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ENTRY NO. 122079 DATE 1-26-81 TIME 9:35 FEE \$35.00
RECORDED FOR GOTTRENSON, INC BOOK 138 PAGE 121-128
RECORDER JOE DEAN HUBER BY KAY VAN WAGONER
MAINTENANCE AGREEMENT

AGREEMENT among S2-HM Corporation and Hidden Meadows Development Company, their successors and assigns and Canyon Meadows Home Owners Association, herein referred to as the "Declarant" and the "Association", respectively, and Wasatch County herein referred to as the "County".

WHEREAS the Declarant owns certain real property in Wasatch County, which real property is more particularly described in the covenants attached hereto and by reference made a part hereof; and which is also described in documents relating to Canyon Meadows and filed in the office of the County Recorder; and WHEREAS the Declarant is desirous of establishing on said real property a combined large scale development (herein referred to as the "development") in conformity with the development code of Wasatch County and also intends to provide for the benefit of subsequent owners certain open spaces, streets and other common facilities and services to be owned, maintained and operated by the Association; and

WHEREAS it is necessary and proper in connection with said development that an agreement be entered into among the Declarant and the Association and the County for the purpose of guaranteeing the integrity, proper management and upkeep of the development and the furnishing of necessary services to subsequent owners, and for the further purpose of assuring that existing taxpayers are not burdened with the expenses of providing new residents with capital improvements and needed or desired services not common to the entire County or provided on a county-wide basis;

NOW, THEREFORE, in consideration of the necessary approvals, consents and authorizations to be given by the County for the purpose of allowing the Declarant and Association to establish and operate said development, and for the purpose of complying with the Codes of the County in such cases made and provided, the Declarant and Association covenant and agree with the County, as hereinafter set forth.

Wherever in this agreement the County is referred to, it is understood that the reference is to the County Commission, department or person to whom authority shall have been delegated by law or ordinance or appropriate action of the County Commission; and where no such delegation has

been or can lawfully be made, the reference is to the County Commission.

1. The County shall have no obligation to construct or provide capital improvements or extended services for said development which are not common to the entire County and which are not provided on a county-wide basis. The County shall have the right, however, to enter upon the premises of the development for inspection and for enforcement of all applicable laws, ordinances, covenants, conditions, restrictions, management policies and agreements relating to the development, the operation of the development, the construction of improvements and their maintenance within the development, and the furnishing of all necessary services for the development.

2. The Declarant agrees to construct the initial phase of the Hidden Meadows Combined Large Scale Development and to provide the following improvements for said development:

- a. Open spaces and common areas as shown on the approved plans and as described in the documentation.
- b. All streets with necessary appurtenances.
- c. A culinary and fire protection water system supplying water to each lot or dwelling unit.
- d. Drainage facilities - recharge basins as shown on the final plans.
- e. Initiate power service by the Utah Power and Light Company.
- f. Initiate telephone service by the Mountain Bell Telephone Company.

The Declarant agrees that all construction in the development shall conform to the plans of said development and the documentation submitted to and approved by the County, and also to the requirements of all applicable laws, ordinances, rules and regulations promulgated by governmental authorities having jurisdiction.

Upon approval of the development by the County, and prior to the conveyance, sale or disposition by the Declarant

of any land or interest in land within the development, the Declarant shall either complete all required improvements for the development or else furnish a corporate surety bond or other security satisfactory to the County, in an amount equal to the cost of constructing the same as estimated by the County, plus 10% to assure the proper construction and completion of such improvements. Improvements shall be commenced within 180 days after approval of the preliminary plan of the development, and shall be completed within two years unless an extension is granted as provided by the provisions of the County.

3. The Declarant represents and declares that it will make no user fee or charge to the owner or occupant of any lot or to the Association for any service, facility, business or enterprise which owners or occupants of the development need to subscribe to or patronize in order to have full use and enjoyment of their property or the common areas or facilities within the development, except that the Association may make a reasonable charge, by assessment or otherwise, for the use of services and facilities provided for occupants of the development, or which may be necessary for the operation and maintenance thereof. Charges for water, power and telephone service shall be paid directly to the companies which furnish the service, by the owner of the lot or dwelling unit.

