times following reasonable notice to inspect for compliance with the terms of this Lease and to perform any work under ***Section*** 18.1, and may take all such action as may be necessary or appropriate for such purposes. Furthermore, Lessee acknowledges and agrees that, at any time within one (1) year prior to the Expiration Date and upon reasonable notice, Lessor may enter the Premises or any portion thereof for the purpose of showing the same to prospective tenants, purchasers or mortgagees and, with the prior approval of Lessee, may display on the Premises advertisements for sale or lease; provided, however, that Lessor may only enter and inspect the Improvements after reasonable notice and during reasonable business hours. No entry pursuant to this ***Section*** shall constitute an eviction.

ARTICLE 19.

HOLDING OVER

Neither Lessee nor any Assignee or Sublessee, upon the expiration or cancellation of this Lease, is entitled to hold over for any reason. If, nevertheless, there is any holding over by Lessee, any Assignee or Sublessee, the holding over shall give rise to a tenancy at the sufferance of Lessor upon the same terms and conditions as are provided for herein with a Base Rent or Alternative Rent, if applicable, for the hold over period equal to one and one half times the last annual installment of Base Rent or Alternative Rent, if applicable, prorated and due monthly in advance.

ARTICLE 20.

MORTGAGES

20.1 Lien on Leasehold Interest. Lessee shall have the right from time to time during the Lease term to charge or otherwise encumber, by way of a Permitted Mortgage, this Lease or any part thereof.

20.2 Filing. No Permitted Mortgage shall be an effective lien on Lessee's leasehold interest in the Parcel until a true copy thereof is filed with Lessor pursuant to A.R.S. § 37-255. Lessor and Lessee agree that, following such filing with Lessor, the provisions of this Article shall apply with respect to each such Permitted Mortgage. The term of any such Permitted Mortgage shall not be longer than the remaining term of this Lease.

20.3 Preconditions. Lessee, from time to time during the term of this Lease, may make one or more Permitted Mortgages upon Lessee's leasehold interest without the prior written consent of Lessor; provided that Lessee or the holder of the Permitted Mortgage shall promptly deliver to Lessor, in the manner herein provided for the giving of notice to Lessor, a true copy of the Permitted Mortgage and of any assignment thereof and shall notify Lessor of the address of the Permitted Mortgagee to which notices may be sent.

20.4 Lessor's Acknowledgment. Upon Lessee's request, Lessor shall provide a receipt acknowledging receipt of a copy of any Permitted Mortgage under ***Section*** 20.3 hereof.

20.5 Conditions. The following provisions shall apply to any Permitted Mortgage made in accordance with ***Section*** 20.3 hereof:

(a) For the purposes of this ***Section***, a "Permitted Mortgagee" shall be limited to an "Institutional Lender," or an "Approved Lender." An "Institutional Lender" shall mean a bank, savings bank, savings and loan

association or institution, insurance company, trust company, mortgage banking company, college or other institution of learning, pension, profit-sharing or retirement fund or trust, real estate investment trust, governmental or quasi-governmental entity, or any other organization or company similar to any of the foregoing, or any affiliate of any of the foregoing. The parties understand and agree that the definition of Institutional Lender shall include, in addition to current lenders of the sort listed above, future entities of a character not within their contemplation at the time of execution of this Lease but which shall perform functions similar to any of the foregoing. An "Approved Lender" shall mean a Lender who is not an "Institutional Lender" but who has been approved by Lessor prior to the recording and/or filing of such Lender's Permitted Mortgage. Lessor agrees that its approval of a potential Lender as an "Approved Lender" shall not be unreasonably withheld or delayed and Lessor agrees that it shall be deemed to have approved any proposed Lender as an "Approved Lender" if it has not disapproved such Lender within forty-five (45) days after Lessee has requested approval of the proposed Lender.

(b) Lessor, upon providing Lessee any notice of: (i) default under this Lease, or (ii) a termination of this Lease, or (iii) a matter on which Lessor may predicate or claim a default, shall at the same time provide a true copy of such notice to every Permitted Mortgagee. No such notice by Lessor to Lessee shall be deemed to have been duly given unless and until a copy thereof has been so received by every Permitted Mortgagee which has complied with ***Section*** 20.2. From and after such notice has been given to a Permitted Mortgagee, such Permitted Mortgagee shall have the same period, after the giving of such notice upon it, for remedying any default or acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Lessee after the giving of such notice to Lessee to remedy, commence remedying or cause to be remedied the defaults or acts or omissions that are the subject matter of such notice. If the Permitted Mortgagee fails to remedy the default, act or omission that is the subject matter of such notice within such cure period, Lessor may, subject to the provisions of ***Subsection*** 20.5(e) below, exercise the remedies set forth in ***Article*** 22.

(c) In case Lessee defaults under any of the provisions of this Lease, each Permitted Mortgagee shall have the right to make good such default whether the same consists of the failure to pay Base Rent or Alternative Rent or the failure to perform any other matter or thing which Lessee is hereby required to do or perform and Lessor shall accept such performance on the part of the Permitted Mortgagee as though the same had been done or performed by Lessee.

(d) Any Permitted Mortgagee may at the time of any damage or destruction to the Premises or any machinery, fixtures or equipment therein, by fire or otherwise, at its sole cost and expense, repair the same or construct new buildings, as the case may be, and in such event, if the Permitted Mortgagee

repairs or constructs in accordance herewith, it shall be subrogated to the rights of Lessee to all insurance proceeds payable as a result of such damage or destruction.

