

**DECLARATION OF
EASEMENT**

THIS DECLARATION OF EASEMENT (the "Declaration") is made this ___ day of April, 1997, by and between ST. GEORGE INN, L.C. a Utah limited liability company ("Grantor"), and SERVICE STATION LIMITED PARTNERSHIP #2, a Utah limited partnership ("Grantee").

PREAMBLES:

A. Grantor is the owner in fee simple of a certain parcel of land in the County of Washington, State of Utah, legally described in Exhibit A attached hereto and incorporated herein (the "Property"); and

B. Grantor and Grantee entered into a certain Options Contract dated May 21, 1993 (the "Contract"), for the sale of the Property by Grantee to Grantor; and

C. Paragraph 16 of the Contract requires Grantee to perform certain remediation or other responsive action with respect to the Property and the adjacent Hilton Inn real property, all as more particularly described in Paragraph 16 of the Contract; and

D. Grantor has agreed to grant to Grantee a temporary and non-exclusive easement for purposes of permitting Grantee to perform its obligations pursuant to Paragraph 16 of the Contract (the "Easement"); and

E. In consideration of the Easement, certain obligations described herein shall be imposed upon the Grantee until Grantee's obligations under Paragraph 16 of the Contract have been fulfilled.

NOW, THEREFORE, Grantor hereby declares that the Property shall be held, sold, transferred, occupied and conveyed subject to the Easement, which shall run with the Property, and be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof, and shall inure to the benefit of the Grantee, its successors and assigns.

ARTICLE 1

GRANT OF EASEMENT

1.1 Grant. Grantor, for itself, and its successors and assigns, hereby grants and conveys unto the Grantee and its

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**RUSSELL SHIRTS * WASHINGTON CO RECORDER
1997 APR 15 16:13 PM FEE \$34.00 BY JRB
FOR: SOUTHERN UTAH TITLE CO**

successors and assigns a temporary and non-exclusive Easement for egress, ingress and access to use the Property, subject to the provisions of Section 1.3 hereof, as reasonably necessary to fulfill the obligations of Grantee pursuant to Paragraph 16 of the Contract, free of any and all interference from the Grantor which would adversely affect Grantee's ability to fulfill its obligations pursuant to Paragraph 16 of the Contract.

It is understood and agreed that this is a surface and subsurface easement and is for the purpose of granting to the Grantee, its successors, assigns, agents, contractors and subcontractors an easement to perform the necessary work upon the surface and subsurface of the Property to fulfill its obligations pursuant to Paragraph 16 of the Contract. The parties acknowledge that such necessary work may include the installation, operation and maintenance of investigative and/or recovery wells and appurtenances thereto and the performance of all acts necessary in connection therewith. Further, said remediation activities shall be conducted on the Property in such a manner and at such locations as not to unreasonably interfere with the use and enjoyment of the surface of the easement area by Grantor and its successors, assigns, tenants, subtenants and invitees.

1.2 Repair. If the surface of the Property is disturbed by Grantee by the work it performs in connection with the remediation, the Grantee shall, at its sole cost and expense, repair and restore the surface of the Property to substantially the same condition which existed immediately prior to any such disturbance, including, without limitation, any and all necessary repairs resulting from the excavation performed by the Grantee in the course of doing any such work upon the Property. Any work done by the Grantee upon the Property shall be done at such a time and in such a manner as will cause a minimum of interference with the business being conducted by Grantor at the Property, but nothing herein contained shall prevent or prohibit the Grantee from performing any of its work during normal and customary daylight business hours.

1.3 Covenants of Grantee.

(a) **Grantee's Expense.** Any and all work conducted upon the Property by Grantee shall be performed at the sole cost and expense of Grantee. Grantee shall make timely payment of all obligations for such work and/or materials and shall keep the Property free and clear of all liens and encumbrances arising by, through or under the actions or conduct of Grantee's contractors, subcontractors, agents or representatives. In the event any such lien or encumbrance is recorded against the Property as a result of work being performed on behalf of Grantee, Grantee may, in

good faith, contest such lien or encumbrance provided that Grantee posts a bond or funds a title indemnity with a title insurance company, reasonably satisfactory to Grantor, providing affirmative title insurance coverage over such lien or encumbrance.

(b) Minimize Interruption. Grantee shall conduct its work upon the Property in a manner that minimizes any interference with Grantor's use and employment of the Property. To the extent it is necessary for Grantee to bring equipment or materials upon the Property that are not presently located upon the Property, or to excavate upon the Property, to fulfill its obligations of Paragraph 16 of the Contract, such location of equipment and/or excavation sites shall be in areas agreed upon by Grantor and Grantee, unless another location is specifically required by a governmental agency having jurisdiction over the Property, as determined by Grantee's environmental consultant pursuant to the remediation plan, as amended from time to time, issued by the Utah Division of Environmental Response and Remediation. Upon written request by Grantor and upon written approval from those governmental agencies determined by Grantee's environmental consultant to have jurisdiction over the Property, Grantor may require Grantee to relocate Grantee's remediation equipment presently located upon the Property. Prior to any such relocation, Grantee shall obtain bids from three (3) licensed contractors and the low bidder shall be awarded the contract for such relocation work, unless the parties mutually agree otherwise, which contract shall be entered into by Grantor and Grantee. The parties agree that Grantor and Grantee shall each bear one-half (1/2) of the cost of such relocation and that under no circumstances shall Grantee's one-half (1/2) share of any such relocation cost exceed, in the aggregate, Five Thousand and No/100 Dollars (\$5,000.00). Any contract entered into for such relocation shall specifically acknowledge the limitation upon Grantee's obligations set forth in the preceding sentence.

