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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
VIAL-FOTHERINGHAM LLP
602 E 300 S
SLC UT 84102
BY: SLR, DEPUTY - MA 6 P.

WHEN RECORDED, RETURN TO:
VIAL FOTHERINGHAM LLP
602 East 300 South
Salt Lake City, Utah 84102

**FIRST AMENDMENT TO THE
COVENANTS, CONDITIONS & RESTRICTIONS of**

**The
Cottonwoods**

CONDOMINIUM HOMES

This amendment was made and adopted by The Cottonwoods Condominium Homes, Inc. ("Association") and became effective on July 1, 2011.

RECITALS

- A. Certain real property in Salt Lake County, Utah known as The Cottonwoods Condominium Homes was subjected to certain covenants, conditions and restrictions pursuant to an amended Declaration recorded July 27, 2009, as Entry No. 10761976, in Book 9748, at Page 9237-9251 ("Declaration"), in the records of the Salt Lake County Recorder's Office;
- B. This amendment shall be binding against the property described in EXHIBIT A and the Declaration and any annexation or supplement thereto;
- C. This amendment is intended to prevent higher insurance rates, higher mortgage rates or the inability to obtain a mortgage, lower property values, higher crime, and a higher rate of rules and covenants violations, which are associated with communities with a high level of investor owned units;
- D. The Association deems a rental restriction in the best interests of the owners, their health, safety, and welfare and also deems a rental restriction necessary to preserve the pool of prospective buyers by ensuring the qualification of the project for financing, preserving the aesthetic appeal of the community, and ensuring competitive appreciation of the units.
- E. Pursuant to Article XI of the Declaration, owners representing at least seventy-five percent (75%) of the voting interests have approved this Amendment;

NOW, THEREFORE, the Association, by and through its Management Committee, hereby amends the Declaration, effective July 1, 2011 by adding the following:

**OWNER OCCUPANCY REQUIREMENT
AND RENTAL AND LEASE RESTRICTIONS**

Section 12.5. Owner Occupancy Requirement and Rental and Lease Restrictions

Section 12.5.1 Owner Occupancy Requirement

(a) Owner Occupancy Requirement. Except as provided in Section 12.5.2 below, all but TEN (10) Units shall be occupied by an Owner or the immediate family members of an Owner. As used in this Subsection, "immediate family members" means an Owner's spouse, child, parent, or sibling.

(b) Restrictions on Permitted Rentals and Leases. A Unit permitted to be leased under Sections 12.5.2 and 12.5.3 is subject to the following restrictions:

- (i) An Owner may not rent or lease less than the entire Unit and no Owner may rent or lease a Unit for transient or hotel purposes.
- (ii) A Unit may not be rented or leased for a period of less than six (6) consecutive months.
- (iii) A Unit may not be rented or leased without the consent of the Management Committee.

Section 12.5.2 Owner Occupancy Exceptions.

(a) Grandfather Exception. In the event that there are more than TEN (10) Units being rented or leased as of the date of the recording of this amendment, Section 12.5.1(a) above does not apply to such Units so long as they are in compliance with Section 12.5.1(b) above; however, such Units shall be counted towards the TEN (10) Unit limit required by Section 12.5.1(a) above. The Owner may continue to rent or lease the Unit to the existing tenant or subsequent tenants. The right of an Owner to rent or lease a Unit under this Section 12.5.2(a), terminates when the Owner no longer has an interest in the Unit, or when the Owner occupies the Unit. The successor in interest to the Unit has no rights under this section and is subject to the restrictions of Section 12.5.1(a) above.

(b) Military Deployment Exception. An Owner of a Unit who is deployed with the military. Military personnel, not deployed, are otherwise subject to the requirements and restrictions of this Section 12.5.

(c) Employment Relocation Exception. An Owner of a Unit whose employer has relocated the Owner for no less than two (2) years.

(d) Trust or Entity for Estate Planning Exception. If the trust or estate planning entity was created for (a) the estate of a current resident of the Unit; or (b) the parent, child, or sibling of a current resident of the Unit, the entity or trust will be allowed to continue renting until an officer, owner, member, trustee, beneficiary, director, or other person holding a similar position of ownership or control of an

entity or trust that holds an ownership interest in the Unit, occupies the Unit.

