

WHEN RECORDED RETURN TO:
ONE STOP SHOP/RECORDS
CITY OF SCOTTSDALE
(Tim Curtis)
7447 East Indian School Road, Suite 100
Scottsdale, AZ 85251

(Bluesky)
(65-ZN-1992 #7)

COVENANT TO MAINTAIN LANDSCAPING AND IMPROVEMENTS

THIS COVENANT TO MAINTAIN LANDSCAPING AND IMPROVEMENTS (the "Covenant") is made and entered into this 3rd day of DECEMBER, 20 14, by Sonoran Desert Land Investors LLC, an Arizona limited liability company ("Developer") for the benefit of the City of Scottsdale, an Arizona municipal corporation ("City").

RECITALS

A. Developer is the owner of certain real property (the "Burdened Parcel") located within the City of Scottsdale, Maricopa County, Arizona, being the parcel described on Exhibit "A" attached hereto.

B. Developer intends by this Covenant to make certain commitments regarding a certain other Parcel (the "Maintenance Parcel") that is located adjacent to the Burdened Parcel, being the parcel described on Exhibit "B" attached hereto.

C. Developer desires to impose upon the Burdened Parcel the duties, obligations, and burdens described in this Covenant (collectively the "Restrictions").

D. Developer and City intend that this Covenant and the Restrictions be binding upon Developer and each person now or hereafter owning or claiming an interest in the Burdened Parcel.

NOW, THEREFORE, for and in consideration of the foregoing, and other good and valuable consideration, Developer imposes the Restrictions upon the Burdened Parcel as follows:

1. Covenant. The present and future owners of fee title and other interests in the Burdened Parcel shall comply in all respects to all and each of the following cumulative provisions:

1.1 Maintenance Required. Developer shall maintain all improvements to the Maintenance Parcel (except the Arizona Canal and utilities) in a sound, safe, clean, attractive condition at Developer's expense and also in conformance with the requirements set out on Exhibit "C" attached hereto. This obligation begins for each improvement as the improvement is completed.

12354470v67

2. South Canal Parcel. The Maintenance Parcel shall also include a certain other parcel (the "South Canal Parcel") as follows:

2.1 The South Canal Parcel is the parcel described on Exhibit "D".

2.2 The South Canal Parcel shall cease to be part of the Maintenance Parcel upon City's recording a notice stating that the South Canal Parcel is no longer part of the Maintenance Parcel. City shall record such notice within thirty (30) days after notice from Developer requesting City's notice. Developer shall not give Developer's notice until after the earliest of the following:

2.2.1 The date ten (10) years after Developer records a notice signed by City confirming completion of the construction specified in stipulation 13 of the Zoning District Map Amendment case number 65-ZN-1992#7, Ordinance No. 3909.

2.2.2 The date that all rezoning and other approvals are granted that allow the parcel (the "South Development Parcel") described on Exhibit "E" to be developed with more than 4967 square feet of gross floor area.

2.2.3 The date that the owner of the South Development Parcel records a covenant acceptable to City substantially the same as this Covenant perpetually obligating the present and future owners of the South Development Parcel to maintain the landscaping and improvements on the South Canal Parcel.

3. Violations. The following shall apply to any breach of this Covenant:

3.1 Event of Default. Developer's failure to perform any obligation under this Covenant that is not cured within thirty (30) days after written notice of such failure has been given, shall be an "Event of Default". Three (3) or more violations within twelve (12) months after a notice of violation is also an "Event of Default."

3.2 Remedies. Following an Event of Default, City shall be entitled to exercise any and all remedies available at law or equity, including without limitation seeking injunctive relief to require compliance with this Covenant.

3.3 Non-waiver. No failure by City to demand any performance required under this Covenant, and no acceptance by City of any imperfect or partial performance under this Covenant, shall excuse such performance or impair in any way City's ability to insist, prospectively and retroactively, upon full compliance with this Covenant. No acceptance by City of any performance hereunder shall be deemed a compromise or settlement of any right City may have for additional or further payments or performances. Any waiver shall not be deemed or considered as a continuing waiver and shall not operate to bar or otherwise prevent City from giving notice of default or declaring any Event of Default for any succeeding or continuing breach.

4. Indemnification. Developer shall indemnify, defend and hold City harmless from any and all loss, damage or claim of every description to the extent caused by Developer's performance or non-performance of its obligations hereunder.

5. Insurance. Developer shall provide insurance to City as set out in Exhibit "F" attached hereto.

6. Effect and Amendment. This Covenant shall be effective as follows:

6.1 Term. The term of this Covenant shall be perpetual.

6.2 Amendments. This Covenant may not be amended except by a formal writing executed by City and the owner of the Burdened Parcel recorded in the office of the Maricopa County Recorder.

6.3 Non-Merger. The rights and obligations of this Covenant shall not terminate by merger of title.

6.4 Nature of Covenant. The provisions of this Covenant are unconditional, irrevocable and legally binding and enforceable covenants, conditions, restrictions and easements running with the land against Developer and all future owners of the Burdened Parcel as a burden on the Burdened Parcel for the benefit of City.

6.5 Applicable to Successors. The provisions of this Covenant shall be deemed incorporated by reference, in favor of City in each deed, and in each lease, sublease or other agreement having a term longer than five (5) years for use of any portion of any of the Burdened Parcel.

7. Burdened Parcel Lienholders. Developer warrants and represents that:

7.1 Developer owns the fee title to the Burdened Parcel.

7.2 Instruments in substantially the form attached to this Covenant as Exhibit "G" (the "Lienholder Confirmations") have been executed and acknowledged by each person having or claiming a lien, lease, option, easement or other interest in the Burdened Parcel whereby such persons join in this Covenant and subject their interests to this Covenant and all requirements, provisions and conveyances of this Covenant.

7.3 Developer has obtained all required Lienholder Consents and has attached them to this Covenant immediately behind the exhibit to be recorded with this Covenant.

8. Miscellaneous. This Covenant is subject to the following additional provisions:

8.1 Limited Severability. If any provision of this Covenant is declared void or unenforceable (or is construed as requiring the City to do any act in violation of any constitutional provision, law, regulation, City of Scottsdale code or City of Scottsdale charter), such provision shall be deemed severed from this Covenant, this Covenant shall otherwise remain in full force and effect, and this Covenant shall be deemed reformed to provide to City the intended benefit of this Covenant to the maximum extent permitted by law.

