

**WHEN RECORDED, MAIL TO:**

Highland Estates PUD, Inc.  
c/o North HOA Management  
2723 S Hwy 89, Suite 1  
Wellsville, Utah 84339

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**NOTICE OF REINVESTMENT FEE COVENANT**  
**Highland Estates PUD, Inc.**

<u>Unit No.</u>	<u>Parcel No.</u>	<u>Unit No.</u>	<u>Parcel No.</u>	<u>Unit No.</u>	<u>Parcel No.</u>
1	08-176-0001	21	08-176-0021	41	08-176-0041
2	08-176-0002	22	08-176-0022	42	08-176-0042
3	08-176-0003	23	08-176-0023	43	08-176-0043
4	08-176-0004	24	08-176-0024	44	08-176-0044
5	08-176-0005	25	08-176-0025	45	08-176-0045
6	08-176-0006	26	08-176-0026	46	08-176-0046
7	08-176-0007	27	08-176-0027	47	08-176-0047
8	08-176-0008	28	08-176-0028	48	08-176-0048
9	08-176-0009	29	08-176-0029	49	08-176-0049
10	08-176-0010	30	08-176-0030	50	08-176-0050
11	08-176-0011	31	08-176-0031	51	08-176-0051
12	08-176-0013	32	08-176-0032	52	08-176-0052
13	08-176-0014	33	08-176-0033		<i>(end)</i>
14	08-176-0015	34	08-176-0034		
15	08-176-0016	35	08-176-0035		
16	08-176-0017	36	08-176-0036		
17	08-176-0018	37	08-176-0037		
18	08-176-0018	38	08-176-0038		
19	08-176-0019	39	08-176-0039		
20	08-176-0020	40	08-176-0040		



**EXHIBIT A**  
**Legal Description of the Property**

As shown on the plat entitled **Highland Estates, Smithfield, Utah**, and recorded in the Cache County recorder's office as Entry No. 740135 on June 13, 2000:

Units 1-52 (Parcel Nos. 08-176-0001 – 08-176-0052)

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**EXHIBIT B**

A true and correct copy of the RESOLUTION OF HIGHLAND ESTATES PUD, INC.  
Establishing a Reinvestment Fee Covenant as duly adopted by the Board is attached following this page.

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**RESOLUTION OF  
HIGHLAND ESTATES PUD, INC.  
Establishing a Reinvestment Fee Covenant  
(May 1, 2022)**

WHEREAS, Highland Estates PUD, Inc.,<sup>1</sup> a.k.a. Highland Estates Home Owners' Association<sup>2</sup> (the "Association") desires to establish a reinvestment fee covenant (the "Reinvestment Fee Covenant"); and

WHEREAS, the Association is organized as a Utah nonprofit corporation under the Utah Revised Nonprofit Corporation Act<sup>3</sup> (the "Nonprofit Act"); and

WHEREAS, the Association is subject to the Utah Condominium Ownership Act<sup>4</sup> (the "Condo Act"); and

WHEREAS, the Association's governing documents are silent regarding a reinvestment fee covenant; and

WHEREAS, the Association is considered a Common Interest Association under the Utah Real Estate Code<sup>5</sup> (the "Code"); and

WHEREAS, the Code provides for the establishment of a reinvestment fee covenant by Common Interest Associations, including those defined in the Condo Act<sup>6</sup> and the Nonprofit Act<sup>7</sup>; and

WHEREAS, a Utah nonprofit corporation, including the Association, is authorized by the Code to establish a reinvestment fee covenant by written instrument such as this Resolution<sup>8</sup>; and

WHEREAS, the Code provides for a maximum reinvestment fee amount of 0.5% (1/2%) of the value of a burdened property<sup>9</sup>;

THEREFORE, be it

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<sup>1</sup> First Amended and Restated Declaration of Covenants, Conditions, and Restrictions recorded November 13, 2000, in the recorder's office of Cache County, Utah, § 1; NOTE: terms not defined in this Resolution shall be ascribed the meanings found in the Declaration.

