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LANDMARK TITLE SALT LAKE COUNTY, UTAH  
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WHEN RECORDED MAIL TO:

Carl W. Barton, Esq.  
PRINCE, YEATES & GELDZAHLER  
175 East 400 South, Suite 900  
Salt Lake City, Utah 84111

6540220

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MASTER DECLARATION OF PROTECTIVE  
COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
WOODWARD INDUSTRIAL PARK  
MURRAY CITY, SALT LAKE COUNTY, UTAH  
(INCLUDES PERPETUAL EASEMENT)

THIS MASTER DECLARATION is made this 30th day of December, 1996, by Woodward Industrial Park Enterprises, L.C., a Utah limited liability company. Such party and its successors and assigns shall hereinafter be called "Declarant".

RECITALS

A. Declarant is the fee owner of that certain real property situated in the City of Murray, County of Salt Lake, State of Utah, more particularly described on Exhibit "A" to this Declaration, which real property is currently zoned Manufacturing General District ("MGC") by the City of Murray, and which real property shall be the initial Covered Property under this Declaration. This Declaration is being imposed by Declarant upon said real property and such other real property which may from time to time be annexed pursuant to this Declaration and become a part of the Covered Property.

B. Declarant desires to create within and upon the Covered Property a high quality industrial, light manufacturing, office and business complex in an attractive park-like setting to be known as Woodward Industrial Park. In order to do so, Declarant desires to establish master protective covenants, conditions and restrictions upon the Covered Property and each and every portion thereof, which will constitute a general scheme for the improvement, development and management of said project, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and enhancing the quality of the business environment within Woodward Industrial Park.

C. To provide efficient management for Woodward Industrial Park and to preserve its value, desirability and attractiveness, Declarant has incorporated a Utah nonprofit corporation called Woodward Industrial Park Owners Association and has delegated and assigned to such Association the powers of managing Woodward Industrial Park, of maintaining and administering the Common Facilities, of administering and enforcing all covenants, conditions and restrictions, of collecting and

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disbursing funds pursuant to the assessment and charges hereinafter created and referred to and of performing such other acts as shall generally benefit Woodward Industrial Park.

D. Declarant will hereafter hold and convey title to all of the Covered Property subject to the protective covenants, conditions and restrictions hereinafter set forth.

## DECLARATION

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of its interest, as the same may from time to time appear in the Covered Property, shall be held and conveyed subject to the following covenants, conditions, restrictions and easements which are hereby declared to be for the benefit of said interests in the Covered Property, and the owners of said interests, their successors and assigns. These covenants, conditions, restrictions and easements shall run with said interests and shall be binding upon all parties having or acquiring any right or title in said interests or any part thereof, and shall inure to the benefit of each owner thereof and are imposed upon said interests and every part thereof as a servitude in favor of each and every of said interests as the dominant tenement or tenements.

### ARTICLE I DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as follows:

Section 1. "Architectural Committee" shall mean the committee provided for in the Article hereof entitled "Architectural Control".

Section 2. "Articles" and "Bylaws" shall mean the Articles of Incorporation and Bylaws of the Association as the same may from time to time be duly amended. The Articles, among other things, establish the Board to manage the affairs of the Association. The Bylaws, among other things, set forth the number of persons constituting the Board, the method of the Board's selection, the Board's general powers, the method of calling a meeting of Members of the Association and the Members required to constitute a quorum for the transaction of business.

Section 3. "Assessments:" The following meanings shall be given to the assessments hereinafter defined:

"Regular Assessment" shall mean a charge against each Member and his Lot representing a portion of the cost to the Association for Common Expenses.

"Special Assessment" shall mean a charge against a particular Owner and his Lot, directly attributable to the Owner, to reimburse the Association for costs incurred in bringing the Owner and his Lot into compliance with the provisions of this Declaration, the Articles, Bylaws or Association Rules, or any other charge designated as a Special Assessment in this Declaration, the Articles, Bylaws or the Association Rules, together with attorneys' fees and other charges payable by such Owner, pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

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"Reconstruction Assessment" shall mean a charge against each Member and his Lot representing a portion of the cost to the Association for reconstruction of any portion or portions of the Common Facilities pursuant to the provisions of this Declaration.

"Capital Improvement Assessment" shall mean a charge against each Member and his Lot, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Common Facilities which the Association may from time to time authorize pursuant to the provisions of this Declaration.

Section 4. "Association" shall mean Woodward Industrial Park Owners Association, a nonprofit corporation, incorporated under the laws of the State of Utah, its successors and assigns.

Section 5. "Association Rules" shall mean rules adopted by the Association pursuant to the Article hereof entitled "Duties and Powers of the Association."

Section 6. "Building" shall mean any structure which: (a) is permanently affixed to the land; and (b) has one or more floors and a roof.

Section 7. "Board" shall mean the Board of Trustees of the Association.

Section 8. "City" shall mean the City of Murray, Utah, a municipal corporation of the State of Utah.

Section 9. "Common Expenses" shall mean the actual and estimated costs of:

(a) maintenance, management, operation, repair and replacement of the Common Facilities, and all other areas within the Covered Property which are maintained by the Association, including, without limitation, the respective portions of the private property of the various Owners which are situated within the Covered Property and are subject to any easement located therein in favor of the public, and/or which are situated at the entrances to the Covered Property;

(b) unpaid Special, Reconstruction and Capital Improvement Assessments;

(c) maintenance by the Association of areas within any right-of-way and of public streets within or in the vicinity of the Covered Property, as provided in this Declaration or pursuant to agreement with the City of Murray, or any other city, or other governmental agency or authority;

(d) costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees;

(e) the costs of utilities, trash pickup and disposal, gardening and other services benefiting the Owners and their Lots to the extent such services are paid for by the Association;

(f) the costs of fire, casualty, liability, workmen's compensation and other insurance covering the Common Facilities;

(g) the costs of any other insurance obtained by the Association;

- (h) reasonable reserves as deemed appropriate by the Board;
- (i) the costs of bonding of the members of the Board, any professional managing agent or any other person handling the funds of the Association;
- (j) taxes paid by the Association;
- (k) amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Facilities or portions thereof;
- (l) costs incurred by the Architectural Committee or other committees of the Association; and
- (m) the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association for any reason whatsoever in connection with the Common Facilities, this Declaration, the Articles or the Bylaws or in furtherance of the purposes of the Association or in the discharge of any obligations imposed on the Association by this Declaration.

**Section 10.** "Common Facilities" shall mean:

- (a) all real property and the improvements and fixtures thereto and the personal property thereon owned by or leased to the Association from time to time for the common use and benefit of the Members, including, without limitation, streets, landscaped areas, parks, open spaces, paths, trails and slopes;
- (b) all property rights, improvements, fixtures and personal property owned by or leased to the Association from time to time for the common use and benefit of the Members and situated upon public property or the private property of the Owners, including, without limitation, all easements running in favor of the Association and the improvements, fixtures and personal property situated within or upon said easements, landscaping, irrigation systems and associated pumps and hardware, street lighting systems, project identification, directional and street signs, and street furniture; and
- (c) Declarant hereby conveys and warrants to the Association the Common Facilities and a perpetual non-exclusive easement for ingress and egress over and along that certain private road depicted on the final recorded plat and more particularly described on the attached Exhibit "B," which is incorporated herein. **IT IS INTENDED THAT THIS EASEMENT SHALL REMAIN IN EFFECT IN PERPETUITY EVEN AFTER THIS DECLARATION TERMINATES.**

**Section 11.** "Covered Property" shall mean all the real property described on Exhibit "A" hereto and, subsequent to the annexation thereof pursuant to this Declaration, any real property which shall become subject to this Declaration.

**Section 12.** "Declarant" shall mean:

(a) Woodward Industrial Park Enterprises, L.C., its successors and assigns; and

(b) any Owner of additional property which is annexed to the Covered Property described in Exhibit "A" attached hereto and becomes subject to this Declaration and to the jurisdiction of the Association pursuant to the provisions of the Section hereof entitled "Annexation Without Approval and Pursuant to General Plan" of the Article hereof entitled "Integrated Nature of the Covered Property."

At any and all times during which two (2) or more Declarants exist with regard to the Project:

(c) each shall be a Class B Member as to their respective properties;

(d) the following rights shall be exercised solely and exclusively by Declarant, its successors and assigns:

(i) the right initially to prepare Design Guidelines granted Declarant in the Section hereof entitled "Design Guidelines" of this Article; and

(ii) the approval rights granted Declarant under the Sections hereof entitled "Zoning Variances" and "Planning Documents" of the Article hereof entitled "Use Restrictions;"

(e) the following rights shall exclusively belong to and shall exclusively inure to the benefit of the respective Declarant who owned the subject property at the time it became part of the Covered Property and became subject to this Declaration:

(i) the rights reserved to Declarant in the Article hereof entitled "Easements;"

(ii) the rights granted to Declarant in the Article hereof entitled "Repurchase Rights of Declarant;" and

( ) annexation of additional property pursuant to the provisions of the Section hereof entitled "Annexation Without Approval and Pursuant to General Plan" of the Article hereof entitled "Integrated Nature of the Covered Property" shall, in addition to the signature of the Owner or Owners of the subject property then being annexed, never require the consent of anyone other than Declarant, its successors and assigns.

