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111 E. Broadway, Suite 900
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Tax Parcel No.:

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
MILLBROOK LOFTS PLANNED UNIT DEVELOPMENT**

This Declaration of Covenants, Conditions and Restrictions of Millbrook Lofts Planned Unit Development (this "Declaration") is made and entered into as of August 29, 2016, by MILLBROOK LOFTS, LLC ("Declarant"), for the purpose of establishing a residential planned unit development project known as MILLBROOK LOFTS PLANNED UNIT DEVELOPMENT.

RECITALS

A. Declarant is the owner of certain real property located in Salt Lake City, Salt Lake County, Utah, which is more particularly described in Exhibit B attached hereto and incorporated herein by this reference (the "Property"). Defined terms used in these Recitals and this Agreement shall have the meanings given in Article 1 below.

B. Declarant intends to create a residential planned unit development on the Property that will be known as "Millbrook Lofts Planned Unit Development" (the "Project"). The Project will consist of twenty-eight (28) Lots upon each of which Declarant intends to construct a Townhome. Each Townhome shall constitute a single family residence. Notwithstanding anything in this Declaration to the contrary, the Project is a planned unit development and not a cooperative or a condominium project.

C. In connection with the development of the Project, Declarant is recording this Declaration for the mutual benefit of the Owners. Each Owner acquiring a Lot or a Townhome in the Project is taking the same subject to all of the terms and conditions of this Declaration and, by accepting title thereto, agrees to be bound by this Declaration.

DECLARATION

Declarant hereby declares that all of the Property described below shall be held, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, assessments, charges and liens, and to the Plat recorded concurrently herewith. This Declaration is for the purpose of protecting the value and desirability of the Property and the individual Lots and Units by, among other things, establishing and coordinating architectural styles and using design, landscape and architectural features to create a pleasing environment. This Declaration

16-33-306-021-16-33-306-050

shall be construed as covenants of equitable servitude; shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns; and shall inure to the benefit of each Owner thereof. The above Recitals shall constitute a part of this Declaration and are incorporated herein by this reference.

ARTICLE 1

DEFINITIONS AND CONCEPTS

The following definitions and concepts shall control in this Declaration:

1.1. “Articles” means and refers to the Articles of Incorporation of the Association. The purpose of the Articles is to establish the Association as a non-profit corporation under Utah law.

1.2. “Association” means the Millbrook Lofts Homeowners Association, a Utah nonprofit corporation, its successors and assigns.

1.3. “Bylaws” means and refers to the Bylaws of the Association, as the same may be amended, modified or restated from time to time as permitted in the Articles and Bylaws. The purpose of the Bylaws is to govern the Association’s internal affairs, such as (for purposes of example but not limitation) voting, elections and meetings. A copy of the initial Bylaws is attached hereto as Exhibit A.

1.4. “Common Area” means all real property, including the improvements thereto and facilities thereon, which the Association owns, leases or otherwise holds possessory or use rights in, at any given time, for the common use and enjoyment of the Owners. Common Area may be designated on the Plat or otherwise established as provided for in this Declaration.

1.5. “Common Expenses” means the actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of the Owners, including any reasonable reserve, as the Association may find necessary and appropriate pursuant to the Governing Documents.

1.6. “Community Association Act” means the Utah Community Association Act, Title 57, Chapter 8a of the Utah Code, and any amendments thereto.

1.7. “Declarant” means Millbrook Lofts, LLC, a Utah limited liability company, and its successors and assigns.

1.8. “Declarant Control Period” means the period of time during which the Declarant has Class B membership status as provided for herein.

1.9. “Declaration” means this instrument and any amendments, restatements, supplements or annexations thereto which are recorded in the official records of the Davis County Recorder, State of Utah.

1.10. “Governing Documents” means, collectively, this Declaration, the Articles, the Bylaws and any amendments or supplements to any of the foregoing, and includes any rules,

regulations and resolutions established pursuant to the authority of the Declaration, Articles or Bylaws.

1.11. "Limited Common Areas" means and refers to a portion of the Common Area which has been designed for the primary or exclusive use of a particular Owner or Owners. General, the Limited Common Areas, as a portion of the Common Area, are owned by the Association but reserved for the exclusive use and enjoyment of the Owner or Owners to whose Unit the Limited Common Areas are adjacent or appurtenant. Limited Common Areas may be designated on the Plat or otherwise established as provided for in this Declaration. Limited Common Areas refers to (a) the exteriors of Townhomes, including roofs and exterior walls, windows, doors and other exterior surfaces and (b) those areas shown, marked or otherwise designated on the Plat as "Limited Common Areas."

1.12. "Lot" means a separately numbered and individually described plot of land shown on the Plat designated as a Lot for private ownership.

1.13. "Lot Owner" means the owner of a Lot and is synonymous with the term "Owner" and "Unit Owner."

1.14. "Member" means a member of the Association and is synonymous with the terms "Owner" and "Unit Owner." As used herein and in the Bylaws and Articles, "Member" is used to identify Owners or Unit Owners as members of the Association.

1.15. "Mortgage" means a mortgage, a deed of trust, a deed to secure a debt or any other form of security instrument encumbering title to any Unit.

1.16. "Mortgagee" means and refers to a lender holding a first Mortgage, and includes a beneficiary under a deed of trust.

1.17. "Owner" means the entity, person or group of persons owning fee simple title to any Lot which is within the Property. Regardless of the number of parties participating in ownership of each Lot, the group of those parties shall be treated as one "Owner." The term "Owner" may include purchasers under a real estate purchase contract, provided such purchaser is granted the rights of an "Owner" in such contract, but does not include persons who hold an interest merely as security for the performance of an obligation unless and until title is acquired by foreclosure or similar proceedings. Membership is appurtenant to and may not be separated from Lot ownership.

1.18. "Plat" means the subdivision plat recorded herewith prepared and certified by a Utah Registered Land Surveyor and any amendments or replacements thereof, or additions thereto.

1.19. "Project" means the residential subdivision project known or referred to as "The Millbrook Lofts, Planned Development" which comprises the entire Property and which is made subject to this Declaration.

1.20. "Property" means the real property which is more fully described in Exhibit B attached hereto and incorporated herein by this reference.

1.21. “Property Insurance” has the meaning given in Section 5.1.

1.22. “Unit” means a single family dwelling, with or without walls or roofs in common with other single family dwellings. When the term “Unit” is used, it includes fee title to the Lot on which the Unit is constructed.

1.23. “Unit Owner” means and is synonymous with the term “Owner” and “Lot Owner.”

ARTICLE 2

PROPERTY RIGHTS

2.1. **Owner’s Acknowledgment; Notice to Purchasers.** By accepting title to any Lot, all Owners are given notice that the use of their Units, Common Area and Limited Common Areas is limited by the covenants, conditions, restrictions, easements and other provisions in the Governing Documents, as they may be amended, expanded, modified or restated from time to time. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be limited, restricted or otherwise affected by said covenants, conditions, restrictions, easements and other provisions in the Governing Documents. All purchasers of Units are on notice that the Association may have adopted changes to the Governing Documents that might differ from those a purchaser might receive from or have disclosed by the Owner from whom the purchaser is purchasing his or her Unit, including the initial Bylaws attached hereto as Exhibit A. Purchasers are encouraged to obtain copies of the current Governing Documents, which may be obtained from the Association.

2.2. **Units.**

(a) **Ownership.** Each Unit is owned in fee simple by the Owner, subject to the covenants, conditions, restrictions and easements in this Declaration and other provisions of the Governing Documents.

(b) **Activities within Units.** No rule shall interfere with the activities carried on within the confines of Units; provided, however, the Association may (i) restrict or prohibit commercial or other activities not normally associated with property that is intended for residential use, (ii) restrict or prohibit any activities that create additional monetary costs for the Association or other Owners, (iii) restrict or prohibit any activities that create a danger to the health or safety of occupants of other Units, (iv) restrict or prohibit any activities that generate excessive noise or traffic, (v) restrict or prohibit any activities that create unsightly conditions visible outside the dwelling, or (vi) restrict or prohibit any activities that create an unreasonable source of annoyance, all as may be determined by the Association.

(c) **Household Composition.** No rule of the Association shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power, in its discretion, to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.

(d) Exteriors of Units. The exteriors of Units, including exterior walls and roofs, are hereby designated as Limited Common Areas for purposes of architectural control and regulation of use.

2.3. Common Area.

(a) Ownership; Conveyance. Prior to the expiration of the Declarant Control Period, the Declarant will convey fee simple title to the Common Area, including Limited Common Areas which is a portion of the Common Area, to the Association, free and clear of all encumbrances and liens, but subject to this Declaration, and easements and rights-of-way of record. The Association shall accept the deed of conveyance of the Common Area upon Declarant's presentment of the same.

