

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

SNELL & WILMER L.L.P.
One South Church Avenue
1500 Unisource Tower
Tucson, Arizona 85701-1630
Attention: Curt D. Reimann, Esq.

[SPACE ABOVE LINE FOR RECORDER'S USE ONLY]

COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT

THIS COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT ("**Assignment**") is entered into as of January 31, 2012, by and between YK COMMERCIAL REALTY, LLC, an Arizona limited liability company ("**Borrower**"), and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent ("**Administrative Agent**") for the lenders (each, a "**Lender**" and collectively, the "**Lenders**") from time to time party to that certain Amended and Restated Construction Loan Agreement dated July 22, 2009 (as it may be amended or supplemented from time to time, the "**Loan Agreement**") among Borrower, Administrative Agent and the Lenders. This Assignment is made with respect to the following facts:

RECITALS

A. Lenders are the owners and holders of collectively (i) those certain Amended and Restated Series A Deed of Trust Notes dated as of July 22, 2009, each made by Borrower payable to the order of a Lender, in the aggregate face amount of Fifteen Million Seven Hundred Two Thousand Five Hundred and No/100 Dollars (\$15,702,500.00), and (ii) those certain Amended and Restated Series B Deed of Trust Notes dated as of July 22, 2009, each made by Borrower payable to the order of a Lender, in the aggregate face amount of Twelve Million One Hundred Sixteen Thousand and No/100 Dollars (\$12,116,000.00) (collectively, the "**Notes**"), made and payable by Borrower to the order of Lenders evidencing the construction loan (the "**Loan**") made in accordance with the terms of the Loan Agreement, which Loan is for the purpose of constructing certain improvements (the "**Improvements**") to the land located in Yavapai County, Arizona and more particularly described in Exhibit A attached to the Loan Agreement (the "**Land**"). Borrower's obligations under the Note and the Loan Agreement are secured by, among other instruments, this Assignment. The Note, the Loan Agreement, this Assignment, and all other documents evidencing and/or securing the indebtedness evidenced by the Note and the other obligations of Borrower as set forth in the Loan Agreement (the "**Obligations**"), and all past, present or future amendments, modifications, extensions, replacements, or renewals thereof) are hereinafter referred to as the "**Loan Documents**". Initially capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Loan Agreement.

B. The Town of Prescott Valley, an Arizona municipal corporation (the "**Town**"), entered into that certain Development Agreement dated July 8, 1999, and recorded in Book 3679

at Page 601 of the Official records of Yavapai County, Arizona (the "**Original Agreement**"), as amended by that First Amendment to Development Agreement dated July 31, 2003, and recorded August 28, 2003, at Book 4068, Page 323, Official Records of Yavapai County, Arizona (the "**First Amendment**"), with Yavapai Hills, Inc., a Delaware corporation (the "**Original Developer**"), to provide certain incentives for, and to permit, the development of a 463 acre parcel of land located in Yavapai County, Arizona more particularly described in the Development Agreement (the "**Development Parcel**"). The Land is included in the Development Parcel. Original Developer conveyed the Development Parcel to Yavapai Hills Commercial, Inc., a Delaware corporation (the "**Developer**"), by a quit claim deed dated July 23, 2004 and recorded in Book 4171 at Page 317 of the Official records of Yavapai County, Arizona and assigned its interest in the Original Agreement and First Amendment by an assignment dated July 20, 2004 and recorded in Book 4171 at Page 318 of the Official records of Yavapai County, Arizona (the "**Original Developer Assignment**"). Town and Developer then entered into that Second Amendment to Development Agreement dated August 11, 2005, and recorded August 12, 2005, at Book 4297, Page 746, Official Records of Yavapai County, Arizona (the "**Second Amendment**") (the Original Agreement, First Amendment, Original Developer Assignment and Second Amendment collectively being referred to as the "**Development Agreement**"). Developer subsequently conveyed a portion of the Land to Borrower by a special warranty deed dated December 22, 2006 and recorded in Book 4466 at Page 464 of the Official records of Yavapai County, Arizona and partially assigned its interest in the Development Agreement by a Partial Assignment dated February 22, 2007 and recorded in Book 4491 at Page 832 in the Official records of Yavapai County, Arizona. Developer subsequently conveyed an additional portion of the Land to Borrower by a special warranty deed dated September 24, 2007 and recorded in Book 4541 at Page 873 of the Official records of Yavapai County, Arizona. Developer partially assigned its interest in the Development Agreement by a Partial Assignment dated September 24, 2007 and recorded in Book 4549 at Page 550 in the Official records of Yavapai County, Arizona. Developer subsequently conveyed an additional portion of the Land to Borrower by a special warranty deed dated May 5, 2009 and recorded in Book 4673 at Page 65 of the Official records of Yavapai County, Arizona. Substantially concurrently with this Assignment, Developer is partially assigning its interest in the Development Agreement by a Partial Assignment dated May 5, 2009 and recorded in Book 4681 at Page 561 in the Official records of Yavapai County, Arizona. Developer subsequently conveyed an additional portion of the Land to Borrower by a special warranty deed dated January 31, 2012 and recorded in Book _____ at Page _____ of the Official records of Yavapai County, Arizona. Substantially concurrently with such conveyance Developer is partially assigning its interest in the Development Agreement by a Partial Assignment dated January 31, 2012 and recorded in Book _____ at Page _____ in the Official records of Yavapai County, Arizona.