Section 13. "Design Guidelines" shall mean the guidelines prepared by Declarant setting forth certain architectural standards and specifications regarding the location and design of Improvements, construction materials, lighting, landscaping, signage and other matters relating to Improvements on the Covered Property. The Design Guidelines are incorporated in this Declaration by reference.

Section 14. "Exhibit" shall mean those documents so designated herein and attached hereto and each of such Exhibits is by this reference incorporated in this Declaration.

**Section 15.** "Improvements" shall mean any object, thing or activity of any kind installed, located or occurring on the Covered Property which changes the external appearance of any portion of the Covered Property, of any Lot or of any structure or thing affixed to the Covered Property or any Lot, from its external appearance as it existed immediately prior to the installation, location or occurrence of the object, thing or activity. Improvements include, but are not limited to, all Buildings, structures, landscaping and lawns, exterior walkways, parking areas, drives and truck loading areas, signs, fences, poles, walls, utility lines, lighting, excavations, grading, berms, drainage facilities, repairs, alterations, painting and all other structures or objects of any type or kind installed or constructed on the Covered Property.

**Section 16.** "Institutional Mortgagee" shall mean a Mortgagee which is a bank, or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, any federal or state agency, or any other institution specified by the Board.

**Section 17.** "Lot" shall mean any lot or parcel of land shown on any recorded final subdivision plat filed by Declarant to the extent such lots or parcels are part of the Covered Property, and shall also mean the entire balance of all real property which is from time to time subject to this Declaration, excluding, however, dedicated public or private rights-of-way and Common Facilities. If two or more contiguous Lots are held by the same Owner, such commonly owned Lots may, at the option of the Owner and subject to the approval of Declarant, be combined and treated as a single Lot for the purposes of this Declaration, provided that the construction and location of Improvements thereon shall nevertheless be subject to the review and approval set forth in this Declaration.

**Section 18.** "Member" shall mean every person or entity who qualifies for membership pursuant to the Article of this Declaration entitled "Membership in the Association," including Declarant so long as Declarant qualifies for membership pursuant to said Article.

**Section 19.** "Mortgage" shall mean any duly recorded mortgage or deed of trust encumbering a Lot.

**Section 20.** "Mortgagee" shall mean the mortgagee or beneficiary under any Mortgage. A "First Mortgagee" shall refer to a Mortgagee whose Mortgage has priority over any other Mortgage encumbering a specific Lot.

**Section 21.** "Owner" shall mean one or more persons or entities who are alone or collectively the record owner of a fee simple title to a Lot, including Declarant, and the vendee under an installment land sales contract, but excluding those having such interest merely as security for the performance of an obligation.

**Section 22.** "Phase" shall mean each portion of the Covered Property with regard to which a separate Supplementary Declaration and/or separate final subdivision plat is recorded.

**Section 23.** "Project" shall mean all of the Covered Property, together with all of the Buildings and other Improvements constructed thereon.

Section 24: "Set Back" shall mean the distance from the property line of the Lot to the Building or Improvement that is subject to the Set Back requirement provided in any applicable Supplementary Declaration, in the Design Guidelines for the Project, in any recorded final subdivision plat affecting the Project, or in the City's Zoning Ordinance.

## ARTICLE II MEMBERSHIP IN THE ASSOCIATION

Section 1 - Membership. Every Owner shall be a Member of the Association subject to the terms of this Declaration, the Articles, Bylaws and Association Rules. The terms and provisions set forth in this Declaration, which are binding upon all Owners, are not exclusive, as Owners shall, in addition, be subject to the terms and provisions of the Articles and the Bylaws of the Association to the extent the provisions thereof are not in conflict with this Declaration. Membership of Owners shall be appurtenant to and may not be separated from the interest of such Owner in any Lot. Ownership of a Lot shall be the sole qualification for membership; provided, however, a Member's voting rights or privileges in the Common Facilities, or both, may be regulated or suspended as provided in this Declaration, the Bylaws or the Association Rules. Not more than one membership shall exist based upon ownership of a single Lot.

Section 2 - Transfer. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance or encumbrance of such Lot and then only to the purchaser or Mortgagee of such Lot. Any attempt to do so is void and will not be reflected upon the books and records of the Association. In the event an Owner should fail or refuse to transfer the membership registered in his name to the transferee of such Owner's interest in such Lot, the Association shall have the right to record the transfer upon the books of the Association.

Section 3 - Voting Rights. All voting rights shall be subject to the restrictions and limitations provided herein and in any applicable Supplementary Declaration, Articles, Bylaws and Association Rules.

### Section 4 - Classes of Voting Membership.

The Association shall have two (2) classes of voting membership.

Class A. Class A Members shall be all Owners with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each full one-tenth (1/10) acre of land in which they hold the interest required for membership. When more than one person owns a portion of the interest required for membership, each such person shall be a Member and the vote for such land shall be exercised as they among themselves determine, but in no event shall more votes be cast with respect to any such land than the number of votes that one person owning the entire interest required for membership would be entitled to cast with respect to such land. The Association shall not be required to recognize the vote or written assent of any such co-Owner except the vote or written consent of the co-Owner designated in a writing executed by all of such co-Owners and delivered to the Association.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to three (3) votes for each one-tenth (1/10) acre of land in which it holds the interest required for membership; provided that the Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A Membership equals or exceeds the total votes outstanding in the Class B Membership, or

(b) December 31, 2020;

provided, however, that if, after the cessation of Class B Membership as a result of the happening referred to in subsection (a) above, Declarant annexes any other real property, Declarant shall be re-established as the Class B Member until the happening of either of the following events, whichever occurs earlier:

(c) When the total votes outstanding in the Class A Membership equals or exceeds the total votes outstanding in the Class B Membership when taking into consideration all acreage then situated within the Covered Property, or

(d) The date referred to in subsection (b) above.

Section 5 - Approval of Members. In any matter requiring the consent of the Members, but not specifically provided for in this Declaration, the Articles, Bylaws, or any contract executed by the Association, a simple majority of the voting power of Members entitled to vote on such matter shall suffice.

### ARTICLE III COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1 - Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned by it, hereby covenants and agrees to pay, and each Owner of any Lot by acceptance of a deed or other conveyance creating in such Owner the interest required to be deemed an Owner, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments, Capital Improvement Assessments and Reconstruction Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The Assessments, together with interest thereon, late charges, attorneys' fees and court costs, and other costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. Each such Assessment, together with such interest, late charges and costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the Assessment fell due. The personal obligation shall not pass to the successors in title of an Owner, unless expressly assumed by such successors.

Section 2 - Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the comfort, health, safety, security and welfare of the Members and to perform the duties and exercise the powers of the Association enumerated in its Articles, Bylaws, this Declaration, including specifically, but without limitation, the duties and powers of the Association referred to in the Article hereof entitled "Powers and Duties of the Association."

Section 3 - Regular Assessments. The amount and time of payment of Regular Assessments shall be determined by the Board pursuant to the Articles and Bylaws after giving due consideration to the current maintenance, operational, and other costs and the future needs of the Association. Not later



than thirty (30) days prior to the beginning of each fiscal year of the Association, the Board shall estimate the total Common Expenses to be incurred for the forthcoming fiscal year. The Board shall then determine the amount of the Regular Assessment to be paid by each Member. Written notice of the annual Regular Assessments shall be sent to every Member. Each Member shall thereafter pay to the Association his Regular Assessment in installments as established by the Board. In the event the Board shall determine that the estimate of total charges for the current year is or will become inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the Common Expenses and determine the revised amount of Regular Assessment against each Member, and the date or dates when due.

Section 4 - Capital Improvement Assessments. In addition to the Regular Assessments, the Association may levy in any fiscal year, a Capital Improvement Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or replacement (due to causes other than destruction) of a described capital improvement upon the Common Facilities to the extent the same is not covered by the provisions affecting Reconstruction Assessments in the Article hereof entitled "Destruction of Improvements", including the necessary fixtures and personal property related thereto. All amounts collected as Capital Improvement Assessments may only be used for capital improvements and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Said funds shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members.

Section 5 - Uniform Rate of Assessment. All Regular, Reconstruction and Capital Improvement Assessments shall be fixed at a uniform rate for each full one-tenth of an acre of land within each Lot and may be collected at intervals selected by the Board.

Section 6 - Certificate of Payment. The Association shall, upon demand, furnish to any Member liable for Assessments, a certificate in writing signed by an officer or authorized agent of the Association, setting forth whether the Assessments on a specified Lot have been paid, and the amount of delinquency, if any. A reasonable charge may be collected by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 7 - Exempt Property. Intentionally omitted.

Section 8 - Special Assessments. Special Assessments shall be levied by the Board against a Lot to reimburse the Association for costs incurred in bringing an Owner and his Lot into compliance with the provisions of this Declaration, the Articles, the Bylaws or Association Rules, or any other charges designated as a Special Assessment in this Declaration, the Articles, Bylaws or Association Rules, together with attorneys' fees, interest and other charges related thereto as provided in this Declaration. In the event the Association undertakes to provide materials or services which benefit individual Lots and which can be accepted or not by individual Owners, such as tree trimming, such Owners in accepting such materials or services agree that the costs thereof shall be a Special Assessment.

Section 9 - Date of Commencement of Regular Assessments. The Regular Assessments shall commence as to all Lots within the initial Covered Property on the first day of the month following the conveyance of the first Lot within the initial Covered Property by Declarant to an individual Owner.

