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STORM DRAINAGE EASEMENT

PARTIES:

Kwal-Howells, Inc.

("Kwal")

SFP-B Limited Partnership

("SFP-B")

Autobahn Investments, LLC

("Autobahn")

RECITALS:

A. Kwal is the successor in interest to Howells, Inc. pursuant to a merger effected January 26, 1987. Accordingly, Kwal owns the real property ("Kwal Property") described on Exhibit A.

- B. SFP-B owns the real property ("SFP-B Property") described on **Exhibit B**.
- C. Autobahn owns the real property ("Autobahn Property") described on **Exhibit C**.
- D. SFP-B and Autobahn have requested that Kwal and Autobahn grant to SFP-B and Autobahn a storm drainage easement over a portion of the Kwal Property and Autobahn Property, and Kwal and Autobahn are willing to do so, all upon the terms set forth herein.

TERMS:

- 1. Kwal hereby grants to SFP-B and Autobahn a perpetual, non-exclusive easement over, under, across and through the southern 20 feet and the eastern 20 feet of the Kwal Property as depicted on <u>Exhibit D</u> ("Storm Drainage Easement"), for the purpose of constructing, installing, maintaining, repairing, using and operating (hereinafter "Use" or "Uses") a storm drainage pipe and related facilities (the "Drainage Facilities") within the boundaries of such easement, and subject to the obligations, terms and conditions as hereinafter set forth.
- 2. SFP-B shall be solely responsible for the installation of the Drainage Facilities and shall do so in a prompt and workmanlike manner. SFP-B and Autobahn shall keep the Storm Drainage Easement and Kwal Property free and clear of all liens and claims arising from any Use by either of them of the Storm Drainage Easement or Drainage Facilities. SFP-B shall promptly repair any damage or harm to the Kwal Property, to any improvements thereon, to the Drainage Facilities, and/or to any other utilities, equipment, or other personal property located on Kwal Property that arises or results from the Use of the Storm Drainage Easement or Drainage Facilities as contemplated herein, and shall

promptly restore the Kwal Property to the same or better condition it was in prior to such Use or actions. The parties acknowledge that the Kwal Property, in the location of the Storm Drainage Easement, is currently comprised of scrub bushes, trees, grass, and weeds. In connection with the initial construction of the Drainage Facilities, SFP-B shall not be required to replace any vegetation so removed but instead shall: grade the area in a reasonable manner, maintain the current natural drainage within or across the area of the Storm Drainage Easement, remove slash and other vegetation destroyed in the process of construction, remove any extra or excess soil remaining after completion of the foregoing. SFP-B will gravel or overseed the area of construction within the Storm Drainage Easement and will overseed any other area of construction for the Storm Drainage Easement and Drainage Facilities in such manner to prevent erosion and conform such area to existing conditions. The Drainage Facilities shall be constructed, maintained, and operated pursuant to, and in compliance with, all applicable laws, ordinances, rules and regulations, including without limitation federal, state and local Environmental Law (as hereinafter defined) (collectively "Laws"). The Storm Drainage Easement and the Drainage Facilities shall be constructed, installed, repaired, used and maintained so as to prevent erosion or subsidence on or caused by the Storm Drainage Easement or Drainage Facilities, and in a manner that will not unreasonably interfere with Kwal's use of the Kwal Property or the operation of its business.

- 3. Autobahn hereby grants to SFP-B a perpetual, non-exclusive easement over, under, across and through that portion of Autobahn Property shown on **Exhibit D** for the purpose of extending the Drainage Facilities from the SFP-B Property to the Kwal Property.
- The Drainage Facilities shall be owned by SFP-B. Autobahn shall not permit storm water from more than the southern 20 feet of the Autobahn Property to drain into the Drainage Facilities. Neither SPF-B nor Autobahn shall permit their Use of the Storm Drainage Easement or Drainage Facilities to result in the transporting or storing of any Hazardous Substances (as hereinafter defined).
- 5. SFP-B agrees that Kwal, at its option and sole cost and expense, may connect to the Drainage Facilities and may replace portions thereof, all as are necessary to handle the increase in storm water drainage added by the Kwal Property to the Drainage Facilities. Kwal will provide a copy of the civil plans and projected construction schedule to SFP-B at least fifteen business days prior to commencement of construction, for SFP-B' review and approval thereof, which approval shall not be unreasonably withheld.
- 6. The easements granted hereunder shall run with the land as to all property burdened and benefitted by such easements. The rights, covenants, and obligations contained in this Agreement shall bind, burden, and benefit all future owners of the Kwal Property, SFP-B Property, and the Autobahn Property; Provided However, the extent and purposes of the Storm Drainage Easement and Drainage Facilities herein granted, and the permitted Uses thereof shall be limited to use for storm drainage from the SFP-B Property and Autobahn Property as currently zoned, configured and used, and the Storm Drainage Easement and Drainage Facilities shall not be increased, changed or expanded to include expanded or different uses of such properties not reasonably related to the current uses of said properties. Furthermore, the grant of the easements herein is not intended to allow any grantee of such easement to grant rights to others to use such easement without the prior

written approval of Kwal, which approval may be withheld by Kwal in its sole and absolute discretion.

