

CITY COUNCIL REPORT



Meeting Date: May 5, 2020

General Plan Element: *Economic Vitality*

General Plan Goal: *Utilize redevelopment and revitalization efforts to sustain economic well-being*

ACTION

SkySong Ground Lease Amendment #8 – 1.5 Acre Parcel. Adopt Resolution 11685 authorizing an eighth amendment to Lease Agreement No. 2004-119-COS-A8 with ASUF Scottsdale, LLC for property at the southeast corner of Innovation Lane and McDowell Road adding the City's 1.5-acre parcel into the lease for an assemblage fee of \$3,595,000 and additional annual lease payments.

Background

The purpose of this action is to approve Resolution 11685 (Attachment 1) that adds the City's 1.5-acre parcel at Skysong (Attachment #2 Map) at the southeast corner of Innovation Lane and McDowell Road, into the Skysong Ground Lease, Contract No. 2004-119-COS-A8 (the "Lease"), between the City and the ASU Foundation (ASUF). The proposed Amendment #8 (Attachment 3) would allow ASUF to develop this parcel under the same general requirements of the original lease, as amended.

Skysong is a mixed-use development currently containing an apartment complex, a 12,000 square foot restaurant building, an Element Hotel, and 5 office buildings containing over 767,000 square feet. The property is owned by the City and is being developed under a 99-year ground lease with ASUF Scottsdale and the Plaza Companies. As a part of the original Skysong Ground Lease, the city set aside an undesignated 1.5-acre parcel for City ownership outside of the Ground Lease. In 2016's Amendment #7 of the Lease (2004-119-COS-A7), the City and ASUF agreed on the specific location and legal description of a 1.5-acre parcel and removed it from the property description for the Lease.

ASUF and Plaza Companies approached the City Manager's office with the request to develop the City's 1.5-acre parcel as a part of the Skysong development. The development of this 1.5-acre site, and the parking garage to serve it (and Skysong Office 1), would be the final buildings at Skysong. City staff requested an appraisal of the 1.5-acre parcel to determine current market value at the highest and best use. The appraisal, completed by Landpro Valuations, concluded a value of \$55 per square foot (\$3,595,000) for vacant land to be used for commercial purposes.

Skysong's 6th and 7th office buildings, at the southeast corner of McDowell and Scottsdale Roads, are currently going through DRB and are expected to be under construction later in 2020 or early 2021. These buildings connect at the corner on the upper floors and will appear as one building containing approximately 340,000 square feet. Once these buildings are completed, ASUF will have built out a total of 1,218,468 square feet of the 1,291,566 square feet of commercial space that they are currently allowed to develop on the site, leaving a remainder of approximately 73,098 square feet. ASUF could develop a small building on the eastern edge of their ground lease property near 74th St. Instead, they would like to combine the remaining ASUF's 73,098 square feet with the city's 1.5-acre parcel's 52,272 square feet, in one building on the 1.5-acre site that would be approximately 120,000 square feet. It is expected that a parking structure would be built in the parking field between this 1.5-acre parcel and Skysong Office 1 to serve both buildings.

ANALYSIS & ASSESSMENT

ASUF has agreed to pay the City the \$3,595,000 appraised value as an Assemblage Fee to have the property included into the Lease. The City will retain fee title to the property. Terms of this amendment include:

1. \$3,595,000 due on or before 60 days from council approval (the Effective Date is the close of escrow when the amendment can be recorded after all the required consents have been received, an acceptable title policy is available, and the fee has been paid). There is a possible 60-day extension with City Manager's approval. The 8th Amendment terminates if we are not able to reach an Effective Date within 120 days of the original council approval.
2. ASUF to pay annual Additional Commercial Rent payments of \$50,000 per year, after receipt of a certificate of occupancy, with increases of 10% every 5 years for the life of the lease term. A preconstruction Additional Commercial Rent payment of \$6,000 per year will be paid until the future building receives a certificate of occupancy.
3. The Assemblage Fee and the Additional Commercial Rent payments will not be applied to the outstanding ASUF Commercial Rent (aka Project Total Amount or Phase Total Amount) that is being collected annually from the buildings on the existing Lease property. Instead, these payments are added revenues to the City from the Skysong project.
4. Lease term of 75 years, expiring on July 31, 2095 with no option to extend.
5. The City will pay 50% of the escrow fees and miscellaneous closing costs, but no portion of the title policy,
6. Language was added to the Lease to allow for future flexibility in the annual Commercial Rent payments to ensure that as funds are collected there will be no impact on the tax-exempt bond status. The City expects to pay off the bonds in 2035, while the original Lease Commercial Rent payments are projected to be paid through 2093 and the Additional Commercial Rent payment from the 1.5-acres continuing until 2094 when the final 75th year payment is made.

7. Insurance requirements contained in the 2004 Lease are updated with increased liability insurance limits to \$10 million as of July 1, 2020 and with a larger escalation every 10 years.
8. Only commercial uses (office, hotel, and restaurant/retail) are allowed on the 1.5-acre site. Multifamily residential uses are specifically excluded.
9. This transaction is subject to the requirement of the Scottsdale Revised Code (Division 5, Section 2-221(b)(5) governing the sale of property interests in city property. The City Manager has determined that the public benefit will be served by uniting the real property interest of ASUF in the SkySong property (through its original ground lease with the City, as amended) and this City-owned 1.5-acre parcel.
10. The future development of the 1.5-acre parcel will be governed by and consistent with the Lease, as amended to date, and zoning for the Skysong project.

RESOURCE IMPACTS

These new funds (both the Assemblage Fee and the Additional Commercial Rent payments) will be in addition to the total Commercial Rent payment requirements of the original Lease, as amended, and will not reduce the amount owed by ASUF. The 1.5-acre parcel was part of the 42-acre parcel purchased, in 2004 for Skysong, utilizing proceeds from tax-exempt Municipal Property Corporation bonds. As such, proceeds the City receives from this Amendment will be used for other City public capital purposes. The net proceeds from this transaction will be deposited to the CIP general fund and will be available to meet existing City-wide capital needs.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Option 1 is to adopt the Resolution as follows:

Adopt Resolution 11685 authorizing an eighth amendment to Lease Agreement No. 2004-119-COS-A8 with ASUF Scottsdale, LLC, for property at the southeast corner of Innovation Lane and McDowell Road, adding the City's 1.5-acre parcel into the lease for an assemblage fee of \$3,595,000 and additional annual lease payments.

Option 2 is to deny the resolution with the City retaining the 1.5-acre parcel for future use or sale.

Proposed Next Steps:

If Council adopts Resolution 11685, the changes to the Lease will become effective upon recording of the 8th Amendment at close of escrow (includes receipt of all required consents, a title policy acceptable to ASUF and payment of the Assemblage Fee).

RESPONSIBLE DEPARTMENT(S)

Public Works Division, Capital Project Management, Real Estate

STAFF CONTACTS (S)

Martha West, Real Estate Asset Manager (480) 312-7042, mwest@scottsdaleAZ.gov

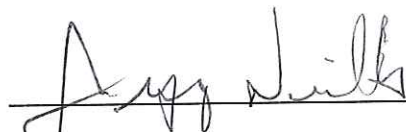
APPROVED BY



Daniel J. Worth, Executive Director, Public Works
(480) 312-5555, daworth@scottsdaleaz.gov

4-21-20

Date



Jeff Nichols, City Treasurer
(480) 312-2364, jenichols@scottsdaleaz.gov

4/21/2020

Date



For

Jim Thompson, City Manager
(480) 312-2800, jthompson@scottsdaleaz.gov

4/21/2020

Date

ATTACHMENTS

1. Resolution 11685
2. Location Map showing current Skysong Ground Lease area and 1.5-acre parcel
3. 8th Amendment to Ground Lease, Contract 2004-119-COS-A8

RESOLUTION NO. 11685

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AN EIGHTH AMENDMENT TO LEASE AGREEMENT NO. 2004-119-COS WITH ASUF SCOTTSDALE LLC FOR PROPERTY AT THE SOUTHEAST CORNER OF INNOVATION LANE AND MCDOWELL ROAD

(ASUF-Skysong-Los Arcos)

WHEREAS: A.R.S. Section 9-500.05 authorizes the City to enter into development agreements with persons having interest in real property located in the City: and

A. The City of Scottsdale ("Lessor") and ASUF Scottsdale LLC ("Lessee") are the original parties to that certain Ground Lease (Contract No. 2004-119-COS) dated August 9, 2004 and recorded August 9, 2004 at document No. 2004-0920528 of the public records of Maricopa County, Arizona (the "Lease").

