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Recorded at
Request of SECURITY TITLE COMPANY.
Fee Paid, JEROMEAN MARTIN
Recorder, Salt Lake County, Utah
Deputy

SECURITY TITLE COMPANY
156224

DECLARATION

OF

COVENANTS, CONDITIONS AND RESTRICTIONS

CONCERNING THE OLD FARM COMMUNITY

PHASE I

THIS DECLARATION, made this 13th day of June, 1974, by RICHARD PROWS, INC. a Utah Corporation (hereinafter called "the Developer").

RECITALS

1. Upon the recording of this Declaration there is also being recorded a "Declaration of Condominium of Lexington Village at Old Farm, a Prowswood Open Space Community", and related Record of Survey Map, both of which concerns a certain tract of real property in Salt Lake County, Utah. Said instruments create a condominium project consisting of seventy-seven (77) residential units and certain Common Areas and subject the same to certain covenants, conditions, restrictions, easements, assessments, charges, and liens designed to provide for the preservation of the values and amenities of such Project and for maintenance of certain Common Areas thereof.

2. Developer is the owner of that certain Parcel of real property described in Article II hereof. Said Parcel is contiguous with the real property covered and affected by the aforesaid Declaration of Condominium of Lexington Village at Old Farm. Developer desires to have or create on said Parcel certain Common Properties for the benefit both of Owners of the Condominium Units described on the aforesaid Record of Survey Map and of Owners of interests in other residential Condominium Projects which Developer anticipates will be developed in the vicinity of said Parcel.

3. Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of parks, driveways, exercise paths, playgrounds, open spaces, lakes, recreational amenities and other common facilities; and to the same, desires to subject the real property described in Article II hereof together with such additions as may hereafter be made thereto, as hereinafter provided, and the Condominium Units now or hereafter constructed within the Entire Tract described below to the covenants, conditions, restrictions, easements, charges, assessments, and liens hereinafter set forth, each and all of which is and are for the benefit of a planned community known as "The Old Farm Community" and each Owner thereof.

4. Developer has deemed it desirable for the efficient preservation of the values and amenities in The Old Farm Community to create an entity to which should be delegated and assigned the powers and duties of maintaining and administering the Common Properties, maintaining the Common Areas of all Projects in the Community and administering and enforcing the covenants, conditions and restrictions and collecting and disbursing the assessments and charges hereinafter created.

5. In order to insure the efficient preservation of the values and amenities of each Condominium Project in The Old Farm Community, the Developer also intends to provide a separate management committee for each of the Projects to which shall be delegated and assigned the powers of managing and enforcing and

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administering the covenants, conditions and restrictions set forth in the respective Declarations creating the Projects.

6. Developer anticipates that in the future additional parcels within the Entire Tract hereinafter described will be added to the parcel described in Article II hereof. In such event, Developer desires to have the right to subject such additional Parcels to the terms and provisions of this Declaration.

7. Developer has incorporated under the laws of the State of Utah, as a non-profit corporation, the Old Farm Home Owners Association for the purpose of exercising the functions aforesaid.

NOW, THEREFORE, for the foregoing purposes, Developer makes the following declarations respecting the Parcel described in Article II hereof and the Condominium Projects, and Common Properties now or hereafter contained within the Entire Tract hereinafter mentioned.

ARTICLE I

Definitions

The following terms when used in this Declaration or any Supplemental Declaration, including that portion hereof captioned "RECITALS", unless the context shall prohibit, shall have the following meanings:

1. Declaration shall mean and refer to this Declaration of Covenants, Conditions and Restrictions concerning The Old Farm Community, Phase I.
2. Entire Tract shall mean and refer to the following described tract of land in Salt Lake County, State of Utah, and together with all appurtenances thereto:

Beginning at a point on the South line of 3900 South Street, said point being North 89° 58' 25" West 401.96 feet from the Northeast corner of Lot 10, Block 6, Ten Acre Plat A, Big Field Survey, said Northeast corner of Lot 10, being East 170.25 feet and North 0° 14' 13" East 1729.69 feet; and South 89° 58' 25" East 62.00 feet from the Northeast corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence South 0° 09' 36" West 272.66 feet; thence South 89° 58' 49" East 37.61 feet; thence South 0° 10' 05" West 545.29 feet; thence South 89° 59' 55" East 301.32 feet to the West line of 700 East Street; thence South 0° 14' 13" West along said West line of 700 East Street 1759.13 feet; thence West 1032.62 feet to the East line of Hill Acres Subdivision; thence North 1° 18' West along said East line 257.49 feet to the Northeast corner of said Hill Acres Subdivision; thence North 85° 33' West along the North line of said subdivision 409.35 feet to the East line of 500 East Street; thence North 0° 03' 15" West along said East line of 500 East Street 1141.32 feet to the Northwest corner of Lot 7, of said Block 6, 10 Acre Plat A, Big Field Survey; thence North 89° 59' 30" East along the North line of said Lot 7, 628.89 feet to the Southwest corner of Lot 11, Davis Subdivision; thence North 0° 01' 07" East along the West line of said Lot 11, 313.21 feet to the Northeast corner of Lot 10 of said Davis Subdivision; thence North 89° 58' 53" West along the North line of said Lot 10, 100.00 feet to the Northwest

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corner of said Lot 10; thence North 0° 01' 07" East 100.00 feet to the Southwest corner of Lot 1, of said Davis Subdivision; thence South 89° 58' 53" East along the South line of said Lot 1, 125.00 feet to the Southeast corner of said Lot 1; thence North 0° 01' 07" East 160.111 feet to the South line of Lot 9, of said Block 6, 10 Acre Plat A, Big Field Survey; thence South 89° 58' 28" East along said South line of Lot 9, 104.63 feet to the Southeast corner of said Lot 9; thence North 0° 05' 27" East along the East line of said Lot 9, 300.67 feet; thence South 89° 58' 49" East 287.98 feet; thence North 0° 08' 46" East 272.67 feet to the South line of 3900 South Street; thence South 89° 58' 25" East along said South line 70.52 feet to the point of beginning.

The Parcel described in Article II of this Declaration comprises only a portion of the Entire Tract. A description of the Entire Tract is set forth herein solely for purposes of identification. This Declaration is not intended to create and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon any real property or interests in real property other than:

- (a) The Parcel which in Article II hereof is expressly subjected to the terms of this Declaration;
- (b) Such Parcels as may hereafter be expressly subjected to the terms hereof; and
- (c) Such Condominium Units as may now or hereafter be expressly subjected to the terms hereof.

3. Parcel shall mean and refer to each portion of the Entire Tract which, within 30 years after the date on which this Declaration is recorded in the office of the County Recorder of Salt Lake County, Utah, is separately subjected to the terms of this Declaration with the intention that it shall thereby comprise a portion of the Common Properties. The real property described in Article II of this Declaration constitutes a Parcel.

4. Record of Survey Map or Map shall mean and refer to any Survey Map of a Condominium Project

- (a) Which covers a portion of the Entire Tract;
- (b) Which describes or creates four or more Condominium Units;
- (c) On which or in which an instrument recorded in conjunction therewith there is expressed the intent that the Project created by the Map shall comprise a part of the Old Farm Community; and

(d) Which is recorded in the office of the County Recorder of Salt Lake County, Utah, within 30 years after the date of which this Declaration is so recorded. Recorded concurrently with this Declaration is a Record of Survey Map of "The Lexington Village at Old Farm, a Prowswood Open Space Community", executed and acknowledged by the Developer on the 13th day of June, 1974, and creating 77 Condominium Units.

5. Common Areas and Facilities or the Common Areas shall mean and refer to the Common Areas defined in the Declarations of each Condominium Project in the Old Farm Community.

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6. Condominium Unit or Unit shall mean and refer to one of separately numbered and individually described cubicles of air space described on a Map which is intended to be owned individually, rather than by the Association hereinafter defined.

7. Project or Condominium Project shall mean and refer to the condominium development which is created and covered by a Map and related Declaration within the Entire Tract but excluding the Common Properties. "The Lexington Village at Old Farm" above referred to constitutes a Project.

8. Owner shall mean and refer to the person who is the Owner of record (in the office of the County Recorder of Salt Lake County, Utah) of a fee or an interest in any Unit. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed or trust unless and until such party shall have acquired title pursuant to the foreclosure or any arrangement or proceeding in lieu thereof.

9. Common Properties shall, at any point in time, mean, refer to and consist of the Parcel described in Article II hereof, all improvements on said Parcel, all other Parcels which thereafter have been subjected to the terms of this Declaration, and all improvements on such other Parcels.

10. Undeveloped Land shall at any point in time, mean, refer to, and consist of such portion of the Entire Tract as is then neither included within any Project or any Parcel nor improved with the completed residential structures and related on and off site improvements ordinarily in existence when a tract of land is considered to be fully developed. So long as it is not arbitrary, Developer's determination as to what constitutes the Undeveloped Land shall be conclusive upon all parties.

