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RASHELLE HOBBS  
Recorder, Salt Lake County, UT  
HIGHLAND TITLE AGENCY  
BY: eCASH, DEPUTY - EF 42 P.

After Recording Return to:  
Granite Lofts HOA  
PO Box 5555  
Draper, UT 84020

**DECLARATION OF COVENANTS,  
CONDITIONS & RESTRICTIONS**  
for  
GRANITE LOFTS SUBDIVISION,  
City of South Salt Lake, Salt Lake County, Utah

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for Granite Lofts Subdivision ("Declaration") is made and executed as of the last date set forth in the notarized signature below, by Property Dynamics, LLC ("Declarant").

**RECITALS:**

(A) Declarant is the owner of certain real property subject to this Declaration, consents to the recording of this Declaration, and is a signatory hereto in the capacity of an owner of real property.

(B) This Declaration will take effect on the date recorded at the office of the Salt Lake County Recorder's Office (the "Effective Date").

(C) This Declaration affects and concerns certain real property located in Salt Lake County, Utah and more particularly described as follows (the "Property"):

BEGINNING AT A POINT ON THE NORTH RIGHT OF WAY LINE OF 3900 SOUTH STREET, SAID POINT BEING NORTH 89°57'25" WEST, ALONG THE MONUMENT LINE, 568.29 FEET AND NORTH 00°02'35" EAST 40.00 FEET FROM THE FOUND STREET MONUMENT AT THE INTERSECTION OF 3900 SOUTH STREET AND 500 EAST STREET, SAID POINT ALSO BEING SOUTH 89°57'25" EAST, ALONG THE SOUTH LINE OF LOT 1, BLOCK 18, 10 ACRES PLAT "A" BIG FIELD SURVEY, 235.68 FEET AND NORTH 00°02'35" EAST 7.00 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 1, BLOCK 18 AND RUNNING THENCE NORTH 00°02'35" EAST 158.58 FEET; THENCE SOUTH 89°57'25" EAST 30.66 FEET; THENCE NORTH 00°16'56" EAST 409.16 FEET TO THE SOUTH LINE OF GRANITE POINTE PHASE 3 CONDOMINIUMS (RECORDED IN BOOK 99-8P AT PAGE 235 OF THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDERS OFFICE), SAID POINT ALSO BEING ON THE NORTH LINE OF SAID LOT 1, BLOCK 18; THENCE SOUTH 89°58'07" EAST, ALONG SAID NORTH LINE OF LOT 1 BLOCK 18, 119.69 FEET TO THE TOWER PARCEL DEFINED ON THOMSON-HYSEL ENGINEERS RECORD OF SURVEY (RECORDED AS S97-12-0939 IN THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY SURVEYORS OFFICE); THENCE SOUTH 00°15'43" WEST ALONG SAID TOWER PARCEL LINE AND THE WEST BOUNDARY LINE OF GRANITE POINTE PHASE 2 CONDOMINIUMS (RECORDED IN BOOK 99-1P AT PAGE 23 OF THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDERS OFFICE) 287.38 FEET; THENCE SOUTH 89°57'25" EAST, ALONG THE SOUTH LINE OF SAID GRANITE POINTE PHASE 2 CONDOMINIUMS, 1.36 FEET; THENCE SOUTH 00°24'31" EAST 280.40 FEET TO THE NORTH RIGHT OF WAY LINE OF 3900

SOUTH STREET; THENCE NORTH 89°57'25" WEST, ALONG SAID NORTH RIGHT OF WAY LINE, 154.53 FEET TO THE POINT OF BEGINNING. CONTAINS 73,669 SF OR 1.69 ACRES MORE OR LESS

CONTAINS 73,669 SQUARE FEET OR 1.69 ACRES.

(D) Declarant desires to subject the Property to the terms of this Declaration. Declarant intends to develop a residential subdivision on the Property pursuant to the Community Association Act, Utah Code Sections 57-8a-101, *et. seq.* Declarant will develop and convey all of the Units within the Subdivision subject to a general plan of development, and subject to certain protective covenants, conditions, restrictions and easements, as set forth in this Declaration, as amended from time to time, which are deemed to be covenants running with the land mutually burdening and benefitting each of the Units within the Subdivision. Common Areas are those areas that are depicted in the recorded Plat(s), as amended, and as described in this Declaration.

(E) Declarant has deemed it desirable, for the efficient preservation of the values and amenities of the Property, to create an entity that possesses the powers to maintain and administer the Common Areas and otherwise administer and enforce the provisions of this Declaration. For such purposes Declarant will register with the Utah Department of Commerce the Articles of Incorporation for the Granite Lofts Homeowners Association, Inc. (the "Association") within 90 days of recordation of the Granite Lofts Subdivision Plat.

(F) The Association is governed by the terms of this Declaration, the Articles of Incorporation for the Granite Lofts Homeowners Association, Inc., and the Bylaws for the Granite Lofts Homeowners Association, Inc., which Bylaws are attached hereto as **Exhibit "A"** and shall be recorded in the Salt Lake County Recorder's Office contemporaneously with the recording of this Declaration.

(G) Declarant declares that the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved, subject to the following easements, restrictions, covenants, conditions, and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Property, in furtherance of a general plan for the protection, maintenance, subdivision, improvement, and sale of the Property or any portion thereof. The covenants, conditions, restrictions, reservations, easements, and equitable servitudes set forth herein shall run with each Unit located on the Property and shall be binding upon all persons 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 every portion of the Property and any interest therein; and shall inure to the benefit of and be binding upon Declarant, and its successors in interest; and may be enforced by the Declarant and by the Association.

(H) Notwithstanding the foregoing, no provision of this Declaration shall prevent the Declarant from doing any of the following, which shall be deemed to be among Declarant's reserved rights in addition to such rights as may be described elsewhere in this Declaration: (1) installation and completion of the Subdivision Improvements; (2) use of any Unit owned by the Declarant as a model home, or for the placement of a temporary construction or sales office; (3) installation and maintenance of signs incidental to sales or construction which are in compliance

with applicable City or County ordinances; (4) assignment of Declarant's rights under this Declaration in whole or part; and (5) retention of Declarant's rights with respect to subsequent phases of the Subdivision. This Declaration shall be binding upon the Declarant, as well as its successors in interest, and may be enforced by the Declarant or the Association.

## COVENANTS, CONDITIONS AND RESTRICTIONS

### ARTICLE I DEFINITIONS

1.0 Unless the context clearly requires the application of a more general meaning, the following terms, when used in the Declaration, shall have the following meanings:

(A) "Act" means the Community Association Act, Utah Code Ann. Sections 57-8a-101 *et. seq.*

(B) "Architectural Control Committee" or "ACC" shall mean and refer to the Board, or if so appointed by the Board, a committee having architectural control powers as further described herein.

(C) "Assessment" or "assessment" shall mean any monetary charge, fine, or fee imposed or levied against an Owner by the Association, as provided in the Governing Documents, regardless of whether said assessment is identified as a regular assessment, special assessment, individual assessment, reserve assessment, capital improvement assessment, fine, late fee, or other charge.

(D) "Articles" shall mean the Articles of the Association, as amended from time to time.

(E) "Association" shall mean the GRANITE LOFTS HOMEOWNERS ASSOCIATION, INC., and, as the context requires, the officers or directors of that Association.

(F) "Board" or "Board of Directors" shall mean the duly elected and acting Board of Directors of the GRANITE LOFTS HOMEOWNERS ASSOCIATION, INC.

(G) "Bylaws" shall mean the Bylaws of the Association, as amended from time to time, a copy of which is attached hereto as Exhibit "A."

(H) "City" shall mean City of South Salt Lake, Utah and its appropriate departments, officials, and boards.

(I) "County" shall mean Salt Lake County, Utah and its appropriate departments, officials, and boards.

(J) "Common Areas" shall mean all property designated on the recorded Plat(s) as Common Area, being intended ultimately to be owned by the Association for the common use and

enjoyment of all Owners, together with all improvements thereon, and all of the easements appurtenant thereto, including but not limited to private roads and open space.

(K) "Common Expenses" means any and all costs, expenses and liabilities incurred by or on behalf of the Association, including, without limitation, costs, expenses and liabilities for:

- i. managing, operating, insuring, improving, repairing, replacing, and maintaining the Common Areas, cross access easements, public utility easements, and the exterior of all Structures;
- ii. providing facilities, services, and other benefits to Owners as set forth in this Declaration;
- iii. administering and enforcing the covenants, conditions, restrictions, reservations, and easements created hereby;
- iv. levying, collecting, and enforcing the assessments, charges, fines, penalties, and liens imposed pursuant hereto;
- v. operating the Association; and
- vi. creating reserves for any such costs, expenses, and liability as required by this Declaration or the Act.

(L) "Declarant" shall mean and refer to Property Dynamics, LLC, a Utah limited liability company, and its successors and assigns.

(M) "Declaration" shall mean this Declaration of Covenants, Conditions, and Restrictions for Granite Lofts Subdivision, together with any subsequent amendments or additions through supplemental declarations.

(N) "Dwelling" shall mean the single-family residence built or to be built on any Lot.

(O) "Governing Documents" shall mean this Declaration, Bylaws, Articles, Rules, and any other documents or agreements binding upon an Owner.

(P) "Improvement" shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, dwellings, garages, walkways, retaining walls, driveways, fences, landscaping, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any building.

(Q) "Manager" shall mean any entity or person engaged by the Board of Directors to manage the Subdivision.

(R) "Member" shall mean and refer to every person who holds membership in the Association, including an Owner and the Declarant as set forth herein.

(S) "Owner" shall mean the person or persons having title to any Unit. Owner shall mean the person holding fee simple title, including the Declarant, and buyers under any contract for deed, but shall exclude any person or entity holding title for purposes of securing performance of any obligations, including the trustee and/or beneficiary under a deed of trust or mortgagee under a mortgage.

