

CHICAGO TITLE INSURANCE COMPANY

CONDITION OF TITLE REPORT

Order No. 2111551

Prepared For: **GEOFF BEER**
SCOTTSDALE WATERFRONT, LLC
2525 EAST CAMELBACK ROAD
SUITE 740
PHOENIX, Arizona 85016

Chicago Title Insurance Company, a Missouri corporation, has caused to be examined the public records which affect the title to the land described in Schedule A herein, and sets forth under Schedule B herein, those matters found to be pertinent to said land. No attempt has been made to report on the possible defects in the title to said land not shown by the public records, but which could affect the title to said land.

This report is for informational purposes only and is not to be considered as a commitment to issue any form of title insurance policy. The report is for the use and benefit of the addressee only, and liability is hereby limited to the amount of the fee paid therefor.

LIABILITY HEREIN IS LIMITED TO THE AMOUNT PAID FOR THIS REPORT, TO WIT:

SCHEDULE A

Effective Date: **May 19, 2003** at: **7:30 A. M.**

Title Officer: **Eldridge Mills /mp/gdk**

1. The estate in the land described herein and which is covered by this report is:
a Fee as to Parcel Nos. 1 and 2 and an Easement as to Parcel No. 3
2. Title to the Estate or Interest in said land is at the effective date hereby Vested in:
SCOTTSDALE WATERFRONT, L.L.C., an Arizona limited liability company
3. The land referred to in this report is situated in the County of **Maricopa** State of **Arizona**,
and is described as follows:

Legal Description - Continued

LEGAL DESCRIPTION

Escrow/Title No. 2111551 46

Parcel No. 1:

A portion of the Northeast quarter of the Southeast quarter of Section 22, Township 2 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the Northeast corner of said Northeast quarter of the Southeast quarter of Section 22;

thence South 88 degrees 54 minutes 09 second West, along the North line of said Northeast quarter of the Southeast quarter, 93.04 feet;

thence South 01 degrees 05 minutes 51 seconds East, 55.00 feet to a point on the Southerly right-of-way line of Camelback Road, said point also being on the Westerly right-of-way line of Scottsdale Road marking the Point of Beginning;

thence South 00 degrees 01 minutes 51 seconds East, along said Westerly right-of-way line of Scottsdale Road, 98.83 feet to a point on the Northerly right-of-way line of the Arizona Canal;

thence South 41 degrees 07 minutes 13 seconds West, along said Northerly right-of-way line, 788.90 feet to the Southwest corner of Paradise Palms, a subdivision recorded in Book 54 of Maps, page 13, records of Maricopa County, Arizona;

thence continuing along said Northerly right-of-way line South 01 degrees 07 minutes 51 seconds East, 42.31 feet to a point on the Northerly right-of-way line of the Arizona Canal;

thence continuing along said Northerly right-of-way South 40 degrees 32 minutes 09 seconds West, 125.75 feet to the beginning of a curve concave Northwesterly and having a radius of 1941.86 feet;

thence Southwesterly along said curve through a central angle of 02 degrees 07 minutes 26 seconds, an arc distance of 71.99 feet;

thence leaving said North right-of-way line, North 01 degrees 05 minutes 51 seconds W, 840.27 feet;

thence North 43 degrees 54 minutes 09 seconds East, 31.11 feet to the Southerly right-of-way line of Camelback Road;

thence North 88 degrees 54 minutes 09 seconds East, along said Southerly right of way line, 49.50 feet;

thence North 01 degrees 05 minutes 51 seconds West, along said Southerly right-of-way line, 5.50 feet;

thence North 88 degrees 54 minutes 09 seconds East, along said Southerly right-of-way line, 18.53 feet;

thence North 72 degrees 05 minutes 59 seconds East, along said Southerly right-of-way

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line, 12.21 feet;

thence North 01 degrees 23 minutes 06 seconds West, along said Southerly right-of-way line, 0.97 feet;

thence North 88 degrees 54 minutes 09 seconds East, along said Southerly right-of-way line, 562.56 feet to the TRUE POINT OF BEGINNING.

