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DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

FOR

WESTPOINTE ESTATES SUBDIVISION

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A RESIDENTIAL SUBDIVISION

IN

SALT LAKE COUNTY, UTAH

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IVORY HOMES,  
a Utah limited Partnership

AS DEVELOPER

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WHEN RECORDED RETURN TO:

James R. Blakesley  
Attorney at Law  
2102 East 3300 South  
Salt Lake City, Utah 84109

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NANCY WORKMAN  
RECORDER, SALT LAKE COUNTY, UTAH  
IVORY HOMES  
970 E WOODOAK LN  
SLC UT 84117  
REC BY: V ASHBY DEPUTY - WI

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FOR  
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
WESTPOINTE ESTATES SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for WESTPOINTE ESTATES SUBDIVISION, (the "Declaration") is executed this 23rd day of December, 1997, by IVORY HOMES, a Utah limited partnership of 970 East Woodoak Lane, Salt Lake City, Utah 84117 (the "Developer"), with reference to the following:

RECITALS

A. Developer is the owner of certain real property located in Salt Lake County, Utah described more particularly on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. Developer has subdivided the Property into Lots 1 through 52, inclusive, of the WESTPOINTE ESTATES Subdivision.

C. Developer desires to provide a general plan for the development of all of the Property and for the establishment of covenants, conditions and restrictions to enhance and protect the value and attractiveness of the Property, all in accordance with the provisions of this Declaration.

COVENANTS, CONDITIONS AND RESTRICTIONS

NOW, THEREFORE, for the reasons recited above, the Developer hereby covenants, agrees and declares that the Property shall be subject to the following covenants, conditions and restrictions:

1. Definitions. The following definitions shall apply to this Declaration:

a. "Assessment" shall mean a Lot Owner's portion of the Common Expenses or any other amount charged by the Association.

b. "Association" shall mean all of the Owners acting as a group.

c. "Builder" shall mean an Owner, developer or contractor who obtains a construction or occupancy permit for one or more Lots.

d. "Common Expense" shall mean and refer to:

1) All sums lawfully assessed against the Owners;

2) Expenses of administration, maintenance, repair or replacement of the Redwood Road Parcels or improvements constructed or installed thereon;

3) Expenses allocated by the Association among the Owners;

4) Expenses agreed upon as common expenses by the Management Committee; and

5) Expenses declared common expenses by the Declaration.

e. "Committee" shall mean the Management Committee.

f. "Dwelling" shall mean the detached single family residence, place of habitation, abode or living unit constructed upon a Lot.

g. "Lot" or "Lots" shall mean the subdivided and recorded lot or lots within Property and where the context so requires any Dwelling constructed thereon.

h. "Management Committee" shall mean the committee of three (3) Lot Owners elected or appointed to manage the Association and the Redwood Road Parcels.

i. "Member" shall mean each Owner who, by virtue of accepting a deed or other document of conveyance to a Lot, is deemed to be a shareholder in the Association.

j. "Membership in the Association" shall mean that shareholder interest which is appurtenant to the ownership of a Lot in the Property, which may not be separated or partitioned therefrom and which shall automatically accompany the transfer or conveyance of an ownership interest in the Lot to which it relates.

k. "Owner" or "Owners" shall mean the record owner or owners, whether one or more persons or entities, of a fee simple title to any Lot, excluding those having such interest merely as security for the performance of an obligation.

l. "Redwood Road Parcels" shall mean the two parcels of land located within the boundaries of the Subdivision, to wit: The first parcel runs north and south along Redwood Road and is located between the west property line of Lots 13 through 22, inclusive, and Lot 34 of the Subdivision, as the east boundary, and east of the curb and gutter along Redwood Road, as the west boundary; the second parcel is the northwest portion of Lot 34 in the Subdivision.

m. "Subdivision" shall mean the WESTPOINTE ESTATES Subdivision.

2. Area of Application. This Declaration shall apply to all of the Property.

3. Right to Expand Application. The Developer shall have the right to expand the application of this Declaration to other property by written amendment to this Declaration duly recorded.