11. The Old Farm Community or the Community shall, at any point in time, mean, refer to, and consist of all Common Properties and all Projects then in existence.

12. Association shall mean and refer to the Old Farm Home Owners Association, a Utah non-profit corporation.

13. Member shall mean and refer to every Owner who holds membership in the Association.

ARTICLE II

Properties Subject to This Declaration

1. The Parcel which is and shall be held, transferred, occupied, and otherwise dealt with subject to the provisions of this Declaration consists of the following described real property situate in Salt Lake County, State of Utah, to-wit:

Beginning at a point North 89° 58' 25" West 62.00 feet and South 0° 14' 13" West 2577.49 feet and West 913.21 feet and North 175.705 feet and North 60° 00' East 150.81 feet and South 86° 00' East 47.54 feet from the Northeast corner Lot 10, Block 6, 10 Acre Plat "A" Big Field Survey, said point of beginning also being South 599.46 feet and West 568.43 feet from the Northeast corner of Section 6, Township 2 South, Range 1 East, Salt Lake Base and Meridian and running thence North 86° 00' West 37.54 feet; thence North 4° 00' East 5.00 feet; thence South 86° 00' East 37.54 feet; thence South 4° 00' West 5.00 feet to the point of beginning.

EXCLUDING all presently existing or to be constructed or installed gas lines, electrical conduits, telephone lines, and related facilities which are located within the above-described Parcel.

RESERVING UNTO DEVELOPER, however, such easements and rights of ingress and egress over, across, through, and under the above-described Parcel and any improvements now or hereafter constructed thereon as may be reasonably necessary for Developer (in a manner which is reasonable and not inconsistent with the provisions of this Declaration, of any Map, or of any Declaration of Condominium related to a Map): (a) To construct Condominium Project(s) and to improve portions of the property within each Project with such structures and facilities designed for the use and enjoyment of Owners of Units within such Project as Developer may reasonably determine to be appropriate; (b) To improve the above-described Parcel with such structures and facilities (including, but not limited to, exercise paths and arterial roads) as Developer may reasonably determine to be appropriate; (c) To improve Parcels hereafter becoming a part of the Common Properties with such structures and facilities (including but not limited to, social center, pool, tennis courts, exercise paths and arterial roads) as Developer may reasonably determine to be appropriate; and (d) To develop and improve, as Developer may in its sole discretion determine to be appropriate, each and every portion of the Entire Tract, irrespective of whether or not the particular portion developed or improved constitutes or is to constitute a Parcel or a Project. If, pursuant to the foregoing reservations, the above-described Parcel or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the foregoing reservations shall, unless sooner terminated in accordance with their terms expire 30 years after which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

ALSO RESERVING such rights of ingress and egress over any roads comprising a part of the above-described Parcel as may be necessary to enable access to each and every portion of the Entire Tract, irrespective of whether or not the particular portion constitutes or is to constitute a Parcel or a Project.

FURTHER RESERVING unto the Developer (its successors, assigns, tenants and licensees) the perpetual easement to ride horses stabled on the real property hereinafter described (the Stables Property) on, across and through any and all areas of the Parcel known, existing, created, designated,

or referred to as the "exercise paths". In connection with this reservation of easement, it is recognized that a reasonable assessment (mutually agreeable to the Association and the Developer) may be levied by the Association to clean the exercise paths made necessary by the presence of horses thereon. The Stable Property is particularly described as follows:

Beginning at a point at the Southwest corner of Lexington Village at Old Farm Project, said point being South 2576.90 feet and West 985.97 feet from the Northeast corner Lot 10, Block 6, 10 Acre Plat A, Big Field Survey, and running thence West 119.41 feet; thence North 1° 18' West 257.49 feet; thence North 85° 33' West 135.70 feet; thence North 3° 00' West 93.35 feet; thence North 87° 00' East 142.00 feet; thence North 3° 00' West 42.00 feet; thence North 87° 00' East 258.00 feet; thence South 25° 00' East 43.00 feet; thence South 4° 00' West 135.00 feet; thence North 86° 00' West 10.00 feet; thence South 60° 00' West 150.81 feet; thence South 175.705 feet to the point of beginning. Contains 2.171 Acres (the Stables Property).

All of the foregoing is subject to: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authority; all instruments of record which affect the above-described Parcel or any portion thereof including all additions thereto, and also including, without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; and all easements and rights-of-way of record.

