

WHEN RECORDED RETURN TO:

Payson City Corporation
439 West Utah Avenue
Payson, Utah 84651

ENT 110499;2004 PG 1 of 6
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2004 Sep 28 1:51 pm FEE 0.00 BY SDM
RECORDED FOR PAYSON CITY CORPORATION

EASEMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: That the undersigned which owns the lands described on Exhibit "A" hereto, BLACK WATCH – PAYSON L.L.C., a Utah limited liability company, whose address is c/o Woodbury Corporation, 2733 East Parleys Way, Suite 300, Salt Lake City, Salt Lake County, Utah (hereinafter "Grantor"), for and in consideration of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, transfer, sell, and convey unto PAYSON CITY CORPORATION, a Utah municipal corporation, whose principal place of business is 439 West Utah Avenue, Payson, Utah County, Utah, and its successors and assigns, (hereinafter "Grantee"), a utility easement (the "Easement"), for the purposes of operating, maintaining, repairing, replacing, altering and removing all or a part of a culinary municipal well and its appurtenant facilities, in order to provide water to its citizens, under, across and through, the Easement Area, as such is hereinafter defined, which is a part of the lands of Grantor, situated in Utah County, State of Utah. The Easement Area is more particularly described on Exhibit "A", which is attached hereto and made a part hereof.

Grantor acknowledges and accepts the consideration as fully paid and as full and fair compensation for the Easement and access rights granted herein.

Grantee shall have a reasonable right of ingress and egress to, from, over and across the Easement Area and the other lands of Grantor adjacent to the Easement Area utilizing only the drive aisles and other appropriate improvements constructed on the lands of the Grantor for purposes of vehicular and pedestrian ingress and egress, but shall not have the right to enter into any structure or to interfere in any manner with any permanent improvement of the Grantor which may be constructed upon the land of the Grantor adjacent to the Easement Area. Grantee shall also have the right from time to time to cut and remove trees, and other obstructions within the Easement Area which may injure, endanger or interfere with the operation, maintenance, repair, alteration, replacement, and/or removal of all or a part of the municipal well and its appurtenant facilities. Grantee shall further have the right from time to time upon notice to the Grantor and receipt of the written approval of the Grantor to temporarily use such additional land of the Grantor immediately adjacent to the Easement Area as may be reasonably necessary for such operation, maintenance, repair, alteration, replacement, and/or removal of all or a part of the municipal well and well house, subject to the above limitations.

In accepting the grant of the Easement provided herein, Grantee agrees that Grantee shall promptly restore any damage to the lands of the Grantor, including landscaping improvements within the Easement Area caused by any of the foregoing activities of the Grantee as such may occur from time to time. All of the foregoing activities shall be performed at the Grantee's sole cost and expense, and the Grantee shall indemnify the Grantor from and against any claims for liability or damage relating to the existence and/or operation of the municipal well and its appurtenant facilities and any of the foregoing activities of the Grantee relating thereto. Grantee shall have the right to assign this grant in whole or in part to any party who shall hereafter take ownership of the municipal well and its appurtenant facilities and shall agree to be bound by the terms and conditions hereof.

TO HAVE AND TO HOLD said Easement unto said Grantee, its successors and assigns; and the undersigned hereby binds itself, its successors and assigns, heirs, personal representatives, executors, and administrators (and the respective successors and assigns of each) to warrant and forever defend all and singular said Easement unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

The Grantor reserves the right to occupy and use said Easement Area for all purposes not inconsistent with, nor interfering with the Easement rights herein granted to the Grantee, however, notwithstanding the foregoing, the Grantor shall not materially change the grade on the Easement Area or place or construct upon the Easement Area any buildings, trees, structural improvements, or other permanent encroachments without the express written permission of the Grantee.

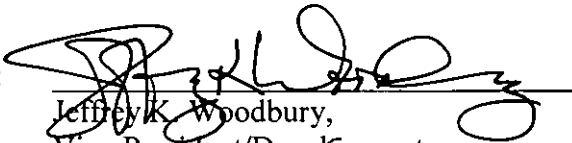
Grantor also reserves the right, in its sole discretion but at its sole cost and expense, to relocate the municipal well and its appurtenant facilities to any other location on the Grantor's property as described on Exhibit "B" attached hereto in order to accommodate the future development of the Grantor's property. If at any time the Grantor determines to relocate the municipal well and its appurtenant facilities to a new location on the Grantor's property, Grantor shall promptly notify the Grantee of such intent and shall at such time deliver to Grantee a new version of this Easement Agreement (a "New Easement"), similar in form and substance, reflecting a new Easement Area. At such a time if the Grantee promptly (within fifteen (15) days of such notice) notifies the Grantor of the Grantee's desire to relocate the municipal well to a location other than the newly designated location upon the Grantor's property, Grantor and Grantee shall then mutually agree upon the new location, and shall mutually agree upon an appropriate and reasonable cost sharing arrangement related to such relocation. If at any time the Grantee elects to remove the municipal well and related facilities from the Easement Area, the Grantee shall remove all such well improvements, cause the well to be capped and the Easement Area to be properly re-landscaped at the Grantee's sole cost and expense.