8.2 Conflicts of Interest. No member, official or employee of City shall have any direct or indirect interest in this Covenant, nor participate in any decision relating to the Covenant that is prohibited by law.

8.3 No Partnership. This Covenant and the transactions and performances contemplated hereby shall not create any sort of partnership, joint venture or similar relationship between the parties.

8.4 Nonliability of City Officials and Employees. No member, official, representative or employee of City shall be personally liable to any party, or to any successor in interest to any party, in the event of any default or breach by City or for any amount which may become due to any party or successor, or with respect to any obligation of City or otherwise under the terms of this Covenant or related to this Covenant.

8.5 Notices. Notices hereunder shall be given in writing delivered to the other party or mailed by registered or certified mail, return receipt requested, postage prepaid addressed to:

If to City: Planning and Development Services Director
 City of Scottsdale
 7447 E. Indian School Rd.
 Scottsdale, AZ 85251

Copy to: City Attorney
 City of Scottsdale
 3939 Drinkwater Blvd.
 Scottsdale, AZ 85251

If to Developer: Sonoran Desert Land Investors LLC
 4040 E. Camelback Road, Suite 275
 Phoenix, AZ 85018

Copy to: Brian Jordan
 Kutak Rock LLP
 8601 N. Scottsdale Rd., Suite 300
 Scottsdale, AZ 85253

By notice from time to time, a person may designate any other street address within Maricopa County, Arizona as its address for giving notice hereunder. Service of any notice by mail shall be deemed to be complete three (3) days (excluding Saturday, Sunday and legal holidays) after the notice is deposited in the United States mail.

8.6 Time of Essence. Time is of the essence of each and every provision of this Covenant.

8.7 Integration. This Covenant constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation, draft agreements, discussion outlines, correspondence and memoranda or representation.

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8.8 Construction. Whenever the context of this Covenant requires, the singular shall include the plural, and the masculine shall include the feminine. This Covenant was negotiated on the basis that it shall be construed according to its plain meaning and neither for nor against any party, regardless of their respective roles in preparing this Covenant. The terms of this Covenant were established in light of the plain meaning of this Covenant and this Covenant shall therefore be interpreted according to its plain meaning and without regard to rules of interpretation, if any, which might otherwise favor either party.

8.9 Paragraph Headings. The paragraph headings contained herein are for convenience in reference and not intended to define or limit the scope of any provision of this Covenant.

8.10 No Third Party Beneficiaries. No person or entity shall be a third party beneficiary of this Covenant or shall have any right or cause of action hereunder. City shall have no liability to third parties for any approval of plans related to the Maintenance Parcel, construction of any improvements on the Maintenance Parcel, Developer's negligence, Developer's failure to comply with the provisions of this Covenant, or otherwise as a result of the existence of this Covenant.

8.11 Exhibits. All exhibits attached hereto as specified herein are hereby incorporated into and made an integral part of this Covenant for all purposes.

8.12 Attorneys' Fees. In the event an action or suit or proceeding is brought by any party to enforce compliance with this Covenant or for failure to observe any of the provisions of this Covenant or to vindicate or exercise any rights or remedies hereunder, the non-prevailing party shall pay the prevailing party's costs of such action or suit and the prevailing party's attorneys' fees and other litigation costs, all as determined by the court and not a jury.

8.13 Choice of Law. This Covenant shall be governed by the internal laws of the State of Arizona without regard to choice of law rules.

8.14 Institution of Legal Actions. Any party may institute legal action to cure, correct or remedy any default or to obtain any other remedy consistent with this Covenant. Such legal actions shall be instituted in the Superior Court of the County of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona sitting in Maricopa County. Developer and City agree to the exclusive jurisdiction of such courts. Claims against City shall comply with time periods and other requirements of City's claims procedures from time to time.

8.15 Statutory Cancellation Right. In addition to its other rights hereunder, City shall have the rights specified in A.R.S. § 38-511.

8.16 Legal Workers. If and to the extent A.R.S. §41-4401 is applicable to this Agreement, Developer shall comply with laws regarding workers as follows:

8.16.1 Developer warrants to City that Developer and all its subcontractors will comply with all federal immigration laws and regulations that relate to their employees and that Developer and all its subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

8.16.2 A breach of the foregoing warranty by Developer shall be deemed a material breach of this Agreement that is subject to penalties up to and including termination of this Agreement.

8.16.3 City retains the legal right to inspect the papers of any employee of Developer or any subcontractor who works on this Agreement to ensure that they or the subcontractor is complying with the warranty given above.

8.16.4 City may conduct random verification of Developer's and its subcontractors' employment records to ensure compliance with the warranty given above.

8.16.5 Developer shall indemnify, defend and hold City harmless for, from and against all losses and liabilities arising from any and all violations of the warranty given above.

EXECUTED AND EFFECTIVE AS OF THE DATE FIRST STATED ABOVE:

Developer: SONORAN DESERT LAND INVESTORS LLC,
an Arizona limited liability company

By: [Signature]
Its: [Signature]

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By: [Signature] R Kelly Ward
For
Bruce Washburn, City Attorney

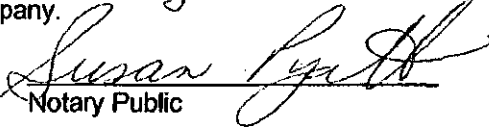
[Signature]
Bill Murphy, Executive Director, Community Services

[Signature]
Derek Earle, City Engineer

[Signature]
Katie Callaway, Risk Management Director

STATE OF ARIZONA)
) ss.
County of Maricopa)

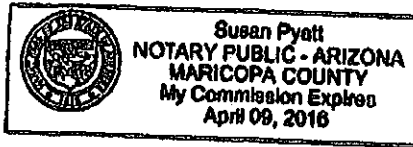
The foregoing instrument was acknowledged before me this 24 day of July, 20 14 by Brian Kearney, Manager of Sonoran Desert Land Investors LLC, an Arizona limited liability company.



Notary Public

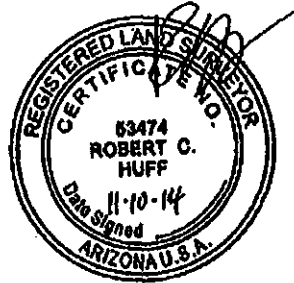
My Commission Expires:

April 09, 2016



**EXHIBIT A
LEGAL DESCRIPTION
BURDENED PARCEL
CITY OF SCOTTSDALE, ARIZONA**

Lot 1 of Scottsdale Bluesky, according to the Minor Subdivision Plat for Scottsdale Bluesky recorded on October 03, 2014 in Book 1202, Page 50, Official Records of Maricopa County, Arizona.



