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Chandler, AZ 85244-4008

CAPTION HEADING:

Land and Improvement Lease with DT Chandler LLC for Site 3, Parcels 2C, 2D and 5

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09-259

LAND AND IMPROVEMENTS LEASE FOR SITE 3, PARCELS 2C, 2D AND 5

THIS LAND AND IMPROVEMENTS LEASE ("Lease") is made and entered into as of the 29th day of March, 2019 (the "Effective Date") by and between the CITY OF CHANDLER, an Arizona municipal corporation ("Landlord"), and DT CHANDLER, LLC, an Arizona limited liability company ("Tenant"). Landlord and Tenant shall be referred to in this Agreement, collectively as "Parties," and individually as a "Party."

RECITALS

A. Landlord and Tenant are entering into this Lease pursuant to that certain Development & Option Agreement (hereinafter "Development Agreement") dated February 24, 2017 and recorded February 27, 2017, as Instrument No. 2017-0139389 in the Official Records of Maricopa County, Arizona, as amended by that certain First Amendment to Development Agreement dated July 24, 2017, and recorded July 25, 2017 as Instrument No. 2017-0542437 in the Official Records of Maricopa County, Arizona, and City Resolution No. 5077. The City Council has approved the Government Property Lease Tax ("GPLET") provisions through the Development Agreement language adopted on February 27, 2017, and by adoption of Resolution No. 4741, dated February 23, 2017.

B. Landlord has title of record to the real property referred to as the Site 3, Parcels 2C, 2D and 5, legally described and depicted on **Attachments 1 and 3** attached hereto and incorporated herein, together with all rights and privileges appurtenant thereto, and all present and future improvements thereon (collectively, the "Premises"). The Premises consist of a commercial and retail development.

C. The Premises are "Government Property Improvements" as defined in A.R.S. §42- 6201(2), Landlord is a "Government Lessor" as defined in A.R.S. §42-6201(1), and Tenant is a "Prime Lessee" under A.R.S. §42-6201(4). The Premises will be subject to the Government Property Lease Excise Tax as provided for under ARS §42-6202. Pursuant to the Development Agreement and Resolution 4741, Landlord will abate the GPLET for the period beginning on the Effective Date and ending eight (8) years thereafter, all as provided in A.R.S. §42-6209(A).

D. The Premises are located in a single central business district in a redevelopment area established pursuant to Title 36, Chapter 12, Article 3 of Arizona Revised Statutes (A.R.S. §§36-1471 et seq.). The construction of the Premises resulted in an increase in property value of at least one hundred percent.

E. The Landlord acknowledges that construction of the Premises is redevelopment of the real property resulting in improvements to and new uses of such property, in that the Landlord and the general public will directly and indirectly realize substantial tangible and intangible benefits from the redevelopment of such land and the construction of the Premises described herein, including, without limitation, the redevelopment of the downtown area of Chandler as well as a key commercial area within the corporate boundaries of the City of Chandler, the facilitation of the expansion of the employment base within the City of Chandler, incentivizing the redevelopment of adjacent properties, and other benefits more particularly described in the Development Agreement.

F. But for the GPLET abatement described in Recital C above, Tenant would not have caused the Premises to be constructed.

LEASE AGREEMENT

NOW THEREFORE and in consideration of the rent and of the covenants and agreements hereinafter set forth to be kept and performed by Tenant, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, subject to and upon all of the terms, covenants and agreements hereinafter set forth.

1. Quiet Enjoyment. Landlord covenants and agrees with Tenant that conditioned upon Tenant's paying the rent and other sums herein provided and performing and fulfilling, in all material respects, the covenants, agreements, conditions and provisions herein to be kept, observed or performed by Tenant, Tenant may at all times during the Term hereof peaceably, quietly and exclusively have, hold and enjoy the Premises.

2. Term. The term of this Lease shall be for twenty-five (25) years, commencing on the Effective Date and ending at midnight on the 25th anniversary of the Effective Date, subject to earlier termination as provided herein ("Lease Term" or "Term"). The parties expressly acknowledge that in the event the Developer fails to exercise its right or option to Purchase the Premises as granted in the Development Agreement, the City shall not be obligated to extend, renew or other amend the Development Agreement, this Lease or the Purchase Agreement for any additional terms. In the event, this Lease, the Development Agreement or the Purchase Agreement are terminated, expired or other cancelled as applicable to the Premises, Developer acknowledges any Improvements installed by Developer on the Premises shall become the property of the City without further action or instrument of conveyance. Thereafter Developer shall have no right, claim or ownership interest in any Improvement then existing on the Premises.

3. Tenant's Payment Obligations: During the Term, Tenant shall pay the following

3.1 Rent. Tenant covenants to pay to Landlord as rent for the Premises the sum of $1.00 per year on the Effective Date and every anniversary thereof Tenant shall, without prejudice to its right to terminate this Lease as provided herein, have the right to prepay the rent for the entire Term.

3.2 Government Property Lease Excise Tax. As required under A.R.S. §§42- 6206, Tenant is hereby notified of its potential tax liability under the GPLET provisions of A.R.S. §§42-6201 through 42-6209, as now or hereafter amended. Failure by Tenant to pay the tax after notice and an opportunity to cure could result in divesting Tenant of any interest in or occupancy of the Premises to which this Lease applies. However, Landlord hereby abates Tenant's GPLET obligation for the Premises pursuant to A.R.S. §42-6209 for an eight (8) year period commencing on the Effective Date (the "Abatement Period"). Landlord hereby waives any statutory requirement that Tenant apply for such abatement. Landlord agrees to take any additional action as necessary for Tenant to qualify for GPLET tax treatment so that (i) the period of abatement for the Premises will run for a period of eight (8) years from the Effective Date, and (ii) the Premises will be taxed as "government property improvements" in accordance

with A.R.S. §§42-6201 through 42-6209, as now or hereafter amended from the expiration of the eight (8) year abatement period through the end of the Term. Following the Abatement Period, Tenant shall pay the GPLET pursuant to the rates specified in A.R.S. §§42-6203.

4. Leasehold Mortgage of Premises.

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

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

5. Taxes; Lease Obligations.

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

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

5.3 Procedure. Landlord agrees that any proceedings contesting the amount or validity of taxes or assessments levied against the Premises or against the rentals payable hereunder may be filed or instituted in the name of Landlord or Tenant, as the case may require or permit, and the Landlord does hereby appoint the Tenant as its agent and attorney-in-fact, during the Term, to execute and deliver in the name of the Landlord any document, instrument or pleading as may be reasonably necessary or appropriate in order to carry on any contest, protest or proceeding contemplated in this Section. Tenant shall hold the Landlord harmless from any liability, damage or expense incurred or suffered in connection with such proceedings.

6. Use. Subject to the applicable provisions of this Lease and A.R.S. §42-620(I)(2), the Premises may be used and occupied by Tenant as commercial retail complex.

