

When recorded return to:
Robert Erven Brown, p.a.
4801 E. Greenway Rd., Ste. 200
Scottsdale, AZ 85254-1685

**CONSENT OF CITY OF COTTONWOOD TO
ASSIGNMENT OF TENANT RIGHTS BY COTTONWOOD AIRPARK L.C.
IN THE NORTH 100 FEET OF LOT 108 OF
COTTONWOOD AIRPARK**

This "Consent" is legally binding between the parties described below as of JUNE 23, 1998 (the "Effective Date").

BACKGROUND

The Ground Lease

- A. The City of Cottonwood, formerly known as the Town of Cottonwood, an Arizona municipality, is the "Landlord" under a Ground Lease Agreement dated May 5, 1983 to encourage economic development of the Cottonwood Airport industrial property and to encourage economic development within the City of Cottonwood.
- B. Cottonwood Airpark L.C. ("CALC") is the successor in interest to Cottonwood Airpark I, L.C. as successor in interest to Cottonwood Airpark, Inc., which was originally named as "Tenant" under the Ground Lease Agreement.
- C. The Ground Lease Agreement was amended by the First Amendment dated November 30, 1983, the Second Amendment dated March 12, 1985, the Third Amendment dated August 21, 1985, the Fourth Amendment dated February 7, 1989 (note that the proposed Fifth Amendment dated January 1, 1993 was never signed), the Sixth Amendment dated July 5, 1994, and the Seventh Amended dated September 16, 1997. The Ground Lease Agreement and all Amendments are collectively referred to as the "Ground Lease."
- D. A Memorandum of the Ground Lease dated May 23, 1983 was recorded January 4, 1984 in Book 1597, pages 576-581 and thereafter corrected by an instrument recorded July 1, 1985 in Book 1734, pages 11-15 of the records of the Yavapai County Recorder (the "Memorandum of Ground Lease").
- E. Cottonwood Airpark, L. C. ("CALC") now wishes to make an assignment to **David P. Mongini and Sheila M. Mongini**, husband and wife ("Mongini") of some of the rights possessed by CALC under its Ground Lease with the City of Cottonwood, i.e., to the North 100 feet of Lot 108 (the "Lot"). Mongini will then directly lease the Lot from the Landlord and CALC will be released from all liability to the Landlord arising from the Ground Lease of the Lot.
- F. The Ground Lease requires the written consent of the City of Cottonwood to the assignment by CALC of its rights as Tenant under the Ground Lease to Verde. It appears that the best interests of the City will be served by permitting Mongini to construct new improvements on the Lot thus increasing the development and tax base for the City of Cottonwood. (The Lot and any improvements constructed thereon are collectively referred to as the "Property.") Thus, the City of Cottonwood has indicated that it will grant its consent to this transaction by execution and delivery of this "Consent."
- G. Cottonwood Airpark L.C. is referred to as "CALC" or as "Seller." "Mongini" is referred to as "Buyer."

- H. The Ground Lease requires the written consent of the City of Cottonwood to the Assignment by Cottonwood Airpark L.C. of its rights as Tenant under the Ground Lease to Buyer. It appears that the best interests of the City will be served by permitting this Assignment, thus the City of Cottonwood now wishes to grant its consent to this transaction.

AGREEMENT

Now, therefore, for valuable consideration received, the parties agree that:

1. Incorporation by Reference. The facts, circumstances, descriptions and definitions contained in the Background section of this Assignment are hereby incorporated by reference as an integral part of this Consent.
2. Assignment. As of the Effective Date, CALC has assigned and transferred to Buyer all of CALC's rights as Tenant to the North 100 feet of Lot 108 arising under the Ground Lease. Cottonwood Airpark L.C. specifically reserved all other rights to all other parcels which it possesses as Tenant under the Ground Lease.
3. Acceptance of Assignment and Indemnity. By signing a separate document, Buyer accepted the assignment of all Tenant's rights, duties, obligations and undertakings under the Ground Lease as to the Lot and agreed to fully and faithfully perform all duties, obligations and responsibilities arising thereunder.
4. Consent. The City of Cottonwood hereby consents to the Assignment by CALC to Buyer of its rights to the Lot under the Ground Lease.
5. Release. As of the Effective Date, the City as Landlord under the Ground Lease hereby:
 - 5.1 certifies that formal approval of the Assignment to Buyer is not required pursuant to Section 12 of the Ground Lease (as noted in the Seventh Amendment thereto);
 - 5.2 acknowledges and agrees that CALC has assigned its rights, duties and obligations to the Lot to Buyer, all as set forth in the "Assignment" of even date herewith. Landlord agrees to look solely to Buyer for collection of all rents and other amounts arising from the Ground Lease for the Lot after the Effective Date of this Consent and releases CALC (and its predecessors) as "Tenant" from all obligations or duties arising under the Ground Lease relative to the Lot;
 - 5.3 acknowledges receipt of all rent and other amounts owed by Tenant to Landlord under the Ground Lease as of the Effective Date;
 - 5.4 ratifies, affirms and confirms the validity of all other terms and conditions of the Ground Lease as defined above;
 - 5.5 confirms that there are no uncured defaults or breaches by Tenant under the Ground Lease;
 - 5.6 agrees that the "Rent" for the Lot is agreed to be \$548.86 per year with the next payment from Buyer to be due on JANUARY 1, 1999; FOR JAN 1, 1998 - DEC. 31, 1998 B⁶
 - 5.7 agrees that the property taxes, if any, for the Lot shall be separately assessed and paid by Buyer;
 - 5.8 agrees that the failure of Buyer to pay rent, to pay property taxes, if any, or to otherwise fully comply with the terms of the Ground Lease shall be considered a default by Buyer only as to the Lot and shall not be considered as a default by Tenant under the Ground Lease affecting any of the other rights of CALC or affecting any other property leased by CALC. Landlord agrees to exercise its remedies for a default by Buyer as provided under the Ground Lease solely against the Lot;
 - 5.9 agrees that in the event of a default by CALC under the Ground Lease, Landlord will exercise its rights solely against CALC and will not construe a default by CALC as a default by Buyer under the Lot. So long as Buyer pays its rent and timely performs all other obligations as required under the Lot, any default by CALC regarding its other obligations under the Ground Lease shall not be construed as a default by Buyer;