Exp: 6/30/15

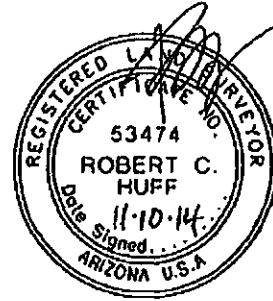
EXHIBIT A
BURDENED PARCEL



0' 25' 50' 100'
SCALE: 1"=100'

NW COR. SEC. 23
T.2N., R.4E.
FD 4" MCED BC IN HH

FD REBAR W/ TAG
"RLS 18436"



EXPIRES: 6/30/2015

3RD AMD.
SAFARI DRIVE 1
CONDOMINIUM

SCOTTSDALE ROAD

65' R/W
2657.07'
1968.87'
N00°00'00"E
N90°00'00"E
65.00'
688.20'

N89°57'50"E 252.48'
FD PK NAIL W/
WASHER "RLS
18436"
LOT 1
BK. 1202, PG. 50
MCR
163,002 S.F.
3.742 AC±
N0°00'00"E 451.13'
50°05'17"E 293.73'

FD MAG NAIL W/
WASHER "PLS
19809"

N90°00'00"W
80.37'

108.00'
N49°15'41"W
FD MAG NAIL W/
WASHER "PLS
19809"

ARCADIA COUNTRY
MART REPLATTED

W 1/4 COR. SEC. 23
T.2N., R.4E.
FD 4" MCED BC IN HH

S40°40'08"W
68.92'
N49°19'53"W 249.70'
BK. 1202, PG. 50, MCR
LOT 2

FD 1/2" REBAR
W/ TAG "LS
18436"

S49°19'44"E 329.55'
S40°41'18"W
163.17'
ARIZONA CANAL

ALL DIMENSIONS
ARE RECORD
PER BK. 1202,
PG. 50, MCR

DATE: 11/2014

SCALE:
1"=100'
SHEET
2 OF 2

**BURDENED PARCEL
BLUESKY
SCOTTSDALE, ARIZONA**



**DAVID EVANS
AND ASSOCIATES INC.**
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

**EXHIBIT B
LEGAL DESCRIPTION
MAINTENANCE PARCEL
CITY OF SCOTTSDALE, ARIZONA**

A portion of the Arizona Canal as shown on the map recorded in Book 1133, Page 25, records of Maricopa County, Arizona, also being a portion of the northwest quarter of Section 23, Township 2 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona being described as follows:

PARCEL 1:

COMMENCING at a Maricopa County Engineering Department brass cap in a hand hole found at the west quarter corner of said Section 23, from which a Maricopa County Engineering Department brass cap in a hand hole found at the northwest corner of said Section 23 bears North 00°00'00" East, 2,657.07 feet; thence along the west line of the northwest quarter of said Section 23, North 00°00'00" East, 688.20 feet; thence North 90°00'00" East, 65.00 feet to a Mag Nail with washer stamped "PLS 19809" found on the north line of ARCADIA COUNTRY MART REPLATTED recorded in Book 52, page 15, records of Maricopa County, Arizona; thence along said north line, North 90°00'00" East, 54.32 feet to a Mag Nail with washer stamped "PLS 19809" found at an angle point; thence along the northeasterly line of said ARCADIA COUNTRY MART REPLATTED, South 49°15'41" East, 377.43 feet to a ½" rebar with tag stamped "LS 18436" found at the northwesterly line of said Arizona Canal and the TRUE POINT OF BEGINNING;

thence along said northwesterly line, North 40°41'18" East, 249.39 feet;

thence South 49°18'42" East, 45.00 feet to a point on a line which is 5.0 feet northwesterly of and parallel with the high water line of the Arizona Canal;

thence along said parallel line, South 40°41'18" West, 249.39 feet;

thence North 49°18'42" West, 45.00 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 11,222 square feet or 0.258 acres, more or less.

PARCEL 2:

COMMENCING at a Maricopa County Engineering Department brass cap in a hand hole found at the west quarter corner of said Section 23, from which a Maricopa County Engineering Department brass cap in a hand hole found at the northwest corner of said Section 23 bears North 00°00'00" East, 2,657.07 feet; thence along the west line of the northwest quarter of said Section 23, North 00°00'00" East, 688.20 feet; thence North 90°00'00" East, 65.00 feet to a Mag Nail with washer stamped "PLS 19809" found on the north line of ARCADIA COUNTRY MART REPLATTED recorded in Book 52, page 15, records of Maricopa County, Arizona; thence along said north line, North 90°00'00" East, 54.32 feet to a Mag Nail with washer stamped "PLS 19809" found at an angle point; thence along the northeasterly line of said ARCADIA COUNTRY MART REPLATTED, South 49°15'41" East, 377.43 feet to a ½" rebar with tag stamped "LS 18436" found at the northwesterly line of said Arizona Canal; thence South 49°18'42" East, 20.00 feet to the TRUE POINT OF BEGINNING;

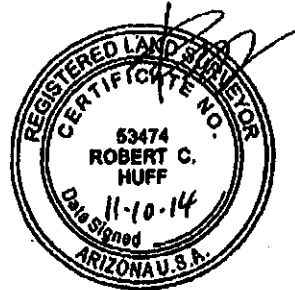
thence continuing South 49°18'42" East, 25.00 feet to a point on a line which is 5.0 feet northwesterly of and parallel with the high water line of the Arizona Canal;

thence along said parallel line, South 40°41'18" West, 472.64 feet to a point on a line which is 55.0 feet north of and parallel with the east-west mid-section line of said Section 23;

thence along last said parallel line, North 89°38'00" West, 32.79 feet to a point on a line which is 30.0 feet northwesterly of and parallel with the high water line of the Arizona Canal;

thence along last said parallel line, North 40°41'18" East, 493.85 feet to the TRUE POINT OF BEGINNING.

Said parcel containing 12,081 square feet or 0.277 acres, more or less.



