

WHEN RECORDED, RETURN TO:

VanCott, Bagley, Cornwall & McCarthy
50 South Main Street, Suite 1600
Salt Lake City, Utah 84144-0402
Attention: Rand Cook

7253547
02/11/99 4:22 PM 32.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
ASSOCIATED TITLE
REC BY: R JORDAN , DEPUTY - WI

ATC - D 228655

**MEMORANDUM
OF
GROUND LEASE AGREEMENT**

7253547

This Memorandum of Ground Lease Agreement (this "Agreement") is made and entered into this ~~9th~~ ^{February} day of January, 1999, by and between ArevKap, L.L.C., a Utah Limited Liability Company, (the "Lessor") and Pioneer Partners, L.C., a Utah Limited Liability Company which sometimes has been referred to as Pioneer Partners, LLC (the "Lessee").

RECITALS

A. Lease of Premises. Lessor and the Lessee have entered into a certain Ground Lease Agreement dated October 11, 1996 (the "Lease") whereby Lessor has leased to Lessee a certain parcel of land (the "Premises") located at 414 West 300 South in Salt Lake City, Utah, and more particularly described as follows:

Beginning at the Southeast corner of Lot 8, Block 62, Plat "A" Salt Lake City Survey and running North 65 feet; thence West 165 feet, thence South 65 feet; thence East 165 feet to the point of beginning.

B. Purposes of this Agreement. The parties desire that a copy of this Agreement shall be recorded in the records of the Salt Lake County Recorder to give constructive notice of the essential terms of the Lease.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. **Confirmation of the Lease.** The parties hereby confirm that by the Lease the Lessor has leased to the Lessee, and by this Agreement the Lessor does hereby further demise and let to the Lessee and the Lessee does hereby lease from the Lessor the Premises, on the terms and conditions more particularly set forth in the Lease. The parties hereby further confirm that there are no unrecorded amendments, modifications or transfers affecting the Lease, and that as of the date hereof there is no known breach of the Lease by either Landlord or Tenant.

2. **Notice of Essential Terms and Conditions of the Lease.** The essential terms and conditions of the Lease are as follows:

2.1. **Initial Term and Options.** Under Section 2.1. of the Lease, the initial

COURTESY RECORDING

This document is being recorded solely as a courtesy and an accommodation to the parties named therein. Associated Title Company hereby expressly disclaims any responsibility or liability for the accuracy or the content thereof.

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term of the Lease (the "Term") was from October 1, 1996 through September 30, 1998. Pursuant to Section 2.2. of the Lease, the Term of the Lease has been extended for an additional period of twenty years, commencing on October 1, 1998 and ending at midnight on September 30, 2018. Lessee has an option to further extend the Term for an additional period of five years commencing on October 1, 2018 and ending at midnight on September 30, 2023, all on the terms and conditions more particularly set forth in the Lease.

Section 2.2. Construction and Ownership of Improvements by Lessee.

Section 6 of the Lease provides that the Lessee shall have the right, but shall not be obligated to, construct a parking facility (and only a parking facility), together with usual and necessary appurtenances (collectively the "Improvements") on the Premises, which Lessee agrees to construct in accordance with certain conditions more particularly set forth in Sections 6.1 through 6.5 of the Lease. Under Section 6.6 of the Lease, all Improvements constructed on the Premises by the Lessee as permitted by the Lease shall be owned by the Lessee until expiration of the Term or sooner termination of the Lease. All Improvements on the Premises at the expiration of the Term or sooner termination of the Lease shall, without compensation to Lessee, then become Lessor's property free and clear of all claims to or against them by Lessee or any third person. The parties covenant for themselves and all persons claiming under them that the Improvements shall be real property.

Section 2.3. Lessor's Liens. Section 11 of the Lease provides that on commencement of the Term the Premises shall be free and clear of all mortgage liens, and that thereafter any mortgage or deed of trust placed on the Premises by Lessor shall be subject to the Lease, to any leasehold mortgage then in existence on the Premises as permitted by the Lease, and the Lessee's rights as permitted by the Lease subsequently to encumber the Premises and Improvements with leasehold mortgages.

Section 2.4. Notices. Section 14 of the Lease provides that any notice required to be given under the Lease shall be sufficient if given by registered or certified mail and addressed in the case of the Lessee to:

Pioneer Partners, L.C.
Attn: John W. Williams
48 Market Street, Suite 250
Salt Lake City, Utah 84101

and in the case of Lessor to:

ArevKap, LLC
P.O. Box 71236
Salt Lake City, Utah 84171

or to:

ArevKap, LLC
1906 Jeremy Drive
Salt Lake City, Utah 84121

or to such other address as Lessor or Lessee may so designate to the other from time to time.