(e) In the case of any default by Lessee, Lessor will take no action by reason of any such default so long as the periods for the Permitted Mortgagee's opportunity to cure Lessee's defaults as set forth herein have not run. In the event Lessor issues a cancellation order, the order will not become final if within sixty (60) days of the date of issuance of the order, the Permitted Mortgagee files with Lessee written notice of its intent to proceed with a foreclosure action (including possession by a receiver) and if within one hundred twenty (120) days of the date of the issuance of a cancellation order, the Permitted Mortgagee has, unless precluded by a court order, commenced a foreclosure action in court and has provided Lessor with a certified copy of the complaint. The Permitted Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which would have been the reason for serving such a notice shall be cured. Nothing herein shall preclude Lessor from exercising any rights or remedies under this Lease with respect to any other default by Lessee during any period of such forbearance provided Lessor complies with the provisions of this Article with respect to such other default. If the Permitted Mortgagee or a purchaser at a foreclosure shall acquire title to Lessee's leasehold interest by foreclosure, trustee's sale or by assignment or deed in lieu of foreclosure or otherwise, and shall cure all defaults of Lessee which are susceptible of being cured by the Permitted Mortgagee or such purchaser, as the case may be, then the defaults of any prior holder of Lessee's leasehold interests which are not susceptible of being cured by the Permitted Mortgagee (or such purchaser) shall no longer be deemed to be in default hereunder.

(f) Any Permitted Mortgagee or any purchaser of Lessee's leasehold interest may become the legal owner and holder of all or a portion of this Lease by foreclosure of a Permitted Mortgage or as a result of the assignment of this Lease in lieu of foreclosure, whereupon such Permitted Mortgagee or purchaser at a foreclosure sale shall immediately thereafter become and remain liable under this Lease to the same extent as Lessee and any and all benefits that would thereafter accrue to Lessee under this Lease shall belong to such Permitted Mortgagee or purchaser. In case any such Permitted Mortgagee or purchaser by foreclosure becomes the owner and holder of this Lease, any of the same events described in ***Section*** 22.1 by such Permitted Mortgagee or purchaser shall constitute a default, and Lessor shall be entitled to the same remedies, but only to that part or portion of the Premises held under this Lease by such Permitted Mortgagee or purchaser. Any Permitted Mortgagee or purchaser by foreclosure shall be liable hereunder to Lessor only to the extent of any interest in the leasehold interest or Improvements for the performance of any obligation of Lessee hereunder or for the collection or satisfaction of any money judgment that Lessor may obtain against such Permitted Mortgagee or purchaser by foreclosure.

(g) If an Institutional Lender shall be the Lessee as a trustee, each and every obligation of such trustee shall be binding upon it solely in its fiduciary capacity and shall have no force and effect against such Institutional Lender in its individual capacity.

(h) Lessor shall upon request of a Permitted Mortgagee execute, acknowledge and deliver to each Permitted Mortgagee an acknowledgment prepared at the sole cost and expense of Lessee, in form satisfactory to such Permitted Mortgagee, agreeing to all of the provisions of this ***Section*** 20.5.

(i) Lessor agrees that the name of any Permitted Mortgagee may be added as a named insured or to the "loss payable endorsement" or named under a standard mortgagee clause of any and all insurance policies required to be carried by Lessee hereunder on the condition that the insurance proceeds are to be applied in the manner specified in this Lease and that the Permitted Mortgage or collateral document shall so provide. The proceeds of any insurance policies or arising from a condemnation are to be held by the Permitted Mortgagee whose Permitted Mortgage is prior in lien to any other Permitted Mortgage, or by a bank or trust company chosen by such Permitted Mortgagee which is authorized to do business in Arizona and has a net worth of $10,000,000 or more, and distributed pursuant to the provisions of this Lease, but the Permitted Mortgagee may reserve the right to apply all, or any part, of Lessee's share of such proceeds to the Mortgage debt pursuant to such Permitted Mortgage before or in lieu of any required application of such proceeds hereunder.

(j) Any Permitted Mortgagee shall be given prompt notice by Lessee of any arbitration proceedings or legal proceedings by the parties hereto involving obligations under this Lease, and shall have the right to intervene therein and be made a party to such proceedings, and the parties hereto do hereby consent to such intervention. If any Permitted Mortgagee shall not elect to intervene or become a party to such proceedings, the Permitted Mortgagee shall receive notice of, and a copy of any award or decision made in, said arbitration proceedings which shall be binding on all Permitted Mortgagees not intervening after receipt of notice of arbitration.

(k) As to any Permitted Mortgage, Lessor consents to a provision therein for an assignment of rents due from Sublessee to the holder thereof, effective upon any default under the Permitted Mortgage, and to a provision therein that the holder thereof, in any action to foreclose the same, shall be entitled to the appointment of a receiver.

(l) Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Parcel to any Permitted Mortgagee, or to its nominee. Lessor agrees, however, that Lessor will,

at the sole cost and expense of such Permitted Mortgagee, or its nominee, cooperate in the prosecution of summary proceedings to evict the then defaulting lessee.

(m) Lessee may delegate irrevocably to the Permitted Mortgagee the authority to exercise any or all of Lessee's rights hereunder, but no such delegation shall be binding upon Lessor unless and until either Lessee or said Permitted Mortgagee gives to Lessor a true copy of a written instrument effecting such delegation. Such delegation of authority may be effected by the terms of the Permitted Mortgage itself, in which case the service upon Lessor of a true copy of the Permitted Mortgage in accordance with this Article, together with a written notice specifying the provision therein which delegates such authority to said Permitted Mortgagee, shall be sufficient to give Lessor notice of such delegation. The rights set forth in this ***Section*** 20.5(m) shall not effect, modify or limit the rights of the Permitted Mortgagee contained in this Lease.

(n) No payment made to Lessor by a Permitted Mortgagee shall constitute agreement that such payment is, in fact, due under the terms of this Lease. A Permitted Mortgagee having made any payment to Lessor pursuant to Lessor's wrongful, improper or mistaken notice of demand shall be entitled to the return of any such payment or a portion thereof.