BP-6/30/15

NW COR. SEC. 23
T2N, R4E, G&SRM **CHAPARRAL ROAD**
FD 4" MCED BCHH

EXHIBIT B
MAINTENANCE PARCEL



0 40' 80'
SCALE: 1"=80'

SCOTTSDALE ROAD

N00°00'00"E 2657.07' (C)
N90°00'00"E 65.00' (C)
N90°00'00"E 54.32' (M)
N00°00'00"E 688.20' (C)

FD MAG NAIL W/
WASHER "PLS 19809"

LOT 1
BK. 1202, PG. 50
MCR

50' OPERATIONAL &
MAINTENANCE LIMITS
OF THE ARIZONA
CANAL

FD 1/2" REBAR W/
TAG "LS 18436"

ARIZONA CANAL
BK. 1021, PG. 29, MCR
BK. 1133, PG. 25, MCR

ARCADIA COUNTRY MART
REPLATTED
BK. 52, PG. 15, MCR

LOT 2
BK. 1202, PG. 50
MCR

S49°15'41"E
377.43' (M)

FD 1/2" REBAR W/
TAG "LS 18436"

P.O.B.
PARCEL 1

N40°41'18"E 249.39'
PARCEL 1
11222 SQ. FT.
0.258 AC±

ALL DIMENSIONS ARE
CALCULATED UNLESS NOTED
OTHERWISE

PARCEL 2
SEE PAGE 4 FOR CONTINUATION

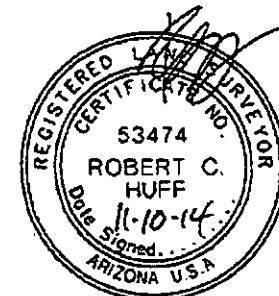
P.O.B.
PARCEL 2

P.O.C.
W 1/4 COR. SEC. 23
T2N, R4E, G&SRM
FD 4" MCED BCHH

CAMELBACK ROAD

MATCH PAGE 4

SEE PAGE 4 FOR LINE TABLE



EXPIRES: 6/30/2015

DATE: 11/2014

SCALE:
1"=80'

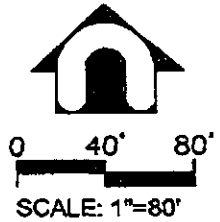
PAGE
3 OF 4

MAINTENANCE PARCEL
BLUESKY
SCOTTSDALE, ARIZONA



DAVID EVANS
AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

EXHIBIT B
MAINTENANCE PARCEL

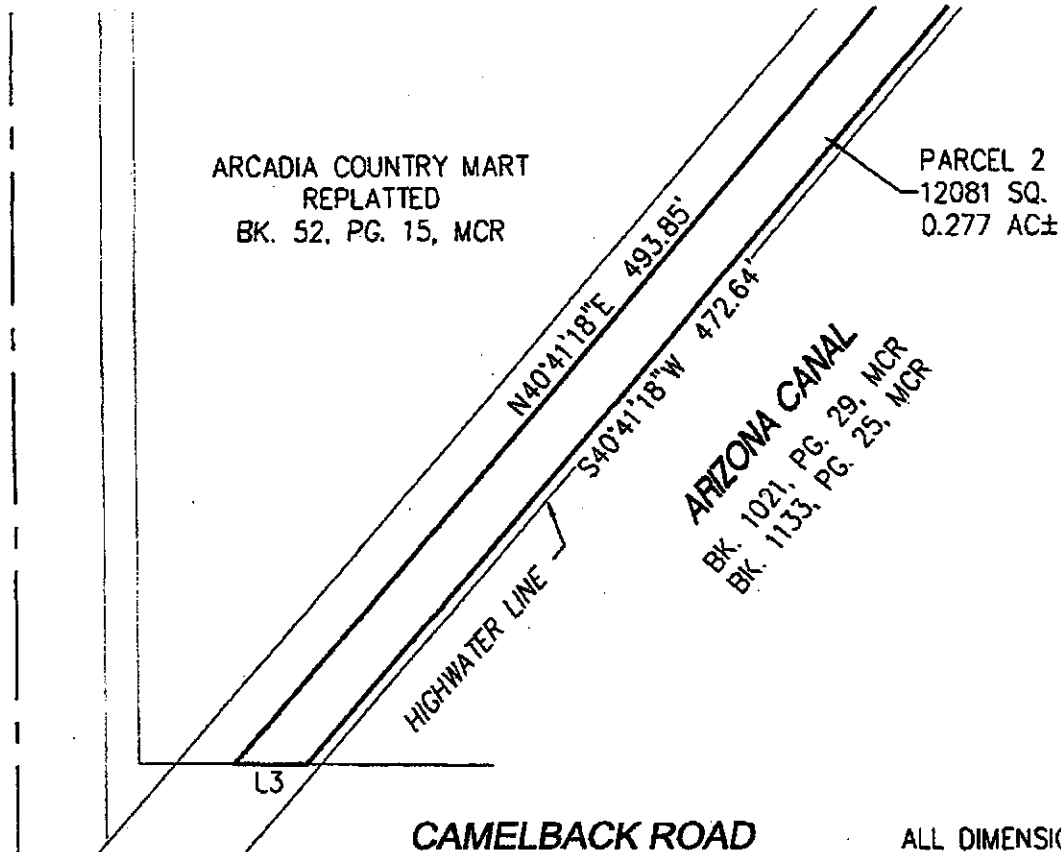


MATCH PAGE 3

ARCADIA COUNTRY MART
REPLATTED
BK. 52, PG. 15, MCR

PARCEL 2
12081 SQ. FT.
0.277 AC±

SCOTTSDALE ROAD



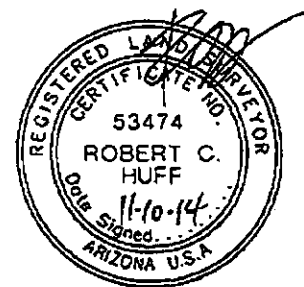
ARIZONA CANAL
BK. 1021, PG. 29, MCR
BK. 1133, PG. 25, MCR

LINE TABLE (C)		
LINE	BEARING	LENGTH
L1	S49°18'42"E	20.00'
L2	S49°18'42"E	25.00'
L3	N89°38'00"W	32.79'
L4	S49°18'42"E	45.00'

P.O.C.
W 1/4 COR. SEC. 23
T2N, R4E, G&SRM
FD 4" MCD BCHH

CAMELBACK ROAD

ALL DIMENSIONS ARE
CALCULATED UNLESS NOTED
OTHERWISE



EXPIRES: 6/30/2015

DATE: 11/2014

SCALE:
1"=80'
PAGE
4 OF 4

**MAINTENANCE PARCEL
BLUESKY
SCOTTSDALE, ARIZONA**

**DAVID EVANS
AND ASSOCIATES INC.**
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

List of maintenance standards and scope of work.

