

The Homestead, Inc.
700 North Homestead Road
Midway, UT 84049

NOTICE OF LEASE

Ent 334306 Bk 0964 Pg 0622-0634
ELIZABETH M PALMIER, Recorder
WASATCH COUNTY CORPORATION
2008 APR 09 11:54am Fee 39.00 JP
FOR FIRST AMERICAN - PARK CITY
ELECTRONICALLY RECORDED

The undersigned, does hereby acknowledge the interest of, THE HOMESTEAD CRATER, INC. in and to the subject property by reason of and as set forth under that certain CONCESSION AGREEMENT AND LEASE dated May 21, 2005 executed by and between The Homestead, Inc. as Grantor and, The Homestead Crater, Inc. as Concessionaire. A copy of said Lease is attached hereto as Exhibit "B".

Subject property attached hereto as Exhibit "A"

Dated this 24 day of ^{March} ~~February~~, 2008

The Homestead Inc.

By: Brian Mathewicz

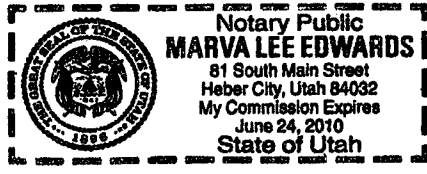
STATE OF Utah)
County of Wasatch)ss.

On 3/24/08, before me, the undersigned Notary Public, personally appeared Brian Mathewicz, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

My Commission Expires: 6/24/2010

Marva Lee Edwards
Notary Public



Tax I.D. # 328-622 'EXHIBIT A' OMI-0204-0-027-034

PARCEL 2

BEGINNING at a point which is: East 15.33 chains and South 0°48' West 21.76 chains and South 124.96 feet from the Northwest corner of the Southwest quarter of Section 27, Township 3 South, Range 4 East, Salt Lake Base and Meridian; said point also being on the Easterly line of Utah Highway 224; thence South along said Highway 1084.16 feet to the South line of said Section 27; thence East along said South line 14.65 chains; thence South 0°48' West 9 chains; thence South 89°12' East 8 chains; thence North 0°48' East 9.10 chains; thence East 2 chains; thence North 0°48' East 12.89 chains; thence North 89°12' West 10.50 chains; thence North 0°48' East 5 chains; thence North 89°12' West 786.5 feet; thence South 140.54 feet; thence North 89°12' West 174.79 feet to the point of beginning.

EXCEPTING THEREFROM the following two parcels:

BEGINNING at a point which bears South 2453.92 feet and East 1282.03 feet from the West quarter corner of Section 27, Township 3 South, Range 4 East, Salt Lake Base and Meridian; thence South 56°03'50" East 85.00 feet; thence South 33°56'10" West 73.50 feet; thence North 56°03'50" West 85.00 feet; thence North 33°56'10" East 73.50 feet to the point of beginning.

BEGINNING at a point which bears South 2575.14 feet and East 1295.07 feet from the West quarter corner of Section 27, Township 3 South, Range 4 East, Salt Lake Base and Meridian; thence South 68°27'15" East 26.00 feet; thence South 21°32'45" West 56.00 feet; thence North 68°27'15" West 26.00 feet; thence North 21°32'45" East 56.00 feet to the point of beginning.

ALSO KNOW as the FIRST HOMESTEAD COUNTRY HOMES, a Utah Condominium Project.

SUBJECT TO AND TOGETHER WITH a right of way used jointly with FIRST HOMESTEAD COUNTRY HOMES.

00188625 8k00328 Pc00623

Parcel 3

BEGINNING at a point having Utah State Plane Coordinates, Central Zone, of X=2,005,269.65 and Y=797,151.66, said point being located North 77°35'33" West 33.79 feet from the pipe marking the long-accepted location of the one-quarter corner between Section 27 and 34, Township 3 South, Range 4 East, Salt Lake Meridian (said pipe being located 32.62 feet North and 19.86 feet West of the Wasatch County Surveyor's brass cap); thence West 132.00 feet; thence South 227.45 feet; thence North 88°47'07" West 292.83 feet; thence South 09°00'00" West 398.98 feet to a fence line; thence South