C. As one of the conditions to agreeing to make the Loan to Borrower, the Lenders have required, and Borrower has agreed, to grant to Administrative Agent for the ratable benefit of Administrative Agent and the Lenders a lien on and security interest in all of the right, title and interest of Borrower in and to the obligations of the Town under the Development Agreement, including, without limitation, all economic incentives and benefits assigned to Borrower thereunder (including all "Periodic Payments" assigned to Borrower), to secure the payment of all Obligations owing by Borrower under the Loan Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS INCORPORATED.** The foregoing Recitals are hereby incorporated by this reference into this Assignment as though fully set forth herein. Initially capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

2. **GRANT OF SECURITY INTEREST.** As additional security for the payment and performance of the Loan and the other Obligations, Borrower hereby collaterally assigns, pledges, and grants a security interest (which shall remain a continuing senior security interest) to Administrative Agent for the ratable benefit of Administrative Agent and the Lenders, and their successors and assigns, in all of Borrower's right, title and interest in and to the Development Agreement, including, without limitation, all the "**Periodic Payments**" (as defined in the Development Agreement) to be paid by Town to Borrower pursuant to Section 6 of the Development Agreement, and all other economic incentives and benefits assigned to Borrower under the Development Agreement.

3. **REPRESENTATIONS; NO OTHER ASSIGNMENTS.** Borrower hereby represents to Administrative Agent and the Lenders that, except for this Assignment, there is no currently effective collateral or absolute assignment of the Development Agreement or the Periodic Payments or economic incentives and benefits thereunder, and Borrower agrees not to further assign or otherwise encumber its interest in the Development Agreement or the Periodic Payments or economic incentives and benefits thereunder so long as this Assignment is in effect. This Assignment shall remain in effect until the Obligations have been repaid in full. Borrower has exclusive and entire claim to the Periodic Payments that were assigned by Developer to Borrower.

4. **NO ASSUMPTION.** Administrative Agent shall not be deemed to assume any of Borrower's obligations or duties under or in connection with the Development Agreement by virtue of this Assignment.

5. **EVENT OF DEFAULT.** Without limiting Administrative Agent's rights and powers hereunder, from and after the time of the occurrence of an Event of Default, Administrative Agent may, in its sole discretion, exercise all rights of Borrower to the Periodic Payments and all other economic incentives and benefits assigned to Borrower under the Development Agreement, specifically including the right to retain, use and enjoy the same, or to sell, assign or transfer the same (with appropriate governments consents, where necessary) in connection with the enforcement of its rights and remedies under the Loan Documents. Borrower hereby irrevocably constitutes and appoints Administrative Agent as its attorney-in-fact to demand, receive and enforce Borrower's rights with respect to the Periodic Payments and all other economic incentives and benefits accruing to Borrower under the Development Agreement, to give appropriate receipts, releases and satisfactions for and on behalf of Borrower and to do any and all acts in the name of Borrower or in the name of Administrative Agent, with the same effect as if done by Borrower had this Assignment not been made. The foregoing power of attorney is coupled with an interest and is therefore irrevocable until the Obligations

are repaid in full. Any such amounts received by Administrative Agent under this Paragraph 5 shall be applied to the Obligations.

6. **APPLICABLE LAW.** This Assignment shall be governed by and interpreted under the laws of the State of Arizona (without regard to conflict of laws principles).

