

GOLF COURSE LICENSE AGREEMENT  
AND LEASE OF WATER SHARES

THIS INDENTURE made this 22<sup>nd</sup> day of August, 1988  
between CALVIN E. CLARK of Salt Lake City, Utah (herein  
"Licensor" or "Clark") and THE HOMESTEAD GOLF CLUB, INC., a Utah  
corporation based in Midway, Utah (herein "Licensee" or "The  
Club").

W I T N E S S E T H:

In consideration of the mutual covenants of the parties  
hereto and other good and valuable consideration, receipt whereof  
is hereby acknowledged, Licensor hereby grants to Licensee the  
exclusive right and license to construct, operate and maintain a  
golf course to be known as "The Homestead Golf Course" upon, over  
and across that certain real property located in Midway, Wasatch  
County, Utah and more particularly described on Exhibit "A"  
attached hereto and by this reference made a part hereof, all  
upon the following terms and conditions:

1. Incorporation of Master Agreement. This License is  
granted upon the representations, terms, covenants and conditions  
set forth in that certain document entitled "The Homestead Golf  
Course Master Agreement" (herein the "Master Agreement") which  
agreement was recorded on the 19th day of February, 1988 in the  
office of the County Recorder of Wasatch County as Entry No.  
144986, in Book 197 at Pages 775-790. The Master Agreement is  
incorporated herein and by this reference made a part hereof and  
the parties expressly agree that except as modified by or

-1- 147557  
NO 147557 DATE 12-30-88 TIME 12:50 FEE 27.00  
REC FOR HOMESTEAD BOOK 205 PAGE 120-126  
RECORDER JOE DEAN HUBER BY GLORIA PITT  
Wasatch County, State of Utah

PAGE (X) INDEX ( ) ABSTRACT (O) PLAT (✓) CHECK; X

inconsistent with the terms and provisions of this License Agreement, each and all of the representations, covenants, terms and conditions of the said Master Agreement shall be deemed to be a part of this Agreement.

2. Lease of Water Shares. Clark hereby leases to the Club forty-eight (48) shares of the Midway Irrigation Company capital stock for the purpose of providing water for use on the Homestead Golf Course. The leased shares are particularly identified on Exhibit "B" attached hereto and by reference made a part hereof which Exhibit identifies, among other things, the various ditches of Midway Irrigation Company through which the leased waters are to be delivered. From and after the date of this Agreement, the Golf Club shall assume and pay when due all taxes and assessments of whatever character levied against the said shares. Clark agrees to execute such additional document or documents as shall be required by Midway Irrigation Company to evidence the lease of shares contemplated by this paragraph.

3. Title. The grant of the License and the lease of water shares provided for by this Agreement are made without any representation or warranty of title or warranties against encumbrances. The Club, at its own instance and expense, has conducted such independent title search as it deems necessary and appropriate for its purposes and in entering into this Agreement is not relying upon any representation or warranty of Clark with respect to the title to the real estate and/or to the water shares described on Exhibits "A" and "B" attached hereto. The

parties acknowledge that this instrument is intended to convey only the interest which Clark may grant as an undivided one-half owner of the real estate and water shares and that the real estate is subject to various encumbrances.

4. General Property Taxes, Rollback Taxes, Special Assessments. The Golf Club shall pay when due all general property taxes and assessments of whatever character for the year 1988 and thereafter levied against the real property described on Exhibit "A" attached hereto including all interest and penalties incurred by reason of late payment.

