

BOOK 1214

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*Somerset Homeowners Assoc*  
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CANCEL DEAR PAGE  
DAVIS COUNTY RECORDER  
DEPUTY *[Signature]* FEB 14 1988

**RETURNED**  
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AGREEMENT

THIS AGREEMENT is made and entered into this 19th day of September, 1980, by and between FARMINGTON MEADOWS I LIMITED PARTNERSHIP, a Utah Limited Partnership, FARMINGTON MEADOWS II LIMITED PARTNERSHIP, a Utah Limited Partnership, SOMERSET HOLLOW LIMITED PARTNERSHIP, a Utah Limited Partnership, and SOMERSET HOMEOWNERS' ASSOCIATION, a Utah non-profit corporation (hereinafter the "Association").

RECITALS:

A. Farmington Meadows I Partnership and Farmington Meadows II Partnership, as joint venturers, are the developers of a residential subdivision known as Somerset Farm and located within the boundaries of Farmington City. Said two partnerships are sometimes hereinafter referred to as the "Farm Partnerships".

B. Somerset Hollow Partnership is the developer of a residential subdivision known as Somerset Hollow and located within the boundaries of Farmington City. Said partnership is sometimes hereinafter referred to as the "Hollow Partnership". The Hollow Partnership and Farm Partnerships are sometimes collectively referred to hereinafter as the "Partnerships".

C. The Association is responsible for operation and maintenance of the common areas of Somerset Farm and Somerset Hollow for and on behalf of the lot owners in said subdivisions.

D. A dispute has arisen between the Association, the Farm Partnerships, and the Hollow Partnership with respect to various matters. Said entities, having reached an agreement and settlement with respect thereto, desire to set forth hereinafter the substance and terms of said agreement.

NOW, THEREFORE, for the foregoing purposes and in consideration of the mutual promises made below, the parties hereto agree as follows:

1. The Partnerships will pay, and will be jointly and severally liable to pay, the sum of \$20,000.00 to the Association within two months following the date of this Agreement or upon the closing of any sale of the Farm Partnerships' interest in Somerset Farm or the Hollow Partnership's interest in Somerset Hollow, whichever first occurs.

2. The Partnerships jointly and severally agree to install or cause to be installed in a good and workmanlike manner an additional \$80,000.00 (in actual costs and not including any overhead or expenses of the Partnerships) in common amenities and facilities for the benefit of the Association and its members. The Association will have the sole right to select the location, type, and quantity of such amenities and facilities and will have the right in its sole discretion to approve the bids for such installation (but shall not be bound thereby) and the contractors to accomplish such installation. Such amenities and facilities shall be installed on or before April 30, 1981, weather permitting. Any portion of the \$80,000.00 not expended for such amenities and facilities shall be paid over to the Owners' Association in cash on said date.

3. In conjunction with the execution of this Agreement, good and marketable title to Lot 140 in Somerset Farm shall be

conveyed free and clear of all liens and encumbrances to the Association by the Farm Partnerships.

4. Within two (2) months following the date of this Agreement or upon the sale of the Farm Partnerships' interest in Somerset Farm or the Hollow Partnership's interest in Somerset Hollow, whichever first occurs, the Partnerships will obtain a release (at no cost and expense to the Association or its members) of the mechanic's lien filed by Landpac on the lots and common areas in Somerset Hollow and Somerset Farm, and will otherwise satisfy any obligation of the Association, Envirowest, the Farm Partnerships, the Hollow Partnership, or any other person or entity relating to the common areas of Somerset Farm and/or Somerset Hollow to Landpac. The Partnerships agree to indemnify and hold harmless the Association and its members from any claims of any nature of Landpac arising through any action or failure to act occurring before the date of this Agreement.

5. With respect to the pressurized irrigation system installed in Somerset Farm, the Farm Partnerships acknowledge full responsibility for its installation, maintenance, improvement, repair, and completion, (including moving certain service lines), and to cause it to be turned over to and fully accepted by the Farmington Irrigation District at no cost or expense to the Association or its members. With respect to the pressurized irrigation system installed in Somerset Hollow, the Hollow Partnership acknowledges full responsibility for its installation, maintenance, improvement, repair, and completion, and to cause it to be turned over to and fully accepted by the Farmington Irrigation District at no cost or expense to the Association or its members.

6. At a meeting of the members of the Association called for that purpose, the Partnerships agree to vote all of their votes in the Association in favor of appropriate amendments, resolutions, and/or other documents prepared by the Association to confirm the merger of Somerset Farm and Somerset Hollow into one development to be maintained by the Association.