(c) Indemnification. Grantee shall indemnify and hold Grantor, its members, officers, employees and lessees harmless from any and all losses, liabilities, damages or expenses of any kind and nature whatsoever for damage to Property or injury or death to persons arising or resulting from the use of the Property by Grantee or Grantee's employees, agents, contractors or subcontractors, except to the extent such losses, liabilities, damages or expenses arise from Grantor's or its members, officers, employees and lessees gross negligence or willful misconduct.

(d) Compliance with Law. Grantee shall, at all times, comply with all applicable laws, regulations and ordinances, and shall obtain and maintain in full force and effect all permits

and approvals which may be required in connection with the performance of its use of or activities upon the Property pursuant to Paragraph 16 of the Contract.

(e) Assumption of Risk. Grantee shall be solely responsible for the conduct and safety of its employees, agents, contractors, subcontractors, and their employees.

(f) Insurance. Throughout the term of the Easement, Grantee shall maintain in full force and effect, at Grantee's sole expense, a policy of general liability insurance with limits or not less than \$1,000,000 insuring Grantee and Grantor against any damage, claim, action, or suit resulting from injury or death to persons or damage to Property sustained or alleged to have been sustained in connection with Grantee's use of or activities upon the Property. Grantor may from time to time request, and Grantee shall provide Grantor with satisfactory evidence that such insurance policy has been obtained and maintained in full force and effect. Grantee, its agents, contractors and subcontractors shall further maintain at their sole cost and expense such insurance as may be required by the laws of the State of Utah, including without limitation, Worker's Compensation insurance.

(g) Notice of Activities. Grantee shall provide written notice to Grantor at least five (5) business days prior to conducting any drilling, excavating, or other activities which will disturb the surface of the Property or interfere with Grantor's use of or ingress to and from the Property, designating the location upon the Property of such activity, the purpose for such activity, and the anticipated time to complete such activity.

(h) Conclusion of Term. At the conclusion of the term of the Easement, Grantee shall remove all equipment and materials brought upon the Property by Grantee or its agents, contractors, or subcontractors, and shall restore the Property, to the extent disturbed or affected by Grantee or its representatives, contractors, or subcontractors, to the surface conditions that existed on the date hereof.

ARTICLE 2

PROPERTY RIGHTS

2.1 Easement. Subject to the terms contained herein, the Easement shall run with the land and remain in full force and effect, and at all times shall inure to the benefit of the Grantee, its successors and assigns, and shall be binding upon any

owner, purchaser, mortgagee or to any person having an interest in the Property, or any part or portion thereof; provided, however, the Easement and all rights and obligations hereunder shall terminate immediately and automatically upon the fulfillment by Grantee of its obligations under Paragraph 16 of the Contract. During the term of this Easement and until the termination thereof, Grantee may remove any tools, equipment or materials placed thereon by Grantee or its contractors in connection with the performance of its remediation obligations.

Grantor and Grantee hereby acknowledge that the nature of the activities to be conducted by Grantee make precise definition of the term of the this Agreement impractical. Grantee hereby agrees to diligently fulfill its obligations under Paragraph 16 and upon completion to remove its remediation equipment from the Property; provided, however, at such time Grantee shall execute, acknowledge and deliver to Grantor, in recordable form, such releases, quit-claims or other instruments as Grantor may reasonably require to clear title to the Property. Upon Grantee's completion of its remediation obligations, this Agreement shall terminate without further action by either party.

ARTICLE 3

EASEMENT MAINTENANCE AND REPAIR

3.1 Maintenance and Repair Obligations. Grantor shall not perform any act which would adversely affect any portion of the Property in which Grantee is performing its obligations pursuant to Paragraph 16 of the Contract and Grantor shall not interfere with the Grantee's efforts and obligations under the Contract; provided that this Section 3.1 shall not be construed to preclude Grantor's right to conduct its business upon the Property.

ARTICLE 4

GENERAL PROVISIONS

4.1 Amendment. The provisions of this Declaration may be amended only by an instrument in writing setting forth such amendment signed and acknowledged by the owners of the Property and the Easement. No amendment shall be effective until duly recorded in the Office of the Recorder of Deeds of Washington County, Utah ("Recorder").

4.2 Headings. All headings set forth herein are intended for convenience only and shall not be given or construed to have any substantive effect on the provisions of this Declaration. The

singular shall include the plural wherever this Declaration so requires, and the masculine the feminine and neuter and vice versa.

