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MEMORANDUM OF LEASE

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13 MARCH 91 10:18 AM
KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
J C PENNEY CO INC
REC BY: REBECCA GRAY , DEPUTY

MEMORANDUM OF LEASE, dated as of January 28, 1991, between SOUTH TOWNE INVESTORS LIMITED PARTNERSHIP, an Illinois limited partnership, having an address c/o Equity Properties and Development Company, Two North Riverside Plaza, Suite 1000, Chicago, Illinois 60606 ("Landlord"), and J. C. PENNEY COMPANY, INC., a Delaware corporation, having an address at One Century Centre, 1750 East Golf Road, Schaumburg, Illinois 60173-5049 ("Tenant"),

WITNESSETH:

For and in consideration of the sum of Ten Dollars and other valuable consideration paid by Tenant to Landlord, the receipt and sufficiency of which is hereby acknowledged:

1. Landlord by lease bearing even date herewith ("the Lease") has demised and leased to Tenant and Tenant has leased from Landlord, and Landlord hereby demises and leases to Tenant and Tenant hereby leases from Landlord, upon and subject to the terms, covenants and conditions set forth in the Lease certain premises (the "Demised Premises") consisting of the parcel of land (the "Demised Land") described in Part I of Exhibit A attached hereto and hereby made a part hereof (being part of the shopping center located upon the tract of land (the "Entire Premises") described in Part II of s. id Exhibit A and shown on Exhibit B attached hereto and hereby made a part hereof) together with (i) the improvements erected and/or to be erected on the Demised Land by Landlord in accordance with the terms of the Lease constituting retail store premises having approximately 104,054 square feet of floor area and (ii) any attached overhangs or canopies extending beyond the Demised Land; and Landlord by the Lease has granted, and Landlord hereby grants, to Tenant for the hereinafter stated lease term:

(a) a non-exclusive easement, right and privilege for it and its customers, employees and invitees and the customers, employees and invitees of any subtenant, concessionaire or licensee of Tenant, to use without charge in common with Landlord and other tenants and occupants of space within the Entire Premises and their customers, employees, and invitees the parking areas, parking area lighting, streets, roads, driveways, underground service drives, tunnels, aisles, sidewalks, malls (enclosed and open), fire corridors, landscaped areas, utility and sewer lines and systems, and other facilities and service areas constructed and/or to be constructed within the Entire Premises for common use as provided for in the Lease;

(b) an exclusive easement, right and privilege to have and use the freight receiving areas, electrical transformer areas and compactor areas, if any, attached to or located next to the Demised Premises which are provided by Landlord in accordance with the terms of the Lease as adjuncts to improvements erected on the Demised Premises; and

(c) any and all other easements, rights, privileges and appurtenances belonging or appertaining to the Demised Premises.

RETURN RECORDED DOCUMENT TO:
J.C. PENNEY COMPANY, INC.
1750 East Golf Road
Schaumburg, IL 60173-5049
ATTN: REAL ESTATE DEPT.

BK 6297 PC 0646

TO HAVE AND TO HOLD the same for a term commencing as of the date on which Tenant opens its store in the Demised Premises to the public for business and, unless extended or sooner terminated under the provisions of the Lease, continuing thereafter to and including the date fifteen (15) years from the first day of the first month immediately following such commencement date; provided, however, that if such commencement date is the first day of a month such term shall continue thereafter to and including the date which is the aforesaid number of years from such commencement date.

2. Landlord by the Lease has granted, and Landlord hereby grants to Tenant, three (3) successive options to extend such lease term, each for a separate additional period of five (5) years, from the date upon which such term would otherwise expire, each such option to be exercised by Tenant's notifying Landlord of such exercise in the manner specified in the Lease at least twelve (12) months before the beginning of the additional period for which such term is to be so extended and each such extension to be upon and subject to the terms, covenants and conditions stated in the Lease.

3. The Lease contains certain restrictions upon the tracts of land located adjacent to the Entire Premises and described in Exhibit C attached hereto.

The parties hereto by reference incorporate herein all the terms, covenants, and conditions contained in the Lease and agree to observe, conform to and comply with such terms, covenants and conditions on the part of each to be observed and performed. For a complete statement of the rights, privileges and obligations created under and by said instrument and of the terms, covenants and conditions contained therein, reference is hereby made to the Lease.