B. The Lease was subsequently amended by that certain First Amendment to Ground Lease Agreement (the "First Amendment") dated July 10, 2006 between Lessor and Lessee and recorded September 14, 2006 at document No. 2006-1225303 of the public records of Maricopa County, Arizona.

C. The Lease was subsequently further amended by that certain Second Amendment (the "Second Amendment") dated February 7, 2012 between Lessor and Lessee and recorded February 7, 2012 at document No. 2012-0100586 of the public records of Maricopa County, Arizona.

D. The Lease was subsequently further amended by that certain Third Amendment (the Third Amendment) dated February 7, 2012 between Landlord and Tenant and recorded February 23, 2012 at document No. 2012-0148324 of the public records of Maricopa County, Arizona.

E. The Lease was subsequently further amended by that certain Fourth Amendment, (the "Fourth Amendment") dated August 19, 2013 between Landlord and Tenant and recorded August 20, 2013 at document No. 2013-0757229 of the public records for Maricopa County, Arizona.

F. The Lease was subsequently further amended by that certain Fifth Amendment (the "Fifth Amendment") dated April 14, 2015 between Landlord and Tenant and recorded April 20, 2015 at document No. 2015-0270211 of the public records of Maricopa County, Arizona.

G. The Lease was subsequently further amended by that certain Sixth Amendment (the "Sixth Amendment") dated June 10, 2015 between Landlord and Tenant and recorded June 23, 2015 at document No. 2015-0445841 of the public records of Maricopa County Arizona.

H. The Lease was subsequently further amended by that certain Seventh Amendment (the "Seventh Amendment") dated January 27, 2017 between Landlord and Tenant and recorded January 30, 2017 at document No. 2017-0071711 of the public records of Maricopa County, Arizona. The Seventh Amendment defined with a legal description that certain 1.5-acre parcel to be excluded from the Original Ground Lease.

I. Landlord and Tenant now wish to amend the Ground Lease by adding the 1.5 acre excluded parcel to the Ground Lease.

NOW, THEREFORE, BE IT RESOLVED THAT:

Section 1. The Mayor is authorized and directed to execute on behalf of the City of Scottsdale the Eighth Amendment to Ground Lease Agreement No. 2004-119-COS-A8 after it has been signed by all other parties.

Section 2. The Mayor, the City Manager or their designees are authorized to approve and execute such other documents as are necessary to carry out the purpose of Contract No. 2004-119-COS-A8.

Section 3. The Eighth Amendment to the Ground Lease does not become effective until the payment of the Assemblage Fee, a title policy acceptable to Lessee, and receipt of all assignee consents.

Section 4. If the Eighth Amendment to the Ground Lease Agreement No. 2004-119-COS-A8 does not become effective within 120 days of City Council approval, the City Manager or his designee is authorized to record with Maricopa County Recorder such document(s) evidencing the termination of the Eighth Amendment to the Ground Lease.

PASSED AND ADOPTED by the Council of the City of Scottsdale this _____ day of _____, 2020.

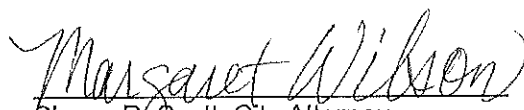
CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

W. J. "Jim" Lane, Mayor

By: _____
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney
By: Margaret Wilson, Senior Assistant City Attorney



1.5 ACRE PARCEL

MCDOWELL ROAD

SCOTTSDALE ROAD

INNOVATION PLACE

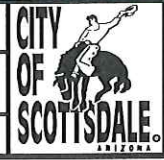
74TH STREET

SKYSONG

CURRENT SKYSONG GROUND LEASE BOUNDARY

ENTERPRISE DRIVE

ATTACHMENT 2					
PROJECT TITLE LOCATION MAP 1.5 ACRE PARCEL					
DEPT.	L.E.	DRAWN	DATE	SCALE	SHT.
CPM		RAH	02/20	NTS	1 OF 1



WHEN RECORDED RETURN TO:

CITY OF SCOTTSDALE
ONE STOP SHOP/RECORDS
(Martha West)
7447 E. Indian School Road
Suite 205
Scottsdale, AZ 85251

C.O.S. Contract No. 2004-119-COS-A8
(Resolution No. 11685)
(ASUF-SkySong-Los Arcos)

EIGHTH AMENDMENT TO GROUND LEASE AGREEMENT

THIS EIGHTH AMENDMENT TO GROUND LEASE AGREEMENT (the "**Amendment**") is made this ____ day of _____, 2020 by CITY OF SCOTTSDALE, an Arizona municipal corporation ("**Landlord**") and ASUF SCOTTSDALE, L.L.C., an Arizona limited liability company ("**Tenant**").

RECITALS

A. Landlord and Tenant executed that certain Ground Lease Agreement being City of Scottsdale Contract No. 2004-119-COS (the "**Original Lease**") dated August 9, 2004 and recorded August 9, 2004 at document No. 2004-920528 of the public records of Maricopa County, Arizona whereby, among other things, Landlord granted to Tenant a leasehold (the "**Leasehold**") for operation of a mixed use project upon certain real property (the "**Property**"). The Property is located at the southeast corner of Scottsdale Road and McDowell Road in the City of Scottsdale, Maricopa County, Arizona, as defined in the Original Lease.

B. The following assignments or partial assignments of the Leasehold (the "**Prior Assignments**") have occurred:

<u>Transaction</u>	<u>Assignor</u>	<u>Assignee</u>	<u>Date</u>	<u>Recording Data</u>
Sublease	Tenant	Skysong Owners Association, an Arizona nonprofit association ("Association")	January 15, 2009	March 4, 2009 MCR2009-191192
Sublease	Tenant	Skysong 1 LLC, a Delaware limited liability company ("SS1")	June 16, 2006	June 29, 2006 MCR2006-877347
Assignment of Sublease	SS1	Holualoa Scottsdale Office LLC, a Delaware limited liability company ("Holualoa")	August 26, 2013	August 26, 2013 MCR2013-775480

Sublease	Tenant	Skysong 2 LLC, a Delaware limited liability company ("SS2")	June 29, 2007	June 29, 2007 MCR2007-750071
Assignment of Sublease	SS2	Holualoa	August 26, 2013	August 26, 2013 MCR2013-775481
Memorandum of Sublease	Tenant	Skysong Residential 1 LLC, a Delaware limited liability company ("SSR1")	July 20, 2012	January 14, 2013 MCR2013-0039651
Assignment of Sublease	SSR1	Mid-America Apartments, L.P., a Tennessee limited partnership ("MAA")	June 11, 2015	June 12, 2015 MCR20150419570
Memorandum of Sublease	Tenant	Skysong Office 3 LLC, a Delaware limited liability company ("SO3")	August 16, 2013	August 16, 2013 MCR2013-749883
Deed of Trust	SO3	Life Insurance Company of the Southwest, a Texas corporation ("LICS")	October [undated], 2015	October 5, 2015 MCR2015-0715765
Assignment of Deed of Trust	Citigroup	U.S. Bank National Association, as trustee, on behalf of the registered holders of Citigroup Commercial Mortgage Securities, Inc., Commercial Mortgage Pass-Through Certificates, Series 2013-GC15 ("U.S. Bank")	October 7, 2013	November 20, 2013 MCR2013-1002715
Memorandum of Sublease	Tenant	Skysong Office 4 LLC, a Delaware limited liability company ("SO4")	September 11, 2015	September 11, 2015 MCR2015-0656918
Memorandum of Sublease	Tenant	QUAD4 LLC ("QUAD4")	May 26, 2016	May 31, 2016 MCR2016-0373973
Memorandum of Sublease	Tenant	Jackson Shaw/Skysong Element, LP, a Texas limited partnership	2/9/2017	Recorded January 31, 2018 MCR 2018-0077039 Re-Recorded March 2, 2018 MCR 2018-0159869
Assignment of Sublease	Hotel	Skysong Hospitality Venture, LLC, a Delaware limited liability company	March 1, 2018	March 2, 2018 MCR 2018-0159871
Memorandum of Sublease	Tenant	Skysong Office 5, LLC, a Delaware limited liability company	June 27, 2018	June 27, 2018 MCR 2018-0491147