87°06'46" West 214.48 feet along said fence line; thence Northerly 5.69 feet along the arc of a 35.50 foot radius curve to the right, through a central angle of 09°11'16" (chord bears North 03°20'35" West 5.69 feet); thence North 01°15'03" East 335.08 feet; thence North 01°09'17" East 130.35 feet; thence North 20°59'05" East 137.77 feet; thence North 10°18'48" East 130.55 feet; thence North 14°07'00" East 42.90 feet; thence North 03°27'35" East 37.07 feet; thence North 07°26'28" West 64.63 feet; thence North 15°06'01" East 88.55 feet; thence North 00°37'45" East 150.03 feet; thence North 20°20'49" East 154.33 feet; thence North 13°20'41" West 212.16 feet to a fence line; thence North 89°14'38" West 146.97 feet along said fence line; thence North 24°17'48" West 383.16 feet to a fence line; thence South 88°59'37" East 205.05 feet along said fence line; thence North 00°23'46" East 6.50 feet; thence South 89°36'14" East 693.00 feet; thence South 00°23'46" West 16.96 feet to a fence line; thence South 88°44'14" East 15.60 feet along said fence line to a fence corner; thence South 01°38'00" West 12.45 feet along a fence line thence South 89°36'14" East 20.53 feet; thence South 00°23'46" West 431.43 feet to a fence line; thence South 89°44'22" West 29.86 feet along said fence line to a fence corner; thence South 00°38'44" West 209.06 feet; thence South 00°53'42" West 510.15 feet to the point of beginning. 00188625 Bk00328 Pg00624

TOGETHER WITH A RIGHT OF WAY for Road Purposes described as follows:

BEGINNING at a point having Utah State Plane Coordinates, Central Zone of X=2,004,986.21 and Y=796,927.48, said point being located South 55°33'58" West 383.73 feet from the pipe marking the long-accepted location of the one-quarter corner between Sections 27 and 34, Township 3 South, Range 4 East, Salt Lake Meridian (said pipe being located 32.62 feet North and 19.86 feet West of the Wasatch County Surveyor's brass cap); thence South 09°00'00" West 388.66 feet to a fence line; thence South 87°06'46" West 40.88 feet along said fence line; thence North 09°00'00" East 391.61 feet; thence South 88°47'07" East 40.37 feet to the point of beginning.

TOGETHER WITH A RIGHT OF WAY for Road Purposes described as follows:

BEGINNING at a point in a fence line, said point having Utah State Plane Coordinates, Central Zone of X=2,004,568.47 and Y=796,525.72, and said point being located South 49°52'45" West 960.37 feet from the pipe marking the long-accepted location of the one-quarter corner between Section 27 and 34, Township 3 South, Range 4 East, Salt Lake Meridian (said pipe being located 32.62 feet North and 19.86 feet West of the Wasatch County Surveyor's brass cap); thence South 87°06'46" West 40.56 feet along said fence line to a fence corner; thence North 01°15'03" East 302.53 feet; thence South 89°37'52" West 349.38 feet; thence Northwesterly 134.49 feet along the arc of a 200.00 foot radius curve to the right, through a central angle of 38°31'45" (chord bears North

71°06'15" West 131.97 feet) to a point of reverse curvature; thence Northwesterly 107.59 feet along the arc of a 160.00 foot radius curve to the left, through a central angle of 38°31'45" (chord bears North 71°06'15" West 105.58 feet); thence South 89°37'52" West 314.46 feet to the easterly right of way fence line of State Road 224 (Homestead Drive); thence North 03°08'47" East 40.08 feet along said right of way fence line; thence North 89°37'52" East 312.00 feet; thence Southeasterly 134.49 feet along the arc of a 200.00 foot radius curve to the right, through a central angle of 38°31'45" (chord bears South 71°06'15" East 131.97 feet) to a point of reverse curvature; thence Southeasterly 107.59 feet along the arc of a 160.00 foot radius curve to the left through a central angle of 38°31'45" (chord bears South 71°06'15" East 105.58 feet); thence South 89°37'52" East 390.52 feet; thence South 01°15'03" West 335.08 feet; thence Southerly 5.69 feet along the arc of a 35.50 foot radius curve to the left, through a central angle of 09°11'16" (chord bears South 03°20'35" East 5.69 feet) to the point of beginning.

TOGETHER with all improvements thereon and appurtenances thereunto belonging.

SUBJECT to easements, restrictions, reservations, and right of way appearing of record.