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

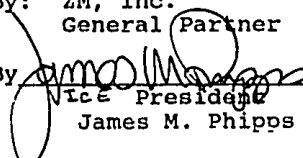
SOUTH TOWNE INVESTORS
LIMITED PARTNERSHIP

By: Zell/Merrill Lynch
Real Estate
Opportunity Partners
Limited Partnership,
General Partner

By: ZML Partners Limited
Partnership, Managing
General Partner

By: ZM Investors Limited
Partnership
General Partner

By: ZM, Inc.
General Partner

By: 
Vice President
James M. Phipps

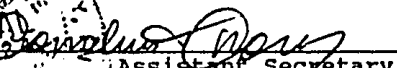
J. C. PENNEY COMPANY, INC.

By: 
Vice President
Michael Lowenkron


ATTEST:


Assistant Secretary




Assistant Secretary
Cornelius T. Dorans

This document prepared by
Margaret R. Johnson, Esq.
Attorney at Law
C/O J.C. Penney Company Inc.
1700 East 12th Street
Schaumburg, IL 60196-5048

APPROVED

ATTORNEY

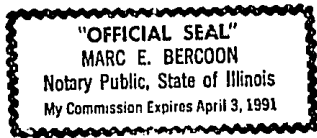
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STATE OF Illinois)
) SS.:
COUNTY OF COOK)

On this the 24th day of JANUARY, 1991, before me, a Notary Public duly authorized in and for the said County in the State aforesaid to take acknowledgments, personally appeared JAMES M. PHIPPS, to me known and known to me to be VICE President of ZM, Inc. one of the corporations described in the foregoing instrument, and acknowledged that as such officer, being authorized so to do, he executed the foregoing instrument on behalf of said corporation by subscribing the name of such corporation by himself as such officer and caused the corporate seal of said corporation to be affixed thereto his free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

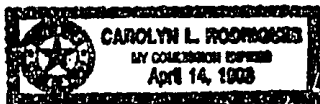
My Commission Expires:



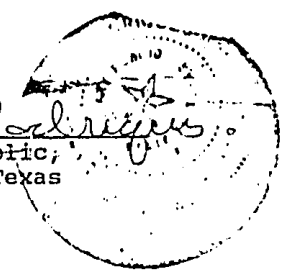
Marc E. Bercoon
Notary Public

STATE OF TEXAS)
) SS.)
COUNTY OF DALLAS)

This instrument was acknowledged before me on the 5th day of February, 1991, by Michael Lowenkron, Vice President of J. C. PENNEY COMPANY, INC., a Delaware corporation, on behalf of said corporation.



Carolyn L. Roopbosch
Notary Public,
State of Texas



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EXHIBIT A

DESCRIPTION OF DEMISED LAND AND ENTIRE PREMISES

PART I

The Demised Land consists of the approximate 52,702 square feet of land which is designated "PROPOSED JCPENNEY" on Exhibit B to this Memorandum of Lease, being a portion of the Entire Premises.

PART II

The tract of land showing on Exhibit B to this Memorandum of Lease which, with the improvements erected and to be erected thereon, comprise the Entire Premises wherein the Demised Land is located is situated in the City of Sandy, County of Salt Lake and State of Utah and is more particularly described as follows:

Being a portion of the Northwest quarter (NW 1/4) of Section 18, Township 3 South, Range 1 East, and the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 1 West, Salt Lake Base & Meridian:

Beginning at a point on the west right-of-way line of State Street, said point being South 706.56 feet and East 42.71 feet from the Northeast corner of said Section 13 (Basis of Bearings is S 0°01'50" E along State Street); Running thence, S 0°01'50" E 36.74 feet; thence S 89°58'10" W 6.50 feet; thence S 0°01'50" E 46.00 feet; thence along the back of an existing concrete curb the following nine (9) courses: Northwestery along the arc of a 25.00 feet radius curve (bearing to center is S 73°42'33") a distance of 32.15 feet through a central angle of 73°41'33"; thence N 89°59'00" W 180.73 feet; thence along the arc of a 250.00' radius curve to the left, a distance of 132.61 feet through a central angle of 73°41'33"; thence S 59°37'30" W 73.35 feet; thence along the arc of a 25.00' radius curve to the left, a distance of 38.32 feet through a central angle of 87°49'10" to a point of reverse curvatures; Thence along the arc of a 821.22 radius curve to the right a distance of 430.61 feet through a central angle of 30°02'34" to a point of reverse curvature; thence along the arc of a 25.00' radius curve to the left, a distance of 40.07 feet through a central angle of 91°49'54"; thence S 89°59'00" E 258.15 feet; thence along the arc of a 25.00' radius curve to the left a distance of 32.20 feet through a central angle of 73°47'14" to the west right-of-way line of State Street; thence S 0°01'50" E 92.00 feet; thence along the back of an existing concrete curb the following eight (8) courses: Northwestery along the arc of a 25.00' radius curve (bearing to center is S 73°42'33" W) a distance of 32.15 feet through a central angle of 73°41'33"; thence N 89°59'00" W 260.08 feet; thence along the arc of a 25.00' radius curve to the left a distance of 38.21 feet through a central angle of 87°34'42" to a point of reverse curvature; thence along the arc of a 3857.10' radius curve to the right a distance of 381.21 feet through a central angle of 5°39'46" to a point of reverse curvature; thence along the arc of a 2400.00' radius curve to the left a distance of 64.17 feet through a central angle of 1°31'55" to a point of compound curvature; thence along the arc of a 25.00' radius curve to the left a distance of 42.13 feet through a central angle of 96°33'09"; thence S 89°59'00" E 303.65 feet; thence along the arc of a 25.00' radius curve to the left a distance of 32.20 feet through a central angle of 73°47'14" to the west right-of-way line of State Street; thence S 0°01'50" E 92.00 feet; thence along the back of an existing concrete curb the following six (6) courses: Northwestery along the arc of a 25.00' radius curve (bearing to center is S 73°42'33" W) a distance of 32.15 feet through a central angle of 73°41'33"; thence N 89°59'00" W 313.51 feet; thence along the arc of a 25.00' radius curve to the left a distance of 37.53 feet through a central angle of 86°00'57" to a point of compound curvature; thence along the arc of a 2400.00' radius curve to the left a distance of 167.01 feet through a central angle of 3°59'13"; thence S 0°00'50" W 399.69 feet; thence along the arc of a 25.00' radius curve to the left a distance of 13.76 feet through a central angle of 31°32'1" to the north right of way line of 10600 South Street; thence Northwestery along the arc of a 7610.00' radius curve (bearing to center is N 2°55'29" E) a distance of 47.24 feet through a central angle of 0°21'20" thence along the back of an existing concrete curb the following seven (7) courses: Northeastery along the arc of a 25.00' radius curve (bearing to center is N 44°34'43" W) a distance of 19.81 feet through a central angle of 45°24'27"; thence N 0°00'50" E 148.18 feet; thence along the arc of a 25.00' radius curve to the left a distance of 39.27 through a central angle of 90°00'10"; thence N 89°59'20" W 301.44 feet; thence along the arc of a 25.00' radius curve to the left a distance of 39.28 feet through a central angle of 90°01'28"; thence S

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0°00'48" E 129.40 feet; thence along the arc of a 36.00' radius curve to the left a distance of 39.28 feet through a central angle of 43°23'39" to the north right-of-way line of 10600 South Street; thence Northwesterly along the arc of a 7735.00' radius curve (bearing to center is N 0°01'45" E) a distance of 52.31 feet through a central angle of 0°23'15"; thence N 89°35'00" W 53.85 feet; thence along the back of an existing concrete curb the following five (5) courses: Northeastly along the arc of a 36.00' radius (bearing to center is N 45°31'47" W) a distance of 27.95 feet through a central angle of 44°29'01"; thence N 0°00'48" W 126.02 feet; thence along the arc of a 25.00' radius curve to the left a distance of 39.16 feet through a central angle of 89°44'38"; thence N 89°45'26" W 361.17 feet; thence along the arc of a 520.00' radius curve to the right a distance of 132.59 feet through a central angle of 14°36'35"; thence S 14°51'08" W 153.72 feet to the non-access line of the I-15 on-ramp; thence along said non-access line the following four (4) courses Northwesterly along the arc of a 205.65' radius curve (bearing to center is N 0°25'00" E) a distance of 209.75 feet through a central angle of 58°26'36"; thence N 34°54'34" W 420.27 feet; thence Northwesterly along the arc of a 1740.85' radius curve (bearing to center is N 57°49'06" E) a distance of 734.41 feet through a central angle of 24°10'17"; thence N 7°18'09" W 127.96 feet; thence N 0°10'07" E 522.74 feet; thence S 89°49'53" E 204.67 feet; thence N 0°10'07" E 115.00 feet; thence S 89°49'53" E 410.97 feet; thence Southeastly along the arc of a 758.00' radius curve (bearing to center is S 30°38'53" E) a distance of 1129.96 feet through a central angle of 85°24'41" to a point of reverse curvature; thence along the arc of a 25.00' radius curve to the left a distance of 37.15 feet through a central angle of 85°08'19"; thence N 59°37'30" E 74.04 feet; thence along the arc of a 306.00' radius curve to the right a distance of 162.31 feet through a central angle of 30°23'31"; thence S 89°59'00" E 192.15 feet; thence along the arc of a 25.00' radius curve to the left a distance of 21.60 feet through a central angle of 49°30'41" to the point of beginning. Contains 67.67 acres.

