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RAFIE L. DIXON

Lake County, Utah

Solly Gully Thompson Deputy

Ref. LOS Solvania STC

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS SANDY HIGHLANDS, a Planned Unit Development

THIS DECLARATION, made on the date hereinafter set forth by C. Howard Alvey & Sons, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Sandy City, County of Salt Lake, State of Utah, which is more particularly described as:

Beginning at a point on the east Right of Way line of 1000 East Street said point more specifically described as being N 0° 10'00" E 1533.70 feet and east 33.00 feet from the S⁴4 Corner of Section 32, T.2S., R. 1E., S.L.B. & M., and running thence N 0° 10' 00" E 130.30 feet; thence east 297.00 feet; thence N 0° 10'00" E 331.30 feet; thence N 89° 56'41" E 667.30 feet; thence S 0° 7'30" W 659.82 feet; thence S 89° 58'30" W 535.77 feet; thence N 0° 10'00" E 198.00 feet; thence S 89° 58'30" W 429.00 feet to the point of beginning.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Sandy Highlands Homeowners Association, Inc., a Utah non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

Beginning at a point on the east Right of Way line of 1000 East Street said point more specifically described as being N 0° 10'00" E 1533.70 feet and east 33.00 feet from the S⁴ Corner of Section 32, T. 2S., R. lE., S.L.B. & M., and running thence N 0° 10'00" E 130.30 feet; thence east 297.00 feet; thence N 0° 10'00" E 331.30 feet; thence N 0° 10'00" E 667.30 feet; thence S 0° 7'30" W 659.82 feet; thence S 89° 58'30" W 535.77 feet; thence S 89° 58'30" W 535.77 feet; thence S 89° 58'30" W 429.00 feet; thence S 89° 58'30" W 429.00 feet; thence S 89° 10'00" E 198.00 feet; thence S 89° 58'30" W 429.00 feet to the point of beginning. Excepting therefrom all of Lots 1 through 72 as shown in the official plat of Sandy Highlands, a Planned Unit Development, as recorded in the official records of Salt Lake County, State of Utah.

Section 5. "Lot" shall mean and refer to any plot of land shown upon the official plat of Sandy Highlands, a Planned Unit Development, as recorded in the official records of Salt Lake County, State of Utah, with the exception of the Common Area.

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Section 6. "Declarant" shall mean and refer to

C. Howard Alvey and Sons, its successors and assigns if such
successors or assigns should acquire more than one undeveloped

Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment.

Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; and
- (c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by

the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

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Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and any recreational facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on June 1, 1981.

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ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Creation of the Lien and Personal Section 1. Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges payable in monthly installments, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinbefore provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments assumed by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area and of the homes situated on the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Forty-Four Dollars and 25/100 (\$44.25) per Lot per month or Five Hundred Thirty-One Dollars (\$531.00) per year.

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- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum annual assessment for the previous year without a vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Trustees may fix the annual assessment at an amount not in excess of the maximum. Such assessment shall be paid monthly in an amount of one-twelfth (1/12) of the annual amount due.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and collected on a monthly basis.

Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The Board of Trustees shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each calendar year. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Trustees. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

 Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Trustees of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board.

Section 4. F.H.A./V.A. Approval. As long as there is a Class B membership, the following actions will

In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

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GENERAL PROVISIONS

Enforcement. The Association, or any Section 1. Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

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require the prior approval of the Federal Housing Administration

or the Veterans Administration: Annexation of additional properties, dedication of common area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each Wall which is built as part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party
wall shall be shared by the Owners who make use of the wall
in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Right to Contributions Runs with Land. Section 5. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title. Arbitration. In the event of any Section 6. dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this <u>28</u> day of <u>Dec.</u>, 1978. C. Howard Alvey & Sons Declarant STATE OF UTAH COUNTY OF SALT LAKE) On this 28 day of Dic., 1928, before the undersigned officer, personally appeared Vrughr. T. Aluey who acknowledged himself to be the general partner of C. Howard Alvey & Sons, the partnership described in the foregoing instrument; and he being authorized so to do, executed the foregoing instrument on behalf of the partnership by signing his name as such officer. IN WITNESS WHEREOF, I have hereunto set my hand and

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Support 26/93/

Residing at Salt Lake City

official seal the day and year first above written,

