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Fwd: Settlement Agreement

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Kent Jones 3:17 PM (1 hour ago)

to me

---------- Forwarded message ----------
From: **Barbara Wallin** <BJWallin@hollandhart.com>
Date: Fri, Jan 15, 2016 at 4:58 PM
Subject: Settlement Agreement
To: "kentljones@utah.gov" <kentljones@utah.gov>, "rosshansen@utah.gov" <rosshansen@utah.gov>, "willatkin@utah.gov" <willatkin@utah.gov>, "paul@summit.co" <paul@summit.co>, "dbr@clydesnow.com" <dbr@clydesnow.com>, "alightgb@earthlink.net" <alightgb@earthlink.net>, "sadeestaples@hotmail.com" <sadeestaples@hotmail.com>, "harris.dan77@gmail.com" <harris.dan77@gmail.com>, "cwelling@sfp.us" <cwelling@sfp.us>, "rthomas@wcwsid.com" <rthomas@wcwsid.com>
Cc: Jody Williams <JLWilliams@hollandhart.com>, Steve Vuyovich <SJVuyovich@hollandhart.com>

As requested by Jody Williams, I am sending a letter to Kent Jones dated 1/15/2016, the Settlement Agreement – Summit Mountain Holding Group Exchange E5382 and a Settlement Agreement Chart.

If you have any questions, please contact Jody Williams.

Thank you.

On Behalf of Jody L. Williams
Barbara Wallin
Legal Secretary
Holland & Hart LLP

Kent Jones
State Engineer

Show details

SETTLEMENT AGREEMENT

SUMMIT MOUNTAIN HOLDING GROUP EXCHANGE E5382

This Settlement Agreement (this "**Agreement**") is made and entered into this ____ day of January, 2016 (the "**Execution Date**"), by and among Summit Mountain Holding Group, LLC, a Utah limited liability company ("**Summit**"), Bar B Ranch, Inc., a Utah corporation ("**Bar B**"), Eden Water Works Company, a Utah nonprofit corporation ("**Eden Water**"), Middle Fork Irrigation Company, a Utah nonprofit corporation ("**Middle Fork**"), Wolf Creek Irrigation Company, a Utah nonprofit corporation ("**WCIC**") and Wolf Creek Water and Sewer Improvement District, a Utah improvement district ("**Wolf Creek District**"). Bar B, Eden Water, Middle Fork, WCIC and Wolf Creek District are sometimes collectively referred to herein as the "**Protestants**." Each of the Protestants and Summit may sometimes be referred to individually as a "**Party**" and the Protestants and Summit may sometimes be referred to collectively as the "**Parties**."

RECITALS

A. On April 8, 2014, Summit filed Exchange Application No. E5382 (35-12848) (the "**Exchange**") with the Utah Division of Water Rights (the "**Division**") seeking approval from the Utah State Engineer to develop 400 acre-feet of water for municipal use from seven underground well points of diversion and four springs to be replaced by the release of up to 400 acre-feet of water from Pineview Reservoir under the Exchange. The Pineview Reservoir water that is the source of the replacement water under the Exchange is based upon a contract (the "**Weber Basin Contract**") between Summit and Weber Basin Water Conservancy District ("**Weber Basin**"). Summit requested that previously approved Exchange Application No. E4715 (35-11995), also based upon the Weber Basin Contract, be withdrawn and replaced by the Exchange upon its approval.

B. Water developed under the Exchange is intended to supply Summit's resort development (the "**Development**") at Powder Mountain. As Summit develops sources under the Exchange needed to serve the Development, it will transfer the developed sources and portions of the Exchange to the Powder Mountain Water and Sewer Improvement District, a Utah improvement district (the "**Powder Mountain District**"). The Powder Mountain District will deliver the water made available under the Exchange to the Development through infrastructure constructed by Weber County or Summit and transferred to the Powder Mountain District and pursuant to the terms and conditions of a development agreement being negotiated between Summit and the Powder Mountain District.

C. Of the seven underground points of diversion listed in the Exchange, two are existing wells. Underground point of diversion #6, the "**Hidden Lake Well**," was drilled by Summit in 2013, and has a production yield of 120 gallons per minute (the "**Production Yield**") that has been approved by the Utah Division of Drinking Water (the "**DDW**"). Underground point of diversion #1, the "**Cobabe Well**," is owned by the Powder Mountain District.

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D. The Protestants timely protested the Exchange claiming that water diverted under the Exchange would impermissibly interfere with their senior vested water rights in the Weber River drainage located downgradient from the Exchange points of diversion and upgradient from Pineview Reservoir. Other parties protested the Exchange, including parties located in the Bear River drainage (the "**Cache Protestants**"). Both the Protestants and the Cache Protestants claimed that some of the water pumped from the Hidden Lake Well would be withdrawn from the Bear River drainage and could not be replaced from Pineview Reservoir under the Exchange. The Powder Mountain District did not protest the Exchange and was not a party in the administrative proceedings for the Exchange.

E. The Division held a hearing on the Exchange on July 8, 2014 at which Summit, the Protestants, the Cache Protestants, and others presented arguments and hydrogeological testimony. Subsequent to the hearing, the Parties filed numerous supplements to the administrative record for the Exchange.

F. Summit conducted a pump test at the Hidden Lake Well in December of 2014 to determine if impacts to the Protestants' and the Cache Protestants' water rights would occur from pumping the Hidden Lake Well. Subsequent to the pump test, the Parties and others evaluated the data and filed additional supplemental reports in the administrative record for the Exchange.

G. Beginning in the fall of 2014, the Utah Geological Survey (the "**UGS**") conducted an investigation into the hydrogeology of the Powder Mountain area in the vicinity of the Hidden Lake Well. The UGS examined baseflow of springs and streams discharging into Cache Valley and Ogden Valley, sampled water chemistry and stable isotopes, examined geology and later analyzed data from Summit's pump test. The UGS presented its interim findings to the Utah State Engineer in early 2015 but has not yet finalized its report.

H. In July of 2014 and July of 2015, WCIC and the Powder Mountain District entered into Out of Priority Water Diversion Agreements authorizing the Powder Mountain District to divert water out of priority under its junior water rights during the irrigation season without interfering with WCIC's early priority Water Right No. 35-7188 for the diversion and use of water from Wolf Creek for irrigation purposes (the "**WCIC Water Right**") in return for payment to WCIC to forebear the diversion of water under certain WCIC shares.

I. On July 31, 2015, the Utah State Engineer approved the Exchange with conditions. With respect to conditions relating to the Protestants, the State Engineer determined that if interference to the Protestants' water rights occurred from Summit's diversion of water under the Exchange, it would be manifest first in the flows of Wolf Creek, and no diversion of water should be made under the Exchange when WCIC's water rights are not being fully satisfied. The State Engineer also determined that there are times during the year when water can be diverted without interfering with water rights of the Protestants and other senior water rights, and that those times primarily occur during the non-irrigation season and spring runoff period.

J. The Utah State Engineer also conditioned approval of the Exchange on mitigation by Summit for interference to water rights in the Bear River drainage. The Hidden Lake Well

was evaluated to have a 30% interference impact to the Bear River drainage. The remaining six underground points of diversion described in the Exchange (including the Cobabe Well) have not been evaluated and are required to be evaluated to determine necessary mitigation to be provided to the Bear River drainage when each well is drilled. Water under the Exchange cannot be diverted from any of the underground well points of diversion in the Exchange until they have been evaluated and a mitigation plan for each individual well approved by the State Engineer. This Agreement does not cover any of the required mitigation to the Bear River side of the drainage divide.

K. On August 8, 2015, at the request of Summit and the Protestants, the State Engineer reissued his Order (the "**Order**") conditionally approving the Exchange but making no changes to his determination that mitigation to the Bear River drainage and Wolf Creek in the Weber River drainage was required for Summit's diversions of water under the Exchange. Various Requests for Reconsideration of the Order were timely filed but considered denied as a result of inaction on them by the State Engineer 20 days after the Requests were filed.

L. In August of 2015, Summit, WCIC and the Powder Mountain District negotiated an Out of Priority Water Diversion Agreement (3 Acre-Feet) (the "**3 Acre-Feet Agreement**") for the Powder Mountain District to serve up to 6 residences to be constructed by Summit in return for granting an easement to Lefty's Springs to WCIC and payment of Eighty-Five and No/100 Dollars ($85,000.00) to WCIC; however, the conditions precedent to the 3 Acre-Feet Agreement were not fulfilled and it did not become effective.

M. Subsequent to the issuance of the Order, the Protestants and Summit negotiated a settlement to the issues raised by the Exchange and the Order specific to the Weber River side of the drainage divide. WCIC took the lead for the Protestants in the negotiations, and all of the Protestants approved the settlement.

N. For purposes of negotiating the Parties' settlement, Summit and WCIC agreed that the critical period during which Summit must provide mitigation to WCIC is four months during the irrigation season, approximately between June 15th and October 15th (the "**Critical Mitigation Period**"), although climatic and hydrologic conditions vary each year.

O. On October 9, 2015, the Parties executed a Memorandum of Understanding Re: Exchange E5382 (the "**MOU**") to outline their agreement in principle and to document the critical points agreed to by them in settling their disputes over the Exchange.

P. Paragraph 2 of the MOU states the agreement of the Parties to not file an action for judicial review of the Order upon the execution of the MOU.

AGREEMENT

NOW THEREFORE, in full and complete settlement of all disputes, protests and claims among the Parties arising out of the Exchange, the Protestants' protests to the Exchange, and the Order, and in consideration of the foregoing recitals, the mutual covenants, promises and

agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. No Judicial Review of the Order. The Parties represent that in good faith reliance on the MOU, they have not commenced an action to seek judicial review of the Order, and that the time within which to seek judicial review has now run and the Order is final.

2. Incorporation of Recitals, Definitions and Exhibits. The Parties agree that the Recitals to this Agreement set forth above, including without limitation, the definitions of capitalized terms set forth therein, and the Exhibits to this Agreement are true and correct, and incorporated herein by this reference.

3. Condition Precedent to Effectiveness of Agreement. The Parties acknowledge that except for Section 1 above, which contains a provision that is intended to be binding and fully enforceable upon the Execution Date, a condition precedent to this Agreement (the "**Condition Precedent**") is the acquisition by Summit of a minimum of 15 shares of stock in WCIC (the "**Initial Mitigation Shares**"). The Condition Precedent may be waived by Summit in its sole and absolute discretion, in the event that Summit is unable to acquire any or all of the Initial Mitigation Shares, by Summit providing written notice to the other Parties. In the event of such a written waiver, the Parties will pursue the alternate mitigation as provided in Section 15 below. This Agreement will become effective (the "**Effective Date**") on either (i) the date that Summit acquires the last of the Initial Mitigation Shares; or (ii) the date that Summit provides written notice to the other Parties of its decision to waive the Condition Precedent.

4. Acquisition of WCIC Stock by Summit. Acquisition by Summit of the Initial Mitigation Shares is the cornerstone of Summit's mitigation for the first 200 acre-feet of annual underground water diverted under the Exchange. Nothing in this Agreement will limit Summit's acquisition of WCIC shares to only the Initial Mitigation Shares. Following Summit's acquisition of any shares of stock in WCIC, Summit or its designee shall remain a WCIC shareholder and pay all assessments as levied by WCIC against the shares the same as any other irrigating (farming) shareholder. Consistent with WCIC's Amended Bylaws, Summit will not attempt to divert and use any water under any WCIC shares it acquires, including the Initial Mitigation Shares, from an underground well or outside the existing certificated place of use of the WCIC Water Right. WCIC and Summit agree that Summit's use of WCIC shares for mitigation as set forth herein is not inconsistent with WCIC's Amended Bylaws.

a. WCIC's Actions. WCIC will use its best efforts to help facilitate Summit's acquisition of the Initial Mitigation Shares through the following actions: dissemination of information regarding the executed MOU and this Agreement and the Parties' intention to settle their disputes arising out of the Exchange; discussions at the annual WCIC shareholders' meeting held in November of 2015; and providing Summit with WCIC's most recent shareholder list, including names and contact information of shareholders. WCIC shall not be required to contact individual WCIC shareholders or attend public meetings on Summit's behalf. Upon Summit's acquisition of the Initial Mitigation Shares and any additional WCIC shares and Summit's surrender of such endorsed shares to WCIC, WCIC, in its ordinary course of business and in conformance with its Bylaws, shall issue a new certificate or certificates in the name of Summit or Summit's designee. WCIC will transfer title to such shares upon the same

terms as WCIC would transfer title to any other shareholder acquiring WCIC shares and will not impose additional transfer requirements on Summit.

b. Summit's Actions. Summit will use its best efforts to timely acquire the Initial Mitigation Shares and surrender such shares to WCIC for transfer to Summit. Such efforts may include, without limitation and in Summit's sole discretion, communications with WCIC shareholders via telephone or in person, or other solicitation, either directly or through its agents. Negotiations to acquire WCIC shares shall be at prices and on terms acceptable to Summit and the individual WCIC shareholders from which Summit acquires WCIC shares.

c. Voting Rights Eliminated for Shares Used for Mitigation. Summit will not object to a change in WCIC's Articles of Incorporation and Amended Bylaws eliminating voting rights for WCIC shares used for mitigation.

5. Payment to WCIC by Summit. Summit shall pay Eighty-Five Thousand and No/100 Dollars ($85,000.00) to WCIC within seven (7) days of the Effective Date of this Agreement.

6. Grant of Lefty's Springs Monitoring Easement to WCIC by Summit. Within seven (7) days of the Effective Date of this Agreement, Summit shall grant to WCIC permanent easements to provide perpetual access to and from the existing monitoring device (the "**Protestants' Existing Monitoring Device**") located on Lower Lefty's Springs and to and from a new monitoring device (the "**New WCIC Monitoring Device**") to monitor the flows of Lefty's Springs at a point yet to be determined by WCIC. The Protestants' Existing Monitoring Device and the New WCIC Monitoring Device are collectively referred to herein as the "**Monitoring Facilities**." The granted easements shall also include rights for the installation, operation, maintenance, repair, and replacement of the Monitoring Facilities. The easements to be granted by Summit shall be substantially in the form of the Easement Agreement attached as **Exhibit A** to this Agreement (the "**Lefty's Springs Monitoring Easement Agreement**"). The Lefty's Springs Monitoring Easement Agreement shall be recorded in the office of the Weber County Recorder and indexed against land owned by Summit and/or a Summit affiliate, as appropriate. WCIC will timely provide to Summit all data obtained from the Monitoring Facilities, and the Monitoring Facilities will be added to the sources monitored under the Monitoring Plan that is defined and described in Section 13 of this Agreement.

7. Installation of Monitoring Device by Summit. Prior to the end of 2016, Summit will at its cost install a new monitoring device to monitor the flows of Lefty's Springs (the "**Summit Monitoring Device**"). The Summit Monitoring Device will be owned by Summit. The location, design, and installation of the Summit Monitoring Device shall be acceptable to WCIC. Summit will timely provide to WCIC all data obtained from the Summit Monitoring Device, and the Summit Monitoring Device will be added to the sources monitored under the Monitoring Plan that is defined and described in Section 13 of this Agreement.

8. Termination of 3 Acre-Feet Agreement. Summit and WCIC agree to execute the "**Termination Agreement**" attached as **Exhibit B** to this Agreement on or before the Effective Date and agree to cooperate to obtain the signature of the Powder Mountain District to such Termination Agreement.

9. Withdrawal of Underground Point of Diversion #7 from the Exchange. Within seven (7) days after the Effective Date of this Agreement, and as mitigation to all of the Protestants, and specifically to Bar B, Eden Water, Middle Fork and the Wolf Creek District as well as to WCIC, Summit will file written notice at the Division withdrawing underground Point of Diversion #7 from the Exchange. Point of Diversion #7 is described more particularly in the Exchange as having a Public Land Survey (PLS) description of South 1195 feet and East 2035 feet from the Northwest corner of Section 8, Township 7 North, Range 2 East, Salt Lake Base & Meridian (SLB&M).

10. Additional Development Under the Exchange. Summit may fully utilize the Hidden Lake Well to the extent of the approved Production Yield and will drill and develop underground Point of Diversion #5 as described in the Exchange. Underground Point of Diversion #5 (the "**Hidden Lake Well #2**") is described more particularly in the Exchange as having a Public Land Survey (PLS) description of North 1487 feet and East 1548 feet from the South quarter corner of Section 6, Township 7 North, Range 2 East, Salt Lake Base & Meridian (SLB&M) with a depth of from 1800 to 2500 feet.

a. Production Yield of Hidden Lake Well #2 Equal To or Greater Than Production Yield of Hidden Lake Well. Provided that (i) the Hidden Lake Well #2 has a Production Yield that is equal to or greater than the Production Yield of the Hidden Lake Well; and (ii) the State Engineer has approved the mitigation plan for the Bear River drainage required by the Order, Summit will suspend any further well drilling or spring development under the Exchange on the Weber River side of the drainage divide and will conduct exploration and development efforts on the Bear River side of the drainage divide as described in Section 11 of this Agreement.

b. Production Yield of Hidden Lake Well #2 Less Than Production Yield of Hidden Lake Well. In the event that the Production Yield of the Hidden Lake Well #2 is not equal to or greater than the Production Yield of the Hidden Lake Well, Summit may in its discretion conduct further exploration and development efforts under the Exchange on the Weber River side of the drainage divide until the Production Yield of the Hidden Lake Well #2 and the Production Yield of any additional wells developed under the Exchange when combined is equal to or greater than the Production Yield of the Hidden Lake Well. Following approval of the mitigation plan for the Bear River drainage for the developed sources as required by the Order, Summit will suspend any further well drilling or spring development under the Exchange on the Weber River side of the drainage divide and will conduct exploration and development efforts on the Bear River side of the drainage divide as set forth in Section 11 of this Agreement. Provided, however, even if the Production Yield of the Hidden Lake Well #2 is not equal to or greater than the Production Yield of the Hidden Lake Well, Summit may in its discretion suspend any further source development under the Exchange on the Weber River side of the drainage divide and conduct exploration and development efforts on the Bear River side of the drainage divide.

c. Point of Diversion #3. As additional mitigation to Bar B, Eden Water, Middle Fork and the Wolf Creek District, Summit agrees that underground Point of Diversion #3 as described in the Exchange shall be the last point of diversion it will explore or develop under the Exchange. Underground Point of Diversion #3 is described more particularly in the Exchange as having a Public Land Survey (PLS) description of North 400 feet and West 1350

feet from the Southeast corner of Section 5, Township 7 North, Range 2 East, Salt Lake Base & Meridian (SLB&M) with a depth of from 2000 to 2500 feet.

11. Water Rights Development in the Bear River Drainage. Prior to March 1, 2016, Summit will identify points of diversion on the Bear River side of the drainage divide it may pursue for a water supply to its Development (the "**Bear River PODs**"). After identifying the Bear River PODs, Summit will promptly notify the Protestants of its intent to file applications with the Division to develop the Bear River PODs and provide the Protestants with the locations of the Bear River PODs. Protestants will timely review the Bear River PODs and advise Summit as to which, if any, it may protest, providing reasons therefor. If Summit decides to file an application or applications with the Division including Bear River PODs that the Protestants indicated they would protest, Summit may in its discretion file such application(s) and prosecute the applications to a decision of the State Engineer, and the Protestants may protest the application(s). The Protestants will not protest applications containing only Bear River PODs to which they did not object. If it is reasonably and economically practicable after Summit has developed the Hidden Lake Well and the Hidden Lake Well #2, Summit will acquire sufficient water rights and develop sufficient sources in the Bear River drainage to supply the remaining water for the Development.

12. Establishment of a Mutually Agreeable Buffer Zone. The Parties will make a good faith attempt to establish a mutually agreeable buffer zone for drilling wells on the Bear River side of the drainage divide based on established hydrogeologic boundaries (the "**Buffer Zone**"). However, success in establishing the Buffer Zone is not a prerequisite to Summit filing an application or applications or developing sources under such application(s) that are located on the Bear River PODs.