Regular Assessments as to Lots in annexed properties which are not part of the initial Covered Property shall commence with respect to all Lots within each such annexed property on the first day of the month following the annexation of each such property. In the event the amount budgeted to meet Common Expenses for any year proves to be excessive in light of the actual Common Expenses, whether due to the commencement of Regular Assessments as to Lots within a subsequent Phase or for any other reason, the Board in its discretion may either reduce the amount of the Regular Assessment or may abate collection of Regular Assessments as it deems appropriate.

Section 10 - Maximum Assessments. Notwithstanding the other provisions of this Article:

(a) The Regular Assessment for the year following the conveyance of the first Lot by Declarant shall be One Hundred and 00/100 Dollars (\$100.00) per each full one-tenth (1/10) of an acre. Except upon the vote affirmative of a majority of each class of Members, the Board shall not increase the rate of Regular Assessments for any fiscal year by an amount which is in excess of the previous fiscal year's Regular Assessment rate times the percentage which is the greater of: (i) ten percent (10%); or (ii) the percentage increase as compared with the previous fiscal year in the U.S. City Average Consumer Price Index for All Urban Consumers, All Items, as established by the Department of Labor, Washington, D.C., or any similar index substituted therefor. Said index is hereinafter called the "CPI."

(b) To the extent the costs of capital improvements during any year shall exceed the sum of Two Hundred Dollars (\$200.00) per year per Lot, a Capital Improvement Assessment shall be subject to approval by the affirmative vote of a majority of each class of Members. However, said dollar per year per acre maximum shall automatically increase in direct proportion to the increase, if any, in the CPI between the date this Declaration is recorded and the latest CPI available on the date the Capital Improvement Assessment in question is assessed. Also, any reserves collected by the Association for the future maintenance and repair of the Common Facilities, or any portion thereof, shall not be included in determining said annual capital improvement limitation.

Section 11 - No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in this Declaration.

Section 12 - Control of Common Facilities. As provided in the Article hereof entitled "Definitions", the Common Facilities shall be conveyed to the Association. However, notwithstanding the foregoing, Declarant, its subcontractors and the agents and employees shall have the right to come on the Common Facilities. Also, notwithstanding the foregoing, in the event that any of Declarant's subcontractors are contractually obligated to maintain the landscaping and/or other improvements on the Common Facilities, such maintenance shall not be assumed by the Association until the termination of such contractual obligation. Neither such construction nor such maintenance shall in any way postpone the commencement of Assessments pursuant to this Article or entitle a Member to claim any offset or reduction in the amount of such Assessments.

Section 13 - Reserves. The Regular Assessments shall include reasonable amounts as determined by the Board collected as reserves for the future periodic maintenance, repair or replacement of all or a portion of the Common Facilities. All amounts collected as reserves, whether pursuant to the

preceding sentence of this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association. Such reserves shall be deemed a contribution to the capital account of the Association by the Members.

#### ARTICLE IV NONPAYMENT OF ASSESSMENTS

Section 1 - Delinquency. Any Assessment provided for in this Declaration or any applicable Supplementary Declaration which is not paid when due shall be delinquent on said due date (the "delinquency date"). If any such Assessment is not paid within fifteen (15) days after the delinquency date, a late charge equal to five percent (5%) of the late payment shall be levied, and the Assessment shall bear interest from the delinquency date, at the rate of eighteen percent (18%) per annum. To the fullest extent permitted by law, the Association may, at its option, and without waiving the right to foreclose its lien against the Lot, bring an action at law against the Member personally obligated to pay the same, and/or upon compliance with the notice provisions set forth in Section 2 of this Article, to foreclose the lien against the Lot. If action is commenced, there shall be added to the amount of such Assessment the late charge, interest, the costs of preparing and filing the complaint in such action, and attorneys' fees incurred in connection with the commencement of such action and in the event a judgment is obtained, such judgment shall include said late charge, interest and a reasonable attorney's fee, together with the costs of action. Each Member vests in the Association or its assigns, the right and power to bring all actions at law and/or for lien foreclosure against such Member or Members for the collection of such delinquent Assessments.

Section 2 - Notice of Lien. No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided until thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Lot, and a copy thereof is recorded by the Association in the office of the County Recorder of the County in which the Covered Property is located. Said notice of claim of lien must recite a good and sufficient legal description of any such Lot, the record Owner or reputed Owner thereof, the amount claimed (which shall include interest on the unpaid Assessment at the rate of eighteen percent (18%) per annum, the late charge referred to in Section 1 of this Article, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the claimant.

Section 3 - Foreclosure Sale. Said Assessment lien may be enforced by sale by the Association, its attorney or any other person authorized to make the sale after failure of the Owner to make the payments specified in the notice of claim of lien within said thirty (30) day period. Any such sale provided for above is to be conducted in accordance with the provisions of the statutes of the State of Utah as said statutes may from time to time be amended, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted or provided by law. The Association may appoint as the trustee to conduct said deed of trust sale, any person or entity qualified to act as a trustee under the Utah deed of trust statutes. The Association, through its duly authorized agents, shall have the power to bid on the Lot, using Association funds, or funds borrowed for such purpose, at the sale, and to acquire and hold, lease, mortgage and convey the same.

Section 4 - Curing of Default. Upon the timely payment, or other satisfaction, of: (i) all delinquent Assessments specified in the notice of claim of lien, (ii) all other Assessments which have become due

and payable with respect to the Lot as to which such notice of claim of lien was recorded and (iii) interest, late charges and attorneys' fees pursuant to this Declaration and the notice of claim of lien which have accrued, officers of the Association or any other persons designated by the Board are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, to cover the costs of preparing and filing or recording such release.

**Section 5 - Cumulative Remedies.** The Assessment Lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid Assessments, as above provided.

## **ARTICLE V USE RESTRICTIONS**

**Section 1 - Permitted Uses.** Lots within the Covered Property may be used for any of those uses and categories of uses, but only for those uses and categories of uses, from time to time permitted within the City's MGC Zone, as now in effect. Questions of whether a use is permitted or not shall be decided by the City's Planning Commission after the Board has had an opportunity to make a recommendation.

**Section 2 - Permitted Principal Uses.** The following principal uses are, as of the date this Declaration is recorded, permitted in the MGC Zone are set forth in the Murray City Zoning Ordinance, as existing and now in effect, including the conditional uses set forth therein.

**Section 3 - Waste Disposnl.** No trash, garbage or waste material, including, but not limited to, scraps, grass, shrub or tree clippings, lumber, metals and plant waste, shall be kept, stored or allowed to accumulate on any portion of the Covered Property except in an approved bin or contained within an enclosed structure appropriately screened from view. All trash, garbage and other waste materials shall be regularly removed from each Lot and the Covered Property. Incineration of trash, garbage or waste materials on the Covered Property is prohibited.

**Section 4 - Storm Drainage.** All storm drainage facilities on each Lot shall conform to the requirements of the master storm drainage system which Declarant has developed or will develop for the Covered Property and to all applicable laws, ordinances and regulations of all governmental agencies and authorities having jurisdiction. Each Owner shall maintain, repair, replace and keep free from debris and obstruction all drainage systems and facilities located on such Owner's Lot. All parking, driveways and loading areas shall be paved and properly graded to assure proper drainage. The Architectural Committee may require, as part of the drainage plan for any Lot, that parking lots or other areas on a Lot be designed to provide storm water retention as provided in the Design Guidelines and the applicable laws, ordinances and regulations of all governmental agencies and authorities having jurisdiction.

**Section 5 - Excavation.** No excavation shall be made except in connection with the construction of an Improvement, and upon completion thereof any exposed openings shall be backfilled and disturbed ground shall be graded, leveled and landscaped.

**Section 6 - Solar Devices.** Solar collectors and other solar energy devices are permitted. All exterior solar energy devices, including, but not limited to, solar panels, collectors and accessories, must be architecturally integrated into the building design, or, if free-standing, must be visually screened from both adjoining Lots and all streets by landscaping or other means acceptable to the Architectural Committee.

**Section 7 - Utility Lines Underground.** All utility lines, pipes and conduits within the Covered Property shall be installed underground and no such utility lines, pipes or conduits or supporting apparatus shall be permitted above ground, except to the extent reasonably necessary to support such underground utilities.

**Section 8 - Traffic and Parking Management Plan.** Owners shall encourage their respective tenants and employees to car pool and to use any available mass transportation in order to minimize traffic congestion, conserve energy and reduce parking congestion.

**Section 9 - Zoning Variances.** No Owner of any Lot within the Covered Property shall seek or obtain a zoning variance or a conditional use permit with regard to his Lot without the prior written approval of Declarant, nor shall any Owner request a rezoning of any portion of the Covered Property without the prior written approval of Declarant.

**Section 10 - Planning Documents.** No subdivision plat or replat of all or any portion of the Covered Property may be submitted to any governmental authorities or recorded unless such plat or replat has first been approved in writing by Declarant. No request for rezoning and no preliminary or final project plan (as those terms are defined in the City's Zoning Ordinance) may be submitted to any governmental authorities for approval without the prior written approval of Declarant.

**Section 11 - Additional Use Restrictions.** Individual Phases of the Covered Property may be subject to such additional use restrictions and/or prohibitions as determined by Declarant from time to time.