(o) Lessor shall, at any time and from time to time hereafter, within thirty (30) days after written request of Lessee to do so, certify by written instrument duly executed and acknowledged to any Permitted Mortgagee, proposed Permitted Mortgagee, purchaser, proposed purchaser, Assignee, proposed Assignee, Sublessee, proposed Sublessee or any other person, firm or corporation specified in such request: (i) as to whether this Lease has been supplemented, modified or amended, and if so, the substance and manner of such supplement, modification or amendment; (ii) as to whether the Commissioner has executed this Lease and the Board of Appeals has approved it; (iii) as to the existence of any default hereunder to the best of Lessor's knowledge; (iv) as to the Commencement and Expiration Dates of the Lease term; and (v) as to any other matters as may be reasonably so requested. Lessor may charge Lessee a reasonable fee (not in excess of $100.00) for preparing and issuing any such certificate to defray Lessor's cost in preparing the same. Any such certificate may be relied upon by Lessee, the party(ies) requesting the certificate and any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on Lessor.

(p) Nothing herein contained shall require any Permitted Mortgagee, as a condition to its exercise of its rights hereunder or subsequent to such exercise of its right, to cure any default of Lessee not reasonably susceptible of being cured by such Permitted Mortgagee or subsequent owner of the leasehold interest through foreclosure, including but not limited to, the default referred to in

Section 22.1(e) related to bankruptcy and insolvency and any other sections of this Lease that may impose conditions of default not susceptible to being cured by a Permitted Mortgagee or a subsequent owner of the leasehold interest through foreclosure.

(q) So long as any Permitted Mortgage is in existence, unless all Permitted Mortgagees shall otherwise consent in writing, the fee title to the Parcel and the leasehold estate of Lessee therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of such fee title and such leasehold estate by Lessor or by Lessee or by a third party, by purchase or otherwise. So long as any Permitted Mortgage is in existence, unless all Permitted Mortgagees shall otherwise consent in writing, rejection of this Lease by Lessee under the United States Bankruptcy Code shall not terminate this Lease or merge the fee title and the leasehold estate in the Parcel if within sixty (60) days after the effective date of the rejection a Permitted Mortgagee, by written notice to Lessor, shall request that such rejection shall operate as an assignment of this Lease in lieu of foreclosure to such Permitted Mortgagee, whereupon such Permitted Mortgagee shall immediately thereafter become and remain liable under this Lease to the same extent as Lessee and any and all benefits that would thereafter accrue to Lessee under this Lease shall belong to such Permitted Mortgagee.

ARTICLE 21.

COVENANTS, CONDITIONS, AND RESTRICTIONS SUBDIVISIONS AND CONDOMINIUM REGIMES

21.1 Master CC&Rs and Core CC&Rs. Lessor has executed and Master Developer has recorded the Master CC&Rs which establish mutually beneficial easements, covenants and restrictions to promote the orderly development, maintenance, preservation, use and enjoyment of Desert Ridge. This Lease is expressly made subordinate to the Core CC&Rs and to the Master CC&Rs, as and if required by the Core CC&Rs. The Master CC&Rs, among other things, require that all of Desert Ridge be developed in accordance with the Development Plan and permit each Parcel to adopt a set of subsidiary covenants, conditions and restrictions consistent with the Development Plan (the "Subsidiary CC&Rs").

21.2 Rights. In addition to the recordation of Subsidiary CC&Rs, Lessee shall have the right, at any time and from time to time during the Lease term, to subject the fee title of all or any part of the Parcel to other covenants, conditions and restrictions, subdivision maps and plats and condominium regimes as deemed necessary or desirable by Lessee. The Subsidiary CC&Rs and any other such instrument creating or imposing covenants, conditions, restrictions, subdivisions or condominium regimes on all or part of a Parcel is herein referred to as a "Restrictive Document."

Subject to ***Sections*** 21.3 and 21.4, Lessee shall have complete discretion to impose any such Restrictive Document on the Parcel. Lessor hereby expressly appoints Lessee as its agent solely for such purpose and authorizes Lessee to execute and record any and all such Restrictive Documents as Lessee, in its discretion, may wish to place upon the fee interest of Lessor. The legal description of each portion of the Parcel which is subdivided or subjected to a condominium regime will automatically change upon the recording of the pertinent subdivision plat or condominium regime so as to thereafter reflect, respectively, the lots or the units and appurtenant common elements of the said subdivision or condominium regime. Moreover, upon the recording of a subdivision plat or a condominium regime on a particular portion of the Parcel, the annual Base Rent or Alternative Rent, as applicable, allocated thereto may be reallocated among the lots of said subdivision or the units of said condominium regime in such manner as Lessee may determine so long as such allocation does not impair Lessor's right to receive Base Rent or Alternative Rent, as applicable, hereunder.

21.3 Consistency. Any Restrictive Document shall be consistent with the Development Plan and reasonably compatible with the development on the remaining land included in the Development Plan.

21.4 Lessor's Approval. Lessee shall submit a copy of any Restrictive Document (including the Subsidiary CC&Rs) which Lessee desires to record against Lessor's fee interest (as opposed to Lessee's leasehold interest only) to Lessor for its approval, which approval shall not be unreasonably withheld or delayed. Lessor shall approve or disapprove of any Restrictive Document within sixty (60) days from receipt. If Lessor fails to act within this time period, it will be deemed to have approved the Restrictive Document. If Lessor disapproves of any Restrictive Document, such Restrictive Document shall not affect Lessor's fee interest in the Parcel but shall nonetheless encumber Lessee's leasehold interest therein.

ARTICLE 22.