13. Long Term Monitoring of Sources and Uses. Within six (6) months of the Effective Date, the Parties will develop a long-term monitoring plan (the "**Monitoring Plan**") to monitor sources developed by Summit and certain other undeveloped sources in both the Weber River and Bear River drainages. The monitoring plan will be mutually acceptable to the Parties, the State Engineer, and the Powder Mountain District. In addition to sources yet to be developed in the Weber River drainage and the Bear River drainage, the Monitoring Plan will include without limitation, Lefty's Springs (the Monitoring Facilities and the Summit Monitoring Device and any other device installed to monitor or divert water from Lefty's Springs), the Hidden Lake Well, the Hidden Lake Well #2, the Exploration Well #2, Pizzel Springs, the Cobabe Well, the existing flume located at WCIC's point of diversion for the WCIC Water Right, the flume located at the Warm Spring and other sources used to supply the water rights of the Protestants and the Powder Mountain District. In addition to monitoring the sources of the Parties and the Powder Mountain District, the Parties' uses of water from the monitored sources will be monitored and included in the Monitoring Plan. The data and water use information obtained under the Monitoring Plan will be provided to each of the Parties as set forth in the Monitoring Plan, but on no less than a quarterly basis. Where practical and economically feasible, the Parties will provide their data and water use information to each other on a real-time basis.

14. Summit's Mitigation for the First 200 Acre-Feet of Water under the Exchange. Summit shall at its option mitigate for the first 200 acre-feet of its annual underground water diversion under the Exchange either (i) by acquiring, owning and forbearing use of the Initial

Mitigation Shares together with constructing a 20 acre-feet reservoir (the "**First Storage Reservoir**") in which a portion of the water available for diversion under the Initial Mitigation Shares will be stored and released to WCIC annually as set forth in this Section 14, or (ii) through alternate mitigation as set forth in Section 15 of this Agreement. Mitigation for Summit's development of surface sources under the Exchange, identified as Surface Points of Diversion #1 through #4, may not be accomplished pursuant to this Section and must be accomplished pursuant to Section 22 hereof.

a. Mitigation for Development of First 150 Acre-Feet. To compensate other WCIC shareholders for Summit's diversion and year-round use of the first 150 acre-feet of underground water diverted under the Exchange, Summit will not call for delivery of its pro-rata allotment of water under the Initial Mitigation Shares when water is being diverted and delivered to Summit's Development pursuant to the Exchange, subject to Section 18 of this Agreement. During the period of Summit's forbearance of use of water under the Initial Mitigation Shares, WCIC will allocate and deliver Summit's pro-rata allotment of water to WCIC's other shareholders taking delivery of water through WCIC's pressurized system. The Parties agree that Summit's forbearance of use of the Initial Mitigation Shares is complete and full mitigation for the first 150 acre-feet of underground water developed under the Exchange.

b. Mitigation for Development of Next 50 Acre-Feet (151 Acre-Feet to 200 Acre-Feet) for a Total of the First 200 Acre-Feet Under the Exchange. Prior to Summit's commencement of construction of any part of Summit's Development that will require a water supply in excess of the first 150 acre-feet of water under the Exchange, Summit shall complete construction of the First Storage Reservoir and make it available for WCIC's use during the year that Summit first uses more than 150 Acre-Feet of water under the Exchange. However, in any event, Summit shall complete construction of the First Storage Reservoir no later than September 30, 2021 such that it is available for WCIC's use during the 2022 irrigation season. Summit shall design and construct the First Storage Reservoir at its own cost, including the cost to connect it to WCIC's pressurized irrigation system, and acquire all permits and approvals therefor. The location of the First Storage Reservoir shall be mutually acceptable to WCIC and Summit. Within twelve (12) months after the Effective Date of this Agreement, Summit and WCIC will agree on potential sites for construction of the First Storage Reservoir. It is the intent of the Parties that WCIC will fill the First Storage Reservoir during the early part of the irrigation season pursuant to the filing and approval of an Application for Permanent Change of Water ("**Change Application**") based upon a share segregation of the Initial Mitigation Shares as set forth in more detail in Section 19 of this Agreement. Thereafter, the stored water will be released to WCIC's other shareholders during the Critical Mitigation Period. The Parties agree that Summit's construction of the First Storage Reservoir as described in this Subsection is complete and full mitigation for the next 50 acre-feet of water developed under the Exchange for the total of the first 200 acre-feet under the Exchange.

i. Operation, Maintenance and Repair. WCIC shall operate and control the First Storage Reservoir, including the storing and releasing of water, and pay the operational costs thereof. Summit shall pay and be responsible for all maintenance and repair costs associated with the First Storage Reservoir for so long as it is used to provide mitigation for underground water diverted under the Exchange. Such maintenance and repair costs typically would include replacement of parts, equipment and materials and payments to contractors to

perform the maintenance and repairs and typically would not include payments to WCIC personnel to perform inspections and operate the First Storage Reservoir.

ii. Gravity-Fed System Preferred. Water delivered for storage in and released from the First Storage Reservoir must be able to be gravity-fed into WCIC's pressurized irrigation system, or Summit shall, at its sole cost, design and construct pumping facilities required for the storage and release of such water. Construction of a gravity-fed system is preferred by the Parties over a system that is dependent upon pumping facilities, and a gravity-fed system should be constructed if it is reasonably and economically practicable to do so. If a gravity-fed system is not reasonably and economically practicable, the account with the power company for the pumping facilities shall be in Summit's name and Summit shall thereafter pay all pumping and water delivery costs for so long as water from the First Storage Reservoir is used to mitigate for water diverted under the Exchange.

iii. Continuing Mitigation Obligation. Summit's responsibility for maintenance and repair of the First Storage Reservoir, the payment of all costs associated with the maintenance and repair of the First Storage Reservoir, and the payment of pumping costs associated with the First Storage Reservoir, if any, are continuing mitigation obligations under this Agreement. Summit's failure to make such payments when due constitutes a default under this Agreement. The continued diversions of water under the Exchange are expressly conditioned upon Summit making such payments when due.

c. Easements and Indemnities. If Summit owns the property on which the First Storage Reservoir will be located, Summit shall grant easements to WCIC for access to and from the First Storage Reservoir and for the construction, operation and maintenance of the First Storage Reservoir and associated pipelines and facilities. WCIC shall indemnify, defend and hold harmless Summit for all liability, damage, and costs arising out of its access and for its operation and control of the First Storage Reservoir. If Summit does not own the property on which the First Storage Reservoir will be located, Summit and WCIC will cooperate in Summit's acquisition of easements from the owner of such property for access to and from the First Storage Reservoir and for the construction, operation and maintenance of the First Storage Reservoir and associated pipelines and facilities. Such easements will be acceptable and assignable to WCIC. In such an event, WCIC will not be required to indemnify, defend and hold harmless Summit for access or for WCIC's operation and control of the First Storage Reservoir. Summit shall indemnify, defend and hold harmless WCIC for all liability, damage, and costs arising out of the permitting, and construction, maintenance and repair of the First Storage Reservoir and for its use of the First Storage Reservoir for recreation as set forth in more detail in Section 20 of this Agreement.

15. Alternate Mitigation for the First 200 Acre-Feet of Water Under the Exchange. In the event that Summit cannot acquire any or all of the Initial Mitigation Shares and provides written notice to the other Parties of Summit's waiver of the Condition Precedent as set forth in Section 3 of this Agreement, Summit may, in its sole discretion, undertake alternate mitigation for the first 200 acre feet of underground water diverted under the Exchange as set forth in this Section. Such alternate mitigation may consist of construction of reservoirs to store 40 acre-feet of water (the "**Alternate Storage Reservoirs**") in the event that none of the Initial Mitigation Shares are acquired by Summit. If some, but less than 15, of the Initial Mitigation Shares are

acquired by Summit, Summit may use the table in Subsection c of this Section to calculate the amount of storage required to mitigate for the first 200 acre-feet of underground water diverted under the Exchange based upon the number of WCIC shares acquired.

a. Location and Construction of the Alternate Storage Reservoirs. The location of the Alternate Storage Reservoirs shall be mutually acceptable to WCIC and Summit. Within twelve (12) months after Summit provides written notice to the other Parties of Summit's waiver of the Condition Precedent as set forth in Section 3 of this Agreement, Summit and WCIC will agree on potential sites for construction of the Alternate Storage Reservoirs. Summit shall design and construct the Alternate Storage Reservoirs at its own cost, including the cost to connect them to WCIC's pressurized irrigation system, and acquire all permits and approvals therefor. It is the intent of the Parties that WCIC will fill the Alternate Storage Reservoirs during the early part of the irrigation season pursuant to the filing and approval of a Change Application based upon the WCIC Water Right as set forth in more detail in Section 19 of this Agreement. Thereafter, the stored water will be released to WCIC's other shareholders during the Critical Mitigation Period. The Parties agree that Summit's construction of the Alternate Storage Reservoirs to store 40 acre-feet of water as described in this Section would be complete and full mitigation for the First 200 acre-feet of underground water diverted under the Exchange.

i. Operation, Maintenance and Repair. WCIC shall operate and control the Alternate Storage Reservoirs, including the storing and releasing of water, and pay the operational costs thereof. Summit shall pay and be responsible for all maintenance and repair costs associated with the Alternate Storage Reservoirs for so long as they are used to provide mitigation for underground water diverted under the Exchange. Such maintenance and repair costs typically would include replacement of parts, equipment and materials and payments to contractors to perform the maintenance and repairs and typically would not include payments to WCIC personnel to perform inspections and operate the Alternate Storage Reservoirs.

ii. Gravity-Fed System Preferred. Water delivered for storage in and released from the Alternate Storage Reservoirs must be able to be gravity-fed into WCIC's pressurized irrigation system, or Summit shall, at its sole cost, design and construct pumping facilities required for the storage and release of such water. Construction of a gravity-fed system is preferred by the Parties over a system that is dependent upon pumping facilities, and a gravity-fed system should be constructed if it is reasonably and economically practicable to do so. If a gravity-fed system is not reasonably and economically practicable, the account with the power company for the pumping facilities shall be in Summit's name and Summit shall thereafter pay all pumping and water delivery costs for so long as water from the Alternate Storage Reservoirs is used to mitigate for water diverted under the Exchange.

iii. Continuing Mitigation Obligation. Summit's responsibility for the maintenance and repair of the Alternate Storage Reservoirs, the payment of all costs associated with the maintenance and repair of the Alternate Storage Reservoirs, and the payment of pumping costs associated with the Alternate Storage Reservoirs, if any, are continuing mitigation obligations under this Agreement. Summit's failure to make such payments when due constitutes a default under this Agreement. The continued diversions of water under the Exchange are expressly conditioned upon Summit making such payments when due.

b. Easements and Indemnities. If Summit owns the property on which the Alternate Storage Reservoirs will be located, Summit shall grant easements to WCIC for access to and from the Alternate Storage Reservoirs and for the construction, operation and maintenance of the Alternate Storage Reservoirs and associated pipelines and facilities. WCIC shall indemnify, defend and hold harmless Summit for all liability, damage, and costs arising out of its access and for its operation and control of the Alternate Storage Reservoirs. If Summit does not own the property on which the Alternate Storage Reservoirs will be located, Summit and WCIC will cooperate in Summit's acquisition of easements from the owner of such property for access to and from the Alternate Storage Reservoirs and for the construction, operation and maintenance of the Alternate Storage Reservoirs and associated pipelines and facilities. Such easements will be acceptable and assignable to WCIC. In such an event, WCIC will not be required to indemnify, defend and hold harmless Summit for access or for WCIC's operation and control of the Alternate Storage Reservoirs. Summit shall indemnify, defend and hold harmless WCIC for all liability, damage, and costs arising out of the permitting, and construction, maintenance and repair of the Alternate Storage Reservoirs and for its use of the Alternate Storage Reservoirs for recreation as set forth in more detail in Section 20 of this Agreement.

c. Combination of Less Than Initial Mitigation Shares and Storage. In the event that Summit acquires less than the Initial Mitigation Shares, Summit may select any combination of acquisition of a number of WCIC shares in an amount less than the Initial Mitigation Shares and construction of storage to mitigate for the first 200 acre-feet of underground water diverted under the Exchange. By way of clarification, in no event may Summit acquire more WCIC shares than the Initial Mitigation Shares and construct less than 20 acre-feet of storage in the First Storage Reservoir to mitigate for the first 200 acre-feet of underground water diverted under the Exchange. The following table will be used to calculate the amount of Storage to be constructed taking into account the number of WCIC Shares actually acquired by Summit:

NUMBER OF WCIC SHARES	ACRE-FEET OF STORAGE (Rounded)
1	39.00
2	37.00
3	36.00
4	35.00
5	33.00
6	32.00
7	31.00
8	29.00
9	28.00
10	27.00
11	25.00
12	24.00
13	23.00
14	21.00
INITIAL MITIGATION SHARES	20.00

16. Summit's Mitigation for the Second 200 Acre-feet of Water under the Exchange. Summit will provide written notice to the other Parties of Summit's intent to develop some or all of the second 200 acre-feet of water under the Exchange. Summit shall mitigate for the second 200 acre-feet of its annual water usage diverted under the Exchange pursuant to Subsections a, b, c or d of this Section 16, if Summit's development is from underground sources in the Exchange. Mitigation for Summit's development of surface sources under the Exchange, identified as Surface Points of Diversion #1 through #4, may not be accomplished pursuant to this Section and must be accomplished pursuant to Section 22 hereof.

a. Duplication of Mitigation for First 200 Acre-Feet. If Summit intends to divert the second 200 acre-feet of water from underground points of diversion under the Exchange, Summit may acquire an additional 15 shares of WCIC stock (the "**Second Mitigation Shares**") and duplicate its mitigation for diverting the first 200 acre-feet of water under the Exchange either (i) by acquiring, owning and forbearing use of the Second Mitigation Shares together with constructing a 20 acre-feet reservoir (the "**Second Storage Reservoir**") in which a portion of the water available for diversion under the Second Mitigation Shares will be stored and released to WCIC's shareholders other than Summit annually as set forth in Subsection a of this Section 16, or (ii) by constructing reservoirs to store 40 acre-feet of water as set forth in Subsection b of this Section 16 of this Agreement.

(i) Mitigation for Development of 150 Acre-Feet (201 Acre-Feet to 350 Acre-Feet) of the Exchange ("**201 to 350 acre-feet**"). To compensate other WCIC shareholders for Summit's diversion and year-round use of 201 to 350 acre-feet of underground water diverted under the Exchange, Summit will not call for delivery of its pro-rata allotment of water under the Second Mitigation Shares when underground water is being diverted and delivered to Summit's Development pursuant to the Exchange, subject to Section 18 of this Agreement. During the period of Summit's forbearance of use of water under the Second Mitigation Shares, WCIC will allocate and deliver Summit's pro-rata allotment of water to WCIC's other shareholders taking delivery of water through WCIC's pressurized system. The Parties agree that Summit's forbearance of use of the Second Mitigation Shares is complete and full mitigation for 201 to 350 acre-feet of underground water developed under the Exchange.

(ii) Mitigation for Development of Last 50 Acre-Feet Under the Exchange. Prior to Summit's commencement of construction of any part of Summit's Development that will require a water supply in excess of the 350 acre-feet of water under the Exchange, Summit shall complete construction of the Second Storage Reservoir and make it available for WCIC's use during the year that Summit first uses more than 350 acre-feet of water under the Exchange. Summit shall design and construct the Second Storage Reservoir at its own cost, including the cost to connect it to WCIC's pressurized irrigation system, and acquire all permits and approvals therefor. The location of the Second Storage Reservoir shall be mutually acceptable to WCIC and Summit. Within twelve (12) months after Summit provides written notice to the other Parties of Summit's intent to develop some or all of the second 200 acre-feet of water under the Exchange, Summit and WCIC will agree on potential sites for construction of the Second Storage Reservoir. It is the intent of the Parties that WCIC will fill the Second Storage Reservoir during the early part of the irrigation season pursuant to the filing and approval of a Change Application based upon a share segregation of the Second Mitigation Shares as set forth in more detail in Section 19 of this Agreement. Thereafter, the stored water

will be released to WCIC's other shareholders during the Critical Mitigation Period. The Parties agree that Summit's construction of the Second Storage Reservoir as described in this Subsection is complete and full mitigation for the last 50 acre-feet of water developed under the Exchange.

A. Operation, Maintenance and Repair. WCIC shall operate and control the Second Storage Reservoir, including the storing and releasing of water. Summit shall pay and be responsible for all maintenance and repair costs associated with the Second Storage Reservoir for so long as it is used to provide mitigation for underground water diverted under the Exchange. Such maintenance and repair costs typically would include replacement of parts, equipment and materials and payments to contractors to perform the maintenance and repairs and typically would not include payments to WCIC personnel to perform inspections and operate the Second Storage Reservoir.

B. Gravity-Fed System Preferred. Water delivered for storage in and released from the Second Storage Reservoir must be able to be gravity-fed into WCIC's pressurized irrigation system, or Summit shall, at its sole cost, design and construct pumping facilities required for the storage and release of such water. Construction of a gravity-fed system is preferred by the Parties over a system that is dependent upon pumping facilities, and a gravity-fed system should be constructed if it is reasonably and economically practicable to do so. If a gravity-fed system is not reasonably and economically practicable, the account for the pumping facilities shall be in Summit's name and Summit shall thereafter pay all pumping and water delivery costs for so long as water from the Second Storage Reservoir is used to mitigate for water diverted under the Exchange.

C. Continuing Mitigation Obligation. Summit's responsibility for the maintenance and repair of the Second Storage Reservoir, the payment of all costs associated with the maintenance and repair of the Second Storage Reservoir, and the payment of pumping costs associated with the Second Storage Reservoir, if any, are continuing mitigation obligations under this Agreement. Summit's failure to make such payments when due constitutes a default under this Agreement. The continued diversions of water under the Exchange are expressly conditioned upon Summit making such payments when due.

(iii) Easements and Indemnities. If Summit owns the property on which the Second Storage Reservoir will be located, Summit shall grant easements to WCIC for access to and from the Second Storage Reservoir and for the construction, operation and maintenance of the Second Storage Reservoir and associated pipelines and facilities. WCIC shall indemnify, defend and hold harmless Summit for all liability, damage, and costs arising out of its access and for its operation and control of the Second Storage Reservoir. If Summit does not own the property on which the Second Storage Reservoir will be located, Summit and WCIC will cooperate in Summit's acquisition of easements from the owner of such property for access to and from the Second Storage Reservoir and for the construction, operation and maintenance of the Second Storage Reservoir and associated pipelines and facilities. Such easements will be acceptable and assignable to WCIC. In such an event, WCIC will not be required to indemnify, defend and hold harmless Summit for access or for WCIC's operation and control of the Second Storage Reservoir. Summit shall indemnify, defend and hold harmless WCIC for all liability, damage, and costs arising out of the permitting, and construction, maintenance and repair of the

Second Storage Reservoir and for its use of the Second Storage Reservoir for recreation as set forth in more detail in Section 20 of this Agreement.

b. Option to Construct Additional Storage. Alternatively, Summit may, in its sole discretion, construct additional reservoirs to store 40-acre-feet of water (the "**Second Alternate Storage Reservoirs**"). Summit shall design and construct the Second Alternate Storage Reservoirs at its own cost, including the cost to connect them to WCIC's pressurized irrigation system, and acquire all permits and approvals therefor.

(i) Location and Operation of the Second Alternate Storage Reservoirs. The location of the Second Alternate Storage Reservoirs shall be mutually acceptable to WCIC and Summit. Within twelve (12) months after Summit provides written notice to the other Parties of Summit's intent to develop some or all of the second 200 acre-feet of water under the Exchange, if Summit decides to construct additional reservoirs to store 40 acre-feet of water in place of the mitigation described in Subsection a of this Section 16, Summit and WCIC will decide on the site(s) for construction of the Second Alternate Storage Reservoirs. It is the intent of the Parties that WCIC will fill the Second Alternate Storage Reservoirs during the early part of the irrigation season pursuant to the filing and approval of a Change Application based upon the WCIC Water Right as set forth in more detail in Section 19 of this Agreement. Thereafter, the stored water will be released to WCIC's other shareholders during the Critical Mitigation Period. The Parties agree that Summit's construction of the Second Alternate Storage Reservoirs as described in this Subsection would be complete and full mitigation for the Second 200 acre-feet of underground water diverted under the Exchange.

