

NO 2526 DATES-2582 TIME 1:38 430
RECORDED FOR SUMMIT COUNTY TITLE BOOK 43 PAGE 24-24
BY DEAN HUSER BY SUSAN DAY
Wasatch County, State of Utah

INDEXED: _____
GRANTOR: _____
GRANTEE: _____
RELEASED: _____
ABSTRACTED: _____
STAMPED: _____

AGREEMENT ✓

THIS AGREEMENT, made and entered into this 20th day of May, 1982, by and between PARK CITY UTAH MINES COMPANY, a Delaware corporation (hereinafter designated "PCU") and DEER VALLEY RESORT COMPANY, a Utah limited partnership (hereinafter designated "Deer Valley");

W I T N E S S E T H:

WHEREAS, PCU, as "Lessor", and Lon Investment Company a Utah corporation (hereinafter designated "Lon"), as "Lessee" mutually executed and delivered a certain Surface Lease (hereinafter designated the "PCU Lease"), dated January 1, 1974, which PCU Lease was recorded as Entry No. 137848, in Book M93, Page 819, in the Office of the County Recorder of Summit County, Utah and as Entry No. 109984, in Book 111, Page 600, in the Office of the County Recorder of Wasatch County, Utah; and

WHEREAS, the real property which is the subject of the PCU Lease consists of certain patented lode mining claims situated in the Blue Ledge Mining District in Wasatch County, Utah, and in the Uintah Mining District in Summit County, Utah, which real property (hereinafter designated the "PCU Property") is more particularly described in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, the PCU Lease was amended by a certain Addendum No. 1 to Surface Lease (hereinafter designated the "Addendum") dated January 24, 1977, between PCU, Lon and San Diego Mining Company, a Delaware corporation (hereinafter designated "SD"), which Addendum was recorded as Entry No. 137849, in Book M93, Page 840, in the Office of the County Recorder of Summit County, Utah, and as Entry No. 109986, in Book 111, Page 642, in the Office of the County Recorder of Wasatch County, Utah; and

Entry No. 137848 Book M93 Page 819
RECORDED 5-25-82 3:30M Page 1-9
REQUEST of *Deer Valley Resort Co. of Utah*
FEE \$ 24.50
INDEXED _____
BY _____
ABSTRACT _____
WASATCH COUNTY RECORDER

Minerals Property

WHEREAS, Lon, as "Assignor", executed and delivered to Ross-Lare Realty N.V., a corporation organized and existing under the laws of Curacao, Netherlands Antilles (hereinafter designated "RLR"), as "Assignee", a certain Assignment and Quitclaim of Leasehold Interest (hereinafter designated the "RLR Assignment"), dated August 17, 1977, which RLR Assignment related to the PCU Lease and the PCU Property, and which RLR Assignment was recorded as Entry No. 110867, in Book 113, Pages 550 to 556, in the office of the County Recorder of Wasatch County, Utah; and

WHEREAS, RLR executed and delivered to Stichting Mayflower Recreational Fonds and Mayflower Recreational Fund (hereinafter designated "Mayflower"), a certain Assignment (hereinafter designated the "Stichting-Mayflower Assignment"), dated December 31, 1977, which Stichting-Mayflower Assignment related to the PCU Lease and the PCU Property, and which Stichting-Mayflower Assignment was recorded as Entry No. 112072 in Book 116, Pages 213 to 220, in the office of the County Recorder of Wasatch County, Utah, and as Entry No. 144086 in Book M108, Pages 421 to 428, in the office of the County Recorder of Summit County, Utah; and

WHEREAS, by that certain Assignment and Quitclaim of Joint Venture Interest recorded at pages 679-701, Book 139, Entry No. 122761, Records of Wasatch County, Utah, and pages 16-38, Book M185, Entry No. 178525, Records of Summit County, Utah, and that certain Quitclaim Deed, recorded at pages 124-140, Book 141, Entry No. 123401, Records of Wasatch County, Utah and pages 321-37, Book M190, Entry No. 180727, Records of Summit County, Utah, American Land Program, Inc., and Stichting Mayflower Recreational Fonds, conveyed to Stichting Mayflower Mountain Fonds all of their title as joint venturers of Mayflower Recreational Fund in the PCU Property and the SD Property; and

WHEREAS, Stichting Mayflower Recreational Fonds and Stichting Mayflower Mountain Fonds (hereinafter collectively designated "Stichtings"), as "Lessors", and Deer Valley, as "DV", have mutually executed and delivered a certain Sublease (hereinafter designated the "Deer Valley Sublease"), dated as of January 29, 1982, which Deer Valley Sublease related to the PCU Lease and the PCU Property, and which Deer Valley Sublease was recorded as Entry No. 125630 in Book 146, Pages 340 to 511, in the office of the County Recorder of Wasatch County, Utah; and

