

January 11, 1980

MEMO TO FILE

To: Robert M. Larsen
James Guzy
Alan Gustafson

From: Paul R. Anderson

The purpose of this memo is to outline the percentage interest and the business objective of Silver Springs Investors, Silver Creek Investors, Silver Springs Water, Silver Springs Development, Crown Partners and Commercial Partners.

SILVER SPRINGS INVESTORS

A Utah Partnership, 1180 Acres, purchased land and held for Investment.

Arbor Company - A Partnership	37.5%
Robert M. Larsen	37.5%
Alan W. Gustafson	15.0%
Paul R. Anderson	10.0%
	<u>100 %</u>

Silver Springs Investors consists of land being held for investment of approximately 1180 acres. It is located 18 miles east of Salt Lake City and 3 miles north of Park City on the east slope of the Wasatch Mountains at an elevation of from 6480 to 8080 feet in Summit County, Utah in what is known as the Treasure Mountain Region. This places the site in the center of the fastest growing county in Utah, generally known as the Park City area.

The property benefits from the influence of Park City and Park City West. In 1962-1963, Park City was a partially abandoned historic mining town that was redeveloped with the benefit of a government financing loan into a major ski resort. Its development progressed at a normal orderly pace until in 1971 the mining company sold the property to a development firm. Since then, a considerable number of condominiums, lodging facilities, restaurants and additional ski lifts have been constructed. It has a golf course, (with a second course being built by Jack Nicholas in 1979-1980) tennis courts and is considered an all year recreation center. The development firms project an overall development cost of \$150,000,000. Of this, approximately \$50,000,000 has been expended during the past five years.

Construction of Park City West which borders Silver Springs on the south was begun about 1968. At that time two ski lifts and a day

has occurred consisting of 30 miles (27 total runs) of ski runs (to accommodate children, first time beginner, intermediate and "hot dog" advance skiers), a few private dwellings, a 130 unit condominium complex and plans for a future commercial center with lodging facilities is currently being proposed.

Park City, Alta and Snowbird are generally recognized as the three primary ski areas in Utah. Park City is the most easily accessible and driving time from the Salt Lake City Airport is 45 minutes on Interstate Highway I-80.

This property is zoned for no less than 711 units, but will be developed in excess of 1,000 units. The property is currently appraised in excess of \$6,800,000.

SILVER CREEK INVESTORS

A Utah Partnership, 1600 acres, purchased land and held for investment.

Arbor Company - A Partnership	37.5%
Robert M. Larsen	37.5%
Alan W. Gustafson	15.0%
Paul R. Anderson	10.0%
	<u>100 %</u>

Silver Creek Investors consists of land held for investment approximately 2 miles east of Silver Springs at the interchange of Interst 80 and U.S. 40, approximately 4 miles north of Park City, is a tract of approximately 1,300 acres known as Silver Creek Investors. This property not only has excellent access to the Interstate and U. S. 4 but along the east boundary, Union Pacific Railroad has its line. An airport for the Park City area has been designed and approved for construction adjacent to the site.

The property is zoned primarily light industrial. Various uses are anticipated (commercial, residential, office), the primary one being industrial light high value manufacturing. Due to the unique Park City environment, development will respond to recreational, commercic and other on going activities in the Park City area in addition to t obvious locational advantages of interstate highways, rail and airpo access. This response is expected to involve development of housing lodging and related commercial uses. In essence, a planned industri community for the capability of providing a significant internal economic base for itself and the immediate Park City area. It is anticipated that a wide range of industrial uses will be thus accommodated within the community, that the work force which is directly associated with industry will be able to live within the immediate proximity, and that the community will attract numerous professional business persons, craftsmen and artists, who will

similarly live and work within the community.

This property is currently appraised for \$18,000,000.

SILVER SPRINGS WATER COMPANY

A Utah Partnership which owns water rights and has physical water to accommodate approximately 2100 units.

Arbor Company - A Partnership	37.5%
Robert M. Larsen	37.5%
Alan Gustafson	15.0%
Paul R. Anderson	10.0%
	<u>100 %</u>

Silver Springs Water Company's water system is being developed by Silver Springs Development. This system will cost approximately \$1,500,000. When completed, this water system will accommodate approximately 2100 residences, elementary school and 80,000 sq. ft. of commercial space. Silver Springs Water Company bills its customers currently, January 1980, \$15.25 a month minimum for water. At sometime in 1981, Silver Springs Water Company will be billing on a metered use basis.

