

WHEN RECORDED RETURN TO

CITY OF SCOTTSDALE
ONE STOP SHOP RECORDS
(Randy Grant)
7447 E Indian School Road, Suite 100
Scottsdale, AZ 85251

ASSURANCE TO CITY OF REMOTE PARKING

KNOW ALL BY THESE PRESENTS THAT

1 Parking Code The City of Scottsdale ("City") has a parking code (the "Code") that requires that landowners provide at least a prescribed number of on-site parking spaces, depending on land use and other factors (See S R C § 9 107, as amended)

2 Parking Status Parking Owner and Parking User both warrant and represent to each other and to City that

2 1 Arnold E Weflen (the "Parking Owner") is the recorded fee title owner of a parcel of real property (the "Over Parked Parcel") located at 7109 E 2nd Street in the City of Scottsdale Parking Owner currently uses the Over Parked Parcel for a retail religious bookstore titled The King's House A legal description of the Over Parked Parcel is attached to this Assurance as Exhibit "A "

2 2 Joyce Mandall (the "Parking User") is the recorded fee title owner of a parcel of real property (the "Under Parked Parcel") located at 3608 N Scottsdale Road in the City of Scottsdale Parking User currently uses, or proposes to use, the Under Parked Parcel for Sophistry Restaurant A legal description of the Under Parked Parcel is attached to this Assurance as Exhibit "B "

2 3 The Under Parked Parcel would need more parking spaces than it has on-site in order to meet the Code parking requirements for the Under Parked Parcel

2 4 Parking User desires to cure the parking shortage on the Under Parked Parcel by borrowing parking spaces on the Over Parked Parcel

2 5 The Over Parked Parcel has enough extra permanent, physical, legal on-site parking spaces to meet its own Code parking requirements for the Over Parked Parcel and to cure the parking shortage on the Under Parked Parcel by loaning the borrowed parking spaces to the Under Parked Parcel None of the borrowed parking spaces is currently being used to satisfy Code parking requirements for the Over Parked Parcel or any other parcel

2 6 Parking Owner has agreed to make the borrowed parking spaces available to the Under Parked Parcel

2 7 Parking Owner shall not use the Over Parked Parcel in a way that would require use of the borrowed spaces

2.8 Parking Owner and Parking User have entered into a recorded agreement ("Remote Parking Lease Agreement") that gives Parking User a real property interest to use the borrowed parking spaces on the Over Parked Parcel. The Parking Agreement allows Parking User and other occupants of the Under Parked Parcel to park automobiles on the Over Parked Parcel. The Parking Agreement has a term of five (5) years after the date this Assurance is recorded. The number of borrowed parking spaces covered by the Parking Agreement and this document is ten (10) parking spaces between the hours of 5:00 p.m. and 2:00 a.m. each day of the week.

2.9 Any loss or reduction of Parking User's rights to use the borrowed parking spaces on the Over Parked Parcel (such as expiration, amendment, or termination of the Parking Agreement for any reason) shall not be effective until 30 days after Parking Owner or Parking User delivers to City a written notice of the loss or reduction. The notice must give the date, recording date, and recording number of this Assurance. The notice must be delivered by US Mail (return receipt requested) addressed to Zoning Administrator, City of Scottsdale, 7447 E. Indian School Road, Scottsdale, AZ 85251.

2.10 Each person or entity, if any, having or claiming a lien, lease, easement or other interest in the Under Parked Parcel or the Over Parked Parcel has signed and notarized a consent document in the form attached hereto as Exhibit "C" and that all of such consent documents, if any, are attached to and recorded with this Assurance.

3. Code Compliance For purposes of the parking Code, during the term of the Parking Agreement, Parking Owner and Parking User request that City allocate the borrowed parking spaces on the Over Parked Parcel covered by the Parking Agreement as follows:

3.1 The borrowed parking spaces do not count toward Code parking requirements for the Over Parked Parcel. The Over Parked Parcel must always have adequate Code parking without counting the borrowed parking spaces.

3.2 The borrowed parking spaces do count toward Code parking requirements for the Under Parked Parcel. But, they do not count until this Assurance is executed and notarized by Parking Owner and Parking User (and by the other interested persons as set out below), signed by City below, and recorded in the Maricopa County recorder's office.

3.3 If the Parking Agreement ever terminates, or the Under Parked Parcel is ever unable to use the borrowed parking spaces for any reason, then the parking spaces will no longer count toward Code parking requirements for the Under Parked Parcel. If that happens, then Parking User promises City that Parking User will immediately reduce the activities and uses of the Under Parked Parcel (and completely stop all use of the Under Parked Parcel, if necessary) so that the Under Parked Parcel always has enough Code required parking.

4. City's Right to Enforce City has the right to enforce this Assurance and the Parking Agreement if it chooses to do so, but has no duties or obligations under this Assurance or the Parking Agreement. Parking Owner and Parking User may have other rights against each other under the Parking Agreement, but, with respect to City, this Notice controls any conflict with the Parking Agreement. City is entitled to rely on this Assurance without regard to the terms of the Parking Agreement. This document runs

Table of Exhibits

A Legal description for parcel supplying the parking spaces

-See attached

B Legal description for parcel borrowing the parking spaces

-See attached

C Form of consent

-Not Applicable (No recorded liens, Owner/Occupied - Moe M Tavassoli Oriental Rugs)

Exhibit A

Legal description for parcel supplying parking spaces:

Parcel # 130-13-010

NCR. 032-50

Lot # 1

Quarter Section 16-44

Subdivision Matlock

Exhibit B

Legal Description for parcel borrowing the parking spaces

Parcel # 130-13-039

Lot #. none

Quarter Section 16-44

NCR: 032-50

Subdivision. Matlock

REMOTE PARKING LEASE AGREEMENT

Arnold Weflen hereby grants to Sateo, LLC ("Lessee"), the lease to use parking spaces at 7109 E 2nd Street, Scottsdale, Arizona 85251 pursuant to this Remote Parking Agreement, as described below and subject to the following conditions

1 Type and Number of Parking Spaces Lessee shall have the right to use ten (10) automobile parking spaces at 7109 E 2nd Street, Scottsdale, Arizona 85251 Monday through Sunday, from the hours of 5:00 PM to 2:00 AM, and at no other times, for sole and specific use of the employees of, and valet parking for, Sophistry, LLC Lessor is closed at 5:00 PM each day and Sateo, LLC will not use the spaces prior to 5:00 PM on any day

2 Term The term of this Lease shall be for one (1) five (5) year term, commencing on September 1, 2006 Lessor and Lessee agree that Lease may be renewed upon terms mutually agreed Lessee may terminate this Remote Parking Lease Agreement upon thirty (30) day written notice to the other Party

3 Rights Non-Transferable The foregoing parking rights are exclusive to Lessee and Lessee shall not assign, convey, or otherwise transfer said rights in any manner whatsoever

4 Lessee Indemnification Use of said parking spaces and of the parking areas in the above mentioned location shall be at the sole risk of Lessee Unless caused by the negligence or wrongful act of Lessor, its agents or employees, Lessee hereby agrees to defend, indemnify and hold Lessor harmless from and against any liability, loss, cost or expense (including reasonable attorneys' fees) for any damage to or loss or theft of any vehicle or property within any vehicle, injury to or death of any person, arising directly or indirectly out of or in connection with the use by Lessee This obligation shall survive the termination of this Lease with regard to claims arising from events which occur during the Lease term

5 Condition The parking areas shall be left in the same or better condition each night During the nightly use of the parking areas, Lessee shall not allow any other persons or vehicles to enter and/or park in the facility, except as set forth above In this regard, Lessee shall ensure that (a) Lessee's employees will have all keys to the vehicles located in the parking area, (b) all automobiles that remain in the parking areas at 2:00 AM shall be removed to Lessee's parking lot, (c) no automobiles will be left in the parking area, and (d) between the hours of 5:00 AM and 5:00 PM Lessee shall remove from parking area any automobile related to Lessee's business upon Lessor's request

6 Insurance-General In addition to any insurance required by the City of Scottsdale Parking Ordinances, Lessee shall be required to obtain such additional insurance as required herein All insurance required to be carried by Lessee hereunder shall be issued by responsible insurance companies reasonably acceptable to Lessor All policies of insurance provided for herein shall be issued by insurance companies with general policyholders rating of not less than A in the most current available "BEST Insurance Reports" Each policy shall name Lessor, and at Lessor's request, any agent of Lessor as an additional insured, as their respective interests may appear Lessee shall promptly deliver certificates of such insurance to Lessor upon request evidencing the existence and amounts of such insurance All policies of insurance delivered to Lessor must contain a provision that the company writing said policy will give Lessor thirty (30) day's prior written notice of any modification, cancellation or lapse or reduction in the amounts of insurance All public liability, property damage and other casualty insurance policies shall be written as primary policies, not contributing with, and not in excess of coverage, which Lessor may carry

7 Liability Insurance Lessee shall at all times obtain and continue in force bodily injury liability and property damage liability insurance adequate to protect Lessor against liability for injury to or death of any person in connection with the activities of Lessee in, on or about the Parking Area or with the use, operation or condition of the Parking Area Such insurance at all times shall be in an amount of not less than One Million Dollars (\$1,000,000 00) for injuries to persons in one accident, not less than One Million Dollars (\$1,000,000 00) for injury to any one (1) person and not less than Five Hundred Thousand Dollars (\$500,000 00) for property damage All public liability and property damage policies shall contain a provision that Lessor, although named as an insured, shall be entitled to recover under said policies for any loss occasioned to it, its partners, agents and employees by gross negligence of Lessee

8 Interruption of Use Lessor shall not be liable to Lessee for any interruption of Lessee's use of the rights granted hereunder due to repairs, improvements or alterations of the parking areas, or due to any labor controversy, or resulting from any cause beyond the reasonable control of Lessor Lessee shall be entitled to a proportional abatement of the monthly fee with regard to any parking space to the extent it is prevented from using such space and no reasonably similar alternative space is made available to it by Lessor

9 Rules and Regulations Lessor may adopt such other rules and regulations relating to the use of the parking areas as in Lessor's opinion are necessary or desirable for the proper, orderly and safe use of the parking areas If Lessee fails to comply with the rules and regulations and modifications thereto reasonably adopted by Lessor and expressed in written form to Lessee, Lessor may at its option consider such failure to comply a material default of Agreement and terminate under the terms herein

10 Lessor's Property Rights Lessor shall have the right to alter or rearrange parking spaces and improvements in the parking areas, to take all or any portion of the parking areas for purposes of maintaining, repairing, or restoring same, or for purposes of construction and operating structures thereon or adjacent thereto, to have ingress and egress in connection with the exercise of any such rights, and to do and perform such other acts with respect to the parking areas as Lessor shall in its discretion deem appropriate Lessor may tow away any improperly parked vehicles in which event, neither Lessor nor any mortgagee of Lessor shall have any liability to Lessee or to such vehicle owner

11 Miscellaneous No waiver by Lessor of any breach of this Lease by Lessee shall constitute a waiver of any other breach Any amount due to Lessor that is not paid when due shall bear interest at a rate of 10% In the event of any legal action taken or proceeding brought to enforce the provisions hereof, the prevailing party shall be entitled to recover its reasonable attorney fees and costs incurred in connection therewith

12 City of Scottsdale Parking Requirements An important purpose of this lease agreement is to provide Lessee with guaranteed use of parking spaces required by the City of Scottsdale ("City") code for operation of Lessee's restaurant located at 3608 N Scottsdale Road, Scottsdale, Arizona 85251 This agreement grants to Lessee a lease with an initial Term of five (5) years for not less than ten (10) of Lessor's off-street parking spaces located at 7109 E 2nd Street, Scottsdale, Arizona 85251 If in-lieu parking is granted to Sateo LLC for operation of Sophistry at 3608 N Scottsdale Road, Scottsdale, Arizona 85251, Lessee will no longer need this Remote Parking Lease Agreement, and the Remote Parking Lease Agreement may be terminated upon thirty (30) days written notice from Lessee to Lessor

LESSOR:

Arnold Weflen
7109 E 2nd Street
Scottsdale, AZ 85251

By Arnold Weflen

Its _____

Dated 8-8-06

LESSEE:

SATEO, LLC

By [Signature]

Its MANAGER MEMBER

Dated 8/8/06