

EASEMENT AGREEMENT

THIS AGREEMENT entered into this 16th day of March, 2001, by and between the City of St. George, a Utah municipal corporation, hereinafter referred to as "City" and Shefco, Ltd., a Utah partnership, hereinafter referred to as "Shefco."

WITNESS:

WHEREAS, for the health and safety of its citizens, the City intends on widening and improving River Road;

WHEREAS, Shefco owns real property on both the east and west side of River Road;

WHEREAS, the proposed improvements require that a portion of the Shefco property on the east side of River Road be subject to an easement for the slope and temporary easements for a drainage ditch until curb and gutter improvements are installed on River Road and a portion of the Shefco property on the west side of River Road be subject to an easement for a slope;

WHEREAS, Shefco is willing to provide the City a perpetual easement for the required slope on both the east and west side of River Road and temporary easements for the use and maintenance of a drainage ditch on the east side of River Road.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby covenant and agree as follows:

AGREEMENT

1. SLOPE EASEMENT ON EAST SIDE OF RIVER ROAD: The following provisions will apply to the slope easement on the west side of River Road:

- a. Shefco shall convey to the City a perpetual slope easement along the east side or River Road.
- b. The easement shall be variable in width with a maximum of fifty feet (50') wide and shall grant to the City the right to modify the slopes during construction of the improvements on River Road and any associated improvements over, across and through the land owned by Shefco, situated in Washington County, State of Utah, as more particularly described in Exhibit "A", and shown on the accompanying map (Exhibit "B"), together with the limited right of ingress and egress over the immediate adjacent lands owned by Shefco for the purposes of this easement.
- c. In construction of the improvements, the City shall have the right to modify slopes and property grades so as to accommodate the construction, maintenance and use of River Road. The City shall not be required to restore such slopes or grades following construction but shall leave the slopes smooth and groomed. Shefco agrees that the integrity of the property and slopes adjoining the slope easement are essential to the use of River Road. Subsequent to the expiration of construction of River Road, Shefco for themselves, their (its) successors and assigns agree to maintain all slopes and property as modified and use all slopes and property adjoining the River Road so as not to interfere in any way with the rights of the City hereunder. The City shall maintain the cleanliness and noxious weeds on the slope. However, Shefco shall retain the right to landscape said slopes and if Shefco landscapes said slopes the maintenance of the slopes will become the obligation of Shefco.

2. SLOPE EASEMENT ON WEST SIDE OF RIVER ROAD: The following provisions will apply to the slope easement on the west side of River Road:

a. Shefco shall convey to the City a perpetual slope easement along the west side of River Road.

b. The easement shall be a variable width a maximum of fifteen feet (15') wide and shall grant to the City the right to modify the slopes during construction of the improvements on River Road and any associated improvements over, across and through the land owned by Shefco, situated in Washington County, State of Utah, as more particularly described in Exhibit "A" and shown on the accompanying map (Exhibit "B"), together with the limited right of ingress and egress over the immediate adjacent lands owned by Shefco for the purposes of this easement in a manner so as not to interfere with Shefco's use and enjoyment of the land.

c. In construction of the improvements, the City shall have the right to modify slopes and property grades so as to accommodate the construction, maintenance and use of River Road. The City shall not be required to restore such slopes or grades following construction but shall leave the slopes smooth and groomed. Shefco agrees that the integrity of the property and slopes adjoining the slope easement are essential to the use of River Road. Subsequent to the expiration of construction of River Road, Shefco for themselves, their (its) successors and assigns agree to maintain all slopes and property as modified and use all slopes and property adjoining the River Road so as not to interfere in any way with the rights of the City hereunder. The City shall maintain the cleanliness and noxious weeds on the slope. However, Shefco shall retain the right to landscape said slopes and if Shefco landscapes said slopes the maintenance of the slopes will become the obligation of Shefco.