A. Operation, Maintenance and Repair. WCIC shall operate and control the Second Alternate Storage Reservoirs, including the storing and releasing of water. Summit shall pay and be responsible for all maintenance and repair costs associated with the Second Alternate Storage Reservoirs for so long as they are used to provide mitigation for underground water diverted under the Exchange. Such maintenance and repair costs typically would include replacement of parts, equipment and materials and payments to contractors to perform the maintenance and repairs and typically would not include payments to WCIC personnel to perform inspections and operate the Second Alternate Storage Reservoirs.

B. Gravity-Fed System Preferred. Water delivered for storage in and released from the Second Alternate Storage Reservoirs must be able to be gravity-fed into WCIC's pressurized irrigation system, or Summit shall, at its sole cost, design and construct such pumping facilities required for the storage and release of such water. Construction of a gravity-fed system is preferred by the Parties over a system that is dependent upon pumping facilities, and a gravity-fed system should be constructed if it is reasonably and economically practicable. If a gravity-fed system is not reasonably and economically practicable, the account with the power company for the pumping facilities shall be in Summit's name and Summit shall thereafter pay all pumping and water delivery costs for so long as water from the Second Alternate Storage Reservoirs is used to mitigate for water diverted under the Exchange.

C. Continuing Mitigation Obligation. Summit's responsibility for the maintenance and repair of the Second Alternate Storage Reservoirs, the payment of all costs associated with the maintenance and repair of the Second Alternate Storage Reservoirs, and

the payment of pumping costs associated with the Second Alternate Storage Reservoirs, if any, are continuing mitigation obligations under this Agreement. Summit's failure to make such payments when due constitutes a default under this Agreement. The continued diversions of water under the Exchange are expressly conditioned upon Summit making such payments when due.

(ii) Easements and Indemnities. If Summit owns the property on which the Second Alternate Storage Reservoirs will be located, Summit shall grant easements to WCIC for access to and from the Second Alternate Storage Reservoirs and for the construction, operation and maintenance of the Second Alternate Storage Reservoirs and associated pipelines and facilities. WCIC shall indemnify, defend and hold harmless Summit for all liability, damage, and costs arising out of its access and for its operation and control of the Second Alternate Storage Reservoirs. If Summit does not own the property on which the Second Alternate Storage Reservoirs will be located, Summit and WCIC will cooperate in Summit's acquisition of easements from the owner of such property for access to and from the Second Alternate Storage Reservoirs and for the construction, operation and maintenance of the Second Alternate Storage Reservoirs and associated pipelines and facilities. Such easements will be acceptable and assignable to WCIC. In such an event, WCIC will not be required to indemnify, defend and hold harmless Summit for access or for WCIC's operation and control of the Second Alternate Storage Reservoirs. Summit shall indemnify, defend and hold harmless WCIC for all liability, damage, and costs arising out of the permitting, and construction, maintenance and repair of the Second Alternate Storage Reservoirs and for its use of the Second Alternate Storage Reservoirs for recreation as set forth in more detail in Section 20 of this Agreement.

c. Combination of WCIC Shares and Storage. Summit may select any combination of WCIC shares plus additional storage pursuant to the above Subsections a and b of this Section 16 (1 share of WCIC stock shall offset 10 acre-feet of annual usage on the mountain).

d. Mitigation Pursuant to Section 21. Summit also may mitigate for the second 200 acre-feet of water diverted under the Exchange using one or more of the alternatives described in Section 21 of this Agreement.

17. Grant of Reservoir Easement to WCIC and WCIC's Construction of Non-Mitigation Reservoir. In addition to the reservoirs Summit constructs for the mitigation of water diverted under the Exchange that are described in Sections 14-16 of this Agreement, Summit shall grant easements to WCIC for the use of up to 5 acres of land owned by Summit and/or its affiliates for WCIC's construction of a storage reservoir (the "**Balloon Fest Reservoir**"), in the southeast corner of what is commonly referred to as the "Wolf Barn" property as such location is generally depicted on **Exhibit C** to this Agreement. Within thirty (30) days after the Effective Date of this Agreement, Summit shall grant to WCIC permanent easements for access to and from the Balloon Fest Reservoir site, and for the construction, operation, maintenance, and use of the Balloon Fest Reservoir and pipelines and ancillary facilities necessary and appropriate for storage and release of water. The easements to be granted by Summit shall be substantially in the form of the Reservoir Easement Agreement attached as **Exhibit D** to this Agreement (the "**Reservoir Easement Agreement**"). WCIC shall plan, permit, construct and operate the Balloon Fest Reservoir at its own cost and expense. The Reservoir Easement Agreement shall be

recorded in the office of the Weber County Recorder and indexed against the land referenced above. WCIC shall indemnify, defend and hold harmless Summit for all liability, damage, and costs arising out of its access and for its operation and control of the Balloon Fest Reservoir. WCIC and Summit acknowledge that the easements granted to WCIC pursuant to this Section 17 and the Reservoir Easement Agreement will need to be more particularly described after the Balloon Fest Reservoir, pipelines, and ancillary facilities have been engineered and a final design for the construction of the same has been approved by WCIC and any relevant permitting authorities. Following such design and approval, WCIC and Summit will cooperate in executing and recording an Amended Reservoir Easement Agreement to replace the recorded Reservoir Easement Agreement and that amends and more particularly describes the locations of each of the easements granted thereunder.

18. Summit's Interim Use of Initial Mitigation Shares and Second Mitigation Shares. The Parties anticipate that Summit's use of the first 150 acre-feet of water under the Exchange and mitigation therefor will be phased in as Summit acquires approvals and constructs the Development. During the interim period prior to Summit's full use of the first 150 acre-feet of water under the Exchange, Summit may use those Initial Mitigation Shares that are not then required to mitigate water diverted under the Exchange in the same manner as any other WCIC irrigation shareholder uses its WCIC shares. To properly account for Summit's annual use of water made available under the Initial Mitigation Shares during such interim period, prior to the commencement of the irrigation season each year Summit shall inform WCIC of its allocation of water to mitigation under this Agreement and to the other purposes that are authorized under WCIC's Articles of Incorporation and Amended Bylaws. If Summit elects to acquire Second Mitigation Shares, Summit may provide for interim use of such Second Mitigation Shares in the manner set forth in this Section.

19. Change Applications for the Storage Reservoirs. One or more Change Applications must be filed and approved in order to permit, construct and use the storage reservoirs anticipated under this Agreement. The first Change Application shall be prepared by WCIC and Summit for joint filing and based on a share segregation on the Initial Mitigation Shares, unless Summit does not acquire all or enough shares, in which case the Change Application will be filed on a share segregation on the number of Initial Mitigation Shares acquired by Summit and supplemented, if necessary, based on the WCIC Water Right. Subsequent Change Applications for any storage reservoir used to mitigate diversion of water under the Exchange shall be based on the WCIC Water Right except for any reservoir constructed on the Second Mitigation Shares, which shall be based on a share segregation on such Second Mitigation Shares. Summit and WCIC shall cooperate in acquiring approval of all Change Applications used by Summit to mitigate diversion of water under the Exchange and in maintaining such Change Applications in good standing at the Division, including perfecting such Change Applications. Summit shall pay all costs in acquiring approval of, maintaining and perfecting the first Change Application filed pursuant to Sections 14 and 15 hereof to construct storage used to mitigate diversion of water under the Exchange. WCIC shall be solely responsible to prepare, file, maintain and perfect subsequent Change Applications to construct storage anticipated by this Agreement, including the Balloon Fest Reservoir, without contribution by Summit.

20. Summit's Use of Reservoirs for Recreation. Summit may use all of the storage reservoirs described in Sections 14-16 of this Agreement and the Balloon Fest Reservoir for recreation; provided, however, that such recreational use does not interfere with WCIC's primary and unfettered operation and use of the reservoirs for irrigation; and further provided that Summit indemnifies, defends and holds WCIC harmless from and against all liability, damage, costs (including, without limitation, attorneys' fees and court costs), expenses, losses, claims, demands, judgments, actions and causes of action, and/or proceedings suffered or arising out of Summit's recreational use of such reservoirs and that Summit shall obtain and keep in full force and effect broad form general comprehensive liability insurance covering public liability with respect to its recreational use of such reservoirs, with limits in an amount and coverage of the types a prudent landowner would maintain for recreational use of such reservoirs, and each such insurance policy shall name WCIC an additional insured and shall provide for thirty (30) days written notice to WCIC prior to the effective date of any cancellation, and certified copies of such insurance policies and any renewals thereof shall be delivered to WCIC. Indemnification agreements and proof of insurance shall be negotiated and executed between WCIC and Summit prior to any recreational use of such reservoirs.

a. Use of 10 Acre Lake for Recreation. WCIC agrees not to object to the Wolf Creek District allowing Summit to use the existing 10 acre lake below the Wolf Creek District's water treatment plant for recreation; provided, however, that Summit and the Wolf Creek District first negotiate and execute an agreement allowing such recreational use on the existing 10 acre lake; and further provided that Summit's recreational use does not interfere with WCIC's primary and unfettered operation and use of the existing 10 acre reservoir for irrigation.

21. Other Mitigation Approaches Agreed to by the Parties. The Parties have discussed and considered other potential mitigation approaches that could be used by Summit to provide mitigation for underground water diverted under the Exchange. After Summit completes mitigation for the first 200 acre-feet of underground water diverted under the Exchange as provided in this Agreement, it may use one or a combination of the following options to substitute for the mitigation for the second 200 acre-feet of underground water diverted under the Exchange described in Section 16 of this Agreement. If Summit chooses to mitigate for underground water diverted under the Exchange with any of the following surface water delivery options, the Parties agree that 40 acre-feet of surface water delivered to WCIC's pressurized irrigation system will mitigate 200 acre-feet of annual diversion of underground water pumped under the Exchange. Mitigation for diversion of water from surface sources approved under the Exchange shall be on an acre-foot to acre-foot basis, such that diversion of one-acre foot of water from a surface source during the irrigation season shall require one-acre foot of mitigation water replacement to WCIC.

a. Pumping Water from Pineview Reservoir. Summit may pump water under the Weber Basin Contract from Pineview Reservoir to WCIC's 10 acre lake to replace reservoir storage as mitigation for underground water pumped under the Exchange. In the event that Summit utilizes this mitigation option, Summit will construct the required infrastructure to pump and deliver the water to the 10 acre lake and pay all Weber Basin Contract, pumping, operation and maintenance, and other third-party charges, for so long as the water pumped from Pineview Reservoir is used to mitigate for underground water diverted under the Exchange.

Summit and WCIC will in good faith negotiate and execute an additional agreement to implement this alternative mitigation.

b. Other Surface Water Delivery to WCIC. Summit may acquire and deliver other surface water, including but not limited to Causey Reservoir storage water, to WCIC's pressurized irrigation system at a location or locations acceptable to WCIC to replace reservoir storage as mitigation for underground water pumped under the Exchange. In the event that Summit utilizes this mitigation option, Summit will construct the required infrastructure to pump and deliver the water, acquire the right to deliver water through the Causey Canal or other infrastructure owned by others, and pay all delivery, pumping, operation, maintenance and contract costs, and other third-party charges, for so long as the water diverted from such surface sources is used to mitigate for underground water diverted under the Exchange. Summit and WCIC will in good faith negotiate and execute an additional agreement to implement this alternative mitigation.

c. Future Mitigation Options. The Parties acknowledge that other opportunities and options for mitigation and developing an adequate water supply for the Powder Mountain District and Summit's Development may become available and the Parties will cooperate and negotiate in good faith to achieve mutually agreeable solutions for mitigation and development of an adequate water supply. Any such potential opportunity or option under this Subsection 21 c, must be acceptable to both WCIC and Summit. WCIC or Summit may exercise its discretion in rejecting any such potential opportunity or option that it does not find acceptable.

22. Mitigation for Diversion of Water from Surface Water Points of Diversion Approved in the Exchange. Summit may not divert water from surface points of diversion under the Exchange during times when the WCIC Water Right is not fully satisfied unless it provides, as mitigation, replacement of such surface water diverted on an acre-foot for acre-foot basis. By way of example, if Summit diverts one acre-foot of water from Lefty's Springs during the irrigation season and at a time when the WCIC Water Right is not fully satisfied, Summit must replace one acre-foot of surface water to WCIC's pressurized irrigation system from sources other than the WCIC Water Right. Replacement water must be of the same quality as water supplied under the WCIC Water Right. Surface water replacement under this Section shall be simultaneous unless Summit and WCIC agree in writing to a different timing for replacement.

23. Maintenance of Weber Basin Contract and Exchange Points of Diversion. Summit will maintain in good standing the amount of the Weber Basin Contract required by the State Engineer to authorize Summit's diversions from the Weber River drainage under the Exchange. Depending on which mitigation options are implemented and the success of source development on the Bear River side of the drainage divide, Summit will re-evaluate its need for the entire Weber Basin Contract and the entire Exchange as well as its need to retain all of the points of diversion approved under the Exchange. If Summit determines, in its sole discretion, that not all of the Weber Basin Contract or all of the Exchange or all of the points of diversion under the Exchange are needed for its Development, Summit will relinquish such undeveloped portions of the Weber Basin Contract and Exchange and withdraw all undeveloped points of diversion under the Exchange by amending the Weber Basin Contract, withdrawing the undeveloped portion of the Exchange at the Division, and filing a written withdrawal of the undeveloped points of diversion with the Division.

24. Transfer of Developed Portions of the Exchange to the Powder Mountain District. The Powder Mountain District ultimately will be the water supplier for the Development. Any transfer or conveyance of the Exchange or any portion of the Exchange by Summit to the Powder Mountain District shall not include any undeveloped points of diversion described in the Exchange. Such undeveloped points of diversion shall be withdrawn by Summit prior to Summit's final transfer of the Exchange to the Powder Mountain District. However, the Parties will cooperate with the Powder Mountain District such that the Powder Mountain District may acquire approval of DDW to supply phases of Summit's Development that have been approved by Powder Mountain District and Weber County.

25. Regional Water Planning. The Parties agree to support regional water planning and treatment in order to provide a secure and adequate water supply to all of them.

26. Approval of the State Engineer. The Order required Summit to enter into a mitigation agreement with WCIC prior to diverting water under the Exchange. This Agreement, when fully executed and after the Effective Date, is intended to satisfy the mitigation requirement and to be the Agreement anticipated and required by the Order. The Parties will forward a fully executed copy of this Agreement to the State Engineer and ask that (i) the State Engineer acknowledge that the Agreement satisfies the mitigation requirements as directed in the Reissued Order approving Exchange Application; (ii) the Agreement be entered into the official files of the Division for the Exchange; and (iii) Exchange E4715 (35-11995) be withdrawn.

27. Termination. After the Effective Date, this Agreement may not be terminated except by the mutual agreement of all of the Parties and the consent of the State Engineer.

28. Default and Remedies. An event of default ("**Event of Default**") exists under this Agreement upon the occurrence of any of the following events:

a. A Party does not perform any material term, provision, covenant, agreement, or obligation of this Agreement, and then does not cure the default within thirty (30) days after receiving written notice of the default from the other Party. If any non-monetary default cannot be cured within the thirty (30) day period, an Event of Default does not occur if the defaulting Party commences to cure the default within the thirty (30) day period and diligently pursue the completion of the cure, but in any event within forty-five (45) days after receiving the default notice (unless a longer extension is otherwise agreed to in writing by the non-defaulting Party, and consent to such extension shall not to be unreasonably withheld).

b. If an Event of Default by any Party occurs, the non-defaulting Parties may do any or all of the following:

i. Bring an action against the defaulting Party for damages;

ii. Seek any other available legal or equitable remedy; or

iii. The Parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms of this Agreement and that the Parties shall be entitled to seek specific performance of the terms of

this Agreement, in addition to any other remedy at law or equity without the necessity of demonstrating the inadequacy of monetary damages.

29. Miscellaneous Provisions.

a. Notices. Any notice, approval, consent or other communication under this Agreement must be in writing; marked to the attention of the company representative (as applicable); and sent to the relevant address specified below; and hand delivered or sent by nationally recognized courier or by mail, fax or email.

Unless the notice specifies a later time, and subject to applicable laws, a notice will be effective as follows: for a hand delivery or delivery by courier, upon receipt; for a letter sent by registered/certified mail, 5 days after postmark (7 days if postmarked from a foreign country); for a fax upon confirmation from the dispatching machine that indicates that the fax was sent in its entirety to the fax number of the recipient; and for an e-mail, the notice must be included as an attachment to the e-mail (not simply contained in the e-mail text), and will be effective upon receipt of a delivery-receipt or other reliable electronic means to verify receipt; provided that if a notice is received on a day other than a business day, or is received after 5:00 p.m. in the jurisdiction of receipt, the notice will be effective the next day.

A Party may change its address for notices by providing written notice to that effect to the other Party.

If to Summit:

Summit Mountain Holding Group LLC
Jeff Werbelow, COO
3923 N. Wolf Creek Drive, Eden, Utah 84310
Email: jw@summit.com

If to WCIC:

Wolf Creek Irrigation Company
Dee Staples, President
1879 No. 2750 East, Layton, Utah 84040
Email: sadeestaples@hotmail.com

If to Bar B:

Bar B Ranch, Inc.
Scott Browning
2318 Field Rose Dr., Salt Lake City, Utah 84121
Email: sbrowning@firstutahbank.com

If to Eden Water:

Eden Water Works Company
Calvin Welling
2225 Washington Blvd., Suite 230, Ogden, Utah 84401
Email: cwelling@sfp.us

If to Middle Fork:

Middle Fork Irrigation Company
Dan Harris
PO Box 535, Eden, Utah 84310
Email: harris.dan77@gmail.com

If to Wolf Creek District:

Wolf Creek Water and Sewer Improvement District
Lowell Peterson
3632 No. Wolf Creek Dr., Eden, Utah 84310
Email: lspksp@aol.com

b. Entire Agreement. This Agreement constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. Each Party acknowledges that it has not relied upon any statements, representations, agreements or warranties of any person, except those expressly stated in this Agreement.

c. Modification. This Agreement may not be modified except by a writing signed by all of the Parties.

d. Waiver. No Party shall be deemed to have waived any right or remedy under or with respect to this Agreement unless such waiver is expressed in a writing signed by such Party. No waiver of any right or remedy under or with respect to this Agreement by a Party on any occasion or in any circumstance shall be deemed to be a waiver of any other right or remedy on that occasion or in that circumstance nor a waiver of the same or of any other right or remedy on any other occasion or in any other circumstance.

e. Assignment of this Agreement. This Agreement and any of the rights, interests or obligations hereunder may not be assigned by any Party hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of all of the other Parties, which consent shall not be unreasonably withheld. Any attempted assignment by a Party without the prior written consent of the other Parties shall be void and shall be deemed to be a default under this Agreement. A Party shall not withhold its consent to an assignment of this Agreement so long as: (i) the assigning Party gives written notice to the other Parties of such assignment prior to the effective date of the assignment; and (ii) the assignee agrees in a written instrument delivered to and enforceable by the other Parties, to assume all of the obligations of the assigning Party under this Agreement.

f. Successors and Assigns. This Agreement is binding upon, extend to, and inure to the benefit of the heirs, successors, and assigns of the Parties hereto, and to the officers, directors, employees, partners, agents and representatives of the Parties hereto, and to all persons or entities claiming by, through or under any of the Parties hereto.

e. Force Majeure. No Party will be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in

fulfilling or performing any term of this Agreement, except for any obligations to make payments to the other Party hereunder, when and to the extent such failure or delay is caused by or results from acts beyond the affected Party's reasonable control, including without limitation: (i) acts of God; (ii) flood, fire, earthquake or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (iv) government order or law; (v) actions, embargoes or blockades in effect on or after the date of this Agreement; (vi) action by any governmental authority; (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns or other industrial disturbances; (ix) unavoidable accident; (x) mechanical breakdown; and (xi) shortage of adequate power or transportation facilities (a ***"Force Majeure Event"***). The Party suffering a Force Majeure Event will promptly give notice of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue and will use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.