## ARTICLE VI ARCHITECTURAL CONTROL

**Section 1 - Appointment of Architectural Committee.** The Project shall have and at all times maintain an Architectural Committee composed of no less than three (3) or more than five (5) individuals who need not be Members. The Declarant shall initially have the right to and does hereby appoint the following four (4) individuals to the Architectural Committee: Doney Leon Woodward, Brent A. Woodward, Jon C. Guss, Robert B. Barker. The Declarant shall retain the right to appoint and remove, augment or replace four (4) members of the Architectural Committee, so long as Declarant or any of such four (4) original members of the Architectural Committee owns at least one (1) acre of land within the Project; provided, however, that Declarant and such four (4) original members of the Architectural Committee may, at their time and at their sole option, transfer this right to the Board by written notice thereof. At such time as Declarant and such four (4) original members of the Architectural Committee owns less than one (1) acre of land within the Project, the right to appoint, remove, augment or replace four (4) members of the Architectural Committee shall automatically transfer to the Board.

**Section 2 - Compliance with Design Guidelines.** All Improvements, including, without limitation, all Improvements constituting Common Facilities, shall be constructed in strict compliance with the requirements of this Declaration and the Design Guidelines as they exist at the time of approval of plans, as hereinafter set forth. The Design Guidelines, which are incorporated by reference in this Declaration, are intended as positive statements of design philosophy to be applied throughout the Covered Property. The Design Guidelines regulate, among other things, the following matters:

(a) **Architectural Design:**

- (1) Lot coverage;
- (2) Material and colors;
- (3) Identification signage;
- (4) Exterior materials, construction, and lighting; and
- (5) Mechanical Equipment.

(b) **Site Accessories:**

- (1) Utilities;
- (2) Street entrances;
- (3) Parking lots and loading areas;
- (4) Signage;
- (5) Security fencing; and
- (6) Outdoor furniture and furnishings.

(c) **Landscape Design:**

- (1) Plant materials;
- (2) Design principles; and
- (3) Maintenance guidelines.

(d) **Storm Drainage:**

- (1) Master Plan; and
- (2) Lot Drainage.

The Architectural Committee shall have the right to modify or supplement the Design Guidelines from time to time in its sole discretion; provided, however, that no modification to the Design Guidelines may result in a provision that contradicts or conflicts with any express provision of this Declaration or is contrary to the general intent or purposes of this Declaration or to the City's Zoning Ordinance; and provided further, that once plans for an Improvement have been approved, subsequent changes in the Design Guidelines shall not affect such prior approval.

**Section 3 - Approval of Plans Required.** No Building or other Improvement shall be erected, placed, installed or permitted to occur or exist on any Lot, nor shall the exterior of any existing Improvements be altered, nor shall any construction be commenced on any Improvements, unless and until plans for such Building or other Improvements have been approved in writing by the Architectural Committee. The obligation to obtain the Architectural Committee's approval of plans is limited to external features of Buildings and other Improvements, and work which is completely within a Building may be

undertaken without such approval. None of the exterior of any Buildings or Improvements shall be metal; instead, the exterior of all Buildings shall be composed of masonry, stone, block, or concrete, but all as approved in accordance herewith and in accordance with the Design Guidelines. The replacement of minor features of Improvements with substantially identical material or the replacement of plants used in landscaping with comparable plants shall also not require the prior approval of the Architectural Committee. The Architectural Committee shall exercise its judgment to see that all Buildings and other Improvements, including, without limitation, landscaping, within the Covered Property are consistent with this Declaration and the Design Guidelines. The actions of the Architectural Committee, through its written approval or disapproval of plans or other information, or with respect to any other matter, shall be conclusive and binding upon the Owner or other party who submitted the plans or other information for approval. All Improvements shall be constructed in accordance with the plans approved by the Architectural Committee.

**Section 4 - Change in Plans.** No material change in any plans or other document required to be approved by the Architectural Committee shall be made, unless and until the proposed change is submitted to and approved by the Architectural Committee.

**Section 5 - Submittal and Approval Procedures.** An Owner or the Owner's representative shall submit materials as required by the Design Guidelines in connection with the consideration of any plans, submittals or applications for approval of Improvements and shall pay such architectural review fees as may be established from time to time by the Architectural Committee in the design Guidelines or otherwise. The Architectural Committee's approval or disapproval of submitted plans shall be within the reasonable discretion of the Architectural Committee, but shall be based upon compliance with this Declaration, the factors set forth in the Design Guidelines and the harmony and compatibility of the submitted plans with other Improvements existing or contemplated within the Covered Property. The Architectural Committee shall not arbitrarily withhold any approval. The Architectural Committee's approval of plans shall be evidenced only by the signature of the Architectural Committee upon the plans so approved or by other written instruments signed by the Architectural Committee. The Architectural Committee may approve or disapprove any submittal, or grant approval subject to specified conditions. The Architectural Committee shall, within the time periods provided for in the Design Guidelines, deliver written notice to the party seeking the approval stating that the approval is granted; that approval is granted subject to conditions and specifying the conditions, which must be consistent with this Declaration, or that approval is denied and specifying the reasons for disapproval. Upon disapproval, the party seeking approval may then modify and resubmit the necessary documents for approval. If the Architectural Committee fails either to approve or disapprove submitted documents, whether an initial submittal or resubmittal, within the time periods provided by the Design Guidelines, the Architectural Committee shall be conclusively deemed to have approved such documents; provided, however, that the lack of express approval shall not waive any express requirement of this Declaration or the Design Guidelines.

**Section 6 - Construction of Improvements.** Upon receipt of approval of plans from the Architectural Committee, the Owner to whom approval is given shall, as soon as reasonable practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of construction or alteration of all approved Improvements. Unless the work is commenced within six (6) months from the date of such approval, or the Owner applies for and obtains an extension of such time period from the Architectural Committee prior to the expiration of such time period, such approval shall automatically be revoked. For purposes of this Declaration, construction shall be deemed to have

commenced on a Building if a building permit has been obtained and a foundation has been poured for the Building. For any other Improvement, construction shall be deemed to have commenced if required building permits have been obtained and any visible work on the Improvements in question has been started. All Improvements shall conform to the plans previously approved by the Architectural Committee. After commencement of construction on any Improvement, the Owner shall diligently pursue the work thereon until completion, subject to reasonable delays for weather, fire, flood, strikes, acts of God and other causes beyond the Owner's control.

Section 7 - Installation of Landscaping. All landscaping for a Lot shall be installed, according to the approved plans, as soon as reasonably practicable following substantial completion of the primary Building on the Lot, and in all events within not more than six (6) months following such substantial completion.

Section 8 - Modification of Lighting. Notwithstanding the Architectural Committee's approval of plans for security or accent lighting, the Architectural Committee reserves the right to require an Owner to redirect, change the illumination level of or change the location of any such lighting which, upon installation, is found to have a tendency to annoy Owners or occupants of other Lots, passersby, or occupants of property adjacent to the Covered Property.

Section 9 - No Engineering Approval. Plans are not approved for engineering design, and by approving such plans neither the Architectural Committee, the members thereof, the Association, the Members, the Board nor Declarant assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans.

Section 10 - Waiver or Variance of Restrictions. To encourage good design, innovation and flexibility, the Architectural Committee may waive or grant a variance of any of the requirements or restrictions contained in the Design Guidelines, in this Article with respect to any Lot, if, in the sole judgment in the Architectural Committee, such waiver or variance would be consistent with the general intent and purposes of this Declaration and would not adversely affect any other Lot or the Covered Property as a whole. Subject always to the provisions of the foregoing sentence, variances may be approved, among other reasons, to correct errors in surveying of lot lines or unintentional mislocation of improvements on a Lot, or where the application of any of the provisions of this Declaration or the Design Guidelines to a particular Lot or any portion thereof would, by reason of unusual circumstances or surroundings, result in undue hardship. Any Owner desiring a waiver or variance shall submit a written request to the Architectural Committee and shall provide all other information and material requested by the Architectural Committee. A waiver or variance may be granted only with the consent of the Architectural Committee and must be evidenced by a written instrument signed by the Architectural Committee. If the Architectural Committee fails to approve or disapprove in writing any request for a waiver or variance within thirty (30) days after receiving all requested information relating to the waiver or variance, the requested waiver or variance shall be deemed denied.

