

Bureau of Reclamation
Upper Colorado Regional Office
125 South State St Room 8100
Salt Lake, City Utah 84138-1102

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ENT92066:2021 PG 1 of 10
Andrea Allen
Utah County Recorder
2021 May 17 01:28 PM FEE 40.00 BY SW
RECORDED FOR First American - Salt Lake Escrow
ELECTRONICALLY RECORDED

Contract No. 21-LA-40-0110
Parcel Nos. SFS-25(P), SFS-25(T)

UNITED STATES
DEPARTMENT OF THE INTERIOR

UTAH LAKE DRAINAGE BASIN WATER DELIVER SYSTEM

SPANISH FORK SANTAQUIN PIPELINE – SOUTH FIELDS REACH 2

CENTRAL UTAH PROJECT COMPLETION ACT

CONTRACT AND GRANT OF EASEMENT

THIS CONTRACT AND GRANT OF EASEMENT, is made this 17th day of May, 2021, pursuant to the Act of Congress of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as Reclamation Laws, particularly the Colorado River Storage Project Act, Act of April 11, 1956 (70 Stat. 110, et seq.), as amended; and the Reclamation Projects Authorization and Adjustment Act of 1992 (P.L. 102-575), as amended, among the UNITED STATES OF AMERICA and its assigns, hereinafter referred to as the United States, and SMART STYLE LIMOUSIN ZEPHYR, L.L.C., A UTAH LIMITED LIABILITY COMPANY AS TO A 25.962% INTEREST, SMART'S FARM ZEPHYR, L.L.C., A UTAH LIMITED LIABILITY COMPANY, AS TO A 25.6% INTEREST, MCKEE INVESTMENTS ZEPHYR, L.L.C., A LIMITED LIABILITY COMPANY AS TO A 24.8% INTEREST, ZEPHYR RANCHES, LC, A UTAH LIMITED LIABILITY COMPANY AS TO A 23.638% INTEREST, hereinafter collectively referred to as the Grantor,

WITNESSETH, That for and in consideration of the mutual agreements herein contained, the parties hereto do covenant and agree as follows:

1. The Grantor, by this Contract and Grant of Easement, hereby conveys and warrants to the United States, free of lien or encumbrance, except as otherwise provided herein, the following described interests in real property situated in the County of Utah, State of Utah, to-wit:

Two parcels of land situated within Section Six (6), Township Nine (9) South, Range Three (3) East, Salt Lake Base and Meridian, containing a combined area of 2.45 acres, more or less, and more particularly described as follows:

A Perpetual Easement to construct, reconstruct, operate and maintain and replace underground water pipeline or pipelines and appurtenant structures, on, over, under, or across the following-described land:

Parcel SFS-25(P) (Perpetual Easement)

Beginning at the South Quarter Corner of Section 6, Township 9 South, Range 3 East, Salt Lake Base & Meridian; thence along the south Section Line of said Section 6 South 89°16'49" West 1334.02 feet to a point on the easterly boundary of that certain real property described in Entry 128877:2017 as recorded by the Utah County Recorder; thence along said easterly boundary North 00°38'31" West 50.00 feet; thence leaving said easterly boundary North 89°16'49" East 1334.26 feet to a point on the east boundary of the southwest Quarter of said Section 6; thence along said east boundary of the southwest Quarter South 00°22'03" East 50.00 feet to the point of beginning.

Said Parcel SFS-25(P) contains an area of 1.53 acres, more or less.

Also:

A Temporary Easement for construction purposes during construction of the pipeline and appurtenant structures, on over, and across the following described land:

Parcel SFS-25(T) (Temporary Easement)

Commencing at the South Quarter Corner of Section 6, Township 9 South, Range 3 East, Salt Lake Base & Meridian, thence North 00°22'03" West 50.00 feet to the True Point of Beginning; thence South 89°16'49" West 1334.26 feet; thence North 00°38'31" West 30.00 feet; thence North 89°16'49" East 1334.40 feet; thence South 00°22'03" East 30.00 feet to the point of beginning.

Said Parcel SFS-25(T) contains an area of 0.92 acre, more or less.

1a. The Grantor warrants that Grantor is the owner of the real property whereon the above-described easement lies.