7. At a meeting of the members of the Association called for that purpose, the Partnerships agree to vote all their votes in the Association in favor of an amendment to the Declaration increasing the regular and special assessments on lots prior to the initiation of home construction to 60% of the assessment on lots which are subject to full assessment, and requiring full assessments to be paid with respect to all lots upon initiation of any home construction thereon. Said amendment with respect to regular assessments is to become effective commencing January 1, 1981, with all fees so increased to be paid currently thereafter. Regular assessments on lots currently owned by the Hollow Partnership and/or the Farm Partnerships for the months of October, November and December of 1980 shall be determined on the basis set forth in the Joint Declaration and shall be paid on a monthly basis to the Association.

8. At a meeting of the members of the Association called for that purpose, the Partnerships agree to vote all their votes in the Association in favor of amendments to the Declaration: (i) abolishing the Class B membership and reducing to one (1) the number of votes associated with any lot in Somerset Farm or Somerset Hollow; (ii) suspending the voting rights of any member who is 60 days or more in the arrears in paying any regular or special assessments; and (iii) increasing the architectural control fee to \$500.00.

9. The Farm Partnerships agree to return (to the extent it, its agents, or affiliates received) to the Association the architectural control fee paid by any current or former member of the Association who owns or owned a lot in Somerset Farm. The Association will thereafter be responsible for refunding any amounts due such member upon completion of construction and in accordance with the provisions of the Joint Declaration. The Hollow Partnership agrees to return (to the extent it, its agents, or affiliates received) to the Association the architectural control fee paid by any current or former member of the Association who owns or owned a lot in Somerset Hollow. The Association will thereafter be responsible for refunding any amounts due such member upon completion of construction and in accordance with the provisions of the Joint Declaration.

10. This Agreement shall be effective on the day and year first above written; provided, however, that all rights and obligations hereunder shall become null and void if this Agreement is not approved by a majority of the Class A membership of the Association and unless two-thirds (2/3) of such Class A membership vote to amend the Joint Declaration respecting Somerset Hollow and Somerset Farm to permit expansion of the development to include the lots located in Somerset Farm II and to be located in Somerset Farm III, at a meeting called for such purposes. To the extent (not acknowledged hereby) that the Partnerships are entitled to cast any Class A votes, they agree to cast such votes for approval of this Agreement and for such expansion of the development.

11. In conjunction with the execution of this Agreement, the Hollow Partnership and Farm Partnerships shall convey good and marketable title to all common areas in Somerset Farm

and Somerset Hollow to the Association free and clear of all liens and encumbrances. The Partnerships each hereby warrant that all common areas in Somerset Farm and Somerset Hollow are free and clear of liens and encumbrances and the Association's and its members' quiet enjoyment thereof will remain undisturbed by any person or entity claiming by, through or under the Farm Partnerships or the Hollow Partnership.

12. It is understood by the parties hereto that the Association's execution of this Agreement (or a vote in favor of the Agreement by any member of the Association) does not and cannot waive, relinquish, or affect any rights which current, former, or future members of the Association may now have or hereafter have against the Farm Partnerships, the Hollow Partnership, or any other person or entity, or which the Association may now have or hereafter have against any persons or entities other than the Partnership. Upon completion of all obligations of the Partnerships set forth herein, the Association for itself alone acknowledges satisfaction of claims of the Association alone against the Partnerships relating to the specific subject matters of this Agreement.

13. It is understood and agreed by the parties hereto that this Agreement will not affect in any respect any bonds, arrangements in lieu thereof, or agreements for performance by the Farm Partnerships or the Hollow Partnership which were given to or made with the City of Farmington, and such bonds, arrangements, or agreements will remain in place until performance and until released by Farmington City. (Not by way of limiting the obligations under the foregoing sentence, the Farm Partnerships and the Hollow Partnership agree to repair the roads in the development at least to the extent heretofore agreed with Walter

Block of Farmington City.) In addition, this Agreement shall not affect the obligations of the City of Farmington to the Association or any of its members or the rights of the Association and its members with respect to the City of Farmington.

14. As security for performance of the obligations of the Farm Partnerships and the Hollow Partnership set forth in this Agreement, the Partnerships will execute and deliver to the Association the following (in a form satisfactory to the Association's counsel in his sole discretion): (i) Second position Trust Deeds on Lots 60 and 99 in Somerset Farm, and the property for Somerset Farm III, which parcels are subject only to a loan in favor of Walker Bank and Trust Company in the amount not more than \$43,000.00, and second position Trust Deeds on Lots 152 and 154 in Somerset II, which Lots are subject only to a loan from Commercial Security Bank of less than \$34,000.00; (ii) A first position Trust Deed on Lot 67 in Somerset Farm; (iii) A second position Trust Deed (subject only to an \$18,000.00 first position loan) on Lot 145 in Somerset Farm; (iv) First position Trust Deeds on Lots 20, 22, and 28 on Somerset Farm and an assignment of any receivables, contracts, or earnest money agreement relating thereto; (v) An assignment of all accounts receivable, contract rights, or proceeds payable to either of the Farm Partnerships, or their general partners, with a provision that all amounts relating thereto shall be collected into an escrow established by the Association to secure performance of the obligations hereunder; (vi) A Trust Deed encumbering any other lots or real property interests of the Farm Partnerships, or either of them, in and to any portion of or lot in Somerset Farm which is held in the name of the Farm Partnerships, the Hollow Partnership, or their general partners (including such