f. Remedies Cumulative. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

g. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is deemed or held to be illegal, invalid or unenforceable, this Agreement shall be considered divisible and inoperative as to such provision to the extent it is deemed to be illegal, invalid or unenforceable, and in all other respects this Agreement shall remain in full force and effect; provided, however, that if any provision of this Agreement is deemed or held to be illegal, invalid or unenforceable the Parties agree to replace such illegal, invalid or unenforceable provision with a provision that is legal, valid and enforceable that achieves the original intent of the Parties as closely as possible. Further, should any provision contained in this Agreement ever be reformed or rewritten by any judicial body of competent jurisdiction, such provision as so reformed or rewritten shall be binding upon all Parties hereto.

h. Cooperation and Further Assurances. Each of the Parties shall cooperate fully with one another and shall execute, deliver, file, and record such further and additional documents and instruments that the other Party may reasonably request to effect further and more completely the transactions herein contemplated.

i. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Utah without giving effect to any choice or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah.

j. Jurisdiction and Venue. Any legal suit, action or proceeding arising out of, based upon or relating to this Agreement, will be instituted in the courts of the State of Utah, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The Parties irrevocably and unconditionally waive any objection to the establishing of venue of any suit, action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

k. Attorneys' Fees. In the event that any action or proceeding is commenced by any Party hereto for the purpose of enforcing any provision of this Agreement, the Parties to such action or proceeding shall receive as part of any award, judgment, decision or other resolution of such action or proceeding their costs and reasonable attorneys' fees as determined by the court making such award, judgment, decision or resolution.

l. Time is of the Essence. Time is of the essence in the performance of and compliance with each of the terms and conditions of this Agreement.

m. Relationship of Parties. Nothing contained in this Agreement shall be interpreted or construed to create an agency relationship, association, joint venture, trust or partnership, or impose any trust or partnership covenant, obligation or liability on or with regard to any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

n. No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or confers upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

o. Counterparts Signatures. This Agreement may be executed by facsimile or other electronic means and 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. Signatures delivered hereon by facsimile or electronic mail shall be deemed originals for all purposes.

p. Authorized Execution. The individuals signing below each represent and warrant (a) that they are authorized to execute this Agreement for and on behalf of the Party for whom they are signing; (b) that the execution of this Agreement has been duly authorized by such Party; and (c) that such Party shall be bound in all respects by this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

SUMMIT MOUNTAIN HOLDING GROUP, LLC
a Delaware limited liability company

By: _____
Name: _____
Title: _____

BAR B RANCH, INC.
a Utah Corporation

By: _____
Name: _____
Title: _____

EDEN WATER WORKS COMPANY
a Utah Nonprofit Corporation

By: _____
Name: _____
Title: _____

MIDDLE FORK IRRIGATION COMPANY
a Utah Nonprofit Corporation

By: _____
Name: _____
Title: _____

WOLF CREEK IRRIGATION COMPANY
a Utah Nonprofit Corporation

By: _____
Name: _____
Title: _____

WOLF CREEK WATER AND SEWER IMPROVEMENT DISTRICT
a Utah Improvement District

By: _____
Name: _____
Title: _____

STATE ENGINEER'S STATEMENT IN CONCURRENCE OF MITIGATION SETTLEMENT

I, Kent L. Jones, the State Engineer for the State of Utah, hereby concur that upon implementation of the mitigation steps as agreed to in the forgoing Agreement satisfies the mitigation requirements as directed in the Reissued Order approving Exchange Application E5382 (35-12848), as to the Weber River Drainage.

_____

Kent L. Jones, P.E., State Engineer

8301779_7.docx

EXHIBIT A

SETTLEMENT AGREEMENT

SUMMIT MOUNTAIN HOLDING GROUP EXCHANGE E5382

[Lefty's Springs Monitoring Easement Agreement]

WHEN RECORDED, RETURN TO:

Wolf Creek Irrigation Company
P.O. Box 761
Eden, Utah 84310
Attention: Mr. Dee Staples

LEFTY'S SPRINGS MONITORING EASEMENT AGREEMENT

This LEFTY'S SPRINGS MONITORING EASEMENT AGREEMENT (this "Agreement") is made this _____ day of _____ 2016, by and among SMHG Phase I, LLC, a Delaware limited liability company, SMHG Landco LLC, a Delaware limited liability company, their ultimate parent company Summit Mountain Holding Group, L.L.C. and their successors and assigns (collectively the "Grantor"), and Wolf Creek Irrigation Company, a Utah non-profit corporation, and its successors and assigns ("Grantee").

RECITALS

A. Grantor is the owner of certain real property located in Weber County, Utah, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("Grantor's Property").

B. Grantee is a mutual irrigation company supplying water to its shareholders in the Ogden Valley and owns, among other things, the earliest priority water right in Wolf Creek.

C. Lefty's Springs is a tributary to Wolf Creek and is located on Grantor's Property. Grantee desires easements from Grantor to access, install, operate, maintain, repair, and replace one or more water flow measuring and monitoring devices to measure the flow of Lefty's Springs (the "Facilities").

D. Grantor agrees to grant the easements set forth below to Grantee pursuant to the terms and conditions set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

AGREEMENT

1. Grant of Easement. Grantor hereby grants to Grantee and the Benefited Parties (defined below) the following perpetual easements in gross:

a. A perpetual non-exclusive permanent easement over, across, and through Grantor's Property for pedestrian, bicycle and equestrian ingress, egress and access by means of the access trail (the "Access Trail") identified on Exhibit "B" and depicted on Exhibit "C" both

of which are attached hereto and incorporated herein. Grantee shall not have the right to construct, install, maintain, repair, or rebuild any improvements for use of the Access Trail.

b. A perpetual non-exclusive permanent easement on, over, across, under and through that portion of the Access Trail marked "A" on Exhibit "B," for the installation, operation, maintenance, repair and replacement of a water flow measurement and monitoring device and related improvements by Grantee. Grantee shall provide Grantor with the proposed location for installation of this water flow measurement and monitoring device within that portion of the Access Trail marked "A" prior to its installation and Grantor may not object to Grantee's proposed location if it does not unreasonably interfere with the operation, maintenance, repair and replacement of any existing water flow and monitoring device of Grantor.

c. A perpetual non-exclusive permanent easement on, over, across, under and through that portion of the Access Trail marked "A" on Exhibit "B," for the operation, maintenance, repair and replacement of the existing water flow measurement and monitoring device and related improvements at the location commonly referred to by Grantee as "Lower Lefty's Spring."

The two water flow measurement and monitoring devices described in this Paragraph 1 are collectively referred to herein as the "Monitoring Facilities" and the three easements described in this Paragraph 1 are collectively referred to herein as the "Easements."

2. Location of Access Trail. The exact location of the Access Trail may be modified, changed, and/or relocated by Grantor from time to time, with Grantee's prior written consent, which may not be unreasonably denied by Grantee. Any such modification or relocation must provide access to Grantee from substantially the same point of beginning (i.e., in the Village) and provide substantially equivalent access to the Monitoring Facilities located in that portion of the Access Trail marked "A" on Exhibit "B." Any such modification or relocation will also require that this Agreement be amended and that the amendment to this Agreement be recorded in the office of the Weber County Recorder and properly indexed against Grantor's Property.

3. Notice Requirement, Maintenance, Replacement; Liens. Grantee shall provide Grantor prior notice before using the Access Trail. During the winter months and the big game hunting seasons, Grantee shall provide Grantor with forty-eight (48) hours prior notification. Such notification is not required to be in writing. Grantee shall be responsible, at its sole cost and expense, for the construction, operation, maintenance, repair, and replacement of the Monitoring Facilities. Grantee shall also be responsible for restoring and re-vegetating any areas of Grantor's Property that are damaged resulting from Grantee's use of the Access Trail and/or Monitoring Facilities. In addition, Grantee shall not permit, and shall indemnify Grantor against, any lien or claim of mechanics or laborers filed against Grantor's Property, or any part or parts thereof arising from non-payment of costs, fees or other expenses for any work, labor or materials furnished pursuant to any agreement by Grantee relating to the Monitoring Facilities. Within thirty (30) days after Grantee receives notice of such filing or recording of any such lien, Grantee shall cause the same to be discharged by obtaining a release thereof or bonding over such mechanics' lien or otherwise. If Grantee fails to cause such lien to be discharged within

such period, Grantor shall have the right (but not the duty), in addition to any other remedies provided herein, to pay all amounts necessary to cause such lien to be discharged and released of record, and any amounts so paid by Grantor shall be repaid by Grantee, plus interest from the date of Grantor's payment at the rate of eighteen percent (18%) per annum until paid.

4. Grantee's At-Risk Use and Winter Conditions. Grantee's use of the Access Trail shall be at its own risk and Grantee acknowledges and agrees that Grantor has no obligation or duty to improve, maintain or repair the Access Trail or the Monitoring Facilities. Grantor has no duty or obligation to provide avalanche control for the Access Trail and/or the locations of the Monitoring Facilities. In addition, Grantee acknowledges that during winter months the Access Trail and locations of the Monitoring Facilities are difficult to reach and are exposed to a high degree of avalanche danger and other winter conditions. Prior to using the Access Trail during winter months Grantee shall discuss conditions of access relating to the Access Trail and Monitoring Facilities with Grantor, including avalanche danger; however, Grantee hereby expressly waives any claim it, or its members, partners, directors, officers, agents, contractors, employees and guests may have against Grantor for any damage, injury, death or other liability, to any person or property, which may arise as a result of or otherwise be attributable in any way to the use of the information discussed. Grantor shall not guarantee the accuracy of the information provided. During the winter months, Grantor may, in its sole discretion (but without the obligation), provide Grantee transportation to the Monitoring Facilities through use of snowmobiles and/or Snowcats owned and operated by Grantor's affiliates in its skiing operations of the Powder Mountain Resort.

5. Benefitted Parties. The Easement shall be for the use and benefit of the following parties (the "Benefited Parties"): (a) Grantee and its successors and assigns; and (b) all employees, contractors, subcontractors and invitees of Grantee, its successors and assigns.

6. Data from Grantor and Grantee Installed Monitoring Devices. Grantor intends to construct one or more waterflow measuring and monitoring devices to monitor the flows of Lefty's Springs, Wolf Creek, and/or other sources tributary to Wolf Creek. Providing such devices are constructed and operated by Grantor it shall timely provide to Grantee any data obtained from such devices. Grantee agrees that it shall timely provide to Grantor any data which it may obtain from the Monitoring Facilities and from any other measuring and monitoring device that monitors the flows of Lefty's Springs, Wolf Creek, and/or other sources tributary to Wolf Creek.

7. Taxes. Grantor shall pay when due all real property taxes and assessments assessed against the Easements. Grantee shall pay when due any taxes assessed against the Monitoring Facilities, if any (excluding any access roads or improvements owned by a third party) permitted hereunder and installed in the Easement by Grantee.

8. No Public Dedication. The Easements shall not be construed as creating any rights in or for the benefit of the general public, or be deemed to be a gift or dedication of any part of the Easements, in whole or in part, to the general public or for any public use whatsoever.

9. Notices. With the exception of the notice required to be given by Grantee to Grantor prior to using the Access Trail pursuant to Paragraph 3 hereof, all notices made pursuant

to this Agreement shall be in writing and shall be given by personal delivery to a responsible person, by electronic transmission, by deposit in the United States mail (certified mail, return receipt requested, postage prepaid), or by express delivery service, freight prepaid. Notices shall be delivered or addressed to Grantor and Grantee at the following addresses, or at such other address as a party may designate in writing:

Grantor: SMHG Landco LLC,
SMHG Phase I, LLC and
Summit Mountain Holding Group, LLC
3923 N. Wolf Creek Drive
Eden, Utah 84310
Attention: Jeff Werbelow
email: jw@summit.com
Telephone: (801) 987-0570

Grantee: Wolf Creek Irrigation Company
P.O. Box 761
Eden, Utah 84310
Attention: Mr. Dee Staples
email: sadeestaples@hotmail.com
Telephone: (801) 721-3730

The date notice is deemed to have been given, received and become effective shall be the date on which the notice is delivered, if notice is given by personal delivery or electronic transmission, or the date of actual receipt if the notice is sent through the United States mail or by express delivery service.

10. Covenants to Run with the Land. The Easements, rights and interests granted herein shall constitute covenants running with the land, and shall burden Grantor's Property as the servient estate, and shall be binding upon Grantor, its successors, assigns and any person acquiring, leasing or otherwise owning an interest in Grantor's Property, and shall inure to the benefit of Grantee and the Benefited Parties.

11. Enforcement. In the event either party fails to cure any violation of the terms of this Agreement within ten (10) days after written notice from the other, the non-defaulting party shall have the right to injunctive relief, to require specific performance of this Agreement, to collect damages from the defaulting party, and to take such actions as may be necessary in the non-defaulting party's discretion to cure such violation and charge the defaulting party with all reasonable costs and expenses incurred by the non-defaulting party as a result of such violation (including, without limitation, the non-defaulting party's reasonable attorneys' fees and related costs). All rights and remedies provided under this Agreement are cumulative and may be pursued singularly, in any combination, and in any order. The failure to enforce any of the terms and provisions contained herein shall in no event be deemed to be a waiver of the right to thereafter strictly enforce the terms and provisions hereof.

12. Indemnity. Grantee shall indemnify and hold harmless Grantor, its members, partners, directors, officers, agents, contractors and employees, free from or against any and all

liability, loss, damage, costs and expenses (including reasonable attorneys' fees) for injury to person or death or property damage to the extent arising from the use of the Access Trail and/or the Monitoring Facilities, except for any such liability, loss, damage, costs and expenses to the extent arising directly and solely from the acts of Grantor or its members, partners, directors, officers, agents, contractors and employees.

13. General Provisions.

13.1 Recitals Incorporated. The Recitals set forth above are true and correct and are incorporated herein by this reference.

13.2 Modification and Waiver. This Agreement may be modified or amended only by a writing signed by each of the parties hereto or their respective successors or assigns and recorded in the official records of the Weber County Recorder's Office. This Agreement is governed by the laws of the State of Utah. The failure to any party hereto to insist upon strict performance or any of the terms, covenants, conditions or agreements contained herein shall not be deemed a waiver of any rights or remedies that such party may have, and shall not be deemed a waiver or any subsequent breach or default in any of the terms, covenants, conditions or agreements contained herein.

13.3 Construction. This instrument shall be construed in accordance with the laws of the State of Utah without giving effect to its conflict of laws principles.

13.4 Amendment. The parties may amend this Agreement only by a written instrument executed by the parties and recorded in the Office of the Weber County Recorder.

13.5 Partial Invalidity. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

13.6 Counsel. Both Grantor and Grantee have been represented by their own counsel in connection with the negotiation and preparation of this Agreement and, consequently, both Grantor and Grantee waive the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including any rule of law to the effect that any provision of this Agreement will be interpreted or construed against the party whose counsel drafted that provision.

13.7 Counterparts. This instrument may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

13.8 Authority. Each party hereto is duly organized, existing and in good standing under the laws of the state of the jurisdiction in which it is organized and has the full right and authority to enter into this Easement Agreement and consummate the transaction contemplated hereby. All requisite company action has been taken by each party in connection with the entering into of this Easement Agreement and the consummation of the transaction

contemplated hereby. Each of the persons signing this Easement Agreement on behalf of a party hereto is authorized to do so.

[Signatures and Notaries on Following Pages]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Lefty's Springs Monitoring Easement Agreement as of the date first indicated above.

GRANTOR:

SMHG LANDCO LLC, a Delaware limited liability company, by Summit Mountain Holding Group, LLC, a Utah limited liability company, its Sole Member

By: SUMMIT REVOLUTION LLC, a Delaware limited liability company
Its: Sole Member

By:_____
Name: Jeff Werbelow
Title: Authorized Signatory

SMHG Phase I, LLC, a Delaware limited liability company

By: SMHG Investments LLC, a Delaware limited liability company
Its: Sole Member

By:_____
Name: Jeff Werbelow
Title: Authorized Signatory

Summit Mountain Holding Group, LLC, a Utah limited liability company, its Sole Member

By: SUMMIT REVOLUTION LLC, a Delaware limited liability company
Its: Sole Member

By:_____
Name: Jeff Werbelow
Title: Authorized Signatory

STATE OF UTAH)
:ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Jeff Werbelow as Authorized Signatory of Summit Revolution LLC, a Delaware limited liability company, the sole member of Summit Mountain Holding Group, LLC, a Utah limited liability company, the sole member of SMHG Landco LLC, a Delaware limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:

_____

STATE OF UTAH)
:ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Jeff Werbelow as Authorized Signatory of SMHG Investments LLC, a Delaware limited liability company, the sole member of SMHG Phase I, LLC, a Delaware limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:

_____

STATE OF UTAH)
:ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Jeff Werbelow as Authorized Signatory of Summit Revolution LLC, a Delaware limited liability company, the sole member of Summit Mountain Holding Group, LLC, a Utah limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:

_____

GRANTEE:

WOLF CREEK IRRIGATION COMPANY

By: _____
Name: _____
Its: _____

STATE OF UTAH)
: ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, the _____ of Wolf Creek Irrigation Company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:
_____

EXHIBIT "A"

Description of Grantor's Property

PARCEL #230120139

ALL OF SECTION 7, TOWNSHIP 7 NORTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN. EXCEPT THE WEST 1/2 OF THE NORTHWEST 1/4. ALSO EXCEPT THE FOLLOWING DESCRIBED PARCEL: PART OF THE NORTH 1/2 OF SECTION 18 AND THE SOUTH 1/2 OF SECTION 7,TOWNSHIP 7 NORTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN U S SURVEY; BEGINNING AT A POINT 1320 FEET WEST ALONG THE EAST WEST CENTER LINE FROM THE EAST CORNER OF SECTION 18 TO THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 18, RUNNING THENCE NORTH ALONG THE CENTER LINE OF SAID NORTHEAST 1/4 3520.00 FEET TO THE POINT 880 FEET NORTH OF THE SOUTH LINE OF SECTION 7; THENCE WEST 2640 FEET, THENCE SOUTH 3520 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST 1/4OF THE NORTHWEST 1/4 OF SECTION 18, THENCE EAST ALONG THE EAST WEST CENTER LINE OF SECTION 18, 2640.00 FEET, MORE OR LESS, TO THE POINT OF BEGINNING. LESS AND EXCEPTING ALL OF SUMMIT EDEN PHASE 1ASUBDIVISION RECORDED AS ENTRY NO. 2672943. ALSO LESS AND EXCEPTING THE FOLLOWING: (FOR REFERENCE: PROPOSED SUMMIT EDEN PHASE 1E DEVELOPMENT AREA)BEGINNING AT A POINT THAT IS SOUTH 3,860.49 FEET, AND EAST651.73 FEET, FROM THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP7 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS BEING NORTH 89D55'51" WEST ALONG THE LINE BETWEEN THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 7 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN AND THE SET WEBER COUNTY MONUMENT ON THE INTERSECTION OF THE WEBER/CACHE COUNTY LINE AND THE SECTION LINE); RUNNING THENCE SOUTH 71D00'44" EAST 524.76FEET; THENCE SOUTH 65D29'59" EAST 363.54 FEET; THENCE SOUTH81D24'28" EAST 567.68 FEET TO THE SOUTHERLY RIGHT OF WAY LINE OF SUMMIT PASS; THENCE ALONG SAID LINE SOUTHERLY AND A 213.00FOOT RADIUS NON TANGENT CURVE TO THE LEFT, (CHORD BEARS SOUTH00D34'51" WEST A DISTANCE OF 45.82 FEET), THROUGH A CENTRAL ANGLE OF 12D20'56", A DISTANCE OF 45.91 FEET TO THE SOUTHERLY LINE OF HORIZON RUN; THENCE ALONG SAID SOUTHERLY LINE FOLLOWING TWO (2) COURSES, 1) SOUTHWESTERLY ALONG A 20.00 FOOT RADIUS REVERSE CURVE TO THE RIGHT, (CHORD BEARS SOUTH25D09'12" WEST A DISTANCE OF 20.45 FEET), THROUGH A CENTRAL ANGLE OF 61D29'38" A DISTANCE OF 21.47 FEET, 2) SOUTHERLY ALONG A 125.00 FOOT RADIUS REVERSE CURVE TO THE LEFT, (CHORD BEARS SOUTH 01D14'03" EAST A DISTANCE OF 209.99 FEET), THROUGH A CENTRAL ANGLE OF 114D16'09" A DISTANCE OF 249.30 FEET; THENCE SOUTH 38D29'38" WEST 196.43 FEET; THENCE SOUTH22D15'59" WEST 389.31 FEET; THENCE SOUTH 67D44'01" EAST 359.08FEET; THENCE NORTH 22D29'51" EAST 295.08 FEET; THENCE SOUTH67D30'09" EAST 257.38 FEET; THENCE NORTH 31D34'54" EAST 265.07FEET TO THE SOUTHERLY

