

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT (the “**Conservation Easement**”) is made this ____ day of _____, 2023, by South Valley Holdings, LLC, a Utah limited liability company (“**Grantor**”), in favor of Santaquin City, Utah, a municipality and political subdivision of the State of Utah, (“**Grantee**”).

South Valley and City (jointly referred to as the “**Parties**”) acknowledge that the Conservation Easement is acquired by the City to protect open space uses and related conservation values by conserving the Property.

RECITALS

A. Grantor is the owner in fee simple of certain real property located in Utah County, which is described more particularly in **Exhibit A** attached hereto and by this reference made a part hereof (the “Property”).

B. Discrete portions of the Property may be included in subdivided residential lots. Portions of certain lots are intended to be subject to the conservation easement provided herein. The portions of such lots to be so subjected to this Conservation Easement are depicted on the map attached hereto and incorporated herein by this reference as **Exhibit B**.

C. The Property possesses natural and scenic values of great importance to Grantee, the people of the State of Utah and the United States, and the protection of the Property will yield a significant public benefit, including but not limited to the protection of natural terrain, vegetation, and open space features for the benefit of future generations (“**Conservation Values**”).

D. The Property adjoins public lands that will be owned by the City and its conservation will help buffer and protect important wildlife habitat on these adjoining public lands and therefore the Conservation Easement complements public land management activities and provides public benefits.

E. This Conservation Easement is consistent with the City General Plan, which includes specific goals and policy recommendations that protect open space areas.

F. Grantor intends that the Conservation Values of the Property shall be preserved and maintained by the Conservation Easement by permitting only those uses on the Property that do not impair or interfere with the maintenance and protection of the Conservation Values.

G. Grantor further intends, by executing the Conservation Easement, to convey to City the right to preserve and protect the Conservation Values of the Property in perpetuity.

NOW, THEREFORE, for Ten Dollars and other good and valuable consideration, including Grantor's express intention and agreement to make a voluntary, unrestricted and irrevocable gift of part of the value of the Conservation Easement, and in further consideration of the mutual promises and covenants contained in the Conservation Easement, Grantor hereby grants and conveys to Grantee this perpetual Conservation Easement on, over, and across the Property, to have and to hold unto Grantee forever, in accordance with the terms and conditions set forth below. Grantee acknowledges that no goods or services were received in consideration of the grant of the Conservation Easement.

1. Purposes. The purposes of the Conservation Easement are to preserve, protect, enhance, and restore the Conservation Values, including but not limited to the open-space, scenic, and significant relatively natural features, and values of the Property, in perpetuity. In achieving these purposes, it is the mutual intention of Grantor and Grantee to permit the continuation of such uses of the Property as may be conducted consistent with the purposes and terms of this Conservation Easement and to ensure that the Property remains available for private use of the owner of each respective lot of the Property. However, tenants, guests, short term renters, etc. have no such right of use. Such uses may include but are not limited to hiking, biking, enjoyment of nature and wildlife, and limited recreation, all as set forth in Paragraph 3 below.

2. Rights Conveyed by the Conservation Easement to Grantee. The following rights are conveyed, without restriction, to Grantee by Grantor in the Conservation Easement:

2.1 To identify, preserve and protect in perpetuity the Conservation Values of the Property, subject to the rights reserved by Grantor in Paragraph 3 below.

2.2 Upon reasonable prior notice to Grantor, Grantee shall have the right to enter upon and inspect the Property to administer the Conservation Easement and in connection therewith to inspect, observe, study, and make observations of the Property, all in a manner that will not unreasonably interfere with Grantor's uses of the Property provided such uses are consistent with the terms and purposes hereof. Grantee also has the right to enter upon the Property to enforce the terms and purposes of the Conservation Easement.

When prior notice is not feasible (i.e., during an emergency), Grantee shall have the right to enter the Property and conduct emergency operations as needed to provide and protect City services, to protect property and life, to preserve Conservation Values, etc. within the Conservation Easement.

2.3 To enjoin any unpermitted activity on or unpermitted use of the Property that is inconsistent with the terms or purposes of the Conservation Easement.

