

NOTICE OF LEASE

THIS IS TO PROVIDE NOTICE THAT THE LEASE ATTACHED HERETO AS EXHIBIT "A" AND BY THIS REFERENCE INCORPORATED HEREIN, EXISTS ON THE PROPERTY DESCRIBED AS:

Parcel 1

All of Blocks 65, 66, 67, and 68 of Plat "C", of Salt Lake City Survey and all those parts and portions of Lots 3 and 4 of Section 35, Township 1 North, Range 1 West, Salt Lake Meridian, contained within the following described boundary lines to-wit: Commencing at the Southeast corner of said Block 65 and running thence North 88 Rods more or less to the Southeast corner of said Block 68; thence West on the course of the North lines of Block 68 and 67 aforesaid to the East bank of the Jordan River thence South along and following the East bank of said River to a point due West of the Southwest corner of Block 66 aforesaid; thence East along the course of the Southerly line of said Blocks 66 and 65 to the Southeast corner of said Block 65 to the place of beginning. Containing approximately 2,178,000 square feet or 50 acres.

Less and Excepting therefrom the following:

Part of Block 68, Plat "C" of Salt Lake City Survey, more fully described as follows:

Beginning at the Northeast corner of said Block 68, Plat "C" thence South on the West property line of 9th West Street 200 feet; thence West 300 feet; thence North 200 feet to the South property line of 2nd North Street; thence East 300 feet on said property line to the point of BEGINNING.

Parcel 2

A portion of North Temple Street Subdivision including part of Lots 5 and 48, and all of Lots 6 through 47, and part of Platted Learned Avenue, Block 55 of Plat 7, Official Survey of Plat "C", Salt Lake City Survey and Salt Lake City Record of Survey No. 1006, a resurvey of said Block 55, Described as follows:

Beginning at a point the Northwest corner of Lot 27, Block 55 of Plat 7, Official Survey of Plat "C", Salt Lake City Survey, a point that is North 89°58'38" East (Bearing Base) 68.08 feet along the North Temple Street Monument Line, and

Notice of Lease - Fairpark
State of Utah
Department of Administrative Services
Division of Facilities Construction and Management

1 of 3

7089205
09/16/98 4:51 PM**NO FEE**
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
UTAH ST-FAC.CONST.& MANAGEMENT
4110 STATE OFFICE BLDG
SLC, UT 84114
REC BY:R JORDAN ,DEPUTY

DK 8096 PG 0941

7089205

South 00°01'12" East 77.96 feet from the Monument at the intersection of North Temple Street and Twelfth West Street; thence North 89°58'35" East along the North line of North Temple Street Subdivision 543.26 feet; thence South 00° 00' 56" East a distance of 370.06 feet to the South Right-of-Way line of Platted Learned Avenue; thence South 89°58'50" West along the South Right-of-Way of the Platted Learned Avenue 543.23 feet to the Northwest corner of Lot 4, Block 55; thence North 00°01'11" West along the West Line of North Temple Street Subdivision 370.01 feet to the point of beginning. Containing 200,910 square feet or 4.61 acres more or less.

Parcel 3

Beginning at a point 543 feet East from the Northwest Corner of Lot 27, North Temple Street Subdivision, a recorded Subdivision of Lots 5, 6, 7, and 8 of Block 55, Plat "C", Salt Lake City Survey, said point also lying on the South line of North Temple Street; Thence South 370 feet to the South Line of Platted Learned Avenue; thence East along said South line 181.07 feet, to the Eastern boundary of White Softball Park, said line also being the center line of vacated Tenth West Street (1100 West); thence North 370 feet to the South line of North Temple Street; thence West along the South line of North Temple Street 181.07 feet to the point of beginning. Containing approximately 66,996 square feet or 1.54 acres.

Parcel 4

Beginning at a point West 1100.035 feet from the Southeast corner of Lot 1, Block 1, Bothwell & McConaughy's Subdivision, (also being the Southeast corner of Block 56, Plat "C" Salt Lake City Survey), and running thence North 290.0 feet; thence West 352 feet; thence North 370 feet; thence West 215 feet, more or less, to the East Bank of the Jordan River; thence Southerly along the East bank of said Jordan River to the center of (vacated) South Temple Street; thence East 517.025 feet, more or less, to the place of beginning.