1. The following within the Maintenance Parcel shall be maintained in a safe, appropriate, functioning manner in accordance with the best applicable American National Standards Institute (ANSI) industry practices and standards for construction, irrigation, maintenance, operations, planting, plant pruning and trimming of live plants, repair, and renovation:
 - a. Salt River Project vehicular service and multiple use path installed by the Developer in accordance with its final approved plans;
 - b. the travel tread area adjacent to the Salt River Project vehicular service and multiple use path;
 - c. removal of trash and debris;
 - d. landscape plant material installed by the Developer as part of its final approved plans;
 - e. irrigation systems installed by the Developer as part of its final approved plans;;
 - f. hardscape improvements installed by the Developer as part of its final approved plans, excluding drainage structures and related improvements required by Maricopa County Flood Control District that installed by developer;
 - g. pedestrian seating area(s) installed by the Developer as part of its final approved plans;
 - h. lighting and associated fixture(s) installed by the Developer as part of its final approved plans;
 - i. electrical service and equipment for lighting and irrigation installed by the Developer as part of its final approved plans;
 - j. artwork if installed by the Developer as part of its final approved plans, and
 - k. any stairs and/or path that connects the Burdened Parcel to the Salt River Project vehicular service path and multiple use path if installed by the Developer as part of its final approved plans.

**EXHIBIT D
LEGAL DESCRIPTION
SOUTH CANAL PARCEL
CITY OF SCOTTSDALE, ARIZONA**

A portion of the Arizona Canal as shown on the map recorded in Book 1133, Page 25, records of Maricopa County, Arizona, also being a portion of the northwest quarter of Section 23, Township 2 North, Range 4 East of the Gila and Salt River Meridian, Maricopa County, Arizona being described as follows:

COMMENCING at a Maricopa County Engineering Department brass cap in a hand hole found at the west quarter corner of said Section 23, from which a Maricopa County Engineering Department brass cap in a hand hole found at the northwest corner of said Section 23 bears North 00°00'00" East, 2,657.07 feet; thence along the west line of the northwest quarter of said Section 23, North 00°00'00" East, 688.20 feet; thence North 90°00'00" East, 65.00 feet to a Mag Nail with washer stamped "PLS 19809" found on the north line of ARCADIA COUNTRY MART REPLATTED recorded in Book 52, page 15, records of Maricopa County, Arizona; thence along said north line, North 90°00'00" East, 54.32 feet to a Mag Nail with washer stamped "PLS 19809" found at an angle point; thence along the northeasterly line of said ARCADIA COUNTRY MART REPLATTED, South 49°15'41" East, 377.43 feet to a ½" rebar with tag stamped "LS 18436" found at the northwesterly line of said Arizona Canal; thence South 49°18'42" East, 20.00 feet to the TRUE POINT OF BEGINNING;

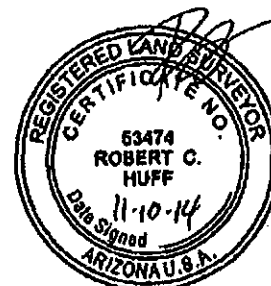
thence continuing South 49°18'42" East, 25.00 feet to a point on a line which is 5.0 feet northwesterly of and parallel with the high water line of the Arizona Canal;

thence along said parallel line, South 40°41'18" West, 472.64 feet to a point on a line which is 55.0 feet north of and parallel with the east-west mid-section line of said Section 23;

thence along last said parallel line, North 89°38'00" West, 32.79 feet to a point on a line which is 30.0 feet northwesterly of and parallel with the high water line of the Arizona Canal;

thence along last said parallel line, North 40°41'18" East, 493.85 feet to the TRUE POINT OF BEGINNING.

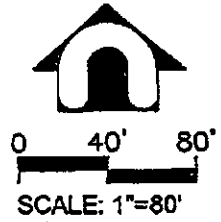
Said parcel containing 12,081 square feet or 0.277 acres, more or less.



EX: 6/30/15

NW COR. SEC. 23
T2N, R4E, G&SRM **CHAPARRAL ROAD**
FD 4" MCED BCHH

EXHIBIT D
SOUTH CANAL PARCEL



SCOTTSDALE ROAD

N00°00'00"E 2657.07' (C)
N90°00'00"E 65.00' (C)
N90°00'00"E 54.32' (M)
N00°00'00"E 688.20' (C)

FD MAG NAIL W/
WASHER "PLS 19809"

LOT 1
BK. 1202, PG. 50
MCR

50' OPERATIONAL &
MAINTENANCE LIMITS
OF THE ARIZONA
CANAL

FD 1/2" REBAR W/
TAG "LS 18436"

ARIZONA CANAL
BK. 1021, PG. 29, MCR
BK. 1133, PG. 25, MCR

ARCADIA COUNTRY MART
REPLATTED
BK. 52, PG. 15, MCR

LOT 2
BK. 1202, PG. 50
MCR

S49°15'41"E 377.43' (M)
FD 1/2" REBAR W/
TAG "LS 18436"

ALL DIMENSIONS ARE
CALCULATED UNLESS NOTED
OTHERWISE

SOUTH CANAL PARCEL
SEE PAGE 3 FOR CONTINUATION

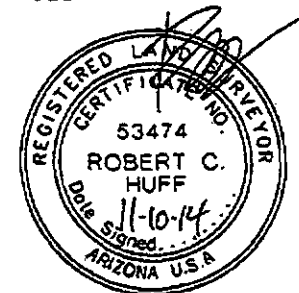
P.O.B.
SOUTH CANAL PARCEL

P.O.C.
W 1/4 COR. SEC. 23
T2N, R4E, G&SRM
FD 4" MCED BCHH

CAMELBACK ROAD

MATCH PAGE 3

SEE PAGE 3 FOR LINE TABLE



EXPIRES: 6/30/2015

DATE: 11/2014

SCALE: 1"=80'
PAGE 2 OF 3

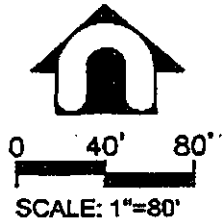
SOUTH CANAL PARCEL
BLUESKY
SCOTTSDALE, ARIZONA



DAVID EVANS
AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

EXHIBIT D
SOUTH CANAL PARCEL

MATCH PAGE 2



ARCADIA COUNTRY MART
REPLATTED
BK. 52, PG. 15, MCR

SOUTH CANAL PARCEL
12081 SQ. FT.
0.277 AC±

SCOTTSDALE ROAD

N40°41'18"E 493.85'

