

LEASE
BETWEEN
THOMAS J. PECK AND SONS INCORPORATED,
a Utah corporation
("LANDLORD")
AND
LEHI CITY, UTAH,
a political subdivision and body polttic organized and
existing under the Constitution and laws of the State of Utah
("TENANT")

Premises at _____,
Lehi, Utah

December 29, 2005

LEASE

THIS LEASE, dated as of December 21, 2005, is made by and between THOMAS J. PECK AND SONS INCORPORATED, a Utah corporation ("Landlord"), and LEHI CITY, UTAH, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah ("Tenant").

RECITALS

A. Landlord is the record owner of approximately _____ (____) acres of real property located in Lehi, Utah County, Utah, and being more particularly described on Exhibit A attached hereto and made a part hereof (the "Property").

B. It is contemplated that the Property will be developed as a Lehi City park for recreational uses typical of other parks in Lehi City, and such other related uses not inconsistent with such primary use.

C. The Parties desire to set forth below the terms and conditions of their agreements and understandings relating to the foregoing.

D. The above Recitals are incorporated by reference herein and made a substantive part hereof.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises of the Parties contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending legally to be bound, hereby covenant and agree as follows:

Section 1. Definitions.

(A) The following terms for purposes of this Lease shall have the meanings hereinafter specified:

"Annual Fixed Rent" shall mean the annual fixed rent payable hereunder, which shall be the following:

(i) From the Commencement Date to the end of the 5th Lease Year, an amount, per annum equal to 300,000 Dollars (\$ 300,000).

(ii) During the 6th through 10th Lease Year, an amount, per annum, equal to 300,000 Dollars (\$ 300,000).

"Default Rate" shall mean the lesser of (i) the Prime Rate plus 3% or (ii) the highest rate of interest that may lawfully be charged to the party then required to pay interest

under this Lease at the Default Rate.

"Governmental Authorities" shall mean all federal, state, county, municipal and local departments, commissions, boards, bureaus, agencies and offices thereof, having or claiming jurisdiction over all or any part of the Property or the use thereof.

"Laws" shall mean all present and future requirements, administrative and judicial orders, laws, statutes, ordinances, rules and regulations of any Governmental Authority, including, but not limited to the ADA.

"Lease Year" shall mean a period of twelve (12) full calendar months commencing on the first day of the first month after the Commencement Date unless the Commencement Date is on the first day of a calendar month, in which case a Lease Year shall commence on the first day of the month in which the Commencement Date shall occur. If the Commencement Date is not on the first day of a calendar month, then the first Lease Year shall include the days from the Commencement Date through the last day of that calendar month.

"Parties" shall mean the parties hereto and their respective successors and permitted assigns.

"Prime Rate" shall mean the per annum interest rate from time to time published in the "Money Rates" section of The Wall Street Journal and identified as the "prime rate."

"Property" shall mean the land described on Exhibit A attached hereto and all improvements (if any), appurtenances, rights, easements and privileges thereunto belonging or in any way appertaining, and all other rights, easements and privileges granted to Tenant in this Lease, excluding, however, Tenant's Property as defined below.

"Rent" shall mean Annual Fixed Rent and any other charges, expenses or amounts payable by Tenant under this Lease.

"State" shall mean the State of Utah.

"Tenant's Purchase Option" is defined in the Section 32 below.

Section 2. Property.

Landlord hereby demises and leases unto Tenant, and Tenant hereby leases from Landlord, for the consideration and upon the terms and conditions set forth below, the Property.

Section 3. Lease Term.

The term of this Lease shall consist of ten (10) Lease Years (the "Lease Term"), commencing on the date first above written (the "Commencement Date"), which shall be the date the last of the two parties herein shall sign and deliver this Lease to the other, or some

other date mutually agreed to by the parties. Unless the Tenant's Purchase Option is exercised, upon the expiration or sooner termination of this Lease, Tenant shall return the Property to Landlord in good condition, ordinary wear and tear and damage by casualty or condemnation excepted.

Section 4. Rent.

(A) Annual Fixed Rent and Additional Rent. Tenant shall pay Landlord, without abatement, adjustment or setoff except as otherwise expressly set forth herein, the Annual Fixed Rent as defined in Section 1 above and all other sums or charges of any nature whatsoever ("Additional Rent") commencing on the Commencement Date. To the extent that the first day of the Lease Term is not the first day of a calendar month or the last day of the Lease Term is not the last day of a calendar month, the Annual Fixed Rent and other charges payable hereunder shall be equitably pro-rated.

(B) Tenant's Real Estate Taxes. As used in this Section, the following terms shall have the following meanings:

(i) "Fiscal Tax Year" shall mean the twelve (12) month period established as the real estate tax year by the taxing authority having jurisdiction over the Property.

(ii) "Taxes" shall mean (a) all ad valorem taxes and assessments and governmental charges (including sewer charges), general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind or nature whatsoever, whether imposed by any Governmental Authorities, which are levied on or charged against the Property, Tenant's Property (as defined herein), personal property or rents, or on the right or privilege of leasing real estate or collecting rents thereon, and (b) if at any time during the Lease Term, in lieu of or in substitution for Taxes now imposed on real estate, any other taxes and assessments attributable to the Property or its operation or any tax or assessment or governmental charge to the extent imposed or collected in lieu of or in substitution for any such tax, assessment or governmental use charge, including without limitation all special assessments, impact fees, development fees, traffic generation fees, parking fees in respect of any Fiscal Tax Year falling wholly within the Lease Term and a portion of any real estate taxes so imposed in respect of any Fiscal Tax Year falling partly within and partly without the Lease Term, equal to the proportion which the number of days of such Fiscal Tax Year falling within the Lease Term bears to the total number of days of such Fiscal Tax Year; excluding, however, any income, franchise, corporate, "gains," capital levy, capital stock, excess profits, transfer, mortgage, revenue, estate, inheritance, gift, devolution or succession or similar tax payable by Landlord.