ARTICLE III

Membership and Voting Rights In the Association

1. Membership. Every Owner shall be a Member of the Association. Membership in the Association shall be automatic and shall be appurtenant to the Unit in which the Owner has the

necessary interest. Neither membership in the Association nor any of the votes attributable to a membership shall be separated from the Unit to which the same appertain. Until the first to occur of the following events, Developer shall be a Member whether or not it is an Owner:

(a) When Developer ceases to hold an equitable or legal interest or the right to acquire an equitable or legal interest in any Undeveloped Land.

(b) The expiration of 30 years after the date this Declaration is recorded in the office of the County Recorder of Salt Lake County, Utah.

2. Voting Rights. The Association shall have two classes of voting memberships:

Class A. Each Owner, other than the Developer, shall be a Class A Member. Class A Members shall, with respect to each Unit in which the interest required for membership is held, be entitled to one vote for each Unit owned.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to the following votes:

(a) With respect to each Unit in which it holds the interest required for membership in the Association, four votes; and

(b) With respect to each acre of Undeveloped Land in which it holds an equitable or legal ownership interest or the right to acquire an equitable or legal ownership interest, twenty votes. The Class B membership shall automatically cease and be converted to Class A membership on the first to occur of the following events:

(1) When the total number of votes held by all Class A members equals the total number of votes held by the Class B Members;

(2) The expiration of 30 years after the date on which this Declaration is recorded in the office of the County Recorder of Salt Lake County, Utah.

Neither the issuance nor the holding of membership certificates or shares of stock shall be necessary to evidence membership in the Association. However, the Board of Directors is authorized to issue membership certificates if it deems such to be advisable or appropriate.

3. Multiple Ownership. In the event there is more than one Owner of a particular Unit, the vote or votes relating to such Unit shall be exercised as such Owners may determine among themselves. A vote or votes cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote or votes attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the vote or votes attributable to such Unit shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE IV

Property Rights in the Common Properties

1. Members' Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the Common Properties. Such right and easement shall be appurtenant to and shall

pass with title to each Unit and in no event shall be separated therefrom. Such right and easement of enjoyment shall include the right to the non-exclusive use by Members, subject to the reasonable restrictions as hereinafter set forth, of Common Properties for recreation, social, physical needs and desires; and to contribute to the common health, security and happiness of the Members. Any Member may delegate the right and easement of use enjoyment described herein to any tenant, lessee, or contract purchaser who resides on such Member's Unit. Notwithstanding anything to the contrary herein, the Developer as the owner of the Stables Property, its successors, assigns, tenants and licensees, shall have the right to use the Common Properties subject to the provisions of paragraph 3 (e) of this Article.

2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as it has completed improvements thereon and until such time, as in the opinion of the Developer, the Association is able to maintain the same, but notwithstanding any provision herein, the Developer hereby covenants for itself, its successors and assigns, that it shall convey the Common Properties to the Association:

(a) On or before two years from the date on which this Declaration is recorded in the office of the Salt Lake County Recorder, Salt Lake County, Utah, convey to the Association Title to the Parcel described in Article II hereof free and clear of all liens (other than the lien of current general taxes and the lien on any assessments, charges, or taxes imposed by governmental or quasi-governmental authorities); and

(b) That it shall, on or before two years from the date on which each additional Parcel is subjected to the terms of this Declaration, convey to the Association a similar title to such Parcel.

3. Extent of Members' Easements. Member's right and easement of use and enjoyment concerning the Common Properties created hereby shall be subject to the following:

(a) The right of the Developer and the Association as provided in its Articles and By-Laws, to suspend a Member's right to the use and enjoyment of any amenities included in the Common Properties for any period during which an assessment on such Member's Unit remains unpaid and for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Declaration or of any rules or regulations promulgated by the Association;

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Properties;

(c) The right of the County of Salt Lake, and any other governmental or quasi-governmental body having jurisdiction over the Common Properties to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Properties for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service; and

(d) The right of the Developer or the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such municipal, governmental and/or non-commercial purposes and subject to such conditions as may be agreed to by the Developer or by the Members, provided that no such dedication or transfer by the Association shall be effective unless written notice of the proposed agreement and action thereunder is sent to every Member at least thirty (30) days in advance of any action taken unless an instrument signed by

Members entitled to cast two-thirds of the votes of the Membership has been recorded, agreeing to such dedication, transfer, purpose or condition.

