

When recorded
Return to:
Brent Horrocks
11576 S. State #202
Draper, UT 84020

AGREEMENT

ENT 138441;2004 PG 1 of 9
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2004 Dec 09 2:57 pm FEE 59.00 BY SFS
RECORDED FOR HORROCKS, BRENT

This Agreement is made this 18 day of June, 2004, by and between Mt. Saratoga, Inc. and Scenic Mountain, LLC (herein jointly and severally referred to as "Mt. Saratoga"); and Royal Enterprises and Leasing, Inc. herein referred to as "Royal Enterprises"). For Good and Valuable Consideration the adequacy of which is hereby acknowledged the parties hereto understand and agree as follows:

1. Mt. Saratoga is purchasing the following described property located in Utah County, Utah from the Glen E. Smith Trust:

See Exhibit "A" attached hereto and made a part hereof by this reference thereto (herein referred to as the "Smith Property").

2. Scenic Mountain, LLC has executed a Trust Deed Note date June 10, 2004 in the amount of \$1,530,000.00 in favor of Royal Enterprises. The funds loaned by Royal Enterprises have been used for the purchase of the Smith Property. A first Trust Deed on the Smith Property shall be the initial security for said loan.
3. In the event that the Royal Enterprises loan has not been paid in full December 10, 2004, then, and in that event, Mt. Saratoga agrees to deliver to Royal Enterprises a "Second Trust Deed" to be recorded in a second lien position encumbering 200 lots selected by Royal Enterprises within the proposed Phase 2 of the Mt. Saratoga Country Club project in Utah County, Utah. The Phase 2 Property consists of approximately 314.22 acres with 465 single-family lots as shown on the Mt. Saratoga PUD Master Development Plan (Map) prepared by Stanley Consultants, Inc. dated April 15, 2004 (herein referred to as the "Phase 2 Property").
4. The Second Trust Deed shall be given as additional security for the Royal Enterprises Note referred to above.
5. In the event that the subdivision plat covering the Phase 2 Property has not been recorded by December 10, 2004, then and in that event, Royal Enterprises shall have the right to select 71 acres of the Phase 2 Property to be encumbered by said Second Trust Deed.
6. Mt. Saratoga shall immediately execute the Second Trust Deed or cause the Second Trust Deed to be duly executed by the appropriate fee title owner of the Phase 2 and/or Phase 3 Property to be encumbered by the Second Trust Deed. Said Second Trust Deed shall forthwith be recorded in the office of the Utah County Recorder.
7. In the event that Phase 3 as shown on the Mt. Saratoga PUD has also been platted, Royal Enterprises shall have the option to select lots from Phase 2 and /or Phase 3 of the project.

DATED this 10 day of June, 2004.

Mt. Saratoga, Inc.

Scenic Mountain, LLC

By: [Signature]
Its: _____

By: [Signature]
Its: _____

Royal Enterprises and Leasing, Inc.

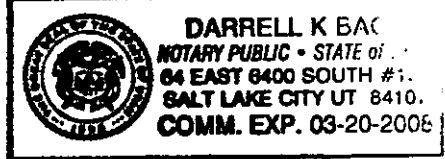
By: [Signature]
Its: _____

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

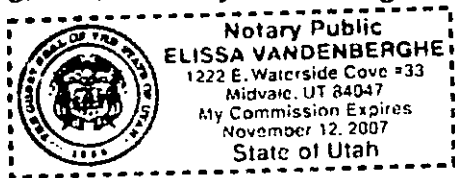
The foregoing instrument was acknowledged before me this 10th day of June, 2004 by Dennis Johnson the U. Pres of Mt. Saratoga, Inc. and by Warren D. Kiggins the M. M. of Scenic Mountain, LLC who duly acknowledged to me that said instrument was executed by authority.

[Signature]
NOTARY PUBLIC

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



The foregoing instrument was acknowledged before me this 10th day of June, 2004 by Brent Horrocks the Agent of Royal Enterprises and Leasing, Inc., who duly acknowledge to me that said instrument was executed by authority.