(iii) "Taxes Applicable to Property" shall mean an amount equal to the Taxes levied against the land and improvements within the Property with respect to any period within the Lease Term. Tenant shall pay the Taxes

Applicable to the Property directly to the appropriate taxing authorities prior to their delinquency and shall give Landlord evidence of payment upon request.

(C) Tax Contest. Tenant shall have the exclusive right (but shall not be obligated) to contest the Taxes Applicable to the Property or the validity thereof by appropriate legal proceedings or in such other manner as it shall deem suitable, and Landlord shall join in such contest, protest or proceeding, and cooperate fully with Tenant all at Tenant's sole cost and expense. Landlord shall not, during the pendency of such legal or other proceeding or contest, pay or discharge any Taxes on the Property, or tax lien or tax title pertaining thereto, provided Landlord may do so in order to stay a sale of the Property through foreclosure of a tax lien thereon. Any refund obtained by Tenant shall be paid to Tenant to the extent of its costs and expenses of such contest and on account of any portion of the Taxes so refunded which was previously paid by Tenant.

(D) Payments to Constitute a Current Expense of Tenant. Landlord and Tenant acknowledge and agree that the obligation of Tenant to pay Rent under this Lease constitutes a current expense of Tenant payable exclusively from Tenant funds and shall not in any way be construed to be an obligation or indebtedness of Tenant within the meaning of Sections 3 or 4 of Article XIV of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to Tenant concerning the creation of indebtedness. No provision of this Lease shall be construed or interpreted (i) to require the governing body of Tenant to appropriate any money to pay the Rent, the Purchase Price, or (ii) as a lending of the credit of Tenant within the meaning of Section 29 of Article VI of the Utah Constitution. Tenant has not pledged the credit of Tenant to the payment of the payment of the Rent or the Purchase Price, and this Lease shall not directly or contingently obligate Tenant to apply money, or to levy or pledge any form of taxation, to the payment of the Rent or the Purchase Price or any interest thereon.

Section 5. Title Matters.

(A) Landlord's Authority. Landlord represents and warrants to Tenant that:
(i) Landlord has full right and lawful authority to enter into and perform Landlord's obligations under this Lease for the duration of the Lease Term.

(B) Condition of Title. Landlord represents and warrants to Tenant that as of the Commencement Date, title to the Property is good of record and in fact, and fully insurable at standard rates, subject only to the Permitted Exceptions (as defined in Section 5(C) below).

(C) Permitted Exceptions.

(i) The state of the title to the Property as of the Commencement Date is hereby deemed by Tenant as being good, of record and in fact, and fully insurable at standard rates.

(ii) Notwithstanding anything in this Lease to the contrary, Tenant acknowledges that the leasehold interest in the Property shall be granted subject to

(i) all title encumbrances of record as of the Commencement Date, other than financing encumbrances or other monetary liens incurred or authorized by Landlord (which financing encumbrances and/or monetary liens shall be satisfied by Landlord on or before the Commencement Date), (ii) all title matters which would be disclosed by an accurate survey of the Property as of the Commencement Date, (iii) any dedications, rights-of-ways, easements, restrictions, covenants, proffers or other encumbrances to title to the Property or any portion thereof prior to the Commencement Date which are made in accordance with, set forth in or as otherwise required pursuant to this Lease, or any other exceptions to title described in this Section 5(C)(i), including, without limitation, the exceptions, encumbrances and other title matters caused or approved directly or indirectly by Tenant or specifically set forth in this Lease, including, without limitation, ordinary and standard roadway, highway, right-of-way and/or utility easements or encumbrances in favor of any Governmental Authority, utility company or similar such entity (collectively, the "Permitted Exceptions").

(iii) Liens for unpaid non-delinquent real estate taxes shall not be objections to title, subject to the Tenant's obligations hereunder.

(D) Leasehold Title Policy. Tenant shall, at Tenant's expense, have the right to obtain a leasehold owner's title insurance policy on the then-current policy form available in the State, insuring as of the date of the recording of a memorandum of this Lease that the condition and state of the title to the leasehold estate created hereby is in accordance with clauses (i) and (ii) of paragraph (C) of this Section and subject only to those additional matters shown on the title commitment attached hereto as Exhibit B, which exceptions are herein accepted by Tenant subject to the annotations made thereon. The acceptance of such commitment or resulting title policy by Tenant shall in no way be construed as a waiver of, or in any way be deemed to impair, Landlord's representations and warranties set forth above in this Section. By executing this Lease, Tenant shall be deemed to have approved and accepted the status of title as reflected in such title commitment, subject to the annotations made thereon.

(E) Change of Ownership. Subject to the terms of Sections 31 and 32 below, Landlord shall promptly notify Tenant in writing of any change in the ownership of the Property, giving the name and address of the new owner and instructions regarding the payment of rent. In the event of any change in or transfer of title of Landlord in and to the Property or any part thereof, whether voluntary or involuntary, or by act of Landlord or by operation of Laws, Tenant shall have the right to continue to pay Rent to the entity to which Tenant was making such payments prior to such change in title until Tenant shall have been notified of such change in title and given satisfactory proof thereof (it being hereby agreed that a letter from the prior owner of the Property notifying Tenant of such transfer and the name and address of the new owner shall be deemed satisfactory proof of such change in title), and Tenant shall have the right to reasonably rely on the authenticity and veracity of any letter so delivered.