(T) "Party Wall" shall have the meaning set forth in the Declaration.

(U) "Person" shall mean a natural person or any legal entity with a right to hold title to real property in its own name in the State of Utah.

(V) "Plat(s)" shall mean an official and recorded plat of Granite Lofts Subdivision, including all subsequent phases when recorded, as approved by the City and recorded in the office of the Salt Lake County Recorder, as it may be amended from time to time.

(W) "Property" shall have the meaning set forth in the Recitals.

(X) "Rules" mean any instrument adopted by the Board for the regulation and management of the Association as provided in the Governing Documents.

(Y) "Single-Family" shall mean one household of persons related to each other by blood, marriage, or adoption, or one group of not more than three unrelated persons in a two-bedroom Dwelling and not more than four unrelated persons in a three-bedroom Dwelling.

(Z) "Subdivision" shall mean the Granite Lofts Subdivision and all Units, as shown on the Plat(s) and any future Plat(s) covering the Property.

(AA) "Subdivision Improvements" shall mean all improvements to be installed outside the boundaries of Units or within easements as identified on the Plats that are necessary to provide public road access and/or private road access and utility service to the Units, and including other construction work required to comply with any conditions of City or County or other governmental agencies to the approval of the Subdivision or any Plat(s) thereof.

(BB) "Unit" shall mean each Lot and all Improvement located thereon.

## ARTICLE II EASEMENTS

2.1 Easement Concerning Common Area. Each Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Area. Such right and easement shall be appurtenant to and shall pass with title to each Unit and in no event shall be separated therefrom, or encumbered, pledged, assigned, or otherwise alienated by an Owner. Any Owner may temporarily delegate the right and easement of use and enjoyment described herein to any family member, household guest, tenant, lessee, contract purchaser, or other person who resides in such Owner's Unit. Notwithstanding the foregoing, no Owner shall have any right or interest in any easements forming a portion of the Common Area except for the necessary parking, access, and utility easements for use in common with others.

2.2 Limitation on Easement. An Owner's right and easement of use and enjoyment concerning the Common Area shall be subject to the following:

(a) The right of the Association to govern by Rules the use of the Common Area for the Owners so as to provide for the enjoyment of said Common Areas by every Owner in a manner consistent with the preservation of quiet enjoyment of the Units by every Owner, including the right of the Association to impose reasonable limitations on

the number of guests per Owner who at any given time are permitted to use the Common Area;

(b) The right of the Association to suspend an Owner's right to the use of the Common Areas (but not cross access easements), or any amenities included therein, for any period during which an Owner is in violation of the terms and conditions of the Governing Documents or delinquent in the payment of a levied assessment or fee;

(c) The right of the City, County, and any other governmental or quasi-governmental body having jurisdiction over the Property, to enjoy access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Common Areas for the purpose of providing police and fire protection, transporting school children, utility access/installation, and providing any other governmental or municipal service; and

(d) The right of the Association to dedicate or transfer any part of the Common Areas to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association, provided that such dedication or transfer must not deprive any Owner of access to its Unit and must first be assented to in writing by the Owners of at least sixty-seven percent (67%) of the Units (not including Units owned by Declarant). No such dedication or transfer, however, may take place without the Association first receiving written approval from City pursuant to all applicable state and city laws, rules, and ordinances in effect at the time of such proposed dedication or transfer.

23 Reservation of Access and Utility Easements. Declarant hereby reserves an easement for access and utilities (including but not limited to: electrical, gas, communication, phone, internet, cable, sewer, drainage, and water facilities) over, under, along, across, and through the Property, together with the right to grant to a City and County, or any other appropriate governmental agency, public utility, or other utility corporation or association, easements for such purposes over, under, across, along, and through the Property upon the usual terms and conditions required by the grantee thereof for such easement rights, provided, however, that such easement rights must be exercised in such manner as not to interfere unreasonably with the use of the Property by the Owners and the Association and those claiming by, through, or under the Owners or the Association; and in connection with the installation, maintenance, or repair of any facilities as provided for in any of such easements, the Property shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the approximate condition of the Property immediately prior to the exercise thereof. Each Owner in accepting the deed to a Unit expressly consents to such easements and rights-of-way and authorizes and appoints the Association as attorney-in-fact for such Owner to execute any and all instruments conveying or creating such easements or rights-of-way.

24 Easements for Encroachments. If any part of the Common Area as improved by Declarant now or hereafter encroaches upon any Unit or if any structure constructed by Declarant on any Unit now or hereafter encroaches upon any other Unit or upon any portion of the Common Area, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. If any structure on any Unit shall be partially or totally destroyed and then rebuilt in a

manner intended to duplicate the structure so destroyed, minor encroachments of such structure upon any other Unit or upon any portion of the Common Area due to such reconstruction shall be permitted; and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist.

2.5 Easements for Construction and Development Activities. Declarant reserves easements and rights of ingress and egress over, under, along, across, and through the Property and the right to make such noise, dust, and other disturbance as may be reasonably incident to or necessary:

- (a) For construction of Dwellings on Units;
- (b) To maintain sales or leasing offices, management offices, and models throughout the Subdivision and to maintain one or more advertising signs on the Common Area with respect to the sales of Units, or other property in the Subdivision;
- (c) For improvement of the Common Area, and construction, installation, and maintenance thereon of roadways, walkways, buildings, structures, landscaping, and other facilities designed for the use and enjoyment of some or all of the Owners; and
- (d) For construction, installation, and maintenance on lands within, adjacent to, or serving the Property of roadways, walkways, and other facilities, planned for dedication to appropriate governmental authorities.

2.6 Easement in Favor of Association. The Units and Common Area are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees, and independent contractors:

- (a) For inspection during reasonable hours of the Units and Common Area in order to verify the performance by Owners or other persons of all items of maintenance and repair for which they are responsible;
- (b) For inspection, maintenance, repair, and replacement of portions of the Common Area;
- (c) For correction of emergency conditions on one or more Units or on portions of the Common Area;
- (d) For the purpose of enabling the Association, the Architectural Control Committee, or any other committees appointed by the Association to exercise and discharge during reasonable hours their respective rights, powers and duties; and
- (e) For inspection during reasonable hours of the Units and Common Area in order to verify that the Owners and occupants, and their guests, tenants, and invitees, are complying with the provisions of the Governing Documents.

### ARTICLE III COMMON AREAS

3.1 The Common Areas shall be conveyed by deed to the Association, a Utah non-profit corporation, subject to this Declaration and subject to all easements as set forth in this

Declaration.

3.2 The Common Areas consist of areas designated as Common Areas on the recorded Plat(s), including any structures related to the operation or maintenance of the Common Areas, together with any rights of way and utilities, as shown on the recorded Plat(s), including but not limited to private roads and open space.

#### ARTICLE IV PARTY WALLS

4.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of a Dwelling within the Subdivision and placed on the dividing line between two Dwellings shall constitute a Party Wall, and, to the extent not inconsistent with the provisions of the Act, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

4.2 Repair and Maintenance. Each Dwelling that shares one or more Party Wall(s), will also share elements of a common roof, a common exterior wall, or other common exterior elements with adjacent Dwelling(s). The Owners acknowledge that certain repairs or maintenance to Dwellings with a Party Wall(s) may become necessary, which repairs or maintenance cannot be performed on one Dwelling only, but may necessarily involve the other attached Dwellings. Therefore, all repairs to the roof and exterior walls of all Dwellings will be made by the Association.

4.3 Insurance. The existence of Party Walls within the Subdivision will require blanket property insurance coverage as required by the Governing Documents and/or the Act.

#### ARTICLE V MAINTENANCE OF COMMON AREAS & UNITS

5.1 Subdivision. The Subdivision consists of 27 attached townhomes.

5.2 Maintenance by the Association of Common Areas. The Association shall maintain all Common Areas in good order and repair and shall otherwise manage and operate all Common Areas, as it deems necessary and appropriate. The Association shall furnish and be responsible for, at the Association's expense, the maintenance, repair, and replacement of the Common Areas, which include the following:

a Snow Removal. The Association shall make reasonable and prudent efforts to contract with a third party for the removal of snow from private roads, sidewalks, driveways, and other relevant Common Areas within the Subdivision. Owners shall be responsible for removing snow from entryways, porches, patio areas, and other applicable areas on their Unit. Owners shall be responsible and take reasonable precautions with respect to ice and ice accumulation. The work of removing snow will be delegated to a third party, who will utilize its discretion in the frequency of the snow removal and the amount of accumulation meriting removal. The Association shall not be responsible or liable for said third party's discretion and



removal of snow.

b. Asphalt repair, maintenance, and replacement of any private roads within the Subdivision;

c. General landscape and sprinkler maintenance of Common Areas and open space within the Subdivision;

d. Any light poles;

e. Any community mailboxes;

f. Walkways and sidewalks that serve more than one Lot and are not the responsibility of the City; and

g. Private utility lines/infrastructure that serve more than one Unit and are not the responsibility of the City;

5.3 Maintenance by the Association of Unit Yards. The Association shall maintain, repair, and replace the following elements of the Unit Yards:

a. The Association shall perform general landscaping maintenance of the Units' yard (including front, side, and back yards), which shall include mowing, edging, blowing of grass, raking and disposal of leaves. The Association shall maintain the original sprinkler system, as originally installed, in the front and side yards. Owner is responsible for any approved changes in sprinkler modification or landscaping;

b. Repair, maintenance and replacement of fencing within the Project that was installed by Declarant:

1. Trees, shrubs, bushes; and

2. Tree and bush trimming;

5.4 Association's Responsibility for Maintenance of the Units:

a. Roofs and rain gutters;

b. Foundations (excluding any concrete pad within a Dwelling);

c. Structural components, framing, and insulation in Party Walls, any exterior or bearing walls, and walls that are common to two or more Dwellings;

d. Sewer and drainage pipes, water, and utility lines to the extent said utilities serve two or more Dwellings;

e. Outside exterior surfaces of Dwellings; and

f. Cross access easements.