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CO. RECORDER

Attached to and forming part of Memorandum of Lease dated as of January 28, 1991, by and between South Towne Investors Limited Partnership, as Landlord, and J. C. Penney Company, Inc., as Tenant, covering certain premises situated at Sandy, Utah.

Initialed for
identification
for Landlord

By MEB
Attorney

Initialed for
identification
for Tenant

By MPS
Attorney

EXHIBIT C

DESCRIPTION OF RESERVED TRACTS

The tracts of land shown on Exhibit B to this Memorandum of Lease as "PARCEL 1", "PARCEL 2", "PARCEL 3", "PARCEL 4", "PARCEL 5" and "PARCEL 6" and which comprise the Reserved Tracts are situated in the City of Sand, County of Salt Lake and State of Utah and are more particularly described as follows:

PARCEL 1

Being a portion of the Northwest quarter (NW 1/4) of Section 18, Township 3 South, Range 1 East, and the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian:

Beginning at a point on the west right-of-way line of State Street, said point being south 789.30 feet and east 35.25 feet from the Northeast corner of said Section 13 (basis of bearings is S 0°01'50" E along State Street); running thence S 0°01'50" E 509.10 feet; thence along the back of an existing concrete curb the following nine (9) courses: Southwesterly along the arc of a 25.00' radius curve (bearing to center is N 73°46'13" W) a distance of 32.20 feet through a central angle of 73°41'33"; thence N 89°59'00" W 258.15 feet; thence along the arc of a 25.00' radius curve to the right a distance of 40.07 feet through a central angle of 91°49'54" to a point of reverse curvature; thence along the arc of a 821.22' radius curve to the left a distance of 430.61 feet through a central angle of 30°02'34" to a point of reverse curvature; thence along the arc of a 25.00' radius curve to the right a distance of 38.32 feet through a central angle of 87°49'10"; thence N 59°37'30" E 73.35 feet; thence along the arc of a 250.00' radius curve to the right a distance of 132.61 feet through a central angle of 30°23'31"; thence S 89°59'00" E 180.73 feet; thence along the arc of a 25.00' radius curve to the right a distance of 32.15 feet through a central angle of 73°41'33" to the point of beginning. Contains 4.22 acres.

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CO. RECORDER

PARCEL 2

Being a portion of the Northwest quarter (NW 1/4) of Section 18, Township 3 South, Range 1 East, and the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian:

Beginning at a point on the west right-of-way line of State Street, said point being south 1941.30 feet and east 36.86 feet from the Northeast corner of said Section 13 (basis of bearings is S 0°01'50" E along State Street); running thence S 0°01'50" E 458.90 feet; thence along the back of an existing concrete curb the following eight (8) courses: Southwesterly along the arc of a 25.00' radius curve (bearing to center is N 73°42'33" W) a distance of 32.20 feet through a central angle of 73°47'14"; thence N 89°59'00" W 303.65 feet; thence along the arc of a 25.00' radius curve to the right a distance of 42.13 feet through a central angle of 96°33'09" to a point of compound curvature; thence along the arc of a 2400.00' radius curve to the right a distance of 64.17 feet through a central angle of 1°31'55" to a point of reverse curvature; thence along the arc of a 3857.10' radius curve to the left a distance of 381.21 feet through a central angle of 5°39'46"; to a point of reverse curvature; thence along the arc of a 25.00' radius curve to the right a distance of 38.21 feet through a central angle of 87°34'42"; thence S 89°59'00" E 260.08 feet; thence along the arc of a 25.00' radius curve to the right a distance of 32.15 feet through a central angle of 73°41'33" to the point of beginning. Contains 3.71 acres.