(F) No Encumbrance on Fee Interest. During the Lease Term, Landlord shall not place a monetary, or any other, lien or encumbrance upon the fee interest of the Property without the prior written consent of Tenant, which may be withheld in its sole and absolute

discretion.

Section 6. Use of Premises.

(A) **Permitted Use.** During the Lease Term, the Property shall not be used except (i) primarily as a park containing such recreational facilities and related improvements as Tenant may desire to construct thereon (the "Permitted Use").

(B) **Applications and Permits.** Landlord agrees to execute, without cost to Landlord, such customary applications, consents and other instruments, if any, as shall be required by Governmental Authorities to permit the operation of the Property as permitted by this Lease, so long as such applications, consents or other instruments do not impose or subject Landlord to any liability or claim.

Section 7. Subletting and Assigning.

(A) **No Consent.** Tenant may assign this Lease or sublet the Property in whole or in part without the consent of Landlord.

(B) **Continuation of Liability.** If Tenant assigns or sublets of all or any part of the Property, Tenant shall remain liable and responsible under this Lease.

(C) **Subletting to Concessionaires.** Tenant may, without Landlord's prior approval, sublease portions of the Property to concessionaires or licensees to provide services not inconsistent with the Permitted Use. Any such sublease will be subject and subordinate to the provisions of this Lease relating to the Property. Any such sublease will not affect or reduce any of the obligations of Tenant, nor will the sublease impose any additional obligations on Landlord. Tenant will, within ten (10) days after the execution and delivery of any sublease, deliver a duplicate original thereof to Landlord.

Section 8. Tenant's Property.

Any and all fixtures and equipment, signs, and other personal property of any nature installed at the Property at any time by Tenant, including without limitation, lighting fixtures, if installed (all of the foregoing being collectively referred to in this Lease as "Tenant's Property"), shall at the end of the Lease Term become a part of the realty and shall not be removed from the Property. Landlord hereby waives any lien it may have by statute or otherwise against Tenant's Property subject to the limitation on removal set forth above.

Section 9. Utilities.

Tenant shall pay all charges for gas, electricity, water, sewer service and other utilities used at the Property during the Lease Term, all such utilities to be separately metered and to be obtained by Tenant from the applicable utility company. Tenant also shall be solely responsible for the payment of any connection, tap, hookup or other fee(s) imposed by Governmental Authority or by any utility company to extend and/or connect utility service to the Property.

Section 10. Governmental Compliance.

(A) Tenant Responsibilities Generally. Tenant shall procure and comply with any governmental license or permit which may be required for the proper and lawful use of the Property. Tenant shall at all times comply with the terms and conditions of each such license or permit. In addition, Tenant agrees to comply with all Laws relating to the physical condition or operation of the Property. If Tenant receives written notice from any Governmental Authority of any violation of any laws applicable to the Property, Tenant shall give prompt notice thereto to Landlord.

(B) Environmental Knowledge. Tenant and Landlord each hereby acknowledge and agree that it has received a copy of an environmental assessment of the Property prepared by _____, dated _____, 2005 (the "Environmental Report"), and are fully aware of the contents of the Environmental Report.

(C) Environmental Responsibilities. Tenant shall (i) conduct all activities on or about the Property in compliance with all applicable Environmental Laws and (ii) fully remediate and clean, in accordance with all applicable Environmental Laws, all Hazardous Substances used, deposited, disposed of, treated, recycled or released in, on, under or with respect to the Property by Tenant from and after the Commencement Date. Landlord shall fully remediate and clean, in accordance with all applicable Environmental Laws, all Hazardous Substances used, deposited, disposed of, treated, recycled or released in, on, under or with respect to the Property prior to the Commencement Date, whenever discovered.

(D) Environmental Indemnities. To the extent permitted by applicable Laws, Tenant shall indemnify, defend and save Landlord harmless from any and all claims of third parties, and damages, costs and losses owing to third parties or suffered by Landlord, including court costs, reasonable attorneys' fees and consultants' fees, arising during or after the Lease Term and reasonably incurred or suffered by Landlord as a result of any default or breach of any representation, warranty or covenant made by Tenant in this Section 10. It is a condition of this indemnification and save harmless that Tenant shall receive notice of any such claim against Landlord promptly after Landlord first has knowledge thereof, but no failure by Landlord to promptly notify Tenant of any such claim shall adversely affect Landlord right to indemnification except (and only to the extent) that Tenant can prove prejudice as a result of the failure to receive prompt notice. This indemnification and save harmless includes any and all costs reasonably incurred by the Landlord after notice to Tenant for any cleanup, removal or restoration mandated by any Governmental Authority acting lawfully under applicable Laws if Tenant shall not timely perform such work.

Landlord shall indemnify, defend and save Tenant harmless from any and all claims of third parties, and damages, costs and losses owing to third parties or suffered by Tenant, including court costs, reasonable attorneys' fees and consultants' fees, arising during or after the Lease Term and reasonably incurred or suffered by Tenant as a result of any default or breach of any representation, warranty or covenant made by Landlord under this Section 10. It is a condition of this indemnification and save harmless that Landlord shall receive notice of any such claim against Tenant promptly after Tenant first has knowledge thereof, but no failure by

Tenant to promptly notify Landlord of any such claim shall adversely affect Tenant's right to indemnification except (and only to the extent) that Landlord can prove prejudice as a result of the failure to receive prompt notice. This indemnification and save harmless includes any and all costs reasonably incurred by Tenant after notice to Landlord for any cleanup, removal or restoration mandated by any Governmental Authority acting lawfully under applicable Laws if Landlord shall not timely perform such work.