7. **SUCCESSORS AND ASSIGNS.** This Assignment and the rights hereunder are assignable by Administrative Agent, in whole or in part, and when so assigned, Borrower shall be bound as above to the transferees to the extent of such assignment. This Assignment shall bind the heirs and personal representatives and successors and assigns, as applicable, of Borrower, and shall inure to the benefit of Administrative Agent and its successors and assigns.

8. **AMENDMENTS.** Neither this Assignment nor any provision hereof may be amended, modified, revoked, waived, discharged or terminated except by an instrument in writing duly signed by or on behalf of Administrative Agent and Borrower.

9. **NO WAIVER; RIGHTS CUMULATIVE.** No delay or failure by Administrative Agent to exercise any right or remedy against Borrower hereunder or any other Security Document shall be construed as a waiver thereof. All of Administrative Agent's rights hereunder, are cumulative and not exclusive.

10. **SEVERABILITY.** In the event that any right of Administrative Agent hereunder shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other right granted hereby.

11. **MISCELLANEOUS.** All words used herein in the singular shall be deemed to have been used in the plural and all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever, The item "or" is not exclusive. The use of the pronouns "he," "she," or "it" shall also be deemed to refer to the pronouns "This," "her," "they" or "their," as applicable. The section headings in this Assignment are for convenience of reference only and shall not limit or otherwise affect the provisions of this Assignment.

12. **FURTHER ASSURANCES.** Borrower agrees, at its expense and without expense to Administrative Agent, to do such further acts and to execute and deliver such additional documents as Administrative Agent from time to time reasonably requires to assure and confirm all the rights of Administrative Agent created hereby or intended now or hereafter to be, or to carry out the intention of or facilitate the performance of the terms of this Assignment.

13. **NOTICES.** Any notice, consent, request, demand or other communication required or permitted to be given under this Assignment or any other Loan Document to either Administrative Agent or Borrower shall be given to the addresses and in the manner prescribed by the Loan Agreement.

14. **COUNTERPARTS.** This Assignment may be executed in any number of separate counterparts, each of which when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one of the same instrument.

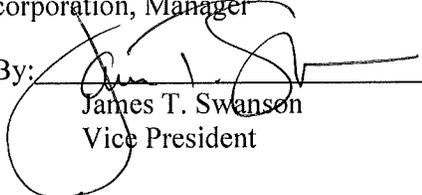
[Signatures Begin on Next Page]

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first above written.

BORROWER:

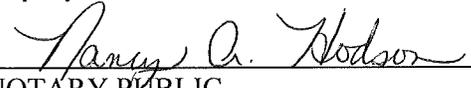
YK COMMERCIAL REALTY, LLC, an Arizona limited liability company

By: Kitchell Development Company, an Arizona corporation, Manager

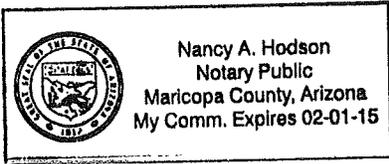
By: 
James T. Swanson
Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 30th day of January, 2012, by James T. Swanson, as Vice President of Kitchell Development Company, an Arizona corporation, Manager of YK Commercial Realty, LLC, an Arizona limited liability company, on behalf of the limited liability company.


NOTARY PUBLIC

My commission expires:
02/01/2015



ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., a national banking association

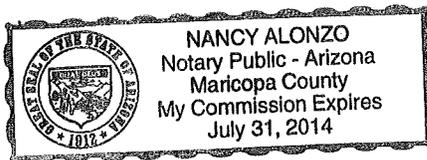
By: Robert Ray
Name: Robert Ray
Title: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 30 day of January, 2012, by Robert Ray, the Vice President of Bank of America, N.A., a national banking association, on behalf of the association.

Nancy Alonzo
NOTARY PUBLIC

My commission expires:
7/31/14



CONSENT TO ASSIGNMENT

This Consent to Assignment (this "**Consent**") is made by and among YK COMMERCIAL REALTY, LLC, an Arizona limited liability company ("**Borrower**"), and the TOWN OF PRESCOTT VALLEY, an Arizona municipal corporation ("**Town**"), for the benefit of BANK OF AMERICA, N.A., a national banking association, as Administrative Agent ("**Administrative Agent**") for the lenders (each, a "**Lender**" and collectively, the "**Lenders**") from time to time party to that certain Construction Loan Agreement dated as of December 22, 2006 (as it may be amended or supplemented from time to time, the "**Loan Agreement**") among Borrower, Administrative Agent and the Lenders.