Deed of Trust	Hotel	UMB Bank n.a.	March 1, 2018	March 2, 2018 MCR 2018-0160104
Deed of Trust	SO5	Western Alliance Bank (Alliance)	June 27, 2018	June 28, 2018 MCR 2018-0491502
Deed of Trust	SO4	Life Insurance Company of the Southwest, a Texas corporation ("LICS")	June 26, 2018	June 26, 2018 MCR 2018-0486843

C. Tenant warrants and represents that the Prior Assignments have occurred. Tenant warrants and represents that no other assignments of any part of the Leasehold have occurred, except that:

(1) In the past, Tenant has (or may have) granted additional liens upon the Leasehold, which additional liens are not listed because they have been completely satisfied, released and terminated of record.

(2) In the past, Tenant has (or may have) granted subleases of the Leasehold, which additional subleases are not listed because they have been completely satisfied, released and terminated of record.

(3) Association may have received additional Leasehold rights from Tenant (e.g., a declaration of covenants and restrictions), all of which are still held by Association.

(4) SS1, SS2 or Holualoa have entered into sub-subleases of completed office space.

(5) SO3 has entered into sub-subleases of completed office space.

(6) SO4 has entered into sub-subleases of completed office space.

(7) SO5 has entered into sub-subleases of completed office space.

(8) Quad 4 has entered into sub-subleases of completed restaurant space.

(9) The subleases granted to SS1, SS2, MAA, SO3, SO4, SO5, Quad 4 and Hotel may have been amended. References in this Amendment to those subleases refer to the subleases as amended.

(10) The liens granted to Citigroup, Alliance, LISC, and U.S. Bank may include other instruments (such as assignments of rents) and may have been amended. References in this Amendment to those liens also refer to the other lien instruments and to any amendments to the liens.

(11) In the past, SS1, SS2, SO3, SO4, Quad 4, Hotel and Holualoa have (or may have) made additional sub-assignments of their rights under the Leasehold, which are not listed because they have been completely satisfied, released and terminated of record.

D. The following amendments have been made to the Original Lease:

Amendment	Parties	Date	Recording Data
First	Landlord and Tenant	July 10, 2006	September 14, 2006 MCR2006-1225303
Second	Landlord and Tenant	February 7, 2012	February 7, 2012 MCR2012-0100586
Third	Landlord and Tenant	February 7, 2012	February 23, 2012 MCR2012-0148324
Fourth	Landlord and Tenant	August 19, 2013	August 20, 2013 MCR2013-0757229
Fifth	Landlord and Tenant	April 14, 2015	April 20, 2015 MCR2015-0270211, rerecorded May 26, 2015 MCR2015-0367919
Sixth	Landlord and Tenant	June 10, 2015	June 23, 2015 MCR2015-0445841
Seventh	Landlord and Tenant	January 27, 2017	January 30, 2017 MCR 2017-0071711

E. References to the Original Lease (or any of its paragraphs or subparagraphs) refer to the Original Lease (or such paragraph or subparagraph) as amended by the amendments listed above. Undefined terms capitalized in this Amendment have the meanings assigned in the Original Lease. Unless otherwise specified, exhibit references refer to the exhibits attached to the Original Lease.

F. Landlord and Tenant previously amended, in the Seventh Amendment to the Original Lease, by defining the exact location of Landlord's 1.5 acre Parcel to exclude it from the Original Lease and by amending other provisions of the Original Lease as more particularly set forth in the Seventh Amendment.

G. Landlord and Tenant now desire to return Landlord's 1.5 acre Excluded Parcel (the "**Assemblage Parcel**") to the Original Lease subject to certain provisions contained in this Amendment.

H. Undefined terms capitalized in this Amendment have the meanings assigned in the Original Lease.

NOW THEREFORE, in consideration of the foregoing and the mutual promises contained herein, Tenant and Landlord agree as follows:

1. Recitals. The forgoing recitals are agreed to be true and correct and are incorporated herein by reference.

2. Effectiveness; Escrow. This Amendment shall be effective when recorded in the real estate records of Maricopa County, Arizona (the "**Effective Date**"). Promptly after approval of this Amendment by the Scottsdale City Council, Landlord and Tenant will deposit this Amendment into an escrow established with Thomas Title & Escrow LLC, 7150 East Camelback Road, Suite 195, Scottsdale, AZ 85251, Attention: Sheila Hunter ("**Escrow Agent**"), and Escrow Agent shall administer the transactions requiring escrow services under this Amendment. This Amendment shall constitute instructions to Escrow Agent for the transactions contemplated by this Amendment. By executing this Amendment or accepting any escrow hereunder, Escrow Agent agrees to perform the obligations imposed by this Amendment. Escrow Agent's liability under this Amendment is limited to performance of the duties and obligations imposed upon Escrow Agent. Escrow Agent shall in all cases be responsible for any liability or claim arising from its negligence, misconduct, or other improper or unlawful act. If Escrow Agent is not the title insurance underwriter, within fifteen (15) days after the escrow opening, Escrow Agent shall cause the title insurer to provide to Landlord's city attorney's office and Tenant copies of the proposed insured closing letters in form acceptable to Landlord and Tenant issued by Escrow Agent's title insurance underwriter making Escrow Agent's underwriter financially responsible for covering Escrow Agent's proper performance of its duties related to this Amendment. Escrow Agent will record this Amendment when it has received and attached to this Amendment all of the Assignee Consents, and Escrow Agent is **irrevocably and unconditionally** prepared to (a) issue to Tenant the Title Policy (as defined below); and (b) deliver to Landlord the Assemblage Fee. If this Amendment has not been recorded on or before one hundred twenty (120) days after Scottsdale City Council approval of this Amendment, Escrow Agent will return the counterpart copies of this Amendment signed by Landlord and Tenant to the party signing same and the Amendment will be null and void and of no force or effect and neither party will have any obligations or liabilities under this Amendment. Tenant's obligation to consummate the purchase of the Assemblage Parcel is conditioned on Tenant, at Tenant's sole cost and expense, receiving an ALTA extended (or at Tenant's option, standard) coverage policy of title insurance from First American Title Insurance Company (or another title insurance company acceptable to Tenant), dated as of the date of recordation of this Amendment, in the amount of the Assemblage Fee, showing Tenant as the holder of a valid leasehold interest in the Assemblage Parcel, subject only to matters approved by Tenant (the "**Title Policy**"). Landlord will reasonably cooperate with Tenant and the title company to satisfy any landlord/seller title requirements to the issuance of the Title Policy, including, without limitation, execution and delivery of title company's form of owner's affidavit. Landlord and Tenant will each pay one-half (½) of all escrow, recording, inspection, and other Escrow Agent closing costs related to the closing of the transaction. Tenant will pay the premium for the Title Policy.