4.3 Notices. All notices and other communications provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by certified or registered U.S. mail, return receipt requested, postage prepaid, and address set forth below or at such other address as such party may hereafter designate by written notice to the other parties as herein provided.

To Grantor: St. George Inn, L.C.
586 W. Fine Drive
Salt Lake City, Utah 84115
Attn: MIKE BODELL

To Buyer: Service Station Limited Partnership #2
c/o Utah Resources International, Inc.
360 East Randolph Street
Suite 2401
Chicago, Illinois 60601
Attn: John Fife

If personally delivered, notices and other communications under this Declaration shall be deemed to have been given and received and shall be effective when personally delivered. If sent by mail in the form specified in this section, notices and other communications under this Declaration shall be deemed to have been given and received and shall be effective three (3) business days after deposit in the U.S. mail.

4.4 Utah Law. This Declaration shall be governed, interpreted, construed and enforced in accordance with the laws of the State of Utah.

4.5 Attorneys' Fees. If any action is brought because of any breach of or to enforce or interpret any of the provisions of this Declaration, the party prevailing in such action shall be entitled to recover from the other party 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.

4.6 Reservation of Right. Grantor reserves all rights to the Property not inconsistent to those granted pursuant to this Declaration.

4.7 Effective Date. The terms and provisions of this Declaration shall automatically take effect as of 12:01 a.m. on the date of recording of this Declaration by the Recorder.

4.8 Binding Effect. All of the terms, covenants, conditions and provisions of this Declaration shall be appurtenant to, and shall run with, the Property and shall be binding upon and inure to the benefit of each party hereto and its respective successors, successors-in-title and assigns.

4.9 Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the day and year first above written.

GRANTOR:

ST. GEORGE INN, L.C., a Utah limited liability company,

By: [Signature]
Its: Manager

By: [Signature]
GRANTEE: Its: Manager

SERVICE STATION LIMITED PARTNERSHIP #2, a Utah limited partnership

By: Tonaquint, Inc., a General Partner

By: _____
Its: President

By: Utah Resources International, Inc., a General Partner

By: _____
Its: President

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the day and year first above written.

GRANTOR:


ST. GEORGE INN, L.C., a Utah limited liability company,

By: _____
Its: Manager

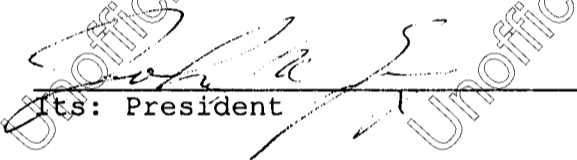
GRANTEE:

SERVICE STATION LIMITED PARTNERSHIP #2, a Utah limited partnership

By: Tonaquint, Inc.,
a General Partner

By: 
Its: President

By: Utah Resources International, Inc., a General Partner

By: 
Its: President

STATE OF UTAH)
)
COUNTY OF Washington)

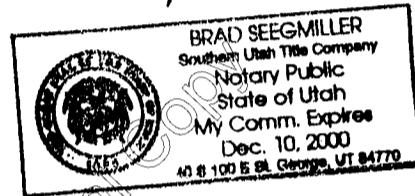
I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Gerry Brown is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President of Tonaquint, Inc., a Utah corporation and a general partner of Service Station Limited Partnership #2, a Utah limited partnership, appeared before me and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation and partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 4th day of April, 1997.



Notary Public

My Commission Expires: 12-10-2000



Doc. No. 23564 v5

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STATE OF ILLINOIS

COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that John Fife is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President of Utah Resources International, Inc., a Utah corporation and a general partner of Service Station Limited Partnership #2, a Utah limited partnership, appeared before me and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said corporation and partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of April, 1997.

Kathleen A. Dunne
Notary Public


My Commission Expires:



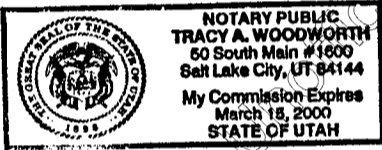
STATE OF UTAH)
)
COUNTY OF SALT LAKE)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Michael J. Bodell and Victor M. Kimball, Managers of St. George Inn, L.C., a Utah limited liability company, are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Managers, appeared before me and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3 day of April, 1997.


Notary Public

My Commission Expires:



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EXHIBIT A

LEGAL DESCRIPTION

BEGINNING at a point on the North line of 1470 South Street, said point being N 0°48'46" W 838.26 feet along the Section line and S 89°03'46" E 549.62 feet along said North line of street from the Southwest Corner of Section 31, Township 42 South, Range 15 West, Salt Lake Base and Meridian and running thence N 0°59'54" W 146.73 feet; thence N 89°00'06" E 108.06 feet to the West line of the I-15 Frontage Road and a point on a curve to the right, the radius point of which is S 88°52'42" W 1349.86 feet; thence Southerly 101.54 feet along the arc of said curve and the West line of said Frontage Road to a point on a compound curve to the right, the radius point of which is N 72°14'59" W 79.89 feet; thence southwesterly 65.99 feet along the arc of said curve to a point on the North line of 1470 South Street; thence N 89°03'46" W 61.24 feet along said North line of Street to the point of beginning.