

NW14-4 N-1W  
09-085 0053+0057  
0053  
0033  
0036

AGREEMENT

E 1083888 B 1702 P 965  
CAROL DEAN PAGE, DAVIS CNTY RECORDER  
1993 DEC 20 9:21 AM FEE 70.00 DEP DJW  
REC'D FOR ACCESS TITLE

This Agreement is made this 8th day of December 1993 by and among Folksam General Mutual Insurance Society ("Folksam"), Distance Investment and Development, Inc. ("Distance"), BL, Inc. ("BL"), Sleepy Hollow Subdivision L.C. ("Sleepy Hollow") and Roger D. Moore ("Moore") (collectively, the "Parties").

WHEREAS, Folksam represents that it filed in May 1992 an action against, inter alia, Randolph P. Shipley and the Shipley Family Children's Trust, a/k/a Shipley Children's Irrevocable Trust (collectively, "Shipley"), which is pending in the Los Angeles County Superior Court as Folksam General Mutual Insurance Society v. Fontana Films Sweden Aktiebolag, et al., Case No. BC055491 (the "Folksam Action").

WHEREAS, Moore, Distance, BL and Sleepy Hollow (collectively, the "Moore Parties") represent that Distance is a Nevada corporation that was formed in September 1992, with H. Douglas Clark ("Clark") as its sole officer and director.

WHEREAS, the Moore Parties represent that Clark, acting for Distance, signed a promissory note dated September 25, 1992 in favor of Shipley for up to \$1,000,000 that Shipley agreed to loan Distance (the "Distance Note"), and that Distance transferred to Shipley all Distance stock.

WHEREAS, the Moore Parties represent that Distance and BL, a Utah corporation, formed Sleepy Hollow, a Utah limited liability company, to develop certain real property owned by BL in Layton, Davis County, Utah described in Exhibit A attached hereto (the "Subject Property"), with BL agreeing, inter alia, to convey

title to the Subject Property to Sleepy Hollow and Distance agreeing, inter alia, to provide up to \$530,000 to finance the construction of improvements to the Subject Property.

WHEREAS, the Moore Parties represent that Distance is the manager of Sleepy Hollow, which Moore controls, and that Distance is authorized to execute this agreement on Sleepy Hollow's behalf.

WHEREAS, the Moore Parties represent that Moore has succeeded Clark as the sole officer and director of Distance and is authorized to execute this agreement on behalf of, and controls, Distance and BL.

WHEREAS, the Moore Parties represent that BL transferred title in the Subject Property to Sleepy Hollow, and that a deed of trust securing an unpaid obligation in an amount not exceeding \$680,000 in favor of Distance and a deed of trust securing an unpaid obligation in an amount not exceeding \$150,000 in favor of BL were recorded as encumbrances on the Subject Property.

WHEREAS, the Moore Parties represent that pursuant to the Distance Note, Shipley loaned Distance approximately \$617,378, of which approximately \$392,528 has been used in connection with the improvement of the Subject Property.

WHEREAS, the Moore Parties represent that Moore, any person or entity related to or controlled directly or indirectly by Moore, any entity in which he is (or at any time since July 1, 1992 was) an officer, director, shareholder, partner or member or any entity in which he holds (or at any time since July 1, 1992 has held) a financial interest has not received any money or

property from Shipley or any person or entity related to or controlled directly or indirectly by Shipley, other than the approximately \$617,378 referred to in the prior paragraph.

WHEREAS, Folksam represents that it claims that the money that Shipley loaned to Distance pursuant to the Distance Note is the proceeds of money that Shipley wrongfully diverted from funds held for the benefit of Folksam, and that the Los Angeles County Superior Court has found that Folksam has a reasonable probability of prevailing on its claim and issued a preliminary injunction prohibiting the parties identified therein from further transferring or encumbering the Distance stock, the Distance Note, the Subject Property and the deed of trust encumbering the Subject Property in favor of Distance (the "Preliminary Injunction").

WHEREAS, Folksam represents that it has filed a second amended complaint in the Folksam Action in which Distance is named as a defendant.

WHEREAS, Folksam represents that a copy of the Preliminary Injunction has been recorded in the public records of the Davis County recorder's office.

WHEREAS, the Moore Parties represent that Sleepy Hollow contracted with Eddy Shaw Construction ("Eddy Shaw") to perform construction work to improve the Subject Property, and that additional costs have been incurred for work done by Eddy Shaw that the original contract did not cover.

WHEREAS, the Moore Parties represent that Eddy Shaw has received approximately \$239,000 for work performed on the Subject

Property, leaving a balance of approximately \$169,000 for work required under the original contract between Eddy Shaw and Sleepy Hollow and for extra work involving tree removal, hillside retention and other work incidental to repairing damage done by mudslides.

WHEREAS, the Moore Parties represent that Eddy Shaw Construction has submitted bills totaling \$117,692.37 for work performed in connection with improving the Subject Property, which bills have not yet been paid and are included in the outstanding balance of approximately \$169,000.

WHEREAS, the Moore Parties represent that Eddy Shaw has completed the improvements to the Subject Property required by its contract with Sleepy Hollow except for asphalt work necessary to complete the roads newly constructed on the Subject Property, which asphalt work the City of Layton has recommended not be completed until Spring 1994.