5.5 Owner's Responsibility for Maintenance of Units. Each Owner, at such Owner's sole cost and expense, shall maintain and/or replace the Owner's Unit, and the Improvement constituting a part thereof, in good order and repair, including:

- a. Entryways, decks, patios, and porches;
- b. All interior and exterior doors, including frames, locks, hinges, door jams, and garage doors;
- c. Finished interior of the Dwelling including flooring, tiles, wallpaper, paint, carpet, wood, fireplaces, other material comprising finished interior floors, walls, or ceilings;
- d. Framing and insulation associated with interior walls;
- e. Drywall, wallboard, and similar materials within a Dwelling;
- f. Skylights, windows, window wells, window sills, window frames, shutters, glass, screens, and patio doors;
- g. Sewer and drainage pipes, wiring, power, water, and other utility lines to the extent located within an Owner's Dwelling or serves only that Owner's Dwelling;
- h. Concrete pads within Dwelling(s) or garage(s);
- i. Plumbing fixtures, fans, stoves, refrigerators, appliances, heaters, furnaces, fireplaces, vents, chimneys, HVAC systems, compressors, condensers, ducting, air conditioning, water spigots, lighting fixtures, pipes, and similar appliances, fixtures, and pipes that exclusively serve an Owner's Dwelling(s);
- j. All other items that are owner improvements, including attic vents, and roof-mounted equipment and devices (and necessary attachments and water seals therefore) other than solar panels which are prohibited unless installed by the Association;
- k. Any of the following located wherever they might be located (inside or outside of the Dwelling) that serve an Owner's Dwelling exclusively: lighting fixtures (including lighting attached to exterior walls, but not including Association security lights), fans, plumbing fixtures (other than pipes located outside of a Dwelling and that do not exclusively serve that Dwelling), stoves, refrigerators, hot water heaters, air conditioning units (including compressors, condensers, ducting, and forced air units), intercoms, security systems, water spigots and bibs, vents, chimneys and fireplaces, and such other appliances, fixtures, and

decorations as an Owner may install as permitted in this Declaration;

5.6 Repairs by Association. In the event that an Owner permits his Unit or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary, or unsightly condition or fails to comply with any other covenant or restriction in violation of this Declaration, the Association may give written notice to the Owner describing the condition complained of and demand that the Owner correct the condition within 30 days. If the Owner fails to take corrective action, the Association shall have the right, but not the obligation, to enter upon the offending Owner's Unit and take corrective action to abate the condition. All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision. In addition, each Owner hereby grants to the Association a lien on the Unit and any improvements to secure repayment of any sums advanced pursuant to this section, which lien may be foreclosed at any time by the Association in the manner prescribed in Utah for the foreclosure of mortgages. Alternatively, without requiring foreclosure, the Association may seek collection of sums advanced directly from the Owner of the Unit in question. Unpaid amounts will bear interest from the date advanced at the lawful judgment rate under Utah law.

5.7 Alterations of Exterior Appearance. The Owners will maintain their Units and Improvements in substantially the same condition and appearance as that approved by the ACC. No subsequent exterior alterations, improvements, or remodeling, whether structural or changes in landscaping, paint color, or materials will be made without the advance written consent of the ACC.

5.8 Repair Following Damage. In the event of casualty loss or damage to the Improvement, the Owner shall reconstruct the Improvement as it existed prior to the damage or loss (without review by the ACC), provided however that alterations or deviations from the original approved plans will require ACC review and advanced written approval. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent injury or dangerous conditions following loss or damage, before re-construction begins. Such temporary measures may be taken without the consent or approval of the ACC, provided that any such measure must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances will permit. No damaged structure will be permitted to remain on any Unit for more than 90 days without repairs commencing and any damaged structure which does remain unrepaired after 90 days following the occurrence of damage is deemed a nuisance which may be abated by the Association.

5.9 Maintain in Clean Condition. The Owner shall be responsible for keeping the Dwelling and Improvements thereon in a clean and sanitary condition, free of pests and rodents, and uncluttered. Each Owner shall keep the interior of his Unit, including without limitation all interior walls, doors, windows, ceilings, floors, and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in a good state of repair. If any such Unit shall develop an unclean or unsanitary condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition or state of disrepair promptly following written notice from the Association, the Association shall have the right under the Governing Documents or to petition any court of competent jurisdiction, for legal or equitable relief. Provided, however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair. The Board of Directors may set forth in the Rules any limits, restrictions, or guidelines on what may or may not be left, stored, or installed in any Dwelling, which may include

a prohibition on leaving, installing or storing any items in such places.

5.10      No Outdoor Storage. No outdoor storage is allowed.

**ARTICLE VI**  
**MEMBERSHIP**

6.1 Membership in the Association shall at all times consist exclusively of the Owners. Each Owner shall be a member of the Association so long as such Owner has an ownership interest in a Unit and such membership shall automatically terminate when the Owner ceases to have an ownership interest in the Unit. Upon the transfer of an ownership interest in a Unit the new Owner succeeding to such ownership interest shall likewise succeed to such membership in the Association. If titled ownership to a Unit is held by more than one Person, the membership appurtenant to that Unit shall be shared by all such Person in the same proportional interest and by the same type of tenancy in which title to the Unit is held.

**ARTICLE VII**  
**VOTING**

7.1 Members shall be entitled to one (1) equal vote for each Unit in which they are an Owner. Since an Owner may be more than one Person, if only one of such Person(s) is present at the meeting of the Association that Person shall be entitled to cast all votes appertaining to that Unit. But if more than one of such Person(s) is present, the votes appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. The votes appurtenant to any one Unit may not be divided between Owners of such Unit or with respect to matters before the Association, and all such votes appurtenant to any one Unit shall be voted in one block. If the vote of a majority of the owners of a Unit cannot be determined, no vote shall be cast in relation to such Unit.

**ARTICLE VIII**  
**CONTROL PERIOD**

8.1 The Declarant Control Period runs until ninety (90) days after Declarant owns less than **33% of the Units.**

8.2 Notwithstanding anything to the contrary in this Declaration, Declarant may terminate its control of the Subdivision at its sole election and determination.

8.3. These Covenants may not be amended during the Declarant Control Period.

**ARTICLE IX**  
**HOMEOWNER ASSOCIATION**

9.1 Organization. The Association has been created to effectively enforce the Governing Documents and shall operate as a non-profit corporation. The Association shall be comprised of the Owners within the Subdivision and is established for the benefit of the Owners and the enforcement of the Governing Documents. Membership in the Association is deemed an appurtenance to the

Unit and is transferable only in conjunction with the transfer of the title to the Unit. The Association shall serve as the organizational body for all Owners.

92 Enforcement Powers. The Association shall have all powers granted to it by the Governing Documents and the Act to enforce these covenants and restrictions by actions in law or equity brought in the name of the Association, and the power to retain professional services needed to the enforcement of the Governing Documents and to incur expenses for that purpose, including but not limited to: (1) record, lien, foreclose, and other enforcement and collection actions against an Owner and their Unit; (2) initiate legal or similar proceedings; (3) impose fines; (4) collect any rents directly from tenant for past due assessments; (5) terminate an Owners' right to receive utility service paid as a common expense (with the exception of water, sewer, power, and natural gas); (6) terminate an Owner's right to utilize Common Area and/or amenities; and (7) any other action or remedy allowed by the Governing Documents or Utah law.

(a) The Association shall have the exclusive right to initiate enforcement actions in the name of the Association. The Association may appear and represent the interest of the Subdivision at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners.

(b) The Association shall have the authority to initiate and compromise claims and litigation on behalf of the Association resulting from the enforcement of the Governing Documents. In the event that the Association initiates legal action against a specific Owner or Owners to enforce these Governing Documents, whether or not such action results in the commencement of a formal legal proceeding, the Association shall have the right to assess the costs of such litigation, dispute, or enforcement action, including reasonable attorney fees, against the Owner(s) or Unit(s) in question and collect those assessment in any manner authorized in the Governing Documents or Utah law.

(c) The Board shall be afforded discretion to utilize its reasonable judgment to determine whether and how to: impose fines, record liens, pursue legal action; otherwise enforce the Governing Documents; or when and how to settle or compromise claims.

93 Assessments. Assessments will be made to meet the anticipated and recurring costs, expenses, and Common Expenses of the Association. The Association has the power to levy assessments against each Unit as necessary to carry out its functions. Assessments shall be levied against all Units in the Property, whether vacant or improved. Each Owner shall by acquiring or in any way becoming vested with his/her interest in a Unit, be deemed to covenant and agree to pay to the Association the assessments described in these covenants, together with late payment fees, interest, and costs of collection (including reasonable attorney fees), if and when applicable.

(a) All such amounts shall be, constitute, and remain: (a) a charge and continuing lien upon the Unit with respect to which such assessment is made until fully paid; and (b) the personal, joint, and several obligations of the Owner or Owners of such Unit at the time the assessment fails due. No Owner may exempt himself or his Unit from liability for payment of assessments by waiver of his rights in the Common Areas or by abandonment of his Unit. In a voluntary conveyance of a Unit, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments, late payment fees, interest, and costs of collection (including reasonable attorney fees) which shall be a charge on the Unit at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

(b) The Association may levy special assessments for the purpose of defraying, in whole or in part any expense or expenses not reasonably capable of being fully paid with funds generated by other assessments.

