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01/12/98 12:44 PM 18.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
PINNACLE TITLE CO.
55 N MAIN STE.201
LOGAN, UT 84321
REC BY:V ASHBY ,DEPUTY - WI

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Carl Karcher Enterprises, Inc.
1200 N. Harbor Boulevard
P.O. Box 4349
Anaheim, CA 92803-4349
Attention: Real Estate Contracts Dept..

(Space above for Recorder's use)

Documentary Transfer Tax: None
Lease term less than 35 years.

Assessor's Parcel No. _____

MEMORANDUM OF LEASE

This Memorandum of Ground Lease is made by Dee's, Inc., a Utah corporation, as Landlord and as the owner of the real property described below (the "Premises"), and Carl Karcher Enterprises, Inc., a California corporation, as Tenant with respect to the Premises.

Landlord and Tenant executed an unrecorded Commercial Land and Building Lease ("Lease"), which is incorporated herein by this reference, with an Effective Date of September 19, 1997. Words used in this Memorandum have the same meaning as in the Lease.

The Premises are described in the Exhibit "A" which is attached to this Memorandum and incorporated herein by this reference.

Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord subject to all provisions of the Lease

The Effective Date of this Lease is September 19, 1997.

The initial Term of this Lease is 15 Lease Years.

Landlord grants Tenant options to extend the Term for 3 additional 5-year periods.

Mail Tax Statements to: Carl Karcher Enterprises, 1200 N. Harbor Boulevard, P.O. Box 4349, Anaheim, CA 92803-4349, Attention: Cathy Mallory.

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Memorandum of Ground Lease, page 2

The premises shall be used and occupied by Tenant solely for the operation of a national or regional restaurant chain of the character and quality of a McDonald's, Burger King, or Wendy's and for no other purpose without the prior written consent of the Landlord, which consent may not be unreasonably withheld by Landlord.

Landlord may not allow the use of any real ^{3.4.1} property leased or owned by Landlord or an Affiliate of Landlord and located within one thousand feet (1,000') of the exterior boundary of the Premises (a) which interferes with access to or visibility of the Premises from the adjacent property or adjacent streets, except as provided in Section ~~3.4~~ of the Lease with respect to Landlord's Billboard; or (b) for a use which competes with Tenant's business operated on the Premises, including, but not limited to, quick service restaurants such as Burger King, In-N-Out Burger, Jack-in-the-Box, and McDonald's, Taco Bell and Del Taco. Landlord may not increase the size or change the shape or location of the Billboard.

Landlord shall offer Tenant the first right to purchase the Premises.

Landlord grants Tenant the right of first refusal to purchase the Premises.

Signatures for Memorandum of Ground Lease

TENANT:

Carl Karcher Enterprises, Inc.,
a California corporation



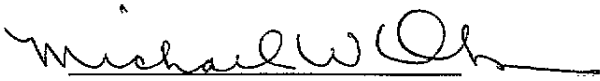
By: _____
Name: Carl A. Arena
Title: Vice President, Real Estate

ADDRESS:

1200 N. Harbor Boulevard
P. O. Box 4349
Anaheim, CA 92803-4349
Attn: Lease Administration Dept.

LANDLORD:

Dee's Inc.,
a Utah corporation



Michael W. Olsen
President

ADDRESS:

777 East 2100 South
Salt Lake City, Utah 84106

EXHIBIT "A"

LEGAL DESCRIPTION

Tract No. 1:

Commencing at a point 132 feet North of the Southeast corner of Lot 1, Block 70, Plat "A", Salt Lake City Survey, and running thence West 165 feet; thence North 49 feet; thence East 165 feet; thence South 49 feet to the point of beginning.

Tract No. 2:

Commencing 140 feet West of the Southeast corner of Lot 1, Block 70, Plat "A", Salt Lake City Survey, and running thence West 25 feet; then North 90.75 feet; thence East 25 feet; thence South 90.75 feet to the point of beginning.

Tract No. 3:

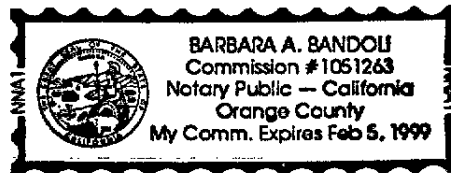
Beginning at the Southeast corner of Lot 1, Block 70, Plat "A", Salt Lake City Survey, and running thence West 140 feet; thence North 90.75 feet; thence West 25 feet; thence North 41.25 feet; thence East 165 feet; thence South 132 feet to the point of beginning.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On DECEMBER 4, 1997, before me, Barbara A. Bandoli, the undersigned Notary Public, personally appeared CARL A. ARENA, Vice President, Real Estate, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as an officer of CARL KARCHER ENTERPRISES, INC., a California corporation, and that by his signature on the instrument he, or the entity upon behalf of which he acted, executed the instrument.

WITNESS my hand and official seal.

Barbara A. Bandoli

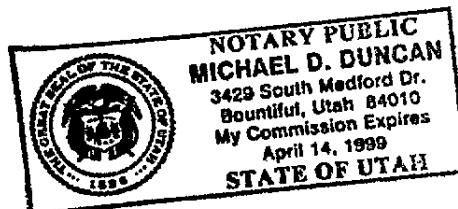


STATE OF UTAH)
)
COUNTY OF)

On November 10, 1997, before me, Michael D. Duncan the undersigned Notary Public, personally appeared MICHAEL W. OLSEN, personally known or proven to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity as President, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Michael D. Duncan



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