The undersigned parties acknowledge and agree as follows:

1. Without prejudice to the Town's rights to demand performance of obligations to the Town under that certain Development Agreement dated July 8, 1999, and recorded in Book 3679 at Page 601 of the Official records of Yavapai County, Arizona (as amended by (i) the First Amendment to Development Agreement dated July 31, 2003, and recorded August 28, 2003, at Book 4068, Page 323, Official Records of Yavapai County, Arizona, and (ii) the Second Amendment to Development Agreement dated August 11, 2005, and recorded August 12, 2005, at Book 4297, Page 746, Official Records of Yavapai County, Arizona (as it may be further amended, the "**Development Agreement**"), the Town hereby consents to the collateral assignment (whether or not revocable) by Borrower to Administrative Agent for the ratable benefit of Administrative Agent and the Lenders of all right, title and interest of Borrower in and to the Development Agreement, including, without limitation, all the "**Periodic Payments**" (as defined in the Development Agreement) to be paid by the Town to Borrower pursuant to Section 6 of the Development Agreement, and all other economic incentives and benefits assigned to Borrower under the Development Agreement, all as set forth in that certain Collateral Assignment of Development Agreement dated as of the date hereof (the "**Assignment**").

2. The Town acknowledges and agrees that:

(a) Except as specified above, the Development Agreement has not been modified or amended;

(b) Neither Borrower nor the Town is in default of its obligations under the Development Agreement;

(c) None of the provisions of the Development Agreement that relate to Borrower have been waived or amended, and the Development Agreement is in full force and effect;

(d) The Town has not received notice that Borrower has assigned the Development Agreement or Borrower's right to receive the Periodic Payments or any other economic incentives or benefits assigned to Borrower under the Development Agreement to any person other than Administrative Agent. The Town has previously consented to (i) a Partial Assignment dated February 22,

2007, (ii) a Partial Assignment dated September 24, 2007 and (iii) a Partial Assignment dated May 5, 2009, of the Development Agreement from Developer to Borrower, each of which grants Borrower the exclusive right to receive the Periodic Payments and to receive all other economic incentives and benefits assigned thereunder from Developer to Borrower under the Development Agreement. The Town agrees upon request to deliver to Administrative Agent and Borrower a written statement concerning (a) whether the Development Agreement remains in full force and effect, (b) whether the Town or any other person is in default of its obligations under the Development Agreement, and (c) the status of Borrower's right to the Periodic Payments and other economic incentives and benefits assigned to Borrower under the Development Agreement. Such statement shall be delivered to Administrative Agent and Borrower within a reasonable period of time after Administrative Agent or Borrower requests that it do so.

3. The Town agrees that if Administrative Agent or Borrower delivers written notice to the Town to pay and deliver the Periodic Payments assigned to Borrower and other economic incentives and benefits assigned to Borrower under the Development Agreement to Administrative Agent the Town will then pay and deliver such Periodic Payments and other economic incentives and benefits to Administrative Agent, irrespective of any contrary instruction, direction or request from Borrower. Thereafter, the Town will pay and deliver such Periodic Payments and other economic incentives and benefits to any party or person other than Administrative Agent only on Administrative Agent's written instruction to do so. The Town further agrees to accept performance by Administrative Agent of any obligation of Borrower under the Development Agreement with regard to the Periodic Payments and other economic incentives and benefits which must be performed to prevent the loss of Borrower's rights with regard to the Periodic Payments and other economic incentives and benefits under the Development Agreement. However, it is expressly understood that Administrative Agent does not assume or have any obligation to the Town to perform such obligation or to exercise its rights under the foregoing Assignment, but that the option to exercise such rights or declare a default rests in the sole and absolute discretion of Administrative Agent. If Administrative Agent exercises its rights under the Assignment, the Town agrees that Administrative Agent shall not have any personal obligation or liability under the Development Agreement. Notwithstanding any other provision hereof, Administrative Agent shall have the right to assign its interest in any of this Consent, the Assignment or the Development Agreement to any person or entity, including, without limitation, a representative of Administrative Agent and/or a court-appointed receiver; provided, however, that in the event Administrative Agent exercises its rights under the Assignment, Administrative Agent may assign its interest in the Development Agreement to anyone other than a representative of Administrative Agent and/or a court-appointed receiver only with the prior written consent of the Town, which consent shall not be unreasonably withheld or delayed. The rights of Administrative Agent under any of the agreements referenced in the immediately preceding sentence shall be fully and immediately exercisable by any such assignee.