Parcel No. 2:

A portion of the Northeast quarter of the Southeast quarter of Section 22, Township 2 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at the Northeast corner of said Northeast quarter of the Southeast quarter of Section 22;

thence South 88 degrees 54 minutes 09 seconds West, along the North line of said Northeast quarter of the Southeast quarter, 735.31 feet;

thence South 01 degrees 05 minutes 51 seconds East, 65.00 feet to a point on the Southerly right-of-way line of Camelback Road;

thence South 43 degrees 54 minutes 09 seconds West, 31.11 feet;

thence South 01 degrees 05 minutes 51 seconds East, 603.97 feet to the true POINT OF BEGINNING;

thence South 01 degrees 05 minutes 51 seconds East, 236.30 feet to a point on the Northerly right-of-way line of the Arizona Canal and the beginning of a non-tangent curve concave to the Northwest and having a radius of 1941.86 feet, a radial to said beginning bears North 47 degrees 20 minutes 25 seconds West;

thence Southwesterly along said curve and along said Northerly right-of-way line, thru a central angle of 08 degrees 07 minutes 04 seconds an arc distance of 275.12 feet;

thence continuing along said Northerly right-of-way line South 50 degrees 46 minutes 40 seconds West, 320.68 feet to the beginning of a non-tangent curve concave Westerly and having a radius of 626.00 feet, a radial to said beginning bears North 83 degrees 32 minutes 29 seconds West;

thence Northerly along said curve through a central angle of 03 degrees 01 minutes 04 seconds, an arc distance of 32.97 feet;

thence South 45 degrees 03 minutes 11 seconds East, 7.89 feet;

thence North 44 degrees 56 minutes 49 seconds East, 10.00 feet;

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thence North 45 degrees 03 minutes 11 seconds West, 16.93 feet;

to the beginning of a non-tangent curve concave Westerly and having a radius of 626.00 feet, a radial to said beginning bears North 87 degrees 49 minutes 25 seconds West;

thence Northerly along said curve through a central angle of 02 degrees 13 minutes 41 seconds, an arc distance of 24.34 feet;

thence North 00 degrees 03 minutes 30 seconds West, 265.18 feet;

thence North 20 degrees 03 minutes 30 seconds West, 29.24 feet;

thence North 00 degrees 03 minutes 30 seconds West, 94.68 feet;

thence North 72 degrees 53 minutes 45 seconds East, 14.24 feet;

thence North 00 degrees 03 minutes 30 seconds West, 48.98 feet;

thence North 41 degrees 23 minutes 02 seconds East, 11.86 feet to the beginning of a non-tangent curve concave Northerly, and having a radius of 210.00 feet, a radial to said beginning bears North 05 degrees 54 minutes 59 seconds West;

thence Easterly along said curve through a central angle of 24 degrees 17 minutes 27 seconds, an arc distance of 89.03 feet;

thence North 59 degrees 47 minutes 34 seconds East, 112.30 feet to the beginning of a curve concave Southerly and having a radius of 150.00 feet;

thence Easterly along said curve through a central angle of 29 degrees 09 minutes 31 seconds, an arc distance of 76.34 feet;

thence North 88 degrees 57 minutes 04 seconds East, 175.30 feet to the Point of Beginning.

PARCEL NO. 3:

A perpetual non-exclusive easement for vehicular and pedestrian ingress and egress, as created by that certain Agreement Respecting Restrictions and Easements, dated October 6, 1996 and recorded October 7, 1996 in Recording No. 96-0714065.

CHICAGO TITLE INSURANCE COMPANY

CONDITION OF TITLE REPORT

SCHEDULE - B

Order No. 2111551

1. Unpatented mining claims; water rights, claims or title to water; reservations or exceptions in patents or in acts authorizing the issuance thereof, including but not limited to those shown in the Patent to said land, whether or not of public record.

THIS IS NOT A COMMITMENT TO INSURE OR A TITLE INSURANCE POLICY.

- bc 1. Taxes for the full year 2003; 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 2004 (A lien not yet due and payable)
- q 2. The liabilities and obligations imposed upon the premises by inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District, or by membership in the Salt River Valley Water Users Association, the assessments, dues, claims or liens, accrued, or to accrue, made or assessed against said premises by or under the authority of the United States Reclamation Service or the Salt River Valley Water Users' Association or the effect or operation of any rules, regulations, acts or contracts of said Salt River Valley Water Users' Association
- R 3. Reservations or exceptions in the Patent to said land or in Acts authorizing the issuance thereof.
- s 4. Liabilities and obligations imposed upon said land or the owner thereof by reason of the appropriation and delivery of water by Arcadia Water Company for use on said land, or by reason of ownership of shares of stock in said Company by said owner
- T 5. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land herein
- u 6. Rights of lessees under unrecorded leases
- v 7. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public record
- w 8. Easement and rights incident thereto for drainage as set forth in instrument recorded in Book 54 of Maps, page 13
- x 9. Easement and rights incident thereto for utilities as set forth in instrument recorded in Docket 5262, page 369
- y 10. Easement and rights incident thereto for electric lines as set forth in instrument recorded in Docket 5393, page 115
- z 11. Development Agreement recorded in Recording No. 91-405552, as amended in Recording No. 96-714058