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

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

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

7.3 Maintenance, repair or restoration of the Premises; or

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

8 Entry by Landlord. Landlord and Landlord's agents shall have the right at reasonable times and upon reasonable notice to enter upon the Premises for inspection, except that Landlord shall have no right to enter portions of any building or apartment dwelling unit on the Premises without consent of the occupant or as provided by law; and provided that no such entry shall unreasonably interfere with the conduct of Tenant's business on the Premises. Tenant shall have the right to accompany Landlord at all times during any such inspection.

9 Alterations. Tenant shall have the right, in its sole and absolute discretion, and without the consent of Landlord, to construct additional improvements on the Premises, and to make subsequent alterations, additions or other changes to any improvements or fixtures on the Premises existing from time to time, and the Premises shall constitute all such improvements as they exist from time to time. In connection with any action which Tenant may take with respect to Tenant's rights pursuant hereto, Landlord shall not be responsible for and Tenant shall pay all costs, expenses and liabilities arising out of or in any way connected with such improvements, alterations, additions or other changes made by Tenant, including without limitation materialmen's and mechanic's liens. Tenant covenants and agrees that Landlord shall not be called upon or be obligated to make any improvements, alterations or repairs whatsoever in or about the Premises, and Landlord shall not be liable or accountable for any damages to the Premises or any property located thereon. Subject to the provisions of Section 13, Tenant shall have the right, in its sole and absolute discretion, and without the consent of Landlord, at any time to demolish or substantially demolish improvements located upon the Premises. In making improvements and alterations, Tenant shall not be deemed Landlord's agent and shall hold Landlord harmless from any expense or damage Landlord may incur or suffer.

10 Easements, Dedications and Other Matters. At the request of Tenant, Landlord shall (i) dedicate or initiate a request for dedication to public use of the improvements owned by Landlord within any roads, alleys or easements and convey any portion so dedicated to the appropriate governmental authority, (ii) consent to the making and recording, or either, of any map, plat, condominium documents, or declaration of covenants, conditions and restrictions of or relating to the Premises or any part thereof, (iii) join in granting any easements on the Premises, and (iv) execute and deliver (in recordable form where appropriate) all other instruments requested by Tenant with respect to Landlord's status as fee title owner of the Premises, and (v) perform all other acts reasonably necessary or appropriate in connection with the development, construction, demolition, redevelopment or reconstruction of the Premises.

11 Insurance. During the Term, the Tenant shall, at Tenant's expense, maintain general commercial liability insurance against claims for personal injury, death or property

damage occurring in, upon or about the Premises, with limits of liability not less than $2,000,000.00 single occurrence and $4,000,000 for aggregate limit. Tenant's policy for general liability insurance shall name Landlord and all Leasehold Mortgagees as additional insureds. Upon ten (10) days prior written notice from Landlord, Tenant shall provide to Landlord certificates of insurance for such insurance policies or copies thereof required to be carried by Tenant under this Section 11. Tenant may self-insure the coverages required by this Section 11 with the prior approval of Landlord, which will not be unreasonably withheld, and may maintain such reasonable deductibles and retention amounts as Tenant may determine.

12 Liability: Indemnity. Except .for any claims and liabilities which could have been asserted against Landlord if Landlord were not the owner of the Premises or if Landlord were not a party to this Lease, Tenant covenants and agrees that Landlord shall be free from liability and claims for damages by reason of any injury to any person or persons, including Tenant, or property of any kind whatsoever and to whomsoever while in, upon or in any way connected with the Premises during the Term or any extension hereof, or any occupancy hereunder, and Tenant hereby covenants and agrees to indemnify and hold harmless Landlord from all liability, loss, costs and obligations on account of or arising out of any such injuries or losses, however occurring, except to the extent caused by the negligence, willful misconduct or purposeful omission of Landlord, its elected officials, agents, or employees. Landlord agrees that Tenant shall have the right to contest the validity of any and all such claims and defend, settle and compromise any and all such claims of any kind or character and by whomsoever claimed, in the name of Landlord, as Tenant may deem necessary, provided that the expenses thereof shall be paid by Tenant. The provisions of this Section shall survive the expiration or other termination of this Lease.

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

14 Condemnation.

14.1 Entire or Partial Condemnation. If the whole or any part of the Premises shall be taken in condemnation proceedings, or by any right of eminent domain, or for any public or quasi-public use, or if Landlord shall deliver to a governmental authority a deed in lieu of condemnation or eminent domain by any competent authority for any public use or purposes during the Term, this Lease shall terminate with respect to the part of the Premises so taken and any other portion of the Premises as may be specified by Tenant. Tenant reserves unto itself the right to claim any and all condemnation awards and to prosecute its claim in all appropriate

courts and agencies for any award or damages based upon loss, damage or injury to its leasehold interest (as well as relocation and moving costs), and Landlord shall have no interest therein. In consideration of Tenant's payment for all of the cost of construction of the improvements constituting the Premises, Landlord hereby assigns to Tenant all claims, awards and entitlements relating to the Premises arising from the exercise of the power of condemnation or eminent domain.

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

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

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

15 Termination Option.

15.1 Grant of Option. Tenant or its successor, including any successor to Tenant's interest hereunder by foreclosure sale, trustee sale, or deed in lieu of foreclosure, shall have the option, in its sole and absolute discretion, exercisable by written notice to Landlord for any reason or for no reason, to terminate this Lease effective thirty (30) days after the date of such notice ("Option").

15.2 Title Vesting in Tenant. Simultaneously therewith, and effective as of any termination of this Lease, title to the Premises (including all improvements constituting a part thereof) shall automatically vest in Tenant and Landlord shall comply with the obligations under Section 20.

15.3 Leasehold Mortgagees and Tenant. If there are any Leasehold Mortgagees, Tenant may not as of such time terminate, modify or waive its Option under this Section 15 without the written approval of the Leasehold Mortgagees, and Landlord will not recognize or consent thereto without such approval.

16 Assignment: Subletting.

16.1 Transfer by Tenant. At any time, and from time to time, Tenant shall have the right, in its sole discretion, to assign this Lease and Tenant's leasehold interest as set forth in Section 16.2, or to sublease all of or any part of the Premises to any person or entity for any use permitted under this Lease, without the consent of the Landlord.

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

17 Default Remedies: Protection of Leasehold Mortgagee and Subtenants.

17.1 Default. Each of the following is a "Default" under this Lease: (a) Tenant's failure to pay rent or other sums required to be paid by Tenant under this Lease within fifteen (15) days following Tenant's receipt of written notice from Landlord stating that such payment was not made prior to its due date; or (b) the Tenant shall not have performed any of the other covenants, terms, conditions or provisions of this Lease within ninety (90) days after Tenant's receipt of written notice from Landlord specifying such failure; provided, however, that with respect to those failures that cannot with due diligence be cured within such ninety (90) day period, Tenant shall not be deemed to be in default hereunder if Tenant commences to cure such default within such ninety (90) day period and thereafter continues the curing of such default in good-faith with all due diligence.

