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RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
10/12/2007 09:24 AM
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DEPT REC'D FOR NORTH DAVIS SEWER
DISTRICT

**AGREEMENT FOR
REALIGNMENT OF EASEMENT**

14-421-0001
14-421-0002

PARTIES

Schwab Properties, Ltd. ("Schwab")
an Oregon corporation
P.O. Box 667
Prineville, OR 97754

Teton Investment Holding, L.P. ("Teton")
a Utah limited partnership
1544 Woodland Park Drive
Layton, UT 84043

North Davis Sewer District ("District")
a Utah Special District
4252 West 2200 South
Syracuse, Utah 84075

RECITALS

1. Schwab is the owner of Lot 1 of Regency Park Commercial Subdivision Phase 1 located in the southeast quarter of section 28, Township 5 North, Range 2 West, SLB&M, Clinton City, County of Davis, State of Utah (hereinafter referred to as "Lot 1").
2. Teton is the owner of the Remainder Parcel, Regency Park Commercial Subdivision Phase 1, according to the Official Plat Thereof on File and of Record in the Davis County Recorder's Office, located in the southeast quarter of section 28, Township 5 North, Range 2 West, SLB&M, Clinton City, County of Davis, State of Utah (hereinafter referred to as "Lot 2").
3. On April 5, 1946 Mary E. Johnston Greenburg, a predecessor in interest of Teton executed a Deed of Grant of Easement in favor of the United States of America,

Grantee (the "Easement") which Easement was recorded on November 4, 1946 as Entry No. 95467, in Book Q of Lands and Leases, Page 100, records of Davis County, Utah.

4. The District is the successor in interest of the United States of America and currently owns all of the rights and privileges granted by said Easement.

5. The said Easement runs approximately diagonally through Lot 1 between the Northeast corner and the Southwest corner of Lot 1. The said Easement also runs through Lot 2.

6. The current location of the Easement impedes the construction of a commercial building on Lot 1 as anticipated by Schwab or its successor.

7. Schwab and Teton have requested that the District vacate a portion of the Easement and reroute a part of the existing sewer line through a new easement (the "New Easement") as shown on Exhibit "A" attached hereto and by reference made a part hereof.

8. The District is willing to vacate a portion of the Easement and relocate the sewer line within the New Easement in accordance with the terms and provisions of this "Agreement for Realignment of Easement" (the "Agreement").

NOW, THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth and for other good and valuable consideration, the parties agree as follows:

AGREEMENT

SECTION ONE: INCORPORATION OF RECITALS

All of the above and foregoing Recitals are incorporated into and made a part of this

Agreement.

SECTION TWO: MODIFICATION OF EASEMENT

The District does by this instrument release to Schwab and to its successors and assigns, the following described portion of the existing Easement with the intention that the District shall abandon in place all pipes and other facilities within said abandoned portion and terminate and extinguish such abandoned portion from and after the date hereof. The contractor for Schwab or its successor shall abandon the said line in accordance with District standards and with District approval of the work. Upon recording this instrument in the office of the County Recorder of Davis County, State of Utah, and completion of the work required herein, the abandoned portion of the Easement shall be extinguished. The portion of the existing Easement to be abandoned and extinguished is located in Clinton City, Davis County, State of Utah and is more particularly described as follows:

THAT PORTION OF THE SOUTHEAST QUARTER OF SEC. 28, T.5 N., R.2 W., S.L.B. & M., DAVIS COUNTY, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF 2000 WEST AND THE NORTH LINE OF 1300 NORTH STREET, AS SHOWN ON THE REGENCY PARK NO. 1 SUBDIVISION PLAT, RECORDED AS ENTRY NO. 1936004, IN BOOK 3425, AT PAGE 59, OF OFFICIAL RECORDS, SAID POINT ALSO BEING N 00°09'39"E ALONG THE SECTION LINE 33.00 FEET FROM THE SOUTHEAST QUARTER OF SAID SECTION 28, SAID POINT ALSO BEING N 89°54'42"W ALONG THE SECTION LINE 2651.61 FEET AND N 00°09'39"E 33.00 FEET FROM THE SOUTH QUARTER CORNER OF SECTION 27; THENCE N 00°09'39"E 273.06 FEET AND N 89°59'44"W 142.60 AND S 25°16'44"E 22.12 FEET TO THE TRUE POINT OF BEGINNING; THENCE S 39°26'00"W 244.36 FEET; THENCE N 00°00' 16"E 31.49 FEET; THENCE N 39°26'00"E 203.59 FEET; THENCE S 89°59'44"E 25.89 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.10 ACRES MORE OR LESS.

The portion of the Easement to be abandoned and extinguished is shown on Exhibit "A" as the cross-hatched area.

SECTION THREE: GRANT OF NEW EASEMENT

Schwab and Teton do by this instrument grant to the District a New Easement connecting with the portion of the Easement not vacated, which New Easement shall be and is granted to the District for the purpose of installing a sewer line around the west and north perimeter of the said Lot 1 owned by Schwab and the south perimeter of the said Lot 2 owned by Teton as shown n Exhibit "A" as the shaded area. The New Easement is located in Clinton City, Davis County, State of Utah and is more particularly described as follows:

THAT PORTION OF THE SOUTHEAST QUARTER OF SEC. 28, T.5N., R.2W., S.L.B.&M., DAVIS COUNTY, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF 2000 WEST AND THE NORTH LINE OF 1300 NORTH STREET, AS SHOWN ON THE REGENCY PARK NO. 1 SUBDIVISION PLAT, RECORDED AS ENTRY NO. 1936004, IN BOOK 3425, AT PAGE 59, OF OFFICIAL RECORDS, SAID POINT ALSO BEING N 00°09'39"E ALONG THE SECTION LINE 33.00 FEET FROM THE SOUTHEAST QUARTER OF SAID SECTION 28, SAID POINT ALSO BEING N 89°54'42"W ALONG THE SECTION LINE 2651.61 FEET AND N 00°09'39"E 33.00 FEET FROM THE SOUTH QUARTER CORNER OF SECTION 27; THENCE N 00°09'39"E 273.06 FEET AND N 89°59'44"W 142.60 FEET TO THE TRUE POINT OF BEGINNING; THENCE S 25°16'44"E 22.12 FEET; THENCE N 89°59'44"W 155.21 FEET; THENCE S 00°00' 16"W 188.75 FEET; THENCE N 70°16'44"W 21.25 FEET; THENCE N 00°00'16"E 201.58 FEET; THENCE S 89°59'44"E 165.77 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.163 ACRES MORE OR LESS.

Upon recording this instrument in the office of the County Recorder of Davis County, State of Utah, the New Easement described above shall be established as a permanent Easement in favor of the District.

SECTION FOUR: INTENTION OF PARTIES

It is the intent of the parties that the portion of the Easement not abandoned, extinguished and vacated shall connect with the New Easement to provide a satisfactory sewer flow in accordance with the configuration shown on Exhibit "A". Furthermore, the parties intend that the portion of the Easement to be abandoned shall continue in effect as an Easement until such time as the sewer line therein is abandoned in accordance with the plans and specifications approved by the District.

SECTION FIVE: PAYMENT OF COSTS AND CONSTRUCTION

Schwab and Teton shall have the responsibility, at their sole cost and expense, for moving the installed and operating sanitary sewer line being vacated and abandoned and relocating a new sewer line within the New Easement area. Such removal and installation shall be done in accordance with plans and specifications approved by the District and in accordance with District standards and procedures for installation of sewer lines. Such work shall not be deemed completed until inspected and accepted by the District. The work shall not interfere with the sewer flow in the line to be abandoned and such line shall not be abandoned until the new line is approved by the District.

The District shall have no responsibility for or in connection with the abandoned sewer line and facilities after acceptance of the construction in the New Easement.

Schwab and Teton shall also be responsible for payment of all administrative costs and expenses incurred by the District in connection with such work including, but not limited to, engineering expenses, office expenses, legal expenses, inspection expenses and other

related expenses.

SECTION SIX: **INDEMNIFICATION**

Schwab and Teton shall indemnify and hold the District harmless in connection with any costs, expenses, damages or other financial payments or claims against the District in connection with the construction and proper performance and function of the facilities to be installed in the New Easement by Teton or its successors in the New Easement and the performance of the terms and conditions set forth herein and/or any claims or damages connected with or involving the abandoned sewer line and related facilities.

SECTION SEVEN: **COMPLETION DATE**

All work provided for herein shall be completed within one year from the date hereof.

SECTION EIGHT: **ATTORNEY'S FEES**

In the event of default by either party in connection with the terms and provisions of this Agreement the defaulting party shall be responsible for the payment of all attorney's fees and court costs and other expenses.

SECTION NINE: **ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement and understanding by and between the parties and no agreement, promise or condition not set forth herein in writing shall be enforceable by either party.

SECTION TEN: **OTHER DOCUMENTS**

In the event it becomes necessary for either party to sign any additional document or documents which may be necessary to implement or fulfill any of the terms and conditions of this Agreement, such party shall sign any additional needed document or documents upon


request.

SECTION ELEVEN: BINDING ON SUCCESSORS

This Agreement shall be binding upon all of the heirs, successors, administrators or assigns of the respective parties. The responsibilities and duties of Schwab and Teton as set forth herein constitute covenants running with the land and shall be binding upon any successor or successors of Schwab and Teton.

DATED to be effective October 11, 2007.

NORTH DAVIS SEWER DISTRICT



KEVIN COWAN
District Manager

TETON INVESTMENT HOLDING, L.P.



By: Gary Wright, Operating Manager of Teton
Land Company, L.L.C., Partner of Teton
Investment Holding, L.P.

SCHWAB PROPERTIES, LTD.



