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EXEMPT FROM AFFIDAVIT AND FEE
PURSUANT TO SECTION 11-1134,
ARIZONA REVISED STATUTES, AS
AMENDED

FIRST AMENDMENT TO
SECOND SERIES 2004 GROUND LEASE

TOWN OF PRESCOTT VALLEY, ARIZONA,
as Lessor,

TO

TOWN OF PRESCOTT VALLEY MUNICIPAL PROPERTY CORPORATION
as Lessee

This FIRST AMENDMENT TO SECOND SERIES 2004 GROUND LEASE, dated as of June 1, 2012 (this "Ground Lease"), by and between the TOWN OF PRESCOTT VALLEY, ARIZONA, a municipal corporation of the State of Arizona (the "Town"), and TOWN OF PRESCOTT VALLEY MUNICIPAL PROPERTY CORPORATION, a nonprofit corporation organized and existing under the laws of the State of Arizona (the "Corporation");

W I T N E S S E T H:

WHEREAS, the City owns the real property situated in Prescott Valley, Yavapai County, State of Arizona, described on Exhibit A attached hereto and by this reference made a part hereof and has leased such property to the Corporation pursuant to a Second Series 2004 Ground Lease, dated as of December 1, 2004 (the "Second Series 2004 Ground Lease"), by and between the City and the Corporation; and

WHEREAS, the Town desires to encumber the real property described on Exhibit A attached hereto in connection with the issuance by the Corporation of its Town of Prescott Valley Municipal Property Corporation Municipal Facilities Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), in the aggregate principal amount of \$____,000;

NOW, THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. The Town hereby continues to lease to the Corporation, and the Corporation hereby continues to lease from the Town, for the period commencing with the date hereof and continuing until January 2, 20__, or such later date as of which the Series 2012 Town Lease described in Section 2 hereof shall be paid and discharged, that certain real property (the "Demised Premises") located in or near the Town of Prescott Valley, Yavapai County, State of Arizona, described on Exhibit A attached hereto. This Ground Lease shall be subject to earlier termination in accordance with Section 6 hereof. (The foregoing is in addition to, and not in lieu of the corresponding provision of the Second Series 2004 Ground Lease.)

Section 2. Prior to the time either of the parties hereto execute this Ground Lease, their respective governing bodies shall authorize the execution of a Series 2012 Town Lease, dated as of June 1, 2012 (the "Series 2012 Town Lease"), to be entered into by the parties hereto, under the terms of which the Corporation shall extend the lease of the Demised Premises and certain other property to the Town. Immediately following the execution of this Ground Lease by both of the parties hereto, the parties shall enter into the Series 2012 Town Lease.

Section 3. The Corporation shall pay to the Town, in connection herewith, \$10 together with other good and valuable consideration as provided herein, such rental to be paid upon the execution and delivery of this Ground Lease.

Section 4. The Corporation, as of the date hereof, shall assign all rights and benefits hereunder to U.S. Bank National Association, as trustee (the "Trustee"), pursuant to the Series 2012 Supplemental Trust Indenture, dated as of June 1, 2012 (the "Series 2012 Supplemental Indenture"), which supplements a Trust Indenture, dated as of January 1, 1995 (the "Indenture"), and shall grant the Trustee a lien on its interest in this Ground Lease for the benefit of the holders of the bonds issued pursuant to each of the Indenture and the Series 2012 Supplemental Indenture. The Town hereby consents to such assignment and grant of lien. The Trustee shall have no obligations hereunder except as otherwise provided in the Indenture and the Series 2012 Supplemental Indenture.

Section 5. Notwithstanding this Ground Lease, the Town, so long as no event of default by the Town under the Second Series 2004 Ground Lease, the Second Series 2004 Town Lease, dated as of December 1, 2004 (the "Second Series 2004 Town Lease"), by and between the Town and the Corporation or the Series 2012 Town Lease shall have occurred and be continuing, shall at all times have and retain all rights of access and control of the Demised Premises.

Section 6. The Town shall have the right to terminate this Ground Lease upon written notice to the Corporation given concurrently with or subsequent to the date the lien granted to the Trustee is released of record as a result of the payment of or provision for the payment of the entire indebtedness secured by such lien as provided in the Indenture and the Series 2012 Supplemental Indenture. The Corporation shall not at any time increase the amount of its indebtedness secured by such lien except (i) to the extent it may be necessary in connection with any refinancing or refunding which, by reason of a default by the Town in the payment of rental payments due under the Second Series 2004 Town Lease or the Series 2012 Town Lease, may then be required for the Corporation to meet its obligations to the then holders of indebtedness secured by such lien or (ii) in accordance with the Second Series 2004 Town Lease and the Series 2012 Town Lease, relating to additional financing or for refunding bonds issued for such purposes. So long as the Town and the Corporation have entered into the Series 2012 Town Lease and the Series 2012 Town Lease has not been terminated, the Town shall have no right to terminate this Ground Lease for any reason except the nonpayment of the rent required to be paid under the provisions of Section 3 hereof.

Section 7. Upon the expiration or termination of this Ground Lease, the Corporation shall surrender to the Town the Demised Premises, together with any improvements thereon. At the time of such surrender, the Demised Premises shall be free and clear of all liens and encumbrances other than (i) conditions, reservations, exceptions, rights of way and easements of record on the date of the commencement of the term of the Series 2012 Town Lease or (ii) liens or encumbrances imposed as a result of an act or failure to act by the Town.

Section 8. If any term or provision of this Ground Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Ground Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 9. No merger of title or estates is intended by the Town or the Corporation pursuant to the provisions of this Ground Lease or the Series 2012 Town Lease.

IN WITNESS WHEREOF, the Town and the Corporation have caused their respective names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

TOWN OF PRESCOTT VALLEY, ARIZONA, a
municipal corporation

By.....
Mayor

ATTEST:

.....
Town Clerk

APPROVED AS TO FORM:

.....
Town Attorney

TOWN OF PRESCOTT VALLEY MUNICIPAL
PROPERTY CORPORATION, an Arizona
nonprofit corporation

By.....
President

ATTEST:

.....
Secretary-Treasurer

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

On this, the day of June, 2012, before me, the undersigned Notary Public, personally appeared and, who acknowledged themselves to be the Mayor and Town Clerk, respectively, of the TOWN OF PRESCOTT VALLEY, ARIZONA, a municipal corporation, and that they, as such officers, being authorized so to do, executed the foregoing Ground Lease for the purposes therein contained by signing the name of the municipal corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....
Notary Public

My Commission Expires:
.....

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

On this, the day of June, 2012, before me, the undersigned Notary Public, personally appeared and, who acknowledged themselves to be the President and Secretary-Treasurer, respectively, of the TOWN OF PRESCOTT VALLEY MUNICIPAL PROPERTY CORPORATION, an Arizona nonprofit corporation, and that they, as such officers, being authorized so to do, executed the foregoing Ground Lease for the purposes therein contained by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....
Notary Public

My Commission Expires:
.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the First Amendment to Second Series 2004 Ground Lease, dated as of June 1, 2012, executed by the Town of Prescott Valley, Arizona, a municipal corporation, and the Town of Prescott Valley Municipal Property Corporation, an Arizona nonprofit corporation (the "Notarized Document"). The Notarized Document contains a total of ___ pages.

EXHIBIT A

DESCRIPTION OF DEMISED PREMISES

PHX 330,259,036v2