Less and Excepting Therefrom the Following:

Beginning at the center of a 4½" diameter fence post in a 6.0 foot chain link fence, which post is South 89°58'36" West along the lot line 75.54 feet and North 00°00'55" West 34.32 feet from the Southeast corner of Lot 3, Block 55, Plat "C", Salt Lake City Survey and running thence South 89°58'36" West 130 feet; thence North 00°00'55" West 100 feet thence North 89°58'36" East 130 feet to a 6.0 foot chain link fence; thence South 00°00'55" East along said fence 100 feet to the point of beginning.

IN WITNESS WHEREOF, THE STATE OF UTAH, BY AND THROUGH THE DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT, A DIVISION OF THE DEPARTMENT OF ADMINISTRATIVE SERVICES, HAS CAUSED THIS INSTRUMENT TO BE EXECUTED THIS 14 DAY OF SEPTEMBER, 1998.

Richard E. Byfield
Director
Division of Facilities
Construction and Management

STATE OF UTAH)

§

COUNTY OF SALT LAKE)

On this 14th Day of September 1998, personally appeared before me Richard E. Byfield who, being duly sworn, did say that he is the Director of the Division of Facilities Construction and Management a Division of the Department of Administrative Services, State of Utah, and that the foregoing instrument was signed on behalf of said agency by statutory authority, and that the aforesaid agency executed the same.

Notary Public

My Commission Expires:

2-29-2000

Residing at:

Salt Lake County



NOTARY PUBLIC
Sharon Annette Julander
4110 State Office Bldg.
Salt Lake City, Utah 84114
My Commission Expires
February 29, 2000
STATE OF UTAH

3K8096PG0943

STATE OF UTAH
LEASE OBLIGATION RECORD

990448

Contract No. _____
Amendment No. _____
Date Prepared: July 1, 1997 Replaces Contract 96 1952
Department: UTAH STATE FAIR CORPORATION Division: ADMINISTRATION
Agency Person: DONNA DAHL Phone: 538-8449

A. LAND AND BUILDING INFORMATION

1. Address: 155 NORTH 1000 WEST (UTAH STATE FAIR CORPORATION)
2. City: SALT LAKE CITY County: SALT LAKE
3. Type of Space: GROUND LEASE
4. Number of FTE: NA
5. Parking Spaces: _____
6. Square Feet: 2,534,768 Changed From: _____
7. Cost/Sq Ft/ Year: _____ Changed From: _____
8. Annual Rent: \$10.00 % Inc/Dec: _____
9. Commencement Date: 7-1-97 Rate Change: _____
10. Amendment Date: _____
11. Expiration Date: 6-30-17
12. ADAAG Compliance? Yes No Commodity No. 97135
13. Federal I.D. No. _____ Vendor No. _____
14. Utilities: Heat Lights Water Aircond Custodial

B. OTHER LEASE INFORMATION

1. Lessor: DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT
Address: 4110 STATE OFFICE BUILDING
City: SALT LAKE CITY State UTAH
Zip Code: 84114 Phone: (801) 538-3404 Fax: 538-3267
2. Periodic Pmts: Amount \$ 10.00 Frequency ANNUALLY
3. List the Fiscal Year lease payments below. (Use a separate sheet if over ten fiscal years).

Fiscal Year	Amount	Amt of Discount	Discount (%)	Discounted Amt
Year 1 <u>97/98</u>	\$ <u>10.00</u>	\$ _____	_____	\$ _____
Year 2 <u>98/99</u>	\$ <u>10.00</u>	\$ _____	_____	\$ _____
Year 3 <u>99/00</u>	\$ <u>10.00</u>	\$ _____	_____	\$ _____
Year 4 <u>00/01</u>	\$ _____	\$ _____	_____	\$ _____
Year 5 <u>01/02</u>	\$ _____	\$ _____	_____	\$ _____
Year 6 <u>02/03</u>	\$ _____	\$ _____	_____	\$ _____
Year 7 <u>03/04</u>	\$ _____	\$ _____	_____	\$ _____
Year 8 <u>04/05</u>	\$ _____	\$ _____	_____	\$ _____
Year 9 <u>05/06</u>	\$ _____	\$ _____	_____	\$ _____
Totals	\$ <u>30.00</u>	\$ _____	_____	\$ _____

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B. OTHER LEASE INFORMATION (Cont)

