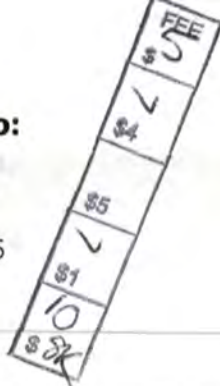


When recorded return to:

CITY OF COTTONWOOD
827 N MAIN STREET
COTTONWOOD AZ 86326



3391055. BK 3867 PG 215
Yavapai County
Patsy Jenney-Colon, Recorder
10/01/2001 01:51P PAGE 1 OF 5
YAVAPAI TITLE AGENCY
RECORDING FEE 5.00
SURCHARGE 4.00
POSTAGE 1.00

06001319-51C

NINTH 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 the Ground Lease to encourage economic 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. 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 Ground Lease Agreement and all Amendments are collectively referred to as the "**Ground Lease.**"
- D. 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.

The Purposes of the Ninth Amendment

1. On or about OCT 1, 2001, CALC recorded in the offices of the Yavapai County Recorder at Book 3867, page 214, an Assignment of Tenant Rights In Lot 103 and the South 23.98 Feet of Lot 102 of Cottonwood Airpark to S & S Verde Properties, L.L.P., an Arizona limited liability partnership ("S & S") with an "Effective Date" of August 1, 2001.

2. As required by the Ground Lease, the written consent of the City of Cottonwood to the assignment by CALC of its rights in these transactions has been granted by the City of Cottonwood as Landlord. The purpose of this Amendment is to clearly reflect the reduction in the description of the property

now leased by Tenant under the Ground Lease due to the above transactions 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 Ninth Amendment and any prior Amendment or a conflict between the provisions of this Ninth Amendment and any provision of the Ground Lease, then the provisions of this Ninth 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 Ninth Amendment.

2. **Amendment Regarding Lot 103 and the South 23.98 feet of Lot 102.** As of the Effective Date, the City as Landlord under the Ground Lease and Tenant hereby:

2.1 agree that all of Tenant's rights regarding Lot 103 and the South 23.98 feet of Lot 102 have been assigned by Tenant to S & S pursuant to the "Assignment of Tenant Rights in Lot 103 and the South 23.98 feet of Lot 102 of Cottonwood Airpark" defined above;

2.2 certify that formal approval of the Assignment to S & S has been granted by the City; Landlord agrees to look solely to S & S for collection of all rents and other amounts arising from the Ground Lease for Lot 103 and the South 23.98 feet of Lot 102 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 Lot 103 and the South 23.98 feet of Lot 102;

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

2.4 agree that the failure of S & S 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 S & S only as to Lot 103 and the South 23.98 feet of Lot 102 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 S & S as provided under the Ground Lease solely against Lot 103 and the South 23.98 feet of Lot 102;

2.5 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 S & S under Lot 103 and the South 23.98 feet of Lot 102. So long as S & S pays its rent and timely performs all other obligations as required under Lot 103 and the South 23.98 feet of Lot 102, any default by CALC regarding its other obligations under the Ground Lease shall not be construed as a default by S & S;

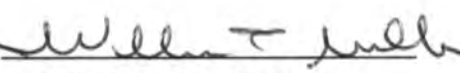
2.6 acknowledge that S & S shall independently comply with the insurance provisions of Section 14 of the Ground Lease regarding Lot 103 and the South 23.98 feet of Lot 102; and

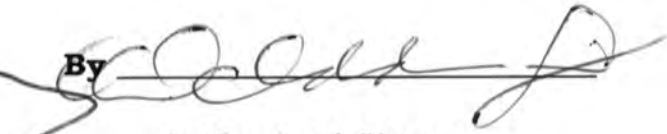
2.7 agree that the property taxes for Lot 103 and the South 23.98 feet of Lot 102, if any, shall be separately assessed and paid by S & S.

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

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


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

By 
**William E. Molloy
Authorized Signatory**

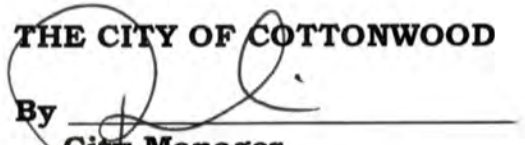
By 
Authorized Signatory

Approved as to form:

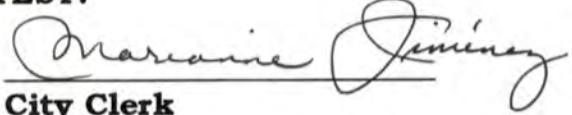
**MAGNUM, WALLS, STOOPS &
WARDEN, P.L.L.C.
City attorneys for the City of
Cottonwood**

By 

THE CITY OF COTTONWOOD

By 
City Manager
Date: 8.22.01

ATTEST:

By 
City Clerk

STATE OF ARIZONA)
) ss.
County of Maricopa)

Before me, the undersigned Notary Public, on this 4 day of September, 2001, personally appeared William E. Molloy, an authorized signatory of Cottonwood Airpark LC, 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.

Tracy A. Altemus
Notary Public

My Commission Expires:
Jan 14 2004



STATE OF ARIZONA)
) ss.
County of Yavapai)

Before me, the undersigned Notary Public, on this 15th day of August, 2001, personally appeared C. W. WADDOUPS, JR., an authorized signatory of Cottonwood Airpark LC, 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

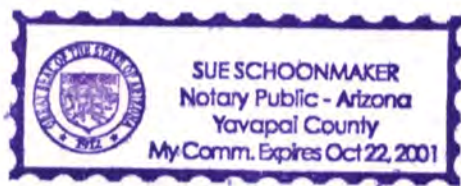
My Commission Expires:
Jan 2, 2004

STATE OF ARIZONA)
) ss.
County of Yavapai)

Before me, the undersigned Notary Public, on this 22nd day of August, 2001, 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.

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 22nd day of August, 2001, 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.

Sue Schoonmaker
Notary Public

My Commission Expires:
October 22, 2001