CONCESSION AGREEMENT

**AND
LEASE**

The Homestead, Inc., of Midway, Utah, referred to as Grantor, and The Homestead Crater, Inc., of Provo, Utah, referred to as Concessionaire, enter into the following Agreement and Lease on this fifth day of May 21, 2005.

RECITALS

WHEREAS, The Homestead, Inc., is an established resort property with various year round recreational facilities; and

WHEREAS, The Homestead, Inc., has a natural thermal pool on this resort property; and

WHEREAS, The Homestead, Inc., wishes to expand the recreational opportunities available to its patrons by offering various underwater activities in its thermal pool; and

WHEREAS, The Homestead Crater, Inc., desires to obtain an exclusive concession right to operate an underwater recreational and teaching facility located upon the property of The Homestead; and

WHEREAS, The Homestead Crater, Inc., has the experience, personnel, and qualifications to operate and maintain a technical underwater recreational and teaching facility; and

WHEREAS, development of the thermal pool upon The Homestead's property into and underwater recreational facility is a highly technical endeavor requiring geothermal and geological studies and sophisticated engineering; and

WHEREAS, The Homestead Crater, Inc., has performed these studies and understands the engineering requirement to make the facility functional.

Section I

GRANT AND DESCRIPTION OF PREMISES

Grantor leases to Concessionaire that certain parcel of real estate comprising the largest of the natural thermal pools upon Grantor's property and grants to Concessionaire the exclusive right to operate and maintain an underwater (scuba/snorkel) recreational and teaching facility and tours on the large crater containing the natural thermal pool and leases the interior of said large crater containing the natural thermal pool.

The selling of related Homestead Crater paraphernalia shall be solely through the Homestead Resort. [REDACTED]

No barrier may be erected between the Homestead Crater and the remaining Homestead Resort property without mutual agreement in writing. Public access must always be available to the Homestead Crater's external surface, unless both parties mutually agree to do otherwise. Concessionaire does not have any rights of the consumptive usage of the water in the crater or any of the Grantors water rights.

Section II

CONDITION OF PREMISES

Taking possession of the concession premises by Concessionaire shall constitute acknowledgment that the premises are in good condition. Concessionaire shall accept the concession premises in their presently existing condition and Grantor shall not be required to make any alternations to those premises.

Section III

CONCESSION FEES

[REDACTED]

In addition to the foregoing, the following activities shall be billed from Grantor to Concessionaire and/or be provided by Grantor to Concessionaire, as follows:

1. [REDACTED]
2. The collection of receivables will be included in said accounting fee unless the billing is sent to an attorney or collection agency, which event shall only occur if Concessionaire agrees to the same in writing. If Concessionaire agrees, costs of collection will be billed back to Concessionaire. If Concessionaire does not consent or the receivable is totally uncollectible, the entire amount of the receivable will be billed

back to Concessionaire. Credit card processing fees and charge backs directly relating to Crater activities will be billed to Concessionaire.

3. Grantor shall not charge Concessionaire for towel usage, but shall arrange to rent towels to users of the Crater as Grantor so determines.

4. [REDACTED]

5. [REDACTED]

6. Concessionaire shall pay Grantor for the cost of Concessionaire's employees' uniforms at cost.

7. Concessionaire shall pay Grantor for office supplies specifically ordered for Concessionaire.

8. Concessionaire shall pay licenses for Midway City and State of Utah associated with Concessionaire's business.

9. Concessionaire shall provide and pay for the water report to the State of Utah associated with Concessionaire's business.

10. Concessionaire shall pay Grantor travel agency commissions directly related to the Crater activities (but not related to hotel rooms, meals or transportation).

11. Concessionaire will pay Grantor for postage directly related to Concessionaire's business.

12. Concessionaire will pay Grantor for telephone charges directly related to Concessionaire's long distance telephone calls.

13. Grantor shall provide Concessionaire with orientation, overnight stays and discounts under same policies as Grantor's employees.

14. Grantor shall provide Jerry Simons, Ella Simons, Jim Simons, and Craig Simons with anniversary and birthday Homestead dollars, same as Grantor's employees

15. Grantor shall provide and pay the payroll and payroll services for Concessionaire's employees and Concessionaire shall reimburse Grantor for all said payments at cost.

16. Grantor shall provide Concessionaire with 10 designated parking spaces and allow Concessionaire's patrons to utilize the general parking spaces not otherwise reserved.