2.4 The Conservation Easement shall run with the land and burden title to the Property in perpetuity and shall bind Grantor and Grantee and their respective heirs, successors, agents, and any other person claiming under them, including all future owners and tenants of the Property.

2.5 Grantor hereby conveys and acknowledges the conveyance to Grantee, and Grantee's extinguishment of, all development rights which are now appurtenant to the Property or which may later become appurtenant, except those development rights that are specifically

reserved by Grantor in Paragraph 3 of the Conservation Easement. Grantor further agrees that any additional development rights which may hereafter be transferred to, allocated to, implied to, reserved for, or considered inherent in the Property will be transferred to, and deemed the rights of, Grantee upon their attachment to the Property.

3. Permitted Uses and Practices. Grantor reserves to itself all rights accruing from its ownership of the Property, including the right to engage or permit or invite others to engage in all uses of the Property that are not prohibited herein, provided that such rights are exercised consistently with the terms and purposes of the Conservation Easement, and do not result in injury to or the destruction of any Conservation Values.

3.1 Without limiting the generality of the foregoing statement, the following rights are expressly reserved by Grantor:

3.1.1 To engage in any and all Conservation uses of the Property in accordance with sound, generally accepted conservation practices. For the purposes of this Conservation Easement “Conservation uses” is defined as general maintenance of the Property, which may include thinning, tree thinning, and clearing of dead and down wood; provided, however, that such Conservation uses shall not result in significant water use, soil degradation, or significant pollution.

3.1.2 To construct, maintain and repair fences and other improvements on the Property, as shall be set forth in future subdivision plats approved by City for subdivided lots within the Property.

3.1.3. To plant additional landscape vegetation within the Property; provided, however, that no irrigation of such landscape vegetation shall be permitted; and provided further that all vegetation within the Property (and future subdivided lots therein) shall be subject to Santaquin City’s and the State of Utah’s fuel and fire mitigation regulations.

3.1.4 To utilize the Property for recreational purposes, including but not limited to, hiking and biking, but with usage limited exclusively to Grantor or the future owners of each future subdivided lot within the Property.

3.2 *Transfers.* To sell, exchange, devise, gift, convey or otherwise transfer the individual single-family lots within the Property. Each such lot shall be conveyed subject to all terms, conditions, rights, restrictions, and obligations of this Conservation Easement. All rights reserved herein to Grantor shall transfer automatically to the respective owners of future subdivided lots within the Property.

3.3 *Weed and Pest Control.* Grantor has the right to control weeds and predatory and problem animals in a manner consistent with state and City laws.

3.4 *Habitat Enhancements.* To construct or develop on the Property wildlife habitat improvements, subject to and consistent with City and state regulations.

3.5 *Recreational Use.* To use the Property for walking, hiking, biking, camping, horseback riding, and other recreational uses, but with usage limited exclusively to Grantor or the future owners of each future subdivided lot within the Property.

3.6 *Water Rights.* Grantor expressly retains all rights, title, and interest in and to all water, water rights, and related interests, in, on, under or appurtenant to the Property. This section does not apply to water rights that are dedicated to Santaquin City for development per Santaquin City Code § 8.04.100.

3.7 *Health and Safety.* To undertake other activities necessary to protect human health or safety and from threats thereto, provided that any such activity shall be conducted so that impacts on the Conservation Values are minimized to the greatest extent practicable.

3.8 *Other Uses.* To make any other use of the Property that is not inconsistent with the Conservation Values.

3.9 *Trespass.* Grantor may undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the Conservation Values of the Property.

3.10 *Granting of easements for utilities.* The granting or modification of easements for utilities is permitted, except when the utility will adversely impact the Conservation Values, of the Property. In the event that utilities are constructed on, under, or across the Property, the site must be restored as near as reasonably possible to native or pre-existing conditions.