DEFAULT AND REMEDIES

22.1 Events. Default shall only be deemed to have occurred in the following situations:

(a) If Lessee fails to pay an annual installment of Base Rent or Alternative Rent, if applicable, within thirty (30) days after the notice required by ***Section*** 4.9, including penalty and interest as provided in ***Sections*** 4.10 and 4.11, unless the time for the payment has been previously extended pursuant to ***Section*** 4.12.

(b) If Lessee fails to timely perform or comply with any term of this Lease of such nature that Lessee's failure cannot be cured.

(c) If Lessee fails to perform or comply with any other term of this Lease; provided, however, that with respect to any such failure which is of such a nature that although curable it cannot, with due diligence and adequate resources, be cured within forty-five (45) days, a default shall not be deemed to exist if Lessee commences curing such failure within the forty-five (45) day period and thereafter proceeds with reasonable diligence and action to complete curing such failure.

(d) To the extent then allowed by law, if Lessee files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, or files any petitions or answers seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation; seeks, consents to or acquiesces in the appointment of any trustee, receiver or liquidator of Lessee or of all or any substantial part of its respective property or of the pertinent portion of the Premises; makes any general assignments for the benefit of creditors; or admits in writing its inability to pay its debts generally as they become due.

(e) To the extent then allowed by law, if a petition is filed against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future federal, state or other statute, law or regulation, and remains undismissed or unstayed for an aggregate of ninety (90) days (whether or not consecutive), or if a trustee, receiver or liquidator of Lessee or of all or any substantial part of its properties or of the Parcel is appointed without the consent or acquiescence of Lessor and such appointment remains unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive).

22.2 Notice; Remedies.

22.2.1 Upon an event of default, Lessor shall send a notice of default to Lessee and to any Permitted Mortgagee who has complied with ***Section*** 20.2. The notice shall state the specific nature of the default and the right to cure any curable default.

(a) Lessee shall have thirty (30) days after receipt of notice of default to cure any failure to pay Base Rent, Alternative Rent, taxes, Additional Amounts or other assessments.

(b) Lessee shall have forty-five (45) days from the receipt of notice of default to cure any other curable default; provided, however, that with respect to any such failure which is of such a nature that although curable it cannot, with due diligence and adequate resources, be cured within forty-five (45) days, a default shall not be deemed to exist if Lessee commences curing such

failure within the forty-five (45) day period and thereafter proceeds with reasonable diligence and action to complete curing such failure.

22.2.2 Subject to the rights of any Assignee, Sublessee or Permitted Mortgagee, if a default exists and has not been timely cured pursuant to ***Section*** 22.2.1, Lessor may exercise any or all of the remedies set forth below:

(a) Lessor may cancel this Lease and declare all rights of Lessee ended;

(b) Lessor may exercise the rights set forth in ***Article*** 17 to receive payment and performance in connection with Subleases;

(c) Lessor may institute an action at law to collect all past due rents;

(d) Lessor may institute an action at law to collect all actual damages arising from Lessee's failure to perform any other covenant hereunder, subject to the limitations set forth in ***Section*** 22.2.3 herein;

(e) If the default is of such a nature that it cannot be cured by monetary damages, Lessor may institute an action in equity seeking injunctive relief to enjoin Lessee from breaching a covenant of this Lease. Lessor may not, however, specifically enforce any affirmative obligation of Lessee hereunder, Lessor's remedies for any such failure to perform an affirmative obligation being limited to its right to cancel this Lease and/or to recover damages in accordance with the provisions of ***Subsections*** 22.2.2(c) or (d).

22.2.3 Notwithstanding any other provision herein, Lessor's right to recover damages for future Base Rent and Alternative Rent hereunder shall be subject to the following limitations:

(A) If this Lease is terminated at any time prior to the completion of the Phase One Infrastructure, Lessor shall not be entitled to recover any damages for future Base Rent and Alternative Rent hereunder, (Lessor acknowledging that Lessee may cancel this Lease at any time prior to that date without liability for future Base Rent and Alternative Rent).

(B) If this Lease is terminated after completion of the Phase One Infrastructure due to a default by Lessee, Lessor shall have the right (in lieu of seeking damages for future Base Rent and Alternative Rent hereunder) to collect and receive liquidated damages in an amount equal to the next two (2) years' Base Rent due hereunder. The parties acknowledge that the actual loss for future Base Rent and Alternative Rent which Lessor would suffer as a result of an early termination of this Lease would be difficult, if not impossible, to determine

and that the amount specified herein is intended to be a reasonable estimate of such loss and not a penalty. The liquidated damages are intended to compensate Lessor for loss of Base Rent and Alternative Rent for Lessee's failure to perform its obligations under this Lease, including, but not limited to, loss of Base Rent and Alternative Rent from the Parcel due to the statutory requirements that any new Lease be sold at public auction following notice and ten (10) weeks of public advertising.

