

Boyd J. Daniels

REGISTER OF DEEDS SARPY COUNTY NE

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GROUND LEASE

THIS GROUND LEASE AGREEMENT, made and entered into as of the 27th day of September, 1990 (the "Ground Lease"), by and between the CITY OF LA VISTA, NEBRASKA, a municipal corporation and political subdivision of the State of Nebraska, as Lessor, and FIRST GOLF CORPORATION, a corporation organized under the laws of the State of South Dakota, as Lessee.

W I T N E S S E T H:

In consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

ARTICLE I

DEMISE OF LAND AND WARRANTIES

Section 1.01. Demise. Subject to and upon the terms, conditions, covenants and undertakings hereinafter set forth, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the following described real property located in Sarpy County, Nebraska (hereinafter called the "Land"):

Lots 879 and 880, Lots 1010 thru 1013 inclusive, Lots 1302 thru 1311 inclusive, Lots 1340 thru 1352 inclusive, Lots 1355 thru 1440 inclusive, and part of Out Lots 1923 thru 1925 inclusive, in La Vista, a subdivision as surveyed, platted and recorded in Sarpy County, Nebraska, together with a part of the adjoining streets, all more particularly described as follows: Beginning at the SW corner of said Lot 1369: thence N5°08'33"E on the West line of said Lots 1364 thru 1369 inclusive, 319.00 feet (plat) 317.73 feet (measured); thence N5°36'59"W on the West line of said Lots 1360 thru 1364 inclusive, 273.5 feet (plat) 272.42 feet (measured); thence N0°10'38"E on the West line of said Lots 1356 thru 1360 inclusive, 400.00 feet (plat) 398.42 feet (measured); thence S89°49'22"E, 8.00 feet (plat and measured); thence N01°49'56"E on the West line of said Lots 1355 and 1356, 196.85 feet (plat) 205.74 feet (measured) to the Southwest corner of Lot 1354, said La Vista; thence S89°50'31"E on the South line of Lot 1354, said La Vista, 143.88 feet (plat) 140.36 feet (measured) to the Southeast corner of Lot 1354, said La Vista; thence Northeasterly on the Easterly curved line of Lot 1354, said La Vista on a curve to the right (radius being 675.56 feet, chord bearing N16°43'49"E, chord distance 170.96 feet) an arc distance of 171.42 feet (plat and measured) to a point of reverse curve; thence Northeasterly on the Easterly line of Lot 1354, said La Vista on a curve to the left (radius being 290.59 feet, chord bearing N12°07'44"E, chord distance 119.55 feet) an arc distance of 120.41 feet (plat and measured); thence S89°44'31"E, 50.00 feet (plat and measured) to a point on the Westerly line of Lot 1353, said La Vista; thence Southwesterly on the Westerly curved line of lot 1353, said La Vista on a curve to the right (radius being 340.59 feet, chord bearing S08°44'36"W, chord distance 100.51 feet) an arc distance of 100.88 feet (plat and measured) to the Southwest corner of Lot 1353, said La Vista; thence S45°10'07"E on the South line of Lot 1353, said La Vista, 182.85 feet (plat) 184.23 feet (measured) to the Southeast corner of Lot 1353, said La Vista; thence S41°34'23"E on the Easterly line of

said Lots 1340 thru 1351, inclusive, 869.41 feet (plat) 869.65 feet (measured) to the Southwest corner of Lot 1339, said La Vista; thence Northeasterly on the Southerly curved line of Lot 1339, said La Vista, on a curve to the left (radius being 180.00 feet, chord bearing N57°08'05"E, chord distance 55.51 feet (plat) 55.70 (measured) an arc distance of 55.73 feet (plat) 55.92 (measured) to a point of tangency; thence N48°21'43"E on the Southerly line of Lot 1339, said La Vista, 70.00 feet (plat and measured) to the Southeast corner of Lot 1339, said La Vista; thence N74°02'21"E, 55.44 feet to the Northwest corner of Lot 1311, said La Vista; thence N48°32'33"E 110.00 feet (platted) to the Northern corner of Lot 1311, said La Vista; thence S41°33'58"E on the Westerly line of Lots 1292 thru 1301, inclusive, said La Vista, 605.00 feet (platted) to the Southwest corner of Lot 1301, said La Vista; thence N48°28'45"E on the Southerly line of Lot 1301, said La Vista, 45.0 feet (plat) 44.75 feet (measured); thence S41°49'18"E on the Westerly line of Lot 881 said La Vista and its Northwesterly extension, 177.9 feet (plat) 177.71 feet (measured) to the Southwest corner of Lot 881, said La Vista; thence S53°00'04"W on the Northerly line of Lot 882, said La Vista, 60.7 feet (plat) 60.65 feet (measured) to the Northwest corner of Lot 882, said La Vista; thence S41°32'13"E on the Westerly line of Lot 882, said La Vista, 20.94 feet (plat and measured); thence S21°39'32"E on the Westerly line of Lots 882 thru 884, inclusive, said La Vista, 206.64 feet (plat) 206.59 feet (measured) to the Southwest corner of Lot 884, said La Vista; thence S68°20'24"W on the Northerly line of Lot 1009, said La Vista and its Southwesterly extension, 175.00 feet (plat) 175.46 feet (measured) to a point on the Easterly line of Lot 1441, said La Vista; thence N21°37'03"W on the Easterly line of Lot 1441, said La Vista, 49.85 feet (plat and measured) to the Northeast corner of Lot 1441, said La Vista; thence S68°59'04"W on the Northerly line of Lots 1441 and 1950, said La Vista, 259.2 feet (plat) 259.14 feet (measured) to the Northwest corner of Lot 1950, said La Vista; thence S00°06'34"W on the East line of said Out Lot 1925, 30.02 feet; thence N42°02'20"W, 243.48 feet to a point on the South line of said Lot 1435; thence N89°50'34"W on the South line of said Lots 1369 and 1421 thru 1435, inclusive, 1220.09 feet (plat) 1217.99 (measured) to the point of beginning. (Containing 34.13 acres more or less.)