4. Contingencies that may change Rental Payments: _____
5. Terms of Renewal Options or Escalation Clauses: _____
6. Restrictions Imposed: _____
7. Other Features: _____
8. Does ownership transfer to the State when lease terminates?
Yes _____ No _____
9. What is the estimated useful life of the leased assets?
_____ N/A _____ Years
10. Does the lease contain a purchase option? Yes _____ No X
a) If yes,
1) What is the date that the option may be exercised? _____
2) What is the amount of the purchase option? _____
3) Is the option to purchase considered a "Bargain"
purchase? Yes _____ No _____ Don't Know _____
11. What is the Fair Value of the asset at the inception of the
lease? (What would it have cost if you had purchased the
asset instead of leased it?) \$ _____
12. What is the Imputed Interest Rate in the lease payment (if
known)? _____ %
13. Are there any subleases? Yes _____ No X
a) If Yes,
1) What is the sublease period? _____
2) What is the total sublease amount? \$ _____
3) Who is the sublessee? _____
14. Can the lease be canceled by either lessor or lessee for a
reason other than non-appropriation or legislative act? Yes
X - JUDICIAL INTERVENTION AND DAMAGE OR DESTRUCTION OF
PREMISES
15. For Enterprise and Internal Services Funds only:
Is the asset depreciated on your records? Yes _____ No _____
If yes, what method is used? _____

DIVISION OF FINANCE USE ONLY

Ownership transfers to Lessee? _____
Bargain Purchase? _____
Lease is 75% or more of the economic life of the asset?
Imputed Interest rate: _____ %
Present value of future minimum lease payments \$ _____
Present value of future minimum lease payments is 90% of the fair
value? _____
Capital Lease _____ Operating Lease _____ Not Disclosable _____

BK 8096 pg 945

BK805

LEASE AGREEMENT

DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT
ATTENTION: REAL PROPERTY MANAGER
4110 STATE OFFICE BUILDING
SALT LAKE CITY, UTAH 84114

UTAH STATE FAIR CORPORATION
ATTENTION: DIRECTOR
155 NORTH 1000 WEST
SALT LAKE CITY UTAH 84116

CONTRACT NUMBER 990448

COMMENCEMENT DATE: July 1, 1997
TERMINATION DATE: June 30, 2017

Utah State Fair Corporation
Donna Dahl
Executive Director
155 North 1000 West
Salt Lake City, Utah 84116
Telephone: 538-8449
Fax No. 538-8455

Contact for DFCM
Real Estate Manager
4110 State Office Building
Salt Lake City, Utah 84114
Telephone: 538-3799
Fax No. 538-3267

BK8096PG0946

LEASE AGREEMENT

Contract No. _____

THIS LEASE AGREEMENT (the "Lease") is made and entered into this 1st day of July, 1997, by and between the State of Utah, DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT, a division of the Department of Administrative Services, hereinafter referred to as "the Division" and the UTAH STATE FAIR CORPORATION, an independent public nonprofit corporation, hereinafter referred to as "the Corporation."

FOR AND IN CONSIDERATION of the rental to be paid by the Corporation and of the covenants and agreements herein set forth, the Division hereby leases to the Corporation and the Corporation hereby leases from the Division, the Leased Premises (as described below) for the terms, at the rental and subject to and upon all of the terms, covenants and agreements, and Rules and Regulations hereinafter set forth.

ARTICLE I **FUNDAMENTAL LEASE PROVISIONS**

1.1 Division's address for payment of rent and notices:

Division of Facilities Construction and Management
Attention: Real Property Manager
4110 State Office Building
Salt Lake City, Utah 84114

1.2 Corporation's address for notices shall be at the Leased Premises, as follows:

Utah State Fair Corporation
Attention: Director
155 North 1000 West
Salt Lake City, Utah 84116

1.3 Name under which the Corporation will do business at the Leased Premises:

Utah State Fair Corporation / dba Utah State Fairpark

1.4 Location of Leased Premises: Property located at 155 North 1000 West in Salt Lake City,

Salt Lake County, Utah, including the White Ball Park.

- 1.5 Term of Lease: Twenty (20) Years.
- 1.6 Commencement Date: July 1, 1997.
- 1.7 Rental Obligations: The Rent for the Leased Premises shall be Ten Dollars (\$10.00) each year. At the sole discretion of the Division, rental rates may be reviewed and adjusted every three (3) years beginning July 1, 2000.
- 1.8 Corporation's obligations to pay Rent shall be due and payable on the first day of July each and every year this Lease Agreement is in full force and effect.
- 1.9 Nature of Business to be Conducted at the Premises: Annual State Fair Exhibition, public entertainment, displays, and exhibits and publicize and promote the various events.
- 1.10 Upon receiving approval from the Fair Board, the Corporation shall have the ability to enter into agreements for the leasing of any of the facilities at the "State Fairpark." The Fair Board shall develop leasing policies regarding subleasing to third parties. The Corporation may seek corporate sponsorships for the "State Fairpark" and for individual buildings or facilities within the Fairpark.
- 1.11 Effect of Fundamental Lease Provisions: Each reference in this Lease Agreement to any of the Fundamental Lease Provisions contained in this Article 1 shall be construed to incorporate all of the terms provided under each Lease Provision. In the event of any conflict between any Fundamental Lease Provision and the balance of the Lease Agreement, the latter shall prevail.