5. Irrigation Facilities. The lands described on Exhibit "A" and Clark's remaining landholdings located in the vicinity, but outside the limits, of the Golf Course (herein referred to as the "remaining lands") have been in agricultural use over a period of many years and the remaining lands will continue in agricultural use until such time as Clark or his successors in interest shall undertake to develop the same. Part of the remaining lands are farm lands which have been irrigated in times past (herein "the remaining farm lands") and are served by various ditches of Midway Irrigation Company which have enabled Clark to flood irrigate said lands. During the construction of the Golf Course Project the Club will alter certain canals and ditches of the Irrigation Company, including ditches located on properties owned by others; ditches located on lands within the License Agreement and ditches located on the remaining lands. The Project contemplates that certain parts of

the irrigation system of Midway Irrigation Company now running in open ditches shall be piped and that the Irrigation Company shall abandon certain ditches which have historically delivered water to the Clark properties. The Club expressly agrees at its expense to construct all such pipes, canals, ditches, gates and other facilities as shall be required to deliver irrigation water to the remaining farm lands such that Clark shall be able to irrigate all of the remaining farm lands during the 1989 irrigation season without necessity on his part to construct any new facility. It is acknowledged that in certain instances in areas where existing irrigation ditches have been abandoned on account of the piping of water, it will no longer be practical for Clark to flood irrigate the remaining farm lands. In such instances, the Club, at its expense, shall so size, design and construct the Golf Course irrigation system as to provide for taps to said system which will enable Clark to obtain irrigation water to sprinkle irrigate the remaining lands. The Golf Course shall bear the full costs and expense incurred in the engineering, design and construction of all irrigation pipe, ditches, gates and other facilities as shall be required to provide for irrigation water deliveries to the remaining farm lands. In instances where it shall be necessary for Clark to tap the Golf Course irrigation system in order to sprinkle irrigate the remaining farm lands, provisions shall be made for taps to said irrigation system to provide for land lines and such of the

engineering and design as relates to Clark's taps shall be subject to Clark's review and approval before commencement of construction of the said irrigation system.

6. Development of Clark's Remaining Properties - Access - Utilities. At such time as Clark or his successors in interest may undertake to develop Clark's remaining lands, it shall be necessary to demonstrate to the Midway City Planning Commission and City Council and such other governmental entities whose consent is required, that culinary water service is available for the property proposed to be developed and that said property has necessary roadway access and access for utilities. The Club has and does hereby agree that to the extent its project includes the piping of water, all such piping and other materials and design utilized by it shall satisfy current requirements for culinary water systems so as to be eligible for use as a culinary water system should there be a future conversion of the existing system from irrigation to culinary purposes. The Club further acknowledges that since execution and recording of the Master Agreement, it has undertaken a contractual obligation to proceed with the construction of the sewer main referred to in paragraph 8 of said Agreement and intends to and will construct said sewer main in accordance with the approved plans and specifications for said facility. To the extent any approvals may be required from the Golf Club for the construction, maintenance or dedication of the roadways referred to in paragraph 6 of the Master Agreement; or for connections to or the construction of laterals from the

sewer main referred to in paragraph 8 of the Master Agreement or for utility easements reasonably required by Clark in the development of his remaining lands, the Golf Club agrees to promptly grant such consents or approvals and to execute such documents as may be required to evidence such consents and approvals. Utility easements shall include but are not limited to easements for water, sewer, electricity, natural gas, television and telephone.

7. Golf Club Liability. The Golf Club expressly agrees to promptly pay and discharge all claims for engineering, design, labor, materials, services, equipment and other expenses of whatever character incurred in connection with the construction of the Golf Course and any and all future improvements to the property described on Exhibit "A", whether or not now contemplated, and to not suffer or permit any lien or encumbrance to be filed by reason of its default in payment of said obligations and to promptly satisfy any and all liens or claims which may be filed against the property, or if such claims be contested, to promptly pay all final judgments entered against it with respect to such claims. The parties expressly acknowledge that at the time of the execution of this Agreement, the Club has no authority whatsoever to incur any obligation on behalf of Clark and that any future authority shall not be valid unless by a writing signed by Clark. In no event shall any obligation of the Club be deemed by the parties to in any manner

obligate Clark or to encumber or affect the interest of Clark in the real estate and water shares described on Exhibits "A" and "B".