## ARTICLE VII DUTIES AND POWERS OF THE ASSOCIATION

Section 1 - General Duties and Powers of the Association. In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:



(a) enforce the provisions of this Declaration, the Articles and the Bylaws by appropriate means and carry out the obligations of the Association hereunder, including without limitation, the expenditure of funds of the Association, the employment of legal counsel, the commencement of actions, the promulgation of the Association Rules as provided in the Bylaws and Section 2 of this Article, which shall include the establishment of a system of fines or penalties enforceable as Special Assessments;

(b) acquire, maintain and otherwise manage all of the Common Facilities and all facilities, improvements and landscaping thereon, and all personal property acquired by the Association, and maintain all other areas within and in the vicinity of the Covered Property which the Association deems appropriate to maintain or is obligated to maintain, including, without limitation, the private property of various Owners which is situated within the Covered Property, and at the entrances to the Covered Property, and the areas within public streets within and in the vicinity of the Covered Property as provided in this Declaration or pursuant to agreement with the City or other governmental agency or authority;

(c) pay any real and personal property taxes and other charges assessed against the Common Facilities unless the same are separately assessed to the Owners;

(d) obtain, for the benefit of the Common Facilities, all water, gas and electric, refuse collections and other services;

(e) grant easements where necessary for utilities and sewer facilities over the Common Facilities to serve the Covered Property as provided in the Article hereof entitled "Rights in the Common Facilities";

(f) contract for and maintain such policy or policies of insurance as may be required by this Declaration or as the Board deems necessary or desirable in furthering the purposes of and protecting the interest of the Association and its Members;

(g) delegate its powers to committees, officers, or employees as provided in the Bylaws, employ a manager or other persons and contract with independent contractors or managing agents who have professional experience in the management of condominium developments or planned unit developments to perform all or any part of the duties and responsibilities of the Association;

(h) establish and maintain a working capital and contingency fund in an amount to be determined by the Board;

(i) have the duty to maintain architectural control over the property and appoint the Architectural Committee in connection therewith, pursuant to the Article hereof entitled "Architectural Control";

(j) have the power of entry upon any Lot where necessary in connection with construction, maintenance or repair for the benefit of the Common Facilities, or the Owners;

(k) at its sole discretion, provide trash pickup and disposal and snowplowing service for the benefit of the Owners and their Lots;

(l) acquire real property by lease or purchase for offices or other facilities that may be necessary or convenient for the management of the Common Facilities, the administration of the affairs of the Association or for the benefit of the Members;

(m) at its sole discretion, contract for cable television service for the benefit of the Owners who have subscribed for the service;

(n) borrow money as may be needed for the administration of the Association and its functions and to pledge assets of the Association as security for such loan subject to the provisions of the Article hereof entitled "Rights in the Common Facilities" and the Section of this Article entitled "Pledge of Assessment Rights";

(o) negotiate contracts and grant commercial concessions over portions of the Common Facilities, provided that any such contract with an affiliate of Declarant having a term of more than one (1) year shall require the majority vote of the Class A Members;

(p) have the power to establish in cooperation with the City a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association, together with the right to convey or lease, with or without the payment of monetary consideration, all or any portion of the Common Facilities to said district; and

(q) negotiate and enter into contracts with Institutional Mortgagees and mortgage insurers and guarantors as may be necessary or desirable to facilitate the availability of loans secured by Mortgages within the Covered Property.

**Section 2 - Association Rules.** The Board shall also have the power pursuant to the procedures set forth in the Bylaws to adopt, amend, and repeal such rules and regulations as it deems reasonable (the "Association Rules"). The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of the Common Facilities; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be delivered to each Owner in the same manner established in this Declaration for the delivering of notices. Upon such delivery, said Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner and Mortgagee upon request. In the event of any conflict between any such Association Rules and any other provisions of this Declaration, the Articles or the Bylaws, the provisions of the Association Rules shall be deemed to be superseded by the provisions of this Declaration, the Articles or the Bylaws to the extent of any such inconsistency.

**Section 3 - Delegation of Powers.** The Association shall have the right according to law, to delegate any of its powers under this Declaration, the Articles and Bylaws, provided, however, no such delegation, whether to a professional management company, the Architectural Committee or otherwise shall relieve the Association of its obligation to perform such delegated duty.

**Section 4 - Pledge of Assessment Rights.** The Association shall have the power to pledge to exercise its Assessment powers to obtain funds to repay a debt of the Association; provided, however, any such

pledge shall require the prior affirmative vote of not less than seventy-five percent (75%) of the Class A Members. The Association may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, the Association may exercise all of its rights, including, without limitation, the right to foreclose its lien, pursuant to the Article hereof entitled "Nonpayment of Assessments".

## ARTICLE VIII REPAIR AND MAINTENANCE

Section 1 - Repair and Maintenance by Association. Without limiting the generality of the statement of duties and powers contained in this Declaration, the Association shall have the duty to accomplish the following upon the Lots, Common Facilities or other land within and about the Project in such manner and at such times as the Board shall prescribe:

- (a) maintain the Common Facilities in a clean, safe, attractive, and first-class condition at all times, and maintain all other areas within and in the vicinity of the Covered Property which the Association deems appropriate to maintain or is obligated to maintain in a clean, safe, attractive, and first-class condition at all times, including, without limitation, the private property of various Owners which is situated within the Covered Property and at the entrances to the Covered Property;
- (b) repair, restore, replace and make necessary improvements to the Common Facilities;
- (c) maintain all drainage facilities and easements which constitute Common Facilities in accordance with the requirements of any applicable flood control district;
- (d) cause the appropriate public utility to maintain any utility easements located within the Common Facilities;
- (e) maintain the access easement referred to in Article I, Section 10(c) hereof; and
- (f) maintain all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote of two-thirds (2/3) of the Members.

Section 2 - Repair and Maintenance by Owner. Every owner shall:

- (a) maintain his Lot and all Improvements located thereon in a clean, safe, attractive and first-class condition at all times; and
- (b) repair any structural or visible defects or damages to Improvements, keep the exterior of Buildings and other structures on his Lot in good condition and painted as required, keep his Lot free from weeds, trash and debris, and keep all signs and lighting clean and functional.

Section 3 - Standards for Maintenance and Construction.

(a) Maintenance of the exterior of Buildings and Improvements shall be accomplished in accordance with the Design Guidelines and, if required by the Design Guidelines, only after approval of the Architectural Committee; and

(b) Throughout the period of construction upon a Lot, the Owner of such Lot shall keep the Lot and all streets used by construction equipment or trucks in clean and safe condition, shall remove daily all trash, rubbish, debris, mud and dirt therefrom, shall take all measures necessary or appropriate to control dust, blowing sand and erosion, whether by wind or water, on the Lot and shall so conduct all such construction so as not to interfere with free and ready access to existing Buildings and neighboring Lots.

**Section 4 - Right of Association to Maintain and Install.** In the event any Owner fails to maintain the exterior of his Building or his Lot or the Improvements thereon, or to install and thereafter maintain landscaping on his Lot in accordance with the Section entitled "Installation of Landscaping" in the Article hereof entitled "Architectural Control", the Association may cause such maintenance and installation to be accomplished as hereinafter set forth.

(a) Upon finding by the Board of a deficiency in such maintenance or installation, the Board shall give notice of deficiency to the responsible Owner which shall briefly describe the deficiency and set a date for hearing before the Board or a committee selected by the Board for such purpose. The Board may delegate its power under this Subsection to a duly appointed committee of the Association.

(b) Such hearing shall be held not less than ten (10) nor more than thirty (30) days from the date of said notice.

(c) Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt and which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine adverse witnesses. If the Board or any such committee renders a decision against the responsible Owner, it shall further set a date by which the deficiency is to be corrected by the responsible Owner. A decision of such committee may be appealed by the Board, but a decision of the Board shall be final.

(d) If the deficiency continues to exist after the time limitation imposed by a final decision of the Board or any such committee, the Board or such committee may cause such maintenance or installation to be accomplished.

(e) In the event the Board or such committee elects to cause such maintenance or installation to be accomplished, the following shall apply:

(i) The responsible Owner shall have no more than ten (10) days following the receipt of written notice of such election from the Board or such committee to select a day or days upon which such maintenance or installation work shall be accomplished.

(ii) The date which said Owner selects shall be not less than fifteen (15) days nor more than forty-five (45) days following the last day of said ten (10) day period;

(iii) If said Owner does not select such day or days within said ten (10) day period, the Board or such committee may select a day or days upon which such work may be accomplished which shall be not less than twenty-five (25) nor more than fifty-five (55) days from the last day of said ten (10) day period; and

(iv) Unless the Owner and the Board otherwise agree, such maintenance or installation shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(f) If the Association pays for all or any portion of such maintenance or installation, such amount shall be a Special Assessment to the affected Owner and Lot.

## ARTICLE IX INSURANCE

Section 1 - Types. The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance:

(a) A comprehensive policy of public liability insurance covering the Common Facilities with a limit of not less than One Million Dollars (\$1,000,000) for claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for nonowned and hired automobiles and liability for property of others, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Covered Property, shall specifically name Declarant as an "additional insured," and shall contain a "severability of interest" endorsement or the equivalent which shall preclude the insurer from denying the claim of an Owner because of negligent acts or omissions of the Association or other Owners;

(b) A policy of fire and casualty insurance with extended coverage for the full replacement value of the Common Facilities (including all building service equipment and the like), without deduction for depreciation, with an "agreed amount endorsement" or its equivalent and clauses waiving subrogation against Members and the Association and persons upon the Covered Property with the permission of a Member, such insurance to afford protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as shall customarily be covered with respect to similar planned unit developments in the area of the Covered Property.

(c) Fidelity coverage against dishonest acts on the part of directors, officers, employees or volunteers who handle or who are responsible to handle the funds of the Association, and such fidelity bonds shall name the Association as obligee, shall be written in an amount equal to one hundred fifty percent (150%) of the estimated annual operating expenses of the Association, including reserves, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation or from any definition of "employee" or similar expression.

Section 2 - Waiver By Members. As to each of said policies which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, the

Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 3 - Other Insurance: Annual Review. The Association may purchase such other insurance as it may deem necessary, including, but not limited to, plate-glass insurance, workmen's compensation, officers' and directors' liability, and errors and omission insurance. The Board shall annually determine whether the amounts and types of insurance it has obtained provide adequate coverage for the Common Facilities in light of increased construction costs, inflation, practice in the area in which the Covered Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 4 - Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall be a Common Expense to be included in the Regular Assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article hereof entitled "Destruction of Improvements." The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) trustees of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on the Association and the Members.