4. Use Restrictions and Nature of the Project. The Lots are subject to the following use restrictions which shall govern both the architecture of the Dwellings and the activities therein:

a. Residential Purposes. No lot shall be used except for residential purposes.

b. Zoning. All land use and buildings shall be in compliance with all zoning and land use ordinances as well as all regulations of the municipalities and agencies governing the Subdivision land use and buildings.

c. Landscaping. All landscaping, grading and drainage of the land in each Lot shall be completed so as to comply with and not impair all flood control requirements of the Subdivision and the other Lots.

d. Easements. Easements and rights of way for the installation and maintenance of utilities, drainage systems and facilities, and irrigation are reserved, as set forth herein and in the legal descriptions of the Property. Within these easements and rights of way, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in, on or about the easements and rights of way, or which may obstruct or retard the flow of water through the drainage channels in the easements and rights of way. The easement and right of way area of each Lot and all improvements within said area shall be maintained continuously by their Owners, excepting those improvements for which a public authority or utility company is expressly responsible.

e. Walls, Fence and Hedges. No fence, wall, hedge, or other similar structure shall be erected in a required front yard to a height in excess of three (3) feet, nor shall any such structure be erected in any side or rear yard to a height in excess of six (6) feet. No fence, wall, hedge or other similar structure shall be erected in any front yard of any adjoining Lot to a height in excess of six (6) feet any nearer to the street than the minimum building setback line. Where a retaining wall protects a cut below the natural grade and is located on the line separating Lots, such retaining wall may be topped by a fence, wall or hedge or similar structure six (6) feet in height. The only acceptable fencing materials are wood, masonry vinyl or wrought iron.

f. Slope and Drainage Control. No structure, plant, improvement or other material may be placed or permitted to remain, or other activities undertaken which may damage or interfere with established Lot ratios, create erosion or sliding problems, or which may change the direction or flow of drainage channels, or obstruct or retard the flow of water through the channels. The slope control area of each Lot and all improvements therein shall be maintained continuously by the Owner of the Lot, excepting those improvements for which a public authority

or utility company is expressly responsible. It shall be the responsibility of the Owner to see that his Lot conforms with and continues to conform with any established grading and drainage plan that has previously been designed by the Developer.

g. Nuisances. No noxious or offensive activity shall be carried on, in or about the Property, nor shall anything be done or permitted thereon which may be or may become an annoyance, disturbance, bother or nuisance to the neighborhood, or which might interfere with the right of other residents to the quiet and peaceful enjoyment of their property. No automobiles, vans, sport utility vehicles, trucks, campers, motor homes, trailers, boats, watercraft, recreational, commercial, oversized or other vehicles shall be stored on streets or in front yards. Recreational, commercial, oversized or other motor vehicles may be stored on cement parking slabs in side yards so long as they are in running condition, regularly used and properly licensed.

h. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste (hereinafter referred to collectively as "Trash"). All Trash shall be kept at all times in sanitary containers. All Trash containers shall be kept in sanitary condition. No Trash containers, unsightly material or objects are to be stored on any Lot in view of the general public, except on Trash pick-up days and then for a period not in excess of twenty-four (24) hours.

i. Temporary Structures. No structure of a temporary nature or character, including but not limited to any trailer, shack, shed, tent, garage, barn or other out-building shall be used on any Lot at any time as a residence.

5. Mandatory Association of Lot Owners. All Owners shall belong to the Association.

6. Areas of Common Maintenance Responsibility. The Association shall exist for the purpose of managing, operating, maintaining, repairing and replacing, as necessary, the Redwood Road Parcels and improvements constructed thereon. The Redwood Road Parcels shall be maintained in accordance with the standards established by Salt Lake City. The items for which the Owners are responsible includes but is not limited to the care, maintenance, repair and, as necessary, replacement of the grass and trees in the park strip, the shrubbery along the fence, the fence, sidewalk, sprinkling system or systems, WESTPOINTE ESTATES marquee and landscaping, and snow and ice removal from the sidewalks and common walkways.

