

When recorded please
return to Magna Water Co.
P.O. Box 303, Magna, Utah 84044

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12/10/98 3:29 PM 16.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
MAGNA WATER CO
PO BOX 303
MAGNA UT 84044
REC BY:V ASHEY DEPUTY - WI

EASEMENT AGREEMENT

7185226

KENNECOTT UTAH COPPER CORPORATION, a Delaware corporation ("Grantor"), hereby grants to MAGNA WATER COMPANY, an Improvement District, County of Salt Lake, State of Utah, of 2711 South 8600 West, Magna, Utah 84044 ("Grantee"), its successors in interest and assigns, without warranties or covenants, for the sum of TEN DOLLARS (\$10.00) and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, a nonexclusive easement and right of way for the construction, use, maintenance, repair, alteration, and inspection of an underground water pipeline (the "Easement"), across a strip of land generally located in Section 32, T. 1 S., R. 2 W., S.L.B.M., Salt Lake County, Utah, described as follows:

Beginning at a point on the East Right of Way line of 8400 West Street (State Road 111) North 0°08'25" East 1695.59 feet and South 88°42'37" East 50.0 feet from the South Quarter Corner of Section 32, Township 1 South, Range 2 West, Salt Lake Base and Meridian; thence South 88°42'37" East 1918.15 feet; thence South 0°01'56" West 20.0 feet; thence North 88°42'37" West 1918.19 feet; thence North 0°08'25" East 20.0 feet to the point of beginning.

(the "Easement Area").

This Easement is granted on and subject to the following terms, conditions, provisions, limitations, restrictions and agreements:

1. The use of the Easement Area shall be limited to the construction, use, maintenance, repair, alteration, and inspection of an underground water pipeline used to deliver culinary water from an existing 14 inch water pipeline on 8400 West street (State Highway 111) to an existing 14 inch water pipeline on 8000 West street.

2. The use of the Easement Area by Grantee shall be in a manner calculated to cause the least inconvenience to the ownership, use and enjoyment by Grantor of the Easement Area and other property of Grantor, consistent with the practical use and occupancy thereof by Grantee for the purposes above stated. Grantee agrees that Grantor, Grantor's employees, agents, invitees, lessees and assigns may use the Easement Area for any purpose that does not materially interfere with Grantee's use and enjoyment of the Easement as provided for herein.

3. Grantee agrees to indemnify and save Grantor, its parents and affiliates, harmless against any and all loss and expense, including attorneys' fees and other legal expenses, by reason of liability imposed or claimed to be imposed by law upon Grantor arising out of or in any manner connected with the existence or construction, use, maintenance, repair, alteration, or inspection of the water pipeline, including liability and claims for (1) damage because of bodily injuries, including death, at any time resulting therefrom, sustained by any person or persons, including Grantee's employees or the employees of Grantee's contractors or subcontractors; (2) damage to

property, sustained by any person or persons; (3) damages, costs or claims arising from or relating to actual or alleged environmental contamination or pollution or the actual or alleged violation of any current or future federal, state or local environmental law, regulation or ruling; or (4) any other loss or damage suffered or incurred by Grantee, its employees or agents, or any third party (collectively, (1) - (4) are defined herein as "Liabilities"). Grantee shall indemnify and save Grantor harmless from and against said Liabilities, whether or not such Liabilities arise or are claimed to have arisen in whole or in part out of the negligence or any other grounds of legal liability, including violation of any duty imposed by statute, ordinance or regulation, on the part of Grantee, Grantor, their agents, employees or any third parties, but excluding any Liabilities caused by the sole negligence or the willful misconduct of Grantor, its agents, employees or invitees. In addition, Grantee agrees to promptly repair or replace at its cost and expense any property or facilities of Grantor damaged or injured by the acts or omissions of Grantee in the maintenance, operation, existence or use of the Easement.

4. If at any time hereinafter, the operation or maintenance of said water pipeline as hereinabove described, or any portion thereof, shall interfere with any operations of Grantor, whether or not now in existence, Grantee shall, upon request from Grantor, reconstruct said pipeline on other land provided by Grantor so as to avoid such interference. In such event, the Grantee shall execute a recordable document releasing this Easement Agreement as to the abandoned portion of the Easement Area, and Grantor shall grant Grantee an easement on the land upon which the relocated water pipeline is to be constructed on terms and conditions similar to those contained in this Easement Agreement. Cost of such reconstruction shall be borne by Grantor.

5. The Easement shall be terminated if it is not used for the above stated purpose for a continuous period of one year.

6. The Easement shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. Grantee shall not assign, transfer or encumber the Easement or the other rights granted herein without the prior written consent of Grantor, which consent may be withheld for any reason at the sole discretion of Grantor. Any assignment, transfer or encumbrance of this Easement or the other rights granted herein shall be made subject to the terms and conditions set forth herein and only upon the express assumption by the assignee, transferee or encumbrancer of the covenants contained herein.

7. The Easement is accepted by Grantee, subject to all the foregoing terms and conditions, and Grantee agrees to fully comply with, perform, and carry out the same on its part.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed this 23rd Day of October, 1998.

Grantor
KENNECOTT UTAH COPPER CORPORATION

By [Signature]
Its Director, HSEB

JME

Grantee
MAGNA WATER COMPANY

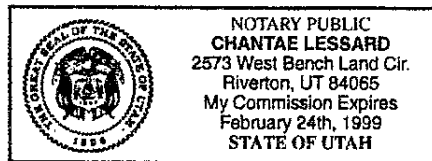
By [Signature]
Its DISTRICT MANAGER

STATE OF UTAH)
 :
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 23 day of October 1998, by W.R. Williams, the Director HSEB of KENNECOTT UTAH COPPER CORPORATION.

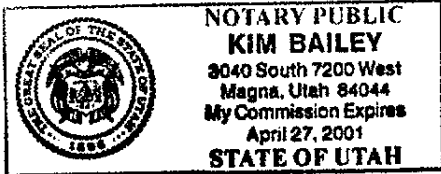
[Signature]
NOTARY PUBLIC
Residing at: Salt Lake County

My Commission Expires: Feb. 24, 1999



STATE OF UTAH)
 :
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 10th day of DEC, 1998,
by BRENT E HULSH, the MANAGER of MAGNA WATER COMPANY.



Kim Bailey
NOTARY PUBLIC
Residing at: Magna, Ut.

My Commission Expires: 4/27/01