[Signature]
NOTARY PUBLIC

EVANS PARCEL

ENT 75586:2000 PG 2 of 2

EXHIBIT A

- A) LOT 1, PLAT C, WEST LAKE ESTATES SUB. AREA 21.225 AC.;
- B) BEGINNING AT A POINT WHICH IS SOUTH 89 DEGREES 53 MIN. 17 SEC. WEST ALONG THE QUARTER SECTION LINE 1029.20 FEET FROM THE EAST. QUARTER CORNER OF SECTION 22 TOWNSHIP 5 SOUTH, RANGE 1 WEST SALT LAKE BASE AND MERIDIAN; THENCE SOUTH 89 DEGREES 53 MIN. 17 SEC. WEST ALONG THE QUARTER SECTION LINE 1404.27 FEET; THENCE NORTH 20 DEGREES 51 MIN. 02 SEC. EAST ALONG WEST LAKE MANOR PLAT A 222.95 FEET; THENCE NORTH 10 DEGREES 11 MIN. 51 SEC. EAST ALONG WEST LAKE MANOR PLAT A 1035.45 FEET; THENCE NORTH 7 DEGREES 41 MIN. 35 SEC. EAST ALONG WEST LAKE MANOR PLAT A 100.61 FEET; THENCE NORTH 89 DEG. 54 MIN. 49 SEC. EAST 1130.32 FEET; THENCE SOUTH 0 DEGREES 05 MIN. 41 SEC. WEST 1326.11 FEET TO THE POINT OF BEGINNING. CONTAINS 37.99 ACRES;
- C) Commencing at the South one-quarter corner of Section 21, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence North 0 deg. 18' 23" East along the one-quarter section line 1287.59 feet; thence more or less along the abandoned North line of the Union Pacific Railroad as follows: South 44 deg. 46' 18" East 511.77 feet, South 60 deg. 29' 41" East 346.51 feet, South 80 deg. 34' 49" East 671.69 feet, North 76 deg. 57' 13" East 544.44 feet; North 57 deg. 13' 14" East 534.05 foot, North 38 deg. 53' 12" East 335.86 feet; thence South 89 deg. 30' 37" East along the 1/16 section line 126.83 feet; thence South 1 deg. 18' 46" West 593.80 feet; thence more or less along the centerline of a country road as follows: South 81 deg. 35' 52" West 529.53 feet, South 52 deg. 38' 36" West 1068.93 feet; South 52 deg. 38' 36" west 1068.93 feet; thence North 89 deg. 50' 17" West along the section line 1261.48 feet to the point of beginning; and
- D) Commencing at the south one-quarter of Section 21, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence North 89 deg. 10' 11" West along the section line 1601.74 feet; thence North 2335.99 feet; thence more or less along the abandoned north line of the Union Pacific Railroad as follows: South 61 deg. 54' 28" East 112.24 feet, South 75 deg. 53' 16" East 161.48 feet, South 81 deg. 14' 47" East 414.21 feet, South 68 deg. 13' 38" East 452.11 feet, South 36 deg 56' 45" East 628.35 feet, South 30 deg. 37' 27" East 286.44 feet; thence South 0 deg. 18' 23" West along the one-quarter section line 1287.57 feet to point of beginning.

JOHNSON LAND

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EXHIBIT A

ENT 522622000 PG 2 of 2

Commencing at the Northwest corner of the Southwest quarter of Section 21, Township 5 South, Range 1 West, Salt Lake Meridian; thence East 4813.86 feet; thence South 4°48' West 1818.7 feet; thence Northeasterly along curve 169 feet; thence North 4°48' East 1722 feet; thence East 335.68 feet; thence South 20 chains West along North side of Union Pacific Railroad right of way 24.35 chains to point 11.75 chains more or less South of center of Southeast quarter of said Section 21; thence West along North side of Union Pacific Railroad right of way 22.4 chains, more or less, to point 13.55 chains West of center of Southeast quarter of said Section 21; thence West 22.15 chains along North side of Union Pacific Railroad right of way to point 5 chains South of the Northeast corner of the Northwest quarter of the Southwest quarter of said Section 21; thence West 20.6 chains, more or less, along North side of Union Pacific Railroad right of way to beginning. Being all that part of ground lying North of Union Pacific Railroad right of way in South half of Section 21, Township 5 South, Range 1 West, Salt Lake Meridian. Area 122.98 acres.