17.2 Remedies. Upon the occurrence of any Default by Tenant and its continuance beyond any applicable grace or cure period set forth in Section 17.1, subject to the rights, privileges and protections granted to Leasehold Mortgagee pursuant to this Section 17 and Section 18 hereof, Landlord shall have the right and option to pursue all remedies available to it at law or in equity, provided, however that Landlord shall have the right to terminate this Lease only with respect to a Default for a failure of Tenant to procure and maintain insurance as required under Section 11 of this Lease and failure to pay GPLET in accordance with the state law. Any such right to terminate shall be exercised by Landlord through the delivery of written notice to Tenant and all Leasehold Mortgagees, in which case the Premises shall be subject to the provisions of Section 20. Notwithstanding the foregoing or any provision of this Lease to the contrary, Landlord and Tenant each hereby waive any right to seek consequential, punitive, multiple, exemplary or any other damages other than actual damages for a breach of this Lease by either Party.

It is expressly understood (i) time shall be of the essence; (ii) the failure of Landlord to exercise any right hereunder shall not constitute a waiver of any other or further default of Tenant, including any other or further default in the payment of Rent when due; and (iii) except as provided in this Section 17.2, the enumeration herein of express rights, options and privileges

shall not limit Landlord thereto nor deprive Landlord of any other remedy or action or cause of action by reason of any default of Tenant, notwithstanding termination of Tenant's right to possession.

Tenant shall pay Landlord for all costs and expenses, including reasonable attorneys' fees and interest on all sums due at the rate of 10% per annum, compounded monthly from each due date until paid in full, incurred by Landlord in connection with the recovery of any rent due and unpaid under the terms of this Lease.

17.3 Leasehold Mortgagee Default Protections. If any Leasehold Mortgagee notifies Landlord in writing of the existence of its Leasehold Mortgage, and the name and address of the Leasehold Mortgagee, then, notwithstanding anything to the contrary to this Lease, until the time, if any, that the Leasehold Mortgage held by such Leasehold Mortgagee shall be satisfied and released of record or the Leasehold Mortgagee notifies Landlord in writing that its Leasehold Mortgage has. been satisfied:

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

(ii) Concurrently with any notice, demand, election or other communication that Landlord gives to Tenant hereunder (hereafter collectively "Notices"), Landlord shall give a copy of each such Notice to the Leasehold Mortgagee at the address designated by it. No Notice given by Landlord to Tenant shall be binding upon or affect Tenant or the Leasehold Mortgagee unless a copy of the Notice shall be given to the Leasehold Mortgagee pursuant to this subsection.

(iii) The Leasehold Mortgagee shall have the right for a period of sixty (60) days after the expiration of any grace period afforded Tenant to perform any term, covenant, or condition and to remedy any default by Tenant hereunder or such longer period as the Leasehold Mortgagee may reasonably require to effect a cure, and Landlord shall accept such performance with the same force and effect as if furnished by Tenant, and the Leasehold Mortgagee shall thereby and hereby be subrogated to the rights of Landlord. The Leasehold Mortgagee shall have the right to enter upon the Premises to give such performance.

(iv) In case of a default by Tenant in the performance or observance of any nonmonetary term, covenant or condition to be performed by it hereunder, if the Leasehold Mortgagee reasonably determines that such default cannot be cured without taking possession of the Premises, in such Leasehold Mortgagee's reasonable opinion, or if the Leasehold Mortgagee cannot cure such default, then Landlord shall not serve a notice of lease termination pursuant to Section 17.2, if and so long as:

(A) the Leasehold Mortgagee shall proceed diligently to obtain possession of the Premises as mortgagee (including possession by a receiver), and, upon obtaining such possession, shall proceed diligently to cure such defaults as are reasonably

susceptible of cure (subject to any order by a court of competent jurisdiction staying or otherwise precluding such Leasehold Mortgagee from obtaining such possession); or

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

The Leasehold Mortgagee shall not be required to obtain possession or to continue in possession as mortgagee of the Premises pursuant to clause (A) above, or to continue to prosecute foreclosure proceedings pursuant to clause (B) above, if and when the default has been cured.

(v) If any Leasehold Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant, the times specified in Subsections (iv)(A) and (B) above, for commencing or prosecuting foreclosure or other proceedings shall be extended for the period of the prohibition.

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

17.4 Protection of Subtenant. Landlord covenants that, notwithstanding any default under or termination of this Lease or of Tenant's possessory rights, Landlord: (i) shall not disturb the peaceful possession of the subtenant under its sublease so long as the subtenant complies with the terms and conditions of its sublease, and in the event of a default by a subtenant, Landlord may only disturb the possession or other rights of the subtenant as provided in the tenant's sublease, (ii) shall recognize the continued existence of the sublease, (iii) shall accept the subtenant's attornment, as subtenant under the sublease, to Landlord, as landlord under the sublease, and (iv) shall be bound by the provisions of the sublease, including all options, to the extent such provisions can be performed by Landlord. Notwithstanding anything to the contrary in this Lease, no act or agreement between or on the part of Landlord or Tenant to cancel, terminate, surrender or modify this Lease or Tenant's right to possession shall be binding upon or effective as against any subtenant without its prior written consent.

17.5 Liability of Leasehold Mortgagee. If any Leasehold Mortgagee becomes the Tenant hereunder, by foreclosure of the Leasehold Mortgage, or under a new Lease pursuant to Section 18 below, the Parties agree and acknowledge that such Leasehold Mortgagee shall not be liable or responsible for and shall not be deemed to have assumed liability for any prior actions, omissions, defaults, breaches or other events caused by or relating to any prior Tenant and such Leasehold Mortgagee shall only be liable and responsible for acts, omissions, defaults, breaches or events occurring while it is Tenant, but the prior Tenant(s) shall not be released from liability for prior occurrences.

18 New Lease.

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

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

(ii) Subject to the terms of Section 17.5 above, upon execution and delivery of any such new lease the Leasehold Mortgagee shall pay to Landlord any and all sums which would, at that time, be due and unpaid pursuant to this Lease but for its termination, and in addition thereto all reasonable expenses, including reasonable attorneys' fees, which Landlord shall have incurred by reason of such termination;

(iii) Such Leasehold Mortgagee shall perform and observe all covenants in this Lease to be performed and observed by Tenant, and, subject to the terms of Section 17.3 above, shall further remedy any other conditions which Tenant under the Lease was obligated to perform under its terms, to the extent the same are reasonably susceptible of being cured by the Leasehold Mortgagee; and

(iv) The Tenant under the new lease shall have the same right of occupancy to the buildings and improvements on the Premises as Tenant had under the Lease immediately prior to its termination. Notwithstanding anything to the contrary expressed or implied in this Lease, any new lease made pursuant to this Section 18 shall have the same priority as this Lease with respect to any mortgage, deed of trust, or other lien, charge, or encumbrance on the fee of the Premises, and any sublease under this Lease shall be a sublease under the new Lease and shall not be deemed to have been terminated by their termination of this Lease.