WHEREAS, the Moore Parties represent that the other costs necessary to complete improvements to the Subject Property are approximately \$11,216.22 to Eddy Shaw for extra tree removal, hillside retention and mudslide repair work not contemplated under its original contract with Sleepy Hollow (the "Extra Work"); \$7,220.30 to Mountain Fuel Supply; \$4,042.62 to Hill, Jamison & Associates; and approximately \$1,000 to Art Maxwell.

WHEREAS, the Moore Parties represent that an investor group represented by Lynn Clingo (the "First Clingo Investor Group") has advanced \$189,239.89 that has been used to pay construction and related costs of improving the Subject Property.

WHEREAS, the Moore Parties represent that Sleepy Hollow desires to make additional improvements to the Subject Property to enhance the market value of the individual lots, which improvements are estimated to cost \$50,000 (the "Enhancement Improvements").

WHEREAS, the Moore Parties represent that Sleepy Hollow has accepted offers to purchase three of the individual lots contained in the Subject Property (the "Sold Lots"), which will yield approximately \$100,000 in cash sales proceeds.

WHEREAS, the Moore Parties represent that Sleepy Hollow cannot sell the other 39 individual lots within the Subject Property (the "Unsold Lots") until the subdivision plat map is recorded, and the City of Layton will not allow the subdivision plat map to be recorded until \$98,431 has been deposited into an escrow account under the city's control, \$51,275 of which is to be used for the asphalt work and the Extra Work that remains to be done to complete the Subject Property improvements and \$47,156 of which is to be used as security for other improvements or repairs to the Subject Property that the City deems necessary.

WHEREAS, the Moore Parties represent that a second investor group represented by Lynn Clingo ("Second Clingo Investor Group") has agreed to loan Sleepy Hollow and Distance up to \$400,000 to cover the costs necessary to enable the Sleepy Hollow development project to be completed and the subdivision plat map to be recorded and that, as conditions of that loan, the Second Clingo Investor Group requires that all funds advanced by it be used to complete improvements to the Subject Property (and for no other

project), that its loan be secured by a deed of trust encumbering the Subject Property that is senior to the existing deeds of trust in favor of Distance and BL and the Preliminary Injunction and that a title insurance company issue a policy insuring that the Second Clingo Investor Group's security interest has priority over the respective interests of Distance and BL and the Preliminary Injunction.

WHEREAS, the Moore Parties represent that they have contacted a number of title companies who are unwilling to issue a title policy acceptable to the Second Clingo Investor Group because of the Preliminary Injunction.

WHEREAS, the Moore Parties represent that Access Title Company is willing to issue a title policy insuring that the security interest in favor of the Second Clingo Investor Group has priority over the deeds of trust in favor of Distance and BL and the Preliminary Injunction only if (a) Distance and BL execute an agreement subordinating their respective interests to a deed of trust securing the loan by the Second Clingo Investor Group and (b) Folksam executes a quitclaim deed conveying to Sleepy Hollow the interest evidenced by the Preliminary Injunction.

WHEREAS, Folksam has claimed an interest in the Subject Property through the Preliminary Injunction; however, in consideration for this agreement, Folksam is willing to execute a quitclaim deed, but only if (a) the Moore Parties agree that (i) Folksam claims a right and interest in the deed of trust encumbering the Subject Property in favor of Distance and in the loan secured by that deed of trust and (ii) no release of all or

any portion of Distance's deed of trust on the Subject Property shall be effective without Folksam's consent and (b) this agreement is recorded contemporaneously with the recordation of the required quitclaim deed and the deed of trust in favor of the Second Clingo Investor Group.

WHEREAS, the Moore Parties represent that they are willing to agree to the conditions set forth in the prior paragraph and to execute an agreement subordinating the deeds of trust in favor of Distance and BL to the deed of trust in favor of the Second Clingo Investor Group.

WHEREAS, the Parties intend that this agreement be recorded and that the order of priority of security interests encumbering the Subject Property at the time that the loan from the Second Clingo Investor Group to Sleepy Hollow is funded shall be, first, the deed of trust in favor of the Second Clingo Investor Group; second, the deed of trust in favor of Distance; and third, the deed of trust in favor of BL.

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants and promises set forth herein, the Parties agree as follows:

1. Sleepy Hollow shall execute a promissory note in favor of Lynn Clingo (or his assigns) in an amount not to exceed \$400,000, which note shall bear interest at the rate of 14 1/2% per year and shall be repaid as set forth in paragraph 5 below (the "Clingo Note"). The Clingo Note shall be secured by a deed of trust recorded as an encumbrance on the Subject Property in an amount not to exceed \$400,000 in favor of Lynn Clingo (or his

assigns) (the "Clingo Deed of Trust") to which Distance and BL agree to subordinate their respective interests in the Subject Property. Folksam agrees to execute a quitclaim deed conveying to Sleepy Hollow its interest in the Subject Property evidenced by the Preliminary Injunction subject only to a reservation of Folksam's rights with respect to the Distance deed of trust as set forth in this agreement; provided, however, that contemporaneously with the recordation of that quitclaim deed and as a condition thereto, (a) the Clingo Deed of Trust is recorded as the senior encumbrance on the Subject Property and (b) this agreement also is recorded with respect to the Subject Property. The Parties agree that Folksam claims a right and interest in the deed of trust encumbering the Subject Property in favor of Distance and in the loan secured by that deed of trust and that no release of Distance's lien on all or any portion of the Subject Property is effective without Folksam's consent. The Parties agree to execute such documents as are reasonably necessary to carry out the provisions of this paragraph, including appropriate instructions to an escrow company mutually agreed upon by the Parties (the "Escrow Company") to carry out such provisions. Upon execution of such instructions by the Parties, Distance shall deliver to the Escrow Company the original deed of trust in its favor encumbering the Subject Property and the note secured by such deed of trust.