LINE OF HORIZON RUN; THENCE ALONG SAID SOUTHERLY LINE FOUR (4) COURSES, 1) THENCE SOUTH 58D25'06"EAST 9.28 FEET, 2) THENCE EASTERLY ALONG A 225.00 FOOT RADIUS CURVE TO THE LEFT, (CHORD BEARS SOUTH 77D02'22" EAST A DISTANCE OF 143.69 FEET), THROUGH A CENTRAL ANGLE OF37D14'33", A DISTANCE OF 146.25 FEET, 3) THENCE NORTH84D20'22" EAST 63.25 FEET, 4) THENCE EASTERLY ALONG A 475.00FOOT RADIUS CURVE TO THE RIGHT, (CHORD BEARS SOUTH 86D37'24"EAST A DISTANCE OF 37.86 FEET), THROUGH A CENTRAL ANGLE OF4D34'05", A DISTANCE OF 37.87 FEET; THENCE SOUTH 15D09'44"WEST 501.68 FEET; THENCE SOUTH 54D51'05" EAST 43.67 FEET; THENCE SOUTH 35D08'55" WEST 260.32 FEET; THENCE SOUTH83D23'28" WEST 80.94 FEET; THENCE SOUTH 75D22'38" WEST 308.19FEET; THENCE SOUTH 71D25'04" WEST 1,249.80 FEET; THENCE SOUTH34D29'44" WEST 1,032.96 FEET; THENCE SOUTH 41D58'40" WEST239.39 FEET; THENCE SOUTH 41D58'40" WEST 296.34 FEET; THENCE NORTH 88D30'24" WEST 233.06 FEET; THENCE SOUTH 55D49'44" WEST849.17 FEET TO THE SOUTHERLY LINE OF SECTION 12, TOWNSHIP 7NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG SAID SOUTHERLY LINE NORTH 89D40'51" WEST 616.65 FEET; THENCE NORTH 00D12'06" WEST 693.84 FEET; THENCE NORTH 42D32'52" EAST649.90 FEET; THENCE NORTH 47D31'16" EAST 525.96 FEET; THENCE NORTH 36D36'36" EAST 300.42 FEET; THENCE NORTH 10D09'08" EAST352.63 FEET; THENCE NORTH 23D11'03" EAST 614.71 FEET TO THE NORTHEAST CORNER OF SECTION 12, TOWNSHIP 7 NORTH, RANGE 1EAST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 26D21'06" EAST669.33 FEET; THENCE NORTH 40D27'50" EAST 792.62 FEET; TO THE POINT OF BEGINNING.

PARCEL #230120130

ALL OF SECTION 8, TOWNSHIP 7 NORTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY. EXCEPTING THEREFROM SUMMIT EDEN PHASE 1A. EXCEPTING THEREFROM SUMMIT EDEN PHASE 1B. EXCEPTING THEREFROM SUMMIT EDEN PHASE 1C. EXCEPTING THEREFROM SUMMIT PASS & SPRING PARK. (75-13 TO 27)

PARCEL #231280020

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY LYING SOUTHERLY OF THE EDEN CEMETERY DISTRICT LINE AND EASTERLY OF THE POWDER MOUNTAIN WATER AND SEWER DISTRICT LINE BEING, ALL OF LOT B2 (OPEN SPACE), SUMMIT EDEN PHASE 1A, WEBER COUNTY, UTAH.

EXHIBIT "B"

Description of Access Trail

Access Easement

A 50 foot wide access easement, 25' on each side of the following described centerline:

Beginning at a point known as Lefty's Spring, said point being South 992.94 feet and West 443.00 feet from the southeast lot corner of Lot 13R of Summit Eden Phase 1A Subdivision as recorded on January 27, 2014 as entry number 2672943 in the official records of Weber County, and running thence South 983.61 feet; thence North 80°57'02" East 1245.01 feet; thence North 62°18'59" East 778.07 feet; thence North 72°36'00" East 1229.55 feet; thence South 71°56'49" East 1097.34 feet; thence North 81°09'29" East 357.22 feet; thence South 65°05'37" East 1016.23 feet; thence East 176.34 feet; thence North 54°48'37" East 418.23 feet more or less to a point on the west right of way line of Summit Pass, a Weber County public road as recorded on January 27, 2014 as entry number 21072934 in the official records of Weber County, said point also being the point of termination.
Contains approximately 8.38 acres.

EXHIBIT "C"

Depiction of Access Trail

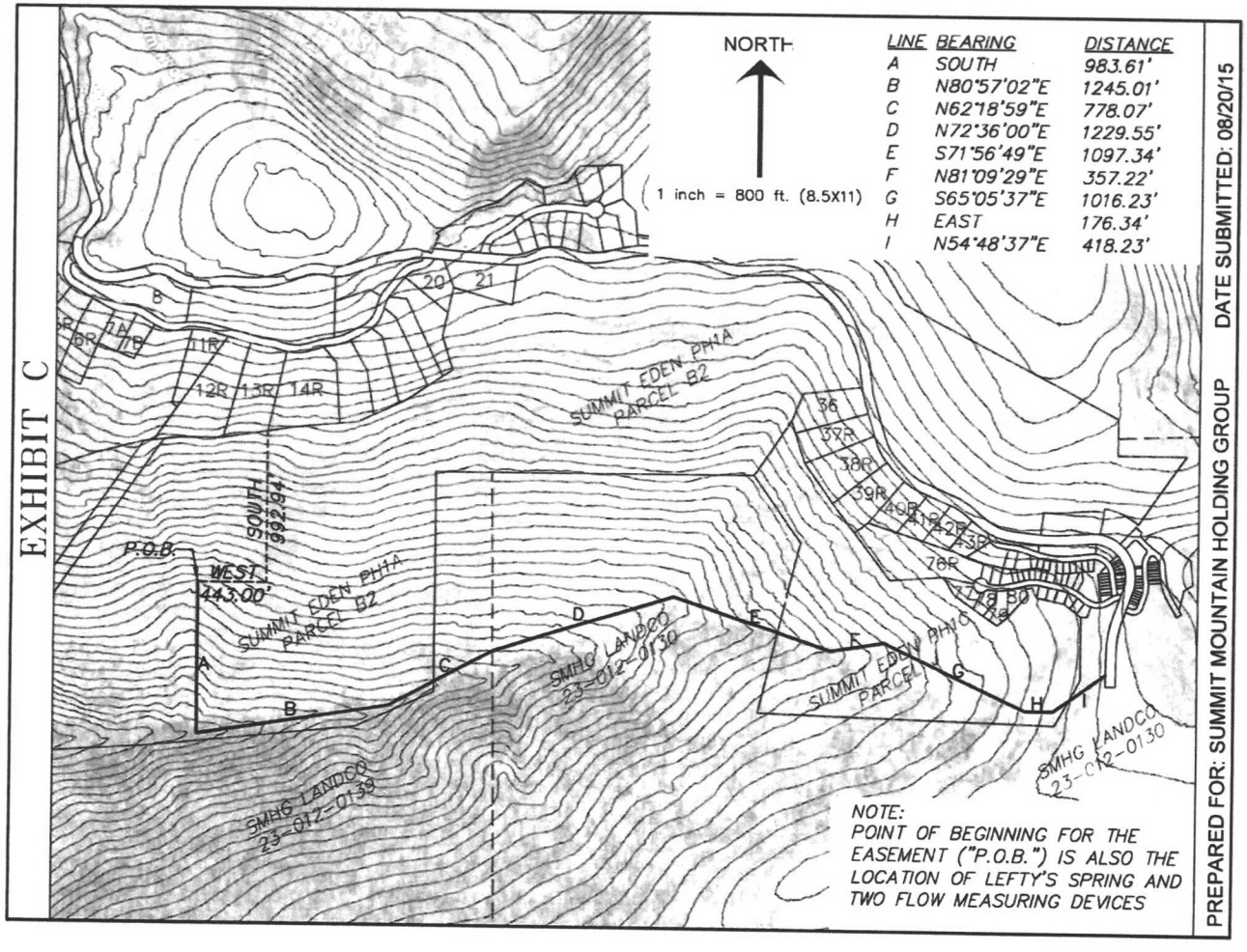


EXHIBIT C
NORTH
1 inch = 800 ft. (8.5X11)
LINE BEARING DISTANCE
A SOUTH 983.61'
B N80°57'02"E 1245.01'
C N62°18'59"E 778.07'
D N72°36'00"E 1229.55'
E S71°56'49"E 1097.34'
F N81°09'29"E 357.22'
G S65°05'37"E 1016.23'
H EAST 176.34'
I N54°48'37"E 418.23'
P.O.B.
WEST 143.00'
SOUTH 992.94'
SUMMIT EDEN PH1A PARCEL B2
SMHG LANDCO 23-012-0139
SMHG LANDCO 23-012-0130
SUMMIT EDEN PH1C PARCEL
NOTE:
POINT OF BEGINNING FOR THE EASEMENT ("P.O.B.") IS ALSO THE LOCATION OF LEFTY'S SPRING AND TWO FLOW MEASURING DEVICES
PREPARED FOR: SUMMIT MOUNTAIN HOLDING GROUP
DATE SUBMITTED: 08/20/15

EXHIBIT B

SETTLEMENT AGREEMENT

SUMMIT MOUNTAIN HOLDING GROUP EXCHANGE E5382

[Termination of 3 Acre-Feet Agreement]

TERMINATION OF OUT OF PRIORITY DIVERSION AGREEMENT (3 ACRE FEET OF WATER)

THIS TERMINATION OF OUT OF PRIORITY DIVERSION AGREEMENT (3 ACRE FEET OF WATER) (this "***Termination***") is entered into as of this _____ day of _____, 2016 by and among WOLF CREEK IRRIGATION COMPANY, a Utah nonprofit corporation (the "***Company***"), and POWDER MOUNTAIN WATER AND SEWER IMPROVEMENT DISTRICT, a Utah Improvement District (the "***District***"), and SUMMIT MOUNTAIN HOLDING GROUP, L.L.C., a Utah limited liability company ("***Summit***") The Company, the District, and Summit may sometimes be referred to herein individually as a "***Party***" or collectively as the "***Parties***."

RECITALS:

A. The Parties executed that certain Out of Priority Diversion Agreement (3 Acre Feet of Water), dated as of August 21, 2015 (the "***Agreement***"). A copy of the Agreement is attached hereto as **Exhibit A**.

B. The Agreement and the terms and conditions contained in the Agreement were conditioned upon approval by the Utah Division of Drinking Water of a Conditional Operating Permit permitting the District to deliver water to six (6) new year round homes and the issuance of two (2) building permits to Summit authorizing construction in the 2015 building season (collectively the "***Conditions Precedent***").

C. The Conditions precedent did not occur and the Agreement has not become effective.

D. The Parties each desire to terminate the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Incorporation. The recitals set forth above are incorporated by reference as if fully set forth herein.

2. Termination. Effective as of the date of this Termination, the Parties hereby terminate the Agreement. From and after the date of this Termination, the Agreement will be of no further force or effect and the rights and obligations of the Parties thereunder shall terminate.

3. Compliance and Waiver. This Termination is intended to comply with any and all notice, grace, and other periods and requirements, if any, in the Agreement and with applicable law, and the Parties hereby waive any and all notice rights, any other conditions to their rights to terminate, and any other terms or conditions of the Agreement, if any, required to take place prior to expiration or termination of the Agreement and contained in the Agreement.

4. Governing Law. This Termination shall be governed by and construed in accordance with the internal laws of the State of Utah without giving effect to any choice or conflict of law provision or rule.

5. Entire Agreement. This Termination constitutes the entire agreement of the Parties with respect to the subject matter hereof.

6. Counterparts. This Termination may be executed in counterparts, and signatures delivered hereon by facsimile or electronic mail shall be deemed originals for all purposes.

IN WITNESS WHEREOF, the Parties have caused this Termination to be duly executed as of the date first above written.

WOLF CREEK IRRIGATION COMPANY,
a Utah non-profit corporation

By: _____
Its: _____
Date: _____

POWDER MOUNTAIN WATER & SEWER IMPROVEMENT DISTRICT

By: _____
Its: _____
Date: _____

SUMMIT MOUNTAIN HOLDING GROUP, L.L.C., a Utah limited liability company by SUMMIT REVOLUTION LLC, a Delaware limited liability company, its Sole Member

By: _____
Its: _____
Date: _____

EXHIBIT A

[Copy of Out of Priority Diversion Agreement (3 Acre Feet of Water)]

OUT OF PRIORITY DIVERSION AGREEMENT
(3 ACRE FEET OF WATER)

This OUT OF PRIORITY DIVERSION AGREEMENT (2015) (this "Agreement") is entered into as of August 21, 2015 by and among WOLF CREEK IRRIGATION COMPANY, a Utah non-profit corporation (the "Company"), and POWDER MOUNTAIN WATER AND SEWER IMPROVEMENT DISTRICT, a Utah Improvement District (the "District"), and SUMMIT MOUNTAIN HOLDING GROUP, L.L.C., a Utah limited liability company ("Summit"). The Company, the District, and Summit are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

A. The Company is a non-profit mutual irrigation company that supplies water available under Water Right No. 35-7188 (the "Company Water Right") to its shareholders.

B. The Company Water Right is decreed (Award 188 of the Ogden River Decree) with a priority date of January 1, 1861 for the diversion of up to 20 cfs (high flow) and 9.85 cfs (low flow) of water from Wolf Creek for the irrigation of 741.854 acres from March 1st to November 1st of each year (the "Irrigation Season") and for the year round storage of 129 acre-feet of water in two ponds. The Company Water Right is the earliest priority water right on Wolf Creek.

C. The District owns Change Application No. a33723 (35-4514, 35-4515 and 35-4516), and Exchange Application Nos. E467 (35-6124), E1273 (35-6712), and E4803 (35-12099) for the diversion of up to 147.55 acre-feet of water from Pizzel Springs Nos. 1, 2 and 3 (collectively the "Pizzel Springs"), and a shallow well or its possible future replacement commonly referred to as the "Cobabe Well" (collectively the "District Water Rights"). The District Water Rights do not include Exchange Application Nos. E4715 or E5382, which are owned by Summit and specifically not covered by this Agreement. The District Water Rights all have priority dates that are junior to the Company Water Right.

D. The District Water Rights are approved for municipal use and are used to supply water for indoor culinary use to existing domestic and commercial connections, for fire protection and other uses, according to their terms.

E. The District Water Rights divert water from sources that are tributary to Wolf Creek.

F. Unless the flows of Wolf Creek exceed 20 cfs during the high flow period or 9.85 cfs during the low flow period, a priority call on Wolf Creek may curtail all water diversions on Wolf Creek and its tributary sources during the Irrigation Season that are subsequent in priority to the Company Water Right, including the District Water Rights.

G. On July 28, 2015, the Company and the District entered into an Out of Priority Diversion Agreement (the "2015 Agreement") pursuant to which the District can divert flows tributary to Wolf Creek under the District Water Rights during the 2015 Irrigation Season at times when the flows of Wolf Creek are less than 9.85 cfs, with the permission of the Company. Paragraph 7 of the 2015 Agreement expressly prohibits water deliveries to Summit for any new connections. The 2015 Agreement will expire on November 1, 2015 by its terms.

H. Summit owns land and is the developer for a proposed new development at Powder Mountain (the "Development"). Summit has filed and obtained a conditioned approval of Exchange Application No. E5382 (the "Exchange"), which is intended to replace approved Exchange Application No. E4715 and be conveyed in the future to the District so that the District can provide water under the Exchange to the Development. The conditioned approval for the Exchange requires mitigation before it can be used and prohibits diversions during the Irrigation Season during times that water under the Company Water Right is being diverted and used, but is not fully satisfied, unless mitigation water is provided to the Company in sufficient quantities to off-set Summit and the District's diversions of water under the Exchange.

I. The Parties are in active negotiations to resolve issues relating to use of water under the Exchange.

J. Summit requires building permits for six (6) new year round homes and has requested the District to provide water from the District Water Rights for six (6) new year round connections (the "New Summit Connections").

K. The District needs approval of a Conditional Operating Permit by the Utah Division of Drinking Water ("DDW") to deliver water to the New Summit Connections, and this Agreement will become effective only upon such approval by DDW in a form that is acceptable to the Parties and issuance by Weber County to Summit of two (2) building permits in the Development for construction in the 2015 building season.

L. The District estimates that it will require a maximum of three (3) acre-feet of water for each of the 2015 through 2018 Irrigation Seasons to provide service to the New Summit Connections while a permanent supply is secured, and the District and Summit are requesting the Company to amend the 2015 Agreement as provided herein and for three (3) acre feet of water from the Company for the 2016 through the 2018 Irrigation Seasons (the "3 Acre-Feet Diversion Amount").

M. The Company estimates that the amount of water available under one (1) share of the capital stock of the Company (the "Share") is sufficient to supply the 3 Acre-Feet Diversion Amount required by the District for each of the Irrigation Seasons covered by this Agreement to supply water to the New Summit Connections and the District and Summit acknowledge for the purposes of this Agreement that the District's quantification of water for the Share is an acceptable amount.

N. The Company has identified a shareholder that has reached an agreement with the Company to not divert any additional water under the Share for each of the 2016 through the

2018 Irrigation Seasons, and the Company is willing to amend the 2015 Agreement to allow the District to serve the New Summit Connections for the remainder of the 2015 Irrigation Season.

O. The Company desires an easement from Summit for access to and from Lefty's Springs and for installation, operation, maintenance, repair and replacement of monitoring devices to monitor the flows of Lefty's Springs to be constructed by the Company.

P. The Company, the District, and Summit desire to enter into this Agreement (i) to provide compensation and an easement to Lefty's Springs to the Company, (ii) to provide for the Company's construction and operation of one or more monitoring devices to monitor the flows of Lefty's Springs; (iii) to provide for Summit's construction of a monitoring device to be owned and operated by Summit to also monitor the flows of Lefty's Springs; (iv) to provide for the Company not diverting water under the Share to allow the District to serve the New Summit Connections for each of the 2016 through the 2018 Irrigation Seasons; and (v) to allow the District to serve the New Summit Connections under the 2015 Agreement for the remainder of the 2015 Irrigation Season.

NOW, THEREFORE, in consideration of the following promises, rights, obligations, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Condition Precedent. This Agreement and the terms and conditions contained herein are conditioned upon approval by DDW of a Conditional Operating Permit permitting the District to deliver the water to the New Summit Connections hereunder that is acceptable to the Parties and issuance by Weber County to Summit of two (2) building permits in the Development for construction in the 2015 building season. This Agreement shall be effective as of the date of such approval by DDW and the issuance of the two building permits by Weber County (the "Effective Date").

2. Amendment of Paragraph 7 of the 2015 Agreement. Paragraph 7 of the 2015 Agreement between the Company and the District is amended to allow the District to serve the New Summit Connections for the remainder of the 2015 Irrigation Season as provided in this Agreement. The 2015 Agreement is not amended in any other way and will expire according to its terms on November 1, 2015. The term of this Agreement, however, shall run through the end of the irrigation season in 2018, as provided in Paragraph 8 below.