(b) Rights of Use and Rules and Regulations Concerning the Common Area. Every Unit Owner shall have a right and easement of use and enjoyment in and to the Common Area which easement shall be appurtenant to and shall pass with the title to every Unit, subject to the Governing Documents. The Board shall have the right to establish and enforce rules and regulations governing the use of the Common Area, including but not limited to rights of use, hours of use, delegation of use, and standards of conduct. Additional rights to establish rules and regulations governing the Common Area may be set forth and established elsewhere in the Governing Documents.

(c) Board Authority and Rights in the Common Area. The Board shall have the right, for and on behalf of the Association, to:

(i) enter into agreements or leases which provide for use of the Common Area by a similar association in consideration for use of the Common Area and facilities of the other association or for cash consideration, or for use by third parties for cash consideration;

(ii) with the approval of at least seventy-five percent (75%) of Unit Owners to sell, exchange, hypothecate, alienate, mortgage, encumber, dedicate, release or transfer all or part of the Common Area to any private individual, corporate entity, public agency, authority or utility;

(iii) grant easements for public utilities or other public purposes consistent with the intended use of the Common Area;

(iv) take such steps as are reasonably necessary or desirable to protect the Common Area against foreclosure; and

(v) take such other actions with respect to the Common Area which are authorized by or otherwise consistent with the Governing Documents.

2.4. Declarant's Right of Use. As part of the overall program of development of the Property into a residential community and to encourage the marketing thereof, the Declarant shall have the right of use of the Common Area, including any community buildings, without charge during the Declarant Control Period to aid in its development and marketing activities

2.5. **Limited Common Areas.** The Association's right of regulation of the Limited Common Areas is limited to the right to regulate and control architectural and aesthetic appearances of the Limited Common Areas and to require each Owner to maintain the Limited Common Areas located within its Unit in accordance with rules and regulations established by the Association. The Association may further restrict, prohibit or limit the attachment of any fixture, piece of equipment or other structure to the exterior of the Limited Common Areas, including without limitation television antennas and short wave radio antennas, in order to preserve the appearance and visual esthetics of the Project.

2.6. **Delegation of Use.** Any Unit Owner may delegate his right of enjoyment of the Common Area to the members of his or her family, tenants, guests, licensees and invitees, but only in accordance with the applicable rules and regulations of the Association and other Governing Documents. The Board may, by rule, require Unit Owners to forfeit their right of use in the Common Area for so long as the Unit Owner has delegated his or her right of use in the Common Area to his or her tenant. The repair costs for any damage to the Common Area and their facilities, including personal property owned by the Association, caused by a Unit Owner, or by such Unit Owner's family members, tenants, guests, licensees or invitees, shall create a debt to the Association. Such debts owed to the Association as a result of damage to the Common Area and facilities shall be a specific assessment charged to the Unit Owner who caused, or whose family member, tenant, guest, licensee or invitee caused, such damage.

2.7. **Declarant's Reasonable Rights to Develop.** Notwithstanding anything in the Governing Documents to the contrary, no rule or action by the Association shall unreasonably impede Declarant's right to develop and market the Project.

ARTICLE 3 **ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS**

3.1. **Membership.** Every Owner is a Member of the Association. Membership in the Association automatically transfers upon transfer of title by the record Owner to another person or entity, and membership in the Association is appurtenant to, and may not be separated from, ownership of a Unit.

3.2. **Voting Rights.** The Association has two (s) classes of voting membership, Class A and Class B.

(a) **Class A.** Every Owner is a Class A Member, except that the Declarant is not a Class A member until Declarant's membership converts to Class A membership as provided for in Section 3.2(b) below. Class A Members are entitled to one (1) vote for each Unit owned. When more than one person holds an interest in any Unit, the group of such persons shall constitute a single Member, and the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit. A vote cast at any Association meeting by any co-Owner, whether in person or by proxy, is conclusively presumed to be the vote of all co-Owners of the Unit concerned unless written objection is made prior to that meeting, or verbal objection is made at that meeting, by another co-Owner of the same Unit. In the event an objection is made, the vote involved shall not be counted for any purpose except to determine whether a quorum exists.

(b) **Class B.** The Class B member is the Declarant. The Class B member is entitled to four (4) votes for each Unit owned. Declarant will cease to be a Class B member and shall become a Class A member on the happening of one of the following events, whichever first occurs:

(i) the date upon seventy-five percent (75%) of the Lots subject to this Declaration have been conveyed to persons other than Declarant; or

(ii) the date that is seven (7) years from the date the first Lot is conveyed to a person other than Declarant; or

(iii) the date Declarant notifies the other Owners in writing that it is waiving its right to four (4) votes for each Lot it owns.

Upon the occurrence of the first of any of the foregoing events, Declarant shall thereafter be entitled to one (1) vote for each Lot owned by it.

3.3. **Change of Corporate Status.** The Association has been set up and established as a non-profit corporation under Utah law. However, the continuing existence and viability of the Association is not vested in its corporate status. During any period in which the Association is not incorporated or otherwise has a change of corporate status (*e.g.*, involuntary dissolution under the Utah Nonprofit Corporation Act for failure to file for corporate renewal), the Governing Documents shall nevertheless continue to be effective as the Governing Documents of the Association, and the Association shall have all rights, power and authority granted in the Governing Documents, and no Unit Owner may escape or avoid any assessment, charge, lien, rule or other matter contained in the Governing Documents by virtue of such change of corporate status. In the case of the suspension or administrative dissolution of the Association for failure to file annual reports or similar documents necessary to maintain its corporate existence, any two (2) Members are authorized, to the extent they deem necessary and without approval of the other Members, to take such actions as may be reasonably necessary to remove any suspension or administrative dissolution, including the authority to re-incorporate the Association under the same or similar name of the Association, and such corporation shall be deemed the successor to the Association. If the Members fail to remove any suspension or reincorporate as provided herein, the Association shall continue to operate and function under the Governing Documents as an unincorporated association.

3.4. **Rulemaking Authority.** The Association may, from time to time, subject to the provisions of the Governing Documents, adopt, amend, modify and repeal reasonable rules and regulations governing the Project, including without limitation the use of any Common Area, parking restrictions and limitations, limitations upon vehicular travel within the Community, and restrictions on other activities or improvements on the Property.

3.5. **Notice; Promulgation of Rules.** A copy of the Association's rules and regulations, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Unit Owner. Upon such mailing or other delivery, said rules and regulations shall have the same force and effect as if they were set forth in, and were a part of, this Declaration. In addition to or in lieu of providing notice by mail, the Association may provide notice by

electronic means such as electronic mail (e-mail) to Unit Owners and may require that Unit Owners, in addition to keeping the Association informed as to their current mailing address, maintain a current e-mail address with the Association for such purpose.

ARTICLE 4 **FINANCES AND ASSESSMENTS**

4.1. **Assessments; Authority.** The Association is hereby authorized to levy assessments against the Owners as provided for herein. The following are the types of assessments that may be levied by the Association, which are more particularly described below: (a) annual assessments or charges; (b) special assessments; (c) specific assessments; (d) emergency assessments; (e) any other amount or assessment levied or charged by the Association pursuant to this Declaration; and (f) interest, costs of collection and reasonable attorney fees, as hereinafter provided.

4.2. **Creation of Lien and Personal Obligation of Assessments.** Excepting Declarant, each Owner of any Unit by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, covenants and agrees to pay to the Association all assessments and charges, however denominated, which are authorized in the Governing Documents. All such amounts shall be a charge on the Unit and shall be a continuing lien upon the Unit against which each such assessment or amount is charged, which lien shall arise when the Owner fails or refuses to pay an assessment when due. Such assessments and other amounts shall also be the personal obligation of the person who was the Owner of such Unit at the time when the assessment became due. No Owner may exempt himself or herself from liability for assessments by nonuse of the Common Area, by the sale, transfer, disposition or abandonment of his or her Unit, or by any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Declarant to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making or repairs or improvements, or from any other action it takes. If any Unit has more than one person as an Owner at the time an assessment or charge is made pursuant to this Article 4, the obligations and liabilities of all such persons as Owners shall be joint and several.

4.3. **Purpose of Assessments.** The assessments levied by the Association shall be used to advance the purposes for which the Association was formed, as set forth and articulated in the Governing Documents. The assessments may provide for, but are not limited to, the payment of insurance maintained by the Association; the payment of the cost of repairing, replacing, maintaining and construction or acquiring additions to the Common Area and/or Limited Common Areas; the payment and cost of maintaining any roadways; the payment of sewer, water and trash removal charges for the Project which are not separately assessed to each Owner or Unit; the payment of administrative expenses of the Association; the payment of insurance deductible amounts; the establishment of capital and operational reserve accounts; the payment of any professional services deemed necessary and desirable by the Association; and other amounts required by this Declaration or that the Association shall determine to be necessary to meet the primary purposes of the Association.

4.4. **Initial Annual Assessments**. The Declarant shall initially establish the amount of the annual assessments. Thereafter, the establishment of annual assessments shall be according to the procedures and requirements of Section 4.5 below and the Governing Documents.