Culinary water is a critical item in Park City and is the most necessary prerequisite for any development in this area. Park City is an incorporated city and achieves its supply of water from spring sources inside old mine shafts which are owned or controlled by the Miner's Union in the area. There appears to be an adequate supply of water for its own city limits, but no excess water for any outside development. The source of water to develop Silver Springs is owned by Silver Springs Water.

Water rights in the State of Utah are based on prior claims and the best of all perfect rights are classed as "1860 Rights". All water rights running to Silver Springs have been adjudicated and are 1860 rights.

SILVER SPRINGS DEVELOPMENT LIMITED PARTNERSHIP

A Utah Partnership, developers and builders of properties.

Utah House, Inc.	50.00%
Arbor Company - A Partnership	18.75%
Robert M. Larsen	18.75%
Alan W. Gustafson	7.5 %
Paul R. Anderson	5.0 %
	<u>100 %</u>

Silver Springs Development acquired for approximately \$3,500,000, 227 plus acres east of Highway 224 which is being developed into 566 residential units and 80,000 square feet of commercial/retail space. This project represents the first three phases of the Silver Springs community. As of January 1, Silver Springs Development had completed approximately 80% of its first phase development and 20% of its second phase at an approximate cost of \$850,000. Silver Springs Development had marketed and sold 80% of its first phase for approximately \$1,700,000. The land costs were \$3,500,000.

SILVER SPRINGS DEVELOPMENT, INC.---

A Utah Corporation. This is a shell corporation and has been inactive to date.

Utah House, Inc.	50.00%
Arbor Company - A Partnership	18.75%
Robert M. Larsen	18.75%
Alan W. Gustafson	7.5 %
Paul R. Anderson	5.0 %
	<u>100 %</u>

CROWN PARTNERS, LTD.

A Colorado Partnership, purchased land and held for investment.

Arbor Company - A Partnership	25 %
Robert M. Larsen	25 %
Alan W. Gustafson	25 %
Kenneth Seibel	25 %
	<u>100 %</u>

Crown Partners, Ltd. consists of a 735 acre tract of land held for investment west of Carbondale, Colorado, near the northeast base of Mt. Sopris, approximately halfway between Glenwood Springs and Aspen, Colorado.

The ground is currently being planned for approximately 900 residential dwelling units and the zoning and approval process should be complete by September of 1979. This community will respond primarily to the demand in the area for single family and cluster housing in the \$80,000 to \$150,000 range. Planning and zoning changes are currently being studied and evaluated.

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COMMERCIAL PARTNERS, INC. - A Delaware Corporation - Minnesota

Arbor Company - A Partnership	33.4 %
Robert M. Larsen	45. %
Alan W. Gustafson	16.6 %
Paul R. Anderson	5.0 %
	<u>100 %</u>

COMMERCIAL PARTNERS - OMAHA - A Partnership - Minnesota
Develops and sells commercial property.

Commercial Partners, Inc.	4.000 %
Arbor Company - A Partnership	25.333 %
Robert M. Larsen	34.200 %
Alan W. Gustafson	12.667 %
Paul R. Anderson	3.800 %
David R. Block	20.000 %
	<u>100 %</u>

COMMERCIAL PARTNERS - BROOKDALE - A Partnership - Minnesota
Develops and sells commercial property.

Commercial Partners, Inc.	4.000 %
Arbor Company - A Partnership	32.000 %
Robert M. Larsen	43.200 %
Alan W. Gustafson	16.000 %
Paul R. Anderson	4.800 %
	<u>100 %</u>

COMMERCIAL PARTNERS #1 - ATLANTA - A Partnership - Minnesota
Develops and sells commercial property.

Commercial Partners, Inc.	4.000 %
Arbor Company - A Partnership	32.000 %
Robert M. Larsen	43.200 %
Alan W. Gustafson	16.000 %
Paul R. Anderson	4.800 %
	<u>100 %</u>

Commercial Partners is in the business of causing to be developed for its account, approximately 25,000 to 125,000 square foot rentable commercial retail centers on primary access locations of major commercial markets around the country. Each center leases approximately one half of its space on a triple net basis to AAA rated national tenants.

Paul

PRA:mh

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