7. Management Committee. The Association shall be operated and controlled by a Management Committee, subject to the following:

a. Members of the Management Committee. The Management Committee shall be comprised of three (3) Owners who shall be duly qualified, elected or appointed in the manner set forth below.

b. Voting. Each Owner shall have one (1) vote.



c. Voting Restrictions. The following restrictions apply to voting on Association issues, including but not limited to the election of Committee Members: (1) No vote shall be cast or counted for any Lot not subject to assessment; (2) When more than one person or entity owns or holds an ownership interest in a Lot, the vote for such Lot shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of the Lot shall be suspended in the event more than one person or entity seeks to exercise it; (3) If an Owner has leased his Dwelling, then he may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to his tenant, provided that a copy of such instrument is furnished to the Secretary of the Association prior to any meeting; and (4) The right of the Management Committee to suspend an Owner's right to vote if he is not current on the payment of his Assessments or is in material violation of any of the terms, covenants or provisions set forth herein.

d. Composition of Management Committee. The Developer shall have the exclusive right to appoint all of the members of the Management Committee until the occurrence of the earlier of the following events (hereinafter referred to as the "Event" or "Events") at which time control of the Management Committee (subject to the perpetual right of the Developer to appoint one (1) member of the Committee) shall be transferred by Developer to the Owners:

1) Within forty-five (45) days after the date by which One Hundred Percent (100%) of the Lots, on which a Dwelling has been constructed and a certificate of permanent occupancy has been issued, have been sold or rented; or

2) At such time as the Developer elects in writing to transfer management and control of the Association.

The initial members of the Management Committee shall be Ellis R. Ivory, Clark D. Ivory and Christopher P. Gamvroulas. Anything to the contrary notwithstanding, one (1) person designated by the Developer shall always remain a member of the Committee if Developer so desires.

e. Terms. Committee Members shall be elected or appointed to serve two (2) year terms.

f. Qualify. To qualify to serve on the Management Committee, a person must be appointed by the Developer or an individual Owner or the legal representative of an organizational Owner in good standing.

g. Vacancies. Any vacant seat on the Management Committee shall be filled with an Owner duly qualified, elected or appointed.

h. Dismissal. Any member of the Management Committee who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least twenty-five percent (25%) of all Committee meetings (whether regular or special)

held during any twelve (12) month period shall automatically forfeit his seat. In such cases, the remaining Committee Members shall elect a replacement to sit on the Committee until the next meeting of the Association.

i. Removal of a Member of the Management Committee. Except for members of the Management Committee appointed by the Developer prior to the occurrence of the Events, members of the Committee may be removed at any time by the affirmative vote of at least a majority of the Owners.

j. Replacement. Unless a member of the Management Committee is removed by the affirmative vote of a majority of the Owners, he shall be replaced by an appointment of the remaining Members of the Committee. A member of the Committee removed by the affirmative majority vote of the Owners shall be replaced by the majority vote of those Owners present in person or by proxy at a special meeting called for that purpose. Anything to the contrary notwithstanding, the Developer shall be entitled to replace all Members of the Committee appointed by it.

k. Completion of Term. Unless he forfeits or otherwise loses his seat as herein provided, a Member shall serve on the Management Committee until his successor qualifies and is properly elected by the Owners or appointed by the Developer.

l. No Compensation. Members of the Management Committee shall not be compensated for their services but shall be reimbursed for all expenses reasonably incurred in connection with Committee business and approved by the Committee.

8. Officers and Agents of the Association. The Management Committee is the agent of the Association and it shall perform its functions through those members of the Committee elected as officers. All officers shall be elected by the members of the Committee. The Committee may also perform its duties through such agents or employees as the Committee may employ or appoint. Any Committee officer, agent, or employee may at any time be removed, with or without cause, by the affirmative vote of a majority of the members of the Committee; provided, however, any "officer" so removed shall continue to be member-at-large of the Committee. One (1) member may hold more than one (1) office at the same time, except that of President and Secretary. The officers of the Committee, and their respective powers and functions, shall be as follows:

a. President. The President shall be the chief executive of the Association and shall exercise general supervision over the property and affairs of the Association. The President shall preside over all meetings of both the Management Committee and the Association. The President shall execute all instruments on behalf of the Committee, unless s/he chooses to delegate that authority to another Committee member.