2. The proceeds of the loan evidenced by the Clingo Note (the "New Clingo Loan") and the proceeds from the sale of the Sold Lots -- which are anticipated to be approximately \$100,000 --



shall be paid to the Escrow Company, which shall disburse such proceeds forthwith as follows:

Eddy Shaw \$117,692.37 (in full payment of the outstanding unpaid bills submitted by Eddy Shaw for work performed with respect to the Subject Property);

Mountain Fuel Supply \$ 7,220.30;

Hill, Jamison & Assoc. \$ 4,042.62;

Lynn Clingo \$189,239.89 (to pay off the amounts previously advanced by the First Clingo Investor Group);

City of Layton \$ 98,431.00 (to be paid into an escrow account under the City's control, \$40,058.78 of which is to be used for the asphalt work for the roads newly constructed on the Subject Property by Eddy Shaw, \$11,216.22 of which is to be used to pay for the Extra Work needed to complete the improvements to the Subject Property and \$47,156 of which is to be used as security for any other improvements or repairs to the Subject Property that the city deems necessary);

Art Maxwell approximately \$1,000; and

Lynn Clingo approximately \$34,000 (for interest to the First Clingo Investor Group and prepaid interest and fees on the New Clingo Loan).

3. Immediately upon receiving authorization from the City of Layton, Sleepy Hollow shall cause the subdivision plat map for the Subject Property to be recorded and shall from that time forward exercise its best efforts to sell the individual improved

lots contained within the Subject Property. The Parties acknowledge that upon recordation of the subdivision plat map, the individual improved lots comprising the Subject Property shall be substituted by operation of law as security for the Clingo Deed of Trust and the deeds of trust in favor of Distance and BL in the same order of priority set forth in paragraph 1 above. The Parties agree to execute all documents reasonably necessary to carry out the provisions of this paragraph.

4. The balance of the proceeds from the New Clingo Loan and the sales of the Sold Lots after disbursement of the amounts set forth in Paragraph 2 above -- approximately \$48,373.82 -- shall be disbursed to pay third parties not affiliated with any of the Moore Parties for the actual cost of work performed by such parties for the Enhancement Improvements or for completing the other improvements to the Subject Property; provided, however, that to the extent such funds are not needed to complete the Enhancement Improvements or other improvements to the Subject Property or, in all events, to the extent not disbursed for those purposes by July 1, 1994, such funds shall be treated as net proceeds from the sale of Unsold Lots and shall be disbursed by the Escrow Company as set forth in paragraphs 5 and 6 below. The Parties also agree to execute quitclaim deeds, or any other documentation reasonably required by the Escrow Company, to convey title to the Sold Lots to the purchaser(s) thereof free and clear of any interest created or evidenced by the Clingo Deed of Trust and the deeds of trust in favor of Distance and BL.

5. The proceeds from the sale of the Unsold Lots contained within the Subject Property shall be received by the Escrow Company, which shall disburse such proceeds, net of real estate commissions, closing costs and escrow fees due the Escrow Company (the "Net Proceeds"), as follows. First, all Net Proceeds shall be disbursed to Clingo (or his assigns) until the Clingo Note, including accrued interest, is repaid. Thereafter, the first \$21,935.48 of the Net Proceeds from the sale of each of the Unsold Lots shall be paid into an interest-bearing account established by the Escrow Company at a bank or other financial institution mutually agreed upon by Hughes Hubbard & Reed, Folksam's counsel ("HH&R"), and Distance (the "Special Account"); the next \$4,838.71 of Net Proceeds from the sale of each of the Unsold Lots, if such Net Proceeds exceed \$21,935.48, shall be paid to BL; and any Net Proceeds in excess of \$26,774.19 from the sale of each individual lot shall be paid 50% to the Special Account and 50% to BL. Such payments to the Special Account shall continue until the Escrow Company has made aggregate payments of Net Proceeds, to the Special Account equal to \$550,000. After the Escrow Company has made payments of Net Proceeds to the Special Account in the aggregate amount of \$550,000, the Escrow Company shall disburse all Net Proceeds that would otherwise be payable to the Special Account to Distance. The Parties also agree to execute or to cause the trustees of their respective trust deeds to execute and deposit in escrow with the Escrow Company such deeds of partial reconveyance, quitclaim deeds, or any other documentation reasonably required by the Escrow Company, to convey title to the

Unsold Lots as each such lot is sold for its fair market value to the purchaser(s) thereof free and clear of any interest created or evidenced by the Clingo Deed of Trust and the deeds of trust in favor of Distance and BL.