(e) The right of the Association to collect reasonable fees from the Developer, its successors and assigns, or directly from tenants and licensees of Developer, for use of the Common Properties resulting from Developer's operation of the Stables Property, such right of use being recognized, provided, however, that no fees shall be charged as such for use by such persons, whether on foot or on horses, of "the exercise paths" within the Common Properties.

(f) The right of the Association to borrow money for the purpose of improving the Common Properties and to mortgage the Common Properties, or any part thereof, to carry out such improvements.

4. Form of Conveyancing. Any deed, lease, mortgage, deed of trust, or other instruments conveying or encumbering title to a Unit shall describe the interest or estate involved substantially as follows:

Unit No. _____ in Building _____
contained within the _____
_____ Condominium Project
as the same is identified in the Map recorded
in Book _____ of Plats at page _____
in the office of the County Recorder of Salt
Lake County, Utah. Together with:

(a) a right of easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Declaration of Condominium; and

(b) A right and easement of use and enjoyment in and to the Common Properties described, and as provided for, in that certain "Declaration of Covenants, Conditions and Restrictions Concerning The Old Farm, Phase I," recorded in Book _____ at page _____, of the said Salt Lake County Recorder's Office.

whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Unit.

ARTICLE V

Covenants for Maintenance Assessment

1. Personal Obligation of Assessments and Lien. Each Owner shall, by acquiring or in any way becoming vested with his interest in a Unit, be deemed to covenant and agree to pay to the Association the monthly and the special assessments described in this Article together with the interest and costs of collection hereinafter provided. All such amounts shall be, constitute, and remain:

(a) A charge and continuing lien upon the Unit with respect to which such assessment is made; and

(b) The personal obligation of the person who is the Owner of the Unit at the time the assessment falls due. No Owner may exempt himself or his Unit from liability for payment of assessments by waiver of his rights concerning the Common Properties or by abandonment of his Unit.

2. Purpose of Assessments. Assessments levied by the

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Association shall be used for the following purposes:

(a) Common Properties. To promote the recreation, health, safety, and welfare of Unit Owners of each Condominium Project, to the extent such matters relate to the Common Properties. The use made by the Association of funds obtained from assessments may include, but not be limited to, the following:

(1) Taxes and insurance on the Common Properties;

(2) Maintenance, repair, and improvement of the Common Properties;

(3) Management and supervision of the Common Properties;

(4) Establishing and funding the reserve to cover major repair or replacement of improvements within the Common Properties; and

(5) Any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or its Articles of Incorporation.

(b) Common Areas of Projects. To promote the recreation, health, safety, and welfare of the Unit Owners of each Condominium Project and in particular for maintenance of the Common Areas of each Condominium Project as set forth in Article VI hereof.

3. Special Assessments. From and after the date set under Section 5 of this Article, the Association may levy special assessments for the purpose of defraying, in whole or in part:

(a) Any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or

(b) The cost of any construction, reconstruction, or unexpectedly required repair or replacement of an improvement or of personal property upon the Common Properties and of the Common Areas of the Projects which the Association is obligated to maintain. Any such special assessment in excess of \$3,000.00 must be assented to by two-thirds of the votes of each class of membership which members present in person or represented by proxy are entitled to cast at a meeting duly called for that purpose. Written notice setting forth the purpose of the meeting shall be sent to all members at least ten (10) but not more than thirty (30) days prior to the meeting date.

4. Quorum Required. The quorum required for any action authorized by Section 3 above shall be as follows: At the first meeting called for the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of each class of membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Section 3) at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting.

5. Monthly Assessment Due Dates. The monthly assessments provided for herein shall commence on the date a deed for the Unit to which such membership is appurtenant is delivered by the Developer to the Member. The first monthly installment shall be made for the balance of the month during which a deed for the Unit is delivered to the Member and shall become due and payable on the date a deed for the Unit is delivered to the Member.

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6. Rate of Assessments. Both monthly and special assessments relating to the Common Properties shall be at a uniform rate as to all Units in the Community, provided, however, that until a Unit has been both fully improved with all utilities installed and occupied for the first time as a residence, the monthly assessment applicable to such Unit shall be 10% of the monthly assessment fixed for other Units. Such assessments relating to the maintenance of the Common Areas of each Condominium Project shall be as set forth in Article VI hereof.

7. Certificate Regarding Payment. Upon the request of any Owner or prospective purchaser or encumbrancer of a Unit, the Association shall issue a certificate stating whether or not all assessments respecting such Unit are current, and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who in good faith rely thereon.