S40°41'18"W 472.64'

ARIZONA CANAL
BK. 1021, PG. 29, MCR
BK. 1133, PG. 25, MCR

HIGHWATER LINE

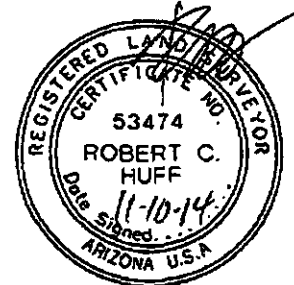
L3

LINE TABLE (C)		
LINE	BEARING	LENGTH
L1	S49°18'42"E	20.00'
L2	S49°18'42"E	25.00'
L3	N89°38'00"W	32.79'

CAMELBACK ROAD

P.O.C.
W 1/4 COR. SEC. 23
T2N, R4E, G&SRM
FD 4" MCED BCHH

ALL DIMENSIONS ARE
CALCULATED UNLESS NOTED
OTHERWISE



EXPIRES: 6/30/2015

DATE: 11/2014

SCALE:
1"=80'

PAGE
3 OF 3

SOUTH CANAL PARCEL
BLUESKY
SCOTTSDALE, ARIZONA



DAVID EVANS
AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

**EXHIBIT E
LEGAL DESCRIPTION
SOUTH DEVELOPMENT PARCEL
CITY OF SCOTTSDALE, ARIZONA**

Lots 1 through 21, Inclusive and Tract A, ARCADIA COUNTRY MART REPLATTED, according to the plat recorded in Book 52 of Maps, page 15, records of Maricopa County, Arizona;

EXCEPT the West 15 feet of Lots 1 and 2; and also
EXCEPT that area lying West and North of an arc having a radius of 25 feet, concave to the Southeast and tangent to a line 15 feet East of and parallel with the West line of said Lot 1 and the North line thereof; and also
EXCEPT the West 15 feet of Lot 20.

TOGETHER WITH:

That part of the abandoned 10 foot walkway lying adjacent to the South line of Lot 10 and North line of Lot 11, ARCADIA COUNTRY MART REPLATTED, according to the plat recorded in Book 52 of Maps, page 15, records of Maricopa County, Arizona, bounded on the West by the Southerly prolongation of the West line of Lot 10 and bounded on the East by the Northerly prolongation of the East line of Lot 11, as abandoned by Resolution recorded in Instrument No. 84-124997, records of Maricopa County, Arizona.

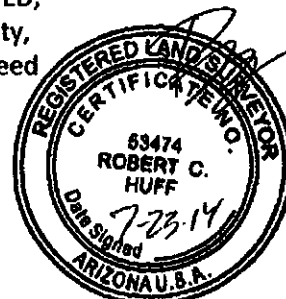
TOGETHER WITH:

That portion of the 25 foot roadway as shown on the plat of ARCADIA COUNTRY MART REPLATTED, according to the plat recorded in Book 52 of Maps, page 15, records of Maricopa County, Arizona, lying North of the Easterly prolongation of the South line of Lot 19 and South of the Easterly prolongation of the North line of Lot 2;

EXCEPT THEREFROM any portion of said roadway lying North of the following:
BEGINNING at the Southeast corner of said Lot 2;
THENCE North along the said East line, 20.06 feet to a corner of said Lot 2;
THENCE South 49 degrees 16 minutes East along the Southeasterly prolongation of the Northeasterly line of said Lot 2, a distance of 32.99 feet to a point on the West line of Tract A, of said ARCADIA COUNTRY MART REPLATTED.

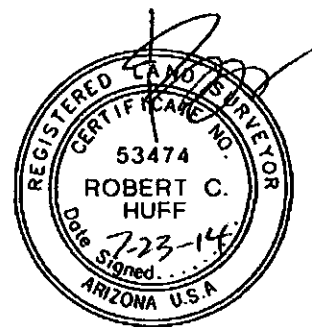
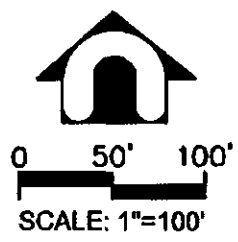
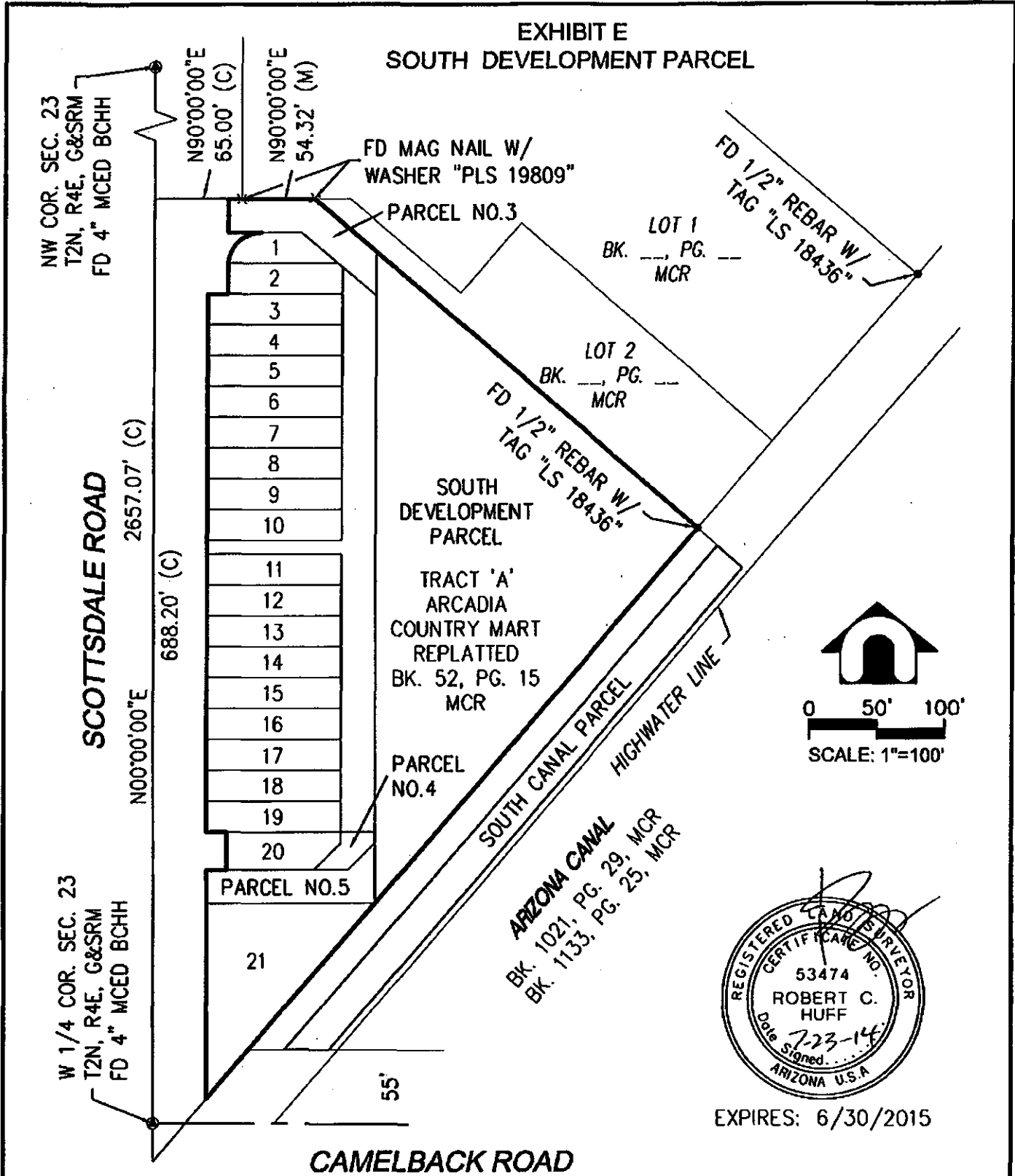
TOGETHER WITH:

Those portions of the alley as shown on the plat of ARCADIA COUNTRY MART REPLATTED, according to the plat recorded in Book 52 of Maps, page 15, records of Maricopa County, Arizona, described as Parcel No. 3, Parcel No. 4 and Parcel No. 5 in Special Warranty Deed recorded in Instrument No. 2004-0447577, records of Maricopa County, Arizona.



EX- 6/30/15

EXHIBIT E
SOUTH DEVELOPMENT PARCEL



EXPIRES: 6/30/2015

DATE: 7/2014

SCALE:
1"=100'
PAGE
2 OF 2

SOUTH DEVELOPMENT PARCEL
BLUE SKY
SCOTTSDALE, ARIZONA



DAVID EVANS
AND ASSOCIATES INC.
4600 East Washington Street, Suite 430
Phoenix Arizona 85034
Phone: 602.678.5151

INSURANCE

1. Insurance Required. The following insurance is required:

1.1 Commercial General Liability. Commercial general liability insurance with an unimpaired limit of Five Million Dollars (\$5,000,000) for each occurrence, Five Million Dollars (\$5,000,000) products and completed operations annual aggregate, and a Five Million Dollar (\$5,000,000) general aggregate limit per policy year. The policy shall cover liability arising from premises, operations, independent contractors, products, completed operations, personal injury, bodily injury, advertising injury, and liability assumed under an "insured contract" including this Agreement. The policy will cover Developer's liability under the indemnity provisions of this Agreement. The protection under the policy shall at a minimum meet or exceed Insurance Service Office, Inc. form CG 00 01 1093 or an equivalent thereof as determined by City from time to time. The policy shall contain a "separation of insureds" clause.

2. Form of Insurance. All insurance policies shall meet the following requirements:

2.1 "Occurrence" coverage is required. "Claims made" insurance is not permitted.

2.2 Policies must also cover and insure Developer's activities relating to the business operations and activities conducted from the Property.

2.3 Developer must clearly show by providing copies of insurance policies, certificates, formal endorsements or other documentation acceptable to City that all insurance coverage required by this Agreement is provided.

2.4 No deductibles, retentions, or "self insured" amounts shall exceed One Hundred Thousand Dollars (\$100,000) in the aggregate per year. Developer shall be solely responsible for any self-insurance amount or deductible.

2.5 No deductible shall be applicable to coverage provided to City.

2.6 All liability policies must name City and City's employees, officials, representatives, officers, directors, and agents as additional insureds. In addition, Salt River Project Agricultural Improvement and Power District shall be named as an additional insured as respects their interest as the property owner. Developer shall cause coverage for Additional Insureds to be incorporated into each insurance policy by endorsement. City may give Developer notice of City's election from time to time that any or all of the Additional Insureds not be named as Additional Insureds with respect to specific insurance coverages.

2.7 All policies must provide City with at least thirty (30) days prior notice of any cancellation, reduction or other change in coverage.

2.8 All policies shall require that notices be given to City in the manner specified for notices to City under this Agreement.

2.9 All insurance policies shall contain a waiver of any transfer rights of recovery (subrogation) against City and all other Additional Insureds.

3. Insurance Certificates. Developer shall evidence all insurance by furnishing to City certificates of insurance annually and with each change in insurance coverage as follows:

3.1 Certificates must evidence that the policy referenced by the certificate is in full force and effect and that the policy satisfies each requirement of this Agreement applicable to the policy. For example, certificates must evidence that City and the other Additional Insureds are additional insureds and that insurance proceeds will be paid as required by this Agreement. Certificates must be in a form acceptable to City.

3.2 All certificates are in addition to the actual policies and endorsements required. Developer shall provide updated certificates at City's request.

3.3 The insurer's duty to notify City of changes in coverage shall not include phrases such as "endeavor to" or "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives".

4. Acceptable Insurers. All insurance policies shall be issued by insurers acceptable to City. At a minimum, all insurers shall be duly licensed (or qualified unlicensed non-admitted insurer) by the State of Arizona, Department of Insurance. At a minimum, all insurers shall have and maintain an A.M. Best, Inc. rating of B++ 6.

5. Primary Insurance. Developer's insurance shall be primary insurance. Any insurance or self insurance maintained by City shall not contribute to Developer's insurance.