<sup>2</sup> Decl. § 2(b)

<sup>3</sup> UCA 16-6a-101 *et. seq.*; *see also* Decl. § 1(b)

<sup>4</sup> UCA 57-8-1 *et. seq.*; *see also* Decl., § 3

<sup>5</sup> UCA 57-1-46(1)(e)(B) and (C)

<sup>6</sup> UCA 57-1-46(1)(e)(B)

<sup>7</sup> UCA 57-1-46(1)(e)(C)

<sup>8</sup> UCA 57-1-46(1)(h)(iii), *see also* 57-1-46(1) (g) and (i)

<sup>9</sup> UCA 57-1-46(5)

RESOLVED, that, pursuant to the Nonprofit Act, Condo Act, and Code, the Board of Trustees hereby establishes this Reinvestment Fee Covenant with a reinvestment fee of up to the maximum amount allowed by law (the "Reinvestment Fee"), as the law may change from time to time, that shall be paid to the Association at the time of transfer of ownership of a Unit; that such amount shall be paid by the buyer of the Unit unless otherwise agreed in writing by the buyer and seller; that such amount shall be in addition to any pro rata share of Assessments due and adjusted at settlement; and

RESOLVED FURTHER, that the existence of the Reinvestment Fee Covenant precludes the imposition of an additional reinvestment fee covenant on any Unit in the Association; that the purpose of the amount required to be paid under the Reinvestment Fee Covenant is to facilitate the maintenance and replacement of common areas and facilities and is required to benefit the Property; that to the fullest extent practicable the Reinvestment Fee shall be collected at the closing of a purchase/sale transaction by a title company, escrow company, or other person involved with the transaction, and paid directly to the Association; and that funds obtained from payment of all Reinvestment Fees shall be allocated to the Association's reserve fund; and

RESOLVED FURTHER, that the obligation to pay the Reinvestment Fee shall be a joint and several personal and continuing obligation of the seller and buyer regardless of whether the buyer acquired title by regular conveyance or pursuant to a foreclosure sale (judicial, non-judicial, or otherwise); notwithstanding the foregoing, conveyance of a Unit by inheritance, probate, or the like, or from an Owner to a trust or similar structure of which the Owner is directly or indirectly a beneficiary, including a living trust, shall not be subject to the Reinvestment Fee; and

RESOLVED FURTHER, that the Board hereby adopts 0.5% (1/2%) of the value of a burdened property as the amount of the Reinvestment Fee; and

RESOLVED FURTHER, that, pursuant to the Condo Act<sup>10</sup>, the Board hereby authorizes the charging of a fee in the amount of \$50, or the maximum allowed by law as it may change from time to time, for providing payoff information needed at closing; and

RESOLVED FURTHER, that the provisions of this Resolution shall become effective on the date that a Notice of Reinvestment Fee Covenant (the "Notice") as required by the Code<sup>11</sup> has been duly recorded in the Cache County Recorder's Office; and

RESOLVED FURTHER, that the Board hereby authorizes and approves recording of the Notice in the Cache County Recorder's Office.

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<sup>10</sup> UCA 57-8-6.3

<sup>11</sup> UCA 57-1-46(6)

IN WITNESS WHEREOF, the undersigned members of the Board certify that they represent a quorum and that they have executed and ratified this Resolution as effective on the date first written above.

Signed: 

<i>Tylyn Steinmetz</i>	dotloop verified 04/28/22 11:09 PM MDT YAIQ-IWQ0-HZ7P-SM0Q
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Printed Name: Tylyn Steinmetz, Board Member

Signed: 

<i>Ashley Adams</i>	dotloop verified 04/30/22 4:46 PM MDT BYK0-FFJG-2G11-TK07
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Printed Name: Ashley Adams, Board Member

Signed: 

<i>Meg Clements</i>	dotloop verified 05/03/22 9:51 PM MDT AB30-XGC3-68J5-ZAHC
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Printed Name: \_\_\_\_\_, Board Member