(c) In addition, the Association may levy individual assessments on every Unit, Owner or occupant that shall cause any damage to the Subdivision or otherwise causes the Association to incur any individual expense for maintenance, repairs, or enforcement action taken under the provisions of the Governing Documents. The amount of any such individual assessments shall be determined by the cost of such repairs, maintenance, or enforcement action, including all overhead and administrative costs (including reasonable attorney fees), and shall be allocated among the affected Owner(s) or Unit(s) according to the cause of damage, maintenance, repair work, or enforcement action, as the case may be, which individual assessment may be levied in advance of the performance of work.

(d) The Association may levy a reserve fund assessment, as set forth in this article.

(e) The Association may levy other assessments or fees, as authorized by the Governing Documents.

94 Budget. The Board is authorized and required to adopt a budget for each fiscal year.

(a) The Board shall prepare, or cause the preparation of, and adopt an annual budget for the Association. The annual budget shall provide, without limitation, for the maintenance of the Common Area, cross access easements, and utility easements and for the administration, management, and operation of the Association. The Board may revise the budget from time to time as the Board deems appropriate. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect until a new annual budget is

adopted. The budget shall be made available to the Owners within thirty (30) days after adoption. Owners may disapprove a budget according to the provisions of the Act.

(b) Unless otherwise established by the Board, regular Assessments shall be paid in equal monthly installments.

95 Reserve Fund Analysis. The Board shall cause a reserve analysis, consistent with State law, to be conducted no less frequently than every six (6) years to analyze the cost of repairing, replacing, or restoring Common Area that have a useful life of three years or more and a remaining useful life of less than 30 years. This reserve analysis should be reviewed no less frequently than every three (3) years and updated if necessary. The Board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis.

96 Reserve Fund Account Creation. The Board shall create a reserve fund account that is separate and distinct from the Association's general account. The amount of the reserve fund assessment shall be a separate line item in the approved budget. The Board shall cause an assessment to be made against all Owners in an amount sufficient, within the Board's discretion, to fund the reserve account. After the Declarant Control Period, unless a majority of Association members vote to approve the use of reserve fund money for that purpose, the Board may not use money in a reserve fund for daily maintenance expenses, or for any purpose other than the purpose for which the reserve fund was established.

97 Reinvestment Fee. The Association shall receive reinvestment fees, in accordance with the Act, and as set forth in a separately filed notice of reinvestment fee.

98 Date of Commencement of Assessments. Assessments provided for herein shall commence as to each Unit on the first day of the first month following the effective date of the first budget. Assessments shall be due and payable in a manner and on a schedule, as the Board may provide. Notwithstanding, Assessments for those Units owned by Declarant or its assigns, successors, subsidiaries, related construction entities, or other entities established by



Declarant, or Declarant's members, for the purpose of constructing Dwellings on the Unit (collectively "Declarant Related Entities") shall not commence until the completed Dwelling is conveyed to an Owner that is not the Declarant or a Declarant Related Entity. No amendment of this Declaration changing the allocation assessments with regard to Declarant or Declarant Related Entities shall be valid without the consent of the Declarant.

99 Fines. Following notice as required by the Act, the Association shall have the power to assess a fine against an Owner (or their Unit) for a violation of the terms and conditions of the Governing Documents in an amount set by the Board.

9.10 Hearing Process. The Board shall have authority to create a reasonable hearing process, consistent with the Act, applicable when the Association takes an adverse action related to any particular Owner(s).

9.11 Association Rules. The Board from time to time and subject to the provisions of the Governing Documents, may adopt, amend, repeal, and enforce Rules governing: (a) the use of the Common Area; (b) the use of any facilities owned by the Association; (c) the collection and disposal of refuse; (d) the maintenance of animals in the Subdivision; (e) collection policies and procedures; and (f) other matters concerning the use and enjoyment of the Property and the conduct of residents, as deemed necessary by the Board. The Rules may supplement, clarify, and add detail to issues addressed in Governing Documents. However, the Rules may not contradict the Governing Documents.

(a) During the Declarant Control Period, Declarant shall be exempt from the rule making procedure required by Utah Code § 57-8a-217.

9.12 Statement of Account & Payoff Information. Upon a written request from an Owner that the Association provides the Owner with a statement of his/her account, the Association may charge a fee, not to exceed the amount allowed in the Act, for providing such statements. In addition, when a request is made to the Association to provide payoff information needed in connection with the financing, refinancing, or closing of a Unit Owner's sale of his/her Unit, the Association may charge a fee not to exceed the amount allowed in the Act. Additional, other than payoff information, paperwork required in a private sale between an owner and a purchaser may be obtained from the Association or Agent but may incur additional fees. Agent shall be compensated, by buyer unless otherwise negotiated, as part of closing settlement, an Administrative Set-up Fee per transfer of title of any kind, for any home/lot/unit.

9.13 Availability of Documents. The Association shall make appropriate documents available to Owners (and their lenders, insurers, and/or authorized agents) consistent with the Act and the Utah Revised Non-Profit Act. The Board may adopt a record retention policy to govern its record retention procedures.

9.14 Indemnity of Association Board and Officers. The Association will indemnify the officers, agents and Board of the Association against any and all claims arising against them personally which are a result of the good faith exercise of the powers, duties, and responsibilities of their office under the Governing Documents.

9.15 Election, Notice of Election, Notice of Meeting, and Special Meetings. Election procedures and notice of any meeting shall be conducted as set forth in the Articles of Incorporation and Bylaws of the Association.

9.16 Number of Board, Term of Office. The appointment, election, and term of the Members of the Board are set forth in the Bylaws and Articles. Members of the Board of Directors may serve consecutive terms and may also serve as officers of the Association.

9.17 Independent Accountant/Bookkeeper/Management/Manager. The Association shall retain the services of an independent accountant, bookkeeper, management company and/or manager to assist the Board of Directors and officers to maintain accurate financial records of the Association. The independent entity shall be accredited in their field through a national or international governing body regulating members of their field.

## ARTICLE X

### NONPAYMENT OF ASSESSMENTS & THE APPOINTMENT OF TRUSTEE

10.1 Delinquent Assessment. Any Assessment not timely paid shall be delinquent, and the Association may invoke any and all remedies to recover said delinquent assessments including by suit, judgment, lien, foreclosure, or other remedy authorized by the Governing Documents or the Act.

10.2 Due Date, Interest, and Penalties. The Board may set, by resolution, a policy concerning the collection of delinquent Assessments. Any Assessments not paid within ten (10) days of the due date may incur late fees, interest, collection fees, attorney fees, and costs as established by the Board. Assessment levied by the Association, if not paid when due, shall bear interest at an annual rate of eighteen percent (18%). Such interest shall commence on the date the Assessment becomes due and payable.

10.3 Lien. Upon recording of a notice of lien on any Unit, there shall exist a perfected lien for unpaid assessments prior to all other liens, except: (1) all taxes, bonds, assessments, and other levies which by law would be superior thereto; and (2) the lien or charge of any first or second mortgage of record made in good faith and for value recorded prior to a recorded notice of lien by the Association.

10.4 Foreclosure. The Association shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be charged or levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged had such Unit not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments and attorney fees shall be maintainable without foreclosing or waiving the lien securing the same.

10.5 Other Remedies. All rights and remedies of the Association shall be cumulative and the exercise of one right or remedy shall not preclude the exercise of any other right or remedy. The "One Action Rule" shall not be a defense to the enforcement of all rights and remedies of the

Association. The Association may elect to bring an action to recover for a delinquent Assessment against the Owner or other obligee personally. Any attorney fees or costs incurred in these efforts shall also be assessed against the Owner(s), their Unit(s), and/or other obligees jointly and severally.

10.6 Payment by Tenant. The Association shall be entitled to demand and collect from a tenant of any Unit, the amount of any assessment that is more than sixty (60) days past due.

10.7 Attorney Fees. In addition to the recovery of costs and attorney fees as provided herein, the Association shall be entitled to recover all reasonable management and attorney fees and costs incurred as a result of an Owner breach of the Governing Documents, including meetings, research, memoranda, monitoring, and other legal work incurred in response to an Owner breach or violation of the Governing Documents. These fees may be collected by special or individual assessment against the subject Owner(s) or Unit(s).

10.8 Appointment of Trustee. The Declarant hereby conveys and warrants pursuant to U.C.A. Sections 57-1-20 and 57-8a-402 to a licensed member of the Utah State Bar, with power of sale, the Unit and all Improvements to the Unit for the purpose of securing payment of assessments under the terms of this Declaration.

**ARTICLE XI**  
**SUBORDINATION OF LIEN TO INSTITUTIONAL**  
**FIRST AND SECOND MORTGAGES**

11. The lien of assessments, including interest, late charges (subject to the limitations of Utah law), and costs (including attorney fees) provided for herein, shall be subordinate to the lien of any institutional first or second mortgage of record made in good faith and for value, recorded prior to a recorded notice of lien by the Association. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to foreclosure of a prior, recorded institutional first or second mortgage shall extinguish the lien of such assessments as to payments that became due prior to such sale or transfer; provided, that to the extent there are any proceeds of the sale on foreclosure of such mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such mortgage, the lien shall apply to such excess. No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the mortgagee holding an institutional first or second mortgage of record or other purchaser of a Unit obtains title pursuant to remedies under the mortgage, its successors and assigns shall not be liable for the share of the assessments by the Association chargeable to such Unit that became due prior to the acquisition of title to such Unit by such acquirer. No foreclosure, sale, or transfer shall relieve any Owner who was the Owner prior to such foreclosure, sale, or transfer from personal liability for any assessments due and owing prior to such foreclosure, sale, or transfer.