- 7. SFP-B and Autobahn, jointly and severally, shall indemnify and hold Kwal harmless from and against any claims, suits, liabilities, and demands brought or claimed against Kwal, for any actual or alleged violations of Law, personal injuries, penalties, remediation or property damage, including reasonable fees (including attorneys fees), costs and expenses incurred by Kwal in defending the same, caused by or arising from the Use of the Storm Drainage Easement or the Drainage Facilities.
- 8. SFP-B is responsible for maintaining and repairing the Drainage Facilities located within the Storm Drainage Easement, and will keep said Drainage Facilities in reasonably good condition and repair and in compliance with all applicable Law. All reasonable and necessary repair and maintenance expenses relating to the Drainage Facilities and Storm Drainage Easement shall be shared pro rata by the parties using the same.
- 9. In the event any legal proceeding arising out of or related to this Agreement (including any litigation undertaken in the context of a bank ruptcy proceeding), the prevailing party in such proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees incurred by the prevailing party in such proceeding or in any appeal thereof, in addition to the costs and disbur sements allowed by law.
- 10. Title to and rights in the Easement herein granted by Kwal are conveyed or granted "as is", without any warranty or representations by Kwal, and are subject to all rights, restrictions, documents, encumbrances, reservations, and conditions of record and any claims or rights that may exist with respect to the Kwal Property, whether recorded or not. Grantor is relying solely on Grantee's title search and Grantee's own review of title to the Kwal Property with respect to the state of its title.
- 11. This Storm Drainage Easement Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.
- **12.** Definitions: As used in this Agreement, the following terms shall have the following meanings:
 - a. "Hazardous Substances" means (a) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law; and (b) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority.
 - b. "Environmental Law" means any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judic ial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Substances, including

without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; the Clean Air Act, 42 U.S.C. § 7401, et seq.; and the Safe Drinking Water Act, 42 U.S.C. § 3808, et seq.

- 13. Survival of Indemnifications, Obligations and Representations. All representations, obligations, warranties, liabilities, covenants, and agreements of grantor and grantees in this Easement Agreement shall survive the consummation of the transactions contemplated in this Easement, and the transfer of any interest in the SFP-B Property, Autobahn Property or Kwal Property, and shall automatically apply to and be binding upon any transferee or successor in interest in those properties.
- Abandonment. In the event that the grantees or their successors or assigns abandon the Storm Drainage Easement hereby granted, then such easement and all rights with respect thereto, and the ownership of the Drainage Facilities shall automatically cease and terminate, and revert to or vest in Grantor, its successors and assigns. Abandonment as referenced in this paragraph shall mean the failure on the part of grantees, their successors, and assigns to use the Storm Drainage Easement hereby granted for a continuous period of three (3) years.

Dated to be effective November 1, 2008.

KWAL-HOWELLS, INC

Ву:____

Name:

SFP-B LIMITED PARTNERSHIP

Corey O. Parks, Secretary of SSC-B, Inc., its

General Partner

STATE OF OREGON)
County of Crook)
On this 24 day of November, 2008, before me personally appeared Corey J. Parks, Secretary of SSC-B, Inc., the General Partner of SFP-B Limited Partnership, and executed the within and foregoing instrument and acknowledged the said instrument to be his free and voluntary act and deed. OFFICIAL SEAL BONNIE M MCCOY NOTARY PUBLIC-OREGON COMMISSION NO. 417162 MY COMMISSION EXPIRES JULY 10, 2011
STATE OF COLORADO) ss. (CITY AND) COUNTY OF Doubles) The foregoing instrument was acknowledged before me this 19/2 day of November, 2008 by JAVIER GARCIA, as OFO of Kwal-Howells, Inc., a Colorado Corporation.
Witness my hand and official seal.
SEAL Notary Public
My commission expires: 6/21/2010 My commission expires: 6/21/2010 My commission expires: 6/21/2010 My commission expires: 6/21/2010

STATE OF UTAH

SS.

county of saft (ake)

On this 4 day of 2008, before me personally appeared on Watson, the Authorized Member of Autobahn Investments LLC, and executed the within and foregoing instrument and acknowledged the said instrument to be his free and voluntary act and deed.

Deleted: Dwayne Deleted: Midas

Notary Public for the State of Utah

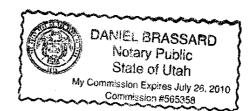


EXHIBIT A LEGAL DESCRIPTION OF KWAL PROPERTY

EXHIBIT "A"

PARCEL NO. 1:

BEGINNING at a point on the East line of State Street 55.7 rods East and 1454 fact South from the Northwest corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Heridian, and running thence East 125 feet; thence South 13 feet; thence West 125 feet to the East line of State Street; thence South along East line 90 feet; thence East 125 feet; thence South 10 feet; thence East 45 feet; thence North 240.61 feet; thence West 20 feet; thence South 79°12' West 152.70 feet to a point on the East sine of State Street; thence South along said East line 99 feet to the point of BEGINNING.