4. Prior to the conveyance, sale or other disposition of any lot within the development, and before the right to possession of any lot is transferred to any person, the Declarant will convey to and transfer control of all designated common open spaces and all other common areas of facilities to the Association, without charge or the assumption of any obligation for the cost of construction of improvements thereon or thereto subject to the easements, covenant, conditions, restriction, and management policies as set forth herein.

5. The Association will be duly incorporated as a non-profit corporation under the laws of the State of Utah in accordance with the documentation heretofore submitted to and approved by the County for such purpose, and said Association is fully organized.

6. The Association shall furnish and provide at its expense maintenance and services as follows:

a. All necessary landscaping and maintenance for the common open space and recreation facilities constructed thereon along with any other common areas and facilities.

b. All necessary maintenance and improvements on roadways and their appurtenances which have not been designated on the final plat as public streets or ways.

c. All maintenance or easements, covenants, conditions, restriction and management policies set forth in the documents submitted in connection with the application for the approval of the project.

7. For the purpose of providing funds for the operation and maintenance of the development and the furnishing of necessary services to the occupants thereof, the Declarant and the Association shall require an annual assessment to be made on each lot or dwelling unit.

Funds derived therefrom, shall be accumulated in an escrow account and held by a financial institution as approved by the County until the first day of March of each year or at other times as may be agreed to by the County at which time, said funds shall be paid to the Association. The assessments, 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 assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the development, and for the improvement and maintenance of the common areas and facilities, and for the furnishing of insurance and all other required services thereto. The monthly assessments shall be fixed at a uniform rate for all lots, except where it can be shown that additional services will be needed to serve one or more lots as a matter of equity.

The annual assessment for the first calendar year shall be Two Hundred Forty Dollars and no/100 (\$240.00) per lot, and shall be adjusted according to the number of months remaining in the calendar year. The amount of the annual assessments may be increased by the Association, but the same shall not be decreased at any time without the consent and approval of the County. The annual assessments

shall commence on all lots on the first day of the month following conveyance of the open spaces and common areas and facilities to the Association, or on the first day of the month next following the expiration of 180 days after the recording of the development plat, whichever event occurs first. It is understood that no lot shall be conveyed, sold or otherwise disposed of within the development, nor shall the right to possession of any lot be transferred to any person, until the open spaces, common areas and facilities have been conveyed to the Association. It is further understood that lots owned by the Declarant shall not be exempt from assessment. If assessments are not paid, the Association shall disconnect the water system from the lot or dwelling unit or shall bring an action at law against the owner personally obligated to pay the same, or shall foreclose the lien against the property assessed. No owner of any lot may waive or otherwise escape liability for the assessment by non-use of the common area or facilities or the abandonment of his lot, except for lots which may be owned by the public.

8. To assure performance by the Association of its obligations hereunder, and to provide a means of paying for necessary services, maintenance and the enforcement of easements, covenants, conditions, restriction and management policies and agreements relating to the development, should the Association default in so doing, an impound account shall be established by depositing twenty percent (20%) of the monthly assessment on each lot paid to the Association in such an account until there has been deposited in such account a sum equal to the amount resulting from multiplying the number of lots or dwelling units (whichever is greater) approved for such initial development by \$100.00. Thereafter, no funds need be deposited until funds from the account have been expended to obtain compliance with this agreement, whereupon funds from said 20% of the monthly assessment shall again be deposited until the account has reached the required sum. It is the intention of this provision to require said account to be maintained at the required sum determined by the above formula. The County shall have the right to draw upon said impound account whenever a majority of the County Commission deems it necessary to do so for the purposes of providing necessary services, maintenance or enforcement of easements, covenants, conditions, restriction and management policies, abating nuisances, and otherwise obtaining compliance with the terms

