

PERMANENT DRAINAGE EASEMENT

This **PERMANENT DRAINAGE EASEMENT** ("Easement") is granted this 16 day of May, 2011, by Payson City Corporation, a Utah corporation, whose legal address is 439 West Utah Avenue, Payson, Utah 84651, (the "Grantor"), to Black Watch – Payson LLC, a Utah limited liability company, whose legal address is 2733 East Parleys Way, Suite 300, Salt Lake City, Utah 84109 (the "Grantee").

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged by the Grantor, the Grantor hereby grants, bargains, sells, and conveys to the Grantee a Permanent Drainage Easement to provide Grantee drainage storm water and storm water fun off, in, on, to, through, over, under, and across a certain parcel of real property, as more particularly described in **EXHIBIT A** (the "Easement Parcel"), for the benefit of Grantee's adjacent property described in **EXHIBIT B**, which are incorporated herein by reference, pursuant to the following terms and conditions:


1. The Grantee, its agents, successors, and permitted assigns, shall have and exercise the right of perpetual ingress and egress in, on, to, through, over, under, and across the Easement Parcel for any purpose necessary and at any and all times necessary or convenient for the full enjoyment of the rights granted to it in this Easement.
2. Grantor shall maintain a detention basin on the Easement Parcel. The acceptance of this Easement shall not create any responsibility that does not otherwise exist by operation of law or by separate agreement between the Grantor and the Grantee for the Grantee to construct, maintain or repair the detention basin.
3. The Grantee shall have the right and authority to assign to any appropriate local governmental entity or to any public utility provider any and all rights to use, and all obligations associated with, the Easement as are granted to and accepted by the Grantee herein.
4. The Grantee agrees that at such time and in the event that the Easement described herein is abandoned by the Grantee and any assignee such Easement shall terminate and the real property interest represented by such Easement shall revert to the Grantor, its heirs, successors, and/or assigns. Because of the potentially infrequent nature of the Grantee's use of the Easement, mere non-use of the Easement Parcel shall not constitute abandonment, notwithstanding the duration of such non-use.
5. The Grantor warrants, covenants, grants, bargains, and agrees to and with the Grantee that the Grantor is well seized of the Easement Parcel and has good, fee simple title, and has good right, full power and lawful authority to grant, bargain, sell, and convey the same in manner and form as aforesaid, and that the same is free and clear from all

former and other grants, bargains, sales, liens, taxes, assessments, encumbrances, and restrictions of whatever kind or nature so ever, which would preclude the granting of this Easement. The Grantor further promises and agrees to warrant and forever defend the Grantee in its quiet and peaceful possession of the Easement Parcel in the exercise of its rights hereunder against all and every person lawfully claiming or seeking to claim the whole or any part thereof.

6. Each and every one of the benefits and burdens of this Easement shall inure to and be binding upon the respective legal representatives, heirs, administrators, successors, and assigns of the Grantor and the Grantee.
7. The consideration set forth above includes full and just compensation for (a) all of the grantor's interest, past, present, and future; (b) the interest of all lienors, deed of trust holders and beneficiaries, mortgagees, lessees, and all others with a recorded interest in the Easement Parcel; and (c) any and all other legal and equitable interest in the Easement Parcel that now exists. To the greatest extent permitted by law, the Grantor expressly agrees to and shall indemnify and hold harmless the Grantee and its successors and assigns from any and all claims against the Easement Parcel and the Grantor agrees to pay any and all reasonable attorney's fees and costs incurred by the Grantee in defending against claims against its right to use the Easement Parcel.

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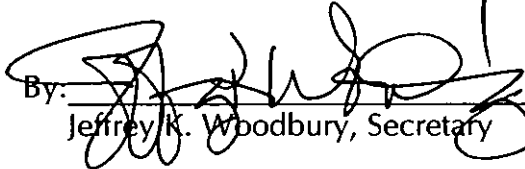
GRANTOR: PAYSON CITY CORPORATION, a Utah corporation

By: 
Its: Mayor

GRANTEE: BLACK WATCH - PAYSON L.L.C., a Utah limited liability company

**By: WOODBURY CORPORATION, a Utah corporation, Its Co
Manager**

By: 
O. Randall Woodbury, President

By: 
Jeffrey K. Woodbury, Secretary

**By: McLACHLAN FARMS, L.L.C., a Utah limited liability
company, Its Co-Manager**

By: 
Scott C. McLachlan, Manager

ACKNOWLEDGEMENTS

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

On the 11th day of May, 2011, before me personally appeared O. RANDALL WOODBURY and JEFFREY K. WOODBURY, to me personally known, who being by me duly sworn did say that they are the President and Secretary of WOODBURY CORPORATION, known to be the Manager of BLACK WATCH - PAYSON L.L.C., the company that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of said company therein named, and acknowledged to me that such company executed the within instrument pursuant to its Operating Agreement.



Micah Dykman-Potter
Notary Public

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

On the 16th day of May, 2011, before me personally appeared SCOTT C. McLACHLAN, to me personally known, who being by me duly sworn did say that he is the Manager of McLACHLAN FARMS, L.L.C., known to be the Manager of BLACK WATCH - PAYSON L.L.C., the company that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of said company therein named, and acknowledged to me that such company executed the within instrument pursuant to its Operating Agreement.



Robyn Stanley
Notary Public

(Handwritten initials)

STATE OF UTAH)
 : ss.
COUNTY OF Utah)

On the 25th day of May, 2011, before me personally appeared Richard Moore, to me personally known, who being by me duly sworn did say that he is the Mayor of PAYSON CITY CORPORATION, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of said corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

Pamela B. Knight
Notary Public



(Signature)

EXHIBIT A
EASEMENT PARCEL

Parcel Number 40:330:0010:

Lot 10, Plat "B" Gateway Town Center Subdivision, according to the Official Plat thereof, as recorded in the Office of the Utah County Recorder.

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EXHIBIT B
LEGAL DESCRIPTION

Gateway Town Center Parcels:

Lots 3, 4, 5, 7, 8, 9, 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.

Hillman Fields 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.

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