PARCEL NO. 2:

BEGINNING at a point on the East line of State Street 55.7 rods Bast and 1454 feet South from the Horthwest corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence East 125 feet; thence South 13 feet; thence West 125 feet; thence North 13 feet to the point of BEGINNING.

PARCEL NO. 3:

BEGINNING at a point 170 feet Bast of the East line of State Street, said point being located 1326.39 feet South and 1094.05 feet East from the Northwest corner of Section 6, Township 2 South, Range I East, Salt Lake Base and Meridian, and running thence Bast 325.47 feet; thence South 553.21 feet; thence West 95.47 feet, more or lass, to a point 400 feet East of the East line of State Street; thence North 47 feet; thence West 50 feet; thence North 242 feet; thence West 180 feet; thence North 264.21 feet to the point of BEGINNING.

EXCEPTING FROM Parcels No. 1 and 3 above, the property conveyed to Nonte B. Maynard and Dee B. Maynard by Quit Claim Deed recorded November 7, 1978 as Entry No. 3193357 in Book 4767 at page 173 of Official Records, described as follows:

BECINNING at a point that is 1,557 feet South and 1,049.05 feet Bast of Northwest Corner of Section 6, Township 2

South, Range 1 East, Salt Lake Base and Meridian; thence East 45.00 feet thence South 10.00 feet; thence West 45.00 feet; thence Borth 10.00 feet to the point of BEGINNING.

The above described properties are also known by the street address of: [none shown].

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BK 9662 PG 7101

EXHIBIT B LEGAL DESCRIPTION OF SFP-B PROPERTY

A parcel of land, situate in the Northwest Quarter of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point on the east line of State Street, which is located East 915.90 feet and South 0°05'30" West 1903.79 feet from the Northwest Corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running:

thence East 399.58 feet;

thence South 0°31'11" East 344.26 feet;

thence South 89°51'00" West 253.35 feet:

thence South 0°05'30" West 75.06 feet to the north line of 4370 South Street;

thence South 89°51'00" West 19.53 feet along said north line;

thence North 0°01'10" East 158.00 feet;

thence South 89°51'00" West 130.18 feet to the east line of said State Street;

thence North 0°05'30" East 262.36 feet along said east line to the point of beginning.

Parcel contains: 129,069 square feet or 2.96 acres.

EXHIBIT C LEGAL DESCRIPTION OF AUTOBAHN PROPERTY

Percel 1:

Beginning at a point on the East line of State Street, said point being East 913.23 feet and South 1557.00 feet from the Northwest corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence East 170.00 feet; thence South 33.50 feet; thence East 180.00 feet; thence South 247.36 feet; thence South 89°30'00" East 48.43 feet thence South 00°31'11" East 409.76 feet; thence South 89°51'00" West 253.35 feet; thence South 00°05'30" West 75.06 feet; thence South 89°51'00" West 149.91 feet to the East line of said State Street; thence North 00°05'30" East along said East line 767.14 feet to the point of beginning.

Less and excepting the following described property conveyed to SFP-B Limited partnership, an Oregon Partnership, by Warranty Deed, dated June 12, 2003 and recorded June 16, 2003, as Entry No. 8691582, in Book 8818, at Page 5877 described as follows:

Beginning at a point on the East line of State Street, being 66 feet measured perpendicular from the mornmented centerline of said street, said point being East 915.90 feet and South 00°05'30" West 1887.29 feet, from the Northwest corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian; thence North 90°00'00" East 399.40 feet; thence South 00°31'11" East 360.76 feet; thence South 89°51'00" West 253.35 feet; thence South 00°05'30" West 75.06 feet; thence South 89°51'00" West 149.91 feet to the East line of said State Street; thence North 00°05'30" East along said East line 436.85 feet to the point of Beginning.

Parcel 2:

A parcel of land in the city of Murray, County of Salt Lake, State of Utah, being part of the Northwest quarter of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian, US Survey, more particularly described as follows:

Beginning at a point on the East line of State Street, being 66 feet measured perpendicular from the monumented centerline of said street; said point being East 915.90 feet, and South 00°05'30" West 1887.29 feet from the Northwest corner of said Section 6; thence North 90°00'00" East 399.40 feet; thence South 00°31'11" East 16.50 feet; thence North 90°00'00"West 399.58 feet to the East line of said State Street; thence North 00°05'30" East along said East line 16.50 feet to the point of beginning.

Parcel 1 Tax ID Number: 22-06-153-023-4002; Parcel 2 Tax ID Number: 22-06-153-026

EXHIBIT D MAP OF STORM DRAINAGE EASEMENT

MATCHLINE "A"