**ARTICLE XII**  
**USE LIMITATIONS & RESTRICTIONS**

12.1 Single-Family. All Units shall be used only for single-family residential purposes.

12.2 Zoning Regulations. The lawfully enacted zoning regulations of the City, and any

building, fire, and health codes are in full force and effect in the Subdivision. No Unit may be occupied in a manner that is in violation of any statute, law, or ordinance.

12.3 Licensed Contractor. Unless the Architectural Control Committee gives a written waiver of approval to an Owner, no Improvement may be constructed, remodeled, or altered on any Unit except by a licensed contractor, duly qualified and licensed by the appropriate governmental authorities.

12.4 No Business or Commercial Uses. No portion of the Subdivision may be used for any commercial business use, provided, however, that nothing in this provision is intended to prevent:

(a) the Declarant, or other builders, from using one or more Units for purposes of a construction office or sales office during the actual period of construction of the Subdivision Improvements or until 100% of the Units are sold in the Subdivision, whichever occurs later; or

(b) the use by any Owner of his Unit for a home occupation pursuant to City ordinance. Businesses, professions, or trades may not require heavy equipment or create a nuisance within the Subdivision and may not noticeably increase the traffic flow to the Subdivision.

12.5 Restriction on Signs. No commercial billboard or advertising shall be displayed to the public view on or from any Lot. Owners may advertise a dwelling unit and Lot for rent or for sale by displaying a single, neat, vacancy sign or "For Sale" sign, thereon, with the sign and hanging apparatus not exceeding a total of 6 square feet. Signs advertising the name of the builder, its real estate broker, and the name of the institution providing financing may be displayed on a Lot during construction of Improvements are allowed providing said sign and hanging apparatus may not exceed 16 square feet. Lighted, moving, or flashing signs for any purposes are prohibited. Directional signs may be used to give directions to traffic or pedestrians or give special instructions provided the same is approved by the ACC prior to installation. The Declarant shall regulate project and builder signage during the development phases of construction and marketing of homes within the Subdivision.

12.6 Completion Required Before Occupancy. No Dwelling may be occupied prior to its completion and the issuance of a certificate of occupancy by the City.

12.7 Dwelling to be Constructed First. No garage, out building, or other Improvement may be constructed prior to the construction of a Dwelling on the Unit.

12.8 Underground Utilities. All gas, electrical, telephone, television, and any other utility lines in the Subdivision shall be underground, including lines within any Unit which service installations entirely within that Unit.

12.9 Sewer Connection Required. All Units are served by sanitary sewer service. No cesspools, septic tanks, or other types of waste disposal systems are permitted on any Unit. All Dwellings shall be connected to the sanitary sewer system.

12.10 Drainage. No Owner shall alter the direction of natural drainage from his Unit, nor shall any Owner permit accelerated storm run-off to leave his Unit without first using reasonable means to dissipate the flow energy.

12.11 No Re-Subdivision. No Unit may be re-subdivided.

12.12 Combination of Units. No Unit may be combined with another Unit without the consent of the Architectural Control Committee.

12.13 Construction. No Dwelling or structure shall be permitted to remain incomplete for a period in excess of one (1) year from the date of commencement of construction unless any delays are approved in writing by the ACC.

12.14 Maintenance of Property. All Units, and the Improvements on them, shall be maintained in a clean, sanitary, attractive, and marketable condition at all times. No Owner shall permit his Unit or the Improvements on it to fall into a state of disrepair.

12.15 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried out on any Unit or the Subdivision, including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of nearby Units. No Owner or occupant shall engage in activity within the Subdivision in violation of any law, ordinance, statute, rule, or regulation of any local, county, state, or federal body.

12.16 No Hazardous Activity. No activity may be conducted on any Unit that is or would be considered by a reasonable person to be unreasonably dangerous or hazardous, which would cause the cancellation of conventional homeowners' insurance policy. This includes, without limitation, the storage of caustic, toxic, flammable, explosive, or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms or fireworks, and setting open fires (other than properly supervised and contained).

12.17 No Unsightliness. No unsightliness is permitted on any Unit. This shall include, without limitation, the open storage of any building materials (except during construction of an Improvement); open storage or parking of construction equipment; open storage or parking of vehicles, trailers, or other pieces of equipment that are unusable, in poor condition or unsightly; accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; and the storage or accumulation of any other material that is unsightly.

12.18 Garbage. All garbage, rubbish, and trash shall be kept in covered containers. In no event shall such containers be maintained so as to be visible for neighboring Units, roadways, and Common Areas. The storage, collection, and disposal of garbage, rubbish, and trash shall be in strict compliance with applicable laws and the Rules of the Board.

12.19 No Annoying Sounds. No speakers, wind bells, wind chimes, or other noise making devices may be used or maintained on any Unit which creates noise that might reasonably be expected to be unreasonably or annoyingly loud to adjoining Units, except for security or fire alarms.

12.20 Livestock, Poultry, and Pets. No animals, livestock, or poultry of any kind shall be

raised, bred, or kept on any Unit, except that dogs, cats, or other household pets (maximum of two) may be kept provided that they are not kept, bred, or maintained for any commercial purpose and are restricted to the owner's control. "Control" for the above purposes shall only mean on a leash or lead, within a vehicle, within the Dwelling of the Owner, or within confines on the premises of the Owner. Pet owners shall promptly remove and dispose of all feces emitted by their pets. Fierce, dangerous, or vicious animals or animals that cause a nuisance by barking or other offensive activity shall not be permitted. Failure to abide by these conditions shall result in fines as authorized by the Board and potential removal of the offending animal.

(a) Any exterior containment or kennel (whether permanent or temporary) must receive prior, written approval from the ACC.

12.21 Fencing. Fences shall not be permitted.

12.22 Vehicles & Parking. No vehicles are to be parked or stored on the front or side streets, lanes, or driveways of the Units unless they are in running condition, properly licensed, regularly used, and in compliance with City and/or County ordinances. No recreational vehicles, campers, motorcycles, ATVs, trailers, boats, or similar vehicles may be parked or stored in the driveways, streets, lanes, or elsewhere within the Subdivision. Recreational vehicles, campers, motorcycles, ATVs, trailers, boats, and similar vehicles must be parked or stored in a garage.

The Association reserves the right to adopt Rules relating to the parking of vehicles within the Subdivision including, without limitation: (1) the right to immediately remove or cause to be removed any vehicles that are improperly parked; (2) restrictions on the time period and duration that any guest or visitor parking may be utilized; (3) restrictions or bans on vehicles without Department of Transportation compliant mufflers and exhaust systems; and (4) the assessment of fines to Owners and occupants who violate such Rules.

12.23 Exterior Antennas and Satellite Dishes. Prior, written approval from the ACC as to the location of any new satellite dishes, antennas, cables, and related hardware is required. An Owner is first required to utilize existing cables, satellite dishes, antennas, and related structures before installing any new hardware to the exterior of the Dwelling or Unit.

12.24 Approved Builder. Only contractors approved in advance by the ACC may construct Improvement(s) upon the Units.

12.25 Firearms, Incendiary Devices, and Graffiti. The use of firearms, fireworks, and incendiary devices or exterior painting or graffiti, within the Subdivision is prohibited. The term firearm, includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, air-soft guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.

12.26 Temporary Structures. No Owner or resident shall place upon any part of the Subdivision any temporary structure including, but not limited to a tent, trailer, or shed, without the prior written consent of the Board of Directors.

12.27 Energy Conservation Equipment. No solar energy device, solar energy collector

panel, other energy conservation equipment, or attendant hardware shall be constructed or installed within the Subdivision without the prior written consent of the Board of Directors.

12.28 Clotheslines. No clothesline shall be permitted.

12.29 Nuisances. No noxious or offensive trade, activity, or nuisance shall be permitted on any Lot nor shall anything be done which may be or become an annoyance to the neighborhood.

### ARTICLE XIII ARCHITECTURAL CONTROL COMMITTEE

13.1 Purpose. It is the intention and purpose of this Declaration to impose architectural standards on the improvements and landscaping to any Unit of a type and nature that result in buildings and yards which are architecturally and aesthetically compatible in terms of Unit coverage, proportion, materials, colors, and general appearance. To accomplish this goal, the Association shall have authority to establish the Architectural Control Committee (made up of some or all of the Board), which is empowered to oversee and enforce the architectural design standards.

13.2 Approval by Committee Required. No Improvement of any kind shall be made on any Unit without the prior written approval of the ACC.

13.3 Declarant and Board not Liable. The Declarant, the Board, and its members shall not be liable to the applicant for any damages, or to the Owners of any Units within the Subdivision for their actions, inactions, or approval or disapproval of any set of plans submitted to the ACC for review. The Owners shall have no claim against the Declarant as a result of the performance or failure to perform the duties by the ACC.

### ARTICLE XIV INSURANCE

14.1 Insurance Requirement. The Association shall obtain insurance as required in this Declaration and as required by applicable law. The Association may obtain insurance that provides more or additional coverage than the insurance required in this Declaration. Different policies may be obtained from different insurance carriers and standalone policies may be purchased instead of or in addition to embedded, included coverage, or endorsements to other policies.

As used in this Article:

- (1) "Covered Loss" means a loss, resulting from a single event or occurrence that is covered by the Association's property insurance policy.
- (2) "Dwelling Damage" means damage to any Dwelling or a combination of Dwellings.
- (3) "Dwelling Damage Percentage" means the percentage of total damage resulting in a covered loss that is attributable to each Dwelling damaged.

142 Property Insurance.

(a) Blanket Policy of Property Insurance. The Association shall maintain a blanket policy of property insurance covering all Common Area and, if the Subdivision contains Dwellings or structures that share Party Walls. Blanket insurance on all attached Dwellings (including fixtures and building service equipment) is required.