3. Payment by Summit to the Company. On the Effective Date, Summit shall make and deliver a payment to the Company in the amount of Eighty-Five Thousand and no/100 Dollars ($85,000.00) in exchange for the Company allowing the District to serve the New Summit Connections under the 2015 Agreement for the remainder of the 2015 Irrigation Season, and such payment shall also provide adequate consideration for the Company not diverting any water under the Share as necessary to enable the District to divert this additional 3 Acre Feet of water during the 2016 through 2018 Irrigation Seasons to serve the New Summit Connections (the "Forbearance Payment").

4. Termination of Diversions Under the Share. Upon the Effective Date and delivery of the Forbearance Payment to the Company, the Company will terminate all diversions of water under the Share for each of the 2016, 2017 and 2018 Irrigation Seasons.

5. Right to Pump Out of Priority. On the Effective Date, the District will have the right to serve the New Summit Connections under the District Water Rights out of priority from the Pizzel Springs and the Cobabe Well (the "District's Approved Sources") for the remainder of the 2015 Irrigation Season under the 2015 Agreement as amended herein and the right to divert up to the 3 Acre-Feet Diversion Amount for the 2016 through 2018 Irrigation Seasons to supply water to the New Summit Connections under this Agreement.

6 Notification to State Engineer of this Agreement. The Company will promptly notify the State Engineer, the Weber and Ogden River Commissioners, Weber County and DDW of the existence of this Agreement upon its execution by all of the Parties.

7. Monitoring and Reporting Requirements. The District will maintain, repair and/or replace the existing measuring devices on the District's Approved Sources as is necessary and appropriate to accurately measure all diversions from the District's Approved Sources, and the District will make commercially reasonable best efforts to monitor and record all diversions from the District's Approved Sources and provide an accounting of its diversions to the Company and the Weber and Ogden River Commissioner on a weekly basis until the end of the 2018 Irrigation Season. In addition, measurements shall be taken either manually or electronically to assure that out of priority diversions under this Agreement do not exceed the annual 3 Acre-Feet Diversion Amount. The District agrees, in good faith, to operate its culinary water system in such a way as to reduce and minimize spillage and waste. Upon the request of the Company, with at least twenty-four (24) hours advance notice, the District will provide the Company access to the flow meter at the District's Pump House 3, which measures all of the water produced from the District's Approved Sources, for the purposes of verifying the accuracy of the measuring devices and verifying the accuracy of the amounts of water diverted from the District's Approved Sources during the term of this Agreement.

8. Term of Agreement. This Agreement commences on the Effective Date and payment of the Forbearance Payment and automatically terminates at midnight on November 1, 2018.

9. Limitation on Out of Priority Diversions. This Agreement authorizes out of priority diversions by the District to serve the New Summit Connections under Paragraph 7 of the 2015 Agreement, as amended herein, and authorizes out of priority diversions by the District up to the 3 Acre-Feet Diversion Amount in the 2016 through 2018 Irrigation Seasons only from the District Water Rights as they are defined herein. The water diverted under this Agreement may only be used by the District to supply indoor culinary water to the New Summit Connections and ancillary purposes associated with the New Summit Connections. For the term of this Agreement, the District shall not use out of priority diversions of water diverted under this Agreement to serve any connections other than the New Summit Connections.

10. Permanent Easement. Within thirty (30) days of the Effective Date of this Agreement, Summit shall grant to the Company a permanent easement to be recorded in the office of the Weber County Recorder and indexed against Summit's land to provide perpetual access to and from the existing monitoring device on Lower Lefty's Springs and to and from a new monitoring device to monitor the flows of Lefty's Springs at a point yet to be determined by the Company as set forth in more detail in Paragraph 11 below. The easement shall also grant rights for the installation, operation, maintenance, repair, and replacement of the existing monitoring device and the new monitoring device. The permanent easement shall be substantially in the form attached as Exhibit "A" to this Agreement. In the event that Summit does not execute and deliver the permanent easement substantially in the form of Exhibit "A," as provided in this Paragraph, the Company may, in its sole discretion and without advance notice or the opportunity to cure, terminate this Agreement with respect to the District's right to divert water out of priority to serve the New Summit Connections during the 2016 through 2018 Irrigation Seasons, and no portion of the Forbearance Payment shall be returned to Summit or paid to the District.

11. New Monitoring Device. Prior to December 31, 2015, Summit will at its cost install a new monitoring device to monitor the flows of Lefty's Springs. Summit will share all data from the monitoring device with the Company. The location, design, and installation of the monitoring device shall be acceptable to the Company.

12. Assignment. This Agreement is binding upon and may be assigned to the Parties' successors.

13. Reservation of Rights. This Agreement shall not compromise any other rights, claims, demands, liabilities, assessments, or other matters not specifically set forth in this Agreement. The Parties reserve any and all rights they may possess with respect to matters not specifically compromised pursuant to this Agreement. This Agreement does not grant any rights to Summit or the District with respect to the Exchange or Exchange E4715 or any additional rights with respect to the District Water Rights that are not described herein. The Company specifically reserves all other rights to which it is entitled under the Company Water Right, including, without limitation, the rights to make a priority call on Wolf Creek and its tributaries, to protest, object to or challenge any filings made by the other Parties, to divert its full supply of water under the Company Water Right during the irrigation season unless in the future it makes agreements otherwise, to challenge future water use of the Parties that the Company believes impairs the Company Water Right and to negotiate resolution of outstanding and ongoing issues with respect to use of water interfering with the Company's Water Right.

14. No Admission or Concession of Liability/No Precedent. The Parties understand, acknowledge and agree that the rights granted to the District and Summit in this Agreement are solely applicable to the 2015 through 2018 Irrigation Seasons, that they provide no precedential value and shall not constitute any admission or concession respecting the Water Rights or operations of any Party. The Parties further understand, acknowledge and agree that the information and statements contained in this Agreement, including the recital paragraphs, are not to be construed as an admission or concession of any liability or responsibility by any Party or the factual accuracy of the same.

15. Good Faith Negotiations. The Company and Summit are actively negotiating and will continue to negotiate in good faith toward reaching workable solutions and a long-term agreement concerning issues with the Reissued Order of the State Engineer dated August 19, 2015, conditionally approving the Exchange. Water under the Exchange will be delivered by the District, and the Parties agree to negotiate in good faith to establish acceptable mitigation to permit the year round long-term use of water under the Exchange.

16. Entire Agreement. The Parties agree and acknowledge that no promise, representation, inducement, covenant or agreement not expressly set forth herein has been made by any party to another or any of their representatives, and that this Agreement constitutes the entire and complete agreement between the Parties respecting the subject matter hereof, and that any and all negotiations and discussions are merged into this Agreement. No addition, deletion, or amendment shall have any force or effect, except as mutually agreed to in writing signed by all of the Parties.

17. Warranty of Authority. Each Party hereby represents and warrants to the other that the execution, delivery, and performance of this Agreement by such Party have been duly authorized by all requisite corporate or other action on the part of such Party, and, when executed and delivered by such Party, this Agreement will constitute the valid and binding obligation of such Party, enforceable in accordance with its terms.

18. Cooperation. The Parties agree to exercise good faith cooperation and reasonable diligence to carry out the intent and purpose of this Agreement and to carry out the performance of their respective obligations hereunder.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Utah without regard to its conflict of law or choice of law rules.

20. Attorneys' Fees. If any action is brought because of any breach of, or to enforce, interpret, rescind, or terminate any of the provisions of this Agreement, the party prevailing in such action shall be entitled to recover from the other party or parties reasonable attorneys' fees and court costs incurred in connection with such action, the amount of which shall be fixed by the court and made a part of any judgment rendered.

21. Recitals and Headings. The recitals set forth above shall be deemed to be incorporated within this Agreement as if fully set forth herein, and this Agreement shall be interpreted in light of such recitals. The captions and headings contained herein are for convenient reference only and are not a part of the Agreement

22. Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein shall be deemed validly given, made or served if in writing and delivered personally or sent by certified mail, postage prepaid, or by overnight courier, charges prepaid:

If to the Company:

Wolf Creek Irrigation Company
P.O. Box 761
Eden, UT 84310

If to the District:

Powder Mountain Water and Sewer
Improvement District
P.O. Box 270
Eden, UT 84310

If to Summit:

Summit Mountain Holding Group, L.L.C.
Attn.: General Counsel
3923 N. Wolf Creek Drive
Eden, UT 84310

or such other address as shall be furnished in writing by any Party to the other Parties.

23. No Third Party Beneficiaries. This Agreement is entered into solely for the benefit of the Parties. This Agreement is not intended to, and does not, give or create any rights to or in any person, other than the Parties hereto.

24. Construction. The Parties intend that no Party shall be deemed to be the drafter of this Agreement, that the Parties collectively shall be deemed to have drafted it, and that it shall be construed without regard to rules of construction that might otherwise apply against a drafter.

25. Voluntary Agreement. The Parties have read this Agreement and have freely and voluntarily entered into the Agreement. The Parties acknowledge that they and their attorneys have made such investigation of facts pertaining to this Agreement, and all of the matters pertaining thereto, as they deem necessary.

26. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument. Photocopies or facsimile copies of executed copies of this Agreement may be treated as an original.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the ~~Execution~~ Effective Date.

WOLF CREEK IRRIGATION COMPANY,
a Utah non-profit corporation

By: Alex R Slaple

Its: President

Date: August 21, 2015

POWDER MOUNTAIN WATER &
SEWER IMPROVEMENT DISTRICT

By: [signature]

Its: Chairman

Date: Aug 21 2015

SUMMIT MOUNTAIN HOLDING GROUP, L.L.C.
a Utah limited liability company by SUMMIT REVOLUTION LLC, a Delaware limited liability company, its Sole Member

By: _____
Paul Strange

Its: Authorized Signatory

Date: August 21, 2015

EXHIBIT A

[Easement Agreement]

WHEN RECORDED, RETURN TO:

Wolf Creek Irrigation Company
P.O. Box 761
Eden, Utah 84310
Attention: Mr. Dee Staples

EASEMENT AGREEMENT
(Lefty's Springs and Monitoring Facilities)

This EASEMENT AGREEMENT (Lefty's Springs and Monitoring Facilities) (this "Agreement") is made this _____ day of _____ 2015, by and among SMHG Phase I, LLC, a Delaware limited liability company, SMHG Landco LLC, a Delaware limited liability company, their ultimate parent company Summit Mountain Holding Group, L.L.C. and their successors and assigns (collectively the "Grantor"), and Wolf Creek Irrigation Company, a Utah non-profit corporation, and its successors and assigns ("Grantee").

RECITALS

A. Grantor is the owner of certain real property located in Weber County, Utah, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("Grantor's Property").

B. Grantee is a mutual irrigation company supplying water to its shareholders in the Ogden Valley and owns, among other things, the earliest priority water right in Wolf Creek.

C. Lefty's Springs is a tributary to Wolf Creek and is located on Grantor's Property. Grantee desires easements from Grantor to access, install, operate, maintain, repair, and replace one or more water flow measuring and monitoring devices to measure the flow of Lefty's Springs (the "Facilities").

D. Grantor agrees to grant the easements set forth below to Grantee pursuant to the terms and conditions set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

AGREEMENT

1. Grant of Easement. Grantor hereby grants to Grantee and the Benefited Parties (defined below) the following perpetual easements in gross:

a. A perpetual non-exclusive permanent easement over, across, and through Grantor's Property for pedestrian, bicycle and equestrian ingress, egress and access by means of the access trail (the "Access Trail") identified on Exhibit "B" and depicted on Exhibit "C" both

of which are attached hereto and incorporated herein. Grantee shall not have the right to construct, install, maintain, repair, or rebuild any improvements for use of the Access Trail.

b. A perpetual non-exclusive permanent easement on, over, across, under and through that portion of the Access Trail marked "A" on Exhibit "B," for the installation, operation, maintenance, repair and replacement of a water flow measurement and monitoring device and related improvements by Grantee. Grantee shall provide Grantor with the proposed location for installation of this water flow measurement and monitoring device within that portion of the Access Trail marked "A" prior to its installation and Grantor may not object to Grantee's proposed location if it does not unreasonably interfere with the operation, maintenance, repair and replacement of any existing water flow and monitoring device of Grantor.

c. A perpetual non-exclusive permanent easement on, over, across, under and through that portion of the Access Trail marked "A" on Exhibit "B," for the operation, maintenance, repair and replacement of the existing water flow measurement and monitoring device and related improvements at the location commonly referred to by Grantee as "Lower Lefty's Spring."

The two water flow measurement and monitoring devices described in this Paragraph 1 are collectively referred to herein as the "Monitoring Facilities" and the three easements described in this Paragraph 1 are collectively referred to herein as the "Easements."

2. Location of Access Trail. The exact location of the Access Trail may be modified, changed, and/or relocated by Grantor from time to time, with Grantee's prior written consent, which may not be unreasonably denied by Grantee. Any such modification or relocation must provide access to Grantee from substantially the same point of beginning (i.e., in the Village) and provide substantially equivalent access to the Monitoring Facilities located in that portion of the Access Trail marked "A" on Exhibit "B." Any such modification or relocation will also require that this Agreement be amended and that the amendment to this Agreement be recorded in the office of the Weber County Recorder and properly indexed against Grantor's Property.

3. Notice Requirement, Maintenance, Replacement; Liens. Grantee shall provide Grantor prior notice before using the Access Trail. During the winter months and the big game hunting seasons, Grantee shall provide Grantor with forty-eight (48) hours prior notification. Such notification is not required to be in writing. Grantee shall be responsible, at its sole cost and expense, for the construction, operation, maintenance, repair, and replacement of the Monitoring Facilities. Grantee shall also be responsible for restoring and re-vegetating any areas of Grantor's Property that are damaged resulting from Grantee's use of the Access Trail and/or Monitoring Facilities. In addition, Grantee shall not permit, and shall indemnify Grantor against, any lien or claim of mechanics or laborers filed against Grantor's Property, or any part or parts thereof arising from non-payment of costs, fees or other expenses for any work, labor or materials furnished pursuant to any agreement by Grantee relating to the Monitoring Facilities. Within thirty (30) days after Grantee receives notice of such filing or recording of any such lien, Grantee shall cause the same to be discharged by obtaining a release thereof or bonding over such mechanics' lien or otherwise. If Grantee fails to cause such lien to be discharged within

such period, Grantor shall have the right (but not the duty), in addition to any other remedies provided herein, to pay all amounts necessary to cause such lien to be discharged and released of record, and any amounts so paid by Grantor shall be repaid by Grantee, plus interest from the date of Grantor's payment at the rate of eighteen percent (18%) per annum until paid.

4. Grantee's At-Risk Use and Winter Conditions. Grantee's use of the Access Trail shall be at its own risk and Grantee acknowledges and agrees that Grantor has no obligation or duty to improve, maintain or repair the Access Trail or the Monitoring Facilities. Grantor has no duty or obligation to provide avalanche control for the Access Trail and/or the locations of the Monitoring Facilities. In addition, Grantee acknowledges that during winter months the Access Trail and locations of the Monitoring Facilities are difficult to reach and are exposed to a high degree of avalanche danger and other winter conditions. Prior to using the Access Trail during winter months Grantee shall discuss conditions of access relating to the Access Trail and Monitoring Facilities with Grantor, including avalanche danger; however, Grantee hereby expressly waives any claim it, or its members, partners, directors, officers, agents, contractors, employees and guests may have against Grantor for any damage, injury, death or other liability, to any person or property, which may arise as a result of or otherwise be attributable in any way to the use of the information discussed. Grantor shall not guarantee the accuracy of the information provided. During the winter months, Grantor may, in its sole discretion (but without the obligation), provide Grantee transportation to the Monitoring Facilities through use of snowmobiles and/or Snowcats owned and operated by Grantor's affiliates in its skiing operations of the Powder Mountain Resort.

5. Benefitted Parties. The Easement shall be for the use and benefit of the following parties (the "Benefited Parties"): (a) Grantee and its successors and assigns; and (b) all employees, contractors, subcontractors and invitees of Grantee, its successors and assigns.

6. Data from Grantor and Grantee Installed Monitoring Devices. Grantor intends to construct one or more waterflow measuring and monitoring devices to monitor the flows of Lefty's Springs, Wolf Creek, and/or other sources tributary to Wolf Creek. Providing such devices are constructed and operated by Grantor it shall timely provide to Grantee any data obtained from such devices. Grantee agrees that it shall timely provide to Grantor any data which it may obtain from the Monitoring Facilities and from any other measuring and monitoring device that monitors the flows of Lefty's Springs, Wolf Creek, and/or other sources tributary to Wolf Creek.

7. Taxes. Grantor shall pay when due all real property taxes and assessments assessed against the Easements. Grantee shall pay when due any taxes assessed against the Monitoring Facilities, if any (excluding any access roads or improvements owned by a third party) permitted hereunder and installed in the Easement by Grantee.

8. No Public Dedication. The Easements shall not be construed as creating any rights in or for the benefit of the general public, or be deemed to be a gift or dedication of any part of the Easements, in whole or in part, to the general public or for any public use whatsoever.

9. Notices. With the exception of the notice required to be given by Grantee to Grantor prior to using the Access Trail pursuant to Paragraph 3 hereof, all notices made pursuant

to this Agreement shall be in writing and shall be given by personal delivery to a responsible person, by electronic transmission, by deposit in the United States mail (certified mail, return receipt requested, postage prepaid), or by express delivery service, freight prepaid. Notices shall be delivered or addressed to Grantor and Grantee at the following addresses, or at such other address as a party may designate in writing:

Grantor: SMHG Landco LLC,
SMHG Phase I, LLC and
Summit Mountain Holding Group, LLC
3923 N. Wolf Creek Drive
Eden, Utah 84310
Attention: General Counsel
email: paul@summit.co
Telephone: (801) 987-0570

Grantee: Wolf Creek Irrigation Company
P.O. Box 761
Eden, Utah 84310
Attention: Mr. Dee Staples
email: sadeestaples@hotmail.com
Telephone: (801) 721-3730

The date notice is deemed to have been given, received and become effective shall be the date on which the notice is delivered, if notice is given by personal delivery or electronic transmission, or the date of actual receipt if the notice is sent through the United States mail or by express delivery service.

10. Covenants to Run with the Land. The Easements, rights and interests granted herein shall constitute covenants running with the land, and shall burden Grantor's Property as the servient estate, and shall be binding upon Grantor, its successors, assigns and any person acquiring, leasing or otherwise owning an interest in Grantor's Property, and shall inure to the benefit of Grantee and the Benefited Parties.

11. Enforcement. In the event either party fails to cure any violation of the terms of this Agreement within ten (10) days after written notice from the other, the non-defaulting party shall have the right to injunctive relief, to require specific performance of this Agreement, to collect damages from the defaulting party, and to take such actions as may be necessary in the non-defaulting party's discretion to cure such violation and charge the defaulting party with all reasonable costs and expenses incurred by the non-defaulting party as a result of such violation (including, without limitation, the non-defaulting party's reasonable attorneys' fees and related costs). All rights and remedies provided under this Agreement are cumulative and may be pursued singularly, in any combination, and in any order. The failure to enforce any of the terms and provisions contained herein shall in no event be deemed to be a waiver of the right to thereafter strictly enforce the terms and provisions hereof.

12. Indemnity. Grantee shall indemnify and hold harmless Grantor, its members, partners, directors, officers, agents, contractors and employees, free from or against any and all

liability, loss, damage, costs and expenses (including reasonable attorneys' fees) for injury to person or death or property damage to the extent arising from the use of the Access Trail and/or the Monitoring Facilities, except for any such liability, loss, damage, costs and expenses to the extent arising directly and solely from the acts of Grantor or its members, partners, directors, officers, agents, contractors and employees.