6. Upon entry of an enforceable judgment in the Folksam Action in favor of Folksam against Randolph P. Shipley and/or the Shipley Family Children's Trust or upon settlement of the Folksam Action as it relates to Randolph P. Shipley and/or the Shipley Family Children's Trust or upon any other resolution of the Folksam Action entitling Folksam to succeed to or to levy or execute upon Shipley's rights pursuant to the Distance Note, the Escrow Company shall promptly pay to Folksam, and Distance shall consent to the payment to Folksam of, all funds held in the Special Account (including interest earned thereon). If such payment to Folksam is made before the Escrow Company has paid \$550,000 of Net Proceeds into the Special Account and all of the Net Proceeds from the sale of the Unsold Lots have not yet been received by the Escrow Company, all additional Net Proceeds received by the Escrow Company that would otherwise be payable to the Special Account in accordance with paragraph 5 above, up to aggregate Net Proceeds of \$550,000, shall be paid directly to HH&R for the benefit of Folksam. Upon the receipt by Folksam or HH&R of \$550,000 of Net Proceeds (plus interest earned thereon while held in the Special Account), the obligation of Distance and Moore to repay the Distance Note shall be fully satisfied. If the Folksam Action is finally resolved without Folksam succeeding to or being entitled to levy or execute upon Shipley's

rights under the Distance Note, the Escrow Company shall disburse, and Folksam shall consent to the disbursement of, the funds in the Special Account to Distance for its use in accordance with the terms of its agreement with Shipley.

7. If \$550,000 of Net Proceeds has not been paid into the Special Account (or to or for the benefit of Folksam in accordance with paragraph 6 above) on or before the later of (a) the date on which the balance in the Special Account becomes payable to Folksam pursuant to paragraph 6 above or (b) 3 years from the date of this agreement, the amount Folksam shall be entitled to receive pursuant to this agreement shall not be limited to \$550,000 but shall instead be equal to the \$617,378 principal balance of the Distance Note plus interest thereon in accordance with the terms of the Distance Note. Such amount shall be payable by Distance or any other person who is a guarantor or is otherwise an obligor under the Distance Note. In such event, Net Proceeds shall continue to be disbursed by the Escrow Company in accordance with the allocation formula set forth in paragraph 5, except that the total amount to be paid to the Special Account (or to or for the benefit of Folksam in accordance with paragraph 6) shall be \$617,378 plus interest thereon in accordance with the terms of the Distance Note. All payments to or for the benefit of Folksam pursuant to paragraphs 5 and 6 shall be treated as payments of interest first and then principal under the Distance Note. Any amount payable to or for the benefit of Folksam pursuant to this paragraph that

has not been paid by the maturity date of the Distance Note shall become due and payable hereunder on that date.

8. Folksam shall receive in advance of the close of escrow for the sale of any of the Sold Lots or Unsold Lots documentation from the Escrow Company (including, but not limited to, pro forma escrow closing statements) showing to whom and in what amounts the proceeds from the sale of such lots will be disbursed. The Escrow Company shall also provide Folksam with any documentation that Folksam may reasonably request to verify that proceeds from the sale of the lots are being disbursed in accordance with the terms of this agreement.

9. Following execution of this agreement by the parties hereto and payment to the Escrow Company of the proceeds of the New Clingo Loan, Folksam shall dismiss with prejudice its claims against Distance in the Folksam Action.

10. The Moore Parties, on behalf of themselves and their respective predecessors, successors, assigns, representatives, parents, subsidiaries, affiliates, officers, directors, stockholders, heirs, agents, employees and attorneys (including Clark), do hereby absolutely, fully and forever release, waive, relinquish and discharge Folksam and its predecessors, successors, assigns, representatives, parent, subsidiaries, affiliates, officers, directors, stockholders, agents, employees and attorneys of and from all debts due, liabilities, demands, obligations, costs, attorney's fees, expenses, debts, sums of money, controversies, damages, losses, accounts, reckonings, liens, claims or causes of action of any nature

whatsoever (including claims for punitive or other extra-contractual damages), known or unknown, anticipated or unanticipated, fixed or contingent, which any of them has, or hereafter may have, based on, arising from or relating to any event, transaction or occurrence that took place before the date first written above, including but not limited to the matters asserted in the Folksam Action.

Folksam, on behalf of itself and its predecessors, successors, assigns, representatives, parent, subsidiaries, affiliates, officers, directors, stockholders, agents, employees and attorneys, does hereby absolutely, fully and forever release, waive, relinquish and discharge the Moore Parties and their respective predecessors, successors, assigns, representatives, parents, subsidiaries, affiliates, officers, directors, stockholders, heirs, agents, employees and attorneys (including Clark but not including Shipley or any person or entity related to or controlled directly or indirectly by Shipley) of and from all debts due, liabilities, demands, obligations, costs, attorney's fees, expenses, debts, sums of money, controversies, damages, losses, accounts, reckonings, liens, claims or causes of action of any nature whatsoever (including claims for punitive or other extra-contractual damages), known or unknown, anticipated or unanticipated, fixed or contingent, which it has, or hereafter may have, based on, arising from or relating to any event, transaction or occurrence that took place before the date first written above, including but not limited to the matters asserted in the

Folksam Action, except for any claim that Folksam may have to recover any money or property received by Moore, any person related to or controlled directly or indirectly by Moore, any entity in which Moore is (or at any time since July 1, 1992 was) an officer, director, shareholder, partner or member or in which he holds (or at any time since July 1, 1992 has held) a financial interest, from Shipley or any person or entity related to or controlled directly or indirectly by Shipley, other than the \$617,318 that Shipley loaned to Distance pursuant to the Distance Note.