Schedule B Continued

CHICAGO TITLE INSURANCE COMPANY

CONDITION OF TITLE REPORT

SCHEDULE B - CONTINUED

Order No. 2111551

- AA 12. Easement and rights incident thereto for public utilities as set forth in instrument recorded in Recording No. 91-449165, re-recorded in Recording No. 92-507088
- AB 13. Easement and rights incident thereto for electrical facilities as set forth in instrument recorded in Recording No. 93-624933 and in Recording No. 93-876863
- AC 14. Waterfront Re-Development Resolution recorded in Recording No. 94-726168
- AD 15. Conditions, covenants and restrictions (but omitting, if any, such conditions, covenants or restrictions based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons) contained in instrument recorded in Recording No. 96-714065, Agreement to Substitute Exhibits recorded in Recording No. 97-178049
- AE 16. Easement and rights incident thereto for pedestrian row and assembly area as set forth in instrument recorded in Recording No. 96-714070 and Recording No. 96-714069
- AF 17. Easement and rights incident thereto for public utilities as set forth in instrument recorded in Recording No. 96-843129
- AG 18. Downtown Scottsdale Improvement District Resolution recorded in Recording No. 97-86152
- AH 19. Easement and rights incident thereto for pipelines as set forth in instrument recorded in Docket 4844, page 142, portion recorded in Docket 14820, page 1069
- AI 20. Easement and rights incident thereto for operation and maintenance of Arizona Canal as set forth in instrument recorded in Book 114 of Maps, page 6
- AJ 21. Easement and rights incident thereto for anchors, stub pole and down guy as set forth in instrument recorded in Docket 10527, page 415
- AK 22. Easement and rights incident thereto for water lines as set forth in instrument recorded in Docket 13690, page 1
- AL 23. Easement and rights incident thereto for flood control as set forth in instrument recorded in Recording No. 83-176908
- AM 24. Easement and rights incident thereto for gas mains as set forth in instrument recorded in Recording No. 89-550706
- AN 25. Easement and rights incident thereto for electrical facilities as set forth in instrument recorded in Recording No. 92-296556

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SCHEDULE B - CONTINUED

Order No. 2111551

- AO 26. Easement and rights incident thereto for electrical lines as set forth in instrument recorded in Recording No. 93-676417
- AP 27. Easement and rights incident thereto for wellsite, pipelines and facilities as set forth in instrument recorded in Recording No. 96-714039, as amended in Recording No. 97-178049
- AQ 28. Facilities Agreement recorded in Recording No. 96-714044, as amended in Recording No. 97-178049, first supplement recorded in Recording No. 97-848714, Confirmation of Facilities Agreement recorded in Recording No. 98-144338 and Amendment to Facilities Agreement recorded in Recording No. 98-292248 and Third Amendment to Facilities and Easement Agreement recorded in Recording No. 2001-227787
- AR 29. Memorandum of Responsibility recorded in Recording No. 96-714047
- AS 30. Redevelopment Agreement recorded in Recording No. 96-714058, Memorandum of Agreement recorded in Recording No. 96-714059 as amended in Recording No. 97-178049
- AT 31. Easement and rights incident thereto for vehicular and pedestrian access as set forth in instrument recorded in Recording No. 96-714066
- AU 32. Lease dated October 6, 1996, recorded October 7, 1996 in Recording No. 96-0714060, for a term for a term of 50 years with four successive options to renew this lease for additional periods of twenty five years for each Lessor: Scottsdale Waterfront, L.L.C., an Arizona limited liability company, SFSP Waterfront, L.L.C., an Arizona limited liability company, PVD Palm Circle, L.L.C., a Delaware limited liability company, and PVD Periphery, L.L.C., a Delaware limited liability company, Lessee: City of Scottsdale, an Arizona municipal corporation; and a Memorandum thereof recorded October 7, 1996 in Recording No. 96-0714061 (Affects Parcel No. 1)
- AV 33. Federal Emergency Management Agency Flood Control Notification recorded in Recording No. 2001-90812
- BB 34. Tolling Agreement between the City of Scottsdale and Scottsdale Waterfront LLC recorded July 8, 2002 in Recording No. 2002-694136
- AW End of Schedule B

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