lots as may be encumbered by the receivable, contracts, or proceeds assigned pursuant to the foregoing Item (v)); (vii) A second position Trust Deed (subject only to a loan of Commercial Security Bank) on all lots in Somerset Hollow owned by the Hollow Partnership, which Trust Deed shall be released on a lot-by-lot basis if all obligations hereunder are current and upon payment of \$2,500.00 into the escrow described below; (viii) An assignment of all accounts receivable, contract rights, or proceeds payable to the Hollow Partnership, or its general partner, with a provision that all amounts relating thereto shall be collected into an escrow established by the Association to secure performance of the obligations hereunder; (ix) A Trust Deed encumbering any other lots or real property interests of the Hollow Partnership in and to any portion of or lot in Somerset Hollow which is held in the name of the Farm Partnerships, the Hollow Partnership, or their general partners (including such lots as may be encumbered by the receivable, contracts, or proceeds assigned pursuant to the foregoing Item (viii)); (x) An assignment of all proceeds realized from the collateral assigned pursuant to the foregoing items (iv), (v), and (viii); and (xi) Such other security which is now or hereafter deemed reasonably necessary by the Association to secure its interest hereunder. The Farm Partnerships and the Hollow Partnership warrant that the security interests in both real and personal property granted to the Association to secure the Partnerships' obligations shall remain in first position(s) with respect to each item of collateral except as expressly stated to be otherwise in the immediate preceding sentence. Any breach of this warranty or any failure or threatened failure by the Partnerships to preserve or protect the collateral, its value, or the Association's interest



therein shall constitute a default under this Agreement. The Association shall establish an escrow which will collect all amounts relating to or paid in connection with the foregoing collateral. Such escrow shall be held as security for the performance of all of the Partnerships' obligations under this Agreement. The Partnerships hereby irrevocably appoint the Association as their agent to collect into such escrow all amounts due or to become due under any of the contracts, receivable, or proceeds assigned as security for the performance of such obligations. Upon satisfaction of all obligations of the Partnerships under this Agreement, the Association shall cause to be released all security held by it for performance of such obligations.

15. Time is the essence hereof. Upon any default under this Agreement by the Farm Partnerships or the Hollow Partnership, all monetary obligations hereunder shall become immediately due and payable. All rights and remedies provided for in this Agreement or afforded by law or equity are distinct and cumulative and may be exercised concurrently, independently, or successively. The failure of the Association to promptly enforce any right hereunder shall not operate as a waiver of such right. In the event of a default hereunder, the Association may pursue any rights and remedies it may have with respect to the security described hereinabove and may retain (in the escrow described in Section 14) all monies obtained from a sale or disposition of such security until satisfaction or completion of all obligations of the Partnerships under this Agreement. Following 30 days after default in any obligation of the Partnerships hereunder, the Association may use any monies held or received into said escrow to accomplish said obligation. In the event of any sale

by the Farm Partnerships or the Hollow Partnership of any of the lots owned by any of them in Somerset Hollow or Somerset Farm, or of other assets owned by them, the Farm Partnerships and Hollow Partnership agree to cause the purchaser of such lots and/or assets to assume, agree to be bound by, and otherwise perform all obligations of the Farm Partnerships and the Hollow Partnership under this Agreement. Such an assumption and agreement by a purchaser, however, shall not relieve the Farm Partnerships and the Hollow Partnership of their obligations hereunder. In conjunction with any such sale, the Farm Partnerships and the Hollow Partnership agree to assign any notes, other accounts receivable or proceeds obtained or due to any of them as a result of such sale to the Association as security for performance of all of such Partnerships' obligations under this Agreement.

16. In the event of a default hereunder by the Farm Partnerships or the Hollow Partnership, each of such Partnerships, jointly and severally, agree to pay to the Association all costs and expenses, including a reasonable attorney's fee, incurred by the Association in enforcing its rights under this Agreement. In addition, the Partnerships each agree to reimburse the Association for two-thirds (2/3) of all attorneys' fees incurred after the date hereof in anyway related to or connected with this Agreement or the effectuation of any terms or provisions herein contained (including, without limitation, amending the Joint Declaration and obtaining approval of this Agreement).

DATED this 19th day of September, 1980.