11. This agreement, including the releases set forth in paragraph 10 above, is entered into in reliance on the accuracy of the recitals and other representations set forth herein. The falsity of any such recital or representation shall constitute a breach of this agreement by the party making such false recital or representation.

12. Nothing in this agreement is intended to affect the rights or obligations between Shipley (or a trustee in bankruptcy in the event Shipley becomes a debtor in a bankruptcy proceeding), on the one hand, and Moore and Distance, on the other hand, in the event that the Folksam Action is finally resolved without Folksam succeeding to or being entitled to levy or execute upon Shipley's rights under the Distance Note.

13. The mailing addresses for the respective Parties, to which any inquiries with respect to this agreement may be sent, are as follows:



a. For Folksam:

E 1083888 8 1702 P. 981

Hughes Hubbard & Reed  
350 South Grand Avenue, 36th Floor  
Los Angeles, California 90071-3442  
Attention: Richard J. Kaplan, Esq.

with a copy to:

Hughes Hubbard & Reed  
350 South Grand Avenue, 36th Floor  
Los Angeles, California 90071-3442  
Attention: Randy B. Holman, Esq.

b. For Sleepy Hollow:

Sleepy Hollow Subdivision L.C.  
4053 North 380 West  
Provo, Utah 84600  
Attention: Mr. Roger D. Moore

with a copy to:

Gregory L. Seal, Esq.  
Seal & Kennedy  
1366 East Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117-5050

c. For BL:

BL, Inc.  
4053 North 380 West  
Provo, Utah 84600  
Attention: Mr. Roger D. Moore

with a copy to:

Gregory L. Seal, Esq.  
Seal & Kennedy  
1366 East Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117-5050

d. For Distance:

Distance Investment and Development, Inc.  
4053 North 380 West  
Provo, Utah 84600  
Attention: Mr. Roger D. Moore

with a copy to:

E 1083888 B 1702 P 982

Gregory L. Seal, Esq.  
Seal & Kennedy  
1366 East Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117-5050

e. For Moore:

Mr. Roger D. Moore  
4053 North 380 West  
Provo, Utah 84600

with a copy to:

Gregory L. Seal, Esq.  
Seal & Kennedy  
1366 East Murray-Holladay Road, Suite 200  
Salt Lake City, Utah 84117-5050

All notices required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or telecopy transmission or mailed by first class mail with postage prepaid to the persons as set forth above or to such other person or address as the respective Parties shall notify the other Parties in writing.

14. This agreement shall be binding upon, and shall inure to the benefit of, the successors, assigns, attorneys and heirs of each of the Parties hereto.

15. The Parties respectively acknowledge that they have been represented by independent counsel of their own choice and that they have executed this agreement after fully discussing it with such independent counsel.

16. The Parties respectively represent and warrant to each other that they have authority to enter into this agreement on behalf of themselves and all others they purport

to represent herein and have not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity any debt due, liability, demand, obligation, cost, expense, debt, sum of money, controversy, damage, account, reckoning, lien, claim or cause of action (including claims for punitive or other extra-contractual damages), or any part or portion thereof, involved or referred to herein. The Parties respectively shall indemnify and hold harmless each other from and against all adverse consequences of any actual or purported transfer or assignment.

17. This agreement contains the entire agreement among the Parties concerning the subject matter hereof and supersedes and replaces all prior negotiations and agreements, written and oral. No waiver, amendment or modification of any of the provisions hereof shall be of any force or effect unless contained in a writing signed by the Parties.

18. This agreement and the provisions contained herein were the subject of extensive negotiation and shall not be construed or interpreted in favor of or against any party hereto because that party drafted or caused his or its legal representative to draft any of its provisions.

19. The failure of a party to enforce any provision of this agreement shall not be construed as a waiver of any such provision, or prevent such party thereafter from enforcing such provision or any other provision of this agreement. The rights and remedies granted the Parties herein are cumulative, and the election of one right or remedy shall not constitute a waiver

of such party's right to assert all other legal remedies available under this agreement or otherwise provided by law.

20. Each party agrees, upon the demand of the other, to execute or deliver any instrument or additional documents or perform any other act reasonably necessary to carry out the provisions of this agreement without undue delay or expense.

21. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A fax copy shall be considered an original for all purposes. This agreement shall become effective upon the date that the last signature is affixed hereto.

22. This agreement shall be governed by and construed in accordance with the laws of the State of Utah.

23. In the event of a default of any party to this agreement, the defaulting party agrees to pay all costs, including reasonable attorney's fees, and expenses, which may arise or accrue from enforcing this agreement whether by filing suit or otherwise.

DISTANCE INVESTMENT AND  
DEVELOPMENT, INC.

Dated: 12-7, 1993.

By

Its

BL, INC.

Dated: 12-7, 1993.

By

Its

SLEEPY HOLLOW SUBDIVISION L.C.