- (i) At a minimum, any required blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and (2) all perils normally covered by "special form" property coverage.
- (ii) Any blanket policy shall be in an amount not less than one-hundred percent (100%) of current replacement cost of all property covered by such policy (including the Dwellings if applicable) at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.
- (iii) A blanket policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement under which the insurer agrees to replace the insurable property regardless of the cost; or (2) a Replacement Cost Endorsement under which the insurer agrees to pay up to one-hundred percent (100%) of the Property's insurable replacement cost but not more. If the policy includes a coinsurance clause, it must include an Agreed Amount Endorsement which must waive or eliminate the requirement for coinsurance.
- (iv) Each property policy that the Association is required to maintain shall also contain or provide for the following: (i) "Inflation Guard Endorsement," if available (ii) "Equipment Breakdown," if the Subdivision has central heating or cooling or other equipment or other applicable fixtures, equipment, or installations, which shall provide that the insurer's minimum liability per accident at least equals the lesser of one million dollars (\$1,000,000) or the insurable value of the building containing the equipment.



(b) Owner Responsibility for Payment of Deductible. If a loss occurs that is covered by a 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;
- (ii) The Owner is responsible for the Association's policy deductible;
- (iii) The Owner's policy, if any, applies to that portion of the loss attributable to the Association's policy deductible;
- (iv) An Owner who owns a Dwelling and has suffered Dwelling Damage as part of Covered Loss is responsible for an amount calculated by applying the Dwelling Damage Percentage for that Dwelling to the amount of the deductible under the Association's property insurance policy; and
- (v) If an Owner does not pay the amount required under this Article within 30 days after substantial completion of the repairs to, as applicable, the Dwelling or the appurtenant to the Dwelling, the Association may levy an assessment against the Owner for that amount.

(c) Flood Insurance. If any part of the property insured by the Association comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a policy of flood insurance shall be maintained. If the property insured by the Association is not situated in a Special Flood Hazard Area, the Association may nonetheless, if approved by a majority of Owners, purchase flood insurance to cover floods not otherwise covered by blanket property insurance.

(d) Earthquake Insurance. The Association may purchase earthquake insurance to cover earthquakes not otherwise covered by blanket property insurance.

(e) Association's Right to Not Tender Claims that are Under the Deductible. If, in the exercise of its business judgment, the Board of Directors determines that a claim is likely not to exceed the Association's property insurance policy deductible: (1) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; (2) an 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; and (3) the Association need not tender the claim to the Association's insurer.

(f) Notice Requirement for Deductible. The Association shall provide notice to each Owner of the Owner's obligation for the Association's policy deductible and of any change in the amount of the deductible.

143 Comprehensive General Liability (CGL) Insurance. The Association shall obtain CGL Insurance insuring the Association, the agents and employees of the Association, and the Owners, against liability incident to the use, ownership, or maintenance of the Common Area, or membership in the Association. The coverage limits under such policy shall not be less than one million dollars (\$1,000,000) covering all claims for death of or injury to any one person or property damage in any single occurrence. Such insurance shall contain a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of an Owner because of the negligent acts of the Association or another Owner.

144 Directors and Officers Insurance. The Association shall obtain Directors and Officers liability insurance protecting the Board of Directors, the Officers, and the Association against claims of wrongful acts, mismanagement, failure to maintain adequate reserves, failure to maintain books and records, failure to enforce the Governing Documents, and breach of contract (if available). The policy shall:

- (a) Include coverage for volunteers and employees;
- (b) Include coverage for monetary and non-monetary claims;
- (c) Provide for the coverage of claims made under any fair housing act or similar statute or that are based on any form of discrimination or civil rights claims; and
- (d) Provide coverage for defamation. In the discretion of the Board of Directors, the policy may also include coverage for any manager and any employees of the manager and may provide that such coverage is secondary to any other policy that covers the manager or any employees of the manager.

145 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association may obtain insurance covering the theft or embezzlement of funds that shall:

- (a) Provide coverage for an amount of not less than the sum of three months regular assessment in addition to the prior calendar year's highest monthly balance on all operating and reserve funds; and
- (b) Provide coverage for theft or embezzlement of funds by:
  - (i) Officers, Board of Directors, or Members of the Association;
  - (ii) Employees and volunteers of the Association;
  - (iii) Any manager of the Association; and
  - (iv) Officers, directors, and employees of any manager of the Association.

146 Certificates. Any insurer that has issued an insurance policy to the Association shall issue a certificate of insurance to the Association and upon written request, to any Owner or Lender.

14.7 Named Insured. The named insured under any policy of insurance shall be the Association. Each Owner shall also be an insured under all property and CGL insurance policies.

14.8 Association's Right to Negotiate All Claims and Losses and Receive Proceeds. Insurance proceeds for a loss under the Association's property insurance policy shall be payable the Association and shall not be payable to a holder of a security interest. Insurance proceeds shall be disbursed first for the repair or restoration of the damaged property, if the property is to be repaired and restored as provided for in this Declaration. After any repair or restoration is complete and, if the damaged property has been completely repaired or restored, any remaining proceeds shall be paid to the Association. If the property is not to be repaired or restored, then any proceeds remaining after such action as is necessary related to the property has been paid for, shall be distributed to the Owners and lien holders, as their interests remain with regard to the Dwellings. Each Owner hereby appoints the Association, as attorney-in-fact for the purpose of negotiating all losses related thereto, including: the collection, receipt of, and the execution of releases of liability, and the execution of all documents and the performance of all other acts necessary to administer such insurance and any claim. This power-of-attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representative, successors or assigns of an Owner.

14.9 Owner Act Cannot Void Coverage Under Any Policy. Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association and under direct authorization of the Association, an Owner's act or omission may not void an insurance policy or be a condition to recovery under a policy.

14.10 Waiver of Subrogation against Owners and Association. All property and CGL policies must contain a waiver of subrogation by the insurer as to any claims against the Association and the Owners and their respective agents and employees.

14.11 Owners' Individual Coverage. **EACH OWNER SHOULD PURCHASE INDIVIDUAL PROPERTY AND/OR EXTENDED COVERAGE IN THE AMOUNT RECOMMENDED BY THE OWNER'S INDEPENDENT INSURANCE AGENT.**

#### ARTICLE XV DAMAGE & DESTRUCTION

15.1 Immediately after damage or destruction by fire or other casualty to all or any part of the Common Area covered by insurance written in the name of the Association, the Board, or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Common Area. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Common Area to substantially the same condition in which they

existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

15.2. Any damage or destruction to the Common Area shall be repaired or reconstructed unless Owners representing at least seventy-five (75%) percent of the total vote of the Association, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the costs of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.

15.3. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event, the affected portion of the Common Area shall be restored to its natural state and maintained by the Association, in a neat and attractive condition.

#### ARTICLE XVI DISBURSEMENT OF PROCEEDS

16. If the damage or destruction for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements and/or reserve account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner(s) shall be retained by and for the benefit of the Association and placed in a capital improvements and/or reserve account.

#### ARTICLE XVII REPAIR AND RECONSTRUCTION

17. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the members, levy a special assessment against all Owners as provided in the Governing Documents.

**ARTICLE XIII**  
**CONDEMNATION**

18. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of members representing at least sixty-seven percent (67%) of the total Units by any authority having the power of condemnation or eminent domain), each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows: if the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Owners representing at least sixty-seven percent (67%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If the taking does not involve any improvements of the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

**ARTICLE XIX**  
**MISCELLANEOUS PROVISIONS**

19.1 Violation Deemed a Nuisance. Any violation of these covenants that is permitted to remain on the Property is deemed a nuisance and is subject to abatement by the Association or by any other Owner.

(a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by an Owner or by the Association. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment the reasonable costs of enforcement, including reasonable attorney fees and court costs.

(b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state, or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. This Declaration is to be construed as being in addition to those remedies available at law.

(c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.

- (d) The failure to take enforcement action shall not be construed as a waiver of the contents contained in this Declaration in the future or against other similar violations.

19.2 Association Litigation.

(a) Neither the Association nor any Owner shall institute an action against any person which arises out of an alleged defect in the development of the Subdivision until: (i) Declarant and the person(s) who physically constructed the portion of the subdivision in which the alleged defect exists have been notified and given a reasonable time and opportunity in which to inspect, assess, correct, or redesign any alleged defect or other portions of the Subdivision (provided, however, that the terms of this Section shall not create an obligation of any person to effect a repair of an alleged defect); (ii) the Association or Owner(s) have pursued their remedies under any express warranty covering all or any portion of the alleged defect; (iii) the Declarant and the affected contractor(s) have been given the opportunity to be heard at a meeting of the Association regarding the alleged defect; and (iv) all proposed parties to the action have been given a reasonable opportunity to mediate any dispute or disagreement relating to the alleged defect, and have either participated or refused to participate in such mediation.

(b) No action affected by this Section shall be conducted utilizing legal counsel who are compensated on a contingency fee or similar means of compensation in which litigation costs and attorneys' fees are not paid on a current basis or are paid out of the settlement or judgment amount recovered by the Association in such action.

(c) This Section shall not apply to: (i) actions brought by the Association to enforce the Governing Documents (including, without limitation, the foreclosure of liens); (ii) the collection of assessments; (iii) proceedings involving challenges to ad valorem taxation; (iv) counterclaims brought by the Association in proceedings instituted against it; or, (v) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of an express contract with the Association or its manager for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

19.3 Amendment Requires Consent of Declarant. Notwithstanding any other provision of this Declaration, this Article and its subsections may not be amended except with the prior written consent of the Declarant.

19.4 Severability. Each of the covenants contained in this Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

19.5 Limited Liability. Neither the Declarant, the Board (or its individual members), nor any Owner shall have personal liability to any other Owner for actions or inactions taken under these covenants, provided that any such actions or inactions are the result of the good faith exercise of their judgment or authority, under these covenants, and without malice.