4.5. **Annual Assessments; Budgeting**.

(a) **Adoption of Budget**. At least sixty (60) days before the beginning of each fiscal year, the Association shall prepare a budget of the estimated Common Expenses for that year. Annual assessments for Common Expenses shall be based upon the estimated net cash flow requirements of the Association to cover items including, without limitation, the cost of routine maintenance and operating of the Common Area; the cost of common sewer and water utilities and trash removal services provided to the Project that aren't separately metered and assessed to individual Owners and Units; premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds, and common lighting within the Common Area; routine renovations within the Common Area; wages; common water and utility charges for the Common Area; reserves for any insurance deductible; legal and accounting fees; expenses and liabilities from a previous assessment period; and the supplementing of any reserve fund established by the Association.

(b) **Notice of Budget and Assessment**. The Association shall send a copy of the final budget, together with notice of the amount of the annual assessment to be levied pursuant to such budget, to each Owner at least thirty (30) days prior to the effective date of such budget. The budget shall automatically become effective unless disapproved in writing by Members representing at least sixty-seven percent (67%) of all eligible votes in the Association. Any such petition must be presented to the Association within ten (10) days after notice of the budget and assessment. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings pursuant to the Bylaws. Unless the budget for the assessment is disapproved by the Members as set forth above, the Association is thereafter authorized to levy the assessment as provided for herein.

(c) **Failure or Delay in Adopting Budget**. The failure or delay of the Association to prepare, distribute or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his or her allocable share of the expenses of the Association. In the event of such failure or delay, all Owners shall continue to pay assessments on the same basis as during the last year for which a budget was adopted and an assessment was made until notified of the amount of the new annual assessment, which new assessment shall be due on the first day of the next payment period which begins more than thirty (30) days after such new annual or adjusted budget is adopted and the Owners receive notice as provided herein.

(d) **Automatic Budget Approval**. Notwithstanding the foregoing, if the budget proposed by the Association will increase the annual assessment by an amount not greater than five percent (5%) more than the previous annual assessment, then such budget and corresponding annual assessment shall be automatically approved and effective upon thirty (30) days notice.

(e) **Adjustment of Budget and Assessment**. The Association may revise the budget and adjust the annual assessment from time to time during the year, subject to the notice

requirements and the right of the Members to disapprove the revised budget as set forth in Section 4.5(b) above; provided, however, that such an adjustment is exempt from the requirements of Section 4.5(b) if the adjustment would either decrease the annual assessment or increase the annual assessment by no greater than five percent (5%).

4.6. **Special Assessments.** In addition to the annual assessments, the Association may levy a special assessment in any assessment year, applicable to that year only, to cover unbudgeted expenses or expenses in excess of those budgeted, including without limitation the costs to defray, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the Common Area or Limited Common Areas that may be undertaken by the Association. Any such special assessment may be levied against the entire Membership if such special assessment is for Common Expenses. Except as otherwise provided in this Declaration, any special assessment relating to Common Expenses shall require the affirmative vote or written consent of a majority of the entire Membership. Special assessments shall be payable in such manner and at such times as determined by the Association and may be payable in installments extending beyond the fiscal years in which the special assessment is approved.

4.7. **Specific Assessments.** The Association shall have the power to levy specific assessments against a particular Unit to cover costs incurred in bringing any Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees or guests; provided, however, the Association shall give the Unit Owner against whom the specific assessment is being made prior written notice and an opportunity for a hearing, in accordance with the Bylaws, before levying any specific assessment under this subsection.

4.8. **Emergency Assessments.** Notwithstanding anything contained in this Declaration, the Association may levy emergency assessments in response to an emergency situation. Prior to the imposition or collection of any assessment due to an emergency situation, the Association shall pass a resolution containing the written findings as to the necessity of such expenditure and why the expenditure was not or could not have been reasonably foreseen or accurately predicted in the budgeting process and the resolution shall be distributed to the Members with the notice of the emergency assessment. An emergency situation is one in which the Association finds:

(a) An expenditure, in its discretion, required by an order of a court, to defend the Association in litigation, or to settle litigation;

(b) An expenditure necessary to repair or maintain the Property or any part of it for which the Association is responsible where a threat to personal safety on the Property is discovered;

(c) An expenditure necessary to repair, maintain or cover actual Association expenses for the Property or any part of it that could not have been reasonably foreseen by the Association in preparing and distributing the pro forma operating budget (for example: increases in utility rates, landscape or maintenance contract services, attorney fees incurred in the defense of litigation, etc.); or

(d) Such other situations in which the Association finds that immediate action is necessary and in the best interests of the Association.

4.9. **Uniform Rate of Assessment.** Unless otherwise provided for in this Declaration or elsewhere in the Governing Documents, assessments must be fixed at a uniform rate for all Units; provided, however, that no assessments shall accrue against the Declarant for Units owned by Declarant so long as the Declarant has Class B membership.

4.10. **Declarant's Option to Fund Budget Deficits.** During the Declarant Control Period, Declarant may, in its sole discretion and without any obligation to do so, fund any budget deficit of the Association, including without limitation funding any initial capital or operational reserve fund. In the event Declarant funds any budget deficit, it shall not establish any obligation by Declarant to continue to fund any future deficits.

4.11. **Payment; Due Dates.** The assessments provided for herein shall commence to accrue against a Unit upon conveyance of the Unit to a bona fide purchaser, adjusting the amount of such assessment according to the number of months remaining in the fiscal year. Due dates shall be established by resolution of the Association, with such resolution. Installments of assessments may be levied and collected on a monthly, quarterly, semi-annual, or annual basis, as determined by resolution of the Association. The Association may require advance payment of assessments at closing of the transfer of title to a Unit.

4.12. **Capitalization of Association.** Upon acquisition of record title to a Unit by the first Owner thereof other than Declarant, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to 15% of the annual assessment per Unit for that year or in such other amount as the Association may specify which may be a flat rate from year to year approximating 15% of the annual assessment per Unit levied during the first year in which the Association adopts a budget, but in no event shall such contribution from Declarant exceed \$300 per Unit. This amount shall be in addition to, and not in lieu of, the annual assessment and shall not be considered an advance payment of such assessment. This amount shall be for use in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

4.13. **Effect of Non-Payment of Assessment; Remedies of the Association.** Any assessment or installment thereof not paid within thirty (30) days after the due date therefor shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum (or such lesser rate as the Association shall determine appropriate) until paid. In addition, the Association may assess a late fee for each delinquent installment that shall not exceed ten percent (10%) of the installment.

(a) **Remedies.** To enforce this Article 4, the Association may, in the name of the Association:

(i) bring an action at law against the Owner personally obligated to pay any such delinquent assessment without waiving Association's lien for the assessment;

(ii) foreclose the lien against the Unit in accordance with the laws of the State of Utah applicable to the exercise of powers of sale in deeds of trust or to the foreclosure of mortgages, or in any other manner permitted by law;

(iii) restrict, limit or totally terminate any or all services performed by the Association on behalf of the delinquent Owner;

(iv) terminate, in accordance with Section 57-8a-204 of the Community Association Act, the Owner's right to receive utility services paid as a Common Expense;

(v) if the Owner is leasing or renting his Unit, the Association may, in accordance with section 57-8a-205 of the Community Association Act, demand that the Owner's tenant pay to the Association all future lease payments due from the Owner, beginning with the next monthly or other periodic payment, until the amount due to the Association is paid;

(vi) exercise any other rights authorized by the Community Association Act for non-payment of assessments and other charges;

(vii) suspend the voting rights of the Owner for any period during which any assessment or portion thereof against the Owner's Unit remains unpaid; and/or

(viii) accelerate all assessment installments that will become due within the subsequent twelve (12) months so that all such assessments for that period become due and payable at once. This acceleration provision may only be invoked against an Owner who has been delinquent in paying any assessment or installment two (2) or more times within a twelve (12) month period.

(b) Attorney Fees and Costs. There shall be added to the amount of any delinquent assessment the costs and expenses of any action, sale or foreclosure, and reasonable attorney fees incurred by the Association, together with, where applicable, an account for the reasonable rental for the Unit from time to time of commencement of the foreclosure. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental without regard to the value of the other security.

(c) Power of Sale. A power of sale is hereby conferred upon the Association which it may exercise to foreclose on any Lot or Unit to collect any assessment due under this Declaration. Under the power of sale, an Owner's Unit may be sold in the manner provided by Utah law pertaining to deeds of trust as if said Association were beneficiary under a deed of trust and said Owner was the "trustor." For purposes of foreclosing on any Unit as provided herein, and in compliance with Utah Code Ann. §57-8a-212(1)(j), the Declarant hereby conveys and warrants pursuant to Utah Code Ann. §57-1-20 and 57-8a-402 to Integrated Title Insurance Services, LLC, with power of sale, the Lots and all improvements to the Lots for the purpose of securing payment of assessments under this Declaration. The Association may designate any person or entity qualified by law to serve as trustee for purposes of power of sale foreclosure.