WHEREAS, it is the desire of the parties hereto to clarify the intent of certain provisions of the PCU Lease and the Addendum, and to grant to Deer Valley certain rights in the event of termination of the PCU Lease, as hereinafter provided.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency whereof are hereby acknowledged, it is agreed by and between the parties hereto as follows:

1. PCU acknowledges and agrees that, in the event that Deer Valley should within the time limits therein provided have fulfilled the requirements of Article VI of the Sublease, which Article VI provides as follows:

"ARTICLE VI
CONSTRUCTION AND OPERATION OF FACILITIES

DV shall construct and operate upon the Total Ski Area the skiing facilities shown upon the Master Plan, Exhibit K, as soon as a profit can be obtained therefrom by DV, for the purpose of providing the greatest return from development of skiing facilities upon the property at the earliest time consistent with sound business practices. All of such facilities shall be operated as a single complex, and made available to skiers on a single lift ticket. Each facility, or part thereof, as the same is constructed and becomes operable, shall be added to the single complex.

DV shall diligently pursue completion of planning and approval of all of the ski lifts and runs shown on the Master Plan, Exhibit K, and shall inform Lessors upon request at any time of the progress of planning and development; provided, however, that DV shall not be required to apply for and obtain building permits until it is prepared, consistent with the immediately

preceding paragraph, to commence construction. Each party shall inform the other upon request at any time of all evidence in its possession bearing upon the question whether any improvements are then economically practicable.

Anything in the foregoing to the contrary notwithstanding, the ski lift designated "M" on the Master Plan, Exhibit K, together with an extension thereof or separate lift extending to the top of Bald Mountain, together with the ski runs on the Master Plan designated 73, 74, 78, 79, 80, 81, 82, 83, 84, 85 and 86, shall be constructed by DV and shall be operational no later than the start of the 1986-1987 ski season. The opening of the "M" lift and runs shall not depend upon construction of any development at the Mayflower Mountain Resort. DV shall operate the "M" lift and runs as part of a single ski complex on the Total Ski Area on a single lift ticket. Revenues from operation of the "M" lift shall be included in Lift Ticket Revenues for the purposes of computing rent under the Lease between the parties of even date herewith. Mayflower will assist DV in locating lenders in the financing of the "M" lift and runs.

Anything in the foregoing to the contrary notwithstanding, unless prevented by refusals of approvals and permits therefor, DV shall construct and commence operation of the lift designated I on the Master Plan, Exhibit K, no later than the start of the 1985-1986 ski season. In the event that the said lift is not operational by the start of the 1985-1986 season, Lessors shall have the right, but not the obligation, to construct, or complete construction of, the same. Such lift, when completed and operational, shall be operated by DV as part of the single skiing complex, on the single lift ticket. In the event such lift is constructed by or at the cost of Lessors, DV shall pay Lessors annually, in addition to all other sums due hereunder, and until an amount equal to Lessors' cost of acquisition and construction of the I lift has been paid to Lessor, 10% of that portion of the Lift Ticket Revenue under the Lease for each Lease year thereunder after said I Lift commences operation, which the number of persons who ride the I lift during said Lease year represents to the number of persons who ride all lifts on the Total Ski Area combined during said Lease year. Such sum shall be in addition to, but payable at the same time as, (a) annual rent under Article V hereof, and (b) a similar 10% portion of Lift Ticket Revenues provided for in the Lease between the parties of even date herewith. For purposes of making the latter calculations, DV shall keep accurate records of persons riding each of the lifts on the Total Ski Area.

Nothing contained herein shall prevent DV from amending the Master Plan, Exhibit K, in accordance with all applicable laws, rules and regulations and sound planning and construction principles and practices; provided, however, that no such amendment which

relates to the Property or which has the effect of decreasing permitted use of the Property shall be permitted without the prior written consent of Lessors, which shall not be unreasonably withheld.

Gross revenues from the operation of any facilities under this Article VI, shall constitute Lift Ticket Revenues under Article V of the Lease between the parties of even date herewith."

such compliance shall be deemed compliance by Lon, RLR, the Stichtings, Royal Street Land Company and Deer Valley with the requirements of Subparagraph C of Article IX of the PCU Lease, as modified by Paragraph 2 of the Addendum. PCU further acknowledges and agrees that in the event of compliance by Deer Valley with the requirements of Article VI of the Sublease, as quoted above, within the times therein provided, PCU shall not have the right to terminate the PCU Lease, pursuant to said Subparagraph C of Article IX of the PCU Lease as amended by Paragraph 2 of the Addendum.