19.6 Consent, Power of Attorney, Waiver. By acceptance of a deed, lease, or other conveyance of an interest in Dwelling, each Owner or Occupant consents to the rights reserved to the Association in this Declaration, including but not limited to, the right to prepare, execute, file, process, and record necessary and appropriate documents and other items to establish and grant easements and to make necessary and appropriate amendments of this Declaration, the Plat and Bylaws. By such acceptance, each Owner or Occupant agrees to execute all documents and to do all other things as may be necessary or convenient to effect the same; and such acceptance shall be deemed an appointment of the Association, with full right of substitution, as the attorney-in-fact of such Owner or Occupant to execute such documents and to do such things on Owner's or Occupant's behalf; and such appointment, being coupled with an interest, shall be irrevocable for the specific period of the Association's reserved rights as set forth in this Declaration and shall not be affected by the disability of any such Owner or Occupant.

19.7 No Representations and Warranties. EACH OWNER AND OCCUPANT UNDERSTANDS, AGREES, AND ACKNOWLEDGES THROUGH TAKING TITLE OR RESIDING IN THE SUBDIVISION THAT THE DECLARANT, ASSOCIATION, AND THE BOARD OF DIRECTORS HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND RELATED TO THE SUBDIVISION AND THAT EACH OWNER OR OCCUPANT HAS NOT RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO THE SUBDIVISION.

19.8 Conflicting Provisions. In the case of any conflict between the Governing Documents, the order of priority from the highest to the lowest shall be, the Plat, the Declaration, the Articles, Bylaws, and then the Rules.

19.9. Amendment. At any time while this Declaration is in effect, the covenants herein contained can be modified by the Declarant or Declarant's successors and assigns during the Declarant Control Period at the sole discretion of the Declarant. Thereafter, the covenants herein contained can only be modified by the affirmative vote of the Owners representing not less than sixty-seven (67%) percent of the total votes of the Association. No meeting or voting shall be required for an amendment, if the required, written consent is obtained from the requisite number of Owners.

19.10 Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Unit in the Subdivision is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the provision of this Declaration against his/her Unit, whether or not there is any reference to this Declaration in the instrument by which he/she acquires interest in any Unit.

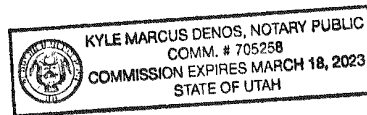
19.11. Notices. All notices under this Declaration are provided as set forth in the Bylaws.

19.12. Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Subdivision. Headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine, and neuter as well.

Property Dynamics, LLC, a Utah Limited Liability Company

By: \_\_\_\_\_  
Its: \_\_\_\_\_

CEO



STATE OF UTAH                    )  
                                          : ss  
COUNTY OF SALT LAKE    )

On the 29th day of September, 2020, personally appeared before me, John D. Thomas, who being by me duly sworn did say that he is CEO of Property Dynamics, LLC, and that the within and foregoing instrument was signed in behalf of said corporation and the said he duly acknowledged to me that he executed the same.

[Signature]  
Notary Public



# **BYLAWS OF GRANITE LOFTS HOMEOWNERS ASSOCIATION, INC.**

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The following are the Bylaws of Granite Lofts Homeowners Association, Inc. ("Bylaws"), a Utah nonprofit corporation Association (the "Association"). Upon recordation of these Bylaws, they are binding upon the Association and all present and future Owners and/or occupants.

## **ARTICLE I PRINCIPAL OFFICE**

The initial principal office of the Association shall be located at 12227 Business Park Drive, Suite 100, Draper, Utah 84020, but meetings of Members and the Board may be held at such places within the State of Utah, as may be designated by the Board.

## **ARTICLE II DEFINITIONS**

All terms used but not defined herein shall have the meanings given them under that certain Declaration of Covenants, Conditions & Restrictions for Granite Lofts Subdivision, of even date and recorded in the Official Records of the Salt Lake County Recorder's Office (hereinafter referred to as the "**Declaration**"), and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth herein at length. The term "Member" shall mean and refer to those persons entitled to Membership in the Association, as provided in the Declaration and Articles of Incorporation of the Association.

## **ARTICLE III MEETINGS OF MEMBERS**

**Section 3.1 Annual Meetings.** After the Class B Control Period expires, an annual meeting of the Owners shall be held no less than once each calendar year at a location and time designated by the Board. The Board may set the date, time and location of the annual meeting in accordance with Section 3.3 below.

**Section 3.2 Special Meetings.** Special meetings of the Owners may be called at the request of the Board, the Declarant, or upon written request of the Owners holding at least twenty-five percent (25%) of the Units, as defined in the Declaration. Notwithstanding, the Board remains the only authorized body to act for and on behalf of the Association.

**Section 3.3 Notice of Meetings and Action.** Unless an Owner requests in writing that all notices be provided to said Owner by U.S. mail, all notices shall be given by, or at the direction of, the Board via: (1) email or other electronic communication. Notice shall be provided at least ten (10) days before a meeting, but no more than sixty (60) days, to each Owner entitled to vote at the email or electronic address provided by the Owner to the Board. Said notice is effective upon sending the email or electronic communication. Such notice shall specify the location, day and time of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Upon becoming a Member of the Association or upon the written request by the Association, Owners shall provide a valid email address for purpose of notification related to the Association unless the Owner has opted out by providing a written request to the Association for notice by U.S. mail.

**Section 3.4 Quorum.** Quorum shall be a majority of the Unit Owners.

**Section 3.5 Proxies.** At all meetings of Owners, each Owner may vote in person or by proxy. All proxies shall be in writing, signed by the Owner, and filed with the Board or its representative at or before said meeting. Notwithstanding, any proxy delivered to the Board at the meeting must be provided no later than any point in the meeting announced as the final time to deliver proxies. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Owner of his Lot. If conflicting proxy votes for an Owner or Lot exist, said proxy votes will not be counted.

**Section 3.6 Conduct of Meetings.** The President, or in his absence the Vice President, shall preside over all meetings. The Secretary or other authorized person shall keep minutes of all meetings and maintain a record of the minutes including, but not limited to: election of directors, adopted resolutions, adopted Rules, and other matters coming before the Owners.

**Section 3.7 Action Taken Without a Meeting.** Any action that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice, if one or more consents in writing, setting forth the action taken, are signed by the members having not less than the minimum voting power that would be necessary to authorize or take the action at a meeting at which all members entitled to vote on the action were present and voted.

In addition, the Board may obtain approvals and conduct business through mail or email/electronic ballots. The ballot must set forth each proposed action and provide the option of voting for or against each proposed action with the requisite number of members approving the action that would be necessary to authorize or take the action at a meeting at which all members entitled to vote on the action were present and voted. The ballot must specify the period during which the Association shall accept written ballots for counting. Following this period, the Association shall provide notice of whether such action was or was not approved.

**Section 3.7 Voting.** Only an Owner that is current on all assessments and charges due and owing shall be deemed in good standing and entitled to vote at any annual or special meeting.

Since an Owner may be more than one person, if only one such person is present at the meeting of the Association that person shall be entitled to cast all votes appertaining to that Lot. But if more than one such person is present, the votes appertaining to that Lot shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Lot without protest being made forthwith by any of the others to the person presiding over the meeting. The votes appurtenant to any one Lot may not be divided between Owners of such Lot or with respect to matters before the Association, and all such votes appurtenant to any one Lot shall be voted in one block. If the vote of a majority of the owners of a Lot cannot be determined, no vote shall be cast in relation to such Lot.

The Association shall honor the vote of a trustee or successor trustee of any trust that is an Owner and shall honor the vote of an individual that is a holder of a Limited or General Durable Power of Attorney with respect to an Owner who is disabled or unavailable as though such vote were the vote of the Owner.

#### **ARTICLE IV BOARD, SELECTION AND TERM OF OFFICE**

**Section 4.1 Number, Tenure, and Qualifications.** The Initial Board shall be selected or appointed by Declarant, which consists of three members, and their successors, that may hold office by the appointment of the Declarant, during the Declarant Control Period. The affairs of the Association shall be managed by a Board of Directors composed of three (3) individuals ("Board").

At the first meeting of the Members following the expiration of the Declarant Control Period at which the election of Directors will take place, the candidate who receives the most votes shall serve as a Director for three (3) years. The candidate that receives the second highest number of votes shall serve as a Director for two (2) years, and the third candidate who receives the third highest number of votes shall serve as Director for one (1) year. At each annual election thereafter, the successor to the Director whose term shall expire in that year shall be elected to hold office for the term of (3) years. Any change in the number of Directors may be made only by amendment of these Bylaws. Each Director shall hold office until his term expires and until his successor has been duly elected and qualified.

**Section 4.2 Advisory Board Member.** During the Declarant Control Period and prior to turnover of the Association to Owner control, the Declarant and/or Board may identify an owner(s) to be an advisory member of the Board and participate in Board meetings and activities. This advisory member(s) shall not vote.

**Section 4.3 Removal.** During the Declarant Control Period, a Director may only be removed with the consent of the Declarant. Following the Declarant Control Period, any Director may be removed from the Board, with or without cause, by a vote of at least (51%) of the Owners of the Association. In the event of death, resignation, or removal of a Director, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

**Section 4.4 Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

**Section 4.5 Action Taken Without a Meeting.** The Directors may take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of a majority of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

**Section 4.6 No Estoppel or Reliance.** No one may rely upon any authorization (from the Board or otherwise) contrary to the terms and conditions of the Governing Documents regardless of circumstances. No claim of estoppel, waiver, or similar equitable claims or defense may be raised by anyone related to any alleged reliance.

**Section 4.7 Records Retention.** The Board shall take appropriate action to develop, implement, and update procedures for record retention. The Board may budget specifically for this expense and may seek the advice of consultants in developing retention procedures.

