

7001017

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..

7001017
06/18/98 4:14 PM 16.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
PINNACLE TITLE CO.
55 N MAIN STE.201
LOGAN, UT 84321
REC BY:V VEGA DEPUTY - WI

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

(Space above for Recorder's use)

Assessor's Parcel No. _____

MEMORANDUM OF LEASE

This Memorandum of Lease is made by Hermes Associates, Ltd., a Utah Limited Partnership, 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 Lease, which is incorporated herein by this reference, with an Effective Date of September 23, 1997. Words used in this Memorandum have the same meaning as in the Lease.

The Premises are described in the exhibit 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 23, 1997.

The initial Term of this Lease is 20 Lease Years.

Landlord grants Tenant options to extend the Term for 2 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.

BK8012PG0274

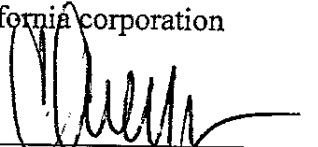
Memorandum of Lease, page 2

Tenant shall use the Leased Premises for a full service fast food restaurant with a drive through facility as operated in various major retail markets in California, Oregon, and Nevada featuring a variety of American style fast restaurant uses which do not violate or cause Landlord to violate, as of the Effective Date, a recorded restriction applicable to the Premises or contract, as of the effective date which grants another party the right to such use in the Center, provided that Landlord gives Tenant reasonable evidence of such contract when requested in writing by Tenant. Tenant shall comply with all laws applicable to Tenant's use of the Premises. Any other additional fast food use shall be subject to Landlord's consent, which shall not be unreasonable withheld.

Signatures for Memorandum of Ground Lease

TENANT:

Carl Karcher Enterprises, Inc.,
a California corporation

By: 

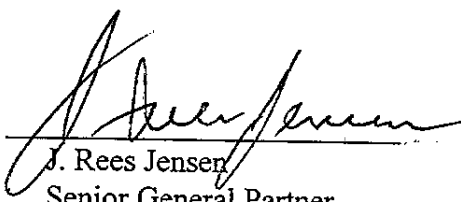
Carl A. Arena
Vice President, Real Estate

ADDRESS:

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

LANDLORD:

Hermes Associates, Ltd.,
a Utah Limited Partnership

By: 
J. Rees Jensen
Senior General Partner

ADDRESS:

The Hermes Building, Suite 400
455 East Fifth South
Salt Lake City, Utah 84111

EXHIBIT "A"

LEGAL DESCRIPTION

FAMILY CENTER @ MIDVALLEY - NORTH PHASE

DESCRIPTION:

BEGINNING AT A POINT ON THE SOUTH LINE OF 5400 SOUTH STREET, SAID POINT BEING SOUTH 89°53'41" WEST 660.00 FEET AND SOUTH 00°02'55" EAST 39.017 FEET FROM THE NORTH QUARTER CORNER OF SECTION 15, TOWNSHIP 2 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 00°02'55" EAST 620.983 FEET; THENCE NORTH 89°53'41" EAST 406.50 FEET; THENCE SOUTH 00°02'55" EAST 114.00 FEET; THENCE NORTH 89°53'41" EAST 200.50 FEET TO THE WEST LINE OF REDWOOD ROAD; THENCE SOUTH 00°02'55" EAST 553.239 FEET ALONG THE WEST LINE OF REDWOOD ROAD TO THE NORTH LINE OF 5600 SOUTH STREET; THENCE SOUTH 89°55'04" WEST 1123.00 FEET ALONG THE NORTH LINE OF 5600 SOUTH STREET TO THE EAST LINE OF 1900 WEST STREET; THENCE ALONG THE EAST LINE OF 1900 WEST STREET THE NEXT 6 COURSES AND DISTANCES, NORTH 00°02'55" WEST 327.38 FEET; THENCE NORTHEASTERLY 163.04 FEET ALONG THE ARC OF A 500.00 FOOT RADIUS CURVE TO THE RIGHT, (CHORD BEARS NORTH 09°17'35" EAST 162.32 FEET); THENCE NORTHEASTERLY 184.19 FEET ALONG THE ARC OF A 566.00 FOOT RADIUS CURVE TO THE LEFT, (CHORD BEARS NORTH 09°18'43" EAST 183.38 FEET); THENCE NORTH 00°00'39" WEST 480.36 FEET; THENCE NORTH 04°04'27" EAST 70.18 FEET; THENCE NORTH 00°00'39" WEST 55.95 FEET TO THE SOUTH LINE OF 5400 SOUTH STREET; THENCE ALONG THE SOUTH LINE OF 5400 SOUTH STREET THE NEXT 3 COURSES AND DISTANCES, NORTHEASTERLY 253.94 ALONG THE ARC OF AN 11,512.16 FOOT RADIUS CURVE TO THE LEFT, (CHORD BEARS NORTH 88°31'36" EAST 253.94 FEET); THENCE NORTH 87°53'41" EAST 173.03 FEET; THENCE NORTHEASTERLY 27.649 FEET ALONG THE ARC OF AN 11,406.16 FOOT RADIUS CURVE TO THE RIGHT, (CHORD BEARS NORTH 87°57'51" EAST 27.648 FEET), TO THE POINT OF BEGINNING.

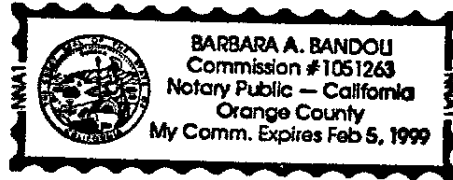
CONTAINS: 22.912 ACRES.

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On Nov. 12, 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

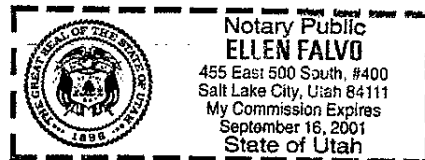


STATE OF UTAH)
)
COUNTY OF SALT LAKE)

On Oct. 31st, 1997, before me, Ellen Falvo, the undersigned Notary Public, personally appeared J. REES JENSEN, 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 Senior General Partner, 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.

Ellen Falvo



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