Section 1.02. Lessor's Warranties. Lessor covenants and warrants to Lessee:

1. That Lessor has good and merchantable title to the Land, has authority to enter into, execute and deliver this Ground Lease, and has duly authorized the execution and delivery of this Ground Lease;
2. While Lessor has not made any investigation independent of that performed by Lessee, Lessor believes that the Land can be made suitable and convenient for provision of a municipal golf course through Lessor's entering into this Ground Lease and the Agreement (as hereinafter defined), and the completion of the transactions contemplated thereby;
3. To the best of Lessor's knowledge, the Land is not subject to any dedication, easement, right-of-way, reservation in patent, covenant, condition, restriction, lien or encumbrance, which would prohibit the construction of

certain improvements (hereinafter called the "Improvements") thereon, and to the best of Lessor's knowledge easements existing at date hereof are identified on the "La Vista Executive Golf Course Rough Grading Plan" dated June 29, 1990, prepared by Wyss Associates, Incorporated.

4. That all taxes, assessments or impositions of any kind with respect to the Land, except current taxes, have been paid in full or are unenforceable by reason of passage of time;
5. That there are no liens outstanding against the Land;
6. That the Land is or will be properly zoned for the purpose of the Improvements;
7. That Lessor has authority to enter into, execute and deliver the Agreement, and has duly authorized its execution and delivery; and
8. That to the best of Lessor's knowledge, on the date of execution of this Ground Lease, the Land is free from all pollutants or contaminants as defined by 42 U.S.C. §9604(a)(2) and all hazardous substances as defined by 43 U.S.C. §9601(14), and Lessor covenants and agrees to indemnify and hold harmless Lessee from and against all penalties, claims, damages, liabilities, costs and expenses, including reasonable attorneys fees, incurred or imposed upon Lessee, directly or indirectly, which arise out of the location on, required removal of, or drainage or leakage from the Land of any such pollutant or contaminant or hazardous substance present on the Land on the date of execution of this Ground Lease.

Section 1.03. Lessee's Warranties. Lessee covenants and warrants to Lessor that:

1. Lessee is validly organized and existing under the laws of the State of South Dakota and is qualified to do business in the State of Nebraska and has authority to enter into, execution and deliver this Ground Lease and the Agreement, and has duly authorized the execution and delivery of this Ground Lease and the Agreement;
2. Lessee shall at all times during the term hereof use the Land only for a golf course and related improvements or other recreational use authorized by and constructed in accordance with plans and specifications approved by the City and the State of Nebraska Department of Water Resources and the State of Nebraska Natural Resources Commission (hereinafter the "Nebraska Regulatory Bodies") and in a manner consistent with the terms of

the grants from or administered through said Nebraska Regulatory Bodies in the construction and maintenance of the existing water detention facility and Thompson Creek; and

3. Lessee will not interfere with the full use by City or other grantee of the reserved rights and easements described or authorized by Paragraph 1.02.3 hereof, or damage or obstruct any sewer, pipe line or other facility now or hereafter therein constructed and Lessee shall indemnify City for any loss or liability it may incur by reason of such damage or obstruction.

ARTICLE II

TERM AND RENT

Section 2.01. Term. The term of this Ground Lease shall commence as of the day and year first above written, and shall end on July 1, 2020, or earlier pursuant to the Agreement.

Section 2.02. Rent. The rent shall be Thirty Dollars (\$30.00), payable in one installment in advance on the date hereof.

Section 2.03. Lease-back to City. In further consideration of the authorization, execution and delivery of this Ground Lease by each of the parties, the parties have entered or will into a Golf Course Construction and Lease/Purchase Agreement (the "Agreement"), and have agreed to carry out and perform their obligations thereunder. Said Agreement shall be in form satisfactory to City and City's obligation to make rental payments thereunder for any year shall be subject to the condition that City shall have made prior appropriation of funds for said purpose in its annual budget/appropriation process for such year.

