

When recorded, return to:
Redevelopment Agency of Salt Lake City
451 South State Street, Room 418
P.O. Box 14518
Salt Lake City, UT 84111
Attn: Executive Director

11735373
10/2/2013 3:26:00 PM \$32.00
Book - 10182 Pg - 5873-5884
Gary W. Ott
Recorder, Salt Lake County, UT
FIRST AMERICAN NCS
BY: eCASH, DEPUTY - EF 12 P.

PARTICIPATION AGREEMENT

This Participation Agreement (the "Agreement") is made as of September 16, 2013 ("Effective Date"), by and among The Salt Lake Film Society, a Utah non-profit corporation ("SLFS"), Broadway Centre Investment Limited Partnership, a Delaware limited partnership ("Owner"), and Redevelopment Agency of Salt Lake City, a public entity (the "RDA"). SLFS, Owner and the RDA are collectively referred to as the "Parties".

WHEREAS, Owner owns certain improved property located at 111 East Broadway, Salt Lake City, Utah 84111 (as more particularly defined in Exhibit A, the "Property");

WHEREAS, Owner has leased a portion of the Property (the "Premises") to SLFS pursuant to that certain Lease dated as of September 16, 2013 between Owner as Landlord and SLFS as Tenant (the "Lease");

WHEREAS, SLFS uses the Premises to operate a theater under the name "Broadway Centre Cinemas" for the purpose of promoting the art of film by offering high quality and diverse independent and documentary films (the "Theater");

WHEREAS, the Theater plays an important role in downtown Salt Lake City because many of the patrons of the Theater go to the restaurants, galleries, and other businesses located nearby, creating a significant and well-documented economic impact in the Central Business District;

WHEREAS, the Premises are located immediately adjacent to a parking garage owned by the RDA, and many of the patrons of the Theater park in the garage and provide revenue for the garage;

WHEREAS, the Premises have been constructed with unique improvements suitable only for a movie theater, such as sloping floors, projection rooms, and other elements associated with the operation of a multi-screen movie theater, and if the Theater is not operating, the Premises may remain vacant for a substantial period of time to the detriment of downtown Salt Lake City;

WHEREAS, the film industry is moving quickly toward providing films only in a digital format, and if SLFS is not able to acquire state-of-the-art digital film projectors necessary to show such films, which are expensive (as more particularly defined in Exhibit B, the "Projectors"), the Theater will have to close;

WHEREAS, the RDA has determined that it is in the best interests of the RDA and Salt Lake City generally, and to the Central Business District in particular, to provide a critical portion of the costs of the Projectors so that they can be purchased by SLFS and permanently installed in the Premises in order to keep the Theater operating; and

WHEREAS, the RDA has budgeted certain funds to reimburse SLFS for a portion of the costs of acquiring the Projectors (as defined below, "Grant Funds"), and the Parties desire to enter into an agreement setting out the terms and conditions of the disbursement of Grant Funds;

NOW, THEREFORE, in consideration for the promises set forth in this Agreement, the Parties agree as follows:

1. **GRANT FUNDS**

1.1 Grant Funds. Subject to the terms and conditions set forth in this Agreement, the RDA agrees to provide funds ("Grant Funds") to SLFS sufficient to reimburse SLFS in an amount equal to thirty percent (30%) of the expenses related to the acquisition and installation of up to six (6) Projectors in the Premises ("Eligible Expenses"); provided, however, that in no event shall the aggregate amount of the Grant Funds exceed Two Hundred Thirty Thousand Dollars (\$230,000.00) (the "Grant Funds Cap").

1.2 Use of Grant Funds. The Grant Funds shall only be available for the reimbursement of Eligible Expenses and not for any other expenses. In addition, the RDA reserves the right to refuse to distribute Grant Funds for any expenditure not in compliance with this Agreement.