## **ARTICLE V MEETINGS OF THE BOARD**

**Section 5.1 Regular Meetings.** Regular meetings of the Board shall be held at least annually, or more frequently as determined by the Board. All notices to Directors shall be provided by email or other electronic means. Directors are required to provide an email or electronic address for purposes of notice of board meetings. Owners, and Owner representatives (if previously designated in writing) may attend Board meetings and may be present for all discussion, deliberation, and decisions except when the Board is in executive session. Owners shall comply with all reasonable rules established by the presiding officer for their attendance, including a requirement that they remain silent except when comments are solicited by the Board. The Board may limit Owners' comments and/or questions to a specific period of time within the meeting. The Board shall provide email notice in accordance with the Act to Owners that have requested, in writing, to be notified of Board Meetings and have provided a valid email address

**Section 5.2 Special Meetings.** When, in the discretion of the President or two members of the Board, circumstances require that a meeting be held sooner than the required five (5) days' notice for a regular meeting, a special meeting may be called by the President or by any two (2) Directors, after not less than twenty-four (24) hours' notice to each Director.

**Section 5.3 Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business.

## **ARTICLE VI POWERS AND DUTIES OF THE BOARD**

**Section 6.1 Powers and Duties.** The Board shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and as outlined below. The Board may delegate its authority and responsibility to a manager or managers, subject to any limitations or provisions contained in the Declaration. The Board shall be responsible for a number of activities including, but not limited to the following:

- A) Management of the Association;
- B) Preparation of annual assessments and budget;
- C) Collecting the assessments;
- D) Maintaining a bank account(s) for the Association and designating required signatories;
- E) Maintaining the Common Areas, cross access easements, utility easements and facilities, including any private roadways or facilities;
- F) Adopting and amending rules and regulations;
- G) Enforcing the Declaration, including the retention of legal counsel;
- H) Commencing legal action when necessary;
- I) Levying fines, sanctions and citations;
- J) Paying any amount necessary to discharge any mechanic's or materialman's lien or other encumbrance levied against the Common Area or Facilities;
- K) Purchasing and maintaining insurance;
- L) Keeping books and records of the Association;
- M) Making emergency repairs;
- N) Managing parking;
- O) Managing reasonable pet restrictions; and
- P) Performing other actions and duties to enforce the terms and conditions of the Declaration and effectively manage the Association.

## **ARTICLE VII OFFICERS AND THEIR DUTIES**

**Section 7.1 Enumeration of Officers.** The officers of this Association shall be a president, vice-president and secretary/treasurer, who shall at all times be members of the Board, or such other officer as the Board may from time to time, by resolution, create.

**Section 7.2 Election of Officers.** Following the Declarant Control Period, the election of officers shall take place at the first Board meeting following the annual meeting of the Owners. Elected officers shall serve in their office for a period of one (1) year. Notwithstanding, nothing in these Bylaws prevent an officer or directors from being re-elected to their respective positions.

**Section 7.3 Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine. Appointed officers, which do not include the elected or appointed Board of Directors may not vote and may be removed by the Board at any time, with or without cause.

**Section 7.4 Resignation and Removal.** Any officer may resign at any time by delivering a written resignation to any Director or to any Manager. Unless otherwise specified therein, such resignation shall take effect upon delivery. Following the Declarant Control Period, any officer may be removed and replaced by a majority of the Board of Directors at any time, with or without cause. In the event of death, resignation, or removal of an officer, his successor shall be selected by the Board and shall serve for the unexpired term of his predecessor.

**Section 7.5 Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except temporarily in the case of special offices created pursuant to Section 7.3 of this Article or the death, resignation, or removal of an officer.

**Section 7.6 Duties.** Unless modified by resolution of the Board, the duties of the officers are as follows. The Board may also utilize a manager or managers to assist in these duties. The Board may also adopt rules and policies governing the signing of checks, approval of invoices, deposit of accounts, limits on Officer spending without Board approval, and other policies governing the accounts and funds of the Association.

**President:** The president shall preside at all meetings of the Board and shall see that orders and resolutions of the Board and/or the Owners are carried out.

**Vice-President:** The vice-president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

**Secretary/Treasurer:** The secretary/treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; keep appropriate current records.

**Other Officers:** Other officers shall have the duties and obligations as set forth by the Board.

**ARTICLE VIII  
CONDUCT AT ASSOCIATION MEETINGS**

**Section 8.1 Weapons.** No person, whether an Owner, occupant, owner representative, or other third party is permitted to bring (whether concealed or open) any firearm, knife, aerosol, weapon, or similar item to any Association or Board meeting, work session, event, get-together, or similar event regardless of the location of such event.

**Section 8.2 Recording.** No person, whether an Owner, occupant, owner representative, or other third party is permitted to record (whether audio, video, transcription or combination) any Association or Board meeting, work session, event, get-together, or similar event regardless of the location of such event, without prior disclosure to those present.

**ARTICLE IX  
COMMITTEES**

**Section 9 Committees.** The Board may, if it elects, appoint such committees as deemed appropriate in carrying out its purposes, including appointment of the Architectural Control Committee. The Board may terminate any committee at any time and assume any responsibilities of a terminated committee.

**ARTICLE X  
AMENDMENTS, ORDER OF PRECEDENCE**

**Section 10 Amendment.** During the Declarant Control Period, these Bylaws may be amended at any time by the Declarant. Thereafter, these Bylaws may be amended by the vote or written consent of Members holding at least sixty-seven percent (67%) of the total membership. An amendment to these Bylaws shall be effective immediately upon recordation in the Office of the Salt Lake County Recorder, State of Utah. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XI  
INDEMNIFICATION**

**Section 11.1 Indemnification.** The Declarant, Board Member, director, officer, or member of a committee shall not be personally liable for any obligations of the Association, or for any duties or obligations arising out of any acts or conduct of said Declarant, Board Member, director, officer, or committee member performed for or on behalf of the Association. The Association shall and does hereby indemnify and hold harmless each person who shall serve at any time as a Board Member, director, officer of the Association, or a member of a duly formed committee, as well as such person's heirs and administrators, from and against any and all claims, judgments, and liabilities to which such persons shall become subject, by reason of that person having heretofore or hereafter been a Board Member, director, officer

of the Association, or member of a committee or by reason of any action alleged to have been heretofore or hereafter taken or omitted to have been taken by him/her as such Director, officer, or committee member, and shall advance and reimburse any such person for all legal and other expenses reasonably incurred in connection with any such claim or liability; provided that the Association shall have the right, in its sole discretion, to defend such person from all suits or claims; provided further however, that no such person shall be indemnified against or be reimbursed for or be defended against any expense or liability incurred in connection with any claim or action arising out of such person's intentional misconduct. The rights accruing to any person under the foregoing provisions of this section shall not exclude any other right to which such person may lawfully be entitled, nor shall anything herein contained restrict the right of the Association to indemnify or reimburse such person in any proper case, even though not specifically provided for herein or otherwise permitted.

**Section 11.2 Settlement of Association.** The right of any person to be indemnified shall be subject always to the right of the Association by the Board of Directors, in lieu of such indemnity, to settle any such claim, action, suit, or proceeding at the expense of the Association by the payment of the amount of such settlement and the costs and expenses incurred in connection therewith.

## **ARTICLE XII CONTRACTS, LOANS AND DEPOSITS**

**Section 12.1. Contracts.** The Board may authorize any officer(s) or agent(s), to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

**Section 12.2 Loans.** Any loan entered into by the Association must be in accordance with the Declaration.

**Section 12.3 Checks, Drafts.** All checks, drafts, and other order for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer(s), employee(s), or agent(s) of the Association and in the manner of such from the time to time be determined by the resolution of the Board.

**Section 12.4 Deposits & Investments.** Association funds may only be deposited into institutions that are federally insured. The Board may deposit Association funds into savings accounts, money market accounts, or purchase certificates of deposits. Other investment options that may pose additional risks must be approved by at least 51% of the total membership prior to the investment.

## **ARTICLE XIII FISCAL YEAR**


**Section 14. Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31<sup>st</sup> day of December of every year, except that the first fiscal year shall begin on the date of incorporation.




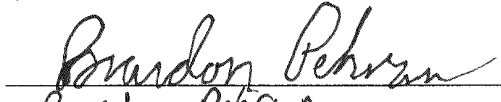
The foregoing Bylaws are adopted by the undersigned and made effective upon this day of  
Sept. 29, ~~2019~~ 2020

GRANITE LOFTS HOMEOWNERS ASSOCIATION, INC.  
a Utah nonprofit corporation,

By:

  
\_\_\_\_\_  
John Thomas  
Its: Board Member

  
\_\_\_\_\_  
Lisa Childers  
Its: Board Member

  
\_\_\_\_\_  
Brandon Peterson  
Its: Board Member

## **EXHIBIT "A" LEGAL DESCRIPTION**

File No.: 46695

All of Lots 1 through 27 and Common Area, GRANITE LOFTS SUBDIVISION, according to the official plat thereof on file and recorded in the Office of the Salt Lake County Recorder.

Parcel No. 16-31-403-074, 16-31-403-075, 16-31-403-076, 16-31-403-073, 16-31-403-072,  
16-31-403-071, 16-31-403-068, 16-31-403-069, 16-31-403-070, 16-31-403-067, 16-31-403-066,  
16-31-403-065, 16-31-403-062, 16-31-403-063, 16-31-403-064, 16-31-403-061, 16-31-403-060,  
16-31-403-059, 16-31-403-056, 16-31-403-057, 16-31-403-058, 16-31-403-055, 16-31-403-054,  
16-31-403-053, 16-31-403-050, 16-31-403-051, 16-31-403-052, and 16-31-403-049