4. Limitations on Uses (Prohibited Uses and Practices). Any activities inconsistent with the purposes of the Conservation Easement and the Conservation Values are prohibited. The provisions of this Conservation Easement limit the types of activities and uses that can occur on the Property to those related to the Conservation Values. Without limiting the generality of the foregoing, the following activities are inconsistent with the purposes of Conservation Easement and are specifically prohibited, subject to the qualifications stated below:

4.1 Construction or placement of any buildings, dwelling units, camping structures, temporary living quarters of any sort, mobile homes, antennas, cell phone towers, windmills, signs, billboards or other advertising materials, or other structures is prohibited.

4.2 *Limitation on Impervious Surfaces.* Impervious surfaces may not be constructed on the Property.

4.3 The keeping of livestock or pets within the easement is prohibited.

4.4 Extensive removal of natural vegetation, other than for thinning, as considered herein, is prohibited .

4.5 The land shall at all times be kept free of garbage, trash, and machinery; and no other unsightly material shall be allowed to accumulate or be stored thereon. Further, no radioactive or hazardous waste material or other toxic substances whatsoever shall be placed, stored, dumped or permitted to remain on the Property. However, no independent duty shall be

imposed upon either Grantor or Grantee by virtue of this Easement to remove garbage, trash, waste material, etc., unlawfully deposited on the property by persons acting unlawfully or without Grantor's consent.

4.6 No mining, drilling or extracting of oil, gas, gravel, or minerals other than water on or under the Property shall be permitted that causes disruption of the surface of the land to any extent inconsistent with the Conservation Values, and no part of the surface of the Property shall be used for storage or processing of gas, oil, or minerals, taken from the Property.

4.7. Any other use that is inconsistent with the terms and purposes of the Conservation Easement.

5. Notice and Approval.

Except as may be otherwise expressly provided for herein, any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and delivered in person or by certified United States mail or by Federal Express or by other reputable "overnight" service that maintains delivery records, provided that the sender requests next-business-day delivery and addressed as follows:

To South Valley:	South Valley Holdings, LLC Attn: Stephen A. Larsen 935 West Center Street Lindon, Utah 84042 Email: steve.sandlinc@gmail.com
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To City:	Santaquin City Attention: City Manager 275 West Main Santaquin, Utah 84655
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Or to such other address as either party from time to time shall designate by written notice to the other. Except as may be otherwise expressly provided herein, (a) if such notice is delivered in person, it shall be deemed given immediately upon delivery or refusal of delivery or receipt; (b) if such notice is sent by certified mail, it shall be deemed given on the earlier of the date of delivery reflected on the return receipt, or the date of first attempted delivery or the third day after being deposited in the mail, and (c) if such notice is sent by Federal Express or other reputable "overnight" service, it shall be deemed given on the earlier of the date of delivery reflected on the delivery records, or the next business day after being deposited with the delivery service.

6. Grantee's Remedies.

6.1 *Notice of Violation; Corrective Action.* If Grantee determines that a violation of the Conservation Easement has occurred, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity that is inconsistent with the

terms or purposes of the Conservation Easement, to restore the portion of the Property so injured to its prior condition in accordance with a written plan approved by Grantee.

6.2 *Injunctive Relief.* Grantee may seek Injunctive Relief if Grantor:

- (a) fails to cure the violation within sixty (60) days after receipt of notice thereof from Grantee, or
- (b) under circumstances where the violation cannot reasonably be cured within a sixty- (60) day period, fails to begin curing such violation within the sixty- (60) day period (or, within 60 days of Grantor's receipt of notice from Grantee, fails to agree with Grantee in writing on a date by which efforts to cure such violation will reasonably begin), or
- (c) fails to continue diligently to cure such violation until finally cured.

Notwithstanding the foregoing criteria set forth in 6.2(a) through 6.2(c), Grantee may seek injunctive relief at any time it reasonably determines that failure to do so will substantially impact the purposes set forth above. Grantee may bring an action in equity in a court of competent jurisdiction to enforce the terms of this Conservation Easement, to enjoin the violation, by temporary or permanent injunction, and to require the restoration of the Property to the condition that existed prior to any such injury.