(e) Hardship Exception. If an Owner's application to lease his/her Unit is denied by the Management Committee, to avoid undue hardships or practical difficulties such as the Owner's death, job relocation, extended vacation, disability, or difficulty in selling the Unit due to market conditions in the area or other similar circumstances, the Management Committee has discretion to approve a hardship application of an Owner or authorized representative to temporarily rent or lease the Owner's Unit. However, the Management Committee may not approve a hardship application to rent or lease a Unit under this Section for a period of more than one (1) year.

(f) Multiple Unit Ownership. An Owner is not eligible to rent or lease more than one (1) Unit until the pending application of: (1) All Owners who are not currently renting or leasing a Unit have been approved; and (2) All Owners who are currently renting or leasing fewer Units than the applicant have been approved.

Section 12.5.3 Rules and Regulations regarding the Application and Approval to Rent or Lease a Unit. The Management Committee shall adopt by resolution Rules and regulations that establish the application and approval process, a waiting list, the contents of lease agreements, and any other Rules deemed necessary by the Management Committee to implement this Section 12.5.

Section 12.5.4 Remedies.

(a) If an Owner rents or leases a Unit in violation of this Section 12.5, or violates other Rules and regulations imposed by the Management Committee, including leasing a Unit after the Management Committee denies such application, the Management Committee may:

- i. Assess fines against the Owner and Owner's Unit in an amount to be determined by the Management Committee pursuant to a schedule of fines adopted by the Management Committee in accordance with Utah Code Ann. §57-8-37.
- ii. Regardless of whether any fines have been imposed, proceed with any other available legal remedy, including, without limitation, an action to require the Owner to terminate the rental or lease agreement and remove the tenant.

(b) Pursuant to Rules adopted under this Section, if the Management Committee determines that a tenant has violated a provision of the Declaration, Bylaws, any amendments thereto, or Rules and regulations, after notice and an opportunity for a hearing as provided in Utah Code Ann. §57-8-37, the Management Committee may require an Owner to terminate a lease or rental agreement.

Section 12.5.5 Costs and Attorney Fees.

(a) Fines, charges, and expenses incurred in enforcing the Declaration, the Bylaws and any Rules and regulations with respect to the tenant, and for any costs incurred by the Association in connection with any action involving Section 12.5, including reasonable attorney fees, are assessments against the Owner and Unit which may be collected and foreclosed by the Association as provided in the Declaration and pursuant to Utah Code Ann. §57-8-20.

(b) In addition to Subsection (a) of this Section 12.5.5, the Association is entitled to recover from an Owner determined in violation of this Section 12.5 its costs and attorney fees incurred for enforcement of Section 12.5, regardless of whether any lawsuit or other action is commenced. The Association may assess the costs and attorney fees against the Owner and the Unit as an assessment as provided in the Declaration and pursuant to Utah Code Ann. §57-8-20.

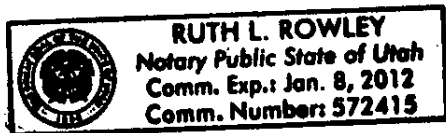
Section 12.5.6 Utah Landlord-Tenant Code Not Applicable. Nothing in this Section 12.5 may be construed to impose on the Association the duties, responsibilities, or liabilities of a landlord under Utah Code.

EXECUTED this 19 day of July, 2011.

The Cottonwoods Condominium Homes, Inc.
By: [Signature]
Title: Treasurer

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

On the 19 day of July, 2011, personally appeared before me Steve Fotheringham, who by me being duly sworn, did say that he/she is the Treasurer of The Cottonwoods Condominium Homes, Inc., and that the foregoing amendment was approved by at least 75% of the total votes of the Association.