Dated: 12-7, 1993. By [Signature]

PRESIDENT  
of Distance Investment and  
Development, Inc., as  
Manager of Sleepy Hollow  
Subdivision L.C.

Dated: 12-7, 1993. [Signature]

ROGER D. MOORE

FOLKSAM GENERAL MUTUAL INSURANCE  
SOCIETY, a Swedish insurance  
corporation

Dated: \_\_\_\_\_, 1993. By \_\_\_\_\_

Its \_\_\_\_\_

E 1083888 B 1702 P 986

Dated: \_\_\_\_\_, 1993. By \_\_\_\_\_

of Distance Investment and  
Development, Inc., as  
Manager of Sleepy Hollow  
Subdivision L.C.

Dated: \_\_\_\_\_, 1993. \_\_\_\_\_

ROGER D. MOORE

FOLKSAM GENERAL MUTUAL INSURANCE  
SOCIETY, a Swedish insurance  
corporation

Dated: \_\_\_\_\_, 1993. By \_\_\_\_\_

its

*Esbjörn Wincent Jarl Symreng*

Mikael Bratt

I the undersigned .....  
Notary Public of the City of Stockholm, Sweden, do hereby  
certify that Mr .....  
who ~~have~~ personally signed the foregoing document on be-  
half of the .....  
are duly qualified to sign for the said company.

December 9, 19 93  
Stockholm, ..... 19 93

Notary Public

Fees SEK 250:-

Notary Public



GENERAL AUTHENTICATION CERTIFICATE

E 1083888 B 1702 P 987

KINGDOM OF SWEDEN )  
CITY OF STOCKHOLM ) SS  
EMBASSY OF THE )  
UNITED STATES OF AMERICA)

I do hereby certify that the official named below, whose true signature and official seal are, respectively, subscribed and affixed to the annexed document, was, on this day, empowered to act in the official capacity designated in the annexed document, to which faith and credit are due.

Mikael Bratt, a Notary Public in Stockholm, Sweden  
(Typed Name of Official)

  
(Signature of Consular Officer)

**Marianne U. Gustafson**  
**Consul of the United States**  
**of America**

(Name of Consular Officer)

12/10/93

(Date)

(SEAL)

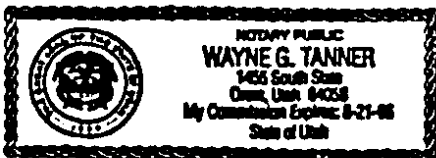


**ACKNOWLEDGMENTS**

STATE OF UTAH )  
 : ss.  
 COUNTY OF UTAH )

E 1083888 B 1702 P 988

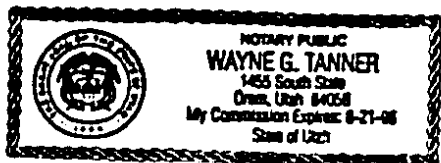
The foregoing instrument was acknowledged before me this 7 day of December, 1993, by ROGER D. MOORE the PRESIDENT of DISTANCE INVESTMENT AND DEVELOPMENT, INC., a corporation.



Wayne G. Tanner  
 Notary  
 Residing at: \_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_

STATE OF UTAH )  
 : ss.  
 COUNTY OF UTAH )

The foregoing instrument was acknowledged before me this 7 day of December, 1993, by ROGER D. MOORE the PRESIDENT of BL, INC., a corporation.



Wayne G. Tanner  
 Notary  
 Residing at: \_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_

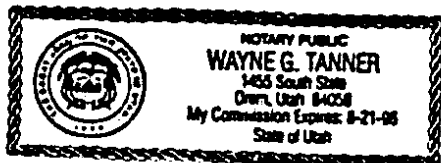
STATE OF \_\_\_\_\_ )  
 : ss.  
 COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of December, 1993, by \_\_\_\_\_ the \_\_\_\_\_ of SLEEPY HOLLOW SUBDIVISION L.C., a limited liability company.

\_\_\_\_\_  
 Notary  
 Residing at: \_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_

STATE OF UTAH )  
 : ss.  
 COUNTY OF UTAH )

The foregoing instrument was acknowledged before me this 7 day of December, 1993, by Roger D. Moore, an individual.



Wayne G. Tanner  
 Notary  
 Residing at: \_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_



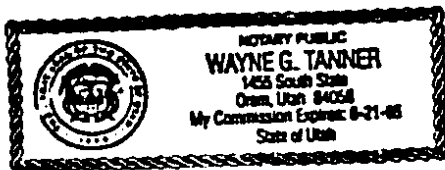
STATE OF UTAH )

: ss.

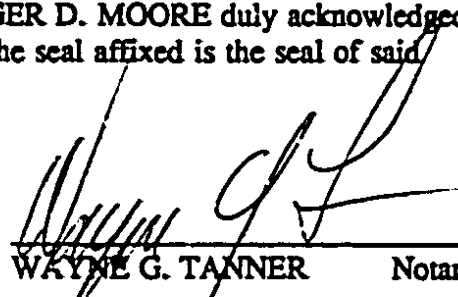
County of Utah )

E 1083888 B 1702 P 989

On the 7th day of December, A. D. 1993, personally appeared before me, ROGER D. MOORE, who being by me duly sworn did say, that he, the said ROGER D. MOORE is the President of DISTANCE INVESTMENTS & DEVELOPMENT, INC., managing member of SLEEPY HOLLOW SUBDIVISION, L.C., and that the within and foregoing instrument was signed in behalf of said corporation and said ROGER D. MOORE duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.