3. Property. The legal description for the Assemblage Parcel is set forth in **Exhibit A** attached hereto. The Assemblage Parcel shall be returned to the Original Ground Lease. The Original Ground Lease shall be amended by replacing Exhibit A-1, Exhibit A-2, and Exhibit B (Center Criteria) with revised versions which are attached to this Amendment as Replacement Exhibit A-1, Replacement Exhibit A-2, and Replacement Exhibit B, (Revised Center Criteria) respectively, and includes the Assemblage Parcel. Landlord represents to Tenant that, to its knowledge, from January 30, 2017 to the Effective Date Landlord has not taken any action, or failed to take any action, that constitutes a violation of any federal, state, county, or municipal

laws, ordinances, regulations, statutes, codes, or rules relating to the Assemblage Parcel, including, without limitation environmental laws.

4. Assemblage Fee. A new paragraph 5.15 shall be added to the Original Lease as amended by Amendment 3 (Replacement Article Five), as follows:

5.15 Assemblage Fee. Notwithstanding anything to the contrary in the Original Lease, Tenant will pay Landlord a one-time assemblage fee (the "Assemblage Fee") for the inclusion of the City's 1.5 acre property (the "Assemblage Parcel") generally described on **Exhibit A** attached to the Eighth Amendment to Ground Lease Agreement (the "Eighth Amendment") in the amount of THREE MILLION FIVE HUNDRED NINETY FIVE THOUSAND AND NO/100 (\$3,595,000.00). This Assemblage Fee shall be in addition to the Project Total Amount and the Phase Total Amount and does not reduce the Project Total Amount or the Phase Total Amount. The Assemblage Fee shall be paid by Tenant to Landlord within 30 days after final, non-appealable, non-referable City council approval of this Eighth Amendment. This period may be extended no more than one time for a maximum of 60 days by Tenant and the City Manager on behalf of the Landlord. City agrees that no Rental Tax will be payable by Tenant in connection with the Assemblage Fee.

5. Commercial Rent. Paragraph 5.2 of the Original Lease (as amended by the Third Amendment and the Seventh Amendment to Ground Lease Agreement), Commercial Rent, is hereby amended to add the following:

5.2.3.7 Notwithstanding anything to the contrary in this paragraph 5.2, Tenant will pay Landlord Additional Commercial Rent for the Assemblage Parcel annually, as follows:

a. For the time that the Assemblage Parcel contains no completed building, the Tenant shall pay to the Landlord Additional Commercial Rent of SIX THOUSAND AND NO/100 (\$6,000.00) each year. This Additional Commercial Rent shall be prorated in the first year from the Effective Date until July 31, 2020. The amount of the Additional Commercial Rent payment for the Assemblage Parcel shall increase to 110% of the prior Additional Commercial Rent payment every fifth (5th) anniversary thereafter during the Lease Term for the Assemblage Parcel until such time as any building on the Assemblage Parcel receives its Certificate of Occupancy. This Additional Commercial Rent shall be in addition to the Project Total Amount and the Phase Total Amount and does not reduce the Project Total Amount or the Phase Total Amount.

b. At such time as a building on the Assemblage Parcel is completed and receives its Certificate of Occupancy, the Tenant shall pay to the Landlord Additional Commercial Rent of FIFTY THOUSAND AND NO/100 (\$50,000.00) each year for the Lease Term for the Assemblage Parcel. The amount of the Additional Commercial Rent payment for the Assemblage Parcel shall increase to 110% of the prior Additional Commercial Rent payment every fifth (5th) anniversary of August 1st after a building on the Assemblage Parcel is completed and receives its Certificate of Occupancy and continuing on the fifth

(5th) anniversary of each August 1st thereafter during the Lease Term for the Assemblage Parcel. For example, if the first Certificate of Occupancy is received on February 1, 2024, the first full payment of \$50,000 is due on August 1, 2024 and the first increased payment is due on August 1, 2029, the second increased payment is due on August 1, 2034, etc. This Additional Commercial Rent payment will continue should any extension of the Lease be granted for the Assemblage Parcel. This Additional Commercial Rent shall be in addition to the Project Total Amount and the Phase Total Amount and does not reduce the Project Total amount or the Phase Total Amount.

c. During the year in which the Certificate of Occupancy is issued, Additional Commercial Rent shall be prorated between the amounts in paragraphs (a) and (b) and Tenant will pay Landlord the differential with the next annual payment of Additional Commercial Rent. For example, if a building on the Assemblage Parcel is completed and receives its Certificate of Occupancy on February 1, 2024, the Additional Commercial Rent for the 2023-24 Lease year would be \$28,000 [(\$6,000 x 6 months) + (\$50,000 x 6 months)]. Tenant will have paid Landlord \$6,000 on August 1, 2023 and Tenant will pay Landlord \$22,000 on August 1, 2024 (for the 2023-24 Lease year).

6. Time of Payment. Paragraph 5.10 of the Original Lease (as amended by the Sixth Amendment to the Ground Lease Agreement), Time of Payment, is hereby amended to add the following:

5.10.1 Payment Adjustments for Bond Compliance. It is expressly understood that the Property has been financed with the proceeds of one or more series of tax-advantaged obligations issued by the City or its Municipal Property Corporation, on behalf of the City. Tenant shall accommodate any postponements or annual downward adjustments in Rent deemed necessary by the City Treasurer to comply with any tax-advantaged bond covenants applicable to the Property. Such adjustment shall not reduce Tenant's obligation to pay the full Rent amount within the term of the Lease. Rather, Tenant shall pay Landlord any difference in Rent from the postponed Rent year in the future year(s) that Landlord directs in addition to that year's Rent payment, without interest. For example, if the Rent due in each year of 2034 and 2035 is \$1,000,000 and Landlord determined that 2034 Rent needs to be reduced to \$600,000 and Landlord directs that Tenant pay the difference in 2034 Rent in 2035, Tenant shall then pay Landlord (i) \$600,000 in 2034 and (ii) \$1,400,000 in 2035 (the postponed difference in 2034 Rent of \$400,000 plus the 2035 Rent payment of \$1,000,000). The City Treasurer shall have administrative authority to adjust payment schedules as stated in this section. To assist in compliance with any tax-advantaged bond covenants, so long as any tax-advantaged bonds are outstanding, Tenant shall always pay Rent based on the invoice received from the Landlord. Landlord's invoice shall specifically explain any revision to the Rent payment and when any postponed Rent shall be due.

7. Term. Paragraph 4 of the Original Lease, TERM, is hereby amended to add the following immediately after the existing paragraph 4:

Notwithstanding the foregoing in this Section 4, the Lease Term for the Assemblage Parcel shall commence on the Effective Date of the Eighth Amendment to Ground Lease Agreement and shall expire at 12:00 midnight, M.S.T., on July 31, 2095. The Term for the Assemblage Parcel shall not be extended without payment of a new Assemblage Fee and the continuation of the Additional Commercial Rent.

8. Rent Payment Location. Paragraph 5.11 of the Original Lease, as amended by Amendment 3 (Replacement Article Five) shall be amended by deleting the address shown, and replacing it with the following:

City of Scottsdale
Remittance Processing
PO Box 1570
Scottsdale AZ 85252-1570

9. Insurance. Paragraph 14 of the Original Lease, Insurance, is hereby amended to read as follows:

14.1 Property Insurance. Throughout the Lease Term, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept all Improvements including buildings under construction insured against loss or damage by fire and such other risks as are now or hereafter included in the so-called "causes of loss – special form" endorsement in common use for commercial structures, including, without limitation, vandalism and malicious mischief. The amount of the insurance shall be sufficient to prevent either Landlord or Tenant from becoming a coinsurer under the provisions of the policies, but in no event shall the amount be less than ninety percent (90%) of the full replacement cost of the Improvements; excluding costs of replacing excavations, foundations, and underground utilities, without deduction for depreciation. If any dispute as to the full replacement cost of the Buildings cannot be resolved by agreement, Landlord or Tenant may require, by written demand to the other party, that the parties engage a qualified licensed MAI or ASA appraiser to appraise the full replacement cost of the Improvements, and the required insurance shall be adjusted to reflect the results of the appraisal. The cost of the appraisal shall be split equally between Landlord and Tenant. If Landlord and Tenant cannot agree on the appraiser, the party requiring the appraisal will submit a list of five (5) qualified licensed MAI or ASA appraisers that have not provided appraisal services to such party in the prior three (3) years and the other party will choose one appraiser from the list to appraise the full replacement cost of the Improvements. Landlord shall not carry any insurance the effect of which would be to reduce the protection or payment to Tenant under any insurance that this Lease obligates Tenant to carry. Any property insurance purchased by any subtenant, sublessee, contractor or subcontractor may be aggregated with Tenant's property insurance to satisfy Tenant's property insurance obligation as long as all other requirements in this Section 14 are satisfied, including, without limitation, naming Landlord as a co-loss

payee as its interest may appear, and may name any Leasehold Mortgagee as a co-loss payee.