4.14. **Exempt Property.** The following property subject to this Declaration is exempt from the assessments created herein: (a) all property dedicated to and accepted by any local public authority; (b) the Common Area and the Limited Common Areas; (c) all Units or other real property owned by Declarant; and (d) any other property declared exempt as set forth in this Declaration or within any Plat.

4.15. **Subordination of Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first Mortgage held by a Mortgagee if the Mortgage was recorded prior to the date the assessment became due.

4.16. **Termination of Lien.** A sale or transfer of any Unit shall not affect any assessment lien made as to such Unit prior to such sale or transfer; provided, however, the sale or transfer of any Unit pursuant to foreclosure of a first Mortgage or any proceeding in lieu thereof, shall extinguish the assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer, however, shall relieve a Unit or Owner from personal liability for assessments coming due after he or she takes title or from the lien of such later assessments.

4.17. **Books, Records and Audit.**

(a) The Association shall maintain current copies of the Governing Documents and other similar documents, as well as its own books, records and financial statements which shall all be available for inspection by Owners and insurers as well as by holders, insurers and guarantors of first mortgages during normal business hours upon reasonable notice. Charges shall be made for copying, researching or extracting from such documents. An Owner or holder, insurer or guarantor of a first Mortgage may obtain an audit of Association records at its own expense so long as the results of the audit are provided to the Association.

(b) The Association shall prepare a roster of Owners for each Unit and the assessments applicable thereto at the same time that it shall fix the amount of the annual assessment, which roster shall be kept by the Treasurer of the Association, who shall record payments of assessments and shall allow inspection of the roster by any Member at reasonable times.

(c) The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessment on a specified Unit has been paid. Such certificates, when properly issued, shall be conclusive evidence of the payment of any assessment or fractional part thereof which is therein shown to have been paid.

ARTICLE 5
INSURANCE

5.1. **Property and Casualty Insurance.**

(a) The Directors shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal,

owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the Owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses which shall be included in the annual assessments made by the Association. To the extent reasonably available, the Association shall obtain and continue in effect, on behalf of all Owners all insurance required to be obtained by it pursuant to Utah Code Ann: §57-8a-403, including blanket property insurance on the physical structure of all Units, the Common Area and the Limited Common Areas appurtenant thereto insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils (the “Property Insurance”). If the Association becomes aware that Property Insurance is not reasonably available, it shall give all Owners notice of such fact within seven (7) days. The total amount of coverage provided by the Property Insurance shall not be less than 100% of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies and without deduction for depreciation or coinsurance. The Property Insurance policy may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements herein. The Property Insurance shall include coverage for any fixture, improvement or betterment installed by an Owner to his or her Unit, including floor coverings, cabinets, light fixtures, electrical fixtures, heating or plumbing fixtures, paint, wall coverings, windows and any other item permanently part of or affixed to the Unit or Limited Common Areas appurtenant thereto. Notwithstanding anything herein to the contrary, the Association is not required to obtain Property Insurance or any other insurance for any property or other improvement that is not attached to a Unit or other attached dwelling.

(b) The Property Insurance shall be written in the name of the Association, and the proceeds thereof shall be payable to the Association as trustee for the Owners. Each Owner shall be an insured under the Property Insurance policy.

(c) Insurance premiums for then Property Insurance policy, and any other insurance premiums paid by the Association, shall be a Common Expense of the Association to be included in the annual assessments levied by the Association.

(d) The Association may make a special assessment to each Owner to cover the amount of any deductible under the Property Insurance policy, not to exceed \$10,000 in the aggregate or such other amount satisfying the requirements of Utah Code. Ann. §57-8a-405(9). The Association shall set aside the amount of any deductible collected pursuant to this subsection and not use the same for any purpose other than paying the deductible with respect to any claim made on the Property Insurance policy.

(e) In the event of an insured loss covered by the Property Insurance policy, the deductible shall be treated as a Common Expense in the same manner as the premiums for the Property Insurance policy. However, if the Association reasonably determines, after notice and opportunity to be heard, that the loss is the result of the negligence or willful misconduct of one or

more Owners, their guests, invitees or lessees, then the Association may assess the full amount of such deductible against such Owner and the Owner's Lot.

(f) If a loss occurs that is covered by the Property Insurance policy in the name of the Association and another property insurance policy in the name of an Owner:

(i) the Association's policy provides primary insurance coverage; and

(ii) notwithstanding Subsection 5.1(e) and subject to Subsection 5.1(g) (A) the Owner is responsible for the Association's policy deductible, and (B) the Owner's policy applies to that portion of the loss attributable to the Association's policy deductible.

(g) As used in this Subsection 5.1(g), "Covered Loss" means a loss, resulting from a single event or occurrence, that is covered by the Association's Property Insurance policy; "Lot Damage" means damage to any combination of a Lot, a dwelling on a Lot, or Limited Common Areas appurtenant to a Lot or appurtenant to a dwelling on a Lot; and "Lot Damage Percentage" means the percentage of total damage resulting in a Covered Loss that is attributable to Lot Damage. An Owner who owns a Lot that has suffered Lot Damage as part of a Covered Loss is responsible for an amount calculated by applying the Lot Damage Percentage for that Lot to the amount of the deductible under the Association's Property Insurance policy. If an Owner does not pay the amount required under this Subsection 5.1(g) within thirty (30) days after substantial completion of the repairs to, as applicable, the Lot, a dwelling on the Lot, or Limited Common Areas appurtenant to the Lot, the Association may levy an assessment against a the Lot for that amount.

(h) The Association shall provide notice to each Owner of the Owner's obligation under Subsection 5.1(g) for the Association's policy deductible and of any change in the amount of the deductible.

(i) If, in the exercise of the business judgment rule, the Association determines that a claim is likely not to exceed the Association's Property Insurance policy deductible, then (i) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; (ii) the Owner who does not have a policy to cover the Association's Property Insurance policy deductible is responsible for the loss to the amount of the Association's policy deductible, as provided in Subsection 5.1(g); and (iii) the Association need not tender the claim to the Association's insurer.

5.2. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all Unit Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Unit Owner. In the event that the Association is maintaining blanket casualty and fire insurance on the Units, the Association shall repair or replace the same to the extent of the insurance proceeds available. In the event of damage or destruction by fire or other casualty to any portion of the Property covered by insurance written in the name of the Association, the

Directors are empowered to and shall represent the Members in any proceedings, negotiations, settlements or agreements. The Association is appointed attorney-in-fact of each Owner for this purpose.

5.3. **Damage to a Portion of the Project.**

(a) If a portion of the Project for which the Association is required to obtain Property Insurance is damaged or destroyed, the Association shall repair or replace the portion within a reasonable amount of time unless:

- (i) the Project is terminated;
- (ii) repair or replacement would be illegal under a state statute or local ordinance governing health or safety; or
- (iii) (A) at least 75% of the allocated voting interests of the Owners in the Association vote not to rebuild; and (B) each Owner of a dwelling on a Lot and the Limited Common Areas appurtenant to that Lot that will not be rebuilt votes not to rebuild.

(b) If a portion of the Project is not repaired or replaced because the Project is terminated, the termination provisions of applicable law and the Governing documents apply.

The cost of repair or replacement in excess of Property Insurance proceeds and reserves is a Common Expense.

5.4. **Entire Project Damaged or Destroyed.** If the entire Project is damaged or destroyed and not repaired or replaced, then:

(a) The Association shall use the Property Insurance proceeds attributable to any damaged Common Area of Limited Common Areas to restore the damaged area to a condition compatible with the remainder of the Project;

(b) The Association shall distribute the insurance proceeds attributable to Lots and common areas (if any) that are not rebuilt to:

- (i) the Owners of the Lots that are not rebuilt;
- (ii) the Owners of the Lots to which the Common Area or Limited Common Areas that are not rebuilt were allocated; or
- (iii) the Mortgagees or lien holders of the Lots; and

(c) The Association shall distribute the remainder of the insurance proceeds to all the Owners or Mortgagees in proportion to the Common Expense liabilities of all the Lots.

5.5. **Decision Not to Rebuild a Unit.** If the Owners vote not to rebuild a Unit: (a) the Unit's allocated interests are automatically reallocated upon the Unit Owner's vote as if the

Unit had been condemned; and (b) the Association shall prepare, execute, and submit for recording an amendment to the Declaration reflecting the reallocations described in this Section 5.4.

5.6. **Liability Insurance.** The Directors shall obtain a comprehensive policy of public liability insurance covering all of the Common Area for at least \$1,000,000.00 per occurrence for personal or bodily injury and property damage that results from the operation, maintenance or use of the Common Area. Liability insurance policies obtained by the Association shall contain a “severability of interest” clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

5.7. **Fidelity Insurance.** The Association, in its discretion, may elect to obtain fidelity coverage against dishonest acts on the part of managers, directors, officers, employees, volunteers, management agents or others responsible for handling funds held and collected by the Association for the benefit of the Owners or Members. If the Association elects to procure fidelity insurance, the Association shall seek a policy which shall (a) name the Association as obligee or beneficiary, (b) be written in an amount not less than the sum of (i) three months’ operating expenses and (ii) the maximum reserves of the Association which may be on deposit at any time, and (c) contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of “employee.”