18.2 No Obligation. Nothing herein contained shall require any Leasehold Mortgagee to enter into a new lease pursuant to this Section 18 or to cure any default of Tenant referred to above.

18.3 Possession. If any Leasehold Mortgagee shall demand a new lease as provided in this Section 18, Landlord agrees, at the request of, on behalf of and at the expense of the Leasehold Mortgagee, upon a guaranty from it reasonably satisfactory to Landlord, to institute and pursue diligently to conclusion the appropriate legal remedy or remedies to oust or remove the original Tenant from the Premises, but not any subtenants actually occupying the Premises or any part thereof

18.4 Grace Period. Unless and until Landlord has received notice from each Leasehold Mortgagee that the Leasehold Mortgagee elects not to demand a new lease as provided in this Section 18, or until the period therefore has expired, Landlord shall not cancel or agree to the

termination or surrender of any existing subleases nor enter into any new leases or subleases with respect to the Premises without the prior written consent of each Leasehold Mortgagee.

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

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

20 Surrender, Reconveyance.

20.1 Reconveyance Upon Termination or Expiration. Provided that the Tenant has purchased Parcels 2C, 2D and 5 from the Landlord, on the last day of the Term or upon any termination of this Lease, whether under Section 15, Section 17 or otherwise, title to the Premises (including all improvements constituting a part thereof) shall automatically vest in Tenant or its successor, or Tenant's successor by foreclosure, as the case may be, at no cost or expense to Tenant other than as set forth in Section 20.4 below. Notwithstanding the foregoing, such automatic vesting shall not occur for any termination of this Lease if a Leasehold Mortgagee exercises its rights pursuant to Section 17 and enters into a new lease as described therein, or until Landlord has received notice from each Leasehold Mortgagee that the Leasehold Mortgagee elects not to demand a new lease as provided in Section 17, or until the period therefor has expired. Without limiting the generality of Section 17, such new lease shall include this Section 20.1 which will allow title to the Premises to vest in Leasehold Mortgagee, as the new Tenant thereunder, or any successor in interest to such Leasehold Mortgage, upon the expiration or other termination of such new lease.

20.2 Reconveyance Documents. Provided that Tenant purchases Parcels 2C, 2D and 5 from Landlord, promptly upon Tenant's deed and bill of sale reconveying all of Landlord's right title and interest in the Premises (including all improvements constituting a part thereof) to Tenant; (ii) a memorandum in recordable form reflecting the termination of this Lease; (iii) an assignment of Landlord's right, title and interest in and to all licenses, permits, guaranties and warranties relating to the ownership or operation of the Premises to which Landlord is a party and which are assignable by Landlord; and (iv) such other reasonable and customary documents as may be required by Tenant or its title insurer including, without limitation, FIRPTA, owner's affidavits and mechanic's lien affidavits, to confirm the termination of this Lease and the revesting of title to the Premises (including all improvements constituting a part thereof) in all respects in Tenant or its successor, or Tenant's successor by foreclosure, as the case may be.

20.3 Title and Warranties. Provided that Tenant purchases Parcels 2C, 2D and 5 from Landlord, notwithstanding anything to the contrary in this Section 20.3, Landlord shall convey the Premises to Tenant subject only to: (i) matters affecting title as of the Effective Date, and (ii) matters created by or with the written consent of Tenant. The Premises shall be conveyed "AS IS" without representation or warranty whatsoever. Notwithstanding the prohibition on the creation of any liens by or through Landlord set forth in Section 23.2, upon any reconveyance, Landlord shall satisfy and fully release all liens and monetary encumbrances on the Premises created by Landlord.

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

The provisions of this Section 20 shall survive the expiration or other termination of this Lease.

21 Trade Fixtures, Machinery and Equipment. Landlord agrees that all trade fixtures, machinery, equipment, furniture or other personal property of whatever kind and nature kept or installed on the Premises by Tenant or Tenant's subtenants may be removed by Tenant or Tenant's subtenants, or their agents and employees, in their discretion, at any time and from time to time during the entire Term or upon the expiration of this Lease. Tenant agrees that in the event of damage to the Premises due to such removal it will reasonably repair or restore the same. Upon request of Tenant or Tenant's assignees or any subtenant, Landlord shall execute and deliver any consent or waiver forms submitted by any vendors, lessors, chattel mortgages or holders or owners of any trade fixtures, machinery, equipment, furniture or other personal property of any kind and description kept or installed on the Premises by any subtenant setting forth the fact that Landlord waives, in favor of such vendor, lessor, chattel mortgagee or any holder or owner, any lien, claim, interest or other right therein superior to that of such vendor, lessor, chattel mortgagee, owner or holder. Landlord shall further acknowledge that property covered by such consent or waiver forms is personal property and is not to become a part of the realty no matter how affixed thereto and that such property may be removed from the Premises by the vendor, lessor, chattel mortgagee, owner or holder at any time upon default by the Tenant or the subtenant in accordance with the terms of such chattel mortgage or other similar documents, free and clear of any claim or lien of Landlord.

22 Estoppel Certificate. Landlord shall at any time and from time to time upon not less than twenty (20) days' prior written notice from Tenant or any Leasehold Mortgagee execute, acknowledge and deliver to Tenant or the Leasehold Mortgagee a statement in writing (i)certifying that this Lease is unmodified and in full force and effect (or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any; (ii) acknowledging that there are not, to Landlord's knowledge, any uncured defaults on the part of Tenant hereunder, or specifying such defaults if they are claimed; and (iii) certifying such other matters relating to this Lease as Tenant or the Leasehold Mortgagee may reasonably request. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the leasehold estate and/or the improvements. Landlord's failure to deliver a statement within the time prescribed shall be conclusive upon Landlord (i) that this Lease is in

full force and effect, without modification except as may be represented by Tenant; (ii) that there are no uncured defaults in Tenant's performance; and (iii) the accuracy of such other matters relating to this Lease as Tenant as may have been set forth in the request.

23 General Provisions.

23.1 Attorneys' Fees. In the event of any suit instituted by either Party against the other in any way connected with this Lease, including any action for declaratory or equitable relief, the Parties respectively agree that the successful Party to any such action shall recover from the other Party a reasonable sum for its attorneys' fees and court costs in connection with said suit, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the Party and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute, with such attorneys' fees and court costs to be fixed by the court.