b. Vice-President. The Vice-President shall have all the powers of the President in the event of the latter's absence or inability to act.

c. Secretary. The Secretary shall keep minutes of all of the meetings of both the Management Committee and the Association as well as all other books and records which are required or made necessary.

d. Treasurer. The Treasurer shall have custody and control of the funds available to the Committee. The Treasurer shall cause to be prepared an annual financial statement for each fiscal year of Project operation. The financial books and records of the Association shall be kept in accordance with generally accepted accounting practices. The offices of Secretary and Treasurer may be held by the same Committee member.

9. Committee Meetings. A regular meeting of the Management Committee shall be held immediately after the adjournment of each annual Owner's meeting or at such other time as the members of the Committee may decide. Other regular meetings shall be held at periodic intervals at such time and place as the Committee may determine, but no less than one (1) time per quarter. No notice need be given of regular Committee meetings. Special Committee meetings shall be held whenever called by the President or by any two (2) members of the Committee. Written notice of all special meetings shall be delivered to each member of the Committee at least twenty-four (24) hours before the time fixed for the meeting. The propriety of holding any meeting which is attended by all members of the Committee may not be challenged on grounds of inadequate notice. A quorum for the transaction of business at any Committee meeting shall consist of a majority of all the Committee Members then in office.

10. Status and General Authority of Committee. Any instrument executed by an officer of the Association or the Management Committee that recites facts which, if true, would establish the power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The Association shall constitute a legal entity capable of dealing in its own name or in the name of the Management Committee. The Management Committee shall have, and is hereby granted, the following authority and powers:

a. To Enter. The power and authority to enter into or upon any Lot to make repairs and to do other work necessary for the proper maintenance and operation of any easement, right of way, utility or the Redwood Road Parcels. Except in the case of an emergency, residents shall be given at least twenty-four (24) hours prior notice before the Committee or its representative shall exercise this power. In the event of an emergency entry without notice, the party entering the property shall leave in a conspicuous place written notice stating his name and title as well as the day, date, time and purpose of the entry.

b. Grant Easements. The authority, without the vote or consent of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Property as reasonably necessary or useful for the proper maintenance, operation or regulation of the easements, rights of way, utilities

and Redwood Road Parcels.

c. **Execute Documents.** The authority to execute and record, on behalf of all Owners, any amendment to the Declaration which has been approved by the vote or consent necessary to authorize such amendment.

d. **Standing.** The power to sue and be sued.

e. **Enter Into Contracts.** The authority to enter into contracts which in any way concern the Association, easements, rights of way, utilities or the Redwood Road Parcels.

f. **Promulgate Rules.** The authority to promulgate such reasonable rules and regulations as may be necessary or desirable to aid the Management Committee in carrying out any of its functions or to insure that the easements, rights of way, utilities and Redwood Road Parcels are maintained and used in a manner consistent with their original design and construction.

g. **Delegation of Authority.** The power and authority to delegate its duties, in whole or in part, to a manager or management company.

h. **All other Acts.** The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions for and in behalf of the Owners.

Anything to the contrary notwithstanding, while Developer controls the Association and before the occurrence of the Events described herein, any amendments to the Declaration must be approved in writing and in advance by the Developer

11. **Owner's Meetings.** The members of the Association shall meet as follows:

a. **Annual Meeting.** The annual meeting of the Owners shall be held at 7:00 p.m. on the second Thursday of October of each year unless otherwise determined by the Management Committee. Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. At least ten (10) but not more than thirty (30) days before the date of the annual meeting, a written notice thereof shall be delivered in person or mailed by regular U.S. Mail, postage prepaid, to each person who appears as an Owner at his last known address as shown on the books and records of the Association. The notice shall state the day, date, time, place, and general purpose of the meeting.