1.3 Grant Funds Disbursement. To be reimbursed for Eligible Expenses, SLFS shall provide the RDA with a written request (a "Reimbursement Request") that is accompanied by the following:

a. A statement of the hard costs or equipment costs in connection with the acquisition and installation of the specified number of Projectors with sufficient detail to determine whether such work or equipment is reimbursable by the RDA pursuant to this Agreement.

b. A copy of all SLFS invoices totaling, or in excess of, the amount of such costs for which reimbursement is sought.

c. Evidence that the specified number of Projectors have been installed.

d. A copy of all construction lien releases or other lien releases, or partial releases, related to such costs or equipment, or other reasonable assurance that the specified number Projectors are or will be unencumbered upon payment, including without limitation the results of a current UCC-11 search with the Utah Division of Corporations and Commercial Code.

e. A copy of all building permits, to the extent required by law, for the portion of costs funded, with all sign-offs executed.

f. A statement showing the calculation of the amount of the Grant Funds to which SLFS believes it is entitled pursuant hereto.

g. A true and correct copy of the Lease, which shall include terms that satisfy the requirements set forth in Section 2.2 below.

h. An original consent and subordination agreement signed by Owner's lender substantially in the form of Exhibit C.

The initial Reimbursement Request shall be with respect to at least two (two) Projectors. Subsequent Reimbursement Requests may be with respect to one or more Projectors, provided that the total of all Reimbursement Requests shall not exceed six (6) Projectors and the amount of the Grant Funds shall not exceed the Grant Funds Cap.

1.5 Timing of Disbursements. The RDA shall make the Grant Funds available to SLFS with fourteen (14) days after the RDA has received a complete Reimbursement Request in compliance with the requirements of Section 1.4. If a Reimbursement Request is disputed, the RDA shall, within thirty (30) days of receipt of the Reimbursement Request by the RDA, pay the undisputed amount to SLFS and notify SLFS in writing why an amount of the Reimbursement Request has not been paid, and the RDA and SLFS will work to reasonably resolve any dispute with respect to such Reimbursement Request. The RDA's final determination of the dispute shall control.

1.6 Termination of Grant Agreement. SLFS's ability to submit the Reimbursement Request shall expire one year after the Effective Date. In the event the SLFS has not submitted the Reimbursement Request by such date, then the Grant Funds shall no longer be available to SLFS and the Parties shall be released from any further obligation or benefit under this Agreement.

2. COVENANTS AND REMEDY

2.1 Nature of Projectors. The Parties agree that the Projectors, once purchased and installed on the Premises, shall constitute leasehold improvements that will remain on the Premises at all times, irrespective of whether the Lease is terminated or SLFS vacates the Premises.

2.2 Non-Profit Requirement. Owner agrees to use commercially reasonable good faith efforts to lease the Premises for a period of twenty (20) years from the Effective Date to a non-profit organization that will use the Premises to operate as a movie theater and whose mission is the promotion of high quality and diverse independent and documentary films. In the event Owner fails to so lease the Premises, the RDA shall have the right to exercise the remedies set forth in Section 2.3 below.

2.3 The RDA's Right to Remove. If the requirement of Section 2.1 is not satisfied at any time or if the Owner fails to lease the Premises as specified in Section 2.2, the RDA may give notice to Owner to cause the Projectors to be removed from the Premises and to be delivered, free of any lien for the benefit of Owner as landlord and free of any lien in favor of a lender to Owner, to a location in Salt Lake City designated by the RDA, at Owner's sole cost and expense. Owner may, by a separate agreement, require SLFS to reimburse Owner for any costs incurred by Owner pursuant to this Section.

2.4 Waiver of Landlord's Lien. Owner agrees that it will not assert a landlord's lien on any of the Projectors and that Owner will use its best efforts to obtain the written agreement of any lender with a security interest in the Property to execute a Consent and Subordination Agreement in the form of Exhibit C.

3. MISCELLANEOUS

3.1 Relationship of Parties. Nothing contained in this Agreement shall be deemed to create an agency, joint venture, franchise or partnership relationship between the Parties, and no party shall so hold itself out. No party shall have any right to obligate or bind any other party in any manner whatsoever except as specifically set forth herein, and nothing contained in this Agreement shall give or is intended to give any rights of any kind to third persons.