My Commission expires: 8-01-96

  
\_\_\_\_\_  
WAYNE G. TANNER Notary Public

Residing at: PROVO, UTAH

EXHIBIT "A"

DAVIS COUNTY PARCEL 9

E 1083888 B 170 P 990

BEGINNING SOUTH 295.9 FEET AND SOUTH 35 DEG. 04' WEST 37.6 FEET AND SOUTH 35 DEG. 04' WEST 339.76 FEET AND NORTH 81 DEG. 40' WEST 250.55 FEET FROM THE NORTH QUARTER CORNER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN AND RUNNING THENCE NORTH 81 DEG. 40' WEST 253.69 FEET; THENCE SOUTH 42 DEG. 52' WEST 906.18 FEET; THENCE SOUTH 30 DEG. 28'58" WEST 125.3 FEET MORE OR LESS, TO SOUTH LINE OF NORTH HALF OF NORTHWEST QUARTER OF SAID SECTION 14; THENCE EAST 76.11 FEET, MORE OR LESS, TO THE WEST LINE OF DAWSON HOLLOW ESTATES PLAT B; THENCE NORTH 42 DEG. 48'24" EAST 86.31 FEET; THENCE SOUTH 47 DEG. 11'36" EAST 50.0 FEET; THENCE SOUTH 63 DEG. 13'53" EAST 151.69 FEET; THENCE NORTH 25 DEG. 00" EAST 43.0 FEET; THENCE NORTH 59 DEG. 02'34" EAST 487.9 FEET TO THE WEST LINE OF COUNTRY OAKS SUBDIVISION; THENCE NORTH 15 DEG. 31'20" WEST 55.0 FEET; THENCE NORTH 48 DEG. 30' EAST 192.411 FEET; THENCE NORTH 89 DEG. EAST 64.472 FEET; THENCE NORTH 302.29 FEET. MORE OR LESS, TO THE POINT OF BEGINNING.

DAVIS COUNTY PARCEL 31

BEGINNING AT A POINT SOUTH 295.9 FEET ALONG THE SECTION LINE AND SOUTH 35 DEG. 04 MIN. 00 SEC. WEST 163.83 FEET FROM THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN AND RUNNING THENCE NORTH 32 DEG. WEST 152.78 FEET; THENCE SOUTH 89 DEG. 49 MIN. 30 SEC. WEST 585.721 FEET TO THE SOUTHEAST CORNER OF LOT 12, ROLLING OAKS PHASE 1; THENCE SOUTH 89 DEG. 49 MIN. 30 SEC. WEST 102.019 FEET; THENCE SOUTH 45 DEG. WEST 119.851 FEET; THENCE SOUTH 89 DEG. 49 MIN. 30 SEC. WEST 160.0 FEET; THENCE SOUTH 0 DEG. 10 MIN. 30 SEC. EAST 152 FEET; THENCE SOUTH 89 DEG. 49 MIN. 30 SEC. WEST 95 FEET; THENCE SOUTH 0 DEG. 10 MIN. 30 SEC. EAST 105.66 FEET; THENCE SOUTH 89 DEG. 49 MIN. 30 SEC. WEST 117.323 FEET; THENCE NORTH 105.66 FEET THENCE NORTH 05 DEG. 22 MIN. 46 SEC. EAST 57.663 FEET; THENCE NORTH 0 DEG. 15 MIN. 12 SEC. EAST 340.105 FEET TO THE SOUTH LINE OF OAK FOREST SUBDIVISION 10; THENCE WEST 6.11 FEET, MORE OR LESS; THENCE SOUTH 7.41 CHAINS; THENCE WEST 72.46 FEET, MORE OR LESS, TO THE WEST LINE OF A ROAD AT A POINT 1278.3 FEET EAST OF WEST LINE OF SAID SECTION 14; THENCE SOUTH 37 DEG. 48 MIN. WEST 238.34 FEET ALONG SAID ROAD; THENCE SOUTH 26 DEG. 09 MIN. WEST 364.02 FEET ALONG SAID ROAD TO A POINT 1145.56 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 14; THENCE SOUTH 15 DEG. 15 MIN. WEST 160.28 FEET, MORE OR LESS TO THE SOUTH LINE OF LAYTON CITY; THENCE EAST 330 FEET, MORE OR LESS ALONG SAID SOUTH LINE; THENCE NORTH 30 DEG. 28 MIN. 58 SEC. EAST 132 FEET; THENCE NORTH 42 DEG. 52 MIN. EAST 906.18 FEET; THENCE SOUTH 81 DEG. 40 MIN. EAST 504.24 FEET; THENCE NORTH 35 DEG. 04 MIN. EAST 213.03 FEET TO THE POINT OF BEGINNING.