17. Grantor and Concessionaire will mutually agree upon the development and implementation of a reservation system. Concessionaire reserves the right to manage and control the reservation system of the Concession if it so chooses.

18. A: Concessionaire shall provide Grantor a copy of the scuba diving certification for all employees; and shall provide a current copy of the standards, scuba diving polices, and requirement of the PADI, SSI, and other certificating agencies.

18. B: Concessionaire shall provide Grantor copies of the updated training insurance policies and procedures, for the Concessionaire, officers and employees.

19. Concessionaire shall provide Grantor's hotel guests special rates and benefits as mutually agreed upon by Concessionaire and Grantor.

Section IV

DEFINITION OF GROSS RECEIPTS

Gross receipts that is used in this Agreement shall include all monies and anything else of value received by Concessionaire through the operation of this concession, or from any other business conducted on the concession premises, or from any other use of the concession premises, without any deductions, excepting an allowance of deductions for sales or excise taxes imposed by any government entity and collected by Concessionaire.

Section V

ACCOUNTING AND RECORDS

A. Monthly Accounting. Grantor shall install and maintain such bookkeeping and accounting methods and methods of collection of monies as shall permit Concessionaire accurately to compute the gross revenue of Grantor. Such records shall be made available to Concessionaire during the normal hours of business of Grantor. Grantor shall furnish a statement of gross revenue, and the statement shall be delivered to Concessionaire with each concession fee payment on or before the 5th and 20th day of each month for the operation of the preceding calendar month.

B. Annual Accounting. Grantor shall submit to Concessionaire, no later than sixty (60) days after the close of the business year, a profit and loss statement prepared by a Certified Public Accountant licensed in the State of Utah. The statement shall contain an appropriate certification that all gross receipts during the yearly accounting period shall have been duly and properly reported to Concessionaire.

C. Records After Termination. Concessionaire further reserves the right to examine all books and records of Grantor at any time during regular business hours during the one (1) year period following the termination of this Agreement.

Section VI

OPERATIONAL PROCEDURES

Concessionaire shall operate the concession during the hours of 10:00 a.m. through 10:00 p.m. Sunday through Saturday. Concessionaire reserves the right to establish different hours of operation at any time it deems the same to be necessary, with permission of Grantor. Further, Concessionaire shall operate concession to the standards specified by Grantor consistent with the Homestead operation in acknowledgment of the perception of the concession as part of the overall Homestead operation. Homestead Crater employees shall abide by the same code of conduct as the Homestead Resort employees as stated in the "Great Inns of the Rockies" employee handbook. Concessionaire shall have 30 days to correct any violation of policies and procedures contained in the employee handbook, once written notice has been sent by the Grantor.

Section VII

TERM

Term of this Agreement shall be for ten (10) years and shall commence on the fourth day of October, and end on the fourth day of October, both dates being inclusive. The term of this Agreement is subject to the option to renew in Section VIII, and to sooner termination as provided below.

Section VIII

OPTION TO RENEW

Concessionaire shall have the option to renew this Agreement upon the same terms and conditions as set forth herein for two (2) additional ten (10) year periods after the termination of the foregoing set forth term, provided that at a time not later than thirty (30) days prior to the expiration of the term of this Agreement, Concessionaire serves a written notice of Grantor of Concessionaire's desire to extend the term of the Agreement, then upon mutual consent of the Grantor and Concessionaire the terms of this agreement will be extended an additional ten (10) years.

Section IX

HOLDOVER

If Concessionaire holds over after the expiration of the term of this Agreement, with the express or implied consent of Grantor, the holding over shall be deemed to be a month to month tenancy at the concession fee stated in this Agreement and otherwise subject to the terms of this Agreement. This Section is subject to the option to renew set forth in Section VIII.

Section X

REPAIR AND MAINTENANCE OF PREMISES

Concessionaire shall maintain the concession premises in good order and repair at Concessionaire's own expense during the entire term of this Agreement. Concessionaire shall perform any required maintenance and repairs at Concessionaire's own expense. If Concessionaire neglects or refuses to do so, Grantor shall have the right to perform maintenance or repairs for the account of Concessionaire, and Concessionaire shall promptly reimburse Grantor for the cost of such maintenance or repairs, provided that Grantor shall first give Concessionaire thirty (30) days written notice of its intention to perform maintenance or repairs to enable Concessionaire to perform maintenance or repairs at Concessionaire's own expense. Routine maintenance of the existing improvements, steel cage, fences, signage, lighting, etc. shall be paid by the Grantor if approval is obtained prior to any such repairs.