14.2 Proceeds from Property Insurance. Landlord shall, at Tenant's cost and expense, cooperate fully with Tenant to obtain the largest possible proceeds, and all policies of property insurance required by Section 14.1, Property Insurance, shall provide that the proceeds from such insurance shall be used and applied as provided in Section 11, DAMAGE OR DESTRUCTION, hereof. All proceeds shall be adjusted, held and disbursed as provided in Section 11, DAMAGE OR DESTRUCTION, hereof.

14.3 Liability Insurance. Throughout the term, at Tenant's sole cost and expense, Tenant shall keep in force, for the mutual benefit of Landlord (and Landlord's agents and employees) and Tenant and Tenant's agents and employees, commercial general liability insurance, and contractual liability insurance concerning obligations under this Lease, against claims and liability for personal injury, bodily injury, property damage or death arising from the use, occupancy, disuse; or condition of the Premises, the Improvements and adjoining areas or ways, or arising from the activities of the Tenant or any of the Tenant Parties including subtenants, sublessees and subcontractors. Tenant is required to continuously carry commercial general liability insurance of at least TEN MILLION DOLLARS (\$10,000,000.00) combined single limit beginning July 1, 2020. This limit shall be increased by One Million Five Hundred Thousand Dollars on every tenth (10th) anniversary beginning July 1, 2020, with the first increase occurring on July 1, 2030, unless otherwise changed by mutual agreement of the parties in writing. Landlord shall be identified as an additional insured on all such policies and all policies shall comply with the requirements of Sections 14.4 and 14.5 of this Lease. If Tenant requires its subtenants, sublessees, contractors or subcontractors to purchase and maintain liability insurance, such policies shall be endorsed to reflect Landlord as an additional insured.

14.4 Additional Insurance. Tenant shall procure and keep in force in form and coverage reasonably satisfactory to Landlord:

(a) Boiler and machinery insurance if at any one time or from time to time such equipment is located on the Premises.

(b) If Tenant requires its subtenants, sublessees, or subcontractors to purchase and maintain liability insurance, such policy shall be endorsed to reflect the Landlord and Tenant and their agents and employees as additional insureds. Liability coverage provided by subtenants, subleases, or subcontractors does not affect the liability insurance requirements of Tenant to Landlord.

(c) If Tenant commits, permits, or causes the conduct of any activity or the bringing or operation of any equipment on or about the Premises creating extraordinary hazards, Tenant shall, promptly on notice of demand from Landlord, procure and maintain in force, during such activity or operation, insurance sufficient to cover the risks represented thereby. Landlord's demand for extraordinary hazard insurance shall not constitute a waiver of Landlord's right, if Landlord would otherwise have that right, to demand the removal, cessation, or abatement of such activity or operation.

(d) Workers' compensation and employers' liability insurance.

(e) Other insurance, such as flood insurance (but only if the Premises is located within a federally recognized flood zone), in amounts from time to time reasonably required by any Leasehold Mortgagee, against other insurable risks, if at the time they are commonly insured against for premises similarly situated and containing comparable improvements.

Tenant may procure and maintain any insurance not required by this Lease, but all such insurance shall be subject to all other provisions of this Lease pertaining to insurance.

14.5 Policy Requirements. All insurance required by express provisions of this Lease shall be carried only with a responsible insurance company licensed to do business in the State of Arizona with a Best's rating of at least A-VII or comparable rating. All such policies shall be nonassessable and shall contain language to the effect that (i) any loss shall be payable notwithstanding any act or negligence of Landlord or Tenant that might otherwise result in a forfeiture of the insurance, (ii) as to property insurance policies, the insurer waives the right of subrogation against Landlord and against Landlord's agents and representatives, and against Tenant and Tenant's agents and representatives, (iii) the policies are primary and non-contributory with any insurance that may be carried by Landlord or Tenant, and (iv) the policies cannot be canceled or materially changed except after thirty (30) Calendar Days written notice by the insurer to the Landlord or Tenant; (v) a waiver of co-insurance penalties endorsement based upon additional insurance carried by or for the benefit of Tenant; (vi) an endorsement waiving any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by Landlord or Tenant or any of the Landlord Parties or Tenant Parties. Landlord or Tenant shall promptly furnish each other with certificates evidencing the insurance upon such party's receipt of the same. Landlord and Tenant may obtain for its own account any insurance not required under this Lease. The general liability insurance to be carried by Landlord and Tenant hereunder shall name the other party and such other parties as reasonably requested (including a Leasehold Mortgagee in the case of Tenant) as additional insured parties

under such policies. Tenant may provide insurance required hereunder by blanket insurance covering the Premises and any other location or locations of Tenant, provided it is acceptable to any Leasehold Mortgagee.

All Certificates of Insurance submitted to show proof of insurance coverage for Landlord shall include the City's Contract Number for the Ground Lease, 2004-119-COS, the address for the location of the property being provided coverage, and should be addressed as follows:

City of Scottsdale, Real Estate Dept.
7447 E. Indian School Rd., Suite 205
Scottsdale, AZ 85251.

14.6 Failure to Maintain Insurance: Proof of Compliance. If Tenant fails or refuses to procure or to maintain insurance as required by this Lease or fails or refuses to furnish Landlord with required proof that the insurance has been obtained, is in force and has been paid for, Landlord shall have the right, at Landlord's election and on five (5) Business Days' prior written notice to Tenant, to procure and maintain such insurance. The premiums paid by Landlord shall be due and payable from Tenant upon demand, together with interest at the Default Rate from the date paid by Landlord until repaid, and any failure by Tenant to pay such amount upon demand shall constitute a default under this Lease. Landlord shall give prompt notice to Tenant of the payment of any of such premiums, stating the amounts paid and the name of the insurer or insurers.

14.7 Waiver of Claims. Landlord and Tenant, in the exercise of their commercial business judgment, acknowledge that the use of the use of insurance is the best way to protect against the risk of loss to their respective properties and economic interests in the Premises. Accordingly, each agree that in the event of loss or damage to their respective properties or interest, such loss will be satisfied first by the insurance proceeds paid to the party suffering the loss, next by the party who failed to carry required insurance to the extent of the additional insurance proceeds that would have been paid to the party suffering the loss had the insurance required hereunder been carried by such party, and finally, by the party causing the loss or damage if permitted by the terms of this Lease. Without limiting the waiver of subrogation required in Section 14.5 if and to the extent that applicable law permits a full waiver of claims between landlords and tenants in leases such as this Lease, then Landlord and Tenant waive all claims against the other and the Tenant Parties and the Landlord Parties, respectively, for any loss, damage or injury, to the extent of available insurance proceeds, notwithstanding the negligence of either party in causing a loss that would be covered by a "cause of loss – special form" policy of property insurance.