FARMINGTON MEADOWS I LIMITED  
PARTNERSHIP, a Utah Limited  
Partnership By Its General  
Partner, FARMINGTON MEADOWS I, INC.,  
a Utah corporation

ATTEST:

*Donald C. [Signature]*  
Its Secretary

By

*A. O. [Signature]*  
Its President

FARMINGTON MEADOWS II LIMITED PARTNERSHIP, a Utah Limited Partnership, By Its General Partner, FARMINGTON MEADOWS II, INC. a Utah corporation

ATTEST:

Douglas C. Stephens  
Its Secretary

By A.O. Headman  
Its President

SOMERSET HOLLOW LIMITED PARTNERSHIP, a Utah Limited Partnership, By Its General Partner, SOMERSET HOLLOW, INC., a Utah corporation

ATTEST:

Douglas C. Stephens  
Its Secretary

By A.O. Headman  
Its President

SOMERSET HOMEOWNERS' ASSOCIATION, a Utah non-profit corporation

ATTEST:

Liane J. Riebold  
Its Secretary

By William P. Haver  
Its President

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

On this 19<sup>th</sup> day of September, 1980, personally appeared before me A.O. Headman Jr and Douglas C. Stephens, who being by me duly sworn did say that they are the President and Secretary, respectively of Farmington Meadows I, Inc., a Utah corporation, that said corporation is the General Partner of FARMINGTON MEADOWS I LIMITED PARTNERSHIP, a Utah Limited Partnership, and that the within and foregoing instrument was signed in behalf of said corporation and said Partnership by proper authority and said A.O. Headman Jr. and Douglas C. Stephens duly acknowledged to me that said corporation and said Partnership executed the same.

My Commission Expires:

11-30-80

Robert J. How  
NOTARY PUBLIC  
Residing at: Salt Lake County

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

On this 19<sup>th</sup> day of September, 1980, personally appeared before me A.O. Headman Jr and Douglas C. Stephens, who being by me duly sworn did say that they are the President and Secretary, respectively of Farmington Meadows II, Inc., a Utah corporation, that said corporation is the General Partner of FARMINGTON MEADOWS II LIMITED PARTNERSHIP, a Utah Limited Partnership, and that the within and foregoing instrument was signed in behalf of said corporation and said Partnership by proper authority and said A.O. Headman Jr and Douglas C. Stephens duly acknowledged to me that said corporation and said Partnership executed the same.

My Commission Expires:

11-30-80

Robert J. How  
NOTARY PUBLIC  
Residing at: Salt Lake County

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

On this 19<sup>th</sup> day of September, 1980, personally appeared before me A.O. Headman Jr and Douglas C. Stephens, who being by me duly sworn did say that they are the President and Secretary, respectively of Somerset Hollow, Inc., a Utah corporation, that said corporation is the General Partner of SOMERSET HOLLOW LIMITED PARTNERSHIP, a Utah Limited Partnership, and that the within and foregoing instrument was signed in behalf of said corporation and said Partnership by proper authority and said A.O. Headman Jr. and Douglas C. Stephens duly acknowledged to me that said corporation and said Partnership executed the same.

My Commission Expires:  
11-30-80

Robert A. Shaw  
NOTARY PUBLIC  
Residing at: Salt Lake County

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

On this 19<sup>th</sup> day of September, 1980, personally appeared before me Warren G. Stacey and Diane L. Pickind, who being by me duly sworn did say that they are the President and Secretary, respectively of Somerset Homeowners' Association, a Utah non-profit corporation, and that the within and foregoing instrument was signed in behalf of said corporation by proper authority and said Warren G. Stacey and Diane L. Pickind duly acknowledged to me that said corporation executed the same.

My Commission Expires:  
11-30-80

Robert A. Shaw  
NOTARY PUBLIC  
Residing at: Salt Lake County

EXHIBIT A

PROPERTY DESCRIPTION

913

PARCEL 1 - SOMERSET HOLLOW

That certain parcel of property described by the plat map recorded October 11, 1978 in the records of the County Recorder of Davis County, Utah, as Entry No. 510790 in Book 732 at Page 754.

PARCEL 2 - SOMERSET FARM II

That certain parcel of property described by the plat map recorded December 15, 1978 in the records of the County Recorder of Davis County, Utah, as Entry No. 517748 in Book 744 at Page 654.

PARCEL 3 - SOMERSET FARM III

That certain parcel of property described by the plat map recorded June 2, 1983 in the records of the County Recorder of Davis County, Utah as Entry No. 641672 in Book 944 at Page 706.

08-045 - 0001-0003  
0008 - 0009  
0030 - 0047  
0073-0088, 0091-94  
0095+0096, 0097

08-046 - 0010 - 0013  
0017 - 0029  
0048 - 0075

08-047 - 0030 - 0046  
0047 - 0089  
0092 - 0121 + 0124 ✓

08-048 - 0003 - 0011  
0016 + 0019 - 0029  
0070 - 0091 + 0122 - 0160

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