Section 2.5. **Successors and Assigns.** Section 15 of the Lease provides that the Lease shall be binding upon and shall inure to the benefit of the successors, heirs and permitted assigns of the parties thereto.

Section 2.6. **Leasehold Mortgage Protections.** Section 16 of the Lease, entitled "Leasehold Mortgages," reads as follows:

"16.1. Right to Grant Liens on Leasehold Estate . Lessee shall have the right from time to time to grant a mortgage or trust deed lien upon its leasehold estate under this Lease and the Improvements constructed by Lessee on the Premises (a "Leasehold Mortgage") provided that Lessee shall promptly give Lessor written notice of the name and address of the person who holds the loan or obligation secured by the Leasehold Mortgage (the "Leasehold Lender"). Any Leasehold Mortgage shall be subject to all of the covenants, conditions and restrictions contained in this Lease, and all of the rights and interest of Lessor, except as otherwise provided in this Lease.

16.2. Leasehold Lender Protection . Notwithstanding any provision hereof to the contrary, so long as any sum remains owing on any obligation secured by a Leasehold Mortgage, Lessor and Lessee agree for the benefit of any Leasehold Lender who has given written notice to Lessor of its Leasehold Mortgage:

(a) That no modification or voluntary termination of this Lease or surrender of the Premises may be made by Lessor or Lessee without the prior written consent of such Leasehold Lender;

(b) That Lessor will give to such Leasehold Lender of which Lessor has received written notice and an address copies of all notices of default under this Lease simultaneously with any notice given to the Lessee;

(c) That such Leasehold Lender will have thirty (30) days after notice of default delivered to it within which to cure Lessee's default; provided , however , that said period in which such default may be remedied may be extended to no more than thirty (30) days beyond the applicable cure period for Lessee if within twenty-five (25) days after receipt of such notice the Leasehold

Lender shall have given notice to Lessor of its intention to cure Lessee's default within the extended period;

(d) That Lessor will accept performance by the Leasehold Lender in lieu of performance by the Lessee;

(e) That Lessor will not terminate this Lease for those defaults, the cure of which requires that the Leasehold Lender be in possession of the Premises or Improvements located thereon provided that such Leasehold Lender (i) promptly commences foreclosure and continues its action with due diligence, and (ii) continues payment of rent and all other charges required to be paid by Lessee which have accrued and which become due and payable during the period the foreclosure proceeding is pending;

(f) Lessee may, at Lessee's election, assign the options specified in Section 2.2 above or any of them at any time and from time to time to a Leasehold Lender, and may give any such Leasehold Lender, with or without such assignment, power of attorney to exercise any such option;

(g) That in the event Lessee's interest under this Lease shall be sold, assigned or otherwise transferred pursuant to the exercise of any right, power or remedy of such Leasehold Lender pursuant to judicial proceedings, trustee's sale, deed in lieu of foreclosure or otherwise, and if such Leasehold Lender shall have arranged to the reasonable satisfaction of Lessor for the curing of any default susceptible of being cured (and, except in the case of a judicial or nonjudicial sale, shall have provided Lessor with evidence that the transferee has financial capability or creditworthiness reasonably comparable to or greater than that of Lessee as of the date of this Lease), Lessor, within sixty (60) days after receiving a written request therefor and upon receiving payment of its expenses, including attorneys' fees, incident thereto, will execute and deliver such instrument or instruments as may be required to confirm such sale, assignment or other transfer of Lessee's interest under this Lease; and

(h) That in the event a default under any Leasehold Lien shall have occurred, the Leasehold Lender may exercise any right, power or remedy of the Leasehold Lender under the Leasehold Lien which is not in conflict with the provisions of this Lease.

16.3. Estoppel Certificates. Lessor agrees, at any time and from time to time, upon receipt of not less than ten (10) days' prior written request therefor by Lessee or by any Leasehold Lender, to execute, acknowledge and deliver to Lessee or to the Leasehold Lender a statement in writing, certifying, if such is the case, that this Lease is then unmodified and unamended, that it is not in default, and that it is in full force and effect. If there have been modifications or amendments to this Lease, such statement shall, if such is the case, certify that

the same is not then in default and is in full force and effect as then modified and amended. Any such modifications and amendments shall be set forth in full in or attached to such statement. Such statement shall further state the dates to which the Rent or other charges have been paid, and whether or not there is any existing default by Lessee with respect to any covenant, promise or agreement on the part of Lessee provided to be performed under this Lease, and also whether a notice of such default has been served by Lessor. If any such statement contains a claim of non-performance or default by Lessee, the nature and extent of such non-performance, insofar as actually known by Lessor, shall be summarized in such statement.