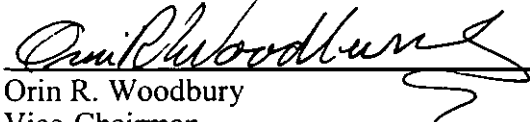
This grant covers and encompasses all the agreements between the parties, and no representations or statements, oral or written, have been made, modifying, adding to, or changing the terms of this Right of Way Agreement.

WITNESS the hand of Grantor this 27th day of September, 2004.

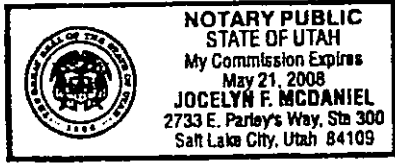
BLACK WATCH – PAYSON, L.L.C., a Utah limited liability company

By: Woodbury Corporation, a Utah Corporation, Its Manager

By: 
Jeffrey K. Woodbury,
Vice-President/Development

By: 
Orin R. Woodbury
Vice-Chairman

On the th 27 day of SEPT., 2004, Jeffrey K. Woodbury and Orin R. Woodbury personally appeared before me and, on their oath, acknowledged to me that they executed the foregoing Easement Agreement as officers of Woodbury Corporation as the Manager of Black Watch – Payson L.L.C.



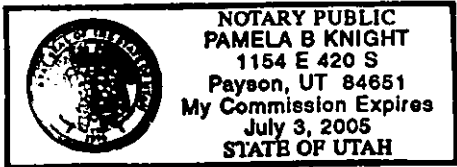
Jocelyn F. McDaniel
Notary Public

Agreed and Accepted:

PAYSON CITY CORPORATION, a Utah Municipal Corporation.

By: Bernell C. Evans
Bernell C. Evans, Mayor

On the 28th day of Sept., 2004, Bernell C. Evans, Mayor of Payson City personally appeared before me and, on their oath, acknowledged to me that they executed the foregoing Easement Agreement on behalf of ~~the Woodbury Corporation.~~
Payson City



Pamela B. Knight
Notary Public

EXHIBIT "A"

Commencing at a point which is South 00° 00' 10" East along the section line 831.94 feet from the East Quarter Corner of Section 18, Township 9 South, Range 2 East, Salt Lake Base and Meridian; (Basis of Bearing in the State Coordinate System); thence South 88° 58' 06" East 53.87 feet; thence South 00° 27' 04" West 71.12 feet to the Right-of-Way of 800 South; thence North 89° 56' 40" West along 800 South 53.30 feet; thence North 00° 00' 11" West 72.04 feet to the point of beginning. (Area = 3835.49 square feet).



EXHIBIT "B"

Grantor's Property

Gateway Town Center Parcels:

Lots 3, 4, 5, 7, 8, 9, 10, 11, 14, 15 and 16 of Gateway Town Center Subdivision, Plat "B" as recorded in the real estate records of the Utah County, Utah Recorder's Office.

Tax Id No's: 40-330-0003, 0004, 0005, 0007, 0008, 0009, 0010, 0011, 0014, 0015 and 0016.

Total parcels contain approximately 31.44 acres.

Other Parcels:

Parcel 1:

Commencing 1.46 chains South and 14.30 chains East and 8.21 chains South of the Northwest Quarter of Section 17, Township 9 South, Range 2 East, Salt Lake Base and Meridian; thence South 2.24 chains; thence North 89°15' West 4.48 chains; thence North 2.24 chains; thence North 89°15' West 4.48 chains; thence North 2.24 chains; thence South 89°15' East 4.48 chains to the point of beginning.

Parcel 2:

Commencing 1.46 chains South and 14.30 chains East and 10.45 chains South of the Northwest Corner of the Southwest Quarter of Section 17, Township 9 South, Range 2 East, Salt Lake Base and Meridian; thence South 2.24 chains; thence North 89°15'00" West 4.48 chains; thence North 2.24 chains; thence South 89°15'00" East 4.48 chains to the place of beginning.

Parcel 3:

Commencing 1.46 chains South and 14.30 chains East and 5.97 chains South of the Northwest Corner of the Southwest Quarter of Section 17, Township 9 South, Range 2 East, Salt Lake Base and Meridian; thence South 2.24 chains; thence North 89°15'00" West 4.48 chains; thence North 2.24 chains; thence South 89°15'00" East 4.48 chains to the place of beginning.

Parcel 4:

Commencing at a point 1.46 chains South of Northwest Corner of the Southwest Quarter of Section 17, Township 9 South, Range 2 East, Salt Lake Base and Meridian; thence East 14.30 chains; thence South 5.97 chains; thence North 89°15'00" West 4.48 chains; thence

South 6.72 chains; thence North 89°15'00" West 9.82 chains; thence North 12.54 chains to the place of beginning.

Tax Id No's: 30-057-0011, 0013, 0014 and 0015.

Parcels 1 -4 collectively contain approximately 18 acres.

