

When Recorded, Mail To:
Springville City
110 South Main Street
Springville City, Utah 84663



ENT 114941:2013 PG 1 of 12
JEFFERY SMITH
UTAH COUNTY RECORDER
2013 Dec 19 9:44 am FEE 0.00 BY SS
RECORDED FOR SPRINGVILLE CITY CORPORATIO

With a Copy To:
Property Reserve, Inc.
51 South Main Street, Suite 301
Salt Lake City, Utah 84111

Tax Parcel No: _____

(space above for recorders use only)

**PERPETUAL SEWER LINE AND
TEMPORARY CONSTRUCTION EASEMENT AGREEMENT**

THIS PERPETUAL SEWER LINE AND TEMPORARY CONSTRUCTION EASEMENT AGREEMENT (this "Agreement") is entered into as of this _____ day of _____, 2013, by and between PROPERTY RESERVE, INC., a Utah non-profit corporation ("Grantor"), whose address is 51 South Main Street, Suite 301, Salt Lake City, Utah 84111, and SPRINGVILLE CITY, a municipal corporation of the State of Utah ("Grantee"), whose address is 110 South Main Street, Springville City, UT 84663. Grantor and Grantee may hereinafter be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Grantor is the owner of certain real property (the "Grantor's Property") situated in the City of Springville, County of Utah, State of Utah.
- B. Grantee desires to obtain, for the benefit of Grantee, and for the purposes more particularly described herein, (i) a perpetual, non-exclusive sewer line easement, and (ii) a temporary, non-exclusive easement, both on, over, and across portions of the Grantor's property.
- C. Grantor is willing to grant the easements to Grantee for such purposes, subject to the terms and conditions set forth herein.

TERMS AND CONDITIONS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Perpetual Easement. In consideration of the covenants and agreements hereinafter set forth, Grantor hereby conveys unto Grantee a perpetual, non-exclusive easement (the "Perpetual Easement") on, over, and across that portion of the Grantor's Property more particularly described on Exhibit A, and depicted on Exhibit C, both attached hereto and incorporated herein by this reference (the "Perpetual Easement Area"). Should there be any discrepancy between the legal description and the drawing, the legal description will control.

The Perpetual Easement granted in this Section 1 shall be for the purposes of constructing, installing, operating, inspecting, maintaining, repairing, and replacing sewer pipelines, manholes and other sewer collection and transmission facilities (collectively, the “**Improvements**”), and as agreed mutually.

2. Grant of Temporary Construction Easement. In addition to the above mentioned perpetual easement, Grantor also hereby conveys unto Grantee a temporary, non-exclusive easement (the “**Temporary Construction Easement**”) on, over, and across that portion of the Grantor’s Property more particularly described on Exhibit B, and depicted on Exhibit C, both attached hereto and incorporated herein by this reference (the “**Temporary Easement Area**”). Should there be any discrepancy between the legal description and the drawing, the legal description will control. The Temporary Construction Easement granted in this Section 2 shall be for the purposes of accommodating vehicular and pedestrian ingress and egress to and from the Perpetual Easement Area as well as to allow Grantee to survey, construct and move material and objects, equipment, and a working force during the construction of the Improvements. The Temporary Construction Easement granted herein will automatically terminate, without the requirement of any action by Grantor, on the earlier of (i) April 15, 2014; or (ii) completion of the Improvements. Grantee acknowledges that the Grantor’s Property is actively farmed and the planting season begins on April 16, 2014. Grantee agrees that construction of the Improvements must be completed by April 15, 2014. Grantee shall have no right to access the Easement Area after April 15, 2014.

3. Access. Grantee and its agents, servants, employees, consultants, contractors and subcontractors (collectively, “**Grantee’s Agents**”) shall have the right to enter upon the Perpetual Easement Area or the Temporary Easement Area for the purposes permitted by this Agreement. Grantee shall enter upon the Perpetual Easement Area or the Temporary Easement Area at its sole risk and hazard, and Grantee and its successors and assigns, hereby release Grantor from any and all claims relating to the condition of the Perpetual Easement Area or the Temporary Easement Area and the entry upon the Perpetual Easement Area or the Temporary Easement Area by Grantee and Grantee’s Agents.

4. Reservation by Grantor. Grantor hereby reserves the right to use the Perpetual Easement Area for any use not inconsistent with Grantee’s permitted use of the Perpetual Easement Area. Without limiting the above, Grantor reserves the right to relocate, or require the relocation of the Improvements and the Perpetual Easement Area at any time at Grantor’s cost and expense, provided that such relocation provides Grantee with comparable easement rights and functionality and such relocation terminates the use of the easement in its prior location.

5. Right to Connect/Sufficient Capacity. Grantee hereby agrees to allow Grantor and its successors and assigns the right to connect to the Improvements, as required for the development of Grantor’s Property. Grantee further acknowledges and agrees that the constructed Improvements shall have sufficient capacity for the current and future development of the areas served by the Improvements.

6. Maintenance and Restoration; Crop Damage.

6.1 General Maintenance and Restoration. Grantee, at its sole cost and expense, shall maintain and repair the Improvements and any and all related improvements installed by Grantee, in good order and condition. Grantee shall promptly repair any damage to the Grantor's Property and Grantor's improvements located thereon (including, without limitation, any and all landscaping, trees, fences, water and/or irrigation pipes, lines and ditches, curbs, gutters, asphalt surfaces, fences, signs, lighting, buildings, etc.) caused by Grantee and/or Grantee's Agents, and shall restore the Grantor's Property and the improvements thereon to the same or better condition as they existed prior to any entry onto or work performed on the Grantor's Property by Grantee and Grantee's Agents. Grantee's restoration responsibilities shall also include, but not be limited to: (i) removal of all improvements, equipment or materials other than the Improvements which it has caused to be placed upon Grantor's Property; (ii) mounding of the same topsoil which was originally removed in the excavation process, in all areas excavated by Grantee such that the mounded areas shall settle to the approximate depth of the surrounding surface after the construction activities; (iii) the filling in and repairing of all other portions of Grantor's Property which are damaged, rutted or otherwise disturbed as a result of Grantee's operations with the same topsoil existing prior to said construction activities as necessary such that all disturbed areas are ready for revegetation; (iv) compacting the soil after it is backfilled to a density acceptable to Grantor; (v) grading the areas in which the soils were removed and relocated; and (vi) leaving Grantor's Property in a condition which is clean, free of debris and hazards which may be caused by Grantee's activities, and subject to neither, environmental hazards, nor liens caused by Grantee's activities.

6.2 Damage Fees. Grantee will reimburse Grantor for any income lost due to crop damage, loss of rental income or other loss or damage that results from Grantee's, or Grantee's Agents': (i) entry onto, presence upon, or work performed on the Grantor's Property; and (ii) failure to comply with any of the terms or conditions of this Agreement.

7. Compliance with Laws. Grantee will comply with all present or future laws, statutes, codes, acts, ordinances, rules, regulations, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of and agreements with all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, including, without limitation, any building, zoning and land use laws.

8. Condition of the Easement Area. Grantee accepts the Perpetual Easement Area and the Temporary Easement Area and all aspects thereof in "AS IS," "WHERE IS" condition, without warranties, either express or implied, "WITH ALL FAULTS," including but not limited to both latent and patent defects, and the existence of hazardous materials, if any. Grantee hereby waives all warranties, express or implied, regarding the title, condition and use of the Perpetual Easement Area or the Temporary Easement Area, including, but not limited to any warranty of merchantability or fitness for a particular purpose. Without limiting the generality of the foregoing, the Perpetual Easement Area and the Temporary Easement Area is granted to Grantee subject to: (a) any state of facts which an accurate ALTA/ASCM survey (with Table A items) or physical inspection of the Perpetual Easement Area or the Temporary Easement Area might show, (b) all zoning regulations, restrictions, rules and ordinances, building restrictions and other laws and regulations now in effect or hereafter adopted by any governmental authority

having jurisdiction; and (c) reservations, easements, rights-of-way, covenants, conditions, restrictions, encroachments, liens, and encumbrances and all other matters of record or enforceable at law or in equity. Grantee must obtain any and all consents, approvals, permissions, and agreements to cross, encumber or encroach upon any other easements or rights of others related to its use and improvement of the Perpetual Easement Area or the Temporary Easement Area.

9. Insurance. Grantee will ensure that prior to entering onto the Easement Area Grantee's Agents and other such parties who assist with the construction, maintenance or use of the Easement Area are covered under the terms of insurance policies as set forth below, or that each obtain similar policies which, at a minimum, provide Grantor the same protections.

9.1 Liability Insurance Coverage and Limits. Prior to taking possession of the Easement Area, Grantee's Agents agree to obtain and maintain a commercial general liability insurance policy insuring Grantee's interests against claims for personal injury, bodily injury, death, property damage occurring on, in or about the Easement Area and the ways immediately adjoining the Easement Area, with a "Combined Single Limit" covering personal injury liability, bodily injury liability and property damage liability) of not less than Two Million Dollars (\$2,000,000.00). Grantor must be endorsed as an additional insured on such policy on ISO Form CG 20 10 (10/93) or its equivalent.

9.2 Workers' Compensation Insurance. Grantee's Agents agree to maintain and keep in force, during the term hereof, all applicable Workers' Compensation and Employers' Liability Insurance required under applicable Workers' Compensation Acts and/or applicable law.

9.3 Automobile Insurance. Grantee's Agents agree to maintain and keep in force, during the term hereof, Automobile Liability Insurance with a minimum limit of not less than One Million Dollars (\$1,000,000.00) Combined Single Limit per accident, and coverage applying to "Any Auto."

9.4 Policy Requirements. Grantee shall have the right to satisfy its insurance obligations hereunder by means of self-insurance to the extent of all or part of the required insurance.

10. Indemnification. Grantee shall indemnify, defend (with counsel reasonably acceptable to Grantor) and hold Grantor and its divisions, subsidiaries, partners and affiliated companies and its and their employees, officers, members, attorneys, agents, representatives, and professional consultants and its and their respective successors and assigns (collectively the "Indemnitees") harmless from and against any loss, damage, injury, accident, fire or other casualty, liability, claim, cost or expense (including but not limited to, reasonable attorneys' fees) of any kind or character to any person or property including the property of the Indemnitees, (collectively, the "Claims") arising from or relating to (a) any use of the Grantor's Property by Grantee or Grantee's Agents, (b) any act or omission of Grantee or Grantee's Agents, (c) any bodily injury, property damage, accident, fire or other casualty to or involving Grantee or Grantee's Agents and its or their property on the Grantor's Property, (d) any violation

or alleged violation by Grantee or Grantee's Agents of any law or regulation now or hereafter enacted, (e) the failure of Grantee to maintain the Improvements on the Grantor's Property in a safe condition, (f) any loss or theft whatsoever of any property or anything placed or stored by Grantee or Grantee's Agents on or about the Grantor's Property, (g) any breach by Grantee of its obligations under this Agreement, and (h) any enforcement of Grantor of any provision of this Agreement; provided, however, that the foregoing indemnity shall not apply to the extent any such claim is ultimately established by a court of competent jurisdiction to have been caused by the sole negligence or willful misconduct of the Indemnitees.

11. Liens. Grantee will keep the Grantor's Property free from any liens arising out of any work performed, materials furnished, or obligations incurred by, through, for or under Grantee, and Grantee will indemnify, hold harmless and agree to defend Grantor from any liens that may be placed on the Grantor's Property and/or the property pertaining to any work performed, materials furnished or obligations incurred by, through, for, or under Grantee or any of Grantee's Agents. Any such liens must be released of record within thirty (30) days.

12. Notices. Any notice required or desired to be given under this Agreement shall be considered given either: (i) when delivered in person to the recipient named below, (ii) three (3) days after deposit in the United States mail in a sealed envelope or container, either registered or certified mail, return receipt requested, postage prepaid, addressed by name to the person and party intended. All notices shall be given at the following addresses:

If to Grantor: Property Reserve, Inc.
 Attn: Daniel Wright
 51 South Main Street, Suite 301
 Salt Lake City, Utah 84111

If to Grantee: Springville City
 Attn: City Engineer
 110 South Main Street
 Springville City, Utah 84663

Either party may designate a different individual or address for notices, by giving written notice thereof in the manner described above.

13. Miscellaneous.

13.1. Run with the Land/Successors. Subject to the terms and conditions of this Agreement, the Perpetual Easement shall run with the land, and the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns.

13.2. Enforceability and Litigation Expenses. If any action, suit, or proceeding is brought by a party hereto with respect to a matter or matters covered by this Agreement or if a party finds it necessary to retain an attorney to enforce its rights under this Agreement, all costs and expenses of the prevailing party incident to such proceeding or retention, including reasonable attorneys' fees, shall be paid by the non-prevailing party. For purposes of this

Section 13.2, the term “prevailing party” shall, in the case of a claimant, be the party who is successful in obtaining substantially all of the relief sought, and in the case of the defendant or respondent, the party who is successful in denying substantially all of the relief sought by the claimant.

13.3. No Third Party Beneficiaries. In assuming and performing the obligations of this Agreement, Grantor and Grantee are each acting as independent parties and neither shall be considered or represent itself as a joint venturer, partner, agent, or employee of the other. There is no intent by either party to create or establish third party beneficiary status or rights in any third party. This Agreement shall not be deemed to confer any rights upon any individual or entity which is not a party hereto, and Grantor and Grantee expressly disclaim any such third-party benefit.

13.4. No Public Use/Dedication. The Grantor’s Property is and shall at all times remain the private property of Grantor. The use of the Grantor’s Property is permissive and shall be limited to the express purposes contained herein by Grantee. Neither Grantee, nor its successors or assigns, nor the public shall acquire nor be entitled to claim or assert any rights to the Grantor’s Property beyond the express terms and conditions of this Agreement.

13.5. Counterparts. The Parties may sign this Agreement in multiple identical counterparts, all of which taken together shall constitute one and the same Agreement. Further, the Parties shall treat a copy of an original signature to this Agreement for all purposes as an original signature. The parties shall consider a copy of the signed Agreement for all purposes as an original of the Agreement to the maximum extent permitted by law, and no party to this Agreement shall have any obligation to retain a version of this Agreement that contains original signatures in order to enforce this Agreement, or for any other purpose.

13.6. Entire Agreement and Modification. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. Neither Party has been induced by or relied on any representation or agreement not contained herein. No amendments or additions to this Agreement will be binding, unless in writing and signed by both parties.

13.7. Termination. This Agreement and all easement rights set forth herein will be automatically terminated once (a) Grantee fails to complete construction of the Improvements within twelve (12) months of date of this Agreement, (b) Grantee decides that it will no longer use the easement(s) granted herein, (c) the Improvements are abandoned for a period of eighteen (18) consecutive months, or (d) Grantee is provided an acceptable alternative or relocated Improvements, and provided that the new easement agreement is recorded in the office of the Utah County Recorder. Upon the occurrence of an event set forth in the preceding sentence, Grantor may record an instrument terminating this Agreement, as well as any and all other easements, rights-of-way or licenses Grantee may have (or may claim to have) to use Grantor’s Property provided, however, that if the termination is pursuant to (d) above, Grantor also records a new easement agreement which has been accepted by Grantee to establish the alternative or relocated easement.

13.8. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws (excluding the choice of laws rules) of the State of Utah.

[Signatures and acknowledgements to follow]

Signature Page

To

Perpetual Sewer Line and Temporary Construction Easement Agreement

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement on the day and year first above written.

GRANTOR:

PROPERTY RESERVE, INC.,
a Utah nonprofit corporation

By: [Signature]
Name (Print): Mark B Gibbons
Its: President

STATE OF UTAH)
) :SS
COUNTY OF SALT LAKE)

On this 9 day of December, 2013, personally appeared before me Mark B. Gibbons, known or satisfactorily proved to me to be the President of PROPERTY RESERVE, INC., a Utah nonprofit corporation, who acknowledged to me that he signed the foregoing instrument as Authorized Agent for said corporation.



[Signature]
Notary Public for the
State of Utah

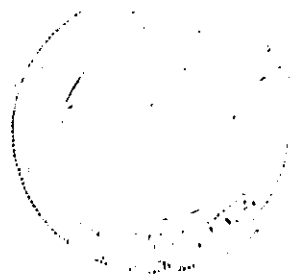
[Further signatures and acknowledgements to follow]

Signature Page
To
Perpetual Sewer Line and Temporary Construction Easement Agreement

GRANTEE:

SPRINGVILLE CITY, a municipal corporation
of the State of Utah

By: *Richard J. Child*
Name: ~~Wilford W. Clyde~~ *Richard J. Child*
Its: Mayor *Pro Tem*



ATTEST:

Venla Gubler
Venla Gubler, City Recorder

STATE OF UTAH)
 :SS
COUNTY OF UTAH)

On this 3 day of December, 2013, personally appeared before me Wilford W. Clyde and Venla Gubler, who duly acknowledged to me that they are the Mayor and City Recorder of SPRINGVILLE CITY, a municipal corporation of the State of Utah, and that this document was signed by them in behalf of said entity, and Wilford W. Clyde and Venla Gubler acknowledged to me that said entity executed the same.

WITNESS my hand and official seal.



Darlene L. Gray
Notary Public for the
State of Utah

Exhibit A

(Legal Description of the Perpetual Easement Area)

TRACT 1

A tract of land beginning at a point located North 00°13'37" West along the section line a distance of 116.68 feet and WEST a distance of 262.95 feet from the Southeast Corner of Section 31, Township 7 South, Range 3 East, Salt Lake Base and Meridian;

thence North 89°56'44" West a distance of 20.00 feet; thence North 00°12'28" West a distance of 464.35 feet; thence North 23°10'14" West a distance of 123.04 feet to the railroad right-of-way; thence North 00°12'28" West a distance of 46.93 feet along said right-of-way; thence South 89°39'43" East a distance of 20.61 feet; thence South 00°12'39" East a distance of 44.12 feet; thence South 23°10'14" East a distance of 121.47 feet; thence South 00°12'28" East a distance of 468.51 feet more or less to the Point of Beginning.

Said described tract contains approximately 12,712 square feet (0.29 acres) and shall be extended or foreshortened to meet Grantor's actual property if different than that above described.

Ck by JJB 26 November 2013

TRACT 2

A tract of land beginning at a point located SOUTH a distance of 570.28 feet and WEST a distance of 260.92 feet from the Northeast Corner of Section 6, Township 8 South, Range 3 East, Salt Lake Base and Meridian;

thence South 00°12'28" East a distance of 1328.84 feet; thence South 89°47'32" West a distance of 20.00 feet; thence North 00°12'28" West a distance of 1328.78 feet; thence North 89°37'32" East a distance of 20.00 feet more or less to the Point of Beginning.

Said described tract contains approximately 26,576 square feet (0.61 acres) and shall be extended or foreshortened to meet Grantor's actual property if different than that above described.

Ck by JJB 26 November 2013



Exhibit B

(Legal Description of the Temporary Easement Area)

TRACT 1

A tract of land beginning at a point located North 00°13'37" West along the section line a distance of 602.60 feet and WEST a distance of 270.18 feet from the Southeast Corner of Section 31, Township 7 South, Range 3 East, Salt Lake Base and Meridian;

thence North 23°10'14" West a distance of 102.52 feet; thence North 00°12'39" West a distance of 44.12 feet; thence South 89°39'43" East a distance of 40.00 feet; thence South 00°12'28" East a distance of 138.14 feet more or less to the Point of Beginning.

Said described tract contains approximately 3,645 square feet (0.08 acres) and shall be extended or foreshortened to meet Grantor's actual property if different than that above described.

Ck by JJB 26 November 2013

TRACT 2

A tract of land beginning at a point located North 00°13'37" West along the section line a distance of 116.70 feet and WEST a distance of 282.96 feet from the Southeast Corner of Section 31, Township 7 South, Range 3 East, Salt Lake Base and Meridian;

thence North 89°56'44" West a distance of 48.00 feet to the railroad right-of-way; thence North 00°12'28" West a distance of 577.42 feet along said right-of-way; thence South 23°10'14" East a distance of 123.04 feet; thence South 00°12'28" East a distance of 464.35 feet more or less to the Point of Beginning.

Said described tract contains approximately 25,002 square feet (0.57 acres) and shall be extended or foreshortened to meet Grantor's actual property if different than that above described.

Ck by JJB 26 November 2013

TRACT 3

A tract of land beginning at a point located SOUTH a distance of 570.41 feet and WEST a distance of 280.93 feet from the Northeast Corner of Section 6, Township 8 South, Range 3 East, Salt Lake Base and Meridian;

thence South 00°12'28" East a distance of 1328.78 feet; thence South 89°48'31" West a distance of 48.00 feet to the railroad right-of-way; thence North 00°12'28" West a distance of 1328.63 feet; thence North 89°37'31" East a distance of 48.00 feet more or less to the Point of Beginning.

Said described tract contains approximately 63,777 square feet (1.46 acres) and shall be extended or foreshortened to meet Grantor's actual property if different than that above described.

Ck by JJB 26 November 2013