8. Indemnity. The Golf Club (and, in the event of the assignment of this agreement, then its successor(s) in interest) agrees, up to a maximum of \$500,000.00 (including all defense costs) for each occurrence, to indemnify and save Clark and his successors and assigns harmless from and against any and all suits, actions, damages, claims, liability, expense and exposure including, without limitation, all claims for labor, materials, services and equipment furnished for the construction, maintenance, alteration, improvement and/or operation of the Golf Course and all claims for loss of life, bodily or personal injury or property damage, loss or damage to Licensee's equipment, fixtures or personal property or to Licensee's business including loss of business in any manner arising out of the construction, maintenance and/or operation of the Golf Course and occasioned wholly or in part by any act or omission of Licensor or Licensee, their agents, employees, servants, invitees or licensees. In the event Licensor shall be made a party to any litigation for which Licensor is entitled to indemnity under the provisions of this paragraph, then Licensee shall protect and hold Licensor harmless from all claims asserted against Licensor in such litigation, and shall pay all costs, expenses and attorney's fees incurred by Licensor up to a maximum of \$500,000.00 per each occurrence in the defense of any such litigation. This indemnification shall

not apply to any occurrence solely the result of Licensor's active negligence. During the entire term of this license, Licensee shall keep in full force and effect a policy or policies of bodily injury, personal injury and property damage insurance with respect to the Golf Course with limits for bodily injury and personal injury coverage of not less than \$500,000.00 per person, per occurrence. Licensee further agrees to cause Clark (or his successor(s) in interest) to be named as an additional insured on each such liability policy secured by it with respect to the operation of the Golf Course. For purposes of this paragraph "successors and assigns" of Clark shall be Clark's successors in interest in the real property described on Exhibit "A".

9. Default. In addition to all other remedies provided for herein and in the Master Agreement, the parties agree that Clark shall have remedies as follows for the default of the Licensee:

A. Termination. If the Golf Club shall fail to complete the construction of the Golf Course or to commence operation as a Golf Course on or prior to August 1, 1990, or if the Golf Club shall fail to pay all greenbelt rollback taxes, interest and penalties, with respect to the property described on Exhibit "A" when due or within 60 days thereafter, then the default in performance of such obligations shall be deemed to be a "material breach" within the meaning of such language in paragraph 13 of the Master Agreement and



Clark at his option may terminate this License Agreement upon 30 days advance written notice to Licensee or alternatively Clark and the other owners of fee title to properties located within the Homestead Golf Course may cancel and terminate the rights and privileges of the Golf Club under this agreement and nominate a successor to the Golf Club who shall possess all of the rights and privileges of the Licensee under this agreement all upon the affirmative vote of the owners of not less than 51% of the property located within the Homestead Golf Course as provided for by paragraph 13 of the Master Agreement.

B. Cancellation of Licensee's Rights and Appointment of Successor Licensee. For the purposes of paragraph 13 of the Master Agreement, the term "material breach" shall include, but shall not be limited to, any one or more of the following events of default on the part of the Golf Club:

(1) Failure of the Golf Club to pay any general property taxes or assessments assessed against the property described on Exhibit "A" for a period of two (2) years after the same became due.

(2) Failure of the Licensee to satisfy any final judgment secured by a lien against any interest in the property described on

Exhibit "A" at least 30 days prior to the sale of said property interest in foreclosure proceedings.

C. Termination of Lease of Water Shares. In the event the Golf Club shall fail to pay any tax or assessment against the leased water shares as required by the provisions of paragraph 2 of this agreement, at the time such taxes or assessments became due or 90 days prior to the sale of said shares or any part thereof for non-payment of such taxes or assessments, whichever shall last occur, then Licensor shall have the right and option upon 15 days advance written notice to Licensee to terminate all of the Licensee's rights under paragraph 2 of this agreement.

The exercise of any right of termination permitted by this paragraph shall not relieve the Licensee from the personal obligation to indemnify Licensor as required by paragraph 8 of this agreement or to assume and pay each and all of the obligations of the Licensee under the terms of this agreement including without limitation taxes and assessments incurred prior to the effective date of termination of Licensee's rights.