#### ARTICLE X DESTRUCTION OF IMPROVEMENTS

In the event of partial or total destruction of Improvements upon the Common Facilities, it shall be the duty of the Association to restore and repair the same to its former condition as promptly as practical. The proceeds of any insurance maintained pursuant hereto shall be used for such purpose, subject to the prior rights of Mortgagees whose interest may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be insufficient to accomplish such repair or restoration, a Reconstruction Assessment may be levied by the Association to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose. In the event any excess insurance proceeds remain, the Board, in its sole discretion, may retain such sums in the general funds of the Association or distribute pro rata all or a portion thereof to the Members, subject to the prior rights of Mortgagees whose interest may be protected by insurance policies carried by the Association. The rights of an Owner and the Mortgagee of his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot. All amounts collected as Reconstruction Assessments shall only be used for the purposes set forth in this Article and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Such funds shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members.

#### ARTICLE XI EMINENT DOMAIN

The term "taking" as used in this Article shall mean condemnation by eminent domain or sale under threat of condemnation. In the event of a threatened taking of all or any portion of the Common Facilities, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action. Any awards received on account of the taking shall be paid to the Association. In the event of a taking of less than all of the Common Facilities, the rules as to restoration and replacement of the Common Facilities and the improvements thereon shall apply as in the case of destruction of improvements upon the Common Facilities. In the event of a total taking, the Board may in its sole discretion retain any award in the general funds of the Association or distribute pro rata all or a portion thereof to the Members. The rights of an Owner and the Mortgagee of his Lot as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Lot.

## ARTICLE XII RIGHTS IN THE COMMON FACILITIES

Section 1 - Members' Right of Enjoyment. Every Member shall have a nonexclusive easement for use and enjoyment in and to the Common Facilities, and such right shall be appurtenant to and shall pass with the interest required to be an Owner to every Lot, subject to the following provisions:

- (a) The right of the Association to limit the number of guests of Members and to limit the use of the Common Facilities by persons not in possession of a Lot, but owning a portion of the interest in a Lot required for membership.
- (b) The right of the Association to establish reasonable rules and regulations pertaining to the use of the Common Facilities.
- (c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving, replacing, restoring or expanding the Common Facilities or adding new Common Facilities and in aid thereof, to mortgage said property, provided that the prior affirmative vote of a majority of each class of Members has been obtained to mortgage said property, and provided further that the rights of such mortgages shall be subordinated to the rights of the Members. In the event of a default upon any such mortgage of the Common Facilities, the lender's rights thereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment of the Members and, if necessary, to open the enjoyment of the Common Facilities to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Association and all rights of the Members hereunder shall be fully restored.
- (d) The right of the Association subject to the approval rights of Mortgagees pursuant to the Article hereof entitled "Rights of Lenders," to dedicate or transfer all or any part of the Common Facilities to any public agency, authority or utility or other entity for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer, including, without limitation, the conveyance, lease or other transfer of any portion of the Common Facilities to a special tax assessment district or to the City, shall be effective unless approved by a two-thirds (2/3) majority of the Members.

(e) The right of the Association to grant concessions for commercial activities relating to the use and enjoyment of the Common Facilities by the Members, provided that any such contract with an affiliate of Declarant having a term of more than one (1) year shall have the majority vote or written approval of the Class A Members.

(f) The right of the Association to levy a charge for the use of the recreational facilities if any located on the Common Facilities.

(g) The right of the Association to establish, in cooperation with the City, a special assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of the Association, together with the right of the Association to convey, lease or otherwise transfer, subject to the provisions of subsection (d) above, all or any portion of the Common Facilities to said district.

Section 2 - Delegation of Use. Any Member may delegate his right of enjoyment to the Common Facilities to his employees and agents or his tenants who work on his Lot, or to his guests, subject to rules and regulations adopted by the Board.

Section 3 - Waiver of Use. No Member may exempt himself from personal liability for Assessments duly levied by the Association, nor release the Lot owned by him from the liens and charges hereof, by waiver of the use and enjoyment of the Common Facilities, or the abandonment of his Lot.

#### ARTICLE XIII EASEMENTS

Section 1 - Amendment to Eliminate Easements. This Declaration cannot be amended to modify or eliminate the easement granted by Declarant herein without prior written approval of the Association, and any attempt to do so shall have no effect. Any attempt to modify or eliminate this Section shall likewise require the prior written approval of the Association.

Section 2 - Owners' Rights and Duties: Utilities and Cable Television. The rights and duties of the Owners with respect to water, sewer, electricity, gas, telephone, cable television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer, water, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Covered Property, the Owners of any Lot served by said lines or facilities shall have the right, and there is hereby reserved to Declarant, together with the right to grant and transfer the same to Owners, an easement to the full extent necessary therefor, to enter upon the Lots owned by others, or to have utility companies enter upon the Lots owned by others, in or upon which said lines or facilities, or any portion thereof lie, to repair, replace and generally maintain said lines and facilities as and when the same may be necessary as set forth below, provided that such Owner or utility company shall promptly repair any damage to a Lot caused by such entry as promptly as possible after completion of work thereon.

(b) Wherever sanitary sewer, water, electricity, gas, telephone or cable television lines or drainage facilities are installed within the Covered Property, which lines or facilities serve



more than one (1) Lot, the Owner of each Lot served by said lines or facilities shall be entitled to the full use and enjoyment of such portions of said lines or facilities which service his Lot.

(c) The foregoing provisions of this Section shall not be deemed to give any Owner the right to connect to any utility line or facility without first complying with all the requirements of the utility company providing the service in question, including without limitation, the payment of all required connection fees and related charges.

**Section 3 - Utilities.** Easements over the Covered Property for the installation and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities as shown on the recorded subdivision maps of the Covered Property or to be designated by Declarant are hereby reserved by Declarant, together with the right to grant and transfer the same.

**Section 4 - Oil and Mineral Rights.** There is hereby reserved to Declarant, together with the right to grant and transfer the same, all oil, oil rights, minerals, mineral rights, natural gas rights, and other hydrocarbons by whatsoever name known, geothermal steam, and all products derived from any of the foregoing, that may be within or under the Covered Property together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land or any other land, including the right to whipstock or directionally drill and mine from lands other than the Covered Property oil or gas wells, tunnels and shafts into, through or across the subsurface of the Covered Property and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines without, however, the right to drill, mine, store, explore and operate through the surface or the upper 500 feet of the subsurface of the Covered Property.

**Section 5 - Construction and Sales.** There is hereby reserved to Declarant, including, without limitation, its sales agents and representatives and prospective purchasers of Lots together with the right in Declarant to grant and transfer the same, over the Common Facilities as the same may from time to time exist, easements for construction, display and exhibit purposes in connection with the sale of Lots and erection of Improvements within the Covered Property; provided, however, that such use shall not be for a period beyond the sale by Declarant of all Lots within the last Phase to be developed on the Covered Property, and provided further that no such use by Declarant and others shall otherwise restrict the Members in the reasonable use and enjoyment of the Community Facilities.

**Section 6 - Repair and Maintenance.** There is hereby reserved to Declarant, together with the right to grant and transfer the same to the Association, an easement for the purposes as provided in the Article of this Declaration entitled "Repair and Maintenance".

**Section 7 - Common Facilities Easement.** There is hereby granted to the Association, together with the right to grant and transfer the same to the Owners, a nonexclusive easement over the Common Facilities, as more particularly set forth in Article 1, Section 10 hereof.

**Section 8 - Nature of Easements.** Any easements reserved to Declarant herein, when transferred to an Owner or the Association in the same instrument conveying a Lot or Common Facilities to such Owner or the Association, as the case may be, shall be appurtenant to such Owner's interest in said Lot or the Association's interest in the Common Facilities, as applicable.

Section 9 - Transfer of Easements. As to the easements reserved to Declarant, together with the right to grant and transfer the same to Owners, Declarant shall convey said easements to the Owners in the same instrument conveying the interest required to be an Owner by specific description or by reference in said instrument. If such description is not contained in said instrument through inadvertence, mistake or any other cause, such easements shall nevertheless be conveyed to each Owner by such instrument.

**ARTICLE XIV**  
**RIGHTS OF LENDERS**

Section 1 - Filing Notice: Notices and Approvals. A Mortgagee shall not be entitled to receive any notice which this Declaration requires the Association to deliver to Mortgagees unless and until such Mortgagee, or its mortgage servicing contractor, has delivered to the Board a written notice stating that such Mortgagee is the holder of a Mortgage encumbering a Lot within the Covered Property. Such notice need not state which Lot or Lots are encumbered by such Mortgage, but shall state whether such Mortgagee is a First Mortgagee. Wherever the approval of all or a specified percentage of Mortgagees is required pursuant to this Declaration, it shall be deemed to mean the vote or approval of all or a specified percentage only of those Mortgagees which have delivered such notice to the Board. Notwithstanding the foregoing, if any right of a Mortgagee under this Declaration is conditioned on a specific written request to the Association, in addition to having delivered the notice provided in this Section, a Mortgagee must also make such request, either in a separate writing delivered to the Association or in the notice provided above in this Section, in order to be entitled to such right. Except as provided in this Section, a Mortgagee's rights pursuant to this Declaration, including, without limitation, the priority of the lien of Mortgages over the lien of Assessments levied by the Association hereunder shall not be affected by the failure to deliver a notice to the Board. Any notice or request delivered to the Board by a Mortgagee shall remain effective without any further action by such Mortgagee for so long as the facts set forth in such notice or request remain unchanged.