Commencing at the Northeast corner of Section 21, Township 5 South, Range 1 West, Salt Lake Meridian; thence South 40 chains; thence West 80 chains; thence North 10 chains; thence East 6.50 chains; thence North 10 chains; thence East 5 chains; thence North 20 chains; thence East 13.50 chains; thence South 16 chains; thence East 12 chains; thence North 5 chains; thence East 5 chains; thence South 5 chains; thence East 8 chains; thence North 5 chains; thence East 10 chains; thence South 5 chains; thence East 15 chains; thence North 16 chains; thence East 85.54 feet; thence South 4°48' West 2649.30 feet; thence East 130.46 feet retrace; thence North 4°48' East 2649.30 feet; thence East 114 feet, more or less, to beginning. Area 209.59 acres.

Subject to rights of way and easements now existing and/or of record. All oil and mineral rights of whatsoever kind and nature are reserved by grantors.

SMITH PARCEL

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EXHIBIT "A"

Commencing 100 rods East of the Northwest Corner of Section 21, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence South 64 rods; thence East 48 rods; thence North 20 rods; thence East 20 rods; thence South 20 rods; thence East 32 rods; thence North 20 rods; thence East 40 rods; thence South 20 rods; thence East 60 rods; thence North 64 rods; thence West 200 rods to the point of beginning.

Also: Commencing at the Northwest Corner of Section 21, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence South 120 rods more or less to Right of Way of the UPRR; thence East 26 rods; thence North 40 rods; thence East 20 rods; thence North 80 rods more or less to the North Line of Section 21; thence West 46 rods to the point of beginning.

and

Commencing at the Southwest Corner of Section 16, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence North $0^{\circ} 15' 55''$ East 219.99 feet; thence South $89^{\circ} 0' 48''$ East 800 feet; thence North $0^{\circ} 15' 56''$ East 1100 feet; thence North $89^{\circ} 00' 48''$ West 800 feet; thence North $0^{\circ} 15' 55''$ East 639.39 feet; thence North $0^{\circ} 15' 55''$ East 19.02 feet; thence North $78^{\circ} 26' 26''$ East 1494.52 feet; thence South $12^{\circ} 0' 0''$ East 602.94 feet; thence North $78^{\circ} 3' 00''$ East 300 feet; thence North $12^{\circ} 0' 9''$ West 600.93 feet; thence North $78^{\circ} 26' 26''$ East 916.77 feet; thence South $0^{\circ} 23' 26''$ West 305.02 feet; thence South $0^{\circ} 23' 26''$ West 2262.32 feet; thence North $89^{\circ} 0' 48''$ West 2648.34 feet to the point of beginning.

Commencing 8 chains South of the Northwest Corner of the Southwest Quarter of Section 16, Township 5 South, Range 1 West of Salt Lake Base and Meridian; thence South 32 chains; thence East 40 chains; thence North 39 chains, more or less, to State Right-of-Way; thence Westerly along South side of said Right-of-Way to beginning.

Less 8.61 acres to State Road

Less and Excepting the following two legal descriptions:

Commencing at a point which is North $00^{\circ} 15' 56''$ East 220.00 feet along the Section line from the Southwest corner of Section 16, Township 5 South, Range 1 West of Salt Lake Base and Meridian; thence as follows; thence North $00^{\circ} 15' 56''$ East 1100.00 feet along section; thence South $89^{\circ} 00' 48''$ East 800.00 feet; thence South $00^{\circ} 15' 56''$ West 1100.00 feet; thence North $89^{\circ} 00' 48''$ West 800.00 feet to the point of beginning.

Also

Commencing at a point on Southerly line of State Road 2569 feet more or less North and South $78^{\circ} 03'$ West along said road 900 feet from South Quarter Corner of Section 16, Township 5 South, Range 1 West of Salt Lake Base and Meridian; thence along said road South $78^{\circ} 03'$ West 300 feet; thence South 12° West 600 feet; thence North $78^{\circ} 03'$ East 300 feet; thence North 12° West 600 feet to the point of beginning.

COLLINS PARCEL

EXHIBIT

1945-64

the following described real estate, to-wit:

East Half (E $\frac{1}{2}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 16,
 Township 5 South, Range 1 West, S.L.M., Utah County, Utah,
 and electric transmission lines
 together with a right of way for waterlines/extending from the
 land above described onto, over and across any other land in
 the vicinity and now owned by grantor, together with the right
 of way of ingress and egress from the above land to Highway #73.