(C) Notwithstanding the foregoing, Lessee may reduce the amount of liquidated damages to which Lessor is entitled on a termination of this Lease by giving Lessor written notice of its intent to terminate this Lease (a "Termination Notice"). After receipt of a Termination Notice, the Lessor shall be free to attempt to sell or release the Parcel (with such sale to be effective as of the termination date for the Lease set forth in the Termination Notice). The Lessee may rescind a Termination Notice with Lessor's approval at any time before Lessor resells or releases the Parcel by delivering written notice to Lessor and reimbursing Lessor for any costs it has incurred in attempting to sell or release the Parcel. A Termination Notice shall no longer be rescindable when Lessor has entered into a contract to sell or release the Parcel in reliance on the Termination Notice. The amount of liquidated damages to which Lessor shall be entitled shall be reduced by one month of Base Rent for each month of prior notice which Lessee gives to Lessor. For example, if Lessee gives Lessor six (6) months notice of its intent to terminate this Lease, Lessor's liquidated damages shall be reduced to eighteen (18) months of Base Rent, and if Lessee gives two (2) years notice of intent to terminate this Lease, no liquidated damages will be payable. A Termination Notice given by Lessee pursuant to this section shall only act to reduce the liquidated damages otherwise payable as a result of an early termination of this Lease if (i) Lessee continues to pay the Base Rent or Alternative Rent, as applicable, payable hereunder through the date of early termination (provided that the liquidated damages shall be reduced by any amounts actually received even if all Base Rent or Alternative Rent, as applicable, is not paid) and (ii) Lessee surrenders possession of the Parcel at the time specified in its Termination Notice. The parties acknowledge that the purpose of the liquidated damages provision is to give the Lessor time while it is still receiving rent to locate a new lessee for, or otherwise dispose of the Parcel, and that such purpose is also served if Lessor receives advance notice of an early termination of this Lease.

22.2.4 Notwithstanding the provisions of ***subsection*** 22.2.2(a) and 22.2.2(b), Lessor may not cancel this Lease due to a default by Lessee unless such default is a "Material Default" as defined by this ***subsection*** 22.2.4. For purposes of this ***subsection*** 22.2.4, a Material Default shall mean (a) any failure to pay the Base Rent, Alternative Rent, taxes, Additional Amounts or other monetary amounts or assessments due hereunder, (b) any failure of Lessee to honor the indemnity provisions of ***Article*** 12, (c) any failure to maintain the insurance

required by ***Article*** 13 herein (but only if and to the extent such insurance coverage is reasonably available for purchase) or (d) any other default by Lessee which materially and adversely affects the Parcel or the Lessor's interest therein or in this Lease.

22.3 Assignment. In the case of an Assignment, any of the events described in ***Section*** 22.1 by the Assignee shall constitute a default under the Assignment. Upon such default, Lessor shall be entitled to the same remedies set forth in ***Section*** 22.2; provided, however, that Lessor may only exercise such remedies against the Assignee and the Subparcel subject to the Assignment. A default under an Assignment shall not constitute a default under this Lease.

22.4 Waiver. No waiver or breach of any term of this Lease shall be construed as a waiver of any succeeding breach of the same or any other term.

22.5 Limited Liability. Notwithstanding anything to the contrary in this Lease, Lessor shall look solely to the assets of Lessee, including the interest of Lessee in this Lease and in any Subleases and Improvements for the payment of rent under this Lease, performance of any obligations, agreements or indemnities under this Lease or the collection or satisfaction of any money judgment that Lessor may recover against Lessee, and Lessor shall not look for the collection or satisfaction of any such Obligations to the personal assets of any partner, subpartner, joint venturer, shareholder, officer, director or participant in any such Lessee, all such personal liability being expressly waived. Notwithstanding the foregoing, Lessor may require any such person to recontribute to Lessee any asset or amount distributed to such person or entity by Lessee within a one (1) year period immediately preceding any default by Lessee hereunder. Lessor further agrees that it will attempt to collect any claim it may have against Lessee first out of the interest of Lessee in this Lease and in any Subleases and Improvements before pursuing any other assets of Lessee. The provisions of this ***Section*** shall be binding upon Lessor and its successors and assigns and shall inure to the benefit of each and every subsequent Lessee and any such partner, joint venturer, shareholder, officer, director or participant therein, their respective successors and assigns.

22.6 Improvements. In the event of a default pursuant to ***Section*** 22.1(f), the Improvements shall be forfeited to Lessor. In the event of any other default described in ***Section*** 22.1(a)-(e) which is not cured within the applicable cure period, Lessee may, but shall not be obligated to, remove the Improvements at any time within sixty (60) days after the date of Lessee's receipt of the Commissioner's notice of the cancellation of the Lease. Lessee shall have the right to be reimbursed by a succeeding purchaser or lessee for those Improvements which (a) Lessee has elected not to remove and (b) are not removable. If Lessee and the succeeding purchaser or lessee cannot agree on the value of these Improvements, either party may request an appraisal of these Improvements, which appraisal shall be made in the same manner and subject to the same conditions as set forth in ***Section*** 8.8. Lessor agrees to use its best efforts to re-lease or sell the Parcel in the event of a default by Lessee.

ARTICLE 23.

LESSOR'S TRANSFER OF INTEREST

23.1 The Parcel shall not be exchanged, in whole or in part, for any other real property during the term of this Lease without the prior written consent of Lessee, which will be given or withheld at its sole discretion. Lessor may sell its interest in the Parcel without Lessee's consent, provided that Lessor agrees to give Lessee written notice of its intent to sell the Parcel prior to offering the Parcel for sale. Any sale or exchange of the Parcel shall in any event be made subject to this Lease, including, without limitation, the provisions of this Article and of ***Section*** 5.5 hereof. If any such sale or exchange is completed and the transferee of the Parcel is not the Owner, then the following provisions shall apply:

(a) The provisions of ***Section*** 8.7 hereof (relating to reimbursements for Improvements at the termination of this Lease) shall be of no further force and effect after any sale or exchange of the Parcel by Lessor.

