

THIS IS A CONFORMED COPY OF INSTRUMENT
RECORDED 1-20-06 @ 2:02 PM
IN BOOK 4356 OF OFFICIAL
RECORDS, PAGE 475
Joyce E. Cox

When recorded return to:
Mr. Bill Molloy
DevMan Company, L.C.
1515 E. Missouri Ave., Suite 100
Phoenix, AZ 85014-8558

06003984

FOURTEENTH AMENDMENT TO GROUND LEASE

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. The City entered into this "Ground Lease" to encourage development of the Cottonwood Airport industrial property to further economic development within the City of Cottonwood.
- B. 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").
- C. 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.
- D. 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 and the Eighth Amended recorded December 22, 1998. The Ninth Amendment was recorded October 1, 2001. The Tenth Amendment was recorded March 17, 2003. The Eleventh, Twelfth and Thirteenth Amendments were recorded simultaneously on July 20, 2005. The Ground Lease Agreement and all Amendments are collectively referred to as the "Ground Lease."

The Purposes of the Fourteenth Amendment

Purpose: Partial Assignment of Tenant Rights to Backus Family Investments, L.L.C.

1. On or about Jan, 20 2006, CALC recorded in the offices of the Yavapai County Recorder at Book 4356, Page 474, an "Assignment of Tenant Rights" in the approximately 8.91 acres located south of Lot #122 of the Replat Cottonwood Airpark Track One Parts A & B (the "Assigned Parcel") as described on the Results of Survey prepared by SEC dated June 16, 2005, with all rights, privileges, easements, appurtenances and improvements thereon, which is described as a portion of Tract, legally described in the attached Exhibit A (the "Assigned Parcel"), to Backus Family Investments, L.L.C. (the "Purchaser").

2. As required by the Ground Lease, the written consent of the City of Cottonwood to the assignment by CALC of its rights in this transaction has been granted by the City of Cottonwood as Landlord. The purpose of this Amendment is to reflect the reduction in the description of the property now leased by CALC under the Ground Lease due to the above transaction and for certain other limited purposes set forth below.

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 Amendment are hereby incorporated by reference as an integral part of this Amendment. If there is a conflict or inconsistency between the provisions of this Fourteenth Amendment and any prior Amendment or a conflict between the provisions of this Fourteenth Amendment and any provision of the Ground Lease, then the provisions of this Fourteenth Amendment shall prevail and control. All of the other terms and conditions contained in the Ground Lease (as amended by the prior Amendments) remain in full force and effect, except as modified by this Fourteenth Amendment.

2. **Development by Assignee:** Pursuant to a separate agreement between Landlord and Assignee, Assignee has agreed to certain development obligations regarding the Assigned Parcel. Landlord and Assignee acknowledge that Tenant is not a party to that agreement, and has no obligations or rights with regard to that agreement.

3. **Amendment Regarding the "Assigned Parcel".** As of the Effective Date, the City as Landlord under the Ground Lease and CALC as Tenant hereby:

3.1 agree that all of CALC's rights regarding the Assigned Parcel have been assigned by CALC to Assignee pursuant to the "Assignment of Tenant Rights" defined above;

3.2 certify that formal approval of the Assignment to Assignee has been granted by the City. Landlord agrees to look solely to Assignee for collection of all rents and other amounts arising from the Ground Lease for the Assigned Parcel after the Effective Date of the Assignment and releases CALC (and its predecessors) as "Tenant" from all obligations or duties arising under the Ground Lease relative to the Assigned Parcel;

3.3 acknowledge receipt of all rent and other amounts owed by CALC to Landlord under the Ground Lease and confirm that there are no uncured defaults or breaches by CALC under the Ground Lease as of the Effective Date;

3.4 agree that the failure of Assignee to pay rent, to pay property taxes, or to otherwise fully comply with the terms of the Ground Lease shall be considered a default by Assignee only as to the Assigned Parcel and shall not be considered as a default by CALC 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 Assignee as provided under the Ground Lease solely against the Assigned Parcel;

3.5 agree that, conversely, 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 Assignee under the Assigned Parcel. So long as Assignee pays its rent and timely performs all other obligations as required under the Assigned Parcel, any default by CALC regarding its other obligations under the Ground Lease shall not be construed as a default by Assignee;


3.6 acknowledge that Assignee shall independently comply with the insurance provisions of Section 14 of the Ground Lease regarding the Assigned Parcel; and

3.7 agree that the property taxes for the Assigned Parcel, if any, shall be separately assessed and paid by Assignee.