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March

X
L. Ward Webb

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Mon Jun 02 2003 09:27 UTAH COUNTY RECORDERS OF

EXHIBIT "A"

ENT 70667 K 4056 K 34

TRACT 1:

The Northwest Quarter of the Northwest Quarter of Section 28,
Township 5 South, Range 1 West, Salt Lake Meridian.

ALSO: The Northwest Quarter of the Northwest Quarter of Section
29, Township 5 South, Range 1 West, Salt Lake Meridian.

ALSO: The East Half of the Northeast Quarter, the Northwest
Quarter of the Northeast Quarter, and the East Half of the
Northeast Quarter of the Southeast Quarter of Section 29,
Township 5 South, Range 1 West, Salt Lake Meridian.

ALSO: The East Half of the Northwest Quarter and the Southwest
Quarter of the Northwest Quarter of Section 29, Township 5 South,
Range 1 West, Salt Lake Meridian.

ALSO: The Northeast Quarter of the Northeast Quarter of Section
30, Township 5 South, Range 1 West, Salt Lake Meridian.

ALSO: The North Half of the Northeast Quarter of the Northeast
Quarter of Section 32, Township 5 South, Range 1 West, Salt Lake
Meridian.

Reserving, however, all interest in and to all oil, gas,
petroleum, Naphtha, other hydro-carbon substances and minerals of
whatsoever kind and nature in, upon or beneath the property
hereinabove described, together with the right of entry and all
other rights, including all rights of way and easements which may
be necessary for the development, production and removal of all
such substances and minerals and the full enjoyment of the
interests so reserved. All of the said rights and interests
having heretofore been reserved by the Jacob Investment Company
in its deed to the Seller.

TRACT 2:

Beginning at a Point North 89°54'16" East 462.0 feet along the
North Section Line from the Northwest Corner of Section 11,
Township 5 South, Range 1 West, Salt Lake Base and Meridian, and
running thence South 0°39'40" West 636.231 feet; thence North
5°08'57.6" East 331.392 feet to a point on the West Right of Way
Line of an irrigation canal; thence North 6°08'00" East 310.0
feet along said canal line to a point on the North line of said
Section 11; thence South 89°54'16" West 55.5 feet along said
section line to point of beginning. Contains 0.386 acre, more or
less.

TRACT 3:

Beginning 125 rods West from the Southeast Corner of the
Southeast Quarter of Section 2, Township 5 South of Range 1 West,
of the Salt Lake Meridian; thence West 35 rods; thence North 40
rods; thence East 35 rods; thence South 40 rods to place of
beginning. Area 8.75 acres.

ALSO: The South Half of the Southwest Quarter of Section 2,
Township 5 South, Range 1 West, Salt Lake Base and Meridian. Less
those portions of the above property which have heretofore been
sold to the Utah State Road Commission and to the Provo Reservoir
Company. Also less that portion sold to Byrna W. Grant. Area 80
acres, more or less.

ALSO: Commencing at the Southeast Corner of Section 3, Township 5
South, Range 1 West of the Salt Lake Base and Meridian; thence
West 64 rods; thence North 26 degrees 34' East 89.44 rods; thence
East 24 rods; thence South 80 rods to the place of beginning.
Area 24 acres.

TRACT 4:

Commencing 125 rods West from the Southeast Corner of the
Southeast Quarter of Section 2, Township 5 South, Range 1 West,
Salt Lake Base and Meridian; thence West 35 rods; thence North 40
rod; thence East 35 rods; thence South 40 rods to the place of
beginning. Area 8.75 acres.

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ALSO: The South Half of Southwest Quarter of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian; less 6.81 acres sold to Provo Reservoir, less 1.61 acres to State Road Commission; less 25.07 acres sold; Area 43.89 acres.

ALSO: Commencing at the Southeast Corner of Section 5, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence West 64 rods; thence North 26°34' East 1032.76 feet; thence East 594 feet; thence South 924 feet to beginning. Area 17.50 acres.