b. **Special Meetings.** Special meetings of the Association may be called at any time by the Management Committee or by Owners who collectively hold at least thirty (30%) of the total vote. Such meeting shall be held at such place as the Committee may specify and the notice thereof, which must be sent by the Committee, shall state the day, date, time, place and matters to be considered at the meeting. No items other than those expressly set forth in the

notice may be addressed at the special meeting.

c. Waiver of Notice. No notice of any Owners meeting shall be required if a waiver of such notice is signed by all of the Owners. Whenever all of the Owners meet in person or by proxy such meeting may not be challenged on grounds of inadequate notice.

d. Quorum. The presence of a majority of the Owners entitled to cast a vote shall constitute a quorum for the transaction of business at any Owner's meeting.

(1) Quorum Not Present. If a quorum is not present at any Owner's meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than 48 hours and no later than 30 days, after the time set for the original meeting.

(2) Quorum at Rescheduled Meeting. Those Owners present at the rescheduled meeting shall constitute a quorum.

(3) Percentage Approval Requirement. Anything to the contrary notwithstanding, in any instance in which this Declaration requires the affirmative vote of a certain number of Owners for authorization or approval of a matter, their written consent, in person or by proxy, is required for authorization or approval of the item, regardless of the quorum requirements.

12. Common Profits, Expenses and Voting Rights. The common profits of the Association shall be distributed among, the Common Expenses shall be charged and the voting rights shall be allocated to the Owners equally. Each Owner, upon receipt of a deed or other document of conveyance or transfer to a Lot, agrees to and shall pay his portion of the Common Expenses or any other Assessment levied against him or his Lot, including any fines resulting from a violation of the Declaration or any rule or regulation adopted by the Management Committee.

a. Developer. Anything to the contrary notwithstanding, the Developer shall not be obligated to pay Assessments on any Lots owned by it until such time as the occurrence of the earlier of the following:

1) the physical Dwelling structure on the Lot has been substantially completed, a certificates of permanent occupancy has been issued and the Lot has been sold or rented; or

2) Developer elects in writing to pay the Assessment.

b. Purpose of Common Expenses. The Assessments provided for herein shall be used for the general purpose of operating the Association as well as maintaining, repairing and replacing the easements, rights of way, and the Redwood Road Parcels or improvements thereon.

c. Budget. At least thirty (30) days prior to the annual meeting of the Owners, the

Management Committee shall prepare and deliver to the Owners a proposed Budget which:

1) Itemization. Shall set forth an itemization of the anticipated Common Expenses for the twelve (12) month calendar year, commencing with the following January 1.

2) Basis. Shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the operation, maintenance, repair and replacement of the easements, rights of way and the Redwood Road Parcels as well as the management of the Association.

d. Approval of Budget and Assessments. The proposed Budget and the Assessments shall become effective unless disapproved at the annual Owner's meeting by the affirmative vote of a majority of the Owners. Notwithstanding the foregoing, however, if the Owners disapprove the proposed Budget and Assessments or the Committee fails for any reason to establish the Budget and Assessments for the succeeding year, then and until such time as a new Budget and Assessment schedule shall have been established, the Budget and Assessment schedule in effect for the then current year shall continue for the succeeding year.

e. Method of Payment of Assessments. The Committee has the sole authority and discretion to determine how and when any Assessment is to be paid.

f. Personal Obligation of Owner. Each Owner is personally liable to pay all any Assessment levied by the Management Committee against him or his Lot; provided, however, no first mortgagee or beneficiary under a first deed of trust who obtains title to a Lot pursuant to the remedies provided in the mortgage or trust deed shall be liable for unpaid Assessments which accrued prior to the acquisition of title.

g. Equitable Changes. If the aggregate of all monthly payments on all of the Lots is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments. Owners shall be given at least thirty (30) days prior written notice of any increase in the amount of the Assessment.

h. Reserve Account. The Committee shall establish and maintain a reserve account to pay for unexpected operating expenses and capital improvements.