Section XI

IMPROVEMENTS AS PROPERTY OF GRANTOR

All alterations and additions to the concession premises shall remain on the concession premises and become the property of Grantor on the termination of this Agreement.

Section XII

PARTIAL DESTRUCTION OF CONCESSION PREMISES

If at any time during the term of this Agreement the concession premises are damaged by fire, act of nature, or other cause beyond the control of Concessionaire,

Concessionaire may, on written notice to Grantor delivered within ten (10) days after the damage has occurred, terminate this Agreement without any liability of Concessionaire to Grantor except for the payment of concession fees accrued to the date of termination. If Concessionaire does not elect to terminate this Agreement, Grantor shall, with due diligence, restore the concession premises to operative condition, but Grantor shall not be obligated under this provision to expend on such restoration more than the proceeds of any insurance received by it on account of the damage. Grantor shall not be responsible for any profits lost by Concessionaire due to the partial destruction of the concession premises.

Section XIII

SIGNS; ADVERTISING; NAME

Concessionaire shall not erect any sign on the concession premises or in the vicinity of the premises without obtaining the advance written approval of the Grantor, except "No Trespassing" signs posted during construction.

Concessionaire may enter into advertising relative to the concession that is consonant with the dignified approach necessitated by the reputation of the concession premises.

The concession premises shall be known by the name of Homestead Crater, and this name may not be changed without obtaining the advance written approval of Grantor.

Section XIV

LICENSES AND PERMITS

Concessionaire shall obtain and pay for all permits or licenses that may be required for the operation of the concession.

Section XV

COMPLIANCE WITH STATE AND LOCAL LAWS

Concessionaire shall comply with applicable State and Local Laws governing the operation of the concession premises. Violation of State Laws or Ordinances of Wasatch County or Midway City, may be considered as cause for termination of this Agreement.

Section XVI

ARCHEOLOGICAL FINDS AND SCIENTIFIC RESEARCH

Concessionaire shall have exclusive right to conduct any historical, archeological, geological, thermo-research or other scientific research and or recovery of historical artifacts, so long as acceptable scientific protocol is followed. All historical or archeological items recovered shall become the property of the Homestead, Inc., and shall remain on the "Homestead Resort" premises on display or in a specified storage area. All expenses and or revenue from research and recovery projects shall be split 50/50 if mutually agreed upon in writing prior to the starting of such projects.

Section XVII

PAYMENT OF BILLS

Concessionaire shall promptly pay all debts incurred by Concessionaire for the purchase of goods or services used by Concessionaire in the operation of the concession.

Section XVIII

TAXES

Concessionaire shall pay all taxes on personal property belonging to Concessionaire located on the concession premises, and Concessionaire shall pay all sales and other taxes levied against the operation of the business. Grantor shall pay all real property taxes assessed against the concession premises.

Section XIX

LIABILITY, PROPERTY DAMAGE, & WORKER COMP. INSURANCE

Throughout the term of this Agreement, Concessionaire shall maintain insurance for bodily injury, death, property damage occasioned by reason of the operation conducted by Concessionaire on the concession premises, fire loss, and all other general perils in the amount of One Million Dollars. Worker comp. insurance will be maintained in accordance with Utah State regulations.

Section XX

TERMINATION BY CONCESSIONAIRE

Concessionaire may terminate this Agreement at time after giving sixty (60) days written notice to Grantor of Concessionaire's intention to termination, Grantor shall have full authority to reenter and take full possession of the concession premises without the necessity of obtaining any legal process, and Grantor may purchase the corporation "Homestead Crater, Inc.," for the sum of the original legal and incorporation fees incurred by Concessionaire. Not to exceed \$1,000.00 and Grantor may resume the use of telephone service and existing numbers by paying for any transfer fees and or contractual fees.

Section XXI

DEFAULT AND ATTORNEY'S FEES

In the event of default by either party, the party found to be in default shall be liability for costs and attorney's fees incurred by the prevailing party.

DATED: May 21, 2005

THE HOMESTEAD, INC.

By *Britt Mathwich*
Britt Mathwich, President
5/21/05

THE HOMESTEAD CRATER, INC.

By *Herold Simons*
Herold Simons, President
5/21/05