1b. The Grantor, for itself, its successors and assigns, agrees that, within the perpetual easement area described herein, it shall not: (i) erect, construct, or permit to be constructed, any permanent building, structure, or improvement of any kind (except as may be defined hereinafter), nor shall Grantor construct or permit others to construct or install any fences, hard surfaced areas, or other permanent or temporary obstructions or improvements within the boundaries of the easement area that might interfere with the United States ability to gain access to the easement for operation, maintenance, repair, and replacement purposes. Any such obstruction installed or permitted to be constructed, installed, or maintained within the boundaries of the easement area shall be removed at Grantor's sole expense; (ii) plant any tree or shrubs on any portion of the easement, nor dig or drill any holes or wells, nor increase or decrease the ground elevations existing at the time this document is executed, on all or any portion of the easement; (iii) remove materials from the area without the approval of the United States, its agents or assigns.

1c. In the event that Grantor, its heirs, successors, or assigns, places or permits to be placed, any encroachment on any portion of the easement, the United States shall have the right to remove

the encroachment after five (5) days written notice to Grantor, and Grantor, its heirs, or successors, or assigns, agrees to pay all costs incurred by the United States in removing the encroachment. All costs shall earn interest at the rates set by Utah law for interest on judgments until Grantor has reimbursed the United States for the cost of removal of any such encroachment. Any damage to the United States' property or appurtenant structures caused by the Grantor's use or encroachment of the easement shall be repaired at the sole cost and expense of the Grantor.

1d. The Grantor, for itself, its successors and assigns, understands and agrees that any alteration, modification, change, or placement of improvements, by Grantor or any third party, within the above-described easement area, subsequent to the date of execution of this Contract and Grant of Easement, shall be made at Grantor's own risk, and Grantor hereby releases the United States from liability for any and all loss or damage of every description or kind whatsoever which is caused by or as a direct result of such alteration, modification, change, or placement of improvements within said area; provided, however, that nothing in this Article shall be construed as releasing the United States from liability for its own negligence or the negligence of its employees, agents or contractors. The United States' liability is governed by the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. §1346(b), 2671 et seq.) or other applicable law.

1e. The rights to be granted to the United States, as described in Article 1 hereof, shall be free from lien or encumbrance except: (i) coal, oil, gas, and other mineral rights reserved to or outstanding in Grantor and/or in third parties if not administratively objectionable; (ii) rights-of-way for roads, railroads, telephone lines, transmission lines, ditches, conduits, or pipelines, on, over, under, or across said lands if not administratively objectionable; and (iii) court liens, judgments or financial encumbrances, such as Deeds of Trust, for which a formal consent has been obtained from the court or the lien holder.

1f. The Temporary Easement herein granted shall terminate twenty-four (24) months from the date of this contract or at the end of construction, whichever comes first. No continuing access is allowed on the Temporary Easement area described herein once construction is completed or the Temporary Easement expires without the express written consent of the Grantor.

1g. During construction, subject to statutory authority and available appropriations, the United States shall restore or repair, at the expense of the United States with material of like kind and equal quality, any fence, grass, soil, shrubbery, trees, bushes, flowers, other vegetation, sprinkler system, irrigation system, gravel, concrete, or asphalt damaged or displaced from the exercise of the easement rights granted herein.

1h. The United States may, in its sole discretion, erect, maintain, or use gates in all fences which now cross or later may cross any portion of the easement(s) to enable the United States to take equipment along the easement(s) to perform required maintenance and repair. Grantor may lock any such gate to prohibit the public from unlawful access to the easement area, but Grantor shall provide the United States a key to any such lock at Grantor's expense.

1i. The United States shall also be entitled to trim, cut, or clear away trees, brush, or other vegetation or flora from time to time as the United States determines in its sole discretion without

additional compensation.

2. The following SPECIAL PROVISIONS set forth additional details, terms, and specifications hereby agreed to in connection with construction of the Spanish Fork Santaquin Pipeline – South Fields Reach 2, which is the subject matter of this Contract and Grant of Easement:

(a) Construction shall not interfere with the existing ability of the landowner to receive landowner's irrigation water from the Salem Canal.

(b) Construction shall be in conformance with the construction drawings for the South Fields Reach 2 Pipeline provided to the landowner that include the following provisions:

- i. Construction contractor shall install temporary fencing during construction to contain livestock.
- ii. Landowner shall be provided keys to the permanent gates to be installed by the United States in the existing landowner fences that cross the pipeline alignment.
- iii. The land surface shall be reseeded to an irrigated pasture seed mix at the end of construction.
- iv. The concrete of the Salem Canal shall be removed from the property and the canal shall be filled and seeded to an irrigated pasture seed mix.

3. The acquiring federal agency is the Department of the Interior represented by the officer executing this Contract and Grant of Easement, and his duly appointed successor, or his duly authorized representative.