10. Assignment. No assignment of the Licensee's rights under this license agreement shall be valid unless the assignee as a part of such assignment shall in writing expressly assume and agree to perform each and all of the obligations of the Licensee under this agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

Calvin E. Clark  
Calvin E. Clark

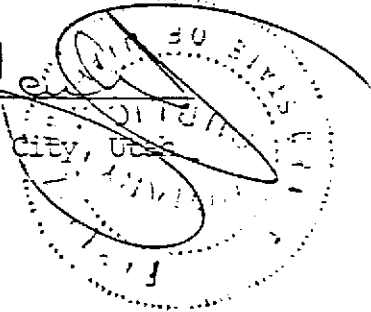
THE HOMESTEAD GOLF CLUB, INC.

By L. L. Stroud  
It's Vice President, Director and Agent

J: agrgolf.ho5

STATE OF UTAH        )  
                          ): ss.  
County of Summit    )

On the 22nd day of August, 1988, personally appeared before me, CALVIN E. CLARK, one of the signers of the foregoing instrument who duly acknowledged to me that he executed the same.

L. L. Stroud  
NOTARY PUBLIC  
Residing at: Salt Lake City, Utah  


My Commission Expires:  
9-3-90

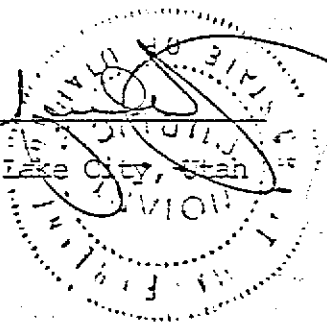
STATE OF UTAH        )  
                          ): ss.  
County of Summit    )

On the 22nd day of August, 1988, personally appeared before me, L. L. STROUD, who being by me duly sworn, did say that he is the Vice President, Director and Agent of The Homestead Golf Club, Inc., and that said instrument was signed in behalf of said corporation by authority

of a resolution of its board of directors, and said L. L. STROUD  
acknowledged to me that said corporation executed the same.

*[Handwritten Signature]*

NOTARY PUBLIC  
Residing at: Salt Lake City, Utah



My Commission Expires:

9-8-90

EXHIBIT "A"

Beginning at a point in a fenceline having Utah State Plane Coordinates, Central Zone of  $X = 2,024,803.22$  and  $Y = 799,615.13$ , said point being located South  $71^{\circ} 57' 39''$  West  $532.15$  feet from the center one-quarter corner of Section 27, Township 3 South, Range 4 East, Salt Lake Meridian;

thence South  $04^{\circ} 57' 18''$  East  $61.66$  feet along said fenceline;

thence South  $38^{\circ} 46' 18''$  East  $41.35$  feet along a fenceline;

thence South  $19^{\circ} 35' 46''$  West  $211.00$  feet;

thence South  $20^{\circ} 34' 35''$  East  $629.01$  feet to a fenceline;

thence South  $65^{\circ} 55' 00''$  East  $213.38$  feet along said fenceline;

thence South  $25^{\circ} 54' 27''$  East  $82.53$  feet;

thence South  $14^{\circ} 01' 58''$  East  $753.04$  feet to a fenceline;

thence South  $89^{\circ} 44' 16''$  West  $247.61$  feet to a fence corner;

thence North  $01^{\circ} 36' 00''$  East  $444.23$  feet along said fenceline to a fence corner;

thence North  $88^{\circ} 44' 14''$  West  $702.55$  feet along a fenceline to a fence corner;

thence North  $00^{\circ} 37' 10''$  East  $555.89$  feet along a fenceline;

thence North  $69^{\circ} 36' 14''$  West  $669.55$  feet, more or less to the easterly right-of-way fenceline of State Road 224 (Homestead Drive);

thence North  $00^{\circ} 05' 37''$  West  $253.44$  feet along said right-of-way fenceline;

thence South  $89^{\circ} 36' 14''$  East  $202.05$  feet to a fence line;

thence North  $03^{\circ} 07' 23''$  East  $467.39$  feet along said fenceline;

thence South  $89^{\circ} 36' 14''$  East  $202.28$  feet to the P.O.B.

Area: 19,171 acres, more or less.