5.8. **Annual Review of Policies.** The Association shall review all insurance policies at least annually in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacements of the property which may be damaged or destroyed. The Association may, to the extent it deems necessary to more fully protect and insure the Association and its property, or to otherwise comply with evolving laws and insurance standards, modify the coverage standards set forth in this Article 5 without the necessity of amending this Declaration.

5.9. **Changes to Community Association Act.** The insurance provisions set forth in this Article 5 are intended to comply with and conform to the terms and conditions in Part 4 of the Community Association Act. If Part 4 of the Community Association Act is amended or modified after the date of this Declaration, the Declarant during the Declarant Control Period and the Association after the Declarant Control Period may amend this Article 5 to conform to the terms and conditions of Part 4 of the Community Association Act, as amended, by filing a recorded amendment to or restatement of this Declaration in the official records of the Salt Lake County Recorder, State of Utah.

ARTICLE 6

ARCHITECTURAL CONTROLS AND STANDARDS

6.1. **Architectural Control Committee.** There is hereby created an Architectural Control Committee (“ACC”) which shall be composed of a minimum of three (3) or more representatives appointed by the Board of Directors. If the Board of Directors does not establish or appoint the ACC the Board itself shall carry out the functions and responsibilities of the ACC. Notwithstanding the above, during the Declarant Control Period, the Declarant shall be entitled to carry out the functions and responsibilities of the ACC or may otherwise appoint all members of the ACC. The Association shall have no jurisdiction over architectural matters during the

Declarant Control Period. Unless appointed by the Declarant, all members of the ACC shall be Members of the Association.

6.2. **Architectural Control Committee Approval.** The ACC's primary responsibility is to ensure that the exteriors of all Units, including the roofs, be maintained in the same color and texture as originally established by the Declarant and that no Unit Owner or other person attach, erect, install, or place any thing on the exterior of Units or the interior of Units where the same might be visible from outside the Unit, or other buildings and structures in the Property without first obtaining ACC approval in accordance with this Article. In this regard, no structure, building, fence, wall, or thing shall be placed, erected, or installed upon any Lot or to any Unit and no improvements or other work (including exterior alterations of existing improvements, or planting or removal of landscaping) shall take place within the Property until the plans and specifications showing, without limitation, the nature, kind, shape, height, materials, colors and location of the same shall have been submitted to and approved in writing by the ACC in accordance with this Article and any rules and regulations adopted by the ACC pursuant to the authority of this Article. ACC approval shall be required regardless of whether the structure, building, fence, wall, or thing to be constructed, placed, erected, or installed is new, or an addition, extension or expansion, change or alteration, or re-construction, replacement, re-erection, or re-installation of any of the foregoing.

6.3. **Rules, Regulations, Guidelines, and Procedures.** The Architectural Control Committee may establish rules, regulations, guidelines, and procedures to govern the submission, review, and approval of any plans submitted to it for review. Any rules, regulations, guidelines, and procedures established by the Architectural Control Committee hereunder may be made available to any Member upon request by that Member.

6.4. **Abandonment of Architectural Plan.** Without the prior written approval of at least sixty-seven percent (67%) of the Entire Membership, neither the Association nor the ACC shall have the power, by act or omission, to change, waive or abandon any plan, scheme or regulations pertaining to the architectural design or the exterior appearance or maintenance of Units, and the maintenance of the Common Area and Limited Common Areas, including walls, fences, driveways, lawns and plantings.

6.5. **Application to Declarant.** The Declarant shall not be required to comply with the provisions of this Article in the initial construction of the Property.

ARTICLE 7 **PARTY WALLS**

7.1. **General Rules of Law to Apply.** Each wall that is built as a part of the original construction upon the Project which serves and/or separates any two adjoining Units shall constitute a party wall. To the extent not inconsistent with the provisions of this Article 6, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

7.2. **Sharing of Repair and Maintenance.** The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

7.3. **Destruction by Fire or Other Casualty.** If a party wall is destroyed or damaged by fire or other casualty, then, to the extent said destruction or damage is not covered by insurance and repaired out of the proceeds of the same, 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.

7.4. **Exposure to Elements.** Notwithstanding any other provision of this Article 6, an Owner who by negligent or willful actions causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements to the extent that said protection is not covered by insurance and paid for out of the proceeds of the same.

7.5. **Right to Contribution Runs with Land.** The right of any Owner to contribution from any other Owner under this Article 6 shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

ARTICLE 8 **MAINTENANCE**

8.1. **Association's Responsibility.** The Association shall be responsible for maintenance of the Common Area and the Limited Common Areas not designated to any particular Unit(s). The cost of such maintenance shall be a Common Expense. This maintenance includes but is not limited to upkeep of all landscaping, upkeep and maintenance of all roadways, street lights, sidewalks, and parking areas, and upkeep and maintenance of all buildings and facilities which constitute part of the Common Area. The Association shall not have any responsibility for upkeep and maintenance of the Project or the Units, unless expressly required by this Declaration or expressly assumed by the Association pursuant to the authority of this Declaration.

8.2. The Association shall not have any responsibility for upkeep and maintenance of the Project or the Units, unless expressly required by this Declaration or expressly assumed by the Association pursuant to the authority of this Declaration.

8.3. **Owner's Responsibility.** Each Owner shall be responsible for maintenance of his or her Unit, and any Limited Common Area designated for the exclusive use and occupancy of his or her Unit, in a manner consistent with all applicable provisions of the Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association by the Governing Documents. Without limiting the foregoing, each Owner shall, at such Owner's cost and expense, maintain the Limited Common Area appurtenant to his or her Unit so as to preserve, protect and restore the appearance thereof consistent with the original design and construction and with the Limited Common Areas of the other Units to as to maintain a consistency in the design, construction, color and quality of the exteriors of all Units. Each Unit Owner shall also be responsible, at his or her sole cost and expense, to remove snow, ice and other obstacles from any public or private walkways or sidewalks appurtenant to his or her Unit. For purposes of

this Section 7.2, public sidewalks located in front of (and for end Units, to the side of) each Unit shall be deemed appurtenant to that Unit. The Association shall, however, in the default of the Owner to perform maintenance with respect to an Owner's Limited Common Area which is such Owner's responsibility, and after ten (10) days' written notice to such Owner (which notice shall not be required in the event of emergency or threat to life, health, property or safety), provide exterior maintenance upon the Limited Common Area for which such Owner is responsible and may shall charge such Owner the costs of such maintenance as a specific assessment.

8.4. **Access at Reasonable Hours.** For the sole purpose of performing the maintenance required or otherwise authorized by this Article 7, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or Limited Common Area at reasonable hours.

8.5. **Other Services Provided by Association.** In addition to the maintenance of the common sewer and water utility servicing the Project and the payment of all costs with respect thereto (including costs for water and sewer usage that are not separately assessed to Units, as described in Section 4.3 above), to the extent determined to be necessary or desirable by the Association, the Association may provide additional services to the Unit Owners as a Common Expense or specific assessment, as appropriate.

8.6. **Alteration of Certain Maintenance Duties by Rule.** The duty of maintenance for the area of a Lot outside the walls of the Unit, and the Limited Common Areas adjacent and appurtenant to the Units may be altered by rule of the Association.

ARTICLE 9 **USE AND CONDUCT RESTRICTIONS AND REQUIREMENTS**

The following use and other restrictions shall apply to the Project. These restrictions are in addition to those established by federal, state, or local law and ordinance and those which may be set forth elsewhere in the Governing Documents.

9.1. **General Use Restrictions.** All of the Property which is subject to this Declaration is hereby restricted to residential dwellings and buildings in connection therewith. All buildings or structures erected on the Property shall be of new construction and no buildings or structures shall be removed from other locations to the Property. After the initial construction of a Unit on a Lot, no subsequent building or structure dissimilar to that initial construction shall be built on that Lot. No building or structure of a temporary character, trailer, basement, tent, camper, shack, garage, barn or other outbuilding shall be placed or used on any Lot at any time.

9.2. **Quiet Enjoyment.** No noxious or offensive activity shall be carried on upon any part of the Property nor shall anything be done thereon which may be or may become an annoyance or nuisance to the Unit Owners, or which shall in any way interfere with the quiet enjoyment of each of the Owners or which shall in any way increase the rate of insurance.