(b) Upon the termination of this Lease for any reason after an approved transfer pursuant to this ***Article*** 23, Lessee shall have the option to purchase the Parcel for its then fair market value (with such fair market value to be determined by arbitration as provided in accordance with ***Article*** 25 herein except that the arbitrators shall each be MAI or similarly qualified real estate appraisers). If the Lease is terminated during the initial term of this Lease (*e.g.*, due to Lessee's default hereunder), the fair market value of the Parcel shall be the greater of (i) the value of the Parcel as raw land, assuming no improvements thereon or (ii) the value of Lessor's interest as landlord under the Lease, on the assumption that this Lease was still in place. If this Lease is terminated due to the expiration of its term, then the fair market value of the Parcel shall be determined as if it was unimproved. The Lessee must exercise its option to purchase the Parcel at least ten (10) days prior to the date on which the Lease is to be terminated and shall thereafter have the longer of (i) one hundred and eighty (180) days after the exercise of its option or (ii) one hundred and twenty (120) days after the purchase price is determined by arbitration to close its acquisition (the Lease term being extended for the time required to close the sale on the same terms as for the most recent Lease Year). The purchase price for the Parcel shall be payable in cash. Title shall be conveyed by general warranty deed, subject only to all matters in existence as of the date of this Lease, all matters previously consented to by Lessee and all matters to which Lessee's interest is already subject (*e.g.*, current real estate taxes).

(c) If Lessor sells its interest in the Parcel and at any time thereafter, the Parcel (as opposed to the Improvements thereon) shall be subject to either ad valorem property taxes or taxes for rent received by Lessor or any

assessment in lieu thereof, Lessor, or Lessor's successor or successors in interest, shall be obligated to bear the entire cost thereof, including any interest, penalty, fine or cost which may be added thereto, and shall also be obligated to present to Lessee evidence of such payment before the same shall become delinquent. If Lessor or Lessor's successor in interest fails to do so, Lessee may pay such amounts for the benefit of Lessor and deduct the amount of such payment, together with interest thereon at the Interest Rate, from any Base Rent or Alternative Rent thereafter becoming due under this Lease.

ARTICLE 24.

OBLIGATIONS OF LESSOR AT EXPIRATION OF LEASE TERM

24.1 Lessor's Intent. Two (2) years prior to the termination of the Lease term and any extension thereof granted under this Lease, Lessor shall give Lessee written notice of Lessor's intent regarding disposition of the Parcel upon the expiration of this Lease.

24.2 Sale/Lease. If Lessor gives notice that it intends to sell or lease the Parcel at the expiration of the Lease term, Lessor shall diligently and in good faith proceed to sell or lease the Parcel, at its then fair market value. Lessor shall diligently and in good faith proceed to sell or lease the Parcel at least one hundred eighty (180) days prior to the Expiration Date. If Lessor is unable to sell or lease the Parcel pursuant to this ***Section*** within the time-frame provided, Lessee, as its sole remedy, may apply for up to a ten-year lease of the Parcel and Lessor shall grant such a lease if it is in the best interest of the Trust and is allowed by law.

24.3 Exchange. If Lessor gives notice that it intends to exchange the Parcel, Lessor shall diligently and in good faith proceed to arrange for the exchange of the Parcel for land of substantially equal value. If Lessor can arrange such an exchange, it shall act with due diligence and good faith in completing the exchange at least one hundred eighty (180) days prior to the Expiration Date. If Lessor is unable to complete the exchange of the Parcel pursuant to this ***Section*** within the time-frame provided, Lessee, as its sole remedy, may apply for up to a ten-year lease of the Parcel and Lessor shall grant such a lease if it is in the best interest of the Trust and is allowed by law.

24.4 Lease by Lessee. If Lessor gives notice that it does not intend to take action contemplated by ***Sections*** 24.2 and 24.3, Lessee may apply for a lease of the Parcel for no more than ten (10) years. The lease shall be granted by the Commissioner, as permitted by law; provided, however, that the granting of such lease shall be in the best interests of the Trust.

ARTICLE 25.

ARBITRATION

25.1 Jurisdiction. The parties hereby agree that claims, disputes and other matters in question hereunder, including those subject to mandatory arbitration pursuant to A.R.S. § 12-133, shall be subject to arbitration as set forth below; provided, however, that the arbitrators shall have no power to change any of the provisions of this Lease in any respect nor shall they have any power to make an award of reformation and the jurisdiction of the arbitrators is hereby expressly limited accordingly. In addition, this Article shall not be effective until such time as the parties have exhausted any administrative remedies which are available to them.

25.2 Request. Either party may serve the other with a written request for arbitration which shall also specify the name and address of one person designated to act as arbitrator on behalf of that party. Within fifteen (15) days after the service of such request, the other party shall give to the first party written notice specifying the name and address of the person designated to act as arbitrator on its behalf. If the other party fails to so notify the first party within the time above specified, then the appointment of the second arbitrator shall be made by the American Arbitration Association ("AAA") pursuant to the AAA's Commercial Arbitration Rules (the "Rules") then in effect. The arbitrators chosen shall meet within ten (10) days after the second arbitrator is appointed and shall appoint a third arbitrator who shall be a competent, impartial person, and in the event of their being unable to agree upon such appointment within ten (10) days after the time aforesaid, the said arbitrator shall be selected by the parties themselves if they can agree thereon within a further period of fifteen (15) days. If the parties do not so agree, then either party on behalf of both may request the AAA to appoint such third arbitrator. The person appointed shall be the third arbitrator. Each of the arbitrators chosen or appointed pursuant to this Article must be recognized in the Phoenix metropolitan area as having competence in the field of real estate development.

25.3 Rules. Said arbitration shall be conducted in the City in accordance with the Rules then in effect for the AAA or any organization successor thereto.

25.4 Decision. The arbitrators shall render their decision upon the concurrence of at least two arbitrators within thirty (30) days after the appointment of the third arbitrator. Their decision shall be in writing and counterpart copies shall be delivered to each of the parties. A decision of the arbitrators may be appealed directly to the Superior Court of Maricopa County within thirty (30) days of the date of the decision. Such appeal shall be *de novo* as to any issues of law. Unless so appealed, such decision shall in all cases be final, binding and conclusive upon the parties and judgment upon the decision may be entered by any court having jurisdiction thereof.

