

CHICAGO TITLE INSURANCE COMPANY
LETTER REPORT

ORDER NO. 9706307A

LENDER REFERENCE NO.: 9706307

ISSUED FOR THE SOLE USE AND BENEFIT OF:

CITY OF SCOTTSDALE

APPARENT RECORD OWNER:

PEDERSON/BVT PROMENADE ASSOCIATES, AN ARIZONA GENERAL PARTNERSHIP

PURPORTED PROPERTY SITE ADDRESS:

16223 N. SCOTTSDALE ROAD SCOTTSDALE, ARIZONA 85254

APPARENT LEGAL DESCRIPTION OF PROPERTY, SITUATED IN MARICOPA COUNTY:

SEE ATTACHED EXHIBIT A

RECORDED ENCUMBRANCES:

SEE ATTACHED EXHIBIT A

The foregoing information is furnished subject strictly to the understanding that such information has been taken from our tract indices without reference to or examination of instruments which purport to affect said real property and that this Company assumes no liability as to the accuracy or completeness of such information.

The tax search included herein has been done as an accomodation only and Chicago Title Insurance Company assumes no liability or responsibility for it's completeness or accuracy.

The liability herein is limited to the charges herein.

Charges \$100.00

Dated from February 24, 1999 to May 19, 2001 at 7:00 a.m.

By:


MICHELLE HEFNER
PIRT DEPARTMENT

CHICAGO TITLE INSURANCE COMPANY

2415 East Camelback Road, Suite 300, Phoenix, Arizona 85016 Phone No. (602)667-1166
Fax No. (602)667-1182

Continued

406-PA-2001
1-14-2002

82-DR-1998#2A

EXHIBIT A

APPARENT LEGAL DESCRIPTION:

Parcel No. 1:

The Northwest quarter of Section 2, Township 3 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

Except that portion thereof lying North of the following described line:

Beginning at a point in the West boundary of said Northwest quarter that bears Southerly along said West boundary, 823.74 feet from the Northwest corner of said Section 2;

thence South 76 degrees 03 minutes 03 seconds East, 2,723.57 feet to a point in the East line of said Northwest quarter, said point bears North 65 degrees 49 minutes 28 seconds West, 2,873.94 feet from the East quarter corner of said Section 2; and

Except beginning at the Northwest corner of said Section 2;

thence South 0 degrees 35 minutes 13 seconds West, 1105.23 feet along the West line of said Section 2;

thence South 76 degrees 03 minutes 03 seconds East, 210.40 feet to the Point of Beginning;

thence continuing South 76 degrees 03 minutes 03 seconds East, 68.00 feet;

thence North 0 degrees 35 minutes 13 seconds East, 50.00 feet;

thence North 88 degrees 47 minutes 46 seconds West, 66.15 feet;

thence South 0 degrees 35 minutes 13 seconds West, 35.81 feet to the Point of Beginning; and

Except the East 25 feet of the West 65 feet, thereof; and

Except commencing at a point on the West line of said Northwest quarter of Section 2, said point lying 823.74 feet South of the Northwest corner of Section 2;

thence South 76 degrees 03 minutes 03 seconds East, 66.74 feet to the point of intersection of the East right-of-way line of Scottsdale Road as recorded in the Maricopa County Recorder's office Recording No. 91-537599 and the South right-of-way line of Frank Lloyd Wright Boulevard, as recorded in the Maricopa County Recorder's office in Docket 11594, page 160, said point also being the True Point of Beginning;

thence South 76 degrees 03 minutes 03 seconds East along the South right-of-way line of Frank Lloyd Wright Boulevard, 25.00 feet;

thence South 52 degrees 23 minutes 11 seconds West, 31.08 feet to a point on the

East right-of-way line of Scottsdale Road;

thence North 00 degrees 49 minutes 25 seconds East along the East right-of-way line of Scottsdale Road, 25.00 feet to the True Point of Beginning; and

Except an undivided 1/16 of all oil, gases, and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizer of every name and description and except all uranium, thorium, or any other material which is or may be determined by the laws of the State of Arizona, the United States of America, or decisions of courts to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved in Section 37-231 Arizona Revised Statutes.