i. Statement of Common Area Assessments Due. Upon written request, the Committee shall furnish to any Owner a statement of Assessments due, if any, on his Lot. Failure to provide the certificate within 10 days after a written request, shall be deemed conclusive evidence that all Assessments are paid current. The Committee may require the advance payment of a processing charge not to exceed Fifteen and no/100ths Dollars (\$15.00) for the issuance of such certificate.

j. Superiority of Common Area Assessments. All Assessments and liens created to secure the obligation to pay an Owner's share of the Common Expenses are superior to any

homestead exemptions to which an Owner may be entitled, which exemptions an Owner, by accepting a deed or other document of conveyance or transfer to a Lot, expressly subordinates or waives.

k. **Suspension of Right to Vote for Non-Payment.** At the discretion of the Management Committee, the right of an Owner to vote on issues concerning the Association may be suspended if the Owner is delinquent in the payment of his Assessments and has failed within 10 days after delivery of written notice of the default to cure or make satisfactory arrangements to cure the default.

13. **Special Assessments.** The Committee, with the affirmative consent or approval of at least a majority of the Owners, may levy a Special Assessment to pay for unanticipated expenses, an operation's budget shortfall or any capital improvement.

14. **Fines and Individual Assessments.** The Committee may fine Owners and residents for the failure to comply with the Declaration or any rules and regulations adopted from time to time. In addition, individual assessments may be levied by the Committee against a Lot or its Owner to compensate or reimburse the Association for:

a. costs incurred in enforcing or construing the Declaration;

b. costs associated with the maintenance, repair or replacement of any portion of the easements, rights of way and the Redwood Road Parcels or any improvements constructed or installed thereon damaged by an Owner or resident;

c. any other charge, fee or expense designated by the Management Committee as an individual assessment; and

d. attorney's fees, late fees, default interest and collection costs.

Provided, however, no fine or individual assessment shall be final until after the Owner or resident shall have received written notice thereof and a reasonable opportunity to be heard. After notice and hearing, the decision of the Management Committee shall be binding, final and conclusive.

15. **Collections.** Assessments, fines and other monetary charges shall be collected as follows:

a. **Apportionment and Collection of Assessments.** The amount of Common Expenses assessed against each Lot is a debt of the Owner at the time the Assessment is made and is collectible as such. Suit to recover a money judgment for unpaid Common Expenses is maintainable without foreclosing or waiving the lien securing it. If any Owner fails or refuses to make any payment of the Common Expenses when due, that amount constitutes a lien on the interest of the Owner in the Property, and upon the recording of notice of lien, it is a lien upon the Owner's interest in the Property prior to all other liens and encumbrances, recorded or unrecorded, except:

1) tax and special assessment liens on the Lot in favor of any assessing unit or special improvement district; and

2) encumbrances on the interest of the Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

b. Late Fees and Accruing Interest. A late fee in the amount of Twenty five and no/100ths Dollars (\$25.00) or Five percent (5%) of the delinquent amount, whichever is greater, shall be assessed on payments received more than 10 days after their due date. Simple interest at the rate of One and ½ percent (1.5%) per month shall accrue on all delinquent accounts. The Committee may, in its sole discretion and under circumstances it deems fair and just, elect to waive late fees and accruing interest but is not required to do so.

c. Foreclosure of Lien and/or Personal Judgment. The Committee may elect to institute a lawsuit, foreclose the lien or both in order to collect past due obligations.

d. No Waiver. No Owner may waive or otherwise exempt himself or herself from liability for his portion of the Common Expenses or the payment of any Assessment, fine or other monetary charge provided for herein by the abandonment of his Lot.

e. Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Committee to take some action or perform some function required to be taken or performed by the Association or Committee under this Declaration, or for inconvenience or discomfort arising from the operation, maintenance, repair or replacement of the easements, rights of way or the Redwood Road Parcels, or any improvement constructed or installed thereon, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, since the obligation to pay Common Expenses and Assessments is a separate and independent covenant on the part of each Owner.

f. Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Owner's interest in the Property. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of recording notice of lien, certified mailings or personal service, foreclosure report, reasonable attorney's and trustee's fees, and a reasonable rental for the Dwelling during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Lot at foreclosure or other sale and hold, lease, mortgage, or convey the same.