(E) Definition. As used herein, "Hazardous Substance" means any substance that is toxic radioactive, ignitable, flammable, explosive, reactive or corrosive and that is, in the form, quantity, condition and location then found upon or under the Property, regulated by any Governmental Authority. "Hazardous Substance" includes any and all materials and substances that are defined by Law as "hazardous waste," "hazardous chemical," "pollutant," "contaminant" or "hazardous substance," in the form, quantity, condition and location then found upon the Property. "Hazardous Substance" includes asbestos, polychlorinated biphenyls and petroleum.

(F) Landlord's Representation and Warranty. To Landlord's actual knowledge, which knowledge for purposes of this Section 10(F) shall be limited to the actual knowledge of TBT REAL PROPERTIES, there has been no spill, discharge, release or emission on or at the Property of any toxic, dangerous or Hazardous Substances in violation of applicable Environmental Laws, except as may be disclosed in the Environmental Report.

(G) Survival. The provisions of this Section shall survive the expiration or sooner termination of this Lease.

Section 11. Maintenance; Improvements.

(A) Maintenance. Except with respect to Taxes that are not the express obligation of Tenant hereunder and with respect to any agreement entered into by Landlord after the date hereof to which Tenant is not a party, Tenant shall pay all costs, expenses, fees and charges incurred in connection with the use or occupancy of the Property. To the extent improvements are constructed thereon by Tenant, Tenant shall at all times, at its own expense, maintain and keep such improvements in good condition and appearance.

(B) Improvements and Alterations. Landlord covenants and agrees that Tenant may make any addition, alteration or improvement ("Alteration(s)") in or to the Property without Landlord's written consent, so long as such Alterations are not inconsistent with the Permitted Use and in compliance with applicable Laws.

Section 12. Damage and Destruction.

If any improvements constructed by Tenant at the Property shall be damaged or destroyed by fire, casualty or any cause whatsoever, either in whole or in part, Tenant shall with due diligence remove any resulting debris and repair and/or rebuild the damaged or destroyed structures and other improvements, provided that Tenant may change the same to the

extent it would be a permitted Alteration under this Lease. Alternatively, Tenant may elect to remove any resulting debris without any obligation to rebuild the damaged improvements. There shall be no reduction or abatement in Annual Fixed Rent and other charges payable hereunder as a result of such fire, casualty or other destruction.

Section 13. Insurance and Waiver of Subrogation.

(A) **Property Insurance.** During the Lease Term, Tenant shall at its expense except as provided below, keep the Property insured. If Tenant constructs improvements at the Property, such insurance shall include property insurance coverage against damage or destruction by fire and the perils commonly covered under a special form policy in an aggregate amount equal to the full replacement cost thereof (without deduction for physical depreciation), and shall have deductibles no greater than _____ and No/100 Dollars (\$_____). The proceeds of such insurance in case of loss or damage shall be applied on account of the obligation of Tenant to repair and/or rebuild the Property pursuant to Section 12 above, to the extent that such proceeds are required for such purpose.

(B) **Liability Insurance; Tenant Negligence.** During the Lease Term (and thereafter with respect to occurrences during the Lease Term), Tenant will, to the extent permitted by applicable Laws, indemnify and save harmless Landlord, its directors, officers, agents and servants, from and against any and all claims, actions, liability and expense arising from or out of any occurrence in, upon or at the Property or any part thereof, unless the same is caused by the willful or negligent act or omission of Landlord, its agents, employees or contractors. If any action or proceeding is brought against Landlord, its officers, agents or servants by reason of any of the aforementioned causes, Tenant, upon receiving notice thereof from Landlord, agrees to defend such action or proceeding by adequate counsel at its own expense. Tenant agrees to insure the foregoing obligation by contractual endorsement (if required by the insurer) under a commercial general liability policy (including personal injury and property damage) to be maintained by Tenant with combined single limits of not less than \$_____ in the aggregate. Tenant shall cause Landlord to be named as an additional insured on all policies of liability insurance maintained by Tenant with respect to the Property. Tenant agrees that any policy of insurance hereunder shall provide that it will not terminate or expire, or be amended to reduce the amount or scope of the coverage provided thereby, except upon prior written notice to Landlord, provided that the foregoing is not intended to relieve Tenant of the obligation to maintain insurance.

(C) **Release; Waiver of Subrogation.** Anything in this Lease to the contrary notwithstanding, it is agreed that each party (the "Releasing Party") hereby releases the other (the "Released Party") from any liability which the Released Party would, but for this paragraph, have had to the Releasing Party during the Lease Term resulting from any damage to the Releasing Party's property or business caused by an accident or occurrence or casualty (i) which is covered by Tenant's required insurance hereunder (where Tenant is the Releasing Party), or (ii) which is covered by any other casualty or property damage insurance being carried by the Releasing Party at the time of such occurrence, which casualty may have resulted in whole or in part from any act or neglect of the Released Party, its officers, agents or employees; PROVIDED, HOWEVER, the release hereinabove set forth shall become inoperative and null

and void if the Releasing Party wishes to place such insurance with an insurance company which (y) takes the position that the existence of such release vitiates or would substantially adversely affect any policy so insuring the Releasing Party and notice thereof is given to the Released Party, or (z) requires the payment of a higher premium by reason of the existence of such release, unless in the latter case the Released Party within twenty (20) days after notice thereof from the Releasing Party pays such increase in premium. Notwithstanding anything to the contrary herein, Tenant agrees and acknowledges that Landlord shall have no responsibility or liability for any loss, damage or injury to Tenant's Property which is located in, on or about the Property at any time and from time to time, regardless of the cause of such loss, damage or injury, and that all of Tenant's Property is located in, on or about the Property at Tenant's sole risk. Tenant hereby releases Landlord from any and all claims with respect to loss, damage or injury to Tenant's Property located in, on or about the Property, regardless of the cause of such loss, damage or injury.