Parcel No. 2:

Non-exclusive easements for various purposes as created and set forth in Declaration of Covenants and Easements (Option and Operating Agreement) recorded February 12, 1999 in Recording No. 99-0138357, as Amended in Supplement to Declaration recorded February 12, 1999, in Recording No. 99-0138358

TAX PARCEL NO(S). 215-45-001L TAX AMOUNT: \$166,587.92

Taxes for the full year 2001; first half due on October 1, and delinquent on November 1, of said year; second half due on March 1, and delinquent on May 1, of the year 2002

RECORDED ENCUMBRANCES:

All matters set forth in Declaration of Covenants and Easements recorded February 12, 1999 in Recording No. 99-0138360

Easement and rights incident thereto for electric lines and appurtenant facilities as set forth in instrument recorded in Recording No. 99-01084921

Performance Bond recorded February 23, 1999 in Recording No. 99-168533

Unrecorded Lease dated January 29, 1999, for a term until February 28, 2010 as disclosed by Memorandum recorded March 4, 1999 in Recording No. 99-0209968;
Lessor: Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Michaels Stores, Inc., a Delaware corporation; the lien of said Lease was subordinated to the lien of the Deed of Trust recorded in Recording No. 99-0138362, by instrument recorded in Recording No. 00-0026538

Development Agreement recorded April 26, 1999 in Recording No. 99-0394700

Unrecorded Lease dated December 3, 1998, for a term of 10 years as disclosed by Memorandum recorded April 28, 1999 in Recording No. 99-402742;
Lessor : Promenade Holdings, L.L.C.
Lessee: Cost Plus, Inc., a California corporation

Unrecorded Lease dated December 4, 1998, for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded July 9, 1999 in Recording No. 99-0655561;
Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Ambassador Fine Cigars, Inc., an Arizona corporation, dba Ambassador Cigars

Unrecorded Lease date December 29, 1998, for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded July 9, 1999 in Recording No. 99-0655562

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Pamela Borland and Donald Borland, husband and wife dba Prestige Collections

Unrecorded Lease dated January 12, 1999, for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded July 9, 1999 in Recording No. 99-0655565

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Flo's Second, L.L.C., an Arizona limited liability company, dba Flo's Unique Asian Grill; the lien of said Lease was subordinated to the lien of the Deed of Trust recorded in Recording No. 99-0138362, by instrument recorded in Recording No. 99-0655565

Unrecorded Lease dated January 11, 1999 for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded July 9, 1999 in Recording No. 99-0655567

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Mondo's of Scottsdale, L.C., an Iowa limited liability company

Unrecorded Lease dated June 1999 for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded July 9, 1999 in Recording No. 99-0655569

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Zany Brainy, Inc., a Pennsylvania corporation

Payment Bond recorded in Recording No. 99-732108 and Riders recorded in Recording No. 99-997012 and in Recording No. 99-1138677

Unrecorded Lease dated July 21, 1999 for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded January 12, 2000 in Recording No. 00-0026535

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Scottsdale Linens N Things, Inc., an Arizona corporation

Unrecorded Lease dated July 8, 1999 for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded January 12, 2000 in Recording No. 00-0026536

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Trader Joe's Company, a California corporation

Unrecorded Lease dated unstated for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded January 12, 2000 in Recording No. 00-0026537

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Nordstom, Inc., a Washington corporation

Unrecorded Lease dated March 17, 2000, for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded September 15, 2000 in Recording No. 20000710521

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Ulta Salon, Cosmetics & Fragrance, Inc., a Delaware corporation

Unrecorded Lease dated May 1, 2000, for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded September 15, 2000 in Recording No. 20000710522

Lessor: Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Famous Brand Shoes, Inc., a Missouri corporation, dba E & J's Designer Shoes

Unrecorded Lease dated February 7, 2000, for a term unstated as disclosed by Subordination, Attornment and non-Disturbance Agreement recorded September 15, 2000 in Recording No. 20000710523;

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : In-N-Out Burgers, a California corporation

Unrecorded Lease dated April 4, 2000, for a term unstated as disclosed by Subordination, Attornment and Non-Disturbance Agreement recorded September 15, 2000 in Recording No. 2000710524;

Lessor : Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee : Dinnerware Plus Holdings, Inc., a Delaware corporation

Financing Statement made by:

Debtor: Mondo's of Scottsdale, L.C.
Secured Party: Wells Fargo Equipment Finance Inc.
dated April 12, 2000, recorded October 4, 2000 in Recording No. 20000762930

Unrecorded Lease dated January 29, 1999, for a term of 20 years and tenant has the option to extend such term for up to 4 renewal periods of 5 years each as disclosed by Memorandum of Lease recorded October 23, 2000 in Recording No. 20000-0810959

