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Victor A. Taylor, Esq.
Kimball, Parr, Crockett & Waddoups
185 South State Street, Suite 1300
Salt Lake City, Utah 84111

Recorded at
Request of SECURITY TITLE CO SO UT
Date MAR 29 1989 Time 4:30PM
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By DIXIE B. MATHESON, IRON COUNTY RECORDER, C.

**DECLARATION OF
EASEMENTS, COVENANTS AND RESTRICTIONS**

[Railroad Easement]

THIS DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS (the "Declaration") is entered into as of the 3rd day of March, 1989, between AMPAC DEVELOPMENT COMPANY, a Nevada corporation ("AMPAC"), whose address is 4045 South Spencer, Suite B-30, Las Vegas, Nevada 89119, and WESTERN ELECTROCHEMICAL COMPANY, a Delaware corporation ("Western"), whose address is P.O. Box 629, Cedar City, Utah 84720.

RECITALS:

A. AMPAC owns certain real property (the "Burdened Parcel") located in Iron County, Utah, more particularly described as follows:

Beginning S 89°37'34" W, 880.61 ft along the section line and S 30°36'58" E, 430.86 ft from the N-1/2 corner of section 35, T34S, R13W, SLM; thence S 30°36'58" E, 240.40 ft along the SW'y line of the L.A. & S.L. Railroad company property; thence along the arc of a non-tangent curve to the right (radius point for said curve bears S 83°35'59" W, 796.99 ft), a distance of 501.37 ft; thence S 29°38'36" W, 559.05 ft; thence along the arc of a curve to the left, having a radius of 1009.64 ft, a distance of 350.77 ft; thence N 90°00'00" W, 65.89 ft; thence along the arc of a non-tangent curve to the right (radius point for said curve bears S 80°51'24" E, 1074.64 ft), a distance of 384.50 ft; thence N 29°38'36" E, 559.05 ft; thence along the arc of a curve to the left, having a radius of 731.99 ft, a distance of 683.15 ft to the point of beginning.

B. Western owns a certain tract of real property (the "Benefited Parcel") located adjacent to the Burdened Parcel in Iron County, Utah, more particularly described as follows:

Beginning at the South quarter corner of Section 35, Township 34 South, Range 13 West, SLM; thence North 89°33'26"

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West 2440.77 feet along the South line of said Section 35; thence North 0°00'00" East 1868.90 feet; thence North 90°00'00" West 1307.00 feet; thence North 0°00'00" East 828.00 feet; thence North 90°00'00" East 1557.00 feet; thence North 0°00'00" East 740.00 feet; thence North 90°00'00" East 2273.93 feet; thence South 1°22'47" West 3456.76 feet along the quarter section line to the point of beginning.

("Parcels" means the Burdened Parcel and the Benefited Parcel, collectively, and "Parcel" means either the Burdened Parcel or the Benefited Parcel, individually, where no distinction is required by the context in which such term is used.)

C. The parties hereto desire to establish certain rights-of-way and easements upon the Burdened Parcel in favor of the Benefited Parcel, and certain covenants and restrictions in connection therewith, as more particularly set forth herein.

AGREEMENT:

NOW, THEREFORE, in order to accomplish the above purposes and for the mutual benefit of the Parcels, the parties hereto hereby create and establish the rights-of-way, easements, covenants and restrictions set forth herein. Such parties agree that (i) the interests in or rights concerning any portion of the Parcels, now or hereafter held by or vested in such parties, shall be subject and subordinate to the arrangement provided for in this Declaration; and (ii) the arrangement provided for in this Declaration shall be prior and superior to such interests and rights, as may be necessary to effectuate all of the terms and provisions set forth herein.

1. Definitions. As used in this Declaration, each of the following terms shall have the indicated meaning:

1.1 "Official Records" means the official records of the Iron County Recorder, State of Utah.

1.2 "Owner" means the party which at the time concerned is the owner of record (in the official records) of a fee or of an undivided fee interest in all or any portion of the Parcel concerned. Any Owners holding undivided fee interests in the same Parcel or portion thereof shall be jointly and severally liable for performance or compliance with the applicable provisions of this Declaration with respect to such Parcel or portion thereof. Subject to the provisions of Paragraph 6.2.3, notwithstanding any applicable theory relating to a mortgage or deed of trust, "Owner" shall not mean a mortgagee under a mortgage or a beneficiary or trustee under a deed of trust unless and until such party has

acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof. "Owners" means every Owner, collectively.

2. Right-of-Way and Easement. Each and every portion of the Benefited Parcel shall have appurtenant thereto and shall be benefited by, and the Burdened Parcel shall be subject to and shall be burdened by, a perpetual, nonexclusive right-of-way and easement for (a) ingress and egress of railroad cars on, over and across the railroad spur now or hereafter located on the Burdened Parcel; and (b) the laying, construction, installation, operation, inspection, servicing, maintenance, repair, removal, alteration, relocation and replacement of railroad tracks and related facilities on, over and across the Burdened Parcel. The Owner of the Benefited Parcel shall have the right to enter upon any portion of the Burdened Parcel as may be necessary or appropriate in order to accomplish the laying, construction, installation, operation, inspection, servicing, maintenance, repair, removal, alteration, relocation and replacement of such railroad tracks and other facilities.

3. No Interference. No obstruction, whether temporary or permanent in nature, which limits or impairs the free and unimpeded use of the right-of-way and easement granted in Paragraph 2 shall be constructed or erected, nor shall any Owner in any other manner obstruct or interfere with the use of such right-of-way and easement. The preceding sentence shall not prevent the Owner of the Burdened Parcel at any time or from time to time from constructing, maintaining and using bridges, roadways, sidewalks, landscaping or other structures (excepting buildings) on, over or across the Burdened Parcel and the railroad spur located thereon, or otherwise providing for vehicular or pedestrian ingress and egress on, over or across the Burdened Parcel and the railroad spur located thereon, so long as the same does not materially obstruct or interfere with the right-of-way and easement and other rights created by Paragraph 2.

4. Duration. This Declaration and each right-of-way, easement, covenant and restriction set forth herein shall be perpetual.

5. Not a Public Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Parcels for the general public or for any public purposes whatsoever, it being the intention of the parties hereto that this Declaration be strictly limited to the purposes expressed herein.

6. Appurtenances to Parcels; Covenants Run with Land; Various Events.

6.1 Appurtenances to Parcels. Each right-of-way and easement created hereby is an appurtenance to the Parcel benefited thereby, and may not be separately transferred, assigned or encumbered by the Owner of such Parcel. For the purposes of each right-of-way, easement, covenant and restriction created hereby, the Parcel benefited thereby shall constitute the dominant estate and the Parcel burdened thereby shall constitute the subservient estate.

6.2 Covenants Run with Land; Various-Events.

6.2.1 Covenants Run with Land. Each right-of-way, easement, covenant and restriction contained in this Declaration (whether affirmative or negative in nature) (a) shall create an equitable servitude upon the Parcel burdened thereby in favor of the Parcel benefited thereby; (b) shall constitute a covenant running with the land; (c) shall benefit and bind every person having any fee, leasehold or other interest in any portion of the Parcel concerned at any time or from time to time to the extent that such portion is affected or bound by the right-of-way, easement, covenant or restriction in question, or to the extent that such right-of-way, easement, covenant or restriction is to be performed on such portion; and (d) shall benefit and be binding upon any Owner whose title is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

6.2.2 Transfer of Parcel. If any Owner transfers all or any portion of the Parcel owned by such Owner, the transferee thereof shall automatically be deemed to have assumed and agreed to be personally bound by the covenants of such Owner herein contained, and if the transferring Owner has thereby transferred all of its ownership interest in such Parcel, such transferring Owner shall thereupon be released and discharged from all of its obligations under this Declaration with respect to such Parcel accruing after the date of recordation in the official records of the instrument effecting such transfer.

6.2.3 Effect of Breach. No breach of this Declaration shall (a) entitle any Owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such Owner may have hereunder by reason of any such breach; or (b) defeat or render invalid the lien of any mortgage, deed of trust or other similar instrument made in good faith and for value as to either or both of the Parcels. Notwithstanding the provisions of the third sentence of Paragraph 1.2, so long as (but only so long as) Security Pacific Bank Washington, N.A. ("Security Pacific") or its

successors or assigns hold the beneficial interest under a deed of trust of record (in the official records) that covers the Benefited Parcel, Security Pacific (or such successors or assigns, as the case may be) may also enforce the rights-of-way, easements, covenants and restrictions contained in this Declaration.

6.2.4 Identical Ownership. The ownership of both Parcels by the same person shall not result in the termination of this Declaration.

7. Modification. This Declaration and any right-of-way, easement, covenant or restriction contained herein may be terminated, extended, modified or amended only with the consent of the Owners of both Parcels and (but only so long as Security Pacific or its successors or assigns hold the beneficial interest under a deed of trust of record (in the official records) that covers the Benefited Parcel) Security Pacific or its successors or assigns, as the case may be, and any such termination, extension, modification or amendment shall be effective upon proper recordation in the official records of a written document effecting the same, properly executed and acknowledged by such persons. Notwithstanding anything contained in the preceding sentence to the contrary, no such termination, extension, modification or amendment shall affect the rights of any mortgagee under a mortgage or any trustee or beneficiary under a deed of trust constituting a lien on either of the Parcels unless such mortgagee or beneficiary and trustee, as the case may be, consent to the same in writing.

8. Attorneys' Fees. If any Owner (or other person specifically given the right to enforce this Declaration) brings suit to enforce or interpret this Declaration or for damages on account of the breach of any provision of this Declaration, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which the prevailing party is entitled. As used in the preceding sentence, "prevailing party" shall include, without limitation, a party who retains legal counsel or brings an action against the other party and subsequently obtains all or a substantial part of the relief sought, whether by compromise, settlement or judgment.

9. Miscellaneous. This Declaration shall be governed by, and construed and interpreted in accordance with, the laws (excluding the choice of laws rules) of the State of Utah. Titles and headings of Paragraphs of this Declaration are for convenience of reference only and shall not affect the construction of any provisions of this Declaration. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be valid under applicable law; but, if any provision of this

Declaration is invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration on the respective dates set forth below, to be effective as of the date first set forth above.

AMPAC:

AMPAC DEVELOPMENT COMPANY,
a Nevada corporation

By Fred D. Gibson, Jr.
Its Chairman

The undersigned hereby acknowledges that he holds the position or title set forth in the foregoing document, that he signed such document on behalf of AMPAC Development Company, a Nevada corporation (the "corporation"), by proper authority and that such document was the act of the corporation for the purpose stated in it, and swears that he had the proper authority to execute such document.

Fred D. Gibson, Jr.

State of Washington)
County of King) ss.

The foregoing instrument was acknowledged before me this 4th
day of March, 1989, by Fred D. Gibson, Jr.

the Chairman of AMPAC Development Company, a Nevada corporation.



My Commission Expires: _____

Catherine L Gardner
Residing at:
Seattle, Washington

WESTERN:

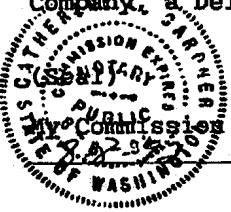
WESTERN ELECTROCHEMICAL COMPANY,
a Delaware corporation

By [Signature]
its President

The undersigned hereby acknowledges that he holds the position or title set forth in the foregoing document, that he signed such document on behalf of Western Electrochemical Company, a Delaware corporation (the "corporation"), by proper authority and that such document was the act of the corporation for the purpose stated in it, and swears that he had the proper authority to execute such document.

State of Washington)
County of King) ss. [Signature]

The foregoing instrument was acknowledged before me this 4th day of March, 1989, by James J. Quaker, the President of Western Electrochemical Company, a Delaware corporation.



My Commission Expires: _____

Catherine L Gardner
Residing at:
Seattle, Washington