

When recorded return to:
City Clerk
City of Cottonwood
827 North Main Street
Cottonwood, AZ 86326



B-4311 P-322
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A 3913951

06003768

**ASSIGNMENT OF TENANT RIGHTS IN
LOT #119
REPLAT OF COTTONWOOD AIRPARK TRACK ONE
PARTS A&B**

Once fully executed, this Consent is legally binding as of 9-15,
2005 (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 to further economic development within the City of Cottonwood.

B Cottonwood Airpark L.C. 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, (the proposed Fifth Amendment dated January 1, 1993 was never signed), the Sixth Amendment dated July 5, 1994, the Seventh Amendment dated September 16, 1997, the Eighth Amended recorded December 22, 1998, the Ninth Amended recorded October 1, 2001 and the Tenth Amendments recorded March 3, 2003. 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 On March 17, 2003, CALC made an assignment to Backus Family Investments, L.L.C., an Arizona limited liability company the rights possessed by CALC under its Ground Lease with the City of Cottonwood, i.e., to the south 1/2 of Lot 108 and Lots 109 through 118, inclusive (Collectively, the "Lots").

FEE
\$ 7
\$8
\$5
\$1
\$1



F. On October 27, 2003 the City of Cottonwood and Backus Family Investments, LLC., recorded a Replat of Cottonwood Airpark Tract One – Parts A&B in Book 48 Page 90 of the Official Records of Yavapai County.

G. Backus Family Investments, L.L.C., (BFI) Tenant now wishes to make an assignment to ^{Alfonso} R. Giannico and Cynthia A. Giannico, Trustees of the Giannico Family Trust, dated July 22, 2005 (ASSIGNEE) the rights possessed by BFI under its Ground Lease with the City of Cottonwood, i.e., Lot #119 of the REPLAT OF COTTONWOOD AIRPARK TRACT ONE – PARTS A&B (the “Lot”)

H. The Ground Lease requires the written consent of the City of Cottonwood to the assignment by BFI of its rights to the Lot as Tenant under the Ground Lease to ASSIGNEE. It appears that the best interests of the City will be served by permitting ASSIGNEE to construct new improvements on the Lot, thus increasing the development and tax base for the City of Cottonwood. Thus, the City of Cottonwood has indicated that it will grant its consent to this transaction by execution and delivery of attached “Consent”

ASSIGNMENT

Now, therefore, for valuable consideration received, the City of Cottonwood agrees 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 Assignment, as are all Exhibits.
2. Assignment. As of the Effective Date, BFI hereby sets over, assigns and transfers to ASSIGNEE all of BFI rights as Tenant to the Lot arising under the Ground Lease and the improvements located thereon, if any, except as otherwise provided herein. BFI hereby specifically reserves all other rights to all other parcels which it possesses as Tenant under the Ground Lease.
3. Acceptance of Assignment and Indemnity. By signing below, ASSIGNEE hereby accepts the assignment of all BFI rights, duties, obligations and undertakings under the Ground Lease as to the Lot and agrees to fully and faithfully perform all duties, obligations and responsibilities arising there under. ASSIGNEE hereby agrees to indemnify, defend and hold Landlord, BFI, its Members, Managers, attorneys and accountants harmless from and against all costs, claims or charges arising from the Ground Lease relating to the Lot or from the Lot arising after the Effective Date of this Assignment.
4. Legal Fees. If either party find it necessary to employ legal counsel or to bring an action at law, at equity, or other proceeding against the other party to enforce or interpret any of the terms, covenants or condition of this Assignment, then the prevailing party shall be paid its costs and actual attorneys’ fees by the losing party, including those incurred in mediation. Arbitration, on appeal, if any, and those incurred in Federal bankruptcy court. If judgment is secured by the prevailing party then all costs and fees shall be included in that judgment which judgment shall bear interest at 12% per year until paid in full.