16.4. Memorandum of Lease. Promptly after execution of this Lease, the Lessor and the Lessee shall execute a recordable Memorandum of this Lease, and thereafter from time to time shall execute any amendments or supplements of such Memorandum in form and substance as may be reasonably required by a title insurance company as a condition of insuring Lessee's leasehold estate hereunder or the lien of any Leasehold Mortgage, and sufficient to give constructive notice of the Lease to subsequent purchasers and mortgagees."

3. Effect of this Agreement. This Agreement is intended to give constructive notice of certain, but not all of the terms and conditions of the Lease. Certain provisions of the Lease described herein are summarized rather than copied verbatim from the Lease. Interested parties may obtain further information concerning the terms and conditions of the Lease by contacting any of the parties to this Agreement. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of the Lease, the terms and conditions of the Lease shall be controlling except with respect to any provision of this Agreement which is expressly stated to be an amendment of the Lease. Except as so specifically amended by this Agreement, the Lease and all of the terms and provisions thereof is, and shall be and remain in full force and effect.

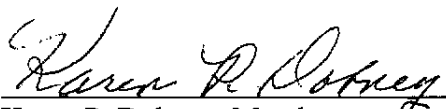
4. Counterparts. This Agreement may be executed in several counterparts and by each party (or by each person on behalf of any party) on a separate counterpart, each of which when executed and delivered shall be an original, and all of which together shall constitute one instrument. Signature pages from different counterparts may be attached to a single counterpart for purposes of recording this Agreement. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

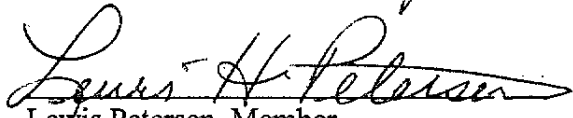
IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first set forth above.

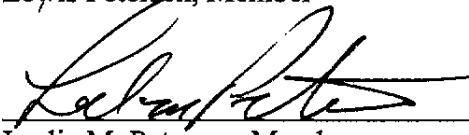
LESSOR

ArevKap, LLC
a Utah Limited Liability Company

By _____
George M. Petersen, Member

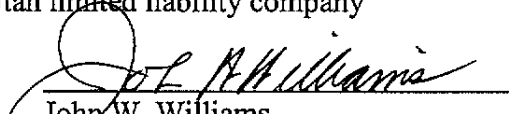
By 
Karen P. Dobney, Member

By 
Lewis Petersen, Member

By 
Leslie M. Petersen, Member

LESSEE

Pioneer Partners, L.C.
A Utah limited liability company

By 
John W. Williams
Manager

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date first set forth above.

LESSOR

ArevKap, LLC
a Utah Limited Liability Company

By 
George M. Petersen, Member

By _____
Karen P. Dobney, Member

By _____
Lewis Petersen, Member

By _____
Leslie M. Petersen, Member

LESSEE

Pioneer Partners, L.C.
A Utah limited liability company

By _____
John W. Williams
Manager

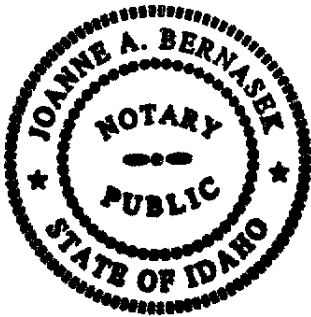
ACKNOWLEDGEMENT

STATE OF ^{Idaho} ~~UTAH~~)
COUNTY OF ^{Bannock} ~~SALT LAKE~~) : ss.

The foregoing instrument was acknowledged before me this ___ day of January, 1999, by George M. Petersen, as a Member of ArevKap, LLC, a Utah limited liability company.

Joanne A. Bernasek
NOTARY PUBLIC
Residing at: Pocatello, Idaho
Bannock County

My Commission Expires:
12/30/2004



ACKNOWLEDGEMENT

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

The foregoing instrument was acknowledged before me this ___ day of January, 1999, by John Williams, Manager of Pioneer Partners, L.C., a Utah limited liability company.

Judy S. Reese
NOTARY PUBLIC
Residing at: SALT LAKE CITY

My Commission Expires:
8/18/2001