10. No Multi-Family Development. The Assemblage Parcel shall not be developed for multi-family residential uses.

11. Notices. The addresses for notices in Paragraph 18.1(b) of the Original Lease, Notices, are hereby deleted in their entirety and the following inserted therefor:

If to Landlord:

Senior Real Estate Manager
City of Scottsdale
One Civic, 2nd Floor, Suite 205
7447 E. Indian School Rd.
Scottsdale, Arizona 85251

With a copy at the same time to:

Scottsdale City Manager
City of Scottsdale
3939 N. Drinkwater Blvd.
Scottsdale, Arizona 85251

Scottsdale City Attorney
City of Scottsdale
3939 N. Drinkwater Blvd.
Scottsdale, Arizona 85251

If to Tenant:

ASUF Scottsdale, LLC
c/o University Realty, LLC
Attn: Don Couvillion

Mailing Address:

Suite 200
1475 N. Scottsdale Road
Scottsdale AZ 85257

Hand Delivery Address:

6th Floor
300 E. University Drive
Tempe, Arizona 85281

With a copy at the same time to:

ASU Enterprise Partners
Attn: Secretary

Mailing Address:
P.O. Box 2260
Tempe, Arizona 85280-2260

Hand Delivery Address:
6th Floor
300 E. University Drive
Tempe, Arizona 85281

ASU Enterprise Partners
Attn: Treasurer

Mailing Address:
P.O. Box 2260
Tempe, Arizona 85280-2260

Hand Delivery Address:
6th Floor
300 E. University Drive
Tempe, Arizona 85281

Jay S. Kramer
Fennemore Craig, P.C.
2394 East Camelback Road, Suite 600
Phoenix, Arizona 85016-3429

12. Miscellaneous.

(a) No Further Amendment. Except as expressly amended by specific provisions of this Amendment, the Original Lease and the parties' respective rights and obligations related to the Original Lease are not affected by this Amendment.

(b) Integration. This Amendment constitutes the entire agreement between the parties with respect to amending the Original Lease and supersedes any prior agreement, understanding, negotiation, draft agreements, discussion outlines, correspondence and memoranda or representation regarding amending the Original Lease.

(c) Tenant's Prior Assignees. The following shall apply regarding certain third parties (collectively "**Assignees**"):

(i) Assignees are each person other than Landlord and Tenant having or claiming a lien, sublease, easement or other interest in the Leasehold or under the Original Lease, subject to the following:

(1) Without limitation, Assignees include the following:

- (1) Skysong Owners Association
- (2) Skysong Office 3
- (3) Holualoa Scottsdale Office
- (4) Mid-America Apartments
- (5) Skysong Office 4
- (6) QUAD4
- (7) Skysong Office 5
- (8) Skysong Hospitality Venture
- (9) Life Insurance Company of the Southwest
- (10) Western Alliance Bank
- (11) U.S. Bank National Association
- (12) UMB Bank
- (13) The holders of all interests formerly held by each

such person or entity.

(ii) Notwithstanding the foregoing, Assignees exclude sublessees in the ordinary course of SS1, SS2, SO3, SO4, SO5, and Holualoa's business of subleasing office space in completed office buildings at the Property, and sublessees in the ordinary course of MAA's business of subleasing residential units or retail space in completed apartment projects. Quad 4's business of subleasing retail space in the completed retail building.

(d) Assignee Consents. Tenant warrants and represents that prior to the Effective Date:

(i) Instruments in substantially the form attached hereto ("Assignee Consents") will be executed and acknowledged by each Assignee whereby all Assignees join in this Amendment and subject and subordinate their interests to this Amendment and the Original Lease and all requirements, provisions and conveyances of this Amendment and the Original Lease.

(ii) Tenant will attach such Assignee Consents to this Amendment and record them with this Amendment.

(e) Third Party Beneficiaries. Except as expressly stated in the Original Lease, if any, there are no third party beneficiaries to this Amendment or the Original Lease.

EXECUTED as of the date first given above.

TENANT:

ASUF SCOTTSDALE, L.L.C.,
an Arizona limited liability company

By: Arizona State University Foundation for a New
American University, an Arizona non-profit
corporation, its sole member

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
)ss
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by _____, the _____, and _____, the _____ of Arizona State University Foundation for a New American University, an Arizona non-profit corporation, sole member of ASUF Scottsdale, L.L.C., an Arizona limited liability company, on behalf of the limited liability company.

Notary Public

(Seal)

LANDLORD:

CITY OF SCOTTSDALE, an Arizona municipal corporation

By: _____
W. J. "Jim" Lane, Mayor

ATTEST:

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

Margaret Wilson

Sherry R. Scott, City Attorney
By: Margaret Wilson, Senior Assistant City Attorney

Dan Worth, Executive Director Public Works

Katie Callaway, Risk Management Director

STATE OF ARIZONA)
)ss
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2020 by W. J. "Jim" Lane, Mayor of City of Scottsdale, an Arizona municipal corporation.

Notary Public

(Seal)

ESCROW AGENT ACCEPTANCE

Thomas Title & Escrow, LLC accepts the foregoing Eighth Amendment to Ground Lease Agreement, agrees to act as Escrow Agent hereunder, and agrees to comply with the provisions of Section 6045 of the Internal Revenue Code with respect to the transactions contemplated hereby and agrees to comply with the provisions of Executive Order 13224 regarding the Specially Designated Nationals and Blocked Persons list.

Date: _____, 2020

THOMAS TITLE & ESCROW, LLC,
an Arizona limited liability company

By: _____
Name: _____
Title: _____

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

SKYSONG OFFICE 3, LLC,
a Delaware limited liability company

By: SkySong Plaza 3, LLC, an Arizona limited liability company

By: Harper SkySong Plaza 3, LLC, an Arizona limited liability company, Managing Member

By: _____
Sharon J. Harper, as Co-Trustee of
the Harper Family Revocable Trust
Dated November 5, 1998, Sole
Member

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by Sharon J. Harper, the Co-Trustee of the Harper Family Revocable Trust Dated November 5, 1998, the Sole Member of Harper SkySong Plaza 3, LLC, an Arizona limited liability company, the Managing Member of SkySong Plaza 3, LLC, an Arizona limited liability company, the _____ of **SKYSONG OFFICE 3, LLC**, a Delaware limited liability company, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

MID-AMERICA APARTMENTS, L.P., a Tennessee limited partnership

By: Mid-America Apartment Communities, Inc., a Tennessee corporation, Sole General Partner

By: _____
Name: _____
Title: _____

STATE OF _____)
)ss
County of _____)

This document was acknowledged before me this _____ day of _____, 2020, by _____, the _____ of MID-AMERICA APARTMENT COMMUNITIES, INC., a Tennessee corporation, the Sole General Partner of **MID-AMERICA APARTMENTS, L.P.**, a Tennessee limited partnership, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

SKYSONG OWNERS ASSOCIATION, INC.,
an Arizona non-profit corporation

By: _____
Name: J. Donald Couvillion
Title: President

STATE OF ARIZONA)
) ss.
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020 by J. Donald Couvillion, the President of SKYSONG OWNERS ASSOCIATION, INC., an Arizona non-profit corporation.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

SKYSONG OFFICE 4, LLC,
a Delaware limited liability company

By: SkySong Plaza 4, LLC, an Arizona limited liability company, Administrative Member

By: Harper SkySong Plaza 4, LLC, an Arizona limited liability company, Managing Member

By: Harper SkySong 4 Fund Corporation, an Arizona corporation, Sole Member

By: _____
Name: Sharon Harper
Title: President

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by Sharon J. Harper, the President of Harper SkySong 4 Fund Corporation, an Arizona corporation, the Sole Member of Harper SkySong Plaza 4, LLC, an Arizona limited liability company, the Managing Member of SkySong Plaza 4, LLC, an Arizona limited liability company, the Administrative Member of **SKYSONG OFFICE 4, LLC**, a Delaware limited liability company, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

QUAD4 LLC,
an Arizona limited liability company

By: _____
Name: David Wetta
Title: Manager

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by David Wetta, the Manager of **QUAD4 LLC**, an Arizona limited liability company, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

HOLUALOA SCOTTSDALE OFFICE, LLC, a Delaware limited liability company

By: Holualoa Capital Management, LLC, an Arizona limited liability company, Manager

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by _____, the _____ of Holualoa Capital Management, LLC, an Arizona limited liability company, the Manager of **HOLUALOA SCOTTSDALE OFFICE, LLC**, a Delaware limited liability company, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

UMB BANK n.a., a national banking association
corporation

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by _____, the _____ of **UMB BANK n.a.**, a national banking association, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

WESTERN ALLIANCE BANK, an Arizona corporation

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by _____, the _____ of **WESTERN ALLIANCE BANK**, an Arizona corporation, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

**U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE,
ON BEHALF OF THE REGISTERED HOLDERS OF
CITIGROUP COMMERCIAL MORTGAGE SECURITIES
INC., COMMERCIAL MORTGAGE PASS-THROUGH
CERTIFICATES, SERIES 2013-GC15**

By: Wells Fargo Bank, N.A., solely in its capacity as
Master Servicer as authorized under that certain
Pooling and Servicing Agreement dated as of
September 1, 2013

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
) ss.
County of San Francisco)

On _____, 2020, before me, _____, a
Notary Public, personally appeared _____, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) 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.