4. At the date hereof, the Town has no counterclaim, right of set-off, defense or like right against Borrower or Administrative Agent under either the Development Agreement or this Consent.

5. The Town agrees that, in the case of an event of default by Borrower under the Development Agreement, the Town shall provide written notice to Administrative Agent at the same time notice is provided to Borrower in order that Administrative Agent may exercise its rights, whether under this Agreement, the Assignment, the Loan Agreement or any other agreement. Upon such notice, Administrative Agent shall have the right, but not the obligation, to perform any obligation of the Borrower under the Development Agreement and to cure such default. The Town shall accept performance by or at the instigation of Administrative Agent in fulfillment of the Borrower's obligations, for the account of the Borrower and with the same force and effect as if performed by the Borrower. Administrative Agent shall have the same cure period, if any, available to the Borrower under the Development Agreement.

6. Any notice which any party hereto may desire or be required to give to the other shall be deemed to be an adequate and sufficient notice if given in writing and service is made by either (i) registered or certified mail, postage prepaid, return receipt requested, in which case notice shall be deemed to have been received three (3) business days following deposit to the mail; or (ii) nationally recognized overnight air courier, next day delivery, prepaid, in which case such notice shall be deemed to have been received one (1) business day following delivery to such courier. All notices shall be addressed to:

If to Administrative Agent:

Bank of America, N.A.
AZ1-200-22-17
201 E. Washington Street, 22nd Floor
Phoenix, AZ 85004-2343
Attn: Robert T. Ray

With a copy to:

Snell & Wilmer L.L.P.
One South Church Avenue, Suite 1500
Tucson, Arizona 85701
Attn: Curt D. Reimann, Esq.

If to the Town:

Town of Prescott Valley
Town Manager
7501 E. Civic Circle
Prescott Valley, Arizona 86314

If to Borrower:

1707 East Highland Avenue
Suite 100
Phoenix, Arizona 85016
Attention: Coree Collins

With a copy to:

Alexander L. Broadfoot, Esq.
Gallagher & Kennedy PA
2575 East Camelback Road, Suite 1100
Phoenix, Arizona 85016

or to such other address the party to receive such notice may have furnished theretofore to all other parties by notice in accordance herewith.

7. This Consent shall bind and inure to the benefit of the successors, assigns, legal and personal representatives, executors, administrators, heirs and other transferees of the parties hereto.

8. In the event that any right of Administrative Agent hereunder shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other right granted hereby.

9. None of the statements made in Paragraph 2, 3 or 4 above, now or in the future, shall operate to estop the Town should other information contrary to any such statement become known to the Town; provided that the Town will reasonably notify Administrative Agent if any such contrary information becomes known to the Town.

15. This Consent may be executed in any number of separate counterparts, each of which when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one of the same instrument.

[Signature Pages Follow.]

DATED: as of _____, 2012.

TOWN OF PRESCOTT VALLEY, an Arizona
municipal corporation

By: _____
_____, Mayor

ATTEST:

By: _____
_____, Town Clerk

APPROVED AS TO FORM

By: _____
_____, Town Attorney

"TOWN"

[Signatures Continue on the Following Page.]

YK COMMERCIAL REALTY, LLC, an Arizona limited liability company

By: Kitchell Development Company, an Arizona corporation, Manager

By: Jeffrey W. Allen
Jeffrey W. Allen
President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 30th day of January, 2012, by Jeffrey W. Allen, the President of Kitchell Development Company, an Arizona Corporation, Manager of YK Commercial Realty, LLC, an Arizona limited liability company, on behalf of the limited liability company.

Paul J. Titellaw
NOTARY PUBLIC

My commission expires:
8/15/2015

BANK OF AMERICA, N.A., a national banking association

By: Robert Ray
Name: Robert Ray
Title: Vice President

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 20 day of January, 2012, by Robert Ray, the Vice President of Bank of America, N.A., a national banking association, on behalf of the association.

Nancy Alonzo
NOTARY PUBLIC

My commission expires:

7/31/14