8. Effect of Non-Payment -- Remedies. Any assessment not paid when due shall, together with the interest and the costs of collection hereinafter provided, be, constitute, and remain a continuing lien on the Unit. The person who is the Owner of the Unit at the time the assessment falls due shall be and remain personally liable for payment. Such personal liability shall not pass to the Owner's successors in title unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the date on which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of ten per cent (10%) per annum and the Association may bring an action either against the Owner who is personally liable or to foreclose the lien against the Unit. Any judgment obtained by the Association shall include reasonable attorneys' fees, court costs, and each and every other expense incurred by the Association in enforcing its rights.

9. Collection by Association. It is recognized that in connection with each of the Condominium Projects in the Community there will exist a Management Committee, distinct from the Association, authorized to levy assessments for the purposes of administering the Project. The Management Committee of each Project in the Community shall be, and hereby is, authorized to utilize the Association for the purposes of collecting from the Unit Owners and enforcing liability for the payment of assessments levied pursuant to this Declaration and the enabling Declarations of the Projects of the Community.

10. Subordination of the Lien to Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any first mortgage or mortgages now or hereafter placed upon the Units or any portion thereof subject to assessment. Sale or transfer of such property pursuant to a decree of foreclosure or by strict foreclosure or any other proceeding or deed in lieu of foreclosure, shall relieve such Unit from assessments previously levied, but shall not relieve such Unit from liability for any assessments assessed after such acquisition of title, nor from any lien of any such subsequent assessment.

11. Exempt Property. The following properties subject to this Declaration shall be exempt from the assessments, charges, and lien created herein:

(a) All properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; and

(b) All public utilities easement.

ARTICLE VI

Maintenance of Common Areas of Projects.

1. Extent of Maintenance. In addition to the maintenance of the Common Properties, the Association shall provide maintenance

to the Common Areas and Facilities (Project Maintenance) of each Condominium Project in the Old Farm Community. The Project Maintenance shall include the repair, replacement, or maintenance of the Common Areas and Facilities of the Project. Such maintenance shall not include glass surfaces, inside or exterior. In addition thereto, the Association may provide additional management and maintenance services to each Project in accordance with the contract agreed to by the Board of Directors of the Association and the Management Committee of the Project concerned.

2. Assessment of Project Maintenance Costs. Each of the Projects in the Community shall be maintained by the Association as a separate project for Project Maintenance purposes. Accordingly, the cost of Project Maintenance shall be assessed only against the Owners of the Units within the Project upon which such maintenance is done and shall be added to and become a part of the assessments to which such Owners are subject under Article V hereof and, as a part of such assessments, it shall be a lien against the Unit and payable in all respects as provided in Article V above. The Association shall keep a separate record relating to each Project for Project Maintenance purposes. In making assessments for Project Maintenance, whether monthly, special, or both, the Association shall allocate such assessments among the Owners in each Project in accordance with their percentage of ownership in the Common Areas established by its Declaration. The costs of such separate accounting shall be chargeable to the respective Project as a part of the administration expenses of the Association.

3. Access at Reasonable Hours. For the purpose solely of performing the Project Maintenance required by this Article, the Association, through its duly authorized employees or Manager shall have the right, after reasonable notice to the Owner, to enter upon any Unit or exterior of any condominium building at reasonable hours on any day except Sunday.

4. Maintenance of Common Properties and Common Areas. The Association shall provide for such maintenance and operation of the Common Properties and the Common Areas as may be necessary or desirable to make them appropriately usable by the Owners and to keep them clean, functional, attractive, and generally in good condition and repair.

5. Right of Delegation to Manager. The association may carry out any of its functions which are capable of delegation through a manager. The manager so engaged shall be responsible for managing the Common Properties as well as performing the Project Maintenance of the Projects in the Community and shall, to the extent permitted by law and the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

ARTICLE VII

Insurance

1. The Association shall secure and at all times maintain the following insurance coverages:

(a) A policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of all improvements comprising a part of the Common Properties. The name of the insured under each such policy shall be in form and substance similar to: "The Old Farm Home Owner's Association for the use and benefit of the individual Unit Owners and mortgagees as their interests may appear."

(b) A policy or policies insuring the Owners, the Association, and its directors, officers, agents and employees against any liability incident to the ownership, use, or operation of the Common Properties which may arise among themselves, to the

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public, and to any invitees or tenants of the Developer or of the Owners. Limits of liabilities under such insurance shall not be less than \$100,000 for any one person injured, \$300,000 for all persons injured in any one accident, and \$25,000 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced.