Basis of bearing: Utah State Plane Coordinate System.

Beginning at the West one-quarter corner of Section 27, Township 5 South, Range 4 East, Salt Lake Meridian, said corner having Utah State Plane Coordinates, Central Zone of  $X = 2,022,633.84$  and  $Y = 792,771.63$ ;

thence EAST 552.24 feet along a fence line to a fence corner;  
 thence South 02 12' 10" East 32.13 feet along a fence line to a fence corner;  
 thence South 03 02' 16" East 15.18 feet along a fence line;  
 thence South 12 42' 54" East 321.79 feet to a fence line;  
 thence South 01 48' 50" West 139.31 feet along said fence line to a gate corner;  
 thence South 36 44' 04" East 72.65 feet along a fence line;  
 thence South 68 37' 46" East 266.10 feet, more or less, along a fence line and the north line of a one rod right-of-way to the westerly right-of-way line of said SR 224 (Homestead Drive);  
 thence SOUTH 15.52 feet;  
 thence North 23 37' 46" West 224.04 feet along the south line of said one rod right-of-way to a fence line;  
 thence South 01 28' 03" West 101.50 feet along said fence line;  
 thence North 64 53' 07" West 293.63 feet;  
 thence North 77 10' 27" West 95.33 feet;  
 thence North 67 45' 29" West 298.44 feet;  
 thence North 52 17' 25" West 99.23 feet;  
 thence North 02 18' 40" East 324.24 feet to the Point of Beginning.

Area: 6.513 acres, more or less.

Basis of bearing: Utah State Plane Coordinate System.

Beginning at a point on the East bank of the Garber Ditch, said point having Utah State Plane Coordinates, Central Zone of X= 2,002,639.12 and Y= 799,771.62, and said point being located E45° 19.29 feet from the West one-quarter corner of Section 27, Township 3 South, Range 4 East, Salt Lake Meridian;

thence along said ditch bank the following eleven (11) courses;

- North 05 05' 47" East 105.94 feet;
- North 02 50' 14" East 93.94 feet;
- North 16 44' 40" East 100.11 feet;
- North 03 04' 52" East 220.01 feet;
- North 04 25' 02" West 55.99 feet;
- North 13 13' 22" West 100.45 feet;
- North 02 45' 15" West 93.92 feet;
- North 10 17' 42" West 95.55 feet;
- North 21 53' 22" West 62.77 feet;
- North 03 08' 20" West 51.72 feet;
- North 09 47' 31" West 60.35 feet;

thence North 01 07' 36" East 220.51 feet to the southerly right-of-way fence line of State Road 224;

thence South 83 04' 18" East 217.90 feet along said right-of-way fence line;

thence South 85 34' 39" East 87.14 feet along said right-of-way fence line;

thence South 20 55' 48" East 229.16 feet;

thence South 14 42' 45" East 224.53 feet;

thence South 15 42' 54" East 255.22 feet to a fence line;

thence North 02 02' 16" West 15.18 feet along said fence line to a fence corner;

thence North 09 12' 19" West 35.13 feet along a fence line to a fence corner;

thence WEST 222.95 feet along a fence line to the Point of Beginning.

Area: 5.554 acres, more or less.

Basis of bearing: Utah State Plane Coordinate System.



Beginning at the West one-quarter corner of Section 27, Township 3 South, Range 4 East, Salt Lake Meridian, said corner having Utah State Plane Coordinates, Central Zone of X= 2,002,639.84 and Y= 799,771.60;

thence South 00 18' 40" West 394.84 feet;  
 thence North 52 17' 25" West 2.81 feet;  
 thence South 25 00' 23" West 109.14 feet to the northerly right-of-way line of a county road;  
 thence North 40 54' 00" West 16.43 feet along said right-of-way;

thence North 25 00' 23" East 106.48 feet;  
 thence North 57 40' 14" West 56.49 feet;  
 thence North 19 58' 14" West 60.69 feet;  
 thence North 04 39' 34" East 158.82 feet;  
 thence North 06 15' 50" West 107.76 feet;  
 thence North 02 54' 26" West 297.83 feet;  
 thence North 00 17' 08" East 139.76 feet;  
 thence North 00 21' 02" West 167.28 feet;  
 thence South 85 54' 50" West 145.39 feet to a point of curvature whose center bears South 77 49' 54" East;