25.5 Fees. Unless otherwise required by the decision of the arbitrators, each party shall pay the fees and expenses of the original arbitrator appointed by such party or in whose stead, as above provided, such arbitrator was appointed, and the fees and expenses of the third arbitrator, if any, shall be borne equally by the parties. Each party shall bear the expense of its own counsel, experts and preparation and presentation of proof.

ARTICLE 26.

MISCELLANEOUS

26.1 Successors. Each provision of this Lease shall extend to, be binding on and inure to the benefit of not only Lessor and Lessee, but each of their respective heirs, administrators, executors, successors in interest and assigns.

26.2 Relationship. The relationship of the parties hereto is that of lessor and lessee, and it is expressly understood and agreed that Lessor does not in any way or for any purpose become a partner of Lessee or joint venturer with Lessee.

26.3 Quitclaim. After the expiration or termination of this Lease, Lessee shall execute, acknowledge and deliver to Lessor, within fifteen (15) days after written demand from Lessor to Lessee, any document in a form reasonably requested by Lessor quitclaiming any right, title or interest in the leasehold to Lessor or other document required by any reputable title company to resolve the cloud of this Lease from the Premises; provided, however, such document shall not act to diminish or terminate any rights of Owner to receive payments for Improvements as set forth herein.

26.4 Severability. If any provision of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

26.5 Amendments. Lessor and Lessee expressly agree that this Lease may be subject to amendments which are neither material nor substantial from time to time by mutual consent in writing, provided that the Commissioner with the approval of the Board determines that such amendment does not materially and substantially impair the interests of Lessor. Amendments which are material and substantial include, but are not limited to, the rent provisions, the term of the Lease, and Lessor's remedies.

26.6 Mortgagee Request. If any Institutional Lender or any Approved Lender to whom Lessee proposes to make a Permitted Mortgage on Lessee's leasehold interest shall require, as a condition to making any loan secured by such Permitted Mortgage, that Lessor agree to amendments of this Lease that are neither material nor substantial, then Lessor expressly agrees that it will make the requested amendments; provided that the amendments do not impair those provisions for rent, the term of this Lease, or Lessor's remedies and Board approval is received.

26.7 Memorandum. The parties shall execute and cause to be recorded, upon the request of the other, a memorandum of this Lease suitable for recording purposes.

26.8 Cooperation. The parties hereto agree to fully and reasonably cooperate so as to allow Lessee to develop the Parcel consistent with the Development Plan, this Lease and the applicable zoning. Lessor's cooperation shall include, but not be limited to, executing applications and petitions for any zoning and rezoning which Lessor has previously approved in accordance with ***Article*** 6. The parties also agree to execute such other and further documents as may be reasonably required by any party thereto. Lessor's cooperation shall not include any obligation on the part of Lessor to expend any monies on behalf of Lessee.

26.9 Construction. The parties acknowledge that they have both had the benefit of legal counsel with regard to this Lease. They therefore agree that, notwithstanding anything contained herein to the contrary, this Lease and all of its terms, provisions and conditions shall be construed fairly and not strictly against either Lessor or Lessee.

26.10 Notices. Any notice to be given or other document to be delivered by one party to the other shall be in writing and served by personal service or by depositing same in the United States Mail, postage prepaid, return receipt requested and addressed as follows:

To Lessor: ARIZONA STATE LAND DEPARTMENT
1616 West Adams Street - 3rd Floor
Phoenix, Arizona 85007

To Lessee: NPP1, LLC
c/o Viehmann Martin Companies
14614 North Kierland Boulevard
Suite N-230
Scottsdale, Arizona 85254

Either party may, by written notice delivered to the other in accordance with the provisions of this ***Section***, designate a different address to which any notices shall thereafter be delivered or mailed. Notice shall be deemed to have been given on the date on which notice was delivered if notice is given by personal delivery, and three (3) days following the date of deposit in the mail, if mailed. Notice shall be deemed to have been received on the date on which the notice is received by the party to whom such notice was addressed.

26.11 Attorneys' Fees. If either party resorts to legal action to enforce the Lease term or to recover damages for the breach thereof, the prevailing party is entitled to

recover reasonable attorneys' fees in addition to the amount of judgment, costs and other expenses as determined by the court. In the event Lessor is represented by the Arizona Attorney General's Office or other salaried attorney, Lessor's reasonable attorneys' fees shall be calculated based upon a rate equal to the reasonable hourly rate for comparable work and attorney experience in the private sector in Maricopa County, Arizona.

26.12 Lessor's Authority. Lessor hereby warrants and represents to Lessee that it has the full legal power and authority to execute, deliver and perform the terms and obligations of Lessor set forth herein and that the Commissioner and the Board, in executing and approving, respectively, this Lease, have exercised their respective authority as permitted by the Constitution of the State of Arizona and otherwise in accordance with applicable law and the rules and regulations properly adopted in accordance therewith.

26.13 Transfers. Any attempt to assign, sublease, mortgage, convey, transfer or otherwise dispose of any estate or interest in this Lease, other than pursuant to Lease terms, shall not be effective.

26.14 Future Sale. Lessee acknowledges that it has not been induced to enter into this Lease by any promise from Lessor or any of its agents, servants or employees, that the Parcel will be offered for sale at any time.

26.15 No Fee. No provision of this Lease shall create any right in Lessee or any Permitted Mortgagee to a fee interest in the Parcel.

26.16 Governing Law. Since the Parcel is situated in Arizona, this Lease shall be governed by, construed and enforced in accordance with the laws of the State of Arizona. Any legal proceeding arising out of this Lease shall be brought in the Superior Court of Arizona, Maricopa County.