3. TEMPORARY DRAINAGE AND MAINTENANCE EASEMENT ON EAST SIDE OF RIVER ROAD: The following provisions shall apply to the drainage easement on the east side of River Road:

a. Shefco shall convey to the City a temporary drainage easement for the purpose of containing flood control drainage along River Road. The drainage easement shall remain in place until such time as curb and gutter are installed on River Road thus replacing the need for the drainage easement. Therefore the easement shall automatically expire and be deemed vacated upon the installation of curb and gutter along the east side of River Road adjacent to this easement. Should the curb and gutter improvements on the east side of River Road be installed in stages, then the temporary easement shall be deemed vacated as to that portion of the easement that the curb and gutter improvements are installed upon.

b. The easement shall be a variable width a maximum of fifty feet (50') wide and shall grant to the City the right to use, operate, inspect, repair, maintain, replace or remove drainage facilities and associated structures over, across and through the land owned by Shefco, situated in Washington County, State of Utah, as more particularly described in Exhibit "C", and shown on the accompanying map (Exhibit "B"), together with the limited right of ingress and egress over the immediate adjacent lands owned by Shefco for the purposes of this easement in a manner so as not to interfere with Shefco's use and enjoyment of the land.

c. During the existence of the easement, the City shall have the exclusive and sole responsibility to maintain the drainage ditch on a regular basis. Maintenance shall include keeping the drainage ditch clear of debris and weeds. City shall also be responsible to keep the drainage ditch safe, operational, and free of defects or dangers to the general public. The City is granted the right of

ingress, egress and reasonable access to the property subject to the easement for said maintenance and repair. The City shall leave the property clean and orderly, to a condition substantially equivalent to the condition of the property prior to the City's entering the property, after such maintenance or repair.

d. Shefco shall have the right to use and/or alter, with notice to the City, the drainage ditch on the easement so as to allow Shefco the full use and enjoyment of its property. Said right of Shefco is subject to the condition that Shefco's use and/or alteration of the drainage ditch shall not affect the functionality of the drainage and/or drainage ditch within said easement.

e. The City shall not alter or make greater the burden on Shefco for the City's use of the easement following installation of the River Road improvements without the written consent of Shefco.

4. GENERAL PROVISIONS: The following provisions will apply to both easements granted herein:

a. Any and all of the rights or obligations of Shefco as outlined in this Agreement shall run with the land described in Exhibit A and the obligations shall constitute an encumbrance thereon.

b. The rights, duties and obligations herein shall inure to the benefit of and be binding upon the heirs, successors-in-interest, assigns, transferees and subsequent purchasers of the properties.

c. If any provision of this Agreement is declared invalid by a court of competent jurisdiction, the remaining provisions shall not be affected thereby, but shall remain in full force and effect.

d. This Agreement shall be governed according to the laws of the State of Utah.

Dated as of the day and year first above written.

CITY OF ST. GEORGE:

SHEFCO, LTD.:

Daniel D. McArthur

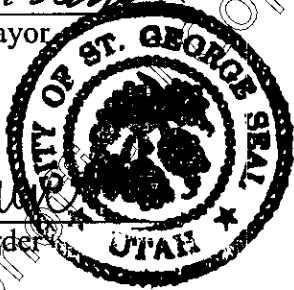
Stephen N. Sheffield

Daniel D. McArthur, Mayor

Stephen N. Sheffield, General Partner

Attest:

Gay Cragun



Gay Cragun, City Recorder

Approved as to form:

Ronald L. Read

Ronald L. Read, Deputy City Attorney

EXHIBIT "A"
EAST SIDE OF RIVER ROAD PERPETUAL SLOPE EASEMENT

Beginning at a point on the easterly right-of-way line of River Road approximately 25 feet northwesterly of intersecting point of River Road and the south line of Section 32, Township 42 South, Range 15 West, SLB&M and running thence northwesterly along said easterly right-of-way line of River Road 960 feet to a point approximately 985 feet northwesterly from said south line of section 32. Said point being the terminating point of this easement.

**WEST SIDE OF RIVER ROAD RIGHT-OF-WAY
PERPETUAL SLOPE EASEMENT**

Beginning at a point on the south line of Section 32, Township 42 south, Range 15 West SLB&M where the section line and the west right-of-way line of River Road intersect and running thence northwesterly along said west right-of-way line 178 feet to the north end of area number 1; thence beginning area number 2 at a point northwesterly 217 feet from said intersecting point; thence northwesterly 105 feet along said west right-of-way line to a point 322 feet north of said intersecting point being the end of area number 2; thence beginning at a point northwesterly 635 feet from said intersecting point being the beginning of area number 3; thence northwesterly 752 feet along said right-of-way line to a point 1,387 feet from the section line intersecting point and the end of area number 3 being the terminating point of this easement.