Signature: _____ (Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

LIFE INSURANCE COMPANY OF THE SOUTHWEST,
a Texas corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS)
) ss.
County of _____)

This instrument was acknowledged before me this ____ day of _____, 2020 by _____, the _____ of **LIFE INSURANCE COMPANY OF THE SOUTHWEST**, a Texas corporation, on behalf thereof.

[NOTARY STAMP]

Notary Public State of Texas

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

SKYSONG OFFICE 5, LLC,
a Delaware limited liability company

By: SkySong Plaza 5, LLC, an Arizona limited liability company, Administrative Member

By: Harper SkySong Plaza 5, LLC, an Arizona limited liability company, Managing Member

By: Harper SkySong 5 Fund Corporation, an Arizona corporation, Sole Member

By: _____
Name: Sharon Harper
Title: President

STATE OF ARIZONA)
)ss
County of Maricopa)

This document was acknowledged before me this _____ day of _____, 2020, by Sharon J. Harper, the President of Harper SkySong 5 Fund Corporation, an Arizona corporation, the Sole Member of Harper SkySong Plaza 5, LLC, an Arizona limited liability company, the Managing Member of SkySong Plaza 5, LLC, an Arizona limited liability company, the Administrative Member of **SKYSONG OFFICE 5, LLC**, a Delaware limited liability company, on behalf thereof.

Notary Public

(Seal)

CONSENT TO EIGHTH AMENDMENT TO GROUND LEASE

The undersigned, having or claiming a lien or other interest in the Property or Tenant's rights under the Original Lease as defined in the Eighth Amendment to Ground Lease between the City of Scottsdale, an Arizona municipal corporation and ASUF Scottsdale, L.L.C., an Arizona limited liability company, to which this consent is attached, hereby consents to said Amendment and the Original Lease and agrees that its interest is subject to such Amendment to the Original Lease.

EXECUTED as of the date of the said Amendment.

SKYSONG HOSPITALITY VENTURE, LLC,
a Delaware limited liability company

By: Jackson-Shaw / SCM SkySong, LLC,
Its Managing Member

By: Jackson-Shaw / SkySong, Limited Partnership,
Its Managing Member

By: _____
Michele Wheeler, Vice President

STATE OF _____)
County of _____) ss.

This instrument was acknowledged before me this ____ day of _____, 2020 by Michele Wheeler, Vice President of JSC SkySong GP, LLC, a Texas limited liability company, general partner of Jackson-Shaw / SkySong limited partnership, a Texas limited partnership, managing member of Jackson-Shaw / SCM SkySong, LLC, a Delaware limited liability company, managing member of SkySong Hospitality Venture, LLC, a Delaware limited liability company, for and on behalf thereof.

[NOTARY STAMP]

Notary Public

Wood, Patel & Associates, Inc.
(480) 834-3300
www.woodpatel.com

Revised July 6, 2016
June 22, 2016
WP# 123808.89
Page 1 of 2
See Exhibit "A"

PARCEL DESCRIPTION
Skysong ASU Scottsdale Innovation Center
McDowell Parcel

A parcel of land lying within the northwest quarter of Section 2, Township 1 North, Range 4 East, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the northwest corner of said Section 2, a 3-inch City of Scottsdale brass cap in handhole, from which the northeast corner of the northwest quarter of the northwest quarter of said section, a 3-inch City of Scottsdale brass cap flush, bears North 88°52'30" East (basis of bearing), a distance of 1323.13 feet;

THENCE along the north line of said section, North 88°52'30" East, a distance of 1141.74 feet;

THENCE leaving said north line, South 01°07'30" East, a distance of 65.00 feet, to the northeast corner of that certain parcel of land described in Document No. 2004-0920528, Maricopa County Records (M.C.R.) and the **POINT OF BEGINNING**;

THENCE along the easterly line of said certain parcel of land, South 01°06'42" East, a distance of 158.25 feet;

THENCE leaving said easterly line, North 89°54'33" West, a distance of 426.55 feet;

THENCE North 00°00'00" West, a distance of 149.23 feet, to the south right-of-way line of McDowell Road;

THENCE along said south right-of-way line, North 88°52'30" East, a distance of 423.56 feet, to the **POINT OF BEGINNING**.

Containing 65,340 square feet or 1.5000 acres, more or less.

Subject to existing rights-of-way and easements.

This parcel description is based on client provided information and is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of March, 2012. Any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.

Y:\WP\Parcel Descriptions\2012 Parcel Descriptions\123808.89 Skysong ASU Scottsdale Innovation Center McDowell Parcel 121R01 07-06-16.docx



Exhibit A
Page 1 of 2

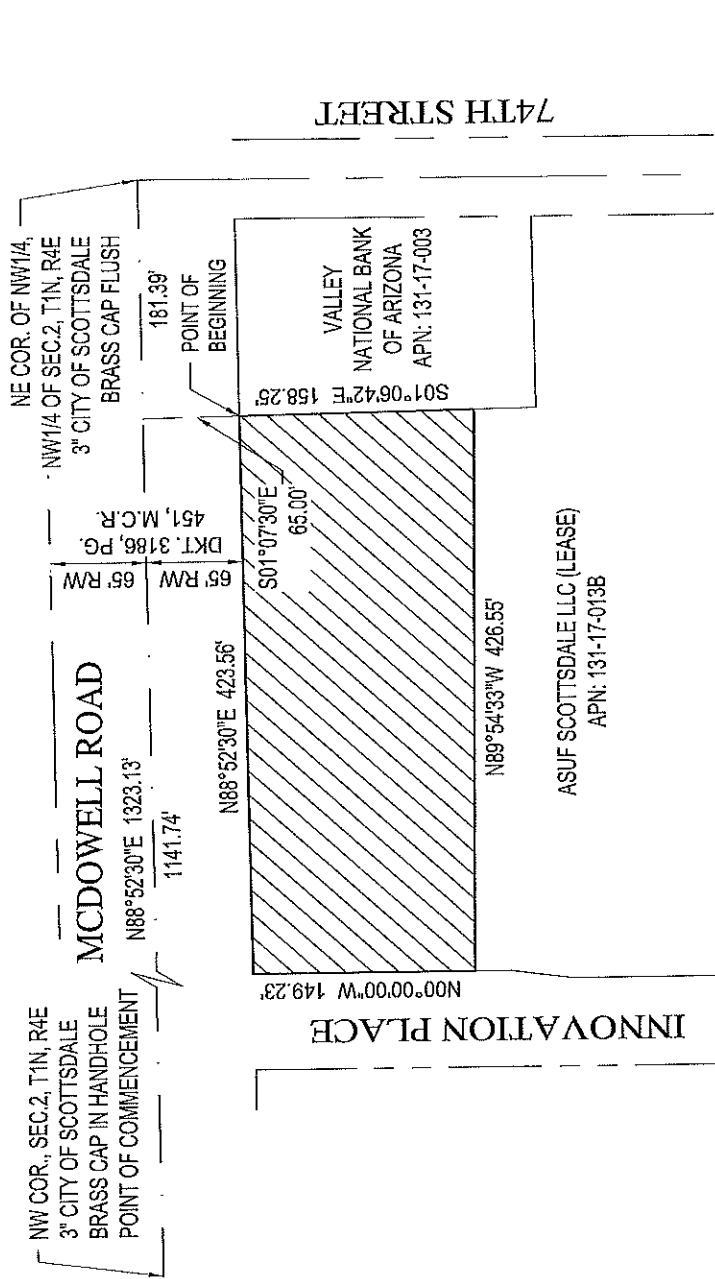
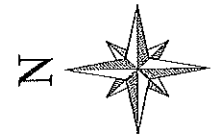
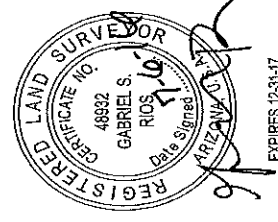