ARTICLE 2 PREMISES

The Division does hereby lease and rent unto the Corporation, and the Corporation does hereby take as tenant under the Division, all that certain property located at 155 North 1000 West and more commonly known as the "State Fairpark" including White Ball Park, hereinafter referred to as "Leased Premises." Said Leased Premises consists of all that certain plot(s), piece(s) or parcel(s) of land together with and including all buildings and other improvements thereon, said buildings more specifically described on Exhibit "A" attached hereto and made a part hereof.

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ARTICLE 3

TERM

- 3.1 The initial term of this Lease shall be for twenty (20) years commencing on the first day of July, 1997, and shall expire on June 30, 2017.
- 3.2 In the event the Corporation should no longer operate as an independent public nonprofit corporation as provided in Title 9, Chapter 4, Part II, Utah State Fair Corporation Act, this Lease and all terms shall be subject to renegotiation at the sole discretion of the Division.
- 3.3 Upon termination of the Lease the State shall assume the responsibilities of the corporation to the extent required by subsection 63A-5-306(4), U.C.A.

ARTICLE 4

OPTION TO RENEW

- 4.1 The Division may again grant and lease to the Corporation at the expiration of the initial lease term the Premises pursuant to the provisions of this Lease for any time-period to be negotiated by the Division and the Corporation. Such extended or renewal term shall be on the same terms, conditions, and provisions contained herein as may be amended.
- 4.2 If the option to renew this Lease is not exercised by either party pursuant to the provisions set forth, and the Corporation remains in possession of the Leased Premises after the expiration of the initial term of this lease, or any extended or renewal term hereof without objection by the Division, such occupancy shall be considered to be a one (1) year renewal or extended term upon all the same terms, conditions, and provisions that are applicable to this Lease at the time of such renewal or extended term. In the event this Lease continues on such year-to-year renewal basis the parties agree that no other written document will be necessary or required to keep this Lease Agreement in full force and effect.
- 4.3 This provision shall be binding on and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto and this covenant shall be construed as a covenant running with the land and with the leasehold.

ARTICLE 5

RENT

5.1 As rent for this Lease and for the use of the Premises during the first three (3) lease years hereof, the Corporation will pay to the Division the amount of Ten Dollars (\$10.00) per year. The Division may review and adjust the amount of rental payments made by the Corporation under this Lease Agreement every three (3) years beginning July 1, 2000.

5.2 Payments made by the Corporation under the Lease shall be deposited into the Capital Project Fund. If during this Lease term rental payments made by the Corporation are increased from the amount paid on July 1, 1997, those increased payments shall be dedicated to capital improvements at the "State Fairpark" unless, as part of the capital budget, the Legislature directs that the monies be used for other capital improvements

5.3 In addition to the hereinabove reserved, the Corporation shall pay to the Division, as additional rentals, any real property taxes or other assessments that may be assessed to the Leased Premises as a result of the Corporation's use of the Leased Premises. The Corporation shall pay all such taxes or assessments within 15 days after receipt of an invoice from the Division. As used herein, the term "real property tax" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Premises by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agricultural, sanitary, fire, street drainage or other improvement district hereof as against any legal or equitable interest of Landlord in the Premises or in the real property of which the Premises are a part.

ARTICLE 6

BUILDING OPERATING COSTS AND CAPITAL COSTS

6.1 The Corporation shall be responsible for maintenance, operation and minor repair of Leased Premises so that, at all times, those items remain in reasonably good condition and repair in accordance with Building Board Standards. The Corporation shall pay for all expenses or charges, in accordance with generally accepted accounting and management principles, that would be considered an expense of maintaining, operating, and doing minor repairs and improvements of the buildings and land upon which the buildings and other improvements are situated, and for the property more commonly known as the White Ball Park located across the street known as North Temple, just South of the "State Fairpark" main buildings. DFCM shall support the Utah State Fair

Corporation in its pursuit of facility funding through legislative action, however, the Utah State Fair Corporation acknowledges and agrees that it shall be the Utah State Fair Corporation's sole responsibility to instigate and pursue such legislative action. It shall be the Utah State Fair Corporation's duty and responsibility to fund and maintain the State Fairpark facility buildings and grounds in a similar or better condition than they were in when the Utah State Fair Corporation took possession of the site.

6.2 "Capital Development Project" shall mean all State Funded Construction, of new space costing more than \$100,000.00 and building projects costing over \$1,000,000.00. No such Capital Projects shall be undertaken without prior consultation and approval of the Division, except in cases where such repairs are immediately necessary in order to prevent further damage or to allow continued use of the building. The Division shall administer any Capital Development Projects funded by the State. All Capital Development Projects shall be performed and comply with State Statute 63A.

6.3 "Capital Improvement Project" shall mean all State Funded construction extraordinary or non-recurring cost directly incurred in the operation and maintenance of the building(s). The Corporation shall make or cause to be made, normal minor repairs and /or alterations to any of the facilities and other improvements as may be advisable or necessary. No such Capital Projects shall be undertaken that will cause a Capital Cost in excess of One Hundred Thousand Dollars (\$100,000.00) without prior consultation and approval of the Division, except in cases where such repairs are immediately necessary in order to prevent further damage or to allow continued use of the building. The Division shall administer any Capital Improvement Project where the cost of such Capital Project is \$100,000.00 or above. Such extraordinary repairs shall include but not be limited to all roof and structural repairs; surface and subsurface repairs of the parking area; major repair and/or replacement of the plumbing; major repair and /or replacement of HVAC systems; and interior and exterior painting of facility as deemed reasonably necessary by the Corporation or the Division. All Capital Improvement Projects shall be performed and comply with State Statute 63A.

6.4 It is understood by all parties hereto that each year the Corporation shall have the right and privilege, but is not required, to submit to the Utah State Building Board a request or requests for funds to be appropriated by the Utah State Legislature for any "Capital Costs" improvement projects and or major repairs that may be necessary and appropriate to improve the physical appearance, the usability, and the structural integrity of the "State Fairpark", its grounds, buildings, and all other improvements.

6.5 The Corporation shall notify the Division on all new construction projects of One Hundred Thousand Dollars (\$100,000.00) or more. The Division shall coordinate with the Corporation the administration of construction projects with respects to review of design plans and construction management.

6.6 In the event of an emergency repair situation where funds are required immediately and the State of Utah is unable to provide the capital in a timely matter, the Corporation may fund the emergency repairs out of its budget and submit to the Division for reimbursement of the capital outlay. The Corporation fully understands that the reimbursement of the capital outlay is predicated on the ability of the Capital Improvement Funding being available for said reimbursement.

ARTICLE 7
CONDITION OF PREMISES

The Corporation understands that the Division makes no warranties or representations whatsoever concerning the Leased Premises or the condition thereof.

ARTICLE 8
USE OF PREMISES

8.1 The Corporation covenants to use the Leased Premises for expositions and other activities which further the purposes of the Utah Fair Corporation as set forth in Title 9, Chapter 4, Part II, Utah State Fair Corporation Act. All personal property of the Corporation of any kind that may be on the Leased Premises shall be at the sole risk of Corporation.

8.2 The Corporation shall use and occupy the Leased Premises for all activities stated hereinabove and shall not at any time use or occupy or permit the Leased Premises to be used or occupied in any manner which would in any way violate any certificate of occupancy issued for the buildings.

8.3 The Corporation covenants that it shall (a) comply with all governmental laws, ordinances, regulations and requirements now in force or which hereafter may be in force, of any lawful governmental body or authorities having jurisdiction over the Premises; (b) keep the Premises and every part thereof in a clean, neat and orderly condition, free of reasonable noise, odors or nuisances, and will in all respects and at all times fully comply with all health and police regulations; (c) shall properly dispose of any waste in a timely manner; (d) not permit the Premises to be used for any purpose which would render the insurance thereon void or cause cancellation thereof or cause the insurance risk to become more hazardous or increase the insurance premium in effect at the time of

the execution of this Lease; and (e) will not keep, use or sell, or allow to be kept, used or sold in or about the Premises, any article or materials which are prohibited by law or by standard fire insurance policies of the kind customarily in force with respect to the Premises.

8.4 The Corporation agrees to permit the Division and any authorized representatives of the Division to enter the Leased Premises with twenty-four (24) hours prior notice to the Corporation to inspect the Leased Premises and to fulfill any of the Division's obligations under this Lease or to make any repairs deemed necessary by the Division. The Division shall not in any event be liable for inconvenience, annoyance, or other disturbance to the Corporation caused by the performance of any such work, provided it be as little as may be reasonably possible in the circumstances.

8.5 It is understood and agreed that the Division has no control or interest in any manner of the activities contemplated by the Corporation pursuant to the provisions of this Lease and the Division shall not be involved therein in any manner, other than the right to receive the rentals herein reserved and the right to the return of the Leased Premises as herein provided.

ARTICLE 9

ALTERATIONS

The Corporation will not make or permit anyone to make any major alterations in or additions to the Leased Premises, nor will the Corporation install any equipment of any kind that will require any alterations or additions to the water system, heating system, plumbing system, air-conditioning system, or electrical system without the prior written notice to the Division. If any such alterations or additions are made without such notice, the Division may correct or remove them and the Corporation shall be liable for any and all expenses incurred by the Division in the performance of this work.

ARTICLE 10

INDEMNIFICATION

To the fullest extent permitted by law, the Corporation shall indemnify and save harmless the Division from and against any and all liability, damage, penalties, judgments or other casualty of whatsoever kind arising from an act or negligence of the Corporation, its officers, agents, employees, invitees, or patrons in or about the Leased Premises arising out of or resulting from the Corporation's use, possession or operation thereof. The Corporation shall, at its own cost and expense, defend any and all suits or actions which may be brought against the Division or in which the Division may be impleaded with others upon any such above-mentioned matter, claim or claims, except as may result from the sole negligence of the Division, its officers, agents, employees, or contractors. The Corporation shall save the Division harmless from and against any and all losses,

claims, actions, damages or liabilities incurred or claimed by any third party arising out of or associated with the negligent or wrongful acts or omissions of Corporation, and relating to or associated with the Leased Premises during the term hereof, except as such losses, claims, actions, damages or liabilities relate to the negligence, willful misconduct, gross negligence, omission or breach of contract by Division.

ARTICLE 11 **INSURANCE**

11.1 The Corporation agrees to keep the Leased Premises fully insured to protect the same from loss or damage by fire, vandalism and malicious mischief at all times during the term hereof. The Corporation shall be responsible for damages to all personal property it may locate in the Leased Premises except damage thereto caused by the Division's negligence.

11.2 During the entire term of this Lease, The Corporation shall, at the Corporation's sole cost and expense, but for the mutual benefit of the Division and the Corporation, maintain general public liability insurance in an amount of not less than One Million Dollars (\$1,000,000.00) in a good and solvent insurance company or companies licensed to do business in the State of Utah, selected by the Corporation and reasonably satisfactory to the Division, and State Risk Management. Such policy or policies shall insure against claims for personal injury, death or property damage occurring in, upon or about the Leased Premises. Corporation agrees to deliver satisfactory evidence of such insurance to Division upon occupancy of the Leased Premises and thereafter not less than thirty (30) days prior to the expiration of any such policy. The Division shall be an additional insured on such policy. The policy shall be endorsed to indicate coverage for the Division shall be primary and not contributing. Such insurance shall be non-cancelable without thirty (30) days written notice to Division. Said insurance may be a blanket insurance covering other activities of Corporation.

ARTICLE 12 **DEFAULT AND REMEDIES**

12.1 A default under this Lease occurs when the Division or the Corporation fails to comply with any term, provision, or covenant of this Lease and either: (a) such default is not cured within fifteen (15) days after written notice thereof is received by the defaulting party; (b) or if such event of default is not reasonably curable within fifteen (15) days using due diligence, when the defaulting party shall fail to commence the pursuit of such cure within such fifteen (15) day period and continue to diligently pursue such cure to completion thereafter.

12.2 In the event the default is not cured, or such cure is not commenced and pursued, in accordance with Article 12.1 hereinabove, the non-defaulting party shall have the right, at its

election, to terminate this Lease by delivering written notice to the defaulting party and/or pursue any or all available legal and equitable remedies against the defaulting party.

ARTICLE 13
COSTS & ATTORNEY'S FEES

In case of default in carrying out the terms and conditions of this Lease, the final prevailing party in default agrees to pay a reasonable attorney's fee and all costs of the other party in enforcing this Lease. If a breach of contract is alleged by either party against the other party, fifteen (15) days prior written notice of default shall be given to the other party before any legal action is taken or in any other action or proceeding brought by either party against the other pertaining to or arising out of this Lease.

ARTICLE 14
NOTICES

Any notice to be given by either party to the other pursuant to the provisions of this Lease or of any law, present or future, shall be in writing and delivered personally to the party to whom notice is to be given, or by certified mail, return receipt requested, addressed to the party for whom it is intended at the address stated below or such other address as it may have designated in writing. Notice shall be deemed to have been duly given, if delivered personally, upon receipt thereof, and if mailed, upon the third day after mailing thereof.

If to the Corporation:

Utah State Fair Corporation
Attention: Director
Utah State Fairpark
155 North 1000 West
Salt Lake City, Utah 84116

If to the Division:

Division of Facilities
Construction and Management
Attention: Real Property Manager
4110 State Office Building
Salt Lake City, Utah 84114

ARTICLE 15
LIENS

Should any mechanic's or other lien be filed against the Leased Premises or any part thereof by reason of the Corporations acts or omissions or because of a claim or claims against the

Corporation, the Corporation shall cause the same to be canceled and discharged of record by bond or otherwise within 10 days after notice by the Division.

ARTICLE 16
QUIET ENJOYMENT

The Division covenants and agrees with the Corporation that upon the Corporation paying the Minimum Guaranteed Rent and observing and performing all the terms, covenants, and conditions, on the Corporation's part to be observed and performed, the Corporation may peaceably and quietly enjoy the Premises hereby leased, subject, nevertheless, to the terms and conditions of this Lease.

ARTICLE 17
GOVERNING LAW

This Lease shall be construed and governed by the laws of the State of Utah. Should any provision of this Lease and/or its conditions be illegal or not enforceable under the laws of the said state, it or they shall be considered severable, and the Lease and its conditions shall remain in force and be binding upon the parties as though the said provision had never been included. In the event of conflict with any provision of this Lease Agreement and Section 63A-5-306, the provisions of Section 63A-5-306 shall govern.

ARTICLE 18
FIXTURES

The Corporation shall, upon the expiration or sooner termination of the Lease term, surrender to the Division, together with the Leased Premises, any and all replacements, changes, and additions thereto, and fixtures and improvements constructed or placed by the Corporation thereon, with all equipment in or appurtenant thereto, except trade fixtures removable without material damage to the Leased Premises. Any such removable trade fixtures or personal property belonging to the Corporation, if not removed within thirty (30) days of such lease termination, if the Division so elects, shall be deemed abandoned and become the property of the Division without any payment or offset therefore. If the Division shall not so elect, the Division may remove such fixtures or property from the Leased Premises and store them at the Corporation's sole risk and expense. The Corporation shall repair and restore, and save the Division harmless from, any and all damage to the Leased Premises caused by such removal, whether by the Corporation or the Division.

ARTICLE 19
MARGINAL CAPTIONS

The various headings and numbers herein and the grouping of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only and shall not be considered a part hereof.

ARTICLE 20
DAMAGE OR DESTRUCTION OF LEASED PREMISES

In the event that at any time after the execution hereof the Leased Premises are destroyed or damaged by fire or the elements or by any other cause whatever except the Corporation's negligence, the Division shall restore and rebuild them as nearly as practicable to the condition existing immediately before such destruction or damage to the extent that funds are available, except that if the insurance proceeds are insufficient to restore or rebuild said improvements, then the Division may terminate this Lease as of the date of such damage or destruction by giving written notice to the Corporation within thirty (30) days thereafter of its election to do so.

ARTICLE 21
ENTIRE AGREEMENT

This Lease and the Exhibits, if any, attached hereto, and forming a part hereof, set forth all of the covenants, promises, agreements, conditions, and understandings between the Division and the Corporation governing the Leased Premises. There are no covenants, promises, agreements, conditions and understandings, either oral or written, between them other than those herein set forth. Except as herein provided, no subsequent alterations, amendments, changes or additions to this Lease shall be binding upon the Division or the Corporation unless and until reduced to writing and signed by both parties. Submission of this instrument by the Division to the Corporation for examination shall not bind the Division in any manner, and no lease, contract, option, agreement to lease or other obligation of the Division shall arise until this instrument is signed by the Division and delivered to the Corporation.

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Fairpark/DFCM

IN WITNESS WHEREOF, the parties hereto sign and cause this Lease to be executed.