4. Ratification. 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 has paid all rent, fully performed all of its obligations and is in good standing under the Ground Lease.

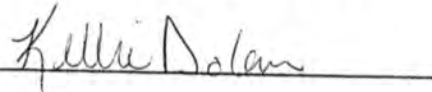
This Fourteenth Amendment is legally binding as of the respective Effective Dates regardless of the actual date of signing.

**CALC:
COTTONWOOD AIRPARK L.C.,
an Arizona limited liability company
by its authorized signatory:**

By 
**William E. Molloy
Authorized Signatory**

APPROVED AS TO FORM:

**MAGNUM, WALLS, STOOPS & WARDEN, P.L.L.C.
City attorneys for the City of Cottonwood**

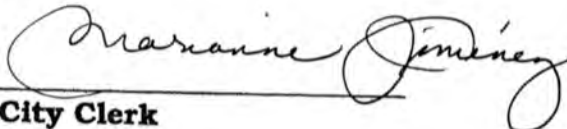
By 

THE CITY OF COTTONWOOD

By 
City Manager

Date: 12.22.05

ATTEST:

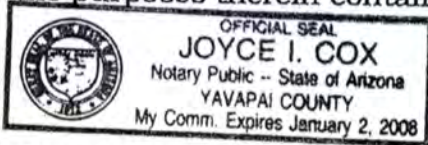
By 
City Clerk

STATE OF ARIZONA)

) ss.

County of Maricopa)

Before me, the undersigned Notary Public, on this 13th day of January, 2006, personally appeared **William E. Molloy, an authorized signatory of Cottonwood Airpark LC, an Arizona limited liability company**, who is personally known to me to be (or satisfactorily proved himself to be) the person who executed the foregoing, acknowledging that he executed the same for the purposes therein contained, being authorized so to do.



Joyce I. Cox
Notary Public

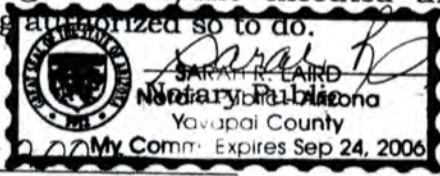
My Commission Expires: _____

STATE OF ARIZONA)

) ss.

County of Yavapai)

Before me, the undersigned Notary Public, on this 22 day of DEC, 2005, personally appeared BRIAN MICKELSEN, the **City Manager of the City of Cottonwood**, who is personally known to me to be (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.



Sarah R. Laird
Notary Public

My Commission Expires: 9-24-2006

STATE OF ARIZONA)

) ss.

County of Yavapai)

Before me, the undersigned Notary Public, on this 22 day of DEC, 2005, personally appeared MARIANNE JIMENEZ, the **City Clerk of the City of Cottonwood**, who is personally known to me to be (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.

Sarah R. Laird
Notary Public

My Commission Expires: 9-24-06

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EXHIBIT A

A parcel of land being a portion of Section 4, Township 15 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows;

BEGINNING at a found 1/2" rebar with aluminum tag stamped "LS 32224" being the most Easterly corner of Lot 122 RE-PLAT OF COTTONWOOD AIRPARK recorded in Book 48 of Maps, page 90;

Thence South 65 36' 03" West, along the South line of said Lot 122, a distance of 226.25 feet to a set 1/2" rebar with Aluminum tag stamped "LS 32224" on the Westerly right-of-way line of Airpark Road;

Thence South 24 25' 00" East along the Southerly prolongation of the Westerly right-of-way line of said Airpark Road, a distance of 1728.49 feet to a set 1/2" rebar with Aluminum tag stamped "LS 32224";

Thence North 65 36' 03" East, a distance of 225.25 feet to a found PK nail with affixed brass tag stamped "Found LS 32224";

Thence North 24 25' 00" West, a distance of 1728.49 feet to the point of BEGINNING.