Exhibit A
Page 2 of 2

EXHIBIT "A"
 SKYSONG ASU SCOTTSDALE INNOVATION CENTER
 MCDOWELL PARCEL
 REVISED 07/06/16
 WP# 123808.89
 PAGE 2 OF 2
 NOT TO SCALE
 T:\2006\062663\Legal\2663-L2\1R01.dwg



WOOD/PATEL
 MISSION: CLIENT SERVICE
 (480) 834-3300
 WWW.WOODPATEL.COM

REPLACEMENT EXHIBIT A-1

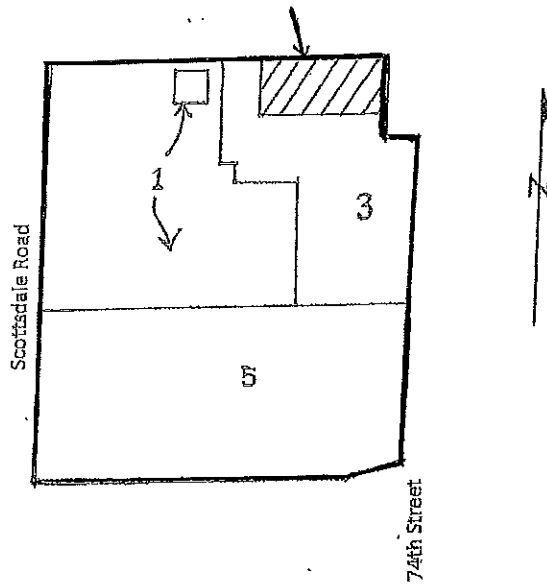
AMENDMENT #8

DIAGRAM OF "PROPERTY"

POR NW4, SEC2, T-1N, R4E BOOK 131, MAP 17

Amendment 8: May 5, 2020 Council approval

Assemblage Parcel is now part of Parcel #3, 131-17-013B, and within Ground Lease Property.



- Parcel #1 APN 131-17-014D, 014F
- Parcel #3 APN 131-17-013B
- Parcel #5 APN 131-17-014B, originally
 APN 131-17-014H and 014G, currently

REPLACEMENT EXHIBIT A-1

Page 1 of 1

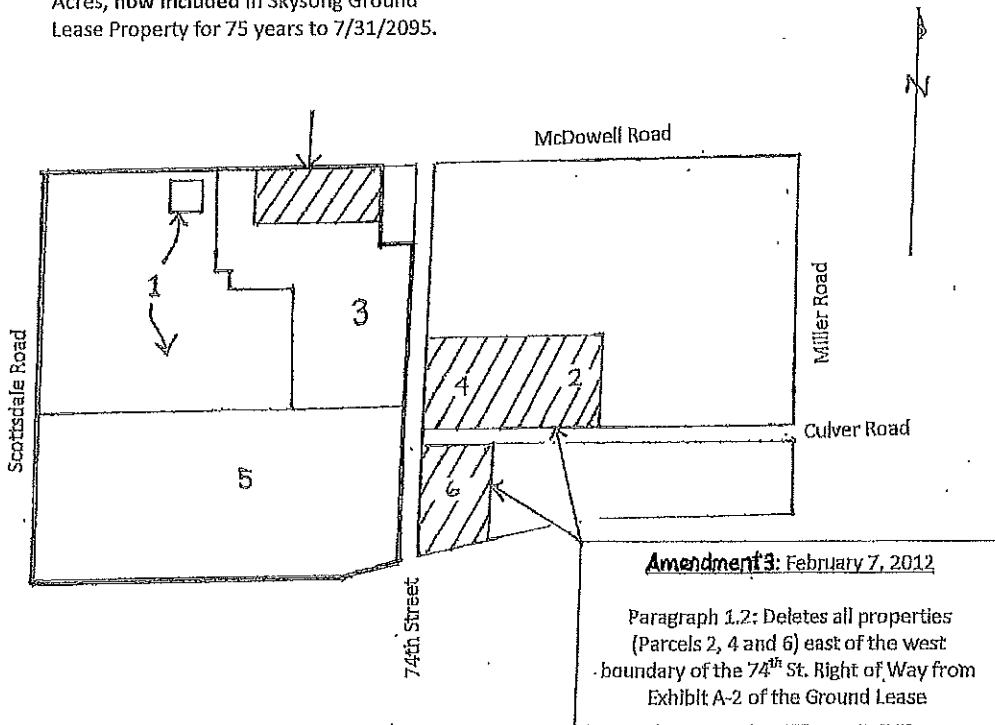
Contract No. 2004-119-COS-A8

REPLACEMENT EXHIBIT A-2
AMENDMENT #8
DIAGRAM OF "EXCLUDED PARCELS"

POR NW4, SEC2, T-1N, R4E BOOK 131 MAP 17

Amendment 8: May 5, 2020 Council approval

Assemblage Parcel, formerly City's 1.5
Acres, now included in Skysong Ground
Lease Property for 75 years to 7/31/2095.



REPLACEMENT EXHIBIT A-2

Page 1 of 1

Contract No. 2004-119-COS-A8

REPLACEMENT EXHIBIT B
Revised Center Criteria
 SkySong
 The ASU/Scottsdale Center for Innovation

Zoning	Planned Community District (PC)with PRC & I-1
Maximum Height Allowed	With the approval of zoning case 26-ZN-2004#2, the maximum height limits are set out below : (1) For buildings north of Skysong Boulevard, the maximum height allowed shall be 90 feet (exclusive of rooftop appurtenances not to exceed 18 feet). (2) For buildings south of Skysong Boulevard, the maximum height allowed shall be 60 feet (exclusive of rooftop appurtenances not to exceed 18 feet).
Site Area Total Site Area - Assemblage Parcel (Added to Ground Lease, 8 th Am) - SkySong (ASUF) Original Ground Lease	37.381 ac 1.5 ac 35.881 ac
Maximum Building Area Allowed – Commercial ASU/Scottsdale Center for Innovation -Office/Research /Retail ¹ - Assemblage Parcel (Added to Ground Lease, 8 th Am, April 7, 2020) Total Commercial Building Area Allowed	1,291,566 sf 52,272 sf 1,343,838 sf
Residential Units Allowed** - Residential Units constructed as of 1-01-2015 - Maximum residential units remaining ² as of 1-01-2015 - No Residential Units allowed on 1.5-acre Assemblage Parcel as of 8 th Amendment, Par. 8, Approved April 7, 2020	781 units 325 456
Estimated Parking Requirements Parking may be surface, underground and/or structured if allowed by the approved Site Plan.	Parking Requirements per approved Zoning.

1. Retail (including restaurant) shall not exceed 135,000 sf and shall be limited to the first floor
2. Phasing of residential units, beyond initial 325 units currently constructed, is set forth in Section 3.3(h) & (i)