3.2 RDA Acknowledgement. From and after the date hereof until the date that is twenty (20) years after the Effective Date, in all printed materials (including without limitation any "donor walls" and websites of SLFS) that are used to acknowledge contributors to the Theater, SLFS shall include the name of the "Redevelopment Agency of Salt Lake City (RDA)" in the first instance, or the "RDA" in subsequent instances. When the RDA's assistance is acknowledged in any of the above instances, the font size, layout, and variation shall be consistent with other acknowledgments in the same instance. Sample acknowledgments that may be used in some instances include but are not limited to: "Permanent improvements to the Theater have been supported by the Redevelopment Agency of Salt Lake City (RDA)." Fifteen (15) days prior to any such usage, SLFS shall submit to the RDA the proposed acknowledgement and the placement or use of the materials, and the RDA may notify SLFS that the RDA waives this acknowledgement requirement. If SLFS does not receive such a waiver in writing within such fifteen (15) day period, SLFS shall include the acknowledgement of the RDA as specified.

3.3 Binding Effect; Assignment. The covenants and conditions contained in this Agreement shall apply to and bind the Parties. SLFS may not assign this Agreement or any of its rights or obligations hereunder without the RDA's expressed written consent, which it may exercise in its sole discretion, and any assignment without the RDA's written consent shall be void and without effect.

3.4 Entire Agreement; Amendment and Recording. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes any and all prior and contemporaneous oral or written agreements or undertakings between the Parties with respect to such subject matter. This Agreement may only be modified in writing, duly executed by Parties. Such amendment shall have the same force and effect as if

it had been originally included in this Agreement. The RDA may cause this Agreement to be recorded against the Property.

3.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah without giving effect to its principles governing conflicts of laws.

3.6 Attorneys' Fees. If any dispute arises out of the obligations of the Parties under this Agreement or concerning the meaning or interpretation of any provision contained herein, the non-prevailing party shall pay the prevailing party's costs and expenses of such litigation including, without limitation, reasonable attorneys' fees.

3.7 Notice. Any notice required or otherwise given pursuant to this Agreement shall be in writing and either hand-delivered or mailed certified, return receipt requested, postage prepaid, or delivered by a nationally recognized overnight delivery service or facsimile transmission, addressed as follows:

Executive Director
Redevelopment Agency of Salt Lake City
451 South State Street, Room 418
P.O. Box 145518
Salt Lake City, Utah 84114-5518

The Salt Lake Film Society
300 South 111 East, Suite 99
Salt Lake City, UT 84111

Broadway Centre Investment Limited Partnership
111 East Broadway, Suite 710
Salt Lake City, UT 84111

Any such notice shall be effective: (i) upon receipt if personally delivered; (ii) on the third (3rd) business day following the date of mailing if sent by registered or certified mail; (iii) on the first (1st) business day following the date of delivery to a nationally recognized overnight delivery service; and (iv) on the date of transmission if sent by facsimile but in the case of facsimile transmission only if a copy of such notice confirming such transmission is also promptly sent by mail. Any party may change such party's address from time to time by providing written notice to the other party as set forth above.

3.8 Force Majeure. None of the RDA, SLFS, or Owner will be responsible for delays resulting from causes beyond their reasonable control, including without limitation fire, explosion, flood, war, strike, or riot, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch whenever such causes are removed.

3.9 Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and the Parties shall negotiate in good faith to modify the Agreement to preserve (to the extent possible) their original intent. If the parties fail to reach a modified agreement within thirty (30) days after the relevant provision is held invalid or unenforceable, then this Agreement shall be construed as if such provision were deleted by agreement of the parties.

3.10 Headings. All headings are for convenience only and shall not affect the meaning of any provision of this Agreement.

3.11 Construction of this Agreement. This Agreement initially was prepared by one party and was thoroughly reviewed by the other. The Parties agree that this document (including any exhibits) is a product of all their efforts, that it expresses their mutual understandings, and that it should not be interpreted in favor or against any party merely because of such party's efforts in preparing it.

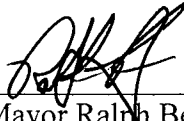
3.12 Counterparts. This Agreement may be signed in multiple counterparts, each of which counterparts shall be deemed to be an original and all of which taken together shall constitute a single instrument.