The following additional provisions shall also apply with respect to insurance:

- (a) In addition to the insurance described above, the Association shall secure and at all times maintain insurance against all risks as are or hereafter may be customarily insured against in connection with developments similar to the Common Properties and construction, nature and use, and for the Project Maintenance of each Condominium Project as above-mentioned in Article VI.
- (b) All policies shall be written by a company holding a rating of "AA" or better from the Best Insurance Reports.
- (c) The Association shall have the authority to adjust losses.
- (d) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their mortgagees.
- (e) Each policy of insurance obtained by the Association shall, if reasonably possible, provide: a waiver of the insurer's subrogation rights with respect to the Association, the Owners, and their respective directors, officers, agents, employees, invitees, and tenants; that it cannot be canceled, suspended, or invalidated, due to the conduct of any particular Owner or Owners; that it cannot be canceled, suspended, or invalidated, due to the conduct of the Association or of any director, officer, agent, or employees of the Association without the prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Owners.

ARTICLE VIII

Use Restrictions

1. Use of Common Properties. The Common Properties shall be used only in a manner consistent with their community nature. No admission fees, charges for use, leases, or other income generating arrangement of any type shall be employed or entered into by the Association with respect to any portion of the Common Properties except as specifically mentioned in Article IV, paragraph 3 above.

2. Exception for Developer. Notwithstanding the restrictions contained in Section 1 above, for the 30 year period following the date on which this Declaration is recorded in the office of the County Recorder of Salt Lake County, Utah, Developer shall have the right to use any part of the Common Properties reasonably necessary or appropriate in furtherance of any construction, marketing, sales, management, promotional, or other activities designed to accomplish or facilitate creation and improvement of each and every part of the development and sale of all Units owned by Developer.

ARTICLE IX

Expansion of Development

1. Additions to Common Properties. The Common Properties may be expanded by Developer's recordation of an instrument:

- (a) Which describes the additional Parcel concerned;
- (b) Which describes, in general, the improvements, if any, situated or to be situated on such Parcel; and
- (c) In which is specifically expressed intention that such Parcel shall comprise a portion of the Common Properties. The instrument accomplishing the foregoing may be a Map, a Declaration of Condominium related to a Map, or other instrument. From and after the recordation of such an instrument, the Common Properties shall include the Parcel involved and all improvements located thereon and thereafter such Parcel shall be subject to all of the provisions of this Declaration.

2. Addition of Projects. The development may be expanded by Developer's recordation of a Map on which or in an instrument recorded in conjunction therewith there is specifically expressed the intention that the Project created by the Map shall comprise a part of the Community. From and after the recordation of such a Map the development shall include the Project involved and thereafter the Project and all Units contained therein shall be subject to all provisions of this Declaration.

3. Limitation. The right to expand the development through the addition of Parcels or Projects shall be limited as follows:

- (a) The Parcel or Project involved must be contained within the Entire Tract;
- (b) The nature and total number of Units included in all Projects must be such that the total number of Units intended therefor does not exceed 900 Units; and
- (c) Any instrument addition a Parcel or a Project to the development must be recorded in the Office of the County Recorder of Salt Lake County, Utah, within 30 years after the date on which this Declaration is so recorded.

4. No Obligation to Develop. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Developer any obligation respecting, or to restrict Developer in any way with regard to:

- (a) The submission of any portion of the Entire Tract to the provisions of this Declaration;
- (b) The creation, construction, or addition to the development of any Common Properties or Project;
- (c) The carrying out in any particular way or within any particular time of any developmental activities which may be undertaken; and
- (d) The taking of any particular action with respect to the Entire Tract, the development, any Parcel, or any Project.

5. Required Method of Development. The Common Properties on the Parcel described in Article II hereof consists only of open spaces and roadways and will consist of such structures and facilities as Developer may reasonably deem to be appropriate. Developer intends and hereby obligates itself:

(a) To substantially complete construction of any improvements thereon within two years after the date on which this Declaration is recorded;

(b) To substantially complete construction of the improvements to be situated on any additional Parcel within two years after the date of recordation of the instrument which adds the Parcel concerned to the Common Properties;

(c) To conduct development of the Entire Tract in such a manner that the ability to use and enjoy the development as it exists at any point in time shall not be dependent upon the inclusion of any additional Parcel or Project; and

(d) To design any Common Properties in such a way that they are architecturally compatible with the development it previously existed and to construct the same in a good and workmanlike manner.

