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03/08/94 4:33 PM 14.00
KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
ASSOCIATED TITLE
REC BY: K BLANCHARD DEPUTY - WI

WATTS CORPORATION
5209 South Highland Drive
Salt Lake City, UT 84117

5759256

NOTICE OF RESERVED RIGHT TO ACT AS GENERAL CONTRACTOR

TO WHOM IT MAY CONCERN:

Notice is hereby given that in partial consideration of and as a condition precedent to its agreement to sell the real property described hereinbelow (the "Real Property"), WATTS 89, INC., a Utah Corporation has reserved unto its designee Watts Corporation, a Utah Corporation (herein "Watts"), the sole and exclusive right to act as general contractor on behalf of Owner in the construction of a single family residence upon the Real Property described hereinbelow (the "Reserved Right").

The Real Property to which this reservation applies is located in Salt Lake City, State of Utah, and is more particularly described, as follows, to wit:

See EXHIBIT "A" attached hereto.

The owners of such Real Property, including but not limited to their successors, assigns, personal representatives, heirs and devisees are collectively referred to herein as "Owner."

The reservation and right contained herein is in addition to those restrictions, covenants and conditions imposed upon the Real Property and Owner by virtue of that certain Declaration of Covenants, Conditions, and Restrictions of the Forest Creek P.U.D. Subdivision dated January 13, 1994, recorded January 28, 1994, as entry #5725397, beginning at Book 686, Page 864 of the official records of the Salt Lake Recorder (the "Declaration"). Nothing herein shall excuse the Owner from complying with the terms and conditions of the Declaration.

Owner covenants and agrees by accepting title to the Real Property that Watts (herein the "Contractor") shall be designated as Owner's contractor for the construction of a single family residence upon the real property, such residence to be constructed according to the wishes and desires of the Owner, subject only to the requirements of the Declaration and applicable governmental requirements. In the event that Owner and Contractor are unable to agree in writing upon mutually acceptable terms for the construction of a single family residence upon the Real Property, Contractor shall either have the right to waive its right to act as general contractor for the construction of a single family residence or in the alternative to purchase from Owner the Real Property at "Fair Market Value." Notwithstanding the foregoing, Contractor's fee shall be equal to twelve percent (12%) of all costs of construction (excluding the cost of the lot) with the percentage rate of such fee to be subject to negotiation after the expiration of five years from the date hereof. "Fair Market Value" shall be determined by the mutual agreement of the parties, or if no agreement can be reached by appraisal. In the event Fair Market Value is to be determined by appraisal, Owner and Contractor shall each obtain, at each parties sole cost and expense, an appraisal of the Real Property. In the event that the two appraisers cannot agree upon the value of the Real Property, such appraisers shall select a third appraiser whose determination of the Fair Market Value of the Real Property shall be binding upon the parties and the cost of such appraisal shall be shared equally by Owner and Contractor. All other terms of the sale and purchase shall be those contained in the Utah approved Earnest Money Receipt and Offer to Purchase Form then in existence, except that the purchase price shall be payable in cash at closing and closing shall occur within thirty (30) days of the determination of Fair Market Value.

COURTESY RECORDING

This document is being recorded solely as a courtesy and an accommodation to the parties named therein. Associated Title Company hereby expressly disclaims any responsibility or liability for the accuracy or the content thereof.

BK 6889 PG 0817

Owner acknowledges that as a further condition to the sale of the Real Property, WATTS 89, INC. has required that Owner retain a licensed architect, reasonably acceptable to WATTS 89, INC. and/or Watts, to design a residence upon the Real Property. Owner therefore covenants and agrees by accepting title to the Real Property that prior to the construction of a single family residence upon the Real Property, that Owner shall designate a licensed architect for the design of such residence upon the Real Property and shall advise WATTS 89, Inc. and Watts of the identity of such designee in writing. WATTS 89, INC. and/or Watts shall approve such selection within fourteen (14) business days, such approval not to be unreasonably withheld.

The Reserved Right retained by WATTS 89, INC., for the benefit of it and its designee Watts, and all provisions contained herein, 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 WATTS 89, INC. and its designee Watts, and their respective successors and assigns.

Dated this 4 day of MARCH, 1994.

WATTS 89, INC.

Acknowledged by Owner of this Covenants:

By: _____

Its: _____

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 4th day of MARCH, 1994, personally appeared before me GREG R. WATTS, who being by me duly sworn, did say that he is the PRESIDENT of WATTS 89, INC. and that the foregoing instrument was signed in behalf of said Corporation by authority of the Articles of said Corporation, and the said GREG R. WATTS duly acknowledged to me that said Corporation executed the same.

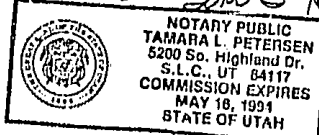
My Commission Expires: 5-16-94

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

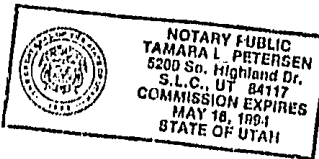
On the 4th day of MARCH, 1994, personally appeared before me KEITH B. RUMNEY the signers of the foregoing instrument, who duly acknowledged to me that he executed the same.

My Commission Expires: 5-16-94

Tamara L. Petersen
Notary Public
Residing at: 5200 S. Highland



Tamara L. Petersen
Notary Public
Residing at: 5200 S. Highland



BK 6889PG0818

EXHIBIT "A"

ALL OF LOT 20 OF FOREST CREEK SUBDIVISION, A PLANNED UNIT DEVELOPMENT, LOCATED IN THE SOUTHWEST CORNER OF SECTION 17, TOWNSHIP 2 SOUTH, RANGE 1 EAST SALT LAKE BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

RK6889PG0819