26.17 Conflict. Pursuant to A.R.S. § 38-511, or any successor statute, the State of Arizona may, within three (3) years after the Commencement Date, cancel this Lease, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of the State or any of its departments or agencies is at any time while this Lease or any extension of this Lease is in effect, an employee of Lessee in any capacity, or a consultant to Lessee with respect to the subject matter of this Lease. The cancellation shall be effective when written notice from the Governor of the State of Arizona is received by all other parties to this Lease unless the notice specifies a later time. As to any and all Permitted Mortgagees, Sublessees or Assignees other than the party employing the person with the conflict, this cancellation shall respect the rights provided by ***Articles*** 17 and 21 of this Lease and by statute.

26.18 Mutual Termination. This Lease may be terminated prior to the expiration date upon written agreement signed by both Lessor and Lessee. The agreement

shall specify the terms and conditions of such a cancellation. The mutual termination agreement shall be submitted to the Board, or its successor, for approval prior to its execution by Lessor and Lessee. Lessee shall not be due any refunds for prepaid rental for termination under this clause.

26.19 Headings. The titles to the ***Articles*** and ***Sections*** of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease.

26.20 Integration. This Lease, together with the ***Exhibits*** appended hereto, embodies the whole agreement of the parties. There are no other agreements or terms, oral or written. This document supersedes all previous communications, representations and agreements, oral or written, between the parties.

LESSEE:

NPP1, LLC,
an Arizona limited liability company

By: Northeast Phoenix Partners,
an Arizona general partnership
Its: Manager

By: V.M.A. Phoenix, Inc.,
an Arizona corporation
Its: General Partner

By: _____
Its: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 20th day of July, 2000, before me, a Notary Public within and for said County and State, personally appeared J. Michael Martin to me known to be the person(s) described in and who executed the same as his/her free act and deed.

Elizabeth Pha Hale
Notary Public

My Commission Expires:
3-25-2003

OFFICIAL SEAL
ELIZABETH PHA HALE
NOTARY PUBLIC-ARIZONA
MARICOPA COUNTY
My Comm. Expires Mar. 25, 2003

LESSOR: STATE OF ARIZONA

By _____
for State Land Commissioner

(seal)

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 19th day of July, 2000, before me, a Notary Public within and for said County and State, personally appeared James A. Adams to me known to be the person(s) described in and who executed the same as his/her free act and deed.

_____
Notary Public

My Commission Expires:

OFFICIAL SEAL
SUSAN L. RUSSELL
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires Aug. 31, 2003

SPEEDIE AND ASSOCIATES
Geotechnical • Environmental • Materials Engineers

APPENDIX F

PROJECT PERSONNEL CREDENTIALS

APPENDIX F: Project Personnel Credentials

DANIEL JONES – *Environmental Specialist*

Mr. Jones has five (5) years of experience in the environmental consulting industry. He is responsible for assisting the Project Manager and other Environmental Professionals with the historical research and field activities for Phase I and II ESAs. For this project, he performed the site visit under the supervision of an Environmental Professional, completed the photograph logs, and assisted with preparation of the report. Mr. Jones received his bachelor's degree in Environmental Science from Arizona State University.

BENJAMIN LARSON – *Environmental Geologist*

Mr. Larson has eight (8) years of experience in the environmental and geotechnical engineering and consulting fields on projects of all types and sizes. He is responsible for all phases of the project work, including supervision of subcontractors and performing field activities for Phase I and II ESAs. He has experience performing soil and groundwater sampling, asbestos surveys, soil vapor investigations, groundwater sampling, and interpretation of laboratory analytical results. For this project, he performed the site visit, completed the photograph logs, and assisted with preparation of the report. Mr. Larson received his Bachelor degree in Geology from the University of Minnesota.

CONNIE F. JIRON –*Project Manager*

Ms. Jiron has more than 29 years of experience as an environmental professional in environmental engineering and consulting. Her areas of expertise include management, interpretation, and presentation of data generated by small and large multi-task projects. Ms. Jiron has performed and managed several thousand commercial, industrial, and single- and multi-family environmental site assessments. She is responsible for performing all components of Environmental Due Diligence (Phase I and II ESAs), including the site reconnaissance, regulatory review, historical research, interviews, records review, and technical report preparation. She also has experience performing soil and groundwater sampling, soil vapor investigations, supervision of subcontractors, interpretation of laboratory analytical results, oil-water separator profiling and management, asbestos and lead inspections, and oversight of abatement of remediation projects.

TIMOTHY J. RHEINSCHMIDT, R.G./C.R.S. – *Project Geologist*

Mr. Rheinschmidt is a registered geologist and certified remediation specialist in the state of Arizona with more than 33 years of experience performing hazardous and non-hazardous waste investigations, vadose zone characterization, regulatory compliance and permitting, and groundwater investigations. Mr. Rheinschmidt received his Bachelor degree in geology from San Jose State University, a Hazardous Waste Management Certificate from the University of California at Santa Barbara and has performed numerous Phase I, II and III investigations in both Arizona and California.

CHRISTINA T. VICKERS – *Environmental Division Manager*

Ms. Vickers has over 11 years of experience performing environmental due diligence assessments while following the needs and requirements of a varied number of reporting standards, including ASTM standards, EPA's All Appropriate Inquiry, and customized client formats for law offices, lending institutions, real estate developers, property owners and government agencies. She has managed and performed hundreds of environmental site assessments for a variety of agricultural, commercial, multi-family residential, and industrial/manufacturing properties throughout the Midwest and Southwest geographical regions. Ms. Vickers also has hands-on experience completing subsurface investigations including soil, soil vapor and groundwater sampling, indoor air sampling, and asbestos and lead-based paint surveys. Ms. Vickers received her Bachelor degree in Earth Sciences and Master's degree in Environmental Sciences from the University of Michigan-Dearborn.