By: Richard B. Borgman, Manager of SLC-SP,
LLC, its General Partner

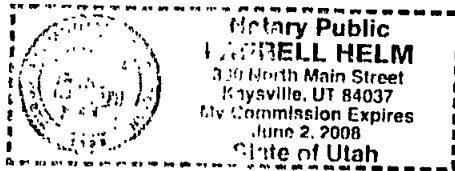
STATE OF UTAH)
: ss.
COUNTY OF DAVIS)

On the 11 day of October, 2007, personally appeared before me KEVIN COWAN, District Manager of North Davis Sewer District who duly acknowledged to me that he executed the same for and on behalf of said District by authority vested in him by the Board of Trustees.

Farrell Helm

Notary Public

(SEAL)



STATE OF UTAH)
: ss.
COUNTY OF DAVIS)

On the 9 day of October, 2007, personally appeared before me Gary Wright, Operating Manager of Teton Land Company, L.L.C., Partner of Teton Investment Holding, L.P. who duly acknowledged to me that he executed the same for and on behalf of said Teton Investment Holding, L.P.

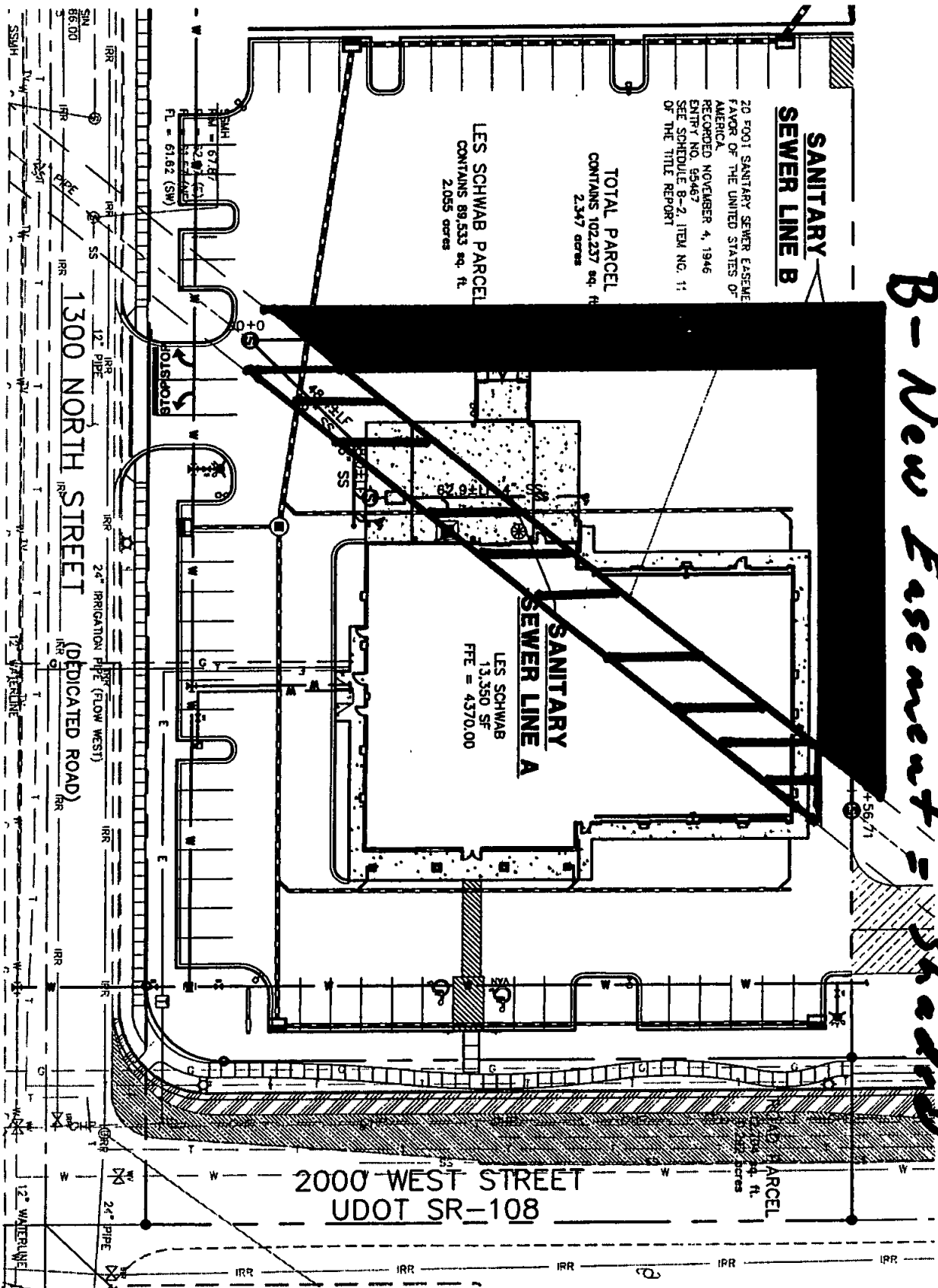
Gary Wright

Notary Public

(SEAL)



Exhibit A



A - Abandoned/Released = cross hatched
B - New Easement = Shaded