Section 14. No Tenant's Liens.

Tenant shall not permit any mechanic's, materialman's or other similar lien to be foreclosed against the Property by reason of work, labor, services or materials performed by or furnished to Tenant or anyone holding any part of the Property under Tenant. If any such lien shall at any time be filed, Tenant may contest the same in good faith but Tenant shall, prior to foreclosure thereof, cause such lien to be released of record by payment, bond, order of a court of competent jurisdiction or otherwise. Nothing contained in this Lease shall be construed as a consent on the part of Landlord to subject Landlord's estate in the Property to any lien or liability under the lien laws of the state in which the Property is located.

Section 15. Condemnation.

If the entire Property shall be taken in any proceeding by any Governmental Authority by condemnation or otherwise, or be acquired for public or quasi-public purposes, or be conveyed under threat of such taking or acquiring (which Landlord shall not do without Tenant's prior written consent), (any of the foregoing, a "Taking"), this Lease shall automatically terminate and the Annual Fixed Rent and other charges hereunder shall be adjusted as of the date of such termination. If a Taking of any material part of the Property occurs and Tenant reasonably determines that the remaining portion of the Property is not adequate for Tenant's intended or actual use, Tenant shall have the option of terminating this Lease by notice to Landlord of its election to do so given on or before the date which is sixty (60) days after Tenant has been notified by Landlord of the date of vesting title in such Taking authority and upon the giving of such notice, this Lease shall automatically terminate and the Annual Fixed Rent and other charges hereunder shall be adjusted as of the date of such notice.

If a Taking occurs which does not result in a termination of this Lease, Tenant shall be entitled to all compensation from the Taking authority related to the period for which Tenant's use of the Property is interfered with during the restoration of the balance of the Property. Thereafter the Annual Fixed Rent thereafter payable for the remainder of the Lease Term shall be reduced equitably and proportionately by Landlord and Tenant based upon the area of the Property taken. If a Taking occurs which does not result in a termination of this Lease,

Landlord shall receive the entire award, but shall make such award available to Tenant for its use in restoration of the Property.

In any proceeding whereby all or part of the Property is taken, and Tenant elects to terminate this Lease, each party shall be free to make claim against the Taking authority for the amount of the actual provable damage done to each of them by such proceeding. If the Taking authority shall refuse to permit separate claims to be made, then Landlord shall prosecute with counsel reasonably satisfactory to Tenant the claims of both Landlord and Tenant, and the proceeds of the award, after payment of Landlord's reasonable costs incurred, shall be divided between Landlord and Tenant in a fair and equitable manner; provided, however, in the event of a Taking which results in Tenant's election to terminate this Lease, Tenant shall be entitled to its portion of the Taking award only so long as the amount of the award paid to the Landlord is equal to the greater of (i) the net book value of the property taken, as reflected on the Landlord's financial statements on the date of the condemnation, or (ii) the fair market value of Landlord's interest in the Property. In all events, however, Tenant shall receive any award attributable to Tenant's Property and its relocation expenses.

Section 16. Default Clause.

(A) Tenant Default. The following shall constitute an "Event of Default":

(i) Tenant neglects or fails to pay any Annual Fixed Rent or other charge hereunder when the same are due and such default shall continue for a period of ten (10) days after notice from Landlord to Tenant specifying the items in default and such default shall continue thereafter for a further period of five (5) days after a second notice from Landlord to Tenant which shall specify the items in default (provided such second notice need only be given one (1) time in any 12-month period), or

(ii) Tenant neglects or fails to perform or observe any of the other covenants, terms, provisions or conditions on its part to be performed or observed under this Lease, within thirty (30) days after notice of default specifying the items in default in reasonable detail (or if more than thirty (30) days shall be reasonably required because of the nature of the default, if Tenant shall fail to proceed diligently to cure such default after such notice) and such default shall continue thereafter for a period of five (5) days after a second notice from Landlord to Tenant which shall specify the items in default or in the case of a default or contingency which cannot with due diligence be cured within such thirty (30) day period or such additional five (5) day period, Tenant fails to commence within such thirty (30) day period or such additional five (5) day period to cure the same and thereafter to prosecute the curing of such default with due diligence (it being intended that with respect to any default not susceptible of being cured within such thirty (30) day period or within such additional five (5) day period that the time within which Tenant may cure the same shall be extended for such period as may be necessary to complete the same with due diligence).

(B) Landlord Remedies.

To the extent permitted by applicable Laws, Landlord shall have any one or more of the following remedies after the occurrence of an Event of Default by Tenant:

(i) Terminate this Lease by giving written notice of termination to Tenant, in which event Tenant immediately shall surrender the Property to Landlord. If Tenant fails to so surrender the Property, then Landlord, without prejudice to any other remedy it has for possession of the Property or arrearages in rent or other damages, may re-enter and take possession of the Property and expel or remove Tenant and any other person or entity occupying the Property or any part thereof.