[Signature]
Notary Public

EXHIBIT A
The Cottonwoods Condos
LEGAL DESCRIPTION (92 Condo Units)

<u>Parcel Number</u>	<u>Legal Description</u>	<u>Parcel Number</u>	<u>Legal Description</u>
22094320020000	HOME 1 BLDG 1	22094320440000	HOME 43, BLDG 11
22094320030000	HOME 2 BLDG 1	22094320450000	HOME 44 BLDG 11
22094320040000	HOME 3 BLDG 1	22094320460000	HOME 45, BLDG 12
22094320050000	HOME 4 BLDG 1	22094320470000	UNIT 46, BLDG 12
22094320060000	HOME 5, BLDG 2	22094320480000	HOME 47 BLDG 12
22094320070000	HOME 6 BLDG 2	22094320490000	HOME 48 BLDG 12
22094320080000	HOME 7, BLDG 2	22094320500000	HOME 49 BLDG 13
22094320090000	HOME 8 BLDG 2	22094320510000	HOME 50 BLDG 13
22094320100000	HOME 9, BLDG 3	22094320520000	HOME 51 BLDG 13
22094320110000	UNIT 10, BLDG 3	22094320530000	HOME 52 BLDG 13
22094320120000	HOME 11 BLDG 3	22094320540000	HOME 53 BLDG 14
22094320130000	HOME 12, BLDG 3	22094320550000	HOME 54 BLDG 14
22094320140000	UNIT 13, BLDG 4	22094320560000	UNIT 55, BLDG 14
22094320150000	UNIT #14, BLDG 4	22094320570000	HOME 56 BLDG 14
22094320160000	HOME 15, BLDG 4	22094320580000	UNIT 57, BLDG 15
22094320170000	UNIT 16, BLDG 4	22094320590000	HOME 58 BLDG 15
22094320180000	HOME 17 BLDG 5	22094320600000	HOME 59, BLDG 15
22094320190000	HOME 18, BLDG 5	22094320610000	UNIT 60, BLDG 15
22094320200000	HOME 19, BLDG 5	22094320620000	HOME 61 BLDG 16
22094320210000	HOME 20 BLDG 5	22094320630000	HOME 62 BLDG 16
22094320220000	UNIT #21, BLDG 6	22094320640000	HOME 63, BLDG 16
22094320230000	HOME 22, BLDG 6	22094320650000	HOME 64 BLDG 16
22094320240000	HOME 23 BLDG 6	22094320660000	HOME 65 BLDG 17
22094320250000	HOME 24, BLDG 6	22094320670000	HOME 66, BLDG 17
22094320260000	HOME 25 BLDG 7	22094320680000	HOME 67, BLDG 17
22094320270000	UNIT 26, BLDG 7	22094320690000	HOME 68 BLDG 17
22094320280000	HOME 27, BLDG 7	22094320700000	HOME 69, BLDG 18
22094320290000	HOME 28, BLDG 7	22094320710000	HOME 70 BLDG 18
22094320300000	HOME 29, BLDG 8	22094320720000	HOME 71, BLDG 18
22094320310000	HOME 30, BLDG 8	22094320730000	HOME 72 BLDG 18
22094320320000	HOME 31, BLDG 8	22094320740000	HOME 73 BLDG 19
22094320330000	HOME 32 BLDG 8	22094320750000	UNIT #74, BLDG 19
22094320340000	HOME 33, BLDG 9	22094320760000	HOME 75 BLDG 19
22094320350000	HOME 34, BLDG 9	22094320770000	HOME 76 BLDG 19
22094320360000	HOME 35, BLDG 9	22094320780000	HOME 77 BLDG 20
22094320370000	HOME 36, BLDG 9	22094320790000	UNIT 78, BLDG 20
22094320380000	HOME 37, BLDG 10	22094320800000	HOME 79 BLDG 20
22094320390000	HOME 38, BLDG 10	22094320810000	HOME 80 BLDG 20
22094320400000	HOME 39, BLDG 10	22094320820000	HOME 81, BLDG 21
22094320410000	HOME 40, BLDG 10	22094320830000	HOME 82, BLDG 21
22094320420000	HOME 41 BLDG 11	22094320840000	HOME 83 BLDG 21
22094320430000	HOME 42, BLDG 11	22094320850000	HOME 84, BLDG 21

<u>Parcel Number</u>	<u>Legal Description</u>
22094320860000	UNIT 85, BLDG 22
22094320870000	UNIT #86, BLDG 22
22094320880000	UNIT 87, BLDG 22
22094320890000	HOME 88 BLDG 22

<u>Parcel Number</u>	<u>Legal Description</u>
22094320900000	HOME 89 BLDG 23
22094320910000	HOME 90, BLDG 23
22094320920000	HOME 91 BLDG 23
22094320930000	UNIT #92, BLDG 23