3.13 Representation and Warranty Against Payment of Consideration for Agreement. The Parties warrant that neither they nor any of their members, managers, employees or officers has: (1) provided an illegal gift or payoff to an RDA or Salt Lake City officer or employee or former RDA or Salt Lake City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in City conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, an RDA or Salt Lake City officer or employee or former RDA or Salt Lake City officer or employee to breach any of the ethical standards set forth in Salt Lake City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

[Signatures appear on next page]

IN WITNESS WHEREOF, the parties have caused this Participation Agreement to be executed the day and year first above written.

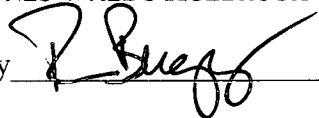
REDEVELOPMENT AGENCY OF SALT LAKE CITY

By 
Mayor Ralph Becker
Its: Chief Administrative Officer

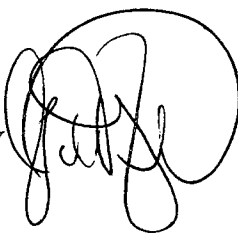
By 
D.J. Baxter
Its: Executive Director

Approved as to Form and legality:

JONES WALDO HOLBROOK & McDONOUGH, P.C.

By 

THE SALT LAKE FILM SOCIETY

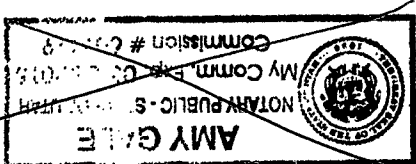

By: Toei Baker
Its: Executive Director

BROADWAY CENTRE INVESTMENT LIMITED PARTNERSHIP

By: Bruce Bingham
Its: Partner

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

The foregoing instrument was acknowledged before me this 16 day of September, 2013, by Ralph Becker, the Chief Administrative Officer of the REDEVELOPMENT AGENCY OF SALT LAKE, a Utah public entity.



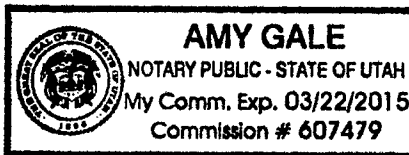
My Commission Expires:

Amy Gale

NOTARY PUBLIC

Residing at:

St. County



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

The foregoing instrument was acknowledged before me this 16 day of September, 2013, by D.J. Baxter, the Executive Director of the REDEVELOPMENT AGENCY OF SALT LAKE, a Utah public entity.

Carolyn I Berger

NOTARY PUBLIC

Residing at:

St. County

My Commission Expires:



Legal Description of the Property

That certain real property located in Salt Lake County more particularly defined as follows:

BEG AT SW COR LOT 4, BLK 56, PLAT A, SLC SUR; N 188 FT; E 243 FT; S 188 FT; W 243 FT TO BEG. TOGETHER WITH ½ VACATED STREET ABUTTING ON E. 4256-441, 5595-1144, 5595-1142, 6039-678 6129-2227 6984-0290 7008-1641 8910-8572

Description of the Projectors

Barco 23B projectors with eq package, lens and bulb, pedestal, pedestal adaptor, touch controller new projector warranty, Tripp lite 2.2 kVA UPS w/220v transformer, integration into power and hvac systems, technical installation services Install staffing and travel, Doremi IMB 2K B 2K4 2Tb server with 1- EZ gigabit Network 1-Furman PL Plus Pwer conditioner, 1-Tripp Lite 2.2 kVA UPS, facility hook in cables, Integ auditorium program automation with MiT interface-confidence monitor and facility mount OPPO 93 Blu player w/ multi-region upgrade Digital Guest input panel mis. Hardware, Dolby CP 650 cinema processor, used w CAT 790 card Dolby Digital Media Adaptor DMA8+, facility integration rack mounts, audio interface into auditoriums.

Legal Description of the Property

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BEG AT SW COR LOT 4, BLK 56, PLAT A, SLC SUR; N 188 FT; E 243 FT; S 188 FT; W 243 FT TO BEG. TOGETHER WITH ½ VACATED STREET ABUTTING ON E. 4256-441, 5595-1144, 5595-1142, 6039-678 6129-2227 6984-0290 7008-1641 8910-8572

16-06-115-4010000