(ii) Landlord may re-enter and take possession of the Property without terminating this Lease. Landlord may relet the Property on whatever terms and conditions Landlord, in its reasonable discretion, deems advisable. Reletting can be for a period shorter or longer than the remaining portion of the Lease Term. Tenant shall pay to Landlord the rent due under this Lease on the dates the rent is due, less the rent Landlord receives from any reletting.

(iii) Re-enter the Property without terminating this Lease, and do whatever Tenant is obligated to do under the terms of this Lease. The expenses incurred by Landlord in effecting compliance with Tenant's obligations under this Lease immediately shall become due and payable to Landlord as additional rent.

(iv) To the extent permitted by applicable Laws, Tenant is liable for all actual damages suffered by Landlord as a result of the occurrence of an Event of Default.

(C) Landlord Default, Cure Rights. If Landlord neglects or fails to perform or observe any of the covenants, terms, provisions or conditions on its part to be performed or observed under this Lease, or within thirty (30) days after notice of default (or if more than thirty (30) days shall be reasonably required because of the nature of the default, if Landlord shall fail to proceed diligently to cure such default after such notice), then Tenant may immediately or at any time thereafter, in addition to any other rights and remedies as may otherwise be provided in this Lease for a Landlord default, pursue all rights and remedies it may have at law and equity generally.

Section 17. Force Majeure.

If either party shall be delayed or hindered in or prevented from the performance of any act required under this Lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive Laws (except as otherwise specifically provided herein), riots, insurrection, terrorist acts, war or other reason beyond the reasonable control of and not the fault of the party delayed in performing the work or doing the acts required under the terms of this Lease (collectively, "Force Majeure"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be

extended for a period equivalent to the period of such delay. The provisions of this Section shall not (i) operate to excuse Tenant from prompt payment of rent or any other payment required by Tenant under the terms of this Lease, or (ii) be applicable to delays resulting from the inability of a party to obtain financing or to proceed with its obligations under this Lease because of a lack of funds.

Section 18. Legal Expenses.

In case suit shall be brought because of the breach of any agreement or obligation contained in this Lease on the part of Tenant or Landlord to be kept or performed, and a breach shall be established, the prevailing party shall be entitled to recover all expenses incurred in connection with such suit, including reasonable attorneys' fees.

Section 19. Memorandum of Lease; Lease Not to be Recorded.

Concurrently with their execution and delivery of this Lease, the parties hereto shall promptly execute and deliver a memorandum of this Lease for recording purposes in recordable form, substantially in the form of that attached as Exhibit C to this Lease. The costs of such recording should be shared equally by the parties. Neither party shall record this Lease.

Section 20. Notices.

All notices, consents, requests, approvals and authorizations (collectively, "Notices") required or permitted hereunder shall only be effective if in writing. All Notices shall be sent (A) by registered or certified mail (return receipt requested), postage prepaid, or (B) by Federal Express, U.S. Post Office Express Mail, Airborne or similar nationally recognized overnight courier which delivers only upon signed receipt of the addressee and to the attention of such other person, as the parties shall give notice as herein provided:

If intended for Landlord: Thomas J. Peck and Sons Incorporated
445 South 600 East
Lehi, Utah 84043

If intended for Tenant: Lehi City
153 North 100 East
Lehi, Utah 84043
Attention: City Administrator

With a copy to: Blaine L. Carlton
Ballard Spahr Andrews & Ingersoll, LLP
201 South Main Street, Suite 600
Salt Lake City, Utah 84111

A notice, request and other communication shall be deemed to be duly received if delivered by a nationally recognized overnight delivery service, when delivered to the address of the recipient, if sent by mail, on the date of receipt by the recipient as shown on the return receipt card, provided that if a notice, request or other

communication is served by hand on a day which is not a business day, or after 5:00 p.m. on any business day at the addressee's location, such notice or communication shall be deemed to be duly received by the recipient at 9:00 a.m. on the first business day thereafter. Rejection or other refusal to accept or the inability to delivery because of changed address of which no Notice was given shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver.

Section 21. Waiver of Performance and Disputes.

One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same or any other covenant, term or condition, nor shall any delay or omission by either party to seek a remedy for any breach of this Lease or to exercise a right accruing to such party by reason of such breach be deemed a waiver by such party of its remedies or rights with respect to such breach. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any similar act.

Section 22. Modification of Lease.

The terms, covenants and conditions hereof may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of the change, modification or discharge is sought, or by such party's agent.

Section 23. Captions.

Captions throughout this instrument are for convenience and reference only and the words contained therein shall in no way be deemed to explain, modify, amplify or aid in the interpretation or construction of the provisions of this Lease.

Section 24. Lease Binding on Successors and Assigns, Etc.

Except as herein otherwise expressly provided, all covenants, agreements, provisions and conditions of this Lease shall be binding upon and inure to the benefit of the parties hereto and their heirs, devisees, executors, administrators, successors in interest and assigns as well as grantees of Landlord, and shall be deemed to run with the land. Without limiting the generality of the foregoing, all rights of Tenant under this Lease may be granted by Tenant to any sublessee of Tenant, subject to the terms of this Lease.

Section 25. Brokers.