Lessor: Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Cornerstone Productions, Inc., a Delaware corporation, dba Redfish Seafood Kitchen

Unrecorded Lease dated December 15, 1999, for a term of 20 years from the commencement date. The lease contains 2 5 year options to renew as disclosed by Short Form Memorandum of Lease recorded October 23, 2000 in Recording No. 20000810420

Lessor: Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Rigel Corporation, a Nebraska corporation, d/b/a Krispy Kreme

Leasehold Deed of Trust to secure an original principal amount of \$500,000.00, made

by: Trustor: Rigel Corporation, a Nebraska corporation
Trustee: Chicago Title Insurance Company
Beneficiary: Southwest Bank of St. Louise, a Missouri banking corporation
dated October 19, 2000, recorded October 23, 2000 in 20000810421

Financing Statement made by:

Debtor: Arizona Food Company, LLC
Secured Party: General Electric Capital Business Asset Funding Corporation
dated (Not Shown) , recorded November 30, 2000 in Recording No. 2000-0916332

Unrecorded Lease dated January 19, 1999, for a term 20 years option to extend such term for up to 4 renewal periods of 5 years each as disclosed by Memorandum of Lease recorded April 6, 2000 in Recording No. 2001-0281993

Lessor: Pederson/BVT Promenade Associates, an Arizona general partnership
Lessee: Cornerstone Productions, Inc., a Delaware corporation, dba TGI Friday's

Deed of Trust to secure an original principal amount of \$15,000,000.00,

made by:
Trustor: Cornerstone Productions, Inc., a Delaware corporation
Trustee: First American Title Insurance Company
Beneficiary: Bank of America, N.A.
dated April 6, 2001, recorded April 6, 2001 in Recording No. 2001-0281994

Financing Statement made by:

Debtor: Cornerstone Productions, Inc.
Secured Party: Bank of America, N.A.
dated not shown, recorded April 6, 2001 in Recording No. 2001-0281995

Assignment of Lease from Cornerston Productions, Inc., a Delaware corporatoin to Bank of America, N.A., a national banking association dated April 6, 2001, recorded April 6, 2001 in Recording No. 2001-0281996, given as additional security for the payment of the indebtedness secured by Deed of Trust, recorded in Recording No. 2001-0281994

Lessor's waiver and consent in instrument recorded in Recording No. 2001-0281997

Easements, restrictions, covenants and conditions set forth on plat of The Promenade Map of Dedication in Book 558 of Maps, page 28

CHICAGO TITLE PIRT DEPARTMENT

2415 E. Camelback Rd., Ste. 300
Phoenix, AZ 85016
Phone: (602)667-1166
Fax: (602)667-1182

CHICAGO TITLE INSURANCE COMPANY

OWNERS FORM

SCHEDULE A

Policy No. 9706307

Date of Policy: February 12, 1999 at 12:20 PM

Amount of Insurance: \$40,933,624.00

1. Name of Insured:

PEDERSON/BVT PROMENADE ASSOCIATES, an Arizona general partnership

2. The Estate or Interest in the land which is covered by this policy is:

A fee as to Parcel No. 1 and an Easement as to Parcel No. 2

3. Title to the Estate or Interest in said land is at the effective date hereby Vested in:

PEDERSON/BVT PROMENADE ASSOCIATES, an Arizona general partnership

4. The land referred to in this Policy is situated in the County of Maricopa State of Arizona,
and is described as follows:

Legal Description - Continued

CHICAGO TITLE INSURANCE COMPANY

OWNERS FORM - CONTINUED

LEGAL DESCRIPTION - CONTINUED

Policy No. 9706307

Parcel No. 1:

The Northwest quarter of Section 2, Township 3 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

Except that portion thereof lying North of the following described line:

Beginning at a point in the West boundary of said Northwest quarter that bears Southerly along said West boundary, 823.74 feet from the Northwest corner of said Section 2;

thence South 76 degrees 03 minutes 03 seconds East, 2,723.57 feet to a point in the East line of said Northwest quarter, said point bears North 65 degrees 49 minutes 28 seconds West, 2,873.94 feet from the East quarter corner of said Section 2; and