9.3. **Parking.** No Owner shall park more than two (2) motor vehicles on his or her Lot or within the Project at any time. No motor vehicle which is inoperable shall be allowed within the Property (other than within the enclosed garage of a Unit), and any inoperable motor vehicle which remains parked on any Lot (other than in the enclosed garage of a Unit) over 72 hours shall

be subject to removal by the Association at the vehicle owner's expense, which expense shall be payable on demand. If the motor vehicle is owned by a Unit Owner, any amounts payable to the Association pursuant to this Section 8.4 shall be secured by the Lot, and the Association may enforce collection of said amounts in the same manner provided for in this Declaration for the collection of assessments. Recreational vehicles, boats, travel trailers and similar personal property shall only be parked within the Project as permitted by rule of the Association.

9.4. **Timeshares Prohibited.** No Unit Owner shall offer or sell any interest in his Unit under a "timesharing" or "interval ownership" plan, or any similar plan.

9.5. **Signs.** The Association shall have the right to regulate the display, use, size and location of signs within the Property. The right to regulate includes the right of prohibition. Notwithstanding the Association's right of regulation, no signs, advertising signs, billboards, objects of unsightly appearance or nuisances shall be erected, placed or permitted to remain on the exterior of any Unit, within or upon the Common Area, or any portion of the Property. Nor shall such signs, billboards, objects of unsightly appearance, or nuisances be placed or permitted to remain within any Unit where the same are visible from the public streets or roadways. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the Declarant Control Period or by the Association in furtherance of its powers and purposes set forth in the Governing Documents, as the same may be amended from time to time.

9.6. **Compliance with Laws.** No Unit Owner shall permit anything to be done or kept in his Unit or any part of the Property that is in violation of any applicable federal, state, or local law, ordinance, or regulation.

9.7. **No Commercial Activities.** No commercial activities of any kind whatever shall be conducted on any portion of the Property, including an in-home business as defined by local ordinances. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the construction and sales period or by the Association in furtherance of its powers and purposes set forth in the Governing Documents, as the same may be amended from time to time or to any on-site property manager under contract to perform services for the Association.

9.8. **Smoking.** The Association is authorized to, by rule or resolution, prohibit tobacco smoking within or around the Common Areas and any other portion of the Property, including within Units or on patios of any Unit when it is reasonably determined that the smoke or the smell from the smoking might filter or drift into other Units or interfere with the use and enjoyment of the Property by other Unit Owners. In addition, the Association is authorized to enforce and otherwise bring an action for nuisance under the provisions of Title 78, Chapter 38 of the Utah Code for and on behalf of any Unit Owner against any other Unit Owner or occupant whose smoking creates or constitutes a nuisance under said provision of the Utah Code.

9.9. **Pets and Animals.**

(a) **Restrictions.** The Association has the right to regulate and restrict, by rule of the Association, the keeping and harboring of pets and animals within the Property, including

the keeping and harboring of pets and animals within the Units. This right includes the right to restrict the type, breed or species of animal, the number of animals which may be kept, the areas in which the animals may be kept or taken, and to completely eliminate the keeping and harboring of pets. Until such time as the Association adopts a policy expressly authorizing the keeping of pets and animals, the same shall not be prohibited within the Property. The Association may also establish procedural rules and regulations to implement its rules which should include provisions for notice and hearing. Commercial breeding of pets and animals is prohibited within the Property and may not be allowed or authorized by Association rule or resolution.

(b) **Owner Responsibility.** In the event the Association authorizes the keeping of pets and animals, Unit Owners must take due care to ensure that their pets and animals do not make excessive noises, cause any offensive smell, or create any physical threat to the safety of any other Unit Owner or person within the Property, or the safety of any guests, lessees, or invitees, particularly among children. Unit Owners are responsible for any property damage, injury, or disturbance that their pet may cause or inflict anywhere within the Property. To the extent the Association is subjected or otherwise exposed to any liability, claims, damages, costs, losses, or expense as a result of the actions of an animal, the Association has the right to make a claim against the Unit Owner. Unit Owners shall indemnify the Association from any claims, damages, or causes of action that arise from or otherwise relate to the conduct of their pets. This indemnification shall include any attorney fees, costs and expenses incurred by the Association.

9.10. **Hazardous Activities and Substances.** No Owner shall engage in or permit any of said Owner's guests, visitors, tenants or invitees to engage in any activity that will cause an increase in insurance premiums for insurance coverage on the Property nor shall any Owner or any Owner's guests, visitors, tenants or invitees engage in any activity that will cause or permit any hazardous substance or material to be stored, used or disposed of on or within the Property.

9.11. **External Apparatus.** The Association, by rule adopted by the Association, regulate, restrict or prohibit Owners from hanging, displaying, attaching or otherwise affixing any object (including without limitation awnings, canopies or shutters) on the exterior or roof of such Owner's Unit if the same is visible from the public street in front of the Project (*i.e.*, Merrimac Avenue) if such object detracts from the overall appearance and appeal of the Project.

9.12. **Exterior Television or Other Antennas.** To the extent not prohibited by law, no television, radio or other electronic antenna or device of any type shall be erected, constructed, affixed, placed or permitted to remain on the exterior of any Unit, on any Common Area, or the exterior of any building or structure upon the Property, or within any Unit, including the roof, where the same is visible from outside the Unit. The Association is hereby authorized to establish and promulgate rules and regulations to govern the placement and installation of antennas covered by the Federal Communications Commission's rules on "Over-the-Air Reception Devices," which requires such antennas to be screened from street level view.

9.13. **Garbage Removal.** All rubbish, trash and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate thereon. Garbage shall be placed in proper containers. Garbage containers for each Unit shall be kept inside the garages of such Units until such garbage containers are ready to be placed on the street for pick up by the city.

9.14. **Pest Control.** No Unit Owner or Unit occupant shall permit any object or condition to exist within or upon the Unit which would induce, breed or harbor insects, rodents or other pests. Each Unit Owner shall perform such pest control activities within and upon his or her Unit as may be necessary to prevent insects, rodents and other pests from being present in his or her Unit.

9.15. **Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in the Property. No derrick, lift, shaft or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon the Property.

9.16. **Interior Utilities.** All utilities, fixtures and equipment installed within a Lot, commencing at a point where the utility lines, pipes, wires, conduits or systems enter boundaries of a Lot, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act or any work that will impair any easement or hereditament nor do any act nor allow any condition to exist which will adversely affect the other Lots or Owners.

ARTICLE 10 **LEASES AND LEASING**

10.1. **Purpose and Intent of Lease Restrictions.** The purpose of this Article 9 is to further Declarant's intent to protect the value and desirability of the Project as a harmonious and attractive residential community and to avoid any deterioration of the same into a transient-apartment like community.

10.2. **Notification of Board.** An Owner who enters into a lease or rental agreement must notify the Association of the same, in writing, within fifteen (15) days after execution of the lease or rental agreement and along with such notification must provide to the Association a copy of the lease or rental agreement. An Owner must comply with the foregoing notice provision for each tenant with which it enters into a lease or rental agreement and for each renewal of any existing lease or rental agreement.

10.3. **Leasing Restrictions.** Any lease or rental agreement for any Unit shall be in writing and shall clearly state that (a) the terms of such lease or rental agreement shall be subject in all respects to the provisions of this Declaration and the other Governing Documents and (b) any failure by tenant/lessee/renter to comply with the terms of such documents shall be a default under the lease. Units may be leased only in their entirety. There shall be no subleasing of Units or assignment of leases without prior written approval of the Association. To further Declarant's intent, as set forth above, Owners may only lease their Units to Single Families. For purposes of this Article, the term "Single Family" means an individual living alone, a group of two or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than four persons who maintain a single housekeeping unit within the Unit. Any lease or rental agreement, whether an initial agreement or any renewal thereof, shall provide for a minimum lease term of not less than sixth (6) months; provided, however, the Association shall have the power to allow leases for a term of less than six months upon a showing by the Owner that such a lease is required to avoid undue hardship. Furthermore, the Association is authorized to make this Article

more restrictive, including without limitation requiring longer minimum lease periods and establishing rental caps on the number of Units that may be rented within the Property.

10.4. **Enforcement Against Owner.** Notwithstanding any other rights of enforcement under this Declaration and other Governing Documents, or by applicable law, the Association may impose a fine, not to exceed \$250, which shall constitute a lien upon such Owner's Lot, for each violation by Owner's tenant/lessee/renter of this Declaration or other Governing Documents. Such fine shall be imposed after the Association has given an Owner not less than ten (10) days' written notice of such violation, and the Owner has failed to take appropriate actions within such 10-day period to remedy the same; provided, however, the Association shall not be required to give written notice before assessing a fine if the Association has previously given the Owner written notice during the preceding 12-month period for the same or similar violations. The Association may impose an additional fine on the Owner for each day such violation continues after the 10-day notice period provided herein (unless the Association is not required to give ten (10) days' written notice as provided herein), which additional fines shall constitute a lien upon such Owner's Lot. The Association need not provide any additional notice prior to fining an Owner for a continuing violation. There shall be added to any such fine reasonable attorney fees and costs incurred by the Association in enforcing this Article. Any fine levied pursuant to this Article shall be recoverable by the Association in the same manner as an assessment under Article 4 and shall create a lien in favor of the Association against the Owner's Unit in the same manner as an assessment.