4. The United States shall purchase said easement on the terms herein expressed, and on execution and delivery of this Contract and Grant of Easement, and approval by the proper officials of the United States, it shall cause to be paid to the Grantor as full purchase price the sum of SIXTY-SEVEN THOUSAND SIX HUNDRED TWENTY DOLLARS (\$67,620.00)

5. Abstracts or certificates of title or title insurance will be procured by the United States at its expense unless otherwise provided in this Contract and Grant of Easement. The expense of recording this Contract and Grant of Easement shall be borne by the United States.

The United States shall reimburse the Grantor in an amount deemed by the United States to be fair and reasonable for the following expenses incurred by the Grantor:

(a) Recording fees, transfer taxes and similar expenses incidental to granting the easement described herein to the United States.

(b) Penalty cost for prepayment of any pre-existing recorded mortgage entered into in good faith encumbering said real property.

(c) The pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the United States, or the effective date of possession of

such real property by the United States, whichever is earlier.

The Grantor agrees to furnish the United States evidence that these items of expenses have been billed to and paid by Grantor and further agrees that the United States alone shall determine the fairness and reasonableness of the expenses to be paid.

6. In the event that liens or encumbrances other than those expressly provided herein do exist, the United States may, at its option, remove any and all such outstanding liens and encumbrances by reserving from the purchase price herein set forth the necessary amount and discharge same with the money so reserved, but this provision shall not be construed to authorize the incurrence of any lien or encumbrance as against this Contract and Grant of Easement, nor as an assumption of any lien or encumbrance by the United States.

7. It is agreed that, at its election, the United States may draw its check in payment for granting the above-described easement to the order of the title contractor or closing agent, and the Grantor hereby authorizes the said contractor or agent to cash the check and make disbursements out of the proceeds to satisfy and pay any taxes, assessments, and encumbrances which are a lien against the real estate; to pay any State and local recording or transfer taxes where required, and any other expenses incident to the closing of title which are properly chargeable to the Grantor; and to remit the balance of the proceeds to Grantor; together with an itemized statement of the payments made on Grantor's behalf.

8. This Contract and Grant of Easement shall inure to the benefit of and be binding on the heirs, executors, administrators and assigns of the Grantor, and the assigns of the United States.

9. After execution of this contract by the United States, the proper officers, agents, and assigns of the United States shall, at all times, have unrestricted access to said easements for any purpose including the construction, reconstruction, operation, or maintenance of the Spanish Fork Santaquin Pipeline – South Fields Reach 2, free of any claim for damage or compensation on the part of the Grantor, except as otherwise provided for in this contract.

10. If the Secretary of the Interior determines that the title to the easement should be acquired by the United States by judicial procedures, either to procure a safe title or to obtain title more quickly, then the award to be made for the interest acquired in said lands in said proceedings shall be the same amount as the purchase price herein provided.

11. Nothing herein shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. §1346(b), 2671 et seq.) or other applicable law.

12. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Contract and Grant of Easement, or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

13. Time is of the essence in the performance of this Contract and Grant of Easement.

14. The terms of this Contract and Grant of Easement will survive the grant provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above-written.

Approved for legal sufficiency:

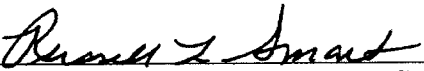
CHRISTOPHER MORLEY Digitally signed by CHRISTOPHER MORLEY
Date: 2021.05.16 23:56:39 -06'00'

U.S. Department of the Interior
Office of the Regional Solicitor

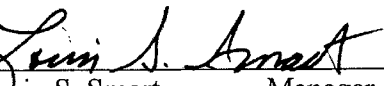
THE UNITED STATES OF AMERICA

By _____
Regional Realty Officer

ZEPHYR RANCHES, LC

By 
Russell L. Smart Manager, Grantor

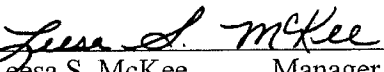
SMART STYLE LIMOUSIN ZEPHYR,
L.L.C.

By 
Lorin S. Smart Manager, Grantor

SMART'S FARM ZEPHYR, L.L.C.

By 
Sidney L. Smart Manager, Grantor

MCKEE INVESTMENTS ZEPHYR, L.L.C.

By 
Leesa S. McKee Manager, Grantor

14. The terms of this Contract and Grant of Easement will survive the grant provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above-written.

Approved for legal sufficiency:

U.S. Department of the Interior
Office of the Regional Solicitor

THE UNITED STATES OF AMERICA

By David Krueger
Regional Realty Officer

ZEPHYR RANCHES, LC

By Russell L. Smart
Russell L. Smart Manager, Grantor

SMART STYLE LIMOUSIN ZEPHYR,
L.L.C.