Utah State Fair Corporation

Division of Facilities Construction and Management

Donna Dahl 8-5-98
Donna Dahl Date
Executive Director
Utah State Fair Corporation

Richard E. Byfield 8-13-98
Richard E. Byfield Date
Director
Division of Facilities
Construction and Management

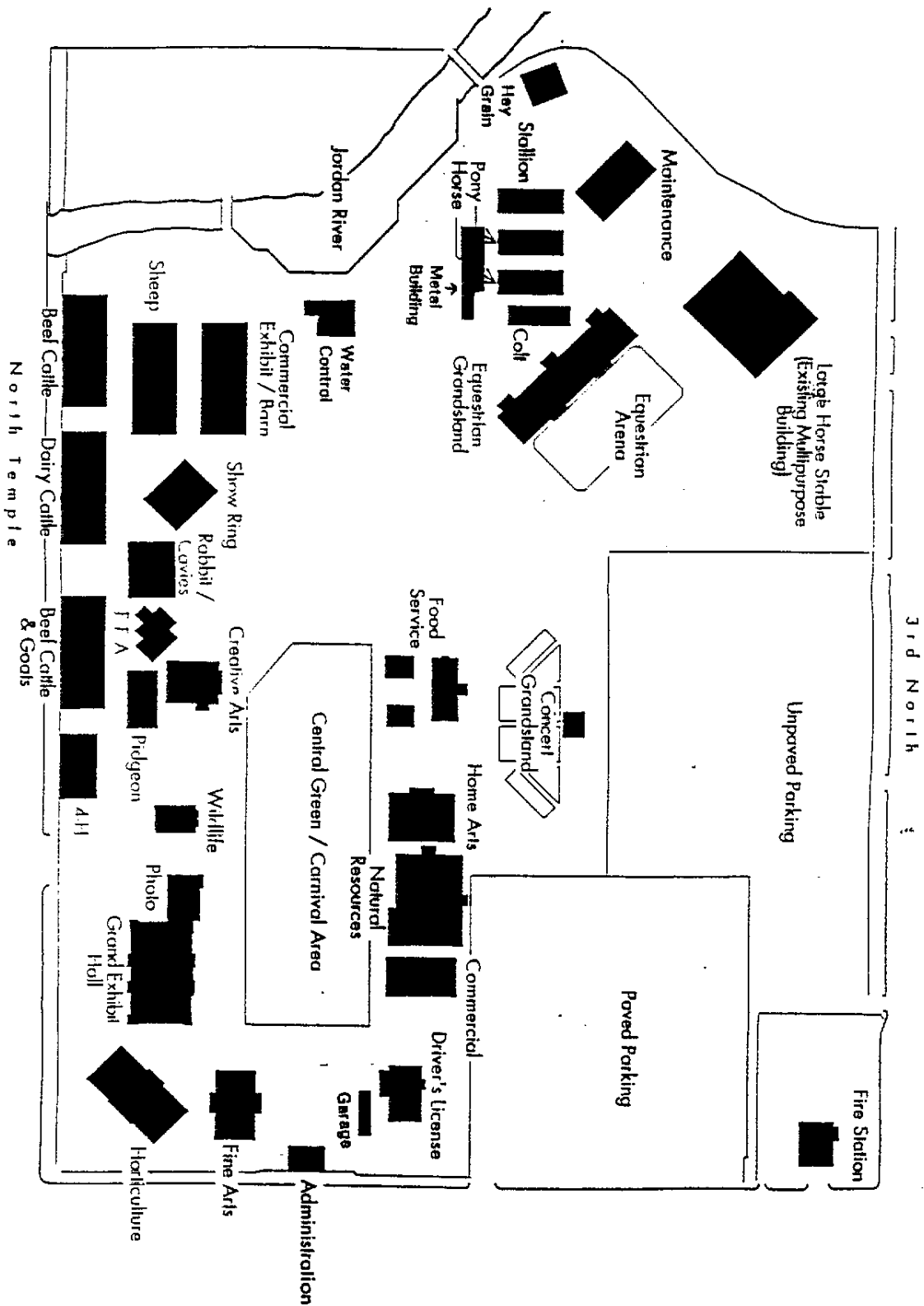
CONTRACT RECEIVED AND
PROCESSED BY
DIVISION OF FINANCE

BK8096PG0958

Fairpark/DFCM

EXHIBIT "A"
STATE FAIRPARK BUILDINGS

EXHIBIT "A"



Utah State Fairgrounds



EXISTING FACILITIES