2. PCU agrees that, in the event of termination of the PCU Lease for any reason whatsoever, including, but not limited to, a termination resulting from the default by the owners of the rights of the Lessee thereunder, PCU will, within thirty (30) days following the effective date of said termination, give notice of such termination to Deer Valley. In the event of such termination, Deer Valley shall have the right, exercisable at any time within thirty (30) days following the effective date of such notice from PCU to Deer Valley, to require PCU to grant to Deer Valley a surface lease covering the PCU Property, which Surface Lease shall be upon the same terms and conditions as the PCU Lease, as modified by the Addendum, with the following exceptions:

(a) Subparagraph C of Article IX of said Surface Lease, as modified by Paragraph No. 2 of the Addendum, shall be amended to provide as follows:

"Lessor shall have the right to terminate this Surface Lease unless Lessee shall on or before each of the following dates have expended or caused to be expended for the planning, design, fabrication, construction, and installation upon the portion of the following

described real property (hereinafter designated the "Total Ski Area") situated in Summit County, Utah and Wasatch County, Utah:

All of Section 22, Township 2 South, Range 4 East, SLB&M; The South 1500 feet of Section 23, Township 2 South, Range 4 East, SLB&M; S.W. 1/4 of Section 24, Township 2 South, Range 4 East, SLB&M; West 1000 feet of Section 25, Township 2 South, Range 4 East, SLB&M; All of Section 26, Township 2 South, Range 4 East, SLB&M; All of Section 27, Township 2 South, Range 4 East, SLB&M; All of Section 28, Township 2 South, Range 4 East, SLB&M; All of Section 33, Township 2 South, Range 4 East, SLB&M; All of Section 34, Township 2 South, Range 4 East, SLB&M; All of Section 35, Township 2 South, Range 4 East, SLB&M; The North 1000 feet of Section 36, Township 2 South, Range 4 East, SLB&M; All of Section 2, Township 3 South, Range 4 East, SLB&M; All of Section 3, Township 3 South, Range 4 East, SLB&M; All of Section 4, Township 3 South, Range 4 East, SLB&M; A portion of Section 29, Township 2 South, Range 4 East, SLB&M, more particularly described as follows:

Beginning at the Southeast corner of said Section 29, and running thence West 5280 feet more or less to the Southwest corner of said Section 29, thence Northeasterly to a point West 1700 feet from the Northeast corner of said Section 29, thence East 1700 feet to said Northeast corner of Section 29, thence South 5280 feet, more or less to the point of beginning.

situated in Wasatch County, Utah, of ski lifts, ski runs and other buildings, structures or improvements related or incident thereto, not less than the following amounts:

| <u>Date</u> | <u>Amount</u> |
|-------------------|---------------|
| December 31, 1982 | \$ 500,000.00 |
| December 31, 1986 | 1,000,000.00 |

Said amounts are intended as aggregate amounts such that the amount of \$1,000,000.00 required to be expended by December 31, 1986 shall include the amount of \$500,000.00 required to be expended by December 31, 1982, and shall not be in addition thereto.

The parties acknowledge and agree that the sole risk, loss, obligation or liability of Lessee for failure to comply with the requirements of this Subparagraph C of this Article IX shall be the termination of this Surface Lease and the loss by Lessee of its rights hereunder. Under no circumstances shall Lessee have any liability to Lessor, or others, in damages or otherwise, by reason of, or as a result of, the failure of Lessee to comply with the requirements of this Subparagraph C of this Article IX."

(b) The term of said Surface Lease shall extend from the date thereof through and shall terminate at 12:00 midnight, Mountain Standard Time, December 31, 1998, provided that Deer Valley shall have the right and option to extend said term for two successive periods of twenty-five (25) years each.

3. Any notice herein contemplated to be given to PCU shall be sufficient if given in writing by registered or certified mail, and in either case, addressed to:

Park City Utah Mines Company
1772 Countryside Drive
Salt Lake City, Utah 84106

or to such other address or addresses as PCU shall hereafter designate to Deer Valley in writing. Any notice herein contemplated to be given to Deer Valley shall be sufficient if given in writing by registered or certified mail, and in either case, addressed to:

Deer Valley Resort Company
P.O. Box 889
Park City, Utah 84060
Attention: William A. Prince
Vice President

or to such other address or addresses as Deer Valley shall hereafter designate to PCU in writing.

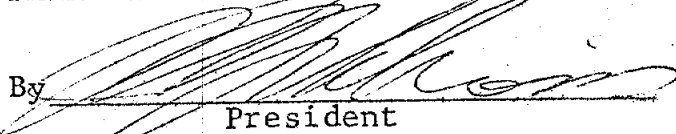
Notices given by registered or certified mail pursuant hereto shall be deemed effective and complete 48 hours following the posting and mailing thereof, addressed as aforesaid.

4. Except as provided by Paragraph 1 hereof, this Agreement shall not be deemed to amend or modify the PCU Lease as heretofore amended by the Addendum. Said PCU Lease, as amended by the Addendum, and subject to the provisions of Paragraph 1 hereof, shall be and remain in full force and effect and enforceable in accordance with their terms.