23.2 Transfer or Encumbrance of Landlord's Interest. Landlord may not transfer or convey its interest in this Lease or in the Premises during the term of this Lease without the prior written consent of Tenant, which consent may be given or withheld in Tenant's sole and absolute discretion. Landlord shall not grant or create mortgages, deeds of trust or other encumbrances of any kind against the Premises or any rights of Landlord hereunder without the consent of Tenant in its sole and absolute discretion, and, without limiting the generality of the foregoing, Landlord shall not take any action that would cause the Premises (including without limitation, Landlord's fee simple interest in the Premises) to be encumbered in any manner whatsoever, nor take any action that would impair Landlord's fee simple title to the Premises without the prior written consent of Tenant, which consent may be given or withheld in Tenant's sole and absolute discretion. Any mortgage, deed of trust or other encumbrance created by Landlord and permitted by Tenant shall be subject to this Lease, all subleases and all their respective provisions including, without limitations, the Option under this Lease and any subleases with respect to the purchase of the Premises.

23.3 Captions; Attachments; Defined Terms. The captions of the sections of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any section of this Lease. Exhibits or attachments attached hereto, and addendums and schedules initialed by the Parties, are deemed by attachment to constitute part of this Lease and are incorporated herein. The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. The obligations contained in this Lease to be performed by Tenant and Landlord shall be binding on Tenant's and Landlord's successors and assigns only during their respective periods of ownership.

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

merged in or revoked by this Lease and the Development Agreement, except as set forth in any addenda hereto or thereto.

23.5 Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law, provided, however, that the overall intent and agreement of the Parties as set forth in this Lease is not materially vitiated by the invalidity or unenforceability of the term or provision in question.

23.6 Interpretation. The Parties hereto agree that all the provisions hereof are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate paragraph hereof

23.7 Binding Effect. All of the provisions hereof shall bind and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors and assigns.

23.8 Choice of Law. This Lease shall be governed by the laws of the State of Arizona

23.9 Conflict of Interest, Notice is hereby given of the applicability of A.R.S. §38-511.

23.10 Memorandum of Land and Improvements Lease. The Parties shall, concurrently with the execution of this Lease, complete, execute, acknowledge and record (at Tenant's expense) a Memorandum of Land and Improvements Lease, a form of which is attached hereto as **Attachment 2**.

23.11 Notices. Except as otherwise required by law, any notice, demand or other communication given hereunder, shall be in writing and shall be given by personal delivery or be sent by certified or registered U.S. Mail, return receipt requested, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this paragraph, or by facsimile machine or by any nationally recognized express or overnight delivery service (e.g., Federal Express or UPS), with all postage and other delivery charges prepaid:

If to Landlord:

City of Chandler
Economic Development Office (MS 416) P. 0. Box 4008
Chandler, AZ 85244-4008
Attention: Downtown Redevelopment Manager
Phone: 480-782-3045
Facsimile: 480-782-3040

With a copy to:

Chandler City Attorney Office
P.O. Box 4008, MS 602
Chandler, AZ 84244-4008

Attention: City Attorney
Phone: 480-782-4642
Facsimile: 480-782-4652

If to Tenant:

DT CHANDLER, LLC
Attn: Bret Anderson
140 E Rio Salado Pkwy, Unit 305
Tempe, AZ 85281

All such notices, demands or other communications will (i) if delivered personally or delivered through a same day delivery/courier service be deemed effective upon delivery or refusal to accept delivery by the addressee, and (ii) if delivered by U.S. mail in the manner described above be deemed effective upon the earlier of receipt or three (3) business days after deposit in a post office operated by the United States or with a United States postal officer (in each case regardless of whether such notice, demand or other communication is received by any other person to whom a copy of such notice, demand or other communication is to be delivered pursuant to this paragraph). Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice sent by facsimile machine shall be deemed effective upon confirmation of the successful transmission by the sender's facsimile machine. Notwithstanding the foregoing, no payment shall be deemed to be made until actually received in good and available funds by the intended payee.

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

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

23.14 Hold Over. If Tenant shall continue to occupy the Premises after the expiration of the Term hereof without the consent of Landlord, such tenancy shall be from month to month on the same terms and conditions as are set forth herein.

23.15 Leasehold Mortgagee Further Assurances. Landlord and Tenant shall cooperate in, including by suitable amendment from time to time of any provision of this Lease which may be reasonably requested by any proposed Leasehold Mortgagee for the purpose of implementing the mortgagee-protection provisions contained in this Lease, allowing that Leasehold Mortgagee reasonable means to protect or preserve the lien of its Leasehold Mortgage upon the occurrence of a default under the terms of this Lease and of confirming the elimination of the ability of Tenant to modify, terminate or waive this Lease or any of its provisions without the prior written approval of the Leasehold Mortgagee. Landlord and Tenant each agree to execute and deliver (and to acknowledge, if necessary, for recording purposes) any agreement necessary to affect any such amendment; provided, however, that any such amendment shall not in any way affect the

Term or rent under this Lease nor otherwise in any material respect adversely affect any rights of Landlord under this Lease.

23.16 Interest on Amounts Due. Any amounts due a Party under this Lease, including, without limitation, Rent, shall accrue interest on the unpaid balance, from the date a court of competent jurisdiction enters a final judgment awarding such amount to the Party, at the rate of 10% per annum or the maximum rate allowable under applicable law (whichever is less), compounded monthly, until paid in full.

24 Nonrecourse. No Chandler Council member, Chandler official, representative, agent, attorney or employee shall be personally liable to Tenant or to any successor in interest to Tenant, in the event of any default or breach by Tenant or for any amount which may become due to Landlord, or with respect to any obligation of Landlord under the terms of this Lease. Notwithstanding anything contained in this Lease to the contrary, the liability of Tenant under this Lease shall be limited solely to the leasehold interest under this Lease and the buildings and other improvements on the Premises and shall not extend to or be enforceable against: (i) any other assets of Tenant, (ii) the individual assets of any of the individuals or entities who are shareholders, members, managers, constituent partners, officers or directors of the general partners, managers or members of Tenant; or (iii) the officers, shareholders, members or managers or constituent partners of Tenant.