**CONSENT TO COVENANT TO MAINTAIN
LANDSCAPING AND IMPROVEMENTS**

(Bluesky)

(65-ZN-1992 #7)

The undersigned, having or claiming a lien or other interest in the Burdened Parcel as defined in the Covenant to Maintain Landscaping and Improvements by Sonoran Desert Land Investors, an Arizona limited liability company, in favor of the City of Scottsdale, an Arizona municipal corporation, to which this consent is attached hereby joins in said covenant and agrees that its interests are subject and subordinate to said covenant and its requirements.

The person executing this document on behalf of a legal entity warrants his or her authority to do so.

EXECUTED as of the date of the said covenant.

By:

Its:

STATE OF ARIZONA)

County of Maricopa)

ss.

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, _____ of _____, a _____.

Notary Public

My Commission Expires:

12354470v6

LIEN HOLDER CONSENT

CAN IV Blue Sky LLC, a Delaware limited liability company ("Lender"), as the Beneficiary under the Fee and Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing ("Deed of Trust") executed by Sonoran Desert Land Investors LLC, an Arizona limited liability company, and Gray Phoenix Desert Ridge IV L.L.C., an Arizona limited liability company, as "Trustor", that was recorded on July 11, 2013 as Document No. 2013-630446, Official Records of Maricopa County, Arizona and any other security documents executed by Trustor for the benefit of Lender in connection with the Deed of Trust (collectively, the "Security Documents"), consents to this Covenant to Maintain Landscaping and Improvements ("Covenant") and hereby agrees that its interests are subject and subordinate to said Covenant and its requirements and confirms that the Covenant will not be impaired or extinguished by any foreclosure or trustee's sale under the Security Documents or any deed in lieu of foreclosure. Lender's consent to this Covenant is not intended to create or constitute a waiver, modification, relinquishment or forbearance by Lender of any of its rights and remedies under the Security Documents or any of the other Loan Documents (used herein as defined in the Deed of Trust), including, without limitation, any and all of its rights or remedies in connection with any defaults or Events of Default (used herein as defined in the Deed of Trust) that may now or hereafter exist under the Security Documents or any of the other Loan Documents, all of which rights and remedies of Lender are hereby expressly reserved.

CAN IV BLUE SKY LLC,
a Delaware limited liability company

By: ~~Jonathan P. Roth~~
 Name: Jonathan P. Roth
 Title: President

Legal	Agg/AM
PS	<u>JPR</u>

STATE OF _____)
) ss.
 County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by _____, the _____ of CAN IV Blue Sky LLC, a Delaware limited liability company, for and on behalf of said company.

Seal _____
 Notary Public

See attached California notarial acknowledgment

My commission expires: _____

STATE OF CALIFORNIA)
) ss.:
COUNTY OF LOS ANGELES)

On September 23rd, 2014, before me, Rachel E. Benitez, Notary Public, personally appeared Jonathan P. Roth, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument 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 on behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



Rachel E. Benitez

Signature of Notary Public

Symer, Daniel

From: Brian Kearney <bkearney@GRAYUS.com>
Sent: Monday, November 17, 2014 9:39 AM
To: Symer, Daniel
Cc: 'brian kearney'
Subject: RE: Blue Sky Legals and Exhibits

Follow Up Flag: Follow up
Flag Status: Flagged

Yes they are. Thanks

GRAY | GRAY DEVELOPMENT | GRAY RESIDENTIAL | GRAY

Brian Kearney | President
4040 E. Camelback Road, Suite 275, Phoenix, Arizona 85018
bkearney@grayus.com | C 602.370.3252
www.grayus.com

From: Symer, Daniel [<mailto:DSymer@scottsdaleaz.gov>]
Sent: Monday, November 17, 2014 9:03 AM
To: Brian Kearney
Cc: 'brian kearney'
Subject: RE: Blue Sky Legals and Exhibits

Brian,

Yes, the changes are consistent with the request. Is the lean holder ok with these changes?

Dan

From: brian kearney [<mailto:briankearney52@gmail.com>]
Sent: Saturday, November 15, 2014 6:39 AM
To: Symer, Daniel
Subject: Blue Sky Legals and Exhibits

Dan,

My apologies for the delay in responding. We've had server issues all week. I actually responded first thing Wednesday morning, but I finally got a bounce-back from you late yesterday. I've pasted our emails below. You can continue to send to my Gray address, but I may need to respond from this Gmail address for a few days. Thanks

Dan,

If the changes that were made are consistent with your requests pasted below, then I approve of the changes to the exhibits. Hope that helps. Would you please send me a final copy of the covenant together with the attachments?

BTW, not sure if Derek told you but yesterday was his last day at Gray. He's taking a new opportunity in a different field. You can direct everything to me going forward.

Thanks

From: Symer, Daniel [<mailto:DSymer@scottsdaleaz.gov>]
Sent: Tuesday, November 04, 2014 4:29 PM
To: Boyce O'Brien
Subject: Blue Sky covenant
Importance: High

Boyce,

Pursuant to your discussion, please see the attached PDF. Please make the following correction:

1. Please revise page 2 of 2 of Exhibit A to comply with the Maricopa County Recorder requirements. They will not accept the document since the font is too small and there are gray lines on it. There is a lot of extra font, line work and text that can be removed for the purposes of this exhibit.
2. Since the description and graphic will be reprinted, please complete the date (10/03/2014) and the Book and Page number (Book 1202 Page 50) in the description on Page 1 of 2 of Exhibit A.
3. Please delete the pages 5 of 6 and 6 of 6 (Parcel Map Check Report) of Exhibit B. Our Attorney will not allow these to be part of the description (Sorry, I did not know this.)
5. Since the description and graphic will be reprinted without the Parcel Map Check Report, please correct the page numbers on the bottom of Exhibit B.
6. Since the description and graphic will be reprinted, please insert the Book and Page number (Book 1202 Page 50) on the graphic for lots 1 and 2 of the Graphic for Exhibit B.
3. Please delete the pages 4 of 4 (Parcel Map Check Report) of Exhibit D. Our Attorney will not allow these to be part of the description.
7. Since the description and graphic will be reprinted without the Parcel Map Check Report, please correct the page numbers on the bottom of Exhibit D.
8. Since the description and graphic will be reprinted, please insert the Book and Page number (Book 1202 Page 50) on the graphic for lots 1 and 2 of the Graphic for Exhibit D.

Please complete this ASAP, and send me copies to review.