DAVIS COUNTY PARCEL 33

BEGINNING AT A POINT SOUTH 295.9 FEET ALONG THE QUARTER SECTION LINE AND SOUTH 35 DEG. 04 MIN. WEST 37.6 FEET FROM THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN, IN THE CITY OF LAYTON, AND RUNNING THENCE SOUTH 35 DEG. 04 MIN. WEST 339.26 FEET; THENCE NORTH 81 DEG. 40 MIN. WEST 250.55 FEET; THENCE SOUTH 302.29 FEET TO THE NORTH LINE OF

COUNTRY OAKS NO. 5; THENCE NORTH 89 DEG. EAST 159.09 FEET TO THE NORTHWEST CORNER OF COUNTRY OAKS NO. 2; THENCE NORTH 73 DEG. 00 MIN. EAST 191.43 FEET; THENCE NORTH 64 DEG. EAST 80.83 FEET; THENCE SOUTH 66 DEG. EAST 30.69 FEET TO A POINT DUE SOUTH OF THE POINT OF BEGINNING; THENCE NORTH 461.96 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM: BEGINNING AT A POINT SOUTH 295.9 FEET AND SOUTH 35 DEG. 04 MIN. WEST 37.6 FEET FROM THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 14; AND RUNNING THENCE SOUTH 35 DEG. 04 MIN. 00 SEC. WEST 126.2020 FEET; THENCE SOUTH 32 DEG. 00 MIN. 00 SEC. EAST 134.48 FEET; THENCE SOUTH 88 DEG. 02 MIN. 57 SEC. EAST 1.24 FEET; THENCE NORTH 217.38 FEET TO THE POINT OF BEGINNING.

DAVIS COUNTY PARCEL 36

E 1083888 B 1702 P 991

BEGINNING NORTH 0 DEG. 17 MIN. 50 SEC. EAST 571.32 FEET ALONG SECTION LINE AND SOUTH 88 DEG. 25 MIN. EAST 390.86 FEET ALONG CENTER LINE OF CREEK AND NORTH 51 DEG. 20 MIN. EAST 162.86 FEET ALONG A EASTERLY LINE OF ROAD AND NORTH 31 DEG. 08 MIN. EAST 155.41 FEET ALONG SAID EASTERLY LINE AND NORTH 70 DEG. 20 MIN. EAST 153.92 FEET FROM THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN AND RUNNING THENCE NORTH 70 DEG. 24 MIN. EAST 97.16 FEET ALONG SAID EASTERLY LINE THENCE NORTH 15 DEG. 15 MIN. EAST 410.07 FEET, MORE OR LESS, TO THE NORTH LINE OF EAST LAYTON TOWN; THENCE EAST 330 FEET, MORE OR LESS ALONG SAID NORTH LINE; THENCE SOUTH 30 DEG. 28 MIN. 58 SEC. WEST 414.84 FEET; THENCE SOUTH 46 DEG. 51 MIN. 28 SEC. WEST 137.67 FEET; THENCE NORTH 75 DEG. 00 MIN. 11 SEC. WEST 185.73 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THEREFROM: BEGINNING AT A POINT ON THE SOUTH BOUNDARY OF OAK FOREST SUBDIVISION, NO. 10 AT THE NORTHWEST CORNER OF ROLLING OAKS, PHASE 1; SAID POINT BEING NORTH 0 DEG. 18'10" EAST 6.88 FEET TO A POINT ON A 542.0 FOOT RADIUS CURVE TO THE LEFT, AND ALONG THE ARC OF SAID CURVE 206.535 FEET (CHORD BEARS SOUTH 78 DEG. 54'27" WEST 205.29 FEET) AND SOUTH 89 DEG. 49'30" WEST 679.49 FEET ALONG THE SOUTH LINE OF 2000 NORTH STREET, AND SOUTH 0 DEG. 10'30" EAST 187.26 FEET, AND SOUTH 89 DEG. 49'30" WEST 431.70 FEET FROM THE NORTH QUARTER CORNER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE MERIDIAN, AND RUNNING THENCE WEST 6.11 FEET, MORE OR LESS, THENCE SOUTHERLY 397.511 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID ROLLING OAKS, PHASE 1; THENCE NORTH 05 DEG. 22'46" EAST 57.663 FEET ALONG SAID SUBDIVISION; THENCE NORTH 0 DEG. 15'12" EAST 340.105 FEET ALONG SAID SUBDIVISION TO THE POINT OF BEGINNING.

SUBJECT TO AN EASEMENT AND RIGHT OF WAY DESCRIBED AS FOLLOWS:

A PERPETUAL EASEMENT 20 FEET IN WIDTH FOR THE INSTALLATION AND MAINTENANCE OF AN IRRIGATION WATER LINE, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS TO AND FROM, OR ALONG, A STRIP OF LAND LYING 10 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF THE GRANTOR'S PROPERTY, WHICH POINT IS S50 DEG. 00'13" E 1,416.57 FEET (DAVIS COUNTY BEARING BASE) FROM THE NW COR SECTION 14, T4N, R1W, SLB&M, SAID POINT BEING ALSO 15 FEET WEST OF THE PIONEER PIPELINE CO. OIL PIPELINE; AND RUNNING THENCE S2 DEG. 15'49" E 608.09 FEET, PARALLEL TO AND 15 FEET WEST OF SAID OIL PIPELINE, TO A POINT ON THE EASTERLY LINE OF S36 DEG. 09'16" E 1,880.17 FEET FROM SAID NW COR SECTION 14, T4N, R1W, SLB&M.