Section 2 - Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein, shall affect, impair, defeat or render invalid the lien or charge of any Mortgage made in good faith and for value encumbering any Lot, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Lot, except as otherwise provided in this Article.

Section 3 - Curing Defaults. A Mortgagee or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale, shall not be obligated to cure any breach of the provisions of this Declaration which occurred before such Mortgagee or transferee acquired title if: (a) such breach is noncurable or of a type which is not practical or feasible to cure, and (b) such Mortgagee did not have notice of such breach at the time Mortgagee acquired its lien or security interest in the Lot or Lots. The determination of the Board made in good faith as to whether a breach is noncurable or not feasible to cure shall be final and binding on all Mortgagees.

Section 4 - Relationship With Assessments Liens.

(a) The lien provided for in the Article hereof entitled "Nonpayment of Assessments" for the payment of Assessments shall be subordinate to the lien of any Mortgage which is recorded prior to the date any such Assessment becomes due.

(b) If any Lot subject to a monetary lien created by any provision hereof shall be subject to the lien of a Mortgage: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such Mortgage; and (2) the foreclosure of the lien of said Mortgage, the acceptance of a deed in lieu of foreclosure of the Mortgage or sale under a power of sale included in such Mortgage (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair the lien hereof, except that any persons who obtain an interest through any of the Events of Foreclosure, and their successors in interest, shall take title free of the lien hereof or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the lien hereof for all said charges that shall accrue subsequent to the Events of Foreclosure.

(c) Any Mortgagee who obtains title to a Lot by reason of any of the Events of Foreclosure, or any purchaser at a private or judicial foreclosure sale, shall take title to such Lot free of any lien or claim for unpaid Assessments against such Lot which accrue prior to the time such Mortgagee or purchaser takes title to the Lot, except for liens or claims for a share of such Assessments resulting from a reallocation of such Assessments to all Lots within the Covered Property.

(d) Nothing in this Section shall be construed to release any Owner from his obligation to pay for any Assessment levied pursuant to this Declaration.

Section 5 - Seventy-Five Percent Vote of Institutional Mortgagees. Except upon the prior written approval of at least seventy-five percent (75%) of Institutional Mortgagees, based on one (1) vote for each First Mortgage held, neither the Association nor the Members shall be entitled to do any of the following:

(a) Dissolve the Association or abandon or terminate the maintenance of the Common Facilities by the Association; or

(b) Amend a material provision of this Declaration, the Bylaws or the Articles, and without limiting the generality of the foregoing, the provisions of this Article or any other rights granted specifically to the Mortgagees pursuant to any other provision of this Declaration; or

(c) Effectuate any decisions to terminate professional management and assume self-management of the Covered Property; or

(d) Abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise encumber the Common Facilities; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Facilities shall not require such approval.

Section 6 - Other Rights of Institutional Mortgagees. Any Institutional Mortgagee, or its mortgage servicing contractor, shall, upon written request to the Association, be entitled to:

and (a) Inspect the books and records of the Association during normal business hours;

(b) Receive the annual audited financial statement of the Association ninety (90) days following the end of the Association's fiscal year; and

(c) Receive written notice of all annual and special meetings of the Members or of the Board, and Institutional Mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give an Institutional Mortgagee the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting; and

(d) Receive written notification from the Association of any default in the performance of the obligations imposed by this Declaration by the Owner whose Lot is encumbered by such Institutional Mortgage, which default has not been cured within sixty (60) days of a request therefor by the Association; provided, however, the Association shall only be obligated to provide such notice to Institutional Mortgagees whose written request therefor to the Association specifies the Lot or Lots to which such request relates.

Section 7 - Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any loan encumbering a Lot.

Section 8 - Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 9 - Voting Rights of Institutional Mortgagees. In the event of a default by the Owner of any Lot in any payment due under the terms of any Institutional Mortgage or the promissory note secured thereby, the Institutional Mortgagee or his representative shall have the right, upon giving written notice to such defaulting Owner and the Association and placing of record a notice of default, to exercise the voting rights of such defaulting Owner attributable to such Lot at any regular or special meeting of the Members held during such time as such default may continue. Any such Owner's voting rights shall be restored to him at such time as such default is cured.

Section 10 - Notice of Destruction or Taking. In the event that any Common Facilities, or any portion thereof, is substantially damaged or is made the subject of any condemnation proceeding in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify any Institutional Mortgagee affected by such destruction, taking or threatened taking. As used herein, "substantially damaged" shall mean exceeding Ten Thousand Dollars (\$10,000). If requested in writing by an Institutional Mortgagee, the Association shall evidence its obligations under this Section in a written agreement in favor of such First Mortgagee.

ARTICLE XV  
REPURCHASE RIGHTS OF DECLARANT

Each Owner who purchases any Lot or Lots within the Covered Property directly from Declarant shall hold such Lot or Lots subject to and shall be deemed hereby to have granted to Declarant the following options and rights:

Section 1 - Right of First Refusal if No Construction and Proposed Lease or Transfer.

(a) If, but only if, any Owner who purchases a Lot or Lots directly from Declarant proposes to lease, sell or otherwise transfer such Lot or Lots or any interest therein to any other person or party whatsoever at any time prior to the time such Owner commences construction of a substantial Building upon such Lot or Lots, such Owner shall first notify Declarant in writing of such Owner's intent to lease, sell or otherwise transfer.

(b) For a period of One Hundred Eighty (180) days after receipt of said written notice, Declarant shall have the right, at its option, to repurchase such Lot or Lots from such Owner upon the terms and conditions hereinafter set forth.

Section 2 - Option to Repurchase if No Construction or Abandonment of Construction.

(a) If, but only if, any Owner who purchases a Lot or Lots directly from Declarant: (i) fails to obtain approval of plans from the Architectural Committee and to commence construction of a substantial Building upon such Lot or Lots within one (1) year after the date the deed or other instrument conveying such Lot or Lots to such Owner is recorded in the office of the County Recorder of the County in which the Covered Property is situated; or (ii) after having commenced said construction, abandons said construction for six (6) months, regardless of the cause or causes of such abandonment, then Declarant shall have the exclusive option to repurchase such Lot or Lots from such Owner upon the terms and conditions hereinafter set forth.

(b) This option shall be exercisable for a period of One Hundred Eighty (180) days commencing, as to subparagraph (a)(i) of this Section, on the date which is one (1) year after the date the deed or other instrument by which Declarant conveyed the Lot or Lots to such Owner was recorded, and commencing, as to subparagraph (a)(ii) of this Section, on the date upon which said construction has been abandoned for six (6) months.

Section 3 - Exercise. Declarant may exercise either the right or option provided above in this Article at any time during the respective exercise periods set forth above in this Article by written notice to such Owner delivered or mailed by registered or certified mail, return receipt requested, to such Owner's address.

Section 4 - Repurchase Price. The repurchase price upon exercise of either the right or option set forth above in this Article shall be the same price at which such Owner purchased the Lot or Lots from Declarant, increased by all real estate taxes paid by such Owner, but decreased by Declarant's original costs of sale including, without limitation, escrow, commission, title insurance and recording costs.

Section 5 - Removal of Improvements. Such Owner shall have the right, within thirty (30) days after notice of exercise of such right or option, to remove any Improvements installed upon the Lot or Lots. Any Improvements not removed upon the expiration of said thirty (30) days shall become the property of Declarant without the payment of further consideration.

**Section 6 - Owner's Covenants.** Each such Owner agrees not to sell or encumber the Lot or Lots so long as the right or option set forth above in this Article remains in force; provided, however, that such Owner may place a Mortgage on such Lot or Lots in good faith to secure a loan or loans, the proceeds of which are used only for the improvement of the Lot or Lots in question, which Mortgage shall be superior to both such right and option in favor of Declarant. If such Owner has mortgaged such Lot or Lots, such Owner shall not remove any Improvements installed upon the respective Lot or Lots upon exercise of the right or option set forth above in this Article.

**Section 7 - Escrow: Closing Date.** Declarant and such Owner shall create an escrow at a title company of Declarant's choice to consummate the repurchase, which escrow shall have a time limit of thirty (30) days and shall commence as soon as possible after notice of given of exercise of the right or option set forth above in this Article.

**Section 8 - Deed: Title Insurance.** If Declarant exercises the right or option set forth above in this Article, such Owner shall convey title to the Lot or Lots in question to Declarant or Declarant's nominee by good and sufficient special warranty deed warranting free and clear title subject only to current taxes and assessments not yet delinquent, matters affecting title existing at the time the deed or other instrument by which such Owner obtained title from Declarant was recorded, matters affecting title which are created, made, assumed, consented to or requested by Declarant, its successors or assigns, and matters other than mechanics and materialman's lien claims which constitute printed exceptions in the standard coverage form American Land Title Association Owner's Policy of Title Insurance. Such Owner shall accompany such deed with an American Land Title Association Standard Coverage Form Policy of Title Insurance in the amount of the repurchase price issued by a title company of Declarant's choice, insuring the fee simple title to the Lot or Lots in question to be vested in Declarant, subject only to the exceptions referred to above in this Section and specifically excluding mechanics' and materialmens' lien claims.