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

LANDLORD:

CITY OF CHANDLER, an Arizona municipal corporation

By: Kevin Hartke
Kevin Hartke, Mayor

TENANT:

DT CHANDLER, LLC, an Arizona limited liability company

By: _____
Bret Anderson, Manager

ATTESTED TO:

Dana R. DeLong
City Clerk

APPROVED BY:

City Attorney

CITY OF CHANDLER CORPORATE SEAL ARIZONA

STATE OF ARIZONA)
) ss.
County of Maricopa)

On March 29, 2019, before me, a notary public in and for the State of Arizona, personally appeared Mayor Kevin Hartke, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the above Land and Improvements Lease and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Sandra L. West
Notary Public

My Commission Expires:

June 21, 2019

Sandra L. West
Notary Public - State of Arizona
Maricopa County
Comm Expires June 21, 2019

STATE OF ARIZONA)
) ss.
County of Maricopa)

On February 28, 2019, before me, a notary public in and for the State of Arizona, personally appeared Bret Anderson, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the above Land and Improvements Lease and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Kelly Gray
Notary Public

My Commission Expires:

08/14/2022

KELLY GRAY
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 549383
Expires August 14, 2022

Attachment 1

Legal Description of Premises

LEGAL DESCRIPTION
SITE 3,
DOWN TOWN CHANDLER

PORTIONS OF PARCEL 4, 5 AND THE NORTH/ SOUTH ALLEY AS DEPICTED ON FINAL PLAT FOR "SAN MARCOS COMMONS", RECORDED IN BOOK 865, PAGE 18, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA AND LOT 1 OF FINAL PLAT "QWEST CHANDLER MAIN", AS RECORDED IN BOOK 694, PAGE 15, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT A BRASS CAP IN A HANDHOLE MARKING THE NORTHEAST CORNER OF SAID SECTION 33, FROM WHICH A CITY OF CHANDLER BRASS CAP SET FLUSH MARKING THE CENTERLINE OF CHANDLER BOULEVARD BEARS SOUTH 89°38'04" WEST, A DISTANCE OF 409.95 FEET;

THENCE SOUTH 89°38'04" WEST, ALONG THE CENTERLINE OF CHANDLER BOULEVARD, A DISTANCE OF 104.46 FEET;

THENCE SOUTH 00°21'56" EAST, A DISTANCE OF 45.50 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 44°55'01" EAST, A DISTANCE OF 24.01 FEET TO A POINT ON THE WEST RIGHT OF WAY OF ARIZONA AVENUE AS DEPICTED ON SAID FINAL PLAT FOR "SAN MARCOS COMMONS";

THENCE SOUTH 00°37'20" WEST, A DISTANCE OF 140.81 FEET;

THENCE SOUTH 14°38'31" EAST, A DISTANCE OF 49.26 FEET;

THENCE SOUTH 00°37'20" WEST, A DISTANCE OF 106.12 FEET TO A POINT OF CURVATURE, CONCAVE EASTERLY, WHOSE RADIUS IS 1431.31 FEET;

THENCE SOUTHERLY ALONG SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 00°51'26" AN ARC LENGTH OF 21.41 FEET;

THENCE SOUTH 89°47'02" WEST, ALONG THE NORTH LINE OF AN ALLEY AS DEPICTED ON SAID "SAN MARCOS COMMONS" FINAL PLAT, A DISTANCE OF 146.96 FEET TO THE SOUTHEAST CORNER OF LOT 2 OF SAID QWEST CHANDLER MAIN FINAL PLAT;

THENCE NORTH 00°40'46" EAST, ALONG THE EAST LINE OF SAID LOT 2, A DISTANCE OF 168.48 FEET;

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
29865
JAMES A. BRUCCI
DATE SIGNED 6-28-17
ARIZONA U.S.A.
Expires 3/31/2020

PAGE 1 OF 8

TITLE: **XB03**

DATE: 06/28/17

DESC: SITE 3 DOWNTOWN CHANDLER

HUNTER
ENGINEERING | CIVIL AND SURVEY

10450 N. 74TH ST., SUITE 200
SCOTTSDALE, AZ 85258
T 480 991 3985
F 480 991 3986

LGEC223-XB03.DWG
PROJ.NO.LGEC223-S

LEGAL DESCRIPTION
SITE 3,
DOWN TOWN CHANDLER

THENCE NORTH 89°10'32" WEST, ALONG THE NORTH LINE OF SAID LOT 2, A DISTANCE OF 153.97 FEET;

THENCE NORTH 00°40'41" EAST, A DISTANCE OF 32.33 FEET TO A POINT OF NON TANGENT CURVATURE, CONCAVE SOUTHWESTERLY, WHOSE RADIUS IS 36.07 FEET AND WHOSE CHORD BEARS NORTH 40°02'10" WEST, A CHORD DISTANCE OF 44.65 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 76°28'06" AN ARC LENGTH OF 48.14 FEET TO A POINT OF REVERSE CURVATURE, CONCAVE NORTHEASTERLY, WHOSE RADIUS IS 29.50 FEET;

THENCE NORTHERLY, ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 78°43'06" AN ARC LENGTH OF 40.53 FEET;

THENCE NORTH 00°00'00" EAST, A DISTANCE OF 55.43 FEET;

THENCE NORTH 44°49'02" EAST, A DISTANCE OF 28.37 FEET TO A POINT ON THE SOUTH RIGHT OF WAY OF CHANDLER BOULEVARD AS DEPICTED ON SAID "SAN MARCOS COMMONS" FINAL PLAT;

THENCE NORTH 89°38'04" EAST, A DISTANCE OF 49.88 FEET;

THENCE SOUTH 84°21'17" EAST, A DISTANCE OF 96.29 FEET;

THENCE NORTH 89°38'04" EAST, A DISTANCE OF 67.27 FEET;

THENCE NORTH 89°38'04" EAST, A DISTANCE OF 91.37 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION CONTAINING 1.780 ACRES+-.

TOGETHER WITH:

PARCEL 3 AND A PORTION OF PARCEL 1 AS DEPICTED ON SAID FINAL PLAT FOR "SAN MARCOS COMMONS", MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT A CITY OF CHANDLER BRASS CAP IN A HANDHOLE MARKING THE INTERSECTION OF ARIZONA AVENUE AND BUFFALO STREET FROM WHICH A CITY OF CHANDLER BRASS CAP SET FLUSH MARKING THE CENTER LINE OF SAID BUFFALO STREET BEARS SOUTH 89°47'02" WEST A DISTANCE OF 410.08 FEET;

THENCE SOUTH 89°47'02" WEST, ALONG THE CENTER LINE OF SAID BUFFALO STREET, A DISTANCE OF 374.45 FEET;

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
29865
JAMES A. BRUCCI
DATE SIGNED 6-28-17
ARIZONA U.S.A.
Expires 3/31/2020

PAGE 2 OF 8

TITLE:	XB03
DATE:	06/28/17
DESC:	SITE 3 DOWNTOWN CHANDLER

HUNTER
ENGINEERING | CIVIL AND SURVEY
10450 N. 74TH ST., SUITE 200
SCOTTSDALE, AZ 85258
T 480 991 3985
F 480 991 3986

LGEC223-XB03.DWG
PROJ.NO.LGEC223-S

LEGAL DESCRIPTION
SITE 3,
DOWN TOWN CHANDLER

THENCE NORTH 01°06'05" EAST, A DISTANCE OF 42.51 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF SAID BUFFALO STREET;

THENCE NORTH 89°47'02" EAST, A DISTANCE OF 174.20 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 00°39'31" EAST, ALONG THE WEST LINE OF SAID PARCEL 3, A DISTANCE OF 120.00 FEET TO A POINT ON THE SOUTH LINE OF AN ALLEY AS DEPICTED ON SAID FINAL PLAT FOR "SAN MARCOS COMMONS";

THENCE NORTH 89°47'02" EAST, A DISTANCE OF 130.32 FEET TO A POINT ON A CURVE, CONCAVE WESTERLY, WHOSE RADIUS IS 1431.31 AND WHOSE CHORD BEARS SOUTH 01°33'04" EAST A CHORD DISTANCE OF 105.02 FEET;

THENCE SOUTHERLY, ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 04°12'18" AN ARC LENGTH OF 105.05 FEET;

THENCE SOUTH 00°32'57" WEST, A DISTANCE OF 4.05 FEET;

THENCE SOUTH 45°05'35" WEST, A DISTANCE OF 15.55 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF BUFFALO STREET;

THENCE SOUTH 89°47'02" WEST, A DISTANCE OF 123.48 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION CONTAINING 0.366 ACRE±.