SECTION LINE

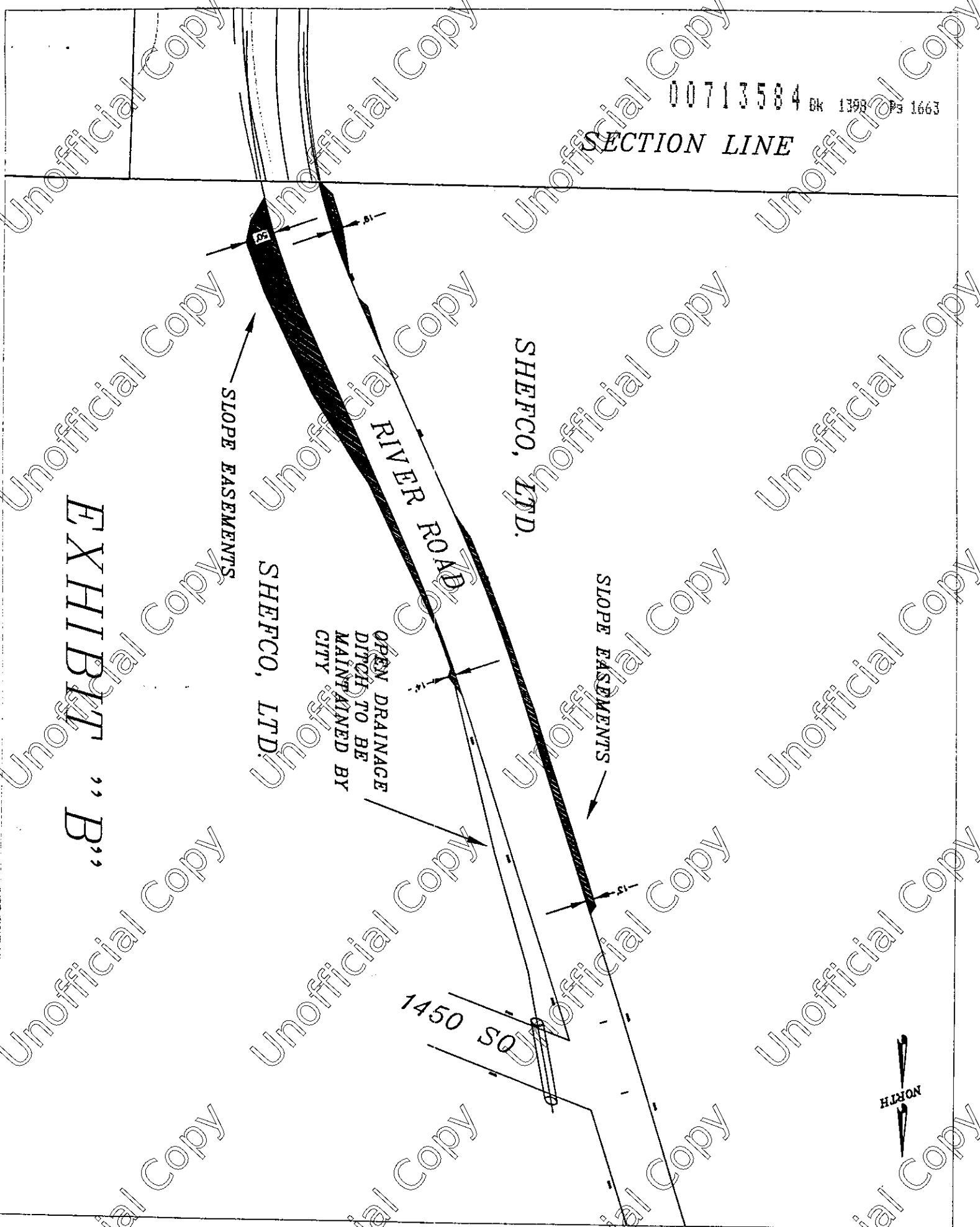


EXHIBIT "B"

EXHIBIT "C"

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EAST SIDE OF RIVER ROAD TEMPORARY DRAINAGE EASEMENT

Beginning at a point on the easterly right-of-way line of River Road approximately 25 feet northwesterly of intersecting point of River Road and the south line of Section 32, Township 42 South, Range 15 West, SLB&M and running thence northwesterly along said easterly right-of-way line of River Road 960 feet to a point approximately 985 feet northwesterly from said south line of section 32. Thence northerly meandering along the east side of said River Road through a metal culvert (CMP) under 1450 South Street to the north end of said culvert; said north end of culvert being the terminating point of this temporary drainage easement.

Drainage easement will automatically be terminated upon placement of curb and gutter.