By Lorin S. Smart
Lorin S. Smart Manager, Grantor

SMART'S FARM ZEPHYR, L.L.C.

By Sidney L. Smart
Sidney L. Smart Manager, Grantor

MCKEE INVESTMENTS ZEPHYR, L.L.C.

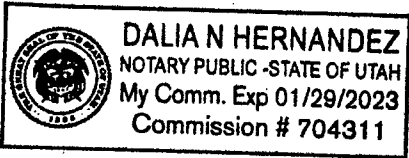
By Leesa S. McKee
Leesa S. McKee Manager, Grantor

ACKNOWLEDGMENT OF THE UNITED STATES

State of Utah)
) ss.
County of Salt Lake)

On the 17th day of May, 2021, personally appeared before me David Krueger, known to me to be the Regional Realty Officer of the Bureau of Reclamation, Interior Region 7 - Upper Colorado Basin, the United States Department of the Interior, the signer of the above instrument, who duly acknowledged to me that he/she executed the same on behalf of the United States of America.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)  DALIA N HERNANDEZ
NOTARY PUBLIC - STATE OF UTAH
My Comm. Exp 01/29/2023
Commission # 704311

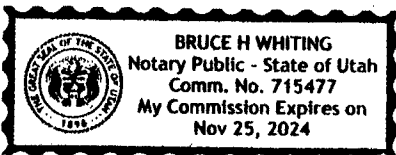
Dalia N Hernandez
Notary Public in and for the
State of Utah
Residing at Fruit Heights

ACKNOWLEDGMENT OF ZEPHYR RANCHES, LC

State of Utah)
) ss.
County of Utah)

On this 30 day of March, 2021, personally appeared before me Russell L. Smart, whose identity is personally known to me or proven on the basis of satisfactory evidence who by me duly sworn/affirmed, did say that he is the Manager of Zephyr Ranches, LC, a Utah Limited Liability Company, and that said document was signed by him on behalf of said Limited Liability Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)  BRUCE H WHITING
Notary Public - State of Utah
Comm. No. 715477
My Commission Expires on
Nov 25, 2024

Bruce H. Whiting
Notary Public in and for the
State of Utah
Residing at Orem, Utah

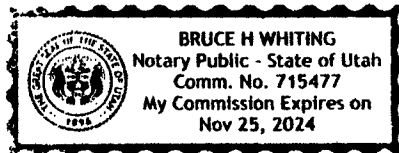
ACKNOWLEDGMENT OF SMART STYLE LIMOUSIN ZEPHYR, L.L.C.

State of Utah)
) ss.
County of Utah)

On this 30 day of March, 2021, personally appeared before me Lorin S. Smart, whose identity is personally known to me or proven on the basis of satisfactory evidence who by me duly sworn/affirmed, did say that he is the Manager of Smart Style Limousin Zephyr, L.L.C., a Utah Limited Liability Company, and that said document was signed by him on behalf of said Limited Liability Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)



Bruce H. Whiting
Notary Public in and for the
State of Utah
Residing at Oram, Utah

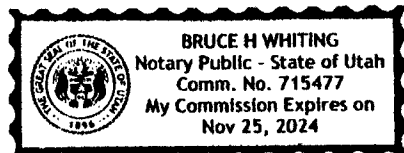
ACKNOWLEDGMENT OF SMART'S FARM ZEPHYR, L.L.C.

State of Utah)
) ss.
County of Utah)

On this 30 day of March, 2021, personally appeared before me Sidney L. Smart, whose identity is personally known to me or proven on the basis of satisfactory evidence who by me duly sworn/affirmed, did say that he is the Manager of Smart's Farm Zephyr, L.L.C., a Utah Limited Liability Company, and that said document was signed by him on behalf of said Limited Liability Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)



Bruce H. Whiting
Notary Public in and for the
State of Utah
Residing at Oram, Utah

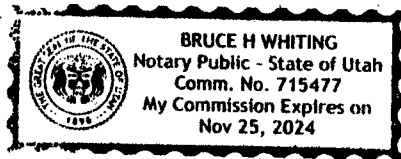
ACKNOWLEDGMENT OF MCKEE INVESTMENTS ZEPHYR, L.L.C.

State of Utah)
) ss.
County of Utah)

On this 30 day of March, 2021, personally appeared before me Leesa S. McKee, whose identity is personally known to me or proven on the basis of satisfactory evidence who by me duly sworn/affirmed, did say that she is the Manager of McKee Investments Zephyr, L.L.C., a Utah Limited Liability Company, and that said document was signed by her on behalf of said Limited Liability Company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)



Bruce H. Whiting
Notary Public in and for the
State of Utah
Residing at Orem, Utah