TOGETHER WITH:

COMMENCING AT A CITY OF CHANDLER BRASS CAP IN A HANDHOLE MARKING THE INTERSECTION OF ARIZONA AVENUE AND BUFFALO STREET FROM WHICH A CITY OF CHANDLER BRASS CAP SET FLUSH MARKING THE CENTER LINE OF SAID BUFFALO STREET BEARS SOUTH 89°47'02" WEST A DISTANCE OPF 410.08 FEET;

THENCE SOUTH 89°47'02" WEST, ALONG THE CENTER LINE OF SAID BUFFALO STREET, A DISTANCE OF 374.45 FEET;

THENCE NORTH 01°06'05" EAST, A DISTANCE OF 42.51 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF SAID BUFFALO STREET, SAID POINT ALSO BEING THE POINT OF BEGINNING;

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
29865
JAMES A.
BRUCCI
DATE SIGNED 6-28-17
ARIZONA U.S.A.
Expires 3/31/2020

PAGE 3 OF 8

TITLE: **XB03**

DATE: 06/28/17

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DOWNTOWN CHANDLER

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ENGINEERING | CIVIL AND SURVEY

10450 N. 74TH ST., SUITE 200
SCOTTSDALE, AZ 85258
T 480 991 3985
F 480 991 3986

LGEC223-XB03.DWG
PROJ.NO.LGEC223-S

LEGAL DESCRIPTION
SITE 3,
DOWN TOWN CHANDLER

THENCE NORTH 00°40'41" EAST, A DISTANCE OF 94.34 FEET TO A POINT OF CURVATURE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS IS 22.00 FEET ;

THENCE NORTHEASTERLY ALONG SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 89°06'22" AN ARC LENGTH OF 34.21 FEET;

THENCE NORTH 89°47'02" EAST, A DISTANCE OF 52.93 FEET TO A POINT ON THE WEST LINE OF PARCEL 2 OF SAID "SAN MARCOS COMMONS";

THENCE SOUTH 00°40'36" WEST, ALOND SAID WEST LINE, A DISTANCE OF 116.00 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF SAID BUFFALO STREET;

THENCE SOUTH 89°47'02" WEST, A DISTANCE OF 74.59 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION CONTAINING 0.197 ACRE±.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
29865
JAMES A.
BRUCCI
DATE SIGNED 10-27-17
ARIZONA U.S.A.
Expires 3/31/2020

PAGE 4 OF 8

TITLE: **XB03**

DATE: 06/28/17

DESC: SITE 3
DOWNTOWN CHANDLER

HUNTER
ENGINEERING | CIVIL AND SURVEY
10450 N. 74TH ST., SUITE 200
SCOTTSDALE, AZ 85258
T 480 991 3985
F 480 991 3986

LGEC223-XB03.DWG
PROJ.NO.LGEC223-S

Attachment 2

MEMORANDUM OF LEASE

WHEN RECORDED, RETURN TO:

City Attorney's Office
Post Office Box 4008, Mailstop 602
Chandler, Arizona 85244-4008

MEMORANDUM OF LAND AND IMPROVEMENTS LEASE

FOR SITE 3, PARCELS 2C, 2D AND 5

THIS MEMORANDUM OF LAND AND IMPROVEMENTS LEASE ("Memorandum") is made and entered into as of the _____ day of _____, 2018 (the "Effective Date"), by and between the CITY OF CHANDLER, an Arizona municipal corporation, ("Landlord") whose address is P.O. Box 4008, Chandler, AZ 84244-4008, and DT CHANDLER, LLC, an Arizona limited liability company ("Tenant") whose address is 140 E Rio Salado Pkwy, Unit 305, Tempe, Arizona 85281.

1. The Landlord and Tenant have entered into that certain Land and Improvements Lease, dated _____, 2019 ("Lease"), whereby the Landlord leases to Tenant that real property described as Site 3, Parcels 2C, 2D and 5 as legally described in **Exhibit A** attached hereto and by this reference incorporated herein, together will all rights and privileges appurtenant thereto, and all present and future improvements thereon (collectively the "Premises") for a term commencing on the Effective Date and ending on the 25th anniversary of the Effective Date. The Lease sets forth all terms and provisions relative to the lease of the Premises by Landlord to Tenant. Without limiting the generality of the foregoing, Tenant has the right to mortgage its leasehold interest and there are restrictions on the right of Landlord to transfer or encumber its interest in the Premises or the Lease.

2. This Memorandum is being recorded to give constructive notice to all persons dealing with the Premises that the Landlord leases to Tenant the Premises, and that the Landlord and Tenant consider the Lease to be a binding agreement between the Landlord and Tenant regarding the Premises.

This Memorandum is not a complete summary of the Lease. The provisions of this Memorandum shall not be used in interpreting the Lease. In the event of any conflict between the terms and provisions of this Memorandum and the Lease, the terms and provisions of the Lease shall govern and control. A complete copy of the Lease is available for inspection at the office of the Chandler City Clerk, 175 South Arizona Avenue, 1st Floor, Chandler, Arizona 85225.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Land and Improvements Lease as of the date set forth above.