ARTICLE III

USE OF PREMISES; ADDITIONAL COVENANTS

Section 3.01. Use. Lessee shall use the Land only for the operation of a Golf Course or other recreational purpose approved by Lessor and with the consent of the Nebraska Regulatory Bodies.

Section 3.02. Quiet Enjoyment. Lessor covenants that upon Lessee's paying the rent reserved herein, and performing all conditions and covenants set forth in this Ground Lease and the Agreement, Lessee shall and may peaceably have, hold and enjoy the Land for the term of this Ground Lease. Lessee covenants that upon expiration of this Ground Lease, either on the date specified in Section 2.01 hereof or earlier pursuant to the terms of the

Agreement, it shall give Lessor peaceable possession of the Land, together with the Improvements constructed thereon pursuant to the Agreement.

Section 3.03. Assignment and Subletting. Lessee shall have the right to assign or mortgage its interest in this Ground Lease and to sublet the Land, provided that so long as the Agreement is in effect the Lessee may sublet the Land only in accordance with the Agreement.

Section 3.04. Release of Land. Lessee and Lessor agree that this Ground Lease may be amended to release certain portions of the Land, on the terms and conditions set forth in Section 13.2 of the Agreement.

Section 3.05. Additional Covenants. In the event that any person or entity, however organized (other than Lessee or any assignee of Lessee), shall be determined to hold any interest that in any manner affects Lessor's good and merchantable title to the Land, Lessor shall use its best efforts to acquire the interest on the Land so held, such acquisition to be made at Lessor's sole cost and expense. Lessor hereby agrees to save and keep harmless Lessee, or any assignee of Lessee, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatever kind and nature, imposed on, incurred by or asserted against Lessee, or any assignee of Lessee, that in any way relate to or arise out of the valid assertion of any interest affecting Lessor's good and merchantable title to the Land and Improvements by any person or entity, however organized (other than Lessee or any assignee of Lessee).

Section 3.06. Water. Lessor agrees to use its best efforts to cause Metropolitan Utilities District to provide to Lessee sufficient acre feet of water each year to provide suitable golf course irrigation.

ARTICLE IV

LESSEE'S DEFAULT; REMEDIES

Section 4.01. Lessee's Default. The following shall be an "event of default" or a "default" hereunder: If Lessee shall (i) fail to pay the rent provided herein, (ii) fail to enter into the Agreement or fail to construct the Golf Course Improvements in accordance therewith, or (iii) fail to observe or perform any of the obligations of Lessee otherwise provided herein or any of its obligations as Lessor under the Agreement.

Section 4.02. Lessor's Remedies. Upon the occurrence of an event of default by Lessee hereunder, which shall remain uncured for thirty (30) days after receipt by Lessee of written notice of

such event of default, Lessor may thereafter or any time subsequently during the existence of such breach or default: (i) enter into and upon the Land and repossess the same, expelling and removing therefrom all persons and property, and (ii) terminate this Ground Lease, holding Lessee liable for damages for its breach.

ARTICLE V

ADMINISTRATIVE PROVISIONS

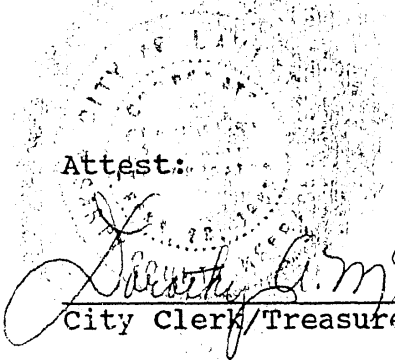
Section 5.01. Binding Effect. This Ground Lease shall be binding upon, and inure to the benefit of, the parties hereto, and their successors and assigns.

Section 5.02. Applicable Law. This Ground Lease shall be interpreted and enforced in accordance with the laws of the State of Nebraska.

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

CITY OF LA VISTA, NEBRASKA

Attest:



Barthelme G. McGinnis
City Clerk/Treasurer

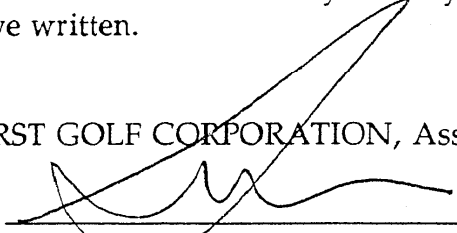
By Harold D. Burr
Mayor

FIRST GOLF CORPORATION

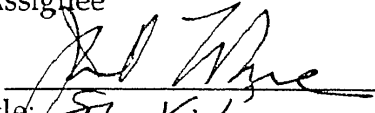
By [Signature]
Its PRESIDENT

Assignee has caused this Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

FIRST GOLF CORPORATION, Assignor

By 
Title: PRESIDENT

BANC ONE LEASING CORPORATION,
Assignee

By 
Title: S. V. I.