TRACT 5a

Commencing 100 rods East of the Northwest Corner of Section 21, Township 5 South, Range 1 West, Salt Lake Meridian; thence South 64 rods; thence East 48 rods; thence North 20 rods; thence East 20 rods; thence South 20 rods; thence East 32 rods; thence North 20 rods; thence East 40 rods; thence South 20 rods; thence East 60 rods; thence North 64 rods; thence West 200 rods to beginning. Area 73 acres, more or less.

ALSO: Commencing at the Northwest Corner of Section 21, Township 5 South, Range 1 West, Salt Lake Meridian; thence South 120 rods, more or less to right-of-way of the Union Pacific Railroad; thence East 26 rods; thence North 40 rods; thence East 20 rods; thence North 80 rods, more or less, to the North line of Section 21; thence West 46 rods to beginning. Area 29.5 acres, more or less.

TRACT 5b

Commencing at the Northwest Corner of Section 11, Township 5 South, Range 1 West of the Salt Lake Base and Meridian; thence South 19 chains; thence South 85° East 7 chains; thence North 19.34 chains; thence West 6.75 chains to beginning. Also commencing 25 chains South of the above named corner; thence South 85° East 18.5 chains; thence South 7 chains; thence South 11°30' West 28 chains; thence West 12.47 chains; thence North 35.5 chains to beginning. Area 54.6 acres.

ALSO: Commencing at the Northeast Corner of Section 10, Township 5 South, Range 1 West, Salt Lake Meridian; thence West 40 chains; thence South 76.21 chains; thence North 51°21' East 225 feet; thence North 3° East 225 feet; thence North 30°26' East 215 feet; thence North 5°26' East 200 feet; thence North 15°15' East 338 feet; thence East 1289 feet; thence South 636 feet; thence East 890 feet; thence North 45°10' West 16 chains; thence West 11 chains; thence North 35.5 chains; thence North 85° West 12.5 chains; thence North 60° West 7 chains; thence North 5 chains; thence North 79° East 8 chains; thence South 64° East 11 chains; thence North 19 chains to beginning. Area 248.6 acres.

TRACT 7a

The South Half of the Northwest Quarter, the North Half of the Southwest Quarter of Section 20, Township 5 South, Range 1 West, Salt Lake Meridian. Area 160 acres.

ALSO: The West Half of the Northeast Quarter, the South Half of the Northwest Quarter and the Southwest Quarter of Section 25, Township 5 South, Range 2 West, Salt Lake Meridian; Also the North Half of the Northwest Quarter of said Section 25. Total area 400 acres.

TRACT 8a

Commencing at the Southwest Corner of Section 17, Township 5 South, Range 1 West, Salt Lake Meridian; thence North 17.97 chains; thence Southeasterly 20.25 chains; thence North 2.70 chains; thence East 40 chains; thence South 20 chains; thence West 60 chains to beginning. Area 115.30 acres.

ALSO: The North Half of the Northwest Quarter of Section 20, Township 5 South, Range 1 West, Salt Lake Meridian. Area 80 acres.

TRACT 9a

Commencing 8 chains South of the Northwest Corner of the

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DN 70667 R 4056 R 36

Southwest Quarter of Section 16, Township 5 South, Range 1 West of Salt Lake Base and Meridian; thence South 32 chains; thence East 40 chains; thence North 39 chains, more or less, to State right-of-way; thence Westerly along South side of said right-of-way to beginning. Area 147.4 acres. Less 8.61 acres to State Road. Total area 138.79 acres.

ALSO: The Northeast Quarter of the Southeast Quarter of Section 17, Township 5 South, Range 1 West, Salt Lake Meridian. Area 38.50 acres. Less 1.50 acres for road. Less 4.65 acres to new State road. Area 33.85 acres.

ALSO: The Northeast Quarter of Section 20, Township 5 South, Range 1 West, Salt Lake Meridian. Less 6 acres for Railroad and roads. Area 154 acres.

TRACT 10:

Commencing 60 chains East and 20 chains North of the Southwest Corner of Section 17, Township 5 South, Range 1 West, Salt Lake Meridian; thence West 35.2 chains; thence Northeastly along South side of State Road to a point 2.8 chains due North of beginning; thence South 2.8 chains to beginning. Area 11.96 acres, more or less.

TRACT 11:

All of Lot 5, Block 26, Plat "A", Lehi City Survey of Building Lots. Subject to existing easements of record.

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