13. General Provisions.

a. Recitals Incorporated. The Recitals set forth above are true and correct and are incorporated herein by this reference.

b. Modification and Waiver. This Agreement may be modified or amended only by a writing signed by each of the parties hereto or their respective successors or assigns and recorded in the official records of the Weber County Recorder's Office. This Agreement is governed by the laws of the State of Utah. The failure to any party hereto to insist upon strict performance or any of the terms, covenants, conditions or agreements contained herein shall not be deemed a waiver of any rights or remedies that such party may have, and shall not be deemed a waiver or any subsequent breach or default in any of the terms, covenants, conditions or agreements contained herein.

c. Construction. This instrument shall be construed in accordance with the laws of the State of Utah without giving effect to its conflict of laws principles.

d. Amendment. The parties may amend this Agreement only by a written instrument executed by the parties and recorded in the Office of the Weber County Recorder.

e. Partial Invalidity. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid, the remainder of this Agreement or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

f. Counsel. Both Grantor and Grantee have been represented by their own counsel in connection with the negotiation and preparation of this Agreement and, consequently, both Grantor and Grantee waive the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including any rule of law to the effect that any provision of this Agreement will be interpreted or construed against the party whose counsel drafted that provision.

g. Counterparts. This instrument may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

h. Authority. Each party hereto is duly organized, existing and in good standing under the laws of the state of the jurisdiction in which it is organized and has the full right and authority to enter into this Easement Agreement and consummate the transaction contemplated hereby. All requisite company action has been taken by each party in connection with the entering into of this Easement Agreement and the consummation of the transaction

contemplated hereby. Each of the persons signing this Easement Agreement on behalf of a party hereto is authorized to do so.

[Signatures and Notaries on Following Pages]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Easement Agreement as of the date first indicated above.

GRANTOR:

SMHG LANDCO LLC, a Delaware limited liability company, by Summit Mountain Holding Group, LLC, a Utah limited liability company, its Sole Member

By: SUMMIT REVOLUTION LLC, a Delaware limited liability company
Its: Sole Member

By:_____
Name: Paul Strange
Title: Authorized Signatory

SMHG Phase I, LLC, a Delaware limited liability company

By: SMHG Investments LLC, a Delaware limited liability company
Its: Sole Member

By:_____
Name: Paul Strange
Title: Authorized Signatory

Summit Mountain Holding Group, LLC, a Utah limited liability company, its Sole Member

By: SUMMIT REVOLUTION LLC, a Delaware limited liability company
Its: Sole Member

By:_____
Name: Paul Strange
Title: Authorized Signatory

STATE OF _____)
:ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Paul Strange as Authorized Signatory of Summit Revolution LLC, a Delaware limited liability company, the sole member of Summit Mountain Holding Group, LLC, a Utah limited liability company, the sole member of SMHG Landco LLC, a Delaware limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:
_____

STATE OF _____)
:ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Paul Strange as Authorized Signatory of SMHG Investments LLC, a Delaware limited liability company, the sole member of SMHG Phase I, LLC, a Delaware limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:
_____

STATE OF _____)
:ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015, by Paul Strange as Authorized Signatory of Summit Revolution LLC, a Delaware limited liability company, the sole member of Summit Mountain Holding Group, LLC, a Utah limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:
_____

GRANTEE:

WOLF CREEK IRRIGATION COMPANY

By: _____
Name: _____
Its: _____

STATE OF UTAH)
: ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by _____, the _____ of Wolf Creek Irrigation Company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:

_____

EXHIBIT "A"

Description of Grantor's Property

Parcel # 230120139

Parcel # 230120130

Parcel # 231280020

EXHIBIT "B"

Description of Access Trail

Access Easement

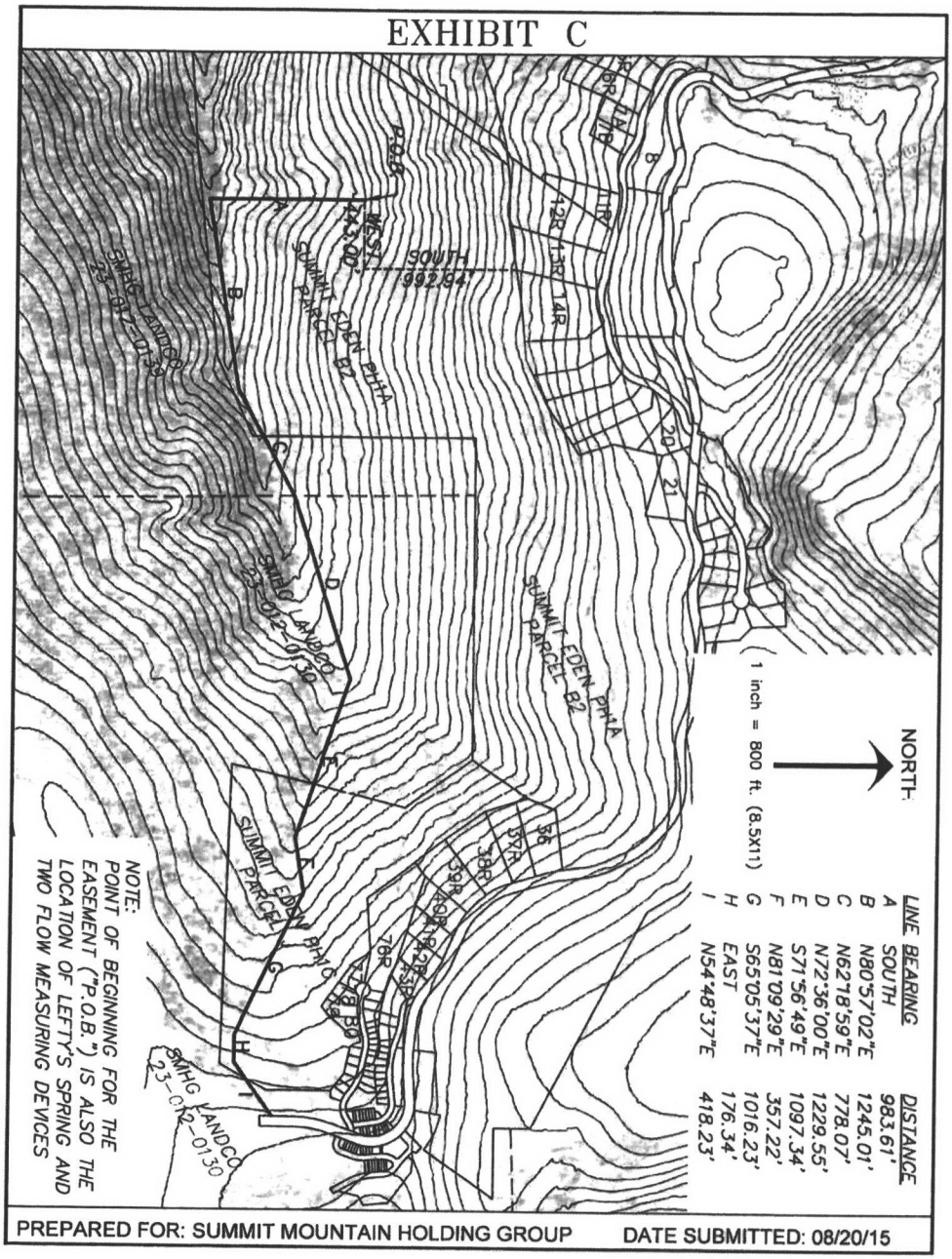
A 50 foot wide access easement, 25' on each side of the following described centerline:

Beginning at a point known as Lefty's Spring, said point being South 992.94 feet and West 443.00 feet from the southeast lot corner of Lot 13R of Summit Eden Phase 1A Subdivision as recorded on January 27, 2014 as entry number 2672943 in the official records of Weber County, and running thence South 983.61 feet; thence North 80°57'02" East 1245.01 feet; thence North 62°18'59" East 778.07 feet; thence North 72°36'00" East 1229.55 feet; thence South 71°56'49" East 1097.34 feet; thence North 81°09'29" East 357.22 feet; thence South 65°05'37" East 1016.23 feet; thence East 176.34 feet; thence North 54°48'37" East 418.23 feet more or less to a point on the west right of way line of Summit Pass, a Weber County public road as recorded on January 27, 2014 as entry number 21072934 in the official records of Weber County, said point also being the point of termination.
Contains approximately 8.38 acres.

EXHIBIT "C"

Depiction of Access Trail

EXHIBIT C



PREPARED FOR: SUMMIT MOUNTAIN HOLDING GROUP DATE SUBMITTED: 08/20/15

EXHIBIT C

SETTLEMENT AGREEMENT

SUMMIT MOUNTAIN HOLDING GROUP EXCHANGE E5382

[Depiction of Balloon Fest Reservoir Location on "Wolf Barn" Property]

Exhibit C to Settlement Agreement Summit Mountain Holding Group Exchange E5382

EXHIBIT D

SETTLEMENT AGREEMENT

SUMMIT MOUNTAIN HOLDING GROUP EXCHANGE E5382

[Reservoir Easement Agreement]

When Recorded Mail To:
Wolf Creek Irrigation Company
Attn: Mr. Dee Staples
P.O. Box 761
Eden, Utah 84310

RESERVOIR EASEMENT AGREEMENT

THIS RESERVOIR EASEMENT AGREEMENT (this "Agreement") is entered into as of ___ this day of _____, 2016, by and among **SUMMIT MOUNTAIN HOLDING GROUP, L.L.C.**, a Utah limited liability company ("Grantor") and **WOLF CREEK IRRIGATION COMPANY,** a Utah nonprofit corporation ("Grantee").

RECITALS

A. Grantor is the owner in fee simple of certain real property located in Weber County, Utah, as more particularly described on **Exhibit A** attached to and made a part of this Agreement (the "Grantor Property").

B. Grantee is the owner of Water Right No. 35-7188, a decreed right (Award 188 of the Ogden River Decree) with a priority date of January 1, 1861 for the diversion of up to 20 cfs (high flow) and up to 9.85 cfs (low flow) of water from Wolf Creek for the irrigation of 741.854 acres of land from March 1st to November 1st of each year and for the year round storage of 129 acre-feet of water in two ponds (the "Water Right").

C. Grantor has agreed to allow Grantee to construct a reservoir on a portion of the Grantor Property at Grantee's cost and expense (the "Balloon Fest Reservoir"), to store water associated with the Water Right in the Balloon Fest Reservoir, and has agreed to grant Grantee certain easements in conjunction therewith.

AGREEMENT

NOW, THEREFORE, in consideration of Ten Dollars ($10.00), the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are hereby incorporated into and made part of this Agreement.

2. **Grant of Easements.** Grantor grants to Grantee a Reservoir Easement, Pipeline Easement and Access Easement (collectively, the "Easements"):

a. Reservoir Easement. Subject to the terms and conditions of this Agreement, Grantor hereby grants to Grantee a perpetual, non-exclusive easement (the "Reservoir Easement") through, on, over, across and under the area described on **Exhibit B-1** and depicted on **Exhibit B-2** attached to and made a part of this Agreement (the "Reservoir Easement Area") for the purposes of providing the storage of water related to the Water Right in the Balloon Fest Reservoir and for the operation, construction, maintenance, repair and upgrading of the Balloon Fest Reservoir. The Reservoir Easement (i) shall be for the benefit of Grantee, (ii) may be used by Grantee and any person entering onto the Reservoir Easement Area with the express or implied permission of Grantee for the purposes allowed herein, and (iii) shall be appurtenant to, for the benefit of, and run with the title to the Water Right. In consideration of such grant, the Reservoir Easement shall be subject to all of the terms and conditions set forth herein.

b. Pipeline Easement. Subject to the terms and conditions of this Agreement, Grantor hereby grants to Grantee perpetual, non-exclusive easements fifteen (15) feet in width (collectively the "Pipeline Easement") through, on, over, across and under yet to be determined portions of the Reservoir Easement Area and through, on, over, across and under the area described on **Exhibit C** attached to and made a part of this Agreement (the "Pipeline Easement Area") for the purposes of (a) operating, constructing, maintaining, repairing, upgrading and replacing the pipelines (the "Pipelines") and water diversion, transmission and related facilities, including without limitation, flumes, meters, underpasses, culverts, pipelines, conduits, liners and other surface and below ground appurtenances that protect, serve or otherwise benefit the Pipelines (the "Pipeline Facilities") hereafter constructed upon the Pipeline Easement Area, and (b) for delivering water attributable to the Water Right to and from the Balloon Fest Reservoir. The Pipeline Easement (i) shall be for the benefit of Grantee, (ii) may be used by Grantee and any person entering onto the Pipeline Easement Area with the express or implied permission of Grantee for the purposes allowed herein, and (iii) shall be appurtenant to, for the benefit of, and run with the title to the Water Right. In consideration of such grant, the Pipeline Easement shall be subject to all of the terms and conditions set forth herein.

c. Access Easement. Subject to the terms and conditions of this Agreement, Grantor hereby grants to Grantee a perpetual, non-exclusive easement (the "Access Easement") through, on, over, and across the area described on **Exhibit D** attached to and made a part of this Agreement (the "Access Easement Area") for the purpose of providing ingress, egress and access to and from the Balloon Fest Reservoir, the Pipelines, and the Pipeline Facilities. The Access Easement (i) shall be for the benefit of Grantee, (ii) may be used by Grantee and any person entering onto the Access Easement Area with the express or implied permission of Grantee for the purposes allowed herein, and (iii) shall be appurtenant to, for the benefit of, and run with the title to the Water Right. In consideration of such grant, the Access Easement shall be subject to all of the terms and conditions set forth herein.

3. **Relocation of Easements.** Grantor shall not have the right to relocate the Reservoir Easement or the Pipeline Easement without Grantee's prior written consent, which consent shall not be unreasonably withheld or delayed. Grantor shall have the right to relocate

the Access Easement, so long as the relocation does not materially prevent or hinder the use of the Access Easement by Grantee, and the relocated Access Easement is not materially less convenient. Any relocation of any of the Easements requested by Grantor shall be at Grantor's sole cost and expense. Grantor or Grantee shall have the right from time to time, with the prior written consent of the party not requesting the relocation, which consent shall not be unreasonably withheld or delayed, to relocate or extend the Pipelines and the Pipeline Facilities as reasonably necessary to deliver water to or from the Reservoir. In case of a relocation the Pipelines and the Pipeline Facilities, the party requesting the relocation, at its sole cost and expense, shall construct replacement improvements and facilities in a good and workmanlike manner and in accordance with all applicable laws and free and clear of liens and claims therefor of a quality equal to or better than the improvements existing in the applicable Reservoir Easement Area, Access Easement Area and Pipeline Easement Area (collectively, the "Easement Areas") immediately prior to the relocation. All such work related to the relocation shall be completed within one hundred twenty (120) days after commencement, subject to extension as the result of delays caused by a Force Majeure Event as such is defined in Section 16.h. of this Agreement. At the completion of the relocation of any Easement Area, Grantor and Grantee shall execute, and the party requesting the relocation shall file for recording, (a) an amendment to this Agreement or an easement in form and substance similar to this Agreement, granting an easement on the new Easement Area, and (b) appropriate instruments to release and terminate the burdens of this Agreement upon the portion of the original Easement Areas abandoned as a result of such relocation.

4. **Termination of Easements**. The Easements may be terminated or amended only by a written instrument executed by Grantor and Grantee.

5. **Compliance With Laws**. Any use by Grantee of the Easement Areas shall be in compliance with all applicable governmental codes, regulations, ordinances and requirements.

6. **Maintenance and Repair.** Grantee shall be responsible for promptly and diligently constructing, maintaining, repairing, and inspecting all improvements in the Easement Areas in good, safe and operable condition and repair at all times, and in compliance with all applicable governmental codes, regulations, ordinances and requirements (collectively, "Maintenance and Repair"). All Maintenance and Repair shall be performed in a good and workmanlike manner. The cost of the Maintenance and Repair shall be borne by Grantee at its sole cost and expense.

7. **Damage to Grantor Property**. Grantee shall not use the Easement Areas in any way that will cause injury or damage to the Grantor Property. In the event of any injury, loss, or damage to the Grantor Property resulting from the use by Grantee of the Easement Areas or otherwise, Grantee shall, within thirty (30) days after demand, repair, or reimburse or pay to Grantor any amounts necessary to repair, any damage to the Grantor Property or any part thereof and any improvements thereon and any other related loses or expenses. Notwithstanding the forgoing, Grantee shall only be responsible for acts or omissions of Grantee or anyone acting by, through, under or at the request of Grantee, and Grantee shall not be responsible for the acts of Grantor or for the acts or omissions of unrelated third parties utilizing the Easement Areas.

8. **No Mechanics' Liens**. Nothing contained herein shall authorize Grantee, or any person or entity acting by, through, with, or on behalf of Grantee, to subject all or any portion of the Grantor Property to any mechanics', materialmans' or other lien on account of supplies, machinery, tools, equipment, labor or materials furnished or used in connection with any activities performed by or at the request of Grantee (a "Lien"). If any such Lien shall be filed against the Grantor Property, Grantee shall, at its sole cost and expense, cause the Lien to be discharged. In the event that such Lien is not discharged by Grantee within thirty (30) days after receipt of written notice of the existence of the Lien, Grantor, at its option, and at the reasonable expense of Grantee, may enter into, defend, prosecute or pursue any effort or action (whether or not litigation is involved) which Grantor deems reasonably necessary to defend it and the Grantor Property from and against such Lien, and all costs incurred by Grantor in connection therewith, together with interest thereon at the rate of twelve percent (18%) per annum, shall be payable by Grantee to Grantor within ten (10) days of written demand for the same, which written demand shall include proof of payment by Grantor.

9. **Grantor's Indemnification**. Grantor shall indemnify, defend and hold harmless Grantee, its managers, members, officers, directors, shareholders employees, agents, successors and assigns from and against any and all obligations, claims, demands, damages, injuries, liens (including, without limitation, mechanics' and materialmen's liens), losses, suits, actions, judgments, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees) (collectively "Claims") which may be incurred by or asserted against Grantee, its managers, members, officers, directors, shareholders employees, agents, successors and assigns to the extent that they in any way arise out or are related to (a) the activities of Grantor on the Easement Areas or the Grantor Property, or (b) the failure to perform or breach of any of Grantor's obligations under this Agreement.

10. **Grantee's Indemnification**. Grantee shall indemnify, defend and hold harmless Grantor, its managers, members, employees, agents, successors and assigns from and against any and all Claims which may be incurred by or asserted against Grantor, its managers, members, employees, agents, successors and assigns, in any way arising out of or related to (a) the entry upon or activities of Grantee or anyone using the Easement Areas upon Grantee's authorization or request, on the Easement Areas or the Grantor Property, including without limitation, any failure by Grantee or anyone using the Easement Areas upon Grantee's authorization or request to comply with all applicable federal, state and local laws and regulations applicable to the Easement Areas or the Grantor Property or activities thereon conducted by Grantee or anyone using the Easement Areas upon Grantee's authorization or request, (b) the failure to perform or breach of any of Grantee's obligations under this Agreement, or (c) any injury or damage to the Grantor Property resulting from the use by Grantee of the Grantor Property or the Easement Areas or anyone using the Grantor Property or the Easement Areas upon Grantee's authorization or request.

11. **Insurance**. Grantee shall be required to obtain and keep in full force and effect at all times during the term of this Agreement, and to pay the costs and premiums of, broad form general commercial liability insurance with respect to the use and operation of the Easements, with limits of not less than $1,000,000.00 combined single limit of liability and coverages reasonably satisfactory to Grantor. Such insurance shall contain a waiver of subrogation, shall name Grantor as an additional insured, and a certificate of insurance

evidencing such coverage shall be provided to Grantor prior to diverting any water into storage in the Balloon Fest Reservoir.

12. **Environmental.** All of Grantee's activities with respect to the Grantor Property and the Easement Areas will be conducted in compliance with all federal, state, and local statutes, ordinances, rules, regulations, and orders, as well as all requirements of common law, concerning: (a) those activities; (b) repairs or construction of any improvements; (c) manufacturing, processing, and/or handling of any materials; (d) discharges to the air, soil, surface water, or groundwater; and (e) the storage, treatment, and disposal of any waste at or connected with any activity on the Grantor Property or the Easement Areas (collectively, the "Laws"). Grantee shall not permit, cause, or allow the introduction of any petroleum products or hazardous or toxic substances, materials, or wastes as defined by any Law ("Hazardous Materials") onto the Grantor Property or the Easement Areas.