6.3 *Acts Beyond Grantor's Control.* Nothing contained in the Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, actions by third parties not under the direction and control of Grantor, fire, flood, storm, and earth movement, unauthorized use of the Property by trespass, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or to any person resulting from such causes.

7. Costs, Liabilities, Taxes, and Environmental Compliance.

7.1 *Costs.* Grantor retains all responsibilities and shall bear all costs of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of adequate general liability insurance coverage.

7.2 *Taxes.* Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "**taxes**") and shall furnish Grantee with sufficient evidence of payment upon request.

7.3 *Subordination.* No provision of the Conservation Easement is to be construed as impairing the ability of Grantor to use the Property as collateral for any loan, provided that any mortgage or lien arising after the date of execution of the Conservation Easement shall be subordinate to the terms of the Conservation Easement.

8. Extinguishment, Termination, and Condemnation. The interests and rights under this Conservation Easement may only be extinguished or terminated with written approval of the Grantee.

9. Amendment. This Conservation Easement may be amended only if, in the reasonable judgment of the Grantee, such amendment is consistent with the purposes of this Conservation Easement and complies with all applicable laws and regulations.

10. Assignment. The Conservation Easement is assignable by Grantee, but Grantee may assign its rights and obligations under the Conservation Easement only to an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable) and qualified to hold conservation easements under Utah law. Grantee agrees to give written notice to Grantor of an assignment at least thirty (30) days prior to the date of such assignment.

10.1 If Grantee shall cease to exist or be qualified to hold conservation easements under Utah law, Grantee shall, as soon as practicable, convey in perpetuity all its rights under the Conservation Easement to another appropriate conservation entity that is a qualified holder of conservation easements under federal and Utah law, and take all other appropriate measures to ensure that the Conservation Easement is enforced.

11. Conservation Easement Granted in Perpetuity. This Conservation Easement shall be a burden upon and shall run with title to the Property in perpetuity and shall bind Grantor and Grantor's successors-in-title to the Property in perpetuity.

12. General Provisions.

12.1 *Controlling Law.* The laws of the State of Utah shall govern the interpretation and performance of the Conservation Easement.

12.2 *Liberal Construction.* Any ambiguities regarding the terms and conditions of the Conservation Easement shall be resolved in a manner consistent with the protection and preservation of the Conservation Values of the Conservation Easement. The Parties acknowledge that each party and its counsel have reviewed and revised the Conservation Easement and that no rule of construction that ambiguities are to be resolved against the drafting party shall be employed in the interpretation of the Conservation Easement.

12.3 *Severability.* If any provision of the Conservation Easement, or application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of the Conservation Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

12.4 *Entire Agreement.* This instrument, including all exhibits attached hereto, sets forth the entire agreement of the Parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Conservation Easement, all of which are merged herein.

12.5 *Successors.* The covenants, terms, conditions, and restrictions of the Conservation Easement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and assigns and shall continue as a servitude running in perpetuity

with title to the Property and each future subdivided lot therein. To affect the purposes of this Conservation Easement and the Conservation Values, prior to any sale of any portion of the Property, Grantor shall provide appropriate assurances that for the duration of the Conservation Easement, a single entity or person will be authorized to act on behalf of all successors to accept notices and enforce the provisions of this Conservation Easement.

12.6 *Termination of Rights and Obligations.* A party's rights and obligations under the Conservation Easement terminate upon transfer of that party's interest in the Conservation Easement or the Property, except that liability for acts or omissions occurring prior to such transfer shall survive transfer.

12.7 *Agreement to Hold Harmless.* Grantor hereby releases and agrees to hold harmless, indemnify, and defend Grantee and its elected and appointed officers, employees, agents, and contractors and their heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against any and all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including, without limitation, reasonable attorney's fees, arising from or in any way connected with: (1) injury to or the death of any persons, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of any of the Indemnified Parties; (2) the violation or alleged violation of, or other failure to comply with, any state, federal, or local law, regulation, or requirement, including, without limitation, CERCLA, and the Utah Solid and Hazardous Waste Act § 19-6-101 et seq. Utah Code Annotated, by any person other than any of the Indemnified Parties, in any way affecting, involving, or relating to the Property; (3) the presence or release in, on, from, or about, the Property, at any time, or any substance now or hereafter defined, listed or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or any way harmful or threatening to human health or the environment, unless caused solely by any of the Indemnified Parties; and (4) the obligations, covenants, representations, and warranties of Grantor contained in this Easement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first set forth above.