5.10 agrees that the obligation of CALC to perform certain development work specified in the Ground Lease does not apply to Buyer. The parties acknowledge that the Lot is exempt from any further development requirements.

5.11 acknowledges that Buyer may encumber the Lot to construct certain improvements which will be subject to an encumbrance in favor of a lender. Landlord agrees to provide notice to the lender in the event of a default by Buyer under the Ground Lease pertaining to the Lot pursuant to separate documents to be submitted by the lender to Landlord for review and approval.

5.12 acknowledges that Buyer shall independently comply with the insurance provisions of Section 14 of the Ground Lease;

5.13 acknowledges that, pursuant to Section 20 of the Ground Lease, the address for Buyer as tenant under the Lot is:

6. **Ratification of Ground Lease.** The terms and conditions contained in the Ground Lease are hereby ratified, confirmed and continue in full force and effect. The Term Commencement Date of December 31, 1983 began a 25 year Term as to certain portions of the Lease and a 50 year Term as to certain other portions. The Lease also granted options for renewal. The parties intend to ratify and affirm the length of the Term and of the option rights to the maximum extent allowed at law or in equity. There are no amendments, modifications, supplements or other agreements or understandings except for those contained in the Ground Lease. Landlord acknowledges that CALC as Tenant has paid all rent, fully performed all of its obligations and is in good standing under the Ground Lease.

7. **Further Documentation.** Each party agrees in good faith to execute such further or additional documents as become necessary or appropriate to carry out the intent and purpose of this Consent.

8. **Counterparts and Facsimiles.** This Consent may be executed by facsimile or in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

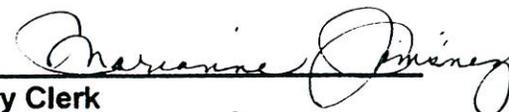
This Consent is legally binding as of the Effective Date regardless of the actual date of signing.

The undersigned Representatives of the City of Cottonwood hereby personally affirm and certify that there has been full compliance with all legal requirements for approval by the City and do further affirm and certify that this Consent is hereby approved, ratified and accepted by the City of Cottonwood.

THE CITY OF COTTONWOOD

By  _____
City Manager

Date: 6.23.98

By  _____
City Clerk

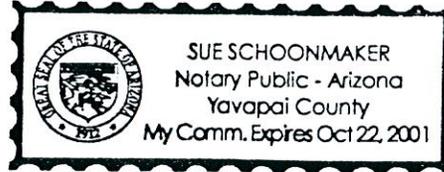
Date: 6.23.98

STATE OF ARIZONA)
) ss.
County of Yavapai)

Before me, the undersigned Notary Public, on this 23rd day of June, 1998, personally appeared Marianne Jimenez, the City Clerk of the City of Cottonwood, who is personally known to me (or satisfactorily proved himself/herself) to be the person who executed the foregoing Consent, acknowledging that he/she executed the same for the purposes therein contained, being authorized so to do.

Sue Schoonmaker
Notary Public

My Commission Expires:
October 22, 2001

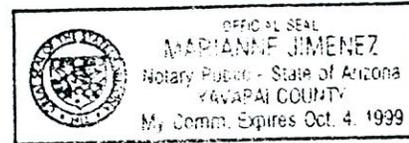


STATE OF ARIZONA)
) ss.
County of YAVAPAI)

Before me, the undersigned Notary Public, on this 23rd day of JUNE, 1998, personally appeared BRIAN MICKELSEN, the City Manager of the City of Cottonwood, who is personally known to me or satisfactorily proved himself/herself) to be the person who executed the foregoing Consent, acknowledging that he/she executed the same for the purposes therein contained, being authorized so to do.

Marianne Jimenez
Notary Public

My Commission Expires:
10-4-99



Approved as to form and content:
~~XXXXXXXXXX~~
MAGNUM, WALLS, STOOPS & WARDEN
City attorneys for the City of Cottonwood

M
6/22/98

By Margaret Faruba

STATE OF ARIZONA)
) ss.
County of _____)

Before me, the undersigned Notary Public, on this _____ day of _____, 1998, personally appeared _____ of Magnum, Walls, Stoops & Warden, the attorney for the City of Cottonwood, who is personally known to me (or satisfactorily proved himself/herself) to be the person who executed the foregoing Consent, acknowledging that he/she executed the same for the purposes therein contained, being authorized so to do.

Notary Public

My Commission Expires:
