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14-02-100-003, 14-11-100-004, 14-11-100-003, 14-11-100-007
14-02-400-002, 14-02-400-004
14-02-400-003

MEMORANDUM OF DEVELOPMENT AGREEMENT

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT (this "Memorandum") is made this 12th day of May, 2005 by and between PROPERTY RESERVE, INC., a Utah corporation ("PRI"), and FCI SALT LAKE, LLC, a Utah limited liability company ("FCISL")

RECITALS

A. PRI and FCISL are parties to that certain OPTION AND PURCHASE AGREEMENT dated September 28, 2004 as amended (the "Option Agreement") whereby PRI agreed to sell and grant to FCISL an option to purchase certain Real Property the legal description of which is set forth on Exhibit "A" attached to this Memorandum (the "Real Property").

B. Pursuant to Section 3.3 of the Option Agreement PRI and FCISL have entered into a certain "Development Agreement" of even date herewith (the "Development Agreement"). The Development Agreement includes certain easements and licenses in favor of FCISL across certain portions of the Real Property.

C. This Notice is recorded pursuant to Section 15(e) of the Development Agreement and is intended to provide notice of certain rights and easements of FCISL with respect to the Real Property.

NOTICE

1. Notice. Notice is hereby given that the Real Property, or parts thereof, is or may be subject to certain rights, easements or other interests set forth in the Development Agreement. The Development Agreement will expire no later than December 31, 2012, on which date this Memorandum will be of no further force or effect.

2. Temporary Easements. Pursuant to the Development Agreement, PRI has granted FCISL certain rights and easements with respect to the land which is presently proposed for 300 South and 700 South Streets, and other land immediately adjacent thereto which is part of the Real Property, which are necessary or appropriate at any time and from time to time to perform certain work and to construct certain improvements required to be performed by FCISL.

3. Terms of Development Agreement. The provisions set forth in the Development Agreement are hereby incorporated herein by this reference. In the event of any conflict between the provisions of the Development Agreement and this Memorandum, the provisions of the Development Agreement shall control.

4. Additional Information. For more information, the parties to the Development Agreement may be contacted at the following addresses:

If to FCISL: FCI Salt Lake, LLC
c/o Forest City Development California, Inc.
949 S. Hope Street, Suite 200
Los Angeles, California 90015

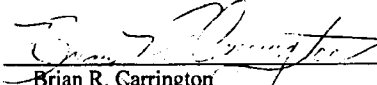
With copy to: KFR Salt Lake LLC
949 S. Hope Street, Suite 200
Los Angeles, California 90015

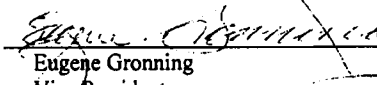
If to PRI: Property Reserve, Inc.
150 East South Temple, Suite 675
Salt Lake City, Utah 84111

(Signatures commence on the following page)

PRI:

PROPERTY RESERVE, INC., a Utah corporation

By: 
Brian R. Garrington
Vice President

By: 
Eugene Gronning
Vice President

TKC

FCISL:

FCI SALT LAKE, LLC, a Utah limited liability company

By: Forest City Commercial Group, Inc.
Its: Manager

By: _____
Name: _____
Its: _____

PRI: PROPERTY RESERVE, INC., a Utah corporation

By: _____
Brian R. Carrington
Vice President

By: _____
Eugene Gronning
Vice President

FCISL: FCI SALT LAKE, LLC, a Utah limited liability company

By: Forest City Commercial Group, Inc.
Its: Manager

By: _____
Name: **LAYTON McCOWN**
Its: **CHIEF FINANCIAL OFFICER**

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On this 12th day of May, 2005, personally appeared before me Brian R. Carrington and C. Eugene Gronning, known or satisfactorily proved to me to be the Vice Presidents of Property Reserve, Inc., a Utah non-profit corporation, who acknowledged to me that they signed the foregoing instrument as Vice Presidents for said corporation.

Sheryl Featherstone
NOTARY PUBLIC
Residing at: Centerville, Utah

My Commission Expires:
2/9/2008



STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this ____ day of May, 2005, by _____, the _____ of FOREST CITY COMMERCIAL GROUP, INC., which is the manager of FCI SALT LAKE, LLC, a Utah limited liability company.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this ____ day of March, 2005, by _____, the _____ of PROPERTY RESERVE, INC., a Utah corporation.

My Commission Expires: _____
NOTARY PUBLIC
Residing at: _____

STATE OF OHIO)
 :ss
COUNTY OF CUYAHOGA)

On this 2nd day of May, 2005, personally appeared before me LAYTON McCOWN known or satisfactorily proved to me to be the CHIEF FINANCIAL OFFICER of Forest City Commercial Group, Inc., an Ohio corporation, who acknowledged to me that ~~they~~ ^{he} signed the foregoing instrument as ~~Vice President~~ ^{CHIEF FINANCIAL OFFICER} for said corporation.



ROSE ANN FOLIANO, Notary Public
STATE OF OHIO
My Commission Expires July 14, 2006

Rose Ann Foliano
Notary Public
My Commission Expires:

EXHIBIT "A"
to
Memorandum of Development Agreement

(Description of Real Property)

826849v3

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PRI TRANSACTION TO FCI

OVERALL OPTION PARCEL DESCRIPTION – INCLUDING LIFT STATION

A parcel of land located in Section 2, Township 1 South, Range 2 West, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point on the westerly boundary line of 5600 West Street (SR-172), which is 40.00 feet North 89°54'09" West along the section line from the Salt Lake County Survey monument found marking the Southeast corner of said Section 2 (the basis of bearings is South 00°13'25" East 2640.77 feet measured between the East Quarter and Southeast corners of said Section 2), and running thence North 89°54'09" West 2613.72 feet along the Section line to the South Quarter corner of said Section 2; thence South 00°09'41" West 42.00 feet along the Quarter Section line; thence North 89°54'14" West 1990.13 feet, more or less to the easterly boundary line of the Kennecott Utah Copper Corporation property, Tax No. 14-11-100-001; thence North 00°05'46" East 42.00 feet to the Section line; thence North 89°54'14" West 663.21 feet along the Section line to the Southwest corner of said Section 2; thence North 00°04'15" East 2647.35 feet along the Section line to the West Quarter corner of said Section 2; thence North 00°04'56" East 86.00 feet along the section line; thence South 89°49'53" East 4802.30 feet to a point of curvature with a 854.00 foot radius curve to the right; thence easterly 76.57 feet along the arc of said curve through a central angle of 05°08'14" (chord bears South 87°15'46" East 76.55 feet) to a tangent line; thence South 84°41'39" East 164.16 feet to a point of curvature with a 788.00 foot radius curve to the left; thence easterly 76.05 feet along the arc of said curve through a central angle of 05°31'46" (chord bears South 87°27'32" East 76.02 feet) to a tangent line; thence North 89°46'35" East 135.01 feet to the existing westerly boundary line of 5600 West Street, 40.00 feet perpendicularly west from the east line of said Section 2; thence South 00°12'55" East 65.65 feet along said road; thence South 00°13'25" East 2640.81 feet along said road to the point of beginning.

TOGETHER WITH:

A tract of land located in Section 2, Township 1 South, Range 2 West, Salt Lake Base and Meridian, Salt Lake City, Salt Lake County, Utah, more particularly described as follows:

Beginning at a point which lies 895.59 feet North 89°49'53" West along the Quarter Section line and 86.00 feet North 00°10'07" East from the East Quarter corner of said Section 2 (the basis of bearings is South 00°13'25" East 2640.77 feet measured along the section line between the East Quarter corner and the Southeast corner of said Section 2), and running thence North 39°44'27" East 63.64 feet; thence North 00°10'07" East 34.74 feet; thence South 89°49'53" East 64.00 feet; thence South 00°10'07" West 46.27 feet; thence South 32°12'55" East 44.48 feet; thence North 89°49'53" West 128.32 feet to the point of beginning.

Contains 331.599 acres.