g. Appointment of Trustee. If the Management Committee elects to foreclose the



lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed or other document of conveyance or transfer to the Lot hereby irrevocably appoints the attorney of the Association, provided he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title and interest in and to the real property for the purpose of securing his performance of the obligations set forth herein.

h. Attorney in Fact. Each Owner by accepting a deed or other document of conveyance or transfer to a Lot hereby irrevocably appoints the Association as his attorney in fact to collect rent from any person renting his Dwelling, if the Dwelling is rented and Owner is delinquent in the payment of his portion of the Common Expenses or any Assessment or fine. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner is current on his obligations to the Association. The Owner shall credit his renter, against rent due, an amount equal to the amount of money paid by the renter to the Association.

16. Insurance. The Committee may purchase and maintain appropriate property, liability and directors & officers insurance coverage as well as a fidelity bond covering those persons handling and responsible for monies of the Association.

17. Interpretation. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

18. Covenants to Run with Land. This Declaration and all the provisions hereof 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 Association, all other signatories hereto, all parties who hereafter acquire any interest in a Lot, the Subdivision or the Property, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Owner or occupant of a Lot shall comply with, and all interests in all Lots shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

19. Enforcement and Right to Recover Attorney's Assessments. Should the Association, Committee or an aggrieved Owner be required to take action to enforce or construe the Declaration or any rules and regulations adopted from time to time, or to pursue any remedy

provided hereunder or by applicable law, including a claim for injunctive relief or damages, whether such remedy is pursued by filing suit or otherwise, the non-defaulting party shall be entitled to recover his reasonable attorney's fees, costs and expenses which may arise or accrue.

20. Limitation of Liability. The protective covenants, conditions and restrictions set forth in this Declaration, together with any rules and regulations adopted by the Committee, are established for the benefit of the Property and the Owners. Any damage, loss, claim or liability which might arise due to any decision, act, or failure to act of Developer or the Committee or any of its members shall be exempt from any civil claim or action, including negligence, brought by any person owning or having an interest in any Lot. The Committee and its members shall be indemnified, saved and held harmless from any such action or failure to act, and exempt from any civil claim or action resulting from any act or failure to act (whether intended or implied) while functioning as a member of the Committee, or for decisions that they may render during the course of their service, unless said party is guilty of gross negligence.

21. Amendments. This Declaration may be amended upon the affirmative written approval of at least a majority of the Owners of the Lots and shall be valid immediately upon recording of the document amending the Declaration in the office of the County Recorder of Salt Lake County, Utah; provided, however, so long as the Developer shall own at least one (1) Lot in the Subdivision, no amendment shall be valid or enforceable without Developer's prior written consent.

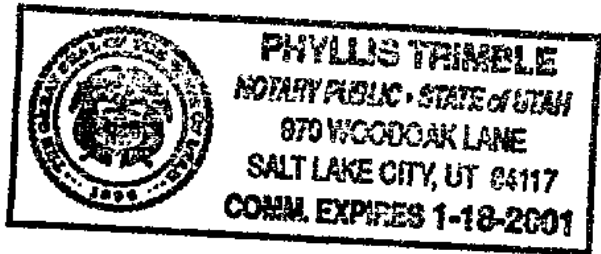
22. Duration. The covenants and restrictions of this Declaration shall endure for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

DEVELOPER:  
IVORY HOMES, a Utah limited partnership

By: *Ellis R. Ivory*  
Title: Ellis R. Ivory, General Partner

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

The foregoing instrument was acknowledged before me the 31 day of December, 1997, by Ellis R. Ivory, as General Partner of Ivory Homes, a Utah limited partnership.



*Phyllis Trimele*  
Notary Public  
Residing at: SRC UT  
My Commission Expires: 1/18/2001

BK7856PG0233

EXHIBIT "A"  
LEGAL DESCRIPTION

The Property referred to in the foregoing document is located in Salt Lake County, Utah and is described more particularly as follows:

Lots 1-52 of the Westpointe Estates Subdivision, located in Salt Lake City, Utah.