6. Developer's Right to Amend. Until all portions of the Entire Tract are included in the development, or until the right to enlarge the development through the addition of Parcels or Projects terminates, which ever event first occurs, Developer shall have, and is hereby vested with, the right to unilaterally amend this Declaration as may be reasonably necessary or desirable:

(a) To more accurately express the intent of any provision of this Declaration in light of then existing circumstances or information;

(b) To better insure, in light of then existing circumstances or information, workability of the arrangement which is contemplated by this Declaration; or

(c) To facilitate the practical, technical, administrative, or functional integration of any additional Parcel or Project into the development.

ARTICLE X

General Provisions

1. Duration. Except where permanent easements or other permanent rights or interests are herein created, the covenants, conditions and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Unit subject to this Declaration, his respective legal representatives, heirs, successors and assigns, for a period of twenty (20) years from the date of recordation of this Declaration, at which said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of a majority of the Units has been recorded, agreeing to change said covenants in whole or in part. No such agreement or change shall be effective unless made and recorded thirty (30) days in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every Member at least sixty (60) days in advance of any action taken and no such agreement to change shall be effective with respect to any permanent rights or interests relating to the Common Properties or community facilities herein created.

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2. Notices. Any notice required to be sent to any Member, Owner, or mortgagee under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last know address of the person who appears as Member, Owner, or mortgagee on the records of the Association at the time of such mailing.

3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and the failure of the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

4. Rules and Regulations. The Association shall have authority to promulgate and enforce such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions.

5. Amendment. Subject to the provisions of Article IX, Section 6 above, any amendment to this Declaration shall require:

(a) The affirmative vote of at least two-thirds of all Class A Membership votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose; and so long as Class B memberships exist, (b) The written consent of Developer. Written notice setting forth the purpose of the meeting and the substance of the amendments proposed shall be sent to all members at least seven (7) but not more than thirty (30) days prior to the meeting date. The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty per cent (60%) of all the votes of the Class A membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in the foregoing portion of this Section 5) at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the immediately preceding meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of an instrument executed by the Association (and by the Developer if the Class B membership then exists.) In such instrument an officer or director of the Association shall certify that the vote required by the Section for amendment has occurred.

6. Mortgagee Protection. The lien for unpaid assessments provided for under Article V shall be subordinate to any first mortgage (or trust deed) affecting a Unit, but only to the extent of assessments which become due prior to foreclosure of the mortgage, exercise of a power of sale available thereunder, or deed or assignment in lieu of foreclosure.

Unless all holders of first mortgages (or trust deeds) on the individual Units have given their prior written approval, neither the Association nor any other party shall be entitled to:

- (a) Partition or subdivide the Common Properties;
- (b) Dedicate or transfer any part of the Common Properties other than roadways included therein; or
- (c) By act or omission seek to abandon or materially alter the arrangement which is established by this Declaration.

7. Assignability of Developer's Rights. All or any portion of the rights of Developer under this Declaration or in any way

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relating to the Entire Tract, the development, or the Common Properties may be assigned.

8. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof. This Declaration has been prepared in conjunction with that certain "Declaration of Condominium of Lexington Village" recorded concurrently herewith and should be read and construed in light of that fact and liberally so as to effect all of the purposes both instruments.

9. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Developer, all parties who hereafter acquire any interest in a Unit, in a Parcel, or in the development, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units, in all Projects, in all Parcels, and in the development shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration. By acquiring any interest in a Unit, in a Project, in a Parcel, or in the development, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

10. Effective Date. This Declaration and any amendment hereof shall take effect upon its being recorded in the office of the County Recorder of Salt Lake County, Utah.

EXECUTED on the date and year aforesaid.

Attest:


RICHARD PROWS, INC.

By Richard S. Prows
Richard S. Prows, President

Mas Yano
MAS YANO Secretary

STATE OF UTAH)
) : ss
County of Salt Lake)

On the 13th day of June, 1974, personally appeared before me RICHARD S. PROWS and MAS YANO, who being by me duly sworn, did say that they are the President and Secretary, respectively, of RICHARD PROWS, INC., a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said RICHARD S. PROWS and MAS YANO duly acknowledged to me that said corporation executed the same.

My commission expires: June 1977


E. Vincent Clayton
Notary Public, Residing
At: S.L. County

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