**Section 9 - Possession.** Such Owner shall deliver possession of such Lot or Lots to Declarant as of the time of transfer of the record title.

**Section 10 - Prorations.** All real property taxes and assessments, Assessments under this Declaration and other proratable items shall be prorated as of the date of transfer of record title. Declarant shall pay all recording fees and one-half of all escrow and closing fees and charges. Such Owner shall pay the other one-half of all escrow and closing fees and charges.

**Section 11 - Definitions.** For purposes of this Article, construction shall be deemed to have commenced on a Building, if a Building permit has been obtained and a foundation has been poured for the Building. Also, a Building shall be deemed to be substantial if under the Design Guidelines it is appropriate to the size of the Lot upon which it is being constructed and is not merely an ancillary Building or other insignificant Building construction of which was commenced to avoid the option or right provided by this Article.

**Section 12 - Supersedure.** The provisions of this Article may be superseded in whole or in part as to any Lot by subsequent written agreement between the Owner of such Lot and Declarant.

**ARTICLE XVI  
GENERAL PROVISIONS**

**Section 1 - Supplementary Declarations.** All other provisions of this Declaration to the contrary notwithstanding, Declarant hereby expressly reserves the right, without the consent, approval or vote of the Association, its Members or any Mortgagee, to record such supplementary declarations with respect to individual Phases of the Covered Property or any portion or portions thereof, as Declarant, in its sole discretion deems necessary or desirable. However, to the extent the provisions of such Supplementary Declarations are inconsistent with the provisions of this Declaration, the provisions of this Declaration shall control and supersede the provisions of such Supplementary Declarations.

**Section 2 - Enforcement.** The Association, the City, or any Owner, shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation; provided, however, that with respect to assessment liens and Association Rules, the Association shall have the exclusive right to enforcement thereof. The Association or any Member shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto.

In an effort to protect the community interests associated with the development of this park, Declarant has agreed to grant to the City the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, and reservations of this Declaration or any amendment thereto.

Failure by the Association, Declarant or by any Member to enforce any covenant, condition, or restriction herein contained, or the Articles and the Bylaws, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same covenant, condition or restriction.

**Section 3 - Severability.** Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

**Section 4 - Term.** The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by the Association or any Member, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for a successive period of ten (10) years, unless an instrument, signed by a majority of the then Members has been recorded, at least one (1) year prior to the end of any such period agreeing to change said covenants, conditions and restrictions in whole or in part.

**Section 5 - Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a research and development park and for the maintenance of the Covered Property and the Common Facilities. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

**Section 6 - Amendments.** Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees and/or First Mortgagees pursuant to the Articles hereof entitled

"Rights of Lenders," or otherwise this Declaration may be amended only by the affirmative vote of not less than sixty-six and two-thirds percent (66-2/3%) of the voting power of the Members, and, further, this amendment provision shall not be amended to allow amendments by the vote of less than sixty-six and two-thirds percent (66-2/3%) of the voting power of the Members; provided, however, any amendment or modification of the Articles hereof entitled "Covenant for Maintenance Assessments," "Nonpayment of Assessments," "Architectural Control" and "Repair and Maintenance" shall additionally require the prior written approval of not less than seventy-five percent (75%) of the Class A Members. An amendment or modification shall be effective when executed by the President and Secretary of the Association who shall certify that the amendment or modification has been approved as hereinabove provided, and recorded in the Official Records of Utah County, Utah.

**Section 7 - Singular Includes Plural.** Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine and neuter.

**Section 8 - Nuisance.** The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association or any Member. Such remedy shall be deemed cumulative and not exclusive.

**Section 9 - Attorneys' Fees.** In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment, reasonable attorneys' fees and costs of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Special Assessment with respect to the Lot involved in the action.

**Section 10 - Notices.** Any notice to be given to an Owner or a Mortgagee or mortgage servicing contractor under the provisions of this Declaration shall be in writing and may be delivered as follows:

(a) Notice to an Owner shall be deemed to have been properly delivered when delivered personally or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice or, if no such address shall have been furnished, then to the street address of such Owner's Lot. Any notice so deposited in the mail within Utah County, Utah, shall be deemed delivered forty-eight (48) hours after such deposit. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivery on all such co-Owners.

(b) Notice to a Mortgagee or its mortgage servicing contractor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to the Association by such Mortgagee or such contractor for the purposes of notice.

**Section 11 - Effect of Declaration.** This Declaration is made with the intent to establish a general scheme for the use, occupancy and enjoyment of the Covered Property and each and every Lot and portion thereof. Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.



**Section 12 - Personal Covenant.** To the extent the acceptance of a conveyance of a Lot creates a personal covenant between the Owner of such Lot and Declarant or other Owners, such personal covenant shall terminate and be of no further force or effect from and after the date when a person or entity ceases to be an Owner except to the extent this Declaration may provide otherwise with respect to the payment of money to the Association.

**Section 13 - Nonliability of Officials.** To the fullest extent permitted by law, neither the Board, the Architectural Committee or any other committee of the Association or any member of such Board or committee shall be liable to any Member or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

**Section 14 - Leases.** Any agreement for the leasing or rental of a Lot (hereinafter in this Section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of this Declaration, the Articles, the Bylaws and the Association Rules. Said lease shall further provide that any failure by the lessee thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. Any Owner who shall lease his Lot shall be responsible for assuring compliance by such Owner's lessee with this Declaration, the Articles, Bylaws and Association Rules.

**Section 15 - Construction By Declarant.** Nothing in this Declaration shall limit the right of Declarant and its successors in interest at any time and from time to time to alter the Common Facilities or the Lots, or to construct such additional Improvements as Declarant and its successors in interest deem advisable prior to completion and sale of the entire Phase in which such Lots or Common Facilities are located. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Covered Property such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Covered Property additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Project. Prospective purchasers and Declarant shall have the right to use the Common Facilities for access to the sale facilities of Declarant, and Declarant reserves the right to alter its construction plans and designs as it deems appropriate. Declarant shall exercise its rights contained in this provision in such a way as not to unreasonably interfere with the Members' rights to use and enjoy the Common Facilities and the Lots.

**Section 16 - Assignability of Declarant's Rights.** The rights of Declarant hereunder may be assigned to any successor or successors to all or part of Declarant's respective interest in the Covered Property, by an express assignment incorporated in a recorded deed or lease, as the case may be, transferring such interest to such successor.

IN WITNESS WHEREOF, Declarant has executed this instrument the day and year first herein above-written.

WOODWARD INDUSTRIAL PARK  
ENTERPRISES, L.C.

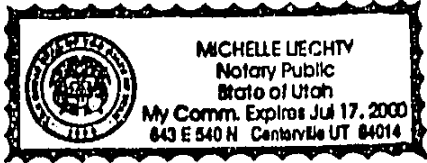
By *Doney Leon Woodward*  
Doney Leon Woodward  
Managing Member

STATE OF UTAH     )  
                  Salt : ss.  
COUNTY OF Lake )

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of December, 1996, by Doney Leon Woodward, a managing member of Woodward Industrial Park Enterprises, L.C., a Utah limited liability company.

*Michelle Leichty*  
NOTARY PUBLIC  
Residing at: Salt Lake City, Utah

My Commission Expires:  
07-17-2000



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BK7569PG1586

The real property described in the attached documents is located in Salt Lake County, Utah, and is more particularly described as follows:

Beginning at a point on the East line of 300 West Street, said point being South 89°55'55" East 534.0 feet and South 0°12'30" East 691.45 feet from the North quarter corner of Section 12, Township 2 South, Range 1 West, Salt Lake Base and Meridian, and running thence North 0°12'30" West 242.00 feet along said East line of 300 West Street; thence East 146.05 feet; thence North 56.01 feet; thence South 88°32'21" East 106.31 feet; thence South 18.64 feet; thence South 86°30'42" East 531.28 feet; thence South 4°18' East 300.49 feet; thence North 80°00' West 17.19 feet; thence South 11°39' East 214.50 feet; thence South 1°40' West 100.00 feet; thence North 79°16'15" West 345.06 feet; thence North 0°42' East 152.88 feet; thence East 64.34 feet; thence North 126.06 feet; thence West 231.45 Feet; thence North 87°24' West 136.13 feet; thence North 13.02 feet; thence West 187.49 feet to the point of beginning.

EXHIBIT "A"

EK7569PG1587

The real property described in the attached documents is located in Salt Lake County, Utah, and is more particularly described as follows:

Road Description:

A 35 foot wide right of way, the centerline of which begins at a point on the Easterly right of way line of 300 West Street, said point being South  $89^{\circ}55'55''$  East 534.00 feet and South  $0^{\circ}12'30''$  East 572.52 feet from the North quarter corner of Section 12, Township 2 South, Range 1 West, Salt Lake Base and Meridian, and running thence East 622.33 feet; thence Southeasterly along the arc of a 49.50 foot radius curve to the right, chord bears South  $45^{\circ}00'$  East 70.004 feet, a distance of 77.75 feet; thence South 185.68 feet; thence Southwesterly along the arc of a 49.50 foot radius curve to the right, chord bears South  $45^{\circ}00'$  West 70.004 feet, a distance of 77.75 feet; thence West 131.56 feet to the end of said right of way.

EXHIBIT "B"

BK 7569PG 1588