Landlord represents and warrants to Tenant that it has not incurred or caused to be incurred any liability for real estate brokerage commissions or finder's fees in connection with the execution or consummation of this Lease for which Tenant may be liable. Tenant represents and warrants to Landlord that it has not incurred or caused to be incurred any liability for real estate brokerage commissions or finder's fees in connection with the execution or consummation of this Lease for which Landlord may be liable. Each of the parties agrees to indemnify and hold the other harmless from and against any and all claims, liabilities or expense

(including reasonable attorneys' fees) in connection with any breach of the foregoing representations and warranties. The provisions of this Section shall survive the termination of this Lease.

Section 26. Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the State, but not including the State's conflict-of-laws rules.

Section 27. Joint Preparation.

This Lease (and all exhibits thereto) is deemed to have been jointly prepared by the parties hereto, and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against any party, but shall be interpreted according to the application of the rules of interpretation for arm's-length agreements. Landlord and Tenant each confirm and agree that (a) it has read and understood all of the provisions of this Lease; (b) is familiar with transactions such as that contemplated by this Lease; (c) it has negotiated with the other party at arm's length with equal bargaining power; and (d) it has been advised by competent legal counsel of its own choosing or has had the opportunity to do so.

Section 28. Counterparts.

This Lease may be executed at different times and in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. In proving this Lease, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 29. Waiver of Trial by Jury.

EACH OF THE PARTIES HEREBY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS LEASE OR ANY ACTION BETWEEN OR AMONG ANY OF THE PARTIES AND/OR THEIR SUCCESSORS OR ASSIGNS, UNDER OR CONNECTED WITH THIS LEASE OR ANY OF ITS PROVISIONS. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY EACH OF THE PARTIES, AND EACH PARTY ACKNOWLEDGES THAT NONE OF THE PARTIES NOR ANY PERSON ACTING ON BEHALF OF ANY OF THE PARTIES HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. EACH OF THE PARTIES HERETO FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN CONNECTION WITH THIS LEASE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. EACH OF THE PARTIES HERETO FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION, AS EVIDENCED BY

ITS SIGNATURE SET FORTH BELOW.

Section 30. Interest on Past Due Obligations.

Except where another rate of interest is specifically provided for in this Lease, any amount due from either party to the other under this Lease which is not paid within five (5) days after the same is due shall bear interest at the Default Rate from the date such payment was due to and including the date of payment.

Section 31. Purchase Option.

Tenant may elect at any time no earlier than one hundred eighty (180) days prior to the end of the Lease Term to purchase the Property ("Tenant's Purchase Option") on the following terms and conditions:

1. The "Purchase Price" shall be 4,200,000 and 00/100 Dollars (\$.00).

2. "Purchase Option Closing Date" shall be the last day of the Lease Term or the next following business day, except as otherwise provided in Section 32 below.

3. There shall be no conditions to the Purchase Option closing, except that there shall be no monetary liens or encumbrances on the fee interest of Landlord, and Landlord shall not have otherwise, directly or indirectly, encumbered the Property during the Lease Term.

4. The Property shall be sold "AS IS" or "WHERE IS" condition and conveyed by a general warranty deed in favor of Tenant.

5. Landlord and Tenant shall share equally the costs of all transfer taxes, recordation charges, and customary closing costs.

6. Rent, real estate taxes and other charges shall be apportioned as of the Purchase Option Closing Date.

7. The Closing on such transaction shall be conducted at _____ [select name of title company] (the "Title Company"). Within ten (10) business days following the Purchase Option Closing Date, the Title Company shall issue to Tenant a standard coverage owner's policy of title insurance (ALTA 1992 Form), the cost of which shall be borne by Landlord. Tenant shall be responsible for the cost of any extended coverage or endorsements to such title policy.

Section 32. Tax-Free Exchange

Landlord shall be entitled, at its election, to enter into a tax-free exchange with respect to the Property at any time during the Lease Term. If the Property is to be a part of a tax-free exchange to Landlord (whether simultaneous or deferred), Landlord shall notify Tenant of such fact at least thirty (30) days prior to Landlord's anticipated closing date,

and in such event, Tenant may elect to exercise Tenant's Purchase Option and acquire the Property concurrently with such exchange, with the understanding that all or a portion of the Purchase Price to be paid by Tenant would be used by Landlord to acquire the replacement property for such exchange. In connection therewith, Tenant agrees to execute such documents as Landlord deems reasonably necessary or appropriate, and to otherwise cooperate with Landlord to effectuate such exchange; provided, however, that Tenant shall assume no liability in connection therewith, and Landlord hereby indemnifies, defends, and holds Tenant free and harmless from any liability (including, but not limited to the tax ramifications to Landlord of such exchange) arising by reason of performing acts requested by Landlord to effectuate such exchange.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the day and year first above written.

LANDLORD:

THOMAS J. PECK AND SONS
INCORPORATED, a Utah corporation

By: *Anthony Thomas Peck*
Name:
Title: *Pres*

TENANT:

LEHI CITY, UTAH,
a political subdivision and body politic duly
organized and existing under the Constitution and
Laws of the State of Utah

By: *[Signature]*
Its: Mayor

(SEAL)

ATTEST: *Cornue J. Blum*

By:
City Recorder

Exhibit A
to
Lease

Legal Description of Property

(Attached)

WHEN RECORDED, RETURN TO:

Blaine L. Carlton
Ballard Spahr Andrews & Ingersoll, LLP
201 South Main Street, Suite 600
Salt Lake City, Utah 84111-2221

Parcel ID # _____

MEMORANDUM OF LEASE

TBT Property Management, Inc.