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PARCEL 3

Being a portion of the Northwest quarter (NW 1/4) of Section 18, Township 3 South, Range 1 East, and the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian:

Beginning at a point on the west right-of-way line of State Street, said point being south 1941.30 feet and east 36.86 feet from the Northeast corner of said Section 13 (basis of bearings is S 0°01'50" E along State Street); running thence S 0°01'50" E 44.97 feet; thence S 89°30'10" W 89.53 feet; thence S 70°00'00" W 35.00 feet; thence S 89°05'10" W 204.06 feet; thence S 0°01'50" E 63.87 feet; thence N 89°01'10" E 326.50 feet to the west right-of-way line of State Street; thence S 0°01'50" E 444.47 feet; thence S 89°58'10" W 6.50 feet; thence S 0°01'43" E 10.82 feet; thence S 45°11'14" W 28.40 feet; thence N 89°35'00" W 5.42 feet; thence along the arc of a 7610.00' radius curve to the right a distance of 380.34 feet through a central angle of 2°51'49"; thence along the back of an existing concrete curb the following six (6) courses; Northwestery along the arc of a 25.00' radius curve (bearing to center is N 58°28'49" E) a distance of 13.76 feet through a central angle of 31°32'01"; thence N 0°00'50" E 399.69 feet; thence along the arc of a 2400.00' radius curve to the right a distance of 167.01 feet through a central angle of 3°59'3" to a point of compound curvature; thence along the arc of a 25.00' radius curve to the right a distance of 37.53 feet through a central angle of 86°00'57"; thence S 89°59'00" E 313.51 feet; thence along the arc of a 25.00' radius curve to the right a distance of 32.15 feet through a central angle of 73°41'33" to the point of beginning. Contains 4.65 acres.

PARCEL 4

Being a portion of the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian;

Beginning at a point on the north right of way line of 106th South Street, being South 2523.56 feet and west 374.98 feet from the northeast corner of said Section 13 (basis of bearings is S 0°01'50" E along State Street; running thence Northwestery along the arc of a 7735.00' radius curve (bearing to center is S 3°16'49" W) a distance of 334.28 feet through a central angle of 2°28'34"; thence along the back of an existing concrete curb the following seven (7) courses: Northwestery along the arc of a 36.00' radius curve (bearing to center is N 46°35'33" E) a distance of 27.27 feet through a central angle of 43°23'39"; thence N 0°00'48" W 129.40 feet; thence along the arc of a 25.00' radius curve to the right a distance of 39.28 feet through a central angle of 90°01'28"; thence S 89°59'20" E 301.44 feet; thence along the arc of a 25.00' radius curve to the right a distance of 39.27 feet through a central angle of 90°00'10"; thence S 0°00'50" W 148.18 feet; thence along the arc of a 25.00' radius curve to the right a distance 19.81 feet through a central angle of 45°24'27" to the point of beginning. Contains 1.47 acres.

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CAL. RECORDER

PARCEL 5

Being a portion of the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 2 West, Salt Lake Base and Meridian;

Beginning at a point on the north right-of-way line of 106th South Street, being south 2464.15 feet and west 1361.48 feet from the Northeast corner of said Section 13 (basis of bearing is S 0°01'50" E along State Street); running thence N 14°51'08" E 153.72 feet; thence along the back of an existing concrete curb the following five (5) courses: Southeasterly along the arc of a 520.00' radius curve (bearing to center is N 14°51'08" E) a distance of 132.59 feet through a central angle of 14°36'35"; thence S 89°45'26" E 361.17 feet; thence along the arc of a 25.00' radius curve to the right a distance of 39.16 feet through a central angle of 89°44'38"; thence S 0°00'48" E 126.02 feet; thence along the arc of a 36.00' radius curve to the right a distance of 27.95 feet through a central angle of 44°29'01" to the north right-of-way line of 106th South Street; thence along said right-of-way line the following four (4) courses: N 89°35'00" W 161.99 feet; N 76°40'15" W 153.77 feet; thence N 76°58'27" W 37.64 feet; thence N 89°35'00" W 198.00 feet to the point of beginning. Contains 1.91 acres.

PARCEL 6

Being a portion of the Northeast quarter (NE 1/4) of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian;

Beginning at a point which is south 459.56 feet and west 1836.36 feet from the Northeast corner of said Section 13 (basis of bearing is S 0°01'50" E along State Street); running thence S 0°10'07" W 227.00 feet; thence N 89°49'53" W 204.67 feet; thence N 0°10'07" E 227.00 feet; thence S 89°49'53" E 204.67 feet to the point of beginning. Contains 1.06 acres.

FOR COPY-
CG. RECORDER

Attached to and forming part of Memorandum of Lease dated as of January 28, 1991, by and between South Towne Investors Limited Partnership, as Landlord, and J. C. Penney Company, Inc., as Tenant, covering certain premises situated at Sandy, Utah.

Initialed for identification for Landlord

By MEB
Attorney

Initialed for identification for Tenant

By MMS
Attorney