5. This Agreement is and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

DATED the day and year first above written.

PARK CITY UTAH MINES COMPANY

By 
President

DEER VALLEY RESORT COMPANY

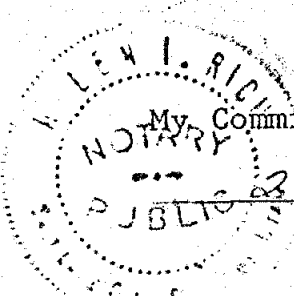
By Royal Street of Utah
Its General Partner

By John E. Miller
Vice President

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

On this 20 day of May, 1982, personally appeared before me J. P. Subson, who, being by me duly sworn, did say that he is the President of Park City Utah Mines Company, a Delaware corporation, and that the within and foregoing Agreement was signed on behalf of said corporation by authority of a resolution of its Board of Directors, and said J. P. Subson duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

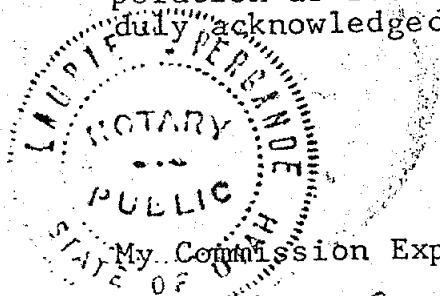
Selen Rich
NOTARY PUBLIC
Residing at: Salt Lake City, Ut.



My Commission Expires:
2-21-84

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

On the 15th day of April, 1982, personally appeared before me John E. Miller, who, being by me duly sworn, did say that he is the Vice President of Royal Street of Utah, a Utah corporation, which is the general partner of Deer Valley Resort Company, a Utah limited partnership, and that the within and foregoing Agreement was signed on behalf of said corporation as such general partner, and said John E. Miller duly acknowledged to me that said partnership executed the same.



Laurie M. Pergande
NOTARY PUBLIC
Residing at: Park City, Utah

My Commission Expires:
3-10-83

EXHIBIT A

Description of PCU Property

The following described patented lode mining claims situated in Summit County, Utah and Wasatch County, Utah:

| <u>Name of Claim</u> | <u>Mineral Survey or Lot No.</u> | <u>Name of Claim</u> | <u>Mineral Survey or Lot No.</u> |
|----------------------|----------------------------------|----------------------|----------------------------------|
| Augustus | Lot 107 | Juliet | Lot 115 |
| Belcher No. 1 | Lot 191 | Libert Ex. | MS 6751 |
| Belcher No. 2 | Lot 192 | Little Giant | Lot 118 |
| Belcher No. 3 | Lot 193 | Little Kate | Lot 111 |
| Belcher No. 4 | Lot 194 | Mary Allen | Lot 553 |
| Belcher No. 5 | Lot 195 | Mary Jane | Lot 551 |
| Blaine | Lot 135 | May | Lot 61 |
| C. Mc Falls | Lot 554 | N. | Lot 190 |
| C. J. Nelson | Lot 552 | Olive Branch | Lot 102 |
| Cataract | Lot 103 | Overlook | MS 6750 |
| City of Edinburg | MS 3288 | Pay Roll | MS 3020 |
| Clipper | Lot 570 | Peerless | Lot 122 |
| Clipper No. 2 | Lot 117 | President | Lot 129 |
| Columbia | Lot 569 | R. P. H. | Lot 560 |
| Cumberland | Lot 120 | Richmond | MS 4968 |
| Debs | MS 3006 | Richmond No. 2 | MS 4993 |
| Denver | MS 4967 | Romeo | Lot 108 |
| Denver No. 2 | MS 4967 | Rose Bud | MS 6546 |
| Denver No. 3 | MS 4967 | S.E. Ext. of the | |
| Denver No. 4 | Lot 4967 | May Bell | Lot 374 |
| Denver No. 5 | Lot 4967 | Sampson | Lot 60 |
| Error No. 1 | MS 7046 | Senator Mine & Co. | Lot 124 |
| Error No. 2 | MS 7046 | Seting Bull | Lot 121 |
| Error No. 3 | MS 7047 | Shiloah | Lot 123 |
| Excellent | Lot 125 | Summit | Lot 116 |
| Homestake | Lot 66 | Summit | Lot 137 |
| Homestake No. 2 | Lot 67 | Viola | Lot 273 |
| Homestake No. 3 | MS 5028 | Viola No. 2 | Lot 562 |
| Independence | Lot 171 | Wasatch | Lot 60 |
| J. H. Rogers | Lot 550 | Woodland | Lot 134 |
| J. I. C. | Lot 561 | Wardo | Lot 165 |
| | | Lugano | Lot 165 |

Together with any and all other mining claims owned by Park City Utah Mines Company and adjoining or overlapping the claims described above.