13. **Interference; Grantor's Retained Rights.** Grantee will exercise all of Grantee's rights and obligations under this Agreement in such a manner as to cause the least amount of unreasonable interference to Grantor and the Grantor Property. The Easements are non-exclusive to Grantee, and Grantor retains the right to the undisturbed use and occupancy of the Grantor Property (including the Easement Areas) for any lawful purpose that does not impair any rights granted to Grantee in this Agreement, including without limitation, the right to use the Balloon Fest Reservoir for recreation purposes as set forth in more detail in Section 14 of this Agreement, the right of Grantor to grant additional easements, licenses or other rights of occupancy to third parties on all or a portion of the Easement Areas.

14. **Grantor's Use of Balloon Fest Reservoir for Recreation**. Grantor may use the Balloon Fest Reservoir for recreation; provided, however, that such recreational use does not interfere with Grantee's primary and unfettered operation and use of the Balloon Fest Reservoir for the storage and release of irrigation water; and further provided that Grantor indemnifies and holds Grantee harmless from and against all liability, damage, costs (including, without limitation, attorneys' fees and court costs), expenses, losses, claims, demands, judgments, actions and causes of action, and/or proceedings suffered or arising out of Grantor's and its invitees' and licensees' recreational use of the Balloon Fest Reservoir and that Grantor shall obtain and keep in full force and effect a broad form general comprehensive liability insurance covering public liability with respect to its recreational use of the Balloon Fest Reservoir, with limits in an amount and coverage of the types a prudent landowner would maintain for recreational use of the Balloon Fest Reservoir, but in no event less than $1,000,000.00 combined single limit of liability and coverages reasonably satisfactory to Grantor. Such insurance policy shall name Grantee an additional insured and shall provide for thirty (30) days written notice to Grantee prior to the effective date of any cancellation, and certified copies of such insurance policies and any renewals thereof shall be delivered to Grantee. An Indemnification agreement and proof of insurance shall be negotiated and executed between Grantee and Grantor prior to any recreational use of such reservoirs.

15. **Taxes**. Grantor shall pay when due all real property taxes and assessments assessed against the Grantor Property and the Easements. Grantee shall pay when due any taxes assessed against the Balloon Fest Reservoir, Pipelines, and Pipeline Facilities, if

any (excluding any access roads or improvements owned by a third party), permitted hereunder and installed in the Easements by Grantee.

16. **Miscellaneous Provisions**.

a. Notices. Any notice, approval, consent or other communication under this Agreement must be in writing; marked to the attention of the company representative (as applicable); and sent to the relevant address specified below; and hand delivered or sent by nationally recognized courier or by mail, fax or email.

Unless the notice specifies a later time, and subject to applicable laws, a notice will be effective as follows: for a hand delivery or delivery by courier, upon receipt; for a letter sent by registered/certified mail, 5 days after postmark (7 days if postmarked from a foreign country); for a fax upon confirmation from the dispatching machine that indicates that the fax was sent in its entirety to the fax number of the recipient; and for an e-mail, the notice must be included as an attachment to the e-mail (not simply contained in the e-mail text), and will be effective upon receipt of a delivery-receipt or other reliable electronic means to verify receipt; provided that if a notice is received on a day other than a business day, or is received after 5:00 p.m. in the jurisdiction of receipt, the notice will be effective the next day.

A party may change its address for notices by providing written notice to that effect to the other party.

If to Grantor: Summit Mountain Holding Group, L.L.C.
3923 N. Wolf Creek Drive
Eden, Utah 84310
Attention: General Counsel
Email: _____
Telephone: _____

If to Grantee: Wolf Creek Irrigation Company
P.O. Box 761
Eden, Utah 84310
Attention: Mr. Dee Staples
Email: sadeestaples@hotmail.com
Telephone: (801) 721-3730

b. Benefits and Burdens. This Agreement constitutes covenants which benefit and burden the Grantor Property and benefit the Water Rights.

c. Recordation. This Agreement will be recorded in the office of the Weber County Recorder.

d. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. Each party acknowledges that it has not

relied upon any statements, representations, agreements or warranties of any person, except those expressly stated in this Agreement.

q. Modification. This Agreement may not be modified except by a writing signed by both of the parties.

r. Waiver. No party shall be deemed to have waived any right or remedy under or with respect to this Agreement unless such waiver is expressed in a writing signed by such party. No waiver of any right or remedy under or with respect to this Agreement by a party on any occasion or in any circumstance shall be deemed to be a waiver of any other right or remedy on that occasion or in that circumstance nor a waiver of the same or of any other right or remedy on any other occasion or in any other circumstance.

s. Successors and Assigns. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective permitted successors and permitted assigns.

t. Force Majeure. No party will be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, except for any obligations to make payments to the other Party hereunder, when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including without limitation: (i) acts of God; (ii) flood, fire, earthquake or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (iv) government order or law; (v) actions, embargoes or blockades in effect on or after the date of this Agreement; (vi) action by any governmental authority; (vii) national or regional emergency; (viii) strikes, labor stoppages or slowdowns or other industrial disturbances; (ix) unavoidable accident; (x) mechanical breakdown; and (xi) shortage of adequate power or transportation facilities (a ***"Force Majeure Event"***). The party suffering a Force Majeure Event will promptly give notice of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue and will use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized.

u. Remedies Cumulative. The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

v. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is deemed or held to be illegal, invalid or unenforceable, this Agreement shall be considered divisible and inoperative as to such provision to the extent it is deemed to be illegal, invalid or unenforceable, and in all other respects this Agreement shall remain in full force and effect; provided, however, that if any provision of this Agreement is deemed or held to be illegal, invalid or unenforceable the parties agree to replace such illegal, invalid or unenforceable provision with a provision that is legal, valid and enforceable that achieves the original intent of the parties as closely as possible. Further, should any provision contained in this Agreement ever be reformed or rewritten by any judicial body of competent jurisdiction, such provision as so reformed or rewritten shall be binding upon all parties hereto.

w. Cooperation and Further Assurances. Each of the parties shall cooperate fully with one another and shall execute, deliver, file, and record such further and additional documents and instruments that the other party may reasonably request to effect further and more completely the transactions herein contemplated.

x. Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Utah without giving effect to any choice or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah.

y. Jurisdiction and Venue. Any legal suit, action or proceeding arising out of, based upon or relating to this Agreement, will be instituted in the courts of the State of Utah, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The parties irrevocably and unconditionally waive any objection to the establishing of venue of any suit, action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

z. Attorneys' Fees. In the event that any action or proceeding is commenced by any Party hereto for the purpose of enforcing any provision of this Agreement, the parties to such action or proceeding shall receive as part of any award, judgment, decision or other resolution of such action or proceeding their costs and reasonable attorneys' fees as determined by the court making such award, judgment, decision or resolution.

aa. Time is of the Essence. Time is of the essence in the performance of and compliance with each of the terms and conditions of this Agreement.

bb. Relationship of Parties. Nothing contained in this Agreement shall be interpreted or construed to create an agency relationship, association, joint venture, trust or partnership, or impose any trust or partnership covenant, obligation or liability on or with regard to any party. No party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

cc. No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or confers upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

dd. Counterparts Signatures. This Agreement may be executed by facsimile or other electronic means and 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. Signatures delivered hereon by facsimile or electronic mail shall be deemed originals for all purposes.

ee. Authorized Execution. The individuals signing below each represent and warrant (a) that they are authorized to execute this Agreement for and on behalf of the party for

whom they are signing; (b) that the execution of this Agreement has been duly authorized by such party; and (c) that such party shall be bound in all respects by this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

GRANTOR:

Summit Mountain Holding Group, L.L.C., a
Utah limited liability company, its Sole
Member

By: SUMMIT REVOLUTION LLC, a
Delaware limited liability company
Its: Sole Member

By:_____
Name: _____
Title: Authorized Signatory

STATE OF UTAH)
:ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by _____ as Authorized Signatory of Summit Revolution LLC, a Delaware limited liability company, the sole member of Summit Mountain Holding Group, LLC, a Utah limited liability company.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:

_____

GRANTEE:

WOLF CREEK IRRIGATION COMPANY

By: _____
Name: _____
Its: _____

STATE OF UTAH)
: ss.
COUNTY OF WEBER)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by _____, the _____ of Wolf Creek Irrigation Company, a Utah nonprofit corporation.

_____
NOTARY PUBLIC
Residing at:_____

My Commission Expires:
_____

EXHIBIT A

[The Grantor Property]

BEGINNING AT A POINT ON THE WEST LINE OF SECTION 27, TOWNSHIP7 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN SAID POINT BEING SOUTH 00D21'35" WEST 303.60 FEET ALONG THE SECTION LINE FROM THE NORTHWEST CORNER OF SAID SECTION 27; THENCE AS FOLLOWS: SOUTH 00D21'35" WEST 1648.55 FEET ALONG THE SECTION LINE; THENCE SOUTH 89D38'25" EAST 514.00 FEET; THENCE NORTH16D42'35" EAST 436.00 FEET; THENCE NORTH 66D40'35" EAST 251.83FEET; THENCE SOUTH 21D51'00" EAST 21.84 FEET; THENCE NORTH66D19'00" EAST 14.59 FEET; THENCE SOUTH 21D06'00" EAST 1577.00FEET; THENCE NORTH 69D23'00" EAST 1233.44 FEET TO THE WEST RIGHT-OF-WAY LINE OF A COUNTY ROAD; THENCE THE FOLLOWING TEN COURSES ALONG SAID RIGHT-OF-WAY. NORTH 00D01'20" EAST 261.46FEET TO A TANGENT CURVE THE LEFT; THENCE NORTHWESTERLY 252.59FEET TO ALONG SAID CURVE TO A TANGENT LINE (R=444.46'DELTA=32D33'42" T=129.81' CH=249.20' CHB=N 16D15'31" WEST);THENCE NORTH 32D32'25" WEST 103.33 FEET TO A TANGENT CURVE TO THE LEFT; THENCE NORTHWESTERLY 192.05 FEET ALONG SAID CURVE TOA TANGENT LINE (R=1399.39', DELTA =7D51'48" T=96.18'CH=191.90' CHB=N 36D28'19" WEST); THENCE NORTH 40D24'10" WEST169.44 NORTH 42D36'10" WEST 335.57 NORTH 43D46'40" WEST 115.17TO A TANGENT CURVE THE RIGHT; THENCE NORTHWESTERLY 115.73 TO A TANGENT LINE (R=1468.39', DELTA=4D30'56", T=57.89' CH=115.70'CHB=N 41D31'12" WEST); THENCE NORTH 39D15'40" WEST 409.77 FEET THENCE NORTH 82D30'25" WEST 34.06 FEET LEAVING SAID RIGHT-OF-WAY TO A FENCE LINE; THENCE SOUTH 14D10'56" EAST68.66 FEET ALONG SAID FENCE LINE; THENCE SOUTH 11D47'49" WEST117.26 FEET ALONG A FENCE LINE; THENCE SOUTH 21D20'05" WEST25.39 FEET ALONG A FENCE LINE; THENCE SOUTH 24D36'53" WEST51.03 FEET ALONG A FENCE LINE; THENCE SOUTH 57D22'28" WEST88.24 FEET ALONG A FENCE LINE; THENCE SOUTH 70D29'34" WEST67.47 FEET ALONG A FENCE LINE; THENCE SOUTH 79D22'00" WEST459.60 FEET; THENCE SOUTH 75D37'56" WEST 8.51 FEET; THENCE NORTH 10D47'38" WEST 548.62 FEET; THENCE NORTH 05D59'21" WEST104.55 FEET; THENCE NORTH 07D09'27" EAST 139.25 FEET; THENCE NORTH 76D28'25" WEST 870.49 TO THE POINT OF BEGINNING. LESS ANY PORTION LYING WITHIN LOT 1, RV STORAGE AT WOLF CREEK SUBDIVISION, WEBER COUNTY, UTAH, AS SHOWN ON THE OFFICIAL PLAT THEREOF RECORDED DECEMBER 19, 2005 AS E# 2149372IN BOOK 63 AT PAGE 4 OF OFFICIAL RECORDS AND CONVEYED BY SPECIAL WARRANTY DEED, RECORDED DECEMBER 27, 2005 AS E#2150525 OF OFFICIAL RECORDS. EXCEPT BOWDEN STORAGE SUBDIVISION (BK 70 PG 56) ALSO LESS AND EXCEPTING ANY PORTION LYING WITHIN THE RECORDED SUBDIVISION PLATS OF MOUNTAIN VIEW ESTATES NO.6RECORDING IN BOOK 56 AT PAGE 004, MOUNTAIN VIEW ESTATES NO.7,RECORDED IN BOOK 58 AT PAGE 005, MOUNTAIN VIEW ESTATES NO.8,RECORDED IN BOOK 60 AT PAGE 005 AND MOUNTAIN VIEW ESTATES NO.9 RECORDING IN BOOK 61 AT PAGE 067 OF PLATS IN WEBER COUNTY RECORDERS OFFICE. EXCEPTING THEREFROM: THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 7 NORTH, RANGE 1 EAST SALT LAKE BASE & MERIDIAN, LOCATED IN THE COUNTY OF

WEBER, STATE OF UTAH DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 27, THENCE SOUTH 89D07'33" EAST 202.25 FEET ALONG THE NORTHERLY LINE OF SAID SECTION 27, THENCE SOUTH00D00'00" EAST 323.14 FEET TO AN EXISTING FENCE AND THE POINT OF BEGINNING, THENCE SOUTH 76D39'20" EAST 466.04 FEET ALONG SAID EXISTING FENCE LINE, THENCE SOUTH 13D20'40" WEST 144.53FEET, THENCE SOUTH 67D26'07" EAST 232.46 FEET, THENCE SOUTH10D55'47" EAST 529.61 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 87.31 FEET, THENCE SOUTHWESTERLY 166.04 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 108D57'42", THENCE NORTH 81D58'05" WEST 762.31 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 50.00 FEET, THENCE NORTHWESTERLY 73.54 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 84D16'06", THENCE NORTH02D18'01" EAST 506.77 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 300.00 FEET, THENCE NORTHERLY157.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF30D10'25" THENCE NORTH 32D28'26" EAST 174.22 FEET TO THE POINT OF BEGINNING. TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS PURPOSES OVER AND ACROSS EXISTING MAINTENANCE ROADS WITHIN THE GRANTORS LAND FOR ACCESS TO THE ABOVE DESCRIBED PARCEL OF LAND AND EASEMENTS 10.00 FEET IN WIDTH, LYING 5.00 FEET ON EACH SIDE OF ANY AND ALL EXISTING WATERLINES LOCATED WITHIN THE GRANTORS PROPERTY THAT ARE FEEDING OR RECEIVING WATER FROM THE POND LOCATED WITHIN THE ABOVE DESCRIBED PARCEL OF LAND, THE APPROXIMATE CENTER LINE OF THE EASEMENT IS DEPICTED ON THE ATTACHED PHOTO AS A DOTTED LINE.

[Tax Parcel No. 22-021-0132]

EXHIBIT B-1

[Reservoir Easement Area]

Beginning at the most southeastern property corner of parcel 22-021-0132 as of record in the office of the Weber County Recorder, said point also being on the west right of way line of State Road 158, and running thence South 69°23'00" West along the southern property line of said parcel 670.00 feet; thence North 20°37'00" West 300.00 feet; thence North 69°23'00" East 793.00 feet; thence South 00°01'20" West 320.57 feet to the point of beginning. Less and excepting any portion within lying within the right-of-way of the State Road 158. Contains approximately 5.0 acres more or less

[A portion of Tax Parcel No. 22-021-0132]

Because the size, precise location, amount of storage and other relevant factors associated with the Balloon Fest Reservoir are not yet known, for geographical and structural reasons, and because the Balloon Fest Reservoir has not yet been designed, engineered or approved by Grantee or any permitting authorities, some portion of the location of the Balloon Fest Reservoir may be required to extend to the north outside of the above description for the Reservoir Easement Area and through, on over, across and under a portion of the Grantor Property described in Exhibit A to this Reservoir Easement Agreement. Any relocation of the above described Reservoir Easement Area will be acceptable to both Grantor and Grantee. The above description for the Reservoir Easement Area will be amended after the Balloon Fest Reservoir has been finally designed, engineered, and approved by Grantee and any relevant permitting authorities to more particularly describe and reflect the designed and engineered location of the Balloon Fest Reservoir. The amended Reservoir Easement Area may not exceed 5.0 acres in size. An Amended Reservoir Easement Agreement, including the designed, engineered, and amended description for the Balloon Fest Reservoir will then be executed and recorded by Grantor and Grantee to terminate, supersede and replace this Reservoir Easement Agreement.

EXHIBIT B-2

[Reservoir Easement Area Depiction]

158
N 5100 E
WCIC 5 Acres Pond
NW 61st Creek Dr
N 4975 E
E 2675 N

EXHIBIT C

[Pipeline Easement Area]

A 15 foot southwesterly (inward) offset from the easternmost property line of parcel 22-021-0132 as on record in the office of the Weber County Recorder, said property line also being the west right-of-way line of State Road 158. Contains approximately 0.7 acres more or less Together with a 15 foot easement being a 7.5 foot offset on each side of the following described centerline: Beginning at a point on the easternmost property line of parcel 22-021-0132 as on record in the office of the Weber County Recorder, said point also being on west right-of-way line of State Road 158, said point also being South 58°00'42" East 2137.19 feet from the Northwest corner of Section 27, Township 7 North, Range 1 East, Salt Lake Base and Meridian and running thence South 50°29'06" West 320.76 feet to a point near the approximate centerline of an existing dirt road; thence North 86°34'14" West along said approximate centerline; thence South 77°29'33" West along said approximate centerline; thence North 34°32'01" West towards an existing pond 146.07 feet more or less to a point on the southern boundary of parcel 22-021-0131 as on record in the office of the Weber County Recorder, said point also being the point of termination. Contains approximately 0.4 acres more or less.

[A portion of Tax Parcel No. 22-021-0132]

Because the precise location of the Balloon Fest Reservoir, the precise location of the Pipelines and the Pipeline Facilities, and other relevant factors associated with the Pipelines and the Pipeline Facilities are not yet known the above description for the Pipeline Easement Area may need to be amended after the Balloon Fest Reservoir, the Pipelines, and the Pipeline Facilities have been finally designed, engineered and approved by Grantee and any relevant permitting authorities to more particularly described and reflect the designed and engineered location of the Pipelines and the Pipeline Facilities. An Amended Reservoir Easement Agreement, including the designed, engineered, and amended description for the Pipelines and the Pipeline Facilities will be executed and recorded by Grantor and Grantee to terminate, supersede and replace this Reservoir Easement Agreement.

EXHIBIT D

[Access Easement Area]

Portions of the Reservoir Easement Area described in Exhibit B-1 of this Reservoir Easement Agreement fifteen (15) feet in width through, on, over and across the Reservoir Easement Area for the purposes of providing ingress, egress and access from State Route 158 to and from the Balloon Fest Reservoir, and the Pipelines, and the Pipeline Facilities located within the Reservoir Easement Area, together with an area fifteen (15) feet in width through, on, over and across the Grantor Property described on Exhibit A to correspond with and provide access to the Pipeline Easement Area described in Exhibit C to this Reservoir Easement Area.

[A portion of Tax Parcel No. 22-021-0132]

Because the precise location of the Balloon Fest Reservoir, the precise location of the Pipelines and Pipeline Facilities, and other relevant factors associated with the Balloon Fest Reservoir, the Pipelines and the Pipeline Facilities are not yet known the above description for the Access Easement Area will need to be amended after the Balloon Fest Reservoir, Pipelines, and Pipeline Facilities have been finally designed, engineered and approved by Grantee and any relevant permitting authorities to more particularly described and reflect the designed and engineered location of the Balloon Fest Reservoir, the Pipelines and the Pipeline Facilities. An Amended Reservoir Easement Agreement, including an amended description for the Access Easement Area will be executed and recorded by Grantor and Grantee to terminate, supersede and replace this Reservoir Easement Agreement.