10.5. **Enforcement of Lease by Association.** Any lease or rental agreement for any Unit within the Property shall include the following language, and, if such language is not expressly contained in such lease or rental agreement, the Owner leasing his Unit hereby agrees that such language shall be deemed incorporated into the lease:

NOTICE: Any violation of the Declaration of Covenants, Conditions and Restrictions of Millbrook Lofts, Planned Development. (the "Declaration") and/or any rules and regulations adopted pursuant thereto (collectively, the "Violations"), by the lessee, tenant, any occupant or any guest of lessee, is deemed to be a default under the terms of the lease and authorizes the Landlord/Owner to terminate the lease without liability and to evict the lessee in accordance with Utah law. The Landlord/Owner hereby delegates and assigns to the Millbrook Lofts Homeowners' Association, or any management company which contracts with the Association, power and authority of enforcement against the lessee for breaches resulting from any Violations, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Landlord/Owner, in accordance with the terms hereof. If the Association proceeds to evict the lessee, any costs, including reasonable attorney fees, court costs, and any other expenses incurred by the Association associated with the eviction shall be an assessment and lien against the Unit.

10.6. **Cumulative Nature of Remedies.** The remedies provided in this Article are cumulative and in addition to any remedies provided in this Declaration or at law or in equity.

ARTICLE 11
SAFETY AND SECURITY

Each Owner and occupant of a Unit, and their respective guests and invitees, shall be responsible for their own personal safety and security of their property within the Property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of safety or security within the Property, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

ARTICLE 12
EASEMENTS

12.1. **Encroachments.** Each Lot and the Property included in the Common Area and Limited Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Declarant. In the event a Townhome or permitted structure containing on a Lot is partially or totally destroyed and then rebuilt, the Owners of the Lots so affected agree that minor encroachments of parts of the adjacent Units, Common Area, or Limited Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

12.2. **Utilities.** There is designated on the Plat an easement upon, across, over and under the Property for public utility purposes. By virtue of this easement, it shall be expressly permissible for all public utilities serving the Property to lay, construct, renew, operate and maintain conduits, cables, pipes, mains, ducts, wires and other necessary equipment on the Property, provided that all such services shall be placed underground, except that said public utilities may affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under roofs and exterior walls. Notwithstanding anything to the contrary contained in this Section 11.2, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property in such a way as to unreasonably encroach upon or limit the use of the Common Area, the Common Areas or any structure thereon. In the initial exercise of easement rights under this Section 11.2, a utility shall make reasonable efforts to occupy and use the same physical location or lane as other utilities. After a utility service has initially exercised its easement rights under this Section 11.2, the utility shall make reasonable efforts to occupy and use the same physical location as its prior installations. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant or the Association shall have the right to grant such easement on said Property without conflicting with the terms hereof. Declarant reserves the right to convey to itself and to other adjoining landowners, easements for roadway and utility use in the Project and the right to connect to and use utility easements owned or controlled by the Association or serving the Property.

12.3. **Maintenance by Association.** An easement is hereby granted to the Association, its officers, agents, employees and to any maintenance company selected by the Association to enter in or to cross over a Lot and any Limited Common Area to perform the duties of maintenance and repair authorized or permitted the Association under this Declaration or the other Governing Documents.

12.4. **Drainage and Irrigation Easements.** Declarant reserves for itself and its successors and assigns, and for the Association, and its officers, agents, employees and successors and assigns, an easement to enter on, across, over, in and under any portion of the Property for the purpose of modifying the grade of any drainage channels on the Property to improve the drainage of water. Declarant also reserves the right to use or delegate the use of any irrigation ditches existing on the Property on the date this Declaration is recorded, and Declarant reserves for itself and its successors and assigns the right to construct, access and maintain additional irrigation ditches and lines on the Property for such other purposes as Declarant may from time to time deem appropriate.

12.5. **Owners' Easements of Enjoyment.** Every Owner has a right and easement of use and enjoyment in and to the Common Area and Limited Common Areas designated by the Declarant for the exclusive use of an Owner's Unit. This easement is appurtenant to and passes with the title to every Lot, subject to the provisions of the Governing Documents. A Unit Owner has no easement of use of the air space outside of the boundaries of his Unit or, in the case of a patio or deck, outside the confines of the patio or deck as depicted on the Plat. Therefore, subject to the Association's right of regulation, each Unit Owner's easement of use with respect to an appurtenant patio or deck shall not extend (i) horizontally beyond or outside of the center line of any wall or other exterior surface constituting the perimeter boundary of the patio or deck or (ii) vertically beyond the interior surface of any covered area or ceiling over the patio/deck. In the event that a patio or deck is uncovered, the Unit Owner's easement of use of the airspace for such patio or deck shall not extend beyond the height of the interior surface of the ceiling within the Unit Owner's Unit.

12.6. **Easement for Declarant.** The Declarant shall have a transferable easement over and on the Project and the facilities and utilities of the Project for the purpose of making improvements on the Property for the purpose of doing all things reasonably necessary and proper in connection with the development and marketing of the Project.

12.7. **Reservation of Easements by Declarant.** The Declarant hereby reserves to itself during the Declarant Control Period the right to reserve easements over, beneath and through the Property, including over the Common Area and Limited Common Area and related facilities, for the purpose of making improvements to and developing the Property, including without limitation constructing, installing, marketing and maintaining any landscaping features, entrance features, project signage, street lights, paths, trails or sidewalks or other facilities or things benefiting the Property. The Declarant reserves to itself during the Declarant Control Period the right to make any dedications and to reserve, grant, vacate or terminate any easements, rights-of-ways and licenses as may be reasonably required by any governmental authority or to carry out the intent and design of the Declarant's plan for development of the Property, without compensation therefor.

12.8. **Easements of Record.** The easements provided for in this *Article 11* shall in no way affect any other recorded easement.

12.9. **Limitations on Easements.** In no event shall any easement granted or reserved herein be construed to or have the effect of permitting entry into the interior portion of any Unit.

ARTICLE 13
SPECIAL DEVELOPMENT RIGHTS

13.1. **Intent and Purpose of Special Development Rights.** In addition to any other rights granted or reserved to the Declarant in this Declaration and the other Governing Documents, and notwithstanding any covenants, conditions, restrictions or other provisions of limitation within this Declaration, the Declarant, as the developer of the Property, is granted special development rights. These combinations of rights maximize the flexibility of the Declarant to adjust the size and mix of the Property to the demands of the marketplace, both before and after creation of the Project. This Declaration shall be liberally construed to advance Declarant's rights and interest in developing the Property.

13.2. **Municipal Zoning and Subdivision Approvals.** The Declarant shall have the right to further subdivide the Property and to apply for any zoning or subdivision approvals or permits from Salt Lake City, Utah, or any other applicable governmental authority with respect to the Property or any adjacent property owned by Declarant, whether or not such adjacent property is annexed into the Project. This right includes but is not limited to applying for and obtaining zoning permits, subdivision approvals, plat approvals or approvals to amend the Plat or any plats. Further, except for any such approval that would (a) affect title to the Owner's Unit or (b) alter the boundaries of an Owner's Lot, each Unit Owner hereby waives his or her right to object to any such approval sought by Declarant, and, to the extent the approval and consent of any Owner is required under state or local law each Owner agrees to sign the application or other documents required for such action.

13.3. **Declarant Business, Marketing and Sales.** Notwithstanding any provisions to the contrary contained in this Declaration or any other Governing Documents, it shall be expressly permissible for Declarant, or its written designee, to maintain such facilities and conduct such activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction and sale of Units during the Declarant Control Period, and upon such portion of the Property as Declarant deems necessary, including without limitation a business office, storage areas, construction yard, signs, model units and sales offices. As part of the overall program of development of the Property into a residential community and to encourage the marketing thereof, the Declarant shall have the right of use of any Units which have not been conveyed to purchasers without charge during the Declarant Control Period to aid in its marketing activities.

13.4. **Additional Development Rights.** The Declarant shall have the right to (a) dedicate any access roads and streets serving the Property for and to public use, to grant road easements with respect thereto and to allow such street or road to be used by owners of adjacent land; (b) convert any part or portion of the Property to a different regime of residential ownership; or (c) create or designate common areas or additional Limited Common Areas within the Property.

13.5. **Assignment of Declarant's Rights.** Any and all rights and powers of the Declarant contained in this Declaration and other Governing Documents may be delegated, transferred or assigned by the Declarant, in whole or in part. To be effective, any such delegation, transfer, or assignment must be in writing, signed by Declarant, indicate the extent and nature of such assignment, and be recorded in the Office of the Salt Lake County Recorder.