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of this agreement and the Association's obligations to the County; and expenditures may be made for professional or technical services, including reasonable attorney's fees, required in obtaining such compliance. The discretion herein given the County Commission to disburse funds from such account for the purposes stated shall be absolute and binding upon the parties hereto, after public hearing if one is requested by either the Declarant, Association or County. No other person or corporation shall have the right to draw against said account. The account shall be deposited with First Security Bank who may charge a reasonable fee for servicing the same. Payments by the Association to the impound account shall be made monthly or such other approved period of time. The County shall have the right to audit the Association's assessment records upon reasonable notice, for the purpose of verifying the accuracy of the amounts remitted to the Association; and the Association shall have the right to audit the impound account and disbursements made therefrom upon reasonable notice. All income produced by the impound account shall belong to the Association, but shall remain in and become part of the account at all times when the total amount deposited therein is less than the required sum. All income to the account which may cause it to exceed the required sum shall be paid over to the Association.

9. The Declarant and the Association agree to establish and record in the office of the County Recorder, a declaration of easements, covenants, conditions, restriction and management policies which has been approved by the County Commission as to form, prior to any conveyance, sale, transfer, disposition or creation of any interest in or encumbrance of the land of the development described herein. Said easements, covenants, conditions, restriction and management policies shall run with the land and shall be binding upon all parties and persons residing on the land or claiming any ownership or interest in the premises under or through the Declarant, and the same shall not be modified or changed thereafter without the approval of the County. All of said covenants and provisions of this agreement, are declared to be necessary for the purposes set forth.

10. At the request of the County, upon a sixty (60) day written notice, the Association agrees to demonstrate its ability to, and enforce all easements, covenants, conditions, restriction and management policies set forth

in said Declaration and recorded in the office of the County Recorder. Upon failure of the Association to enforce said easements, covenants, conditions, restriction and management policies, the County may do the work or cause suit to be brought against the Association for the purpose of requiring it to enforce the same or to recover the costs of said work, or may itself bring and prosecute a suit in the name of the Association for the purpose of enforcing said easements, covenants, conditions, restriction and management policies. If the Association becomes disorganized, fails to function properly, or fails to maintain its corporate entity in good standing, or if it fails to perform its obligations hereunder and under the aforesaid declaration of easements, covenants, conditions, restrictions and management policies, the County is hereby given the right to discontinue water services to the development and to the occupants and may institute injunction or other appropriate legal action and said water services shall be denied until such time as the Association is properly organized and functioning and performing its obligations hereunder.

11. If any part or provision of this agreement shall be adjudged unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such adjudgement shall not affect any other part or provision thereof, except that part or provision so adjudged to be unconstitutional, invalid, or unenforceable. Also, in the event that a part or provision of this agreement shall be adjudged unconstitutional, invalid; or unenforceable, declarants and their successors and assignees and the Home Owners Association shall be absolved from enforcing said part or provision.

IN WITNESS WHEREOF, the parties to this agreement have caused the same to be executed by their proper officers thereunto duly authorized this 28th day of December, 1980.

ATTEST:

S2-HM CORPORATION
(Declarant)

John H. Gardner
ATTEST:

By:

John R. Hanson
President

HIDDEN MEADOWS DEVELOPMENT
COMPANY

John R. Hanson
ATTEST:

By: MOAB WICKENBURG CORPORATION
(Declarant)

By:

John H. Gardner
President

ATTEST:

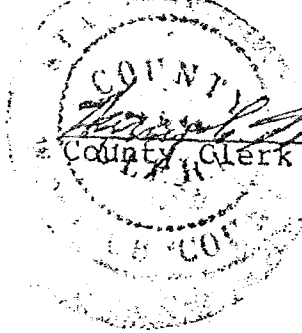
CANYON MEADOWS HOME
OWNERS ASSOCIATION
(The Association)

Willard A. D. Dasher

By:

John H. Gardner
President

ATTEST:



Thomas M. Walker
County Clerk

John R. Hanson County

M. Anderson
Chairman,
County Commission