thence northeasterly 76.07 feet along the arc of a 299.62 foot radius curve to the right, through a central angle of 14 32' 50" (chord bears North 19 26' 32" East 75.87 feet);

thence North 26 42' 56" East 69.88 feet;  
 thence northwesterly 160.92 feet along the arc of a 125.00 foot radius curve to the left, through a central angle of 73 45' 41" (chord bears North 10 09' 54" West 150.04 feet);

thence North 85 47' 51" East 28.56 feet;  
 thence North 21 01' 56" East 76.16 feet;  
 thence North 89 56' 44" East 190.82 feet to the west bank of the Gerber Ditch;

thence along said ditch bank the following nine (9) courses;

South 21 52' 28" East 30.54 feet;  
 South 10 18' East 100.00 feet;  
 South 02 49' East 100.00 feet;  
 South 13 14' East 100.00 feet;  
 South 04 26' East 100.00 feet;  
 South 03 05' West 200.00 feet;

South 18 45' West 100.00 feet;  
 South 22 50' West 100.00 feet;  
 South 05 44' West 109.01 feet;  
 thence WEST 5.00 feet to the Point of Beginning.

Area: 4.538 acres, more or less.

~~Section 28~~

Beginning at a point having Utah State Plane Coordinates, Central Zone, of X= 2,002,378.95 and Y= 800,411.03, said point being located North 22 11' 45" West 690.81 feet from the brass capped East one-quarter corner of Section 28, Township 3 South, Range 4 East, Salt Lake Meridian;

thence North 84 02' 41" West 110.84 feet;  
 thence South 87 02' 22" West 259.68 feet;  
 thence South 87 03' 47" West 383.82 feet;  
 thence southwesterly 326.44 feet along the arc of an 800.00 foot radius curve to the left, through a central angle of 27 40' 37" (chord bears South 73 13' 28" West 382.70 feet);  
 thence South 59 23' 24" West 28.81 feet to the northerly right-of-way line of a county road;  
 thence northwesterly along said right-of-way line 203.27 feet along the arc of a 1934.86 foot radius curve to the left, through a central angle of 06 01' 10" (chord bears North 62 49' 58" West 203.18 feet);  
 thence North 25 57' 46" East 168.62 feet;  
 thence northeasterly 94.64 feet along the arc of a 300.00 foot radius curve to the right, through a central angle of 18 04' 27" (chord bears North 71 21' 35" East);  
 thence North 80 23' 52" East 83.48 feet;  
 thence North 82 15' 18" East 104.57 feet;  
 thence North 87 58' 05" East 662.00 feet;  
 thence North 85 47' 51" East 264.67 feet;  
 thence southeasterly 179.39 feet along the arc of an 85.00 foot radius curve to the right, through a central angle of 120 55' 05" (chord bears South 33 44' 37" East 147.90 feet);  
 thence South 26 42' 56" West 69.88 feet;  
 thence southwesterly 15.04 feet along the arc of a 339.62 foot radius curve to the left, through a central angle of 02 32' 15" (chord bears South 25 26' 48" West 15.04 feet) to the Point of Beginning.

Area: 5.961 acres, more or less.

Basis of bearing: Utah State Plane Coordinate System.

EXHIBIT "B"  
IDENTIFICATION OF LEASED WATER SHARES  
OF MIDWAY IRRIGATION COMPANY

Certificate No.	Standing In The Name Of	Total Shares	Shares Leased	Irrigation Company Ditch From Which Leased Waters Are To Be Delivered
1932	Calvin E. Clark &	23	11	Probst
1876	Robert A. Cordie	27	12	West Bench
1806	"	13	11	West Bench
2045	"	5	5	Mound
1908	"	5	5	Mound
1922	"	8	4	Bunnell
		81	48	