THIS MEMORANDUM OF LEASE is made as of the 29 day of December 2005, by and between Thorn & Peck Sons, a Utah Corporation, whose address is 4155 600E, Lehi, Utah 84043 ("Landlord"), and LEHI CITY, UTAH, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, whose address is 153 North 100 East, Lehi, Utah 84043 ("Tenant").

WITNESSETH:

1. Landlord is the owner of certain real property located in Utah County, State of Utah, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property").

2. Pursuant to the terms of that certain Lease, dated December 29, 2005 by and between Landlord and Tenant (the "Lease"), Landlord leased the Property to Tenant.

3. The term of the Lease is ten (10) years, commencing on December 29, 2005 and expiring on December 30, 2015.

4. The rent and other obligations of Landlord and Tenant are set forth in the Lease, to which reference is made for further information. This Memorandum of Lease describes only selected provisions of this Lease, and reference is made to the full text of the Lease for the full terms and conditions thereof. If a conflict exists between the terms of the Lease and this Memorandum of Lease, those contained in the Lease shall govern and be controlling. Copies of the Lease are held by both Landlord and Tenant at their respective addresses first set forth above.

5. The purpose of this Memorandum of Lease is to provide notice of the existence of the Lease, and it is understood that this Memorandum of Lease shall not amend or modify the Lease in any respect.

6. This Memorandum of Lease is also intended to confirm that Landlord has granted Tenant an option to purchase the Property on the terms set forth in the Lease.

7. This Memorandum of Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the date set forth above.

LANDLORD:

TBT Property Management
~~THOMAS J. PECK AND SONS~~
INCORPORATED, a Utah corporation

By: *Anthony Thomas Peck*
Name:
Title: *Pres*

TENANT:

LEHI CITY, UTAH,
a political subdivision and body politic duly
organized and existing under the Constitution and
Laws of the State of Utah

By: *[Signature]*
Its: Mayor

(SEAL)

ATTEST:

By:

Connie J. Ashton
City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

This instrument was acknowledged before me on December 29 2005 by Anthony Thomas Peck the President of ~~THOMAS J. PECK AND SONS~~ TBT Property Management INCORPORATED, a Utah corporation.

Notary Public Judith A. Johnson
Residing at: 259 E Davis Lane
Lehi, UT 84043

My Commission Expires:
January 7, 2008



STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

This instrument was acknowledged before me on December 29 2005 by Kenneth J. Greenwood, as Mayor of Lehi City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and Laws of the State of Utah.

Notary Public Judith A. Johnson
Residing at: 259 East Davis Lane
Lehi, UT 84043

My Commission Expires:
January 7, 2008



**Exhibit A
to
Lease**

Legal Description of Property

(Attached)

Peck Quit-Claim Description

Beginning at a point which lies 177.37 feet N. 00°15'23" W. along the quarter section line from the South quarter corner of Section 4, Township 5 South, Range 1 East, Salt Lake Base and Meridian, and running thence N.60°12'39" W. 2.27 feet to a point on a boundary line agreement recorded as entry number 7260:1984 on file in the Utah County Recorders Office; thence along said boundary line agreement the following three (3) bearings and distances: (1) N. 60°09'53" W. 137.12 feet; (2) N. 54°08'32" W. 442.94 feet; (3) N. 61°04'38" W. 173.03 feet; thence N. 58°22'16" W. 201.45 feet; thence S. 00°01'06" W. 86.93 feet, more or less, to a point on the northerly line of the Country Creek Manor Subdivision, Plat "A", on file in the Utah County Recorders Office; thence N. 51°08'00" W. 634.64 feet along said northerly line of Country Manor Subdivision, Plat "A"; thence N. 00°15'27" W. 947.93 feet, more or less, to a point on a boundary line agreement recorded as entry number 39993:1993, on file in the Utah County Recorders Office; thence along said boundary line agreement the following two (2) bearings and distances: (1) N. 88°43'11" E. 462.47 feet; (2) N. 00°03'14" W. 268.38 feet; thence N. 00°03'14" W. 49.24 feet, more or less, to a point on a boundary line agreement recorded as entry number 10482:1999, on file in the Utah County Recorders Office; thence along said boundary line agreement the following two (2) bearings and distances: (1) S. 54°23'57" E. 116.93 feet; (2) N. 35°21'34" E. 271.68 feet, more or less, to a ditch; thence N. 54°41'50" E. 382.11 feet, more or less, along said ditch to a point on the quarter section line; thence N. 89°57'21" E. 735.27 feet; thence N. 00°17'30" E. 454.90 feet; thence S. 89°57'22" W. 472.91 feet, more or less, to a point on a fence line; thence N. 01°46'27" E. 139.39 feet along said fence line; thence along the south bank of an irrigation ditch the following four (4) bearings and distances: (1) N. 33°07'31" E. 244.03 feet; (2) N. 33°54'22" E. 164.42 feet; (3) N. 41°20'55" E. 173.07 feet; (4) S. 86°15'20" E. 132.53 feet; thence S. 00°17'31" W. 428.96 feet, more or less, to a point on a fence line; thence N. 89°57'01" E. 121.57 feet; thence South 1,287.00 feet; thence S. 89°57'24" W. 593.09 feet, more or less, to a point on the quarter section line; thence S. 00°15'23" E. 989.99 feet; thence S. 89°59'28" W. 107.39 feet; thence South 320.00 feet; thence East 108.82 feet, more or less, to a point on the quarter section line; thence S. 00°15'23" E. 509.85 feet to the point of beginning. Contains 66.20 acres, more or less.

Q:\2005\05075 - Lehi City\LEHI-PECK PROP. SURVEY\Peck Quit Claim Description.doc