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R. Glen Woods
3770 Howard Hughes Parkway, Suite 300
Las Vegas, Nevada 89109

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DIXIE B MATHESON - IRON COUNTY RECORDER
1992 FEB 14 16:03 PM FEE \$12.50 BY PT
REQUEST: SECURITY TITLE CO OF SO UTAH

**DECLARATION OF
EASEMENTS, COVENANTS AND RESTRICTIONS**

THIS DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS (the "Declaration") is entered into as of the 13rd day of February, 1992, between WESTERN ELECTROCHEMICAL COMPANY, a Delaware corporation ("WECCO"), whose address is 10622 West, 6400 North, Cedar City, Utah 84720, and AMERICAN AZIDE CORPORATION, a Nevada corporation ("AAC"), whose address is 3770 Howard Hughes Parkway, Suite 300, Las Vegas, Nevada 89109.

RECITALS:

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

50' ROAD R/W FROM EXISTING COUNTY ROAD TO THE AMERICAN AZIDE PROPERTY (0.665 ACRES)

Beginning at the S 1/4 corner of Section 35, T34S, R13W, 11M; thence N 89°33'26" W, 556.11 ft along the section line to the center line of an existing county road; thence N 42°20'21" W, 68.13 ft; thence S 89°33'26" E, 603.20 ft; thence S 1°22'47" W, 50.01 ft along the 1/4 section line to the point of beginning.

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

Township 34 South, Range 13 West, 11M&M
Section 35: SE 1/4
TOTAL ACRES: 160.00, more or less

SUBJECT to easements, conditions, restrictions and encumbrances of record.

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

SECURITY TITLE COMPANY

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C. The parties hereto desire to establish a certain right-of-way and easement upon the Burdened Parcel in favor of the Benefitted Parcel, and certain covenants and restrictions in connection herewith, as more particularly set forth herein.

AGREEMENT:

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

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

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

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

2. Right-of-Way and Easement. Each and every portion of the Benefitted Parcel shall have appurtenant thereto and shall be benefitted by, and the Burdened Parcel shall be subject to and shall be burdened by, a perpetual, nonexclusive right-of-way and easement for vehicular and pedestrian ingress and egress on, over and across the construction of roads, including asphalt surfaces, across the Burdened Parcel. The Owner of the Benefitted Parcel shall have the right to enter upon any portion of the Burdened Parcel as may be necessary of appropriate in order to accomplish the construction, installation, inspection or maintenance of such roads and surfaces.

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

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

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

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

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

6.2 Covenants Run with Land; Various Events.

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

upon any Owner whose title is acquired by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise.

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

6.2.3 Effect of Breach. No breach of this Declaration shall (a) entitle any Owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such Owner may have hereunder by reason of any such breach; or (b) defeat or render invalid the lien of any mortgage, deed of trust or other similar instrument made in good faith and for value as to either or both of the Parcels.

6.2.4 No Merger. The ownership of both Parcels by the same person shall not result in the termination of this Declaration.

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

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

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prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration.

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

WECCQ:

WESTERN ELECTROCHEMICAL COMPANY
a Delaware corporation

By: *Fred D. Gibson, Jr.*

AAC:


AMERICAN AZIDE CORPORATION
a Nevada corporation

By: *Fred D. Gibson, Jr.*

STATE OF NEVADA)
 : ss.
COUNTY OF CLARK)

The foregoing instrument was acknowledged before me this 13th day of February, 1992, by Fred D. Gibson, Jr., the Chairman and Chief Executive Officer of Western Electrochemical Company, a Delaware corporation.

Deanna P. Riccardi
NOTARY PUBLIC

 **NOTARY PUBLIC**
STATE OF NEVADA
County of Clark
Deanna P. Riccardi
My Appointment Expires Oct. 18, 1993

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STATE OF NEVADA)
 : ss.
COUNTY OF CLARK)

The foregoing instrument was acknowledged before me this
13th day of February, 1992, by Fred D. Gibson, Jr., the President
of American Azide Corporation, a Nevada corporation.

Deanna P. Riccardi
NOTARY PUBLIC



NOTARY PUBLIC
STATE OF NEVADA
County of Clark
Deanna P. Riccardi
My Appointment Expires Oct. 10, 1993

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