5. No Other Obligations. Except as stated herein, there are no other warranties, representations, promises or obligations on the part of BFI to ASSIGNEE. The Lot, the improvements, if any, located thereon and the Lot is transferred in "as-is" and "where-is" condition. This transfer and assignment is made without warranty or representation of any kind or nature by BFI or its agents. ASSIGNEE is relying on its own investigation and evaluation for the suitability of the Lot for its uses. No statements or promises concerning the condition of Improvements, the suitability of the Improvement for the intended use, the condition of the air, water, ground, economic conditions, future development of the Airpark, air service, or any other fact have been made by any employee or agent of BFI, or any other agent, member or representative of BFI. ASSIGNEE acknowledges that it has received a true and complete copy of the Ground Lease as amended and as defined above and that it must deal directly with the City as its Landlord for all matters arising after the Effective Date.

6. Notices. All notices, consents, approvals, waivers or other items given or required to be given by one party to the other shall be in writing; these "Notices" shall be delivered by one of these methods:

- a. If personally delivered, then notice is effective on the next business day following receipt: or
- b. If delivered by mail, Notice is deemed given and delivered 72 hours after being deposited in any duly authorized United States mail depository, postage prepaid, registered or certified, return receipt requested; or
- c. If sent by a reputable overnight courier service (e.g., Federal Express), addressed as set forth below, the Notice shall be deemed effective on the next business day following receipt, as evidenced by the receipt obtained by the courier service.
- d. If sent by telecopier to the phone number listed below, then Notice shall be deemed delivered on the next business day following receipt, as evidenced by a successful transmission report.
- e. Notice to an attorney is not complete until the next business day following actual receipt; addresses and fax numbers for an attorney should be confirmed by checking with the Arizona State Bar Association in Phoenix, Arizona. Notice addresses shall be changed by providing the new address to all of the other parties in conformance with these provisions.

All Notices shall be addressed as indicated below:

If to BFI c/o CRAIG BACKUS
 BACKUS FAMILY INVESTMENTS L.L.C.
 841 Lanny Lane, Clarkdale, AZ 86324
 (928) 639-1295 Office
 (928) 639-2890 Fax



If to ASSIGNEE: Alphonso R. Giannico and Cynthia A. Giannico,
Trustees of the Giannico Family Trust
c/o Larry Nevitt Sr. (administrator)
1425 Old Jerome Highway, Clarkdale, AZ 86324
(928) 634-7555

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 Agreement.

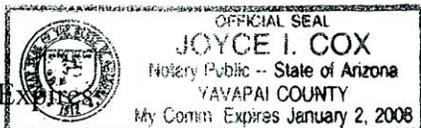
8. Counterparts and Facsimiles. This Agreement may be executed by facsimile or in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

BACKUS FAMILY INVESTMENTS, L.L.C.,
an Arizona limited liability company
by its authorized signatory

By Craig D. Backus
Craig D. Backus
Its Member - Manager

State of Arizona)
) ss.
County of Yavapai)

On this the 12th of Sept, 2005, before me, the undersigned Notary Public, personally appeared **Craig Backus**, who is personally known to me or satisfactorily proved himself to be the person who executed the foregoing Consent, acknowledging that he executed the same for the purposes therein contained, being authorized so to do.



Joyce I. Cox
Notary Public

My Commission Expires



ASSIGNEE:

Giannico Family Trust

By *Anthony Giannico trustee*

By *Cynthia Giannico Co-trustee*

State of Arizona)
) ss.
County of Yavapai)



On this the 25th of August, 2005, before me, the undersigned Notary Public, personally appeared ~~ALFONSO~~ ^{ALFONSO} ~~ANTONIO~~ ^{ANTONIO} ~~GIANNICO~~ ^{GIANNICO}, Trustee, 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.

My Commission Expires



Notary Public



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EXHIBIT A

LOT 119, OF COTTONWOOD AIRPARK TRACT ONE, PARTS A & B, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER, YAVAPAI COUNTY, ARIZONA, RECORDED IN BOOK 25 OF MAPS, PAGE 19 AND REPLATTED IN BOOK 48 OF MAPS, PAGE 90.