Except beginning at the Northwest corner of said Section 2;

thence South 0 degrees 35 minutes 13 seconds West, 1105.23 feet along the West line of said Section 2;

thence South 76 degrees 03 minutes 03 seconds East, 210.40 feet to the Point of Beginning;

thence continuing South 76 degrees 03 minutes 03 seconds East, 68.00 feet;

thence North 0 degrees 35 minutes 13 seconds East, 50.00 feet;

thence North 88 degrees 47 minutes 46 seconds West, 66.15 feet;

thence South 0 degrees 35 minutes 13 seconds West, 35.81 feet to the Point of Beginning; and

Except the East 25 feet of the West 65 feet, thereof; and

Except commencing at a point on the West line of said Northwest quarter of Section 2, said point lying 823.74 feet South of the Northwest corner of Section 2;

thence South 76 degrees 03 minutes 03 seconds East, 66.74 feet to the point of intersection of the East right-of-way line of Scottsdale Road as recorded in the Maricopa County Recorder's office Recording No. 91-537599 and the South right-of-way line of Frank Lloyd Wright Boulevard, as recorded in the Maricopa County Recorder's office in Docket 11594, page 160, said point also being the True Point of Beginning;

thence South 76 degrees 03 minutes 03 seconds East along the South right-of-way line of Frank Lloyd Wright Boulevard, 25.00 feet;

thence South 52 degrees 23 minutes 11 seconds West, 31.08 feet to a point on the East right-of-way line of Scottsdale Road;

thence North 00 degrees 49 minutes 25 seconds East along the East right-of-way line

CHICAGO TITLE INSURANCE COMPANY

OWNERS FORM - CONTINUED

LEGAL DESCRIPTION - CONTINUED

Policy No. 9706307

of Scottsdale Road, 25.00 feet to the True Point of Beginning; and

Except an undivided 1/16 of all oil, gases, and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizer of every name and description and except all uranium, thorium, or any other material which is or may be determined by the laws of the State of Arizona, the United States of America, or decisions of courts to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved in Section 37-231 Arizona Revised Statutes.

Parcel No. 2:

Non-exclusive easements for various purposes as created and set forth in Declaration of Covenants and Easements (Option and Operating Agreement) recorded February 12, 1999 in Recording No. 99-0138357, as Amended in Supplement to Declaration recorded February 12, 1999, in Recording No. 99-0138358

CHICAGO TITLE INSURANCE COMPANY

EXTENDED OWNERS FORM

SCHEDULE B

Policy No. 9706307

EXCEPTIONS:

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

- L 1. Reservation in Patent from the State of Arizona reading as follows: Subject to existing reservations, easements or rights of way heretofore legally obtained and now in full force and effect
- AM 2. Taxes for the full year 1999; first half due on October 1, and delinquent on November 1, of said year; second half due on March 1, and delinquent on May 1, of the year 2000
- AN 3. Water rights, claims or title to water, whether or not shown by the public records
- O 4. Right of entry reserved to the State of Arizona and its Lessees or permittees in connection with the mineral estate and the production of oil and gas as set forth in Section 37-231 Arizona Revised Statutes
- P 5. Easement and rights incident thereto for highway purposes as set forth in instrument recorded in Docket 3605, page 46
- Q 6. Easement and rights incident thereto for slope, channels and drainage or flood control purposes as set forth in instrument recorded in Recording No. 85-110523
- R 7. Easement and rights incident thereto for public utilities, ingress and egress as set forth in instrument recorded in Recording No. 86-282875 and Recording No. 86-305983
- AZ 8. Rights of the following lessees under unrecorded leases:
 - 1. Michael's Stores, Inc.
 - 2. Cost plus, Inc.
 - 3. Ulta 3 Cosmetics & Salon, Inc.
 - 4. Office Max, Inc.
 - 5. Mondo's of Scottsdale, L.C.
 - 6. Cornerstone Productions, Inc., dba T.G.I. Friday's
 - 7. Cornerstone Productions, Inc., dba Redfish Seafish Kitchen
 - 8. la Madeleine of Arizona, Inc.
 - 9. Ritz Camera Centers, Inc.
 - 10. Flo's Second, L.L.C.
 - 11. Ambassador Fine Cigars, Inc.
 - 12. Pamela & Donald Borland, dba Prestige Collection
- X 9. Any rights, interests or claims which may exist by reason of the following matters disclosed by Survey Job No. 5676 performed June 17, 1997 by Paul M.

Schedule B Continued

**THE PROMENADE
(PEDERSON PROPERTY - PHASE TWO)**

LEGAL DESCRIPTION