ARTICLE 14
AMENDMENT

14.1. **By Class A Members.** Except as otherwise specifically provided herein, this Declaration may be amended, modified, extended, or revoked, in whole or in part, by the affirmative vote or written consent, obtained by written ballot or otherwise, or any combination thereof, of Owners representing at least sixty-seven percent (67%) of the total votes in the Association. Notwithstanding the above, the percentage of votes necessary to amend a specific provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that provision.

14.2. **By Declarant.** Declarant has the right to unilaterally amend, modify, extend or revoke this Declaration for any purpose during the Declarant Control Period, with or without notice to the Class A Members. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on any Lot; (d) to satisfy the requirements of any local, state or federal governmental agency; or (e) to correct any scrivener's error. However, any such amendment occurring after the Declarant Control Period shall not adversely affect the title to any Lot unless the Owner shall consent in writing. Declarant's right to amend shall be construed liberally and shall include, without limitation, the right to amend and/or restate this Declaration in part or in its entirety.

14.3. **By the Association.** The Association has the right, after the Declarant Control Period, to unilaterally amend this Declaration if such amendment is necessary to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination.

14.4. **Validity.** No amendment made by the Class A Members or the Association during the Declarant Control Period shall be effective unless the Declarant provides its prior express written consent to such amendment, which consent is within Declarant's sole and absolute discretion. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

14.5. **Effective Date.** Unless a later effective date is specified in the amendment, any amendment shall be immediately effective upon recording in the office of the Salt Lake County Recorder a copy of such amendment accompanied by a verified certificate of the Secretary of the Association stating that the required number of votes or consents was obtained and that a record of such votes or originals of the consents will be placed on file in the Association's office. In the case of unilateral amendment by Declarant as provided for herein, such amendment shall be immediately effective upon recording in the official records of the Salt Lake County Recorder, State of Utah, a copy of such amendment signed and verified by the Declarant.

ARTICLE 15
ENFORCEMENT

15.1. **Violations Deemed a Nuisance.** Every violation of this Declaration or any rule, regulation, or resolution established pursuant to the authority of this Declaration is deemed a nuisance and is subject to all the remedies provided for the abatement or correction of the violation provided for in this Declaration, any rule, regulation or resolution, or by law or equity.

15.2. **Legal Action Authorized.** The Association, the Declarant or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all provisions of this Declaration or any rule, regulation or resolution established pursuant to the authority of this Declaration, including all charges and liens now or hereafter imposed pursuant to the authority of this Declaration, against any person, persons or entities violating or attempting to violate any provision of this Declaration or any rule, regulation or resolution established pursuant to the authority of this Declaration, to restrain or abate or otherwise recover damages for the violation, and against the land to enforce any charge or lien created by this Declaration. In addition to taking legal action, the Declarant and the Association shall have the right to grant variances and stay enforcement proceedings against any Owner on a case-by-case basis when they determine such action is in the best interests of the Association.

15.3. **Fines and Penalties.** The Association may levy a fine or penalty against any Owner who fails to refrain from violating this Declaration or any rule or regulation established pursuant to the authority of this Declaration. Such fine or penalty shall be in an amount that is specifically provided for in a fine schedule adopted, and amended from time to time, by the Association. The Association may establish time frames and requirements for written notice, hearings, and cure periods for Owners in violation prior to levying such fine or penalty, which notice shall be at least 48 hours. Any fine or penalty levied by the Association that is not paid within 15 days (such time period shall be stayed should the Governing Documents require any period to cure or for notice and hearing) shall be recoverable by the Association in the same manner as an assessment under Article 4, and shall create a lien in favor of the Association against the Owner's Unit in the same manner as an assessment.

15.4. **Attorney Fees and Costs.** Any fine or penalty levied against an Owner for any violation shall include any attorney fees and costs incurred by the Association with respect to such violation. The prevailing party in any action to enforce this Declaration or any rule or regulation established pursuant to the authority of this Declaration shall be entitled to an award of reasonable attorney fees and costs incurred in such action.

15.5. **Nonexclusive Remedies.** All the remedies set forth in this Declaration are cumulative and not exclusive to any others provided elsewhere in the Governing Documents, the Community Association Act, or by other applicable laws and ordinances.

15.6. **Non-Liability.** The Association, officers, or Members of the Association shall not be liable to any Unit Owner, lessee, tenant, member or other individual for a mistake in judgment, or for any negligence or non-feasance arising in connection with the performance or non-performance of duties under the Governing Documents or the Community Association Act.

15.7. **Arbitration; Mediation.** The Association may, by rule or resolution, establish procedures for mandatory mediation or arbitration to settle disputes between and among the Association and Unit Owners. Any such rule or resolution shall operate prospectively only.

ARTICLE 16 **GENERAL PROVISIONS**

16.1. **Implied Rights; Board Authority.** The Association may exercise any right or privilege given to it expressly by the Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Association may be exercised by the Association without a vote of the membership except where applicable law or the Governing Documents specifically require a vote of the membership.

16.2. **Disclaimer of Liability.** The Association shall not be liable for any failure of services to be obtained by the Association or paid for as a Common Expense, or for personal injury or property damage caused by the elements, any Unit Owner, or any other person resulting from electricity, water, snow or ice which may leak or flow from or over any of the Property or from any pipe, drain, conduit, appliance or equipment, or any secondary or consequential damages of any type. No diminution, offset or abatement of any assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association or from any action taken by the Association to comply with any law, ordinance, or with the order or directive of any governmental authority.

16.3. **Dates and Times.** In computing any period of time prescribed or allowed by the Governing Documents, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a state or federal holiday, in which event the period runs until the end of the next day that is not a Saturday, a Sunday or a state or federal holiday. The deadline of the last day of the period so computed shall be 5:00 P.M., Mountain Time.

16.4. **Interpretive Conflicts.** In the event of any conflict between the provisions of any of the Governing Documents, the documents shall control in the following order of authority: (1) the Declaration; (2) the Articles; (3) the Bylaws; and (4) any rule, regulation, or resolution passed pursuant to the authority of the foregoing documents.

16.5. **Severability.** All of the terms and provisions of this Declaration shall be construed together, but if any one of said terms and provisions, or any part thereof, shall at any time be held invalid, or for any reason become unenforceable, no other terms and provisions, or any part thereof, shall be thereby affected or impaired; and the Declarant, Association and Owners, their successors, heirs and assigns shall be bound by each term and provision of this Declaration, irrespective of the invalidity or enforceability of any other term or provision.

16.6. **Duration.** The covenants, conditions, restrictions and easements of this Declaration shall run with and bind the Property, and shall inure to the benefit of, and be enforceable by, the Association, the Owner of any Lot subject to this Declaration, and their respective legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically

extended for successive periods of ten (10) years unless terminated by two-thirds (2/3) of the Owners and the recordation of a notice of termination in the official records of the Salt Lake County Recorder, State of Utah.

16.7. **Notices.** Any notice required to be sent under the provisions of this Declaration shall be deemed to have been properly sent when deposited in the U.S. Mail, postage prepaid, to the last known address of the person who is entitled to receive it. The Association may, by resolution, adopt a policy for notification via electronic communication or transmission (such as e-mail) to Unit Owners in lieu of notice by mail. In addition, the Association may require that Unit Owners maintain a current e-mail address with the Association for such purpose. The Association may, from time to time, adopt other methods for giving any notice to Owners for purposes of this Declaration or the other governing documents, provided such methods are fair and reasonable and otherwise comply with the Community Association Act.

16.8. **Gender and Grammar.** The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

16.9. **Waivers.** No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

16.10. **Topical Headings.** The topical headings contained in any article, section, or subsection of this Declaration are for convenience only and do not define, limit, or construe the contents of this Declaration or any provision hereof.

[Signatures on following page.]

IN WITNESS WHEREOF, the undersigned, as the Declarant herein, has hereunto set its hand this 29 day of August, 2016.

MILLBROOK LOFTS, LLC,
a Utah limited liability company

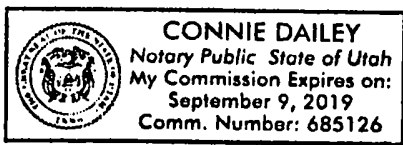
Nathan Anderson

By: Nathan A. Anderson
Its: Manager of *City Ventures, LLC*

ACKNOWLEDGMENT

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

On this 29 day of August, 2016, before me, the undersigned notary public, personally appeared Nathan A. Anderson, Manager of Millbrook Lofts, LLC, a Utah limited liability company, who duly acknowledged to and before me that he signed the foregoing instrument for and on behalf of said limited liability company, having all requisite authority to so act.



Connie Dailey

Notary Public

EXHIBIT A
BYLAWS OF THE ASSOCIATION

[See attached.]

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

SERIAL NUMBER _____

The following real property is located in Salt Lake County, Utah:

Lots 1 through 28 of a proposed planned unit development known or to be known as Millbrook Lofts Planned Unit Development, according to the official plat thereof to be recorded in the official records of the Salt Lake County Recorder, and consisting of the following property: