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Book - 8956 Pg - 1883-1892
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
FIRST AMERICAN TITLE
BY: ALG, DEPUTY - WE 10 P.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, California 90071-2899
Attention: Christine H. Suh

02858-A

(Space Above for Recorder's Use Only)

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT (the "Agreement") is made as of this 1st MARCH, by **KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY**, a Delaware corporation ("Kennecott"), and each of the persons listed on the signature pages hereto (each, a "Builder") (Kennecott and each such Builder, with respect to its property, is hereinafter referred to as a "Grantor"), with respect to the following:

RECITALS:

A. Kennecott is developing that certain real property located in the City of South Jordan, County of Salt Lake, State of Utah, more particularly described in Exhibit A attached hereto and incorporated herein by this reference ("Phase 1").

B. Concurrently herewith and upon the terms and conditions set forth in its Purchase and Sale Agreements and Escrow Instructions with Kennecott (collectively, the "Purchase Agreements"), each Builder is purchasing from Kennecott a portion of Phase 1 comprised of those certain parcel(s) of subdivided real property more particularly described in Exhibit B attached hereto and incorporated herein by this reference (Kennecott's property is collectively referred to as its "Parcel" and each Builder's property, which consists of one of more "Lots" is referred to as its "Parcel"). All capitalized terms not otherwise defined herein shall have the meaning given such terms in the Purchase Agreements.

C. By this Agreement, Kennecott intends to grant to each Builder and Builder intends to grant to Kennecott and each Other Builder a non-exclusive ingress and egress easement in, over, along, and across its Parcel as necessary for construction purposes as more fully provided for herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. AGREEMENT REGARDING EASEMENTS

1.1 Grant of Reciprocal Easement for Construction. Each Grantor hereby grants and conveys to Kennecott and the Other Builders (each, a “**Grantee**”), subject to the terms and conditions herein, a non-exclusive access easement in, over, along, and across its Parcel including, without limitation, pedestrian and vehicular ingress and egress, to the extent necessary for Kennecott and the Other Builders to access their respective Parcels for the purpose of constructing and developing residential homes and the Infrastructure in accordance with the terms and conditions of their respective Purchase Agreements (each, an “**Easement**”). Each Grantee’s exercise of its rights under this Agreement shall be subject to the unrecorded logistics plan and construction guidelines imposed by Kennecott from time to time.

1.2 Character of the Easements. Each Grantee shall exercise its right to use the Easement in a manner so as to cause the least practicable inconvenience and disruption to the Grantor’s activities and operations on its Parcel. Each party shall exercise its rights hereunder at such party’s sole cost and expense and in a good and workmanlike manner in compliance with all recorded covenants and easements affecting the applicable Parcel and all applicable laws, ordinances, rules and regulations. The Easements shall be non-exclusive and shall constitute easements on and covenants running with the land. The Easements shall bind each Grantor’s Parcel for the benefit of the other Parcels in Phase 1.

1.3 Term. The term of this Agreement shall commence as of the date of this Agreement. Those Easements in favor of Kennecott provided for hereunder shall terminate upon completion of the Infrastructure and those Easements in favor of each Builder shall terminate upon completion of construction of the residential unit on a Parcel by the Grantor.

2. INDEMNITY AND INSURANCE

2.1 Insurance. Each party shall maintain in full force and effect at all times insurance in the amounts, types, and in compliance with the requirements set forth pursuant to Article V of that certain Price Participation, Marketing, and Sales Procedure Agreement by and between Kennecott and such Builder of even date herewith.

2.2 Indemnification. Each Grantee (the “**Indemnitor**”) shall keep the other Parcels free from all liens arising out of such party’s (and such party’s officers, employees, agents, representatives or consultants) entry onto such Parcels and shall indemnify, defend, and hold harmless the other parties (each, an “**Indemnitee**”) and such Indemnitee’s affiliates and their respective officers, directors, shareholders, beneficiaries, members, partners, agents, employees and attorneys, and their respective successors and assigns (the “**Indemnitee Parties**”), from and against any and all damage to the Property, injury to persons, suits, actions, legal or administrative proceedings, claims, losses, demands, damages, liabilities, costs and expenses (including attorneys’ fees and costs) incurred by, or claimed against, any Indemnitee Party in connection with the exercise of Indemnitor’s rights (or any of its officers, employees, agents, representatives or consultants) or of anyone acting under such Indemnitor’s direction.

3. GENERAL PROVISIONS

3.1 Attorneys' Fees. If any party institutes or threatens legal proceedings to determine or enforce its legal rights arising hereunder or in connection herewith, the prevailing party shall be entitled to reasonable attorneys' fees (including fees and charges of legal assistants and other non-attorney personnel performing services under the supervision of an attorney), expert fees and costs, court costs, cost of investigation and other related expenses in connection therewith.

3.2 No Rights in Public. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Easements to or for the general public or for any public purpose whatsoever. This Agreement shall be strictly limited to and for the purposes herein expressed. The provisions of this Agreement are for the exclusive benefit of the parties, their successors and assigns, and not for the benefit of any third persons, and this Agreement shall not be deemed to have conferred any rights upon any third person.

3.3 Notices. All notices, requests and other communications hereunder must be made in writing and delivered by (i) personal service or overnight delivery service (such as Federal Express), with a written receipt, or (ii) sent by registered or certified mail, in a sealed envelope, postage prepaid, return receipt requested or (iii) by telecopy, if confirmed in writing sent in the manner described in the preceding clauses (i) or (ii) and addressed as follows:

If to Seller: Kennecott Land Residential Development Company
5295 South 300 West, Suite 475
Murray, Utah 87107
Attention: John T. Potts
Telephone: (801) 743-4646
Telecopy: (801) 743-4659

If to Builder: Gold Medallion Custom Homes, L.C.
7300 S. 300 W.
Midvale, Utah 84047
Attention: Quinn Mortensen
Telephone: (801) 569-0113
Telecopy: (801) 569-0360

[Add additional builders if necessary]

Any such notice personally served or delivered overnight will be deemed given when received and any such notice by mail will be deemed to have been received by the addressee seventy-two (72) hours after posting in the United States mail and any notice sent by telecopy will be deemed given on the date of receipt, provided it is confirmed by a copy sent by another method permitted hereunder within twenty-four (24) hours after being telecopied. Any party hereto may from time to time, by written notice to the other, designate a different address which shall be substituted for the one above specified.

3.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without regard to conflict of laws principles.

3.5 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of such provision and this Agreement shall not be affected thereby, and each other term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

3.6 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns.

3.7 Further Assurances. Each party will, whenever and as often as it shall be requested so to do by the other, cause to be executed, acknowledged or delivered any and all such further instruments and documents as may be necessary or proper, in the reasonable opinion of the requesting party, in order to carry out the intent and purpose of this Agreement.

3.8 Entire Agreement. This Agreement comprises the entire agreement with respect to the Easements and other matters described herein.

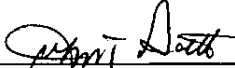
3.9 Counterparts. This Agreement may be executed in counterparts.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the day and year first above written.

**KENNECOTT LAND RESIDENTIAL DEVELOPMENT
COMPANY,**

a Delaware corporation

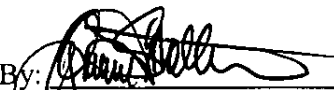
By:  _____

Name: John T. Potts

Its: Chief of Operations
Vice President Development

GOLD MEDALLION CUSTOM HOMES, L.C.,

a Utah limited liability company

By:  _____

Quinn S. Mortensen

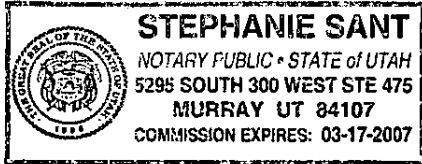
Its Managing Member

ACKNOWLEDGMENT

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

On MARCH 1, 2004, personally appeared before me, a Notary Public, JOHN T. POTTS, the CHIEF OF OPERATIONS, VICE PRESIDENT of DEVELOPMENT **KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY** personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he/she executed the above instrument on behalf of **KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY**.

WITNESS my hand and official Seal.



[Handwritten Signature]

Notary Public in and for said State

My commission expires: 3-17-07

[SEAL]

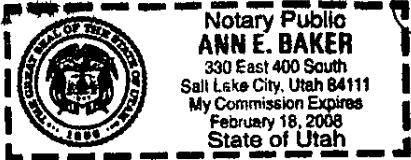
ACKNOWLEDGMENT

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

On March 9, 2004, personally appeared before me, a Notary Public, Quinn S. Mortensen, the Managing Member of **GOLD MEDALLION CUSTOM HOMES, L.C.** personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he/she executed the above instrument on behalf of **GOLD MEDALLION CUSTOM HOMES, L.C.**

WITNESS my hand and official Seal.

Ann E Baker
Notary Public in and for said State



My commission expires: 2/18/08

[SEAL]

Exhibit A

PHASE I

Lots 1-359 shown on that certain Kennecott Daybreak Phase 1 Subdivision Map recorded on October 9, 2003, as Entry No. 8847908, in Book 2003P, at Page 325 of the Official Records of Salt Lake County:

[Add Tax Parcel Numbers]

EXHIBIT B
LEGAL DESCRIPTION

Lots 132, 133, 136, 137, 148-151, 167-169, 178, 179, 182, 183, 186-188, 208, 209, 214, 215, 227, 228, 276-279, 283, 284, 322, 325, 328, 334 and 335 inclusive, of that certain map entitled "Kennecott Daybreak Phase 1 Subdivision" recorded on October 9, 2003 as Entry No. 8847908, in Book 2003P, at Page 325 of the Official Records of Salt Lake County.

Lots 165, 166, 180, 181, 189, 190, 199, 200, 344 and 345, inclusive, of that certain map entitled "Kennecott Daybreak Phase 1 Subdivision" recorded on October 9, 2003 as Entry No. 8847908, in Book 2003P, at Page 325 of the Official Records of Salt Lake County.

Tax Parcel Numbers:

27-19-178-006

27-19-178-007

27-19-179-003