SOUTH VALLEY:

South Valley Holdings, LLC
a Utah limited liability company

By: _____
Stephen A. Larsen
Member

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On _____, 2023 , Stephen A. Larsen personally appeared before me and proved on the basis of satisfactory evidence to be the person whose name is subscribed to in this document and acknowledged that he executed the same in his capacity as a Member of South Valley Holdings, LLC.

Notary Public

CITY: City of Santaquin
A municipality and political
subdivision of the State of Utah

By: _____
Daniel M. Olson
Mayor

By: _____
Amalie R. Ottley
City Recorder

On _____, 2023, Daniel M. Olson personally appeared before me and proved on the basis of satisfactory evidence to be the person whose name is subscribed to in this document and acknowledged that he executed the same in his capacity as Mayor of Santaquin City, Utah.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

Subject to all third-party rights of record in and to the property that are not subordinated to the terms and conditions of the Conservation Easement.

The following described real property located in Utah County, State of Utah:

CONSERVATION EASEMENT

Beginning at a point located North 89° 54' 49" East 435.92 feet and South 2852.02 feet from the Northeast corner of section 31 Township 9 Range 2E. Thence 293.34 feet South 47° 20' 55" East, thence 345.27 feet South 33° 30' 42" East, thence 217.80 feet North 71° 21' 25" West, thence 402.36 feet South 56° 58' 53" West, thence 197.48 feet South 45° 46' 10" West, thence 206.35 feet South 68° 07' 40" West, thence 202.63 feet South 54° 30' 57" West, thence 152.70 feet South 57° 17' 55" West, thence 125.04 feet North 70° 51' 31" West, thence 206.00 feet North 19° 07' 39" East, thence 96.05 feet North 16° 56' 57" East, thence 36.17 feet North 22° 07' 57" West, thence 274.28 feet North 89° 06' 44" West, thence 142.06 feet South 88° 17' 08" West, thence 216.79 feet South 66° 03' 03" West, thence 174.33 feet South 49° 35' 41" West, thence 260.61 feet South 28° 13' 28" West, thence 233.99 feet South 03° 12' 56" West, thence 332.51 feet South 89° 35' 27" West, thence 337.09 feet South 56° 07' 38" West, thence 244.11 feet South 19° 45' 09" West, thence 258.61 feet South 73° 25' 51" West, thence 104.69 feet South 60° 39' 52" West, thence 211.28 feet South 59° 16' 13" West, thence 191.88 feet South 60° 11' 42" West, thence 168.16 feet South 18° 51' 57" West, thence 165.19 feet South 49° 34' 22" East, thence 153.06 feet North 18° 58' 04" East, thence 302.25 feet North 67° 48' 57" East, thence 377.90 feet North 74° 54' 40" East, thence 181.21 feet North 45° 43' 36" East, thence 274.03 feet North 17° 13' 12" East, thence 199.16 feet North 55° 25' 56" East, thence 427.14 feet South 78° 32' 20" East, thence 497.94 feet North 12° 26' 18" East, thence 313.91 feet North 58° 39' 52" East, thence 65.62 feet South 70° 52' 29" East, thence 341.79 feet South 14° 46' 05" East, thence 647.75 feet South 31° 44' 22" East, thence 1141.14 feet North 58° 28' 39" East, thence 160.31 feet North 36° 07' 10" East, thence 600.41 feet North 04° 25' 05" East, thence 140.45 feet North 17° 46' 26" West, thence 352.09 feet North 39° 48' 01" West, thence 236.60 feet North 59° 37' 41" West to the point of beginning.

42.9 Acres

EXHIBIT B

PROPERTY MAP