LANDLORD:	TENANT:
CITY OF CHANDLER, an Arizona municipal corporation	DT CHANDLER, LLC, an Arizona limited liability company
By: _____ Kevin Hartke, Mayor	By: _____ Bret Anderson, Manager

ATTESTED TO:

_____
City Clerk

APPROVED BY:

_____
City Attorney

STATE OF ARIZONA)
) ss.
County of Maricopa)

On _____, 2019, before me, a notary public in and for the State of Arizona, personally appeared Mayor Kevin Hartke, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the above Memorandum of Land and Improvements Lease and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

My Commission Expires:

_____

STATE OF ARIZONA)
) ss.
County of Maricopa)

On _____, 2019, before me, a notary public in and for the State of Arizona, personally appeared Bret Anderson, who proved to me on the basis of satisfactory evidence to be the person whose names is subscribed to the above Memorandum of Land and Improvements Lease and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Notary Public

My Commission Expires:

_____

EXHIBIT A

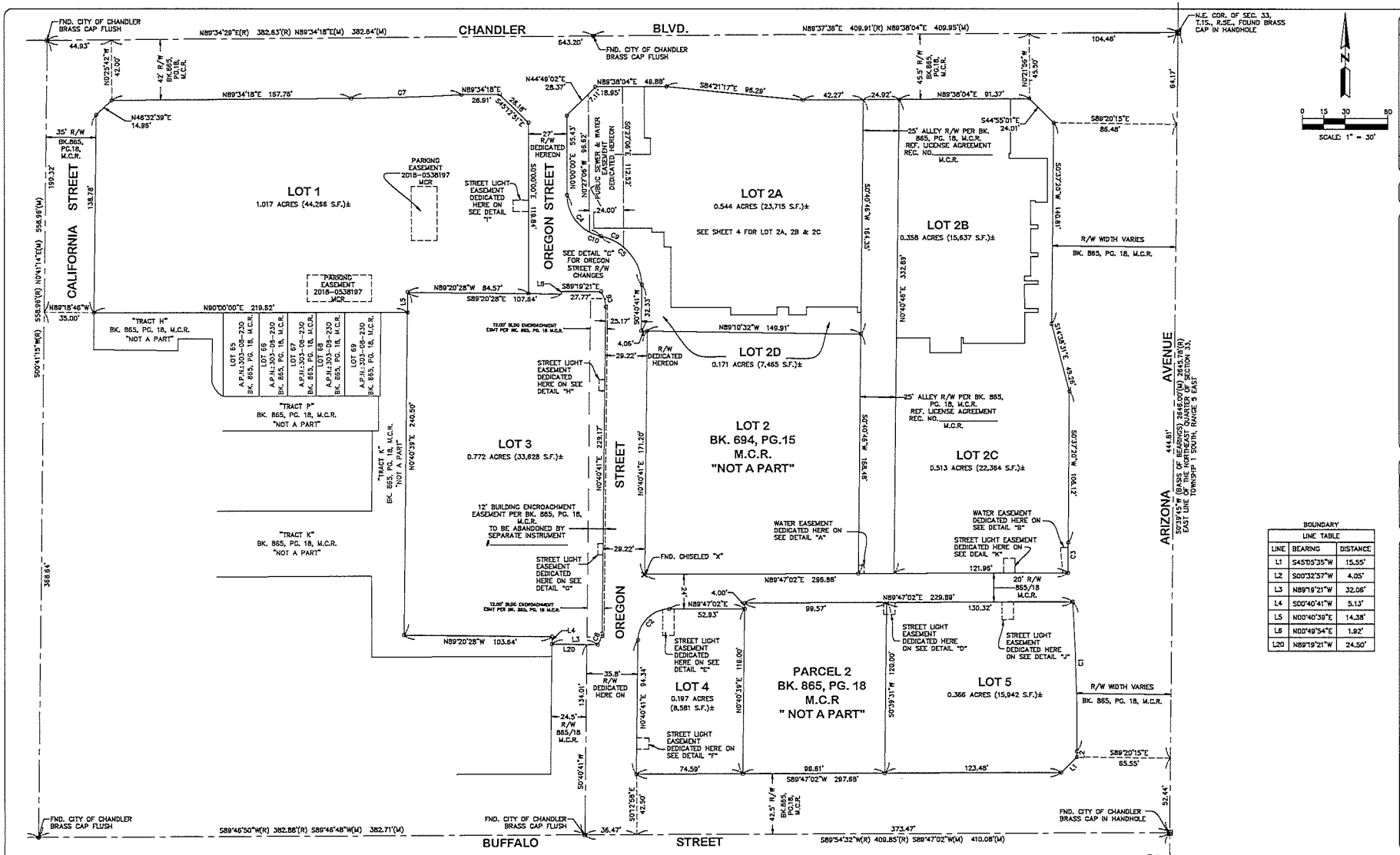
Legal Description

Attachment 3

The site plan is on file with the Chandler City Clerk's office located at 175 S. Arizona Ave Chandler , AZ 85225

Attachment 3

SITE PLAN



BOUNDARY LINE TABLE		
LINE	BEARING	DISTANCE
L1	S45°05'35"W	15.55'
L2	S00°32'57"W	4.05'
L3	N89°19'21"W	32.06'
L4	S00°40'41"W	5.13'
L5	N00°40'39"E	14.38'
L6	N00°49'54"E	1.92'
L20	N89°19'21"W	24.50'

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD DIRECTION	CHORD LENGTH
C1	Δ =004°12'18"	1431.31'	105.05'	N01°33'04"W	105.02'
C2	Δ =089°06'22"	22.00'	34.21'	S45°13'51"W	30.87'
C3	Δ =000°51'26"	1431.31'	21.41'	S00°11'37"W	21.41'
C4	Δ =078°43'06"	29.50'	40.53'	N39°21'33"W	37.42'
C5	Δ =076°28'06"	36.07'	48.14'	N40°02'10"W	44.65'
C6	Δ =032°27'19"	19.99'	11.32'	N16°50'40"W	11.17'
C7	Δ =002°57'46"	1493.22'	77.21'	N88°05'25"E	77.21'
C8	Δ =024°27'48"	19.65'	8.39'	N22°20'22"E	8.33'
C9	Δ =028°47'49"	36.07'	18.13'	N63°52'18"W	17.94'
C10	Δ =016°29'57"	29.50'	8.49'	S70°28'08"E	8.47'
C11	Δ =012°15'48"	22.00'	4.71'	S83°39'08"W	4.70'

C.O.C. LOG NO. PLT17-0014

NO.	DATE	REVISION	BY

PURPOSE: RE-PLAT

DRAWN BY: JH
CHECKED BY: JAB

HUNTER ENGINEERING
CIVIL AND SURVEY
10450 N. 74TH ST., SUITE 200
SCOTTSDALE, AZ 85258
T 480 991 3985
F 480 991 3986

29885 JAMES A. BRUCE
Expires 3/31/2020

"DOWNTOWN CHANDLER"

A PROTION OF SAN MARCOS COMMONS, AS RECORDED IN BOOK 665 OF MAPS, PAGE 18 OF MARICOPA COUNTY, ARIZONA, AND LOT 1 OF THE FINAL PLAT OF "OWEST CHANDLER MAIN" AS RECORDED IN BOOK 694 OF MAPS, PAGE 15 OF MARICOPA COUNTY, ARIZONA LOCATED WITHIN THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

SECTION: 33
TWNSHP: 1S.
RANGE: 5E.

JOB NO.: LGEC223-FP

SCALE 1"=30'

SHEET 2 OF 4