WHEN RECORDED RETURN TO:

James R. Blakesley Attorney at Law 2595 East 3300 South Salt Lake City, UT 84109 Phone: (801) 485-1555

Fax: (801) 990-1059 jim@blakesleylaw.com

11395193 05/22/2012 10:37 AM \$48.00 Book - 10019 Pa - 1682-1689 GARY W. OTT RECORDER, SALT LAKE COUNTY, UTAH JAMES R BLAKESLEY 2595 E 3300 S SLC UT 84109 BY: ZJM, DEPUTY - MA 8 P.

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND BYLAWS FOR EASTGATE CONDOMINIUM

This Amendment to Declaration of Covenants, Conditions and Restrictions, and Bylaws for Eastgate Condominium is made and executed by the Eastgate Homeowners Association, Inc., P.O. Box 510484, Salt Lake City, Utah 84151 (the "Declarant").

RECITALS

- A. The Declaration of Covenants, Conditions and Restrictions, and Bylaws for Eastgate Condominium was recorded in the office of the County Recorder of Salt Lake County, Utah on July 26, 1979 as Entry No. 3314437 in Book 4911 at Pages 372-412` of the official records (the "Declaration").
- B. The Declarant is the managing agent for the owners of the real property located in Salt Lake County, Utah, described with particularity on Exhibit "A," attached hereto and incorporated herein by this reference (the "Property").
 - C. The Property is subject to the Declaration.
 - D. All of the voting requirements to amend the Declaration have been satisfied.

NOW, THEREFORE, for the reasons recited above, and for the benefit of the Property and the owners thereof, the Declarant hereby executes this Amendment to Declaration of Covenants, Conditions and Restrictions, and Bylaws for Eastgate Condominium.

1. Section 4(b) of the Declaration is hereby deleted in its entirety and the following provision substituted in lieu thereof:

4(b) <u>PERCENTAGE RENTAL RESTRICTION WITH HARDSHIP</u> EXEMPTION AND GRANDFATHER CLAUSE

1. <u>Rentals</u>. At least sixty percent (60%) of the Units at Eastgate Condominium (the "Project") shall be owner-occupied. The Board of

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Directors may but is not obligated to allow up to thirty percent (30%) of the Units to be leased, rented, or occupied by a natural person while no Unit owner occupies the property as the Unit owner's primary residence (collectively "Rentals"); provided, however, the Board of Directors may but is not obligated to allow up to an additional ten percent (10%) rentals to avoid a hardship as that term is defined below. This will allow the Association to:

- a. Protect the equity of the individual property owners at the Project; and
- b. Carry out the purpose for which the Project was formed by preserving the character of the Project as a homogeneous residential community of predominantly owner-occupied Units and by preventing the Project from assuming the character of an apartment, renter-occupied, or investor driven subdivision;
- c. Comply with the eligibility requirements for financing in the primary and secondary mortgage markets insofar as such criteria provide that the project be substantially owner-occupied, leasing of a Units shall be restricted as set forth herein; and
- d. Satisfy the requirements of Utah Code Ann., Section 57-8a-209 (2009) as it may be amended or supplemented from time to time.
- 2. <u>Application</u>. Any Owner who intends to lease or rent his or her Unit or allow it to be occupied by a natural person while no Unit owner occupies the property as the Unit owner's primary residence shall submit a written application to the Board of Directors requesting permission to do so. Consent shall not be unreasonably withheld.
- 3. <u>Condition Precedent</u>. No Units may be leased or rented or occupied by a natural person while no Unit owner occupies the property as the Unit owner's primary residence without the prior express written consent of the Board of Directors.
- 4. <u>Definition of Owner-Occupied</u>. The term "owner-occupied" shall mean Units occupied by one of the following as his or her primary residence:
- a. The reputed Unit owner of record, as shown in the official records of the County Recorder of Salt Lake County, Utah; or
- b. The spouse, parent, child, or sibling of the reputed Unit owner; or

- c. The shareholder, partner, member, trustor, beneficiary, or other legal representative of an institutional owner, such as a corporation, limited liability company, or trust (provided, such person holds a beneficial interest in such legal entity of at least 50.0%) and/or his or her spouse, parents, child, or sibling.
- 5. <u>Hardship Exception</u>. The Association may exempt from the rental restrictions the following Unit owners and his or her Unit provided such an exemption will not disqualify the Project or a particular Unit from obtaining financing:
- a. A Unit owner in the military for the period of the Unit owner's deployment;
- b. A Unit owner whose employer has relocated the Unit owner for no less than two (2) years;
- c. A Unit owned by a corporation, limited liability company, trust, or other entity created for estate planning purposes if the trust or other estate planning entity was created for: (a) the estate of a current resident of the Unit; or (b) the spouse, parent, child, or sibling of the current resident of the Unit;
- d. The Unit owner dies and the Unit is being administered by his or her estate; or
 - e. Other good cause.
- 6. <u>Grandfather Clause</u>. All Unit owners of record on the date this amendment is recorded in the Office of the County Recorder of Salt Lake County, Utah are hereby granted a "grandfather exemption" and may rent their Units until such time as the Units are sold, transferred, or conveyed.
- 7. <u>Notice of Rental Restrictions</u>. It is the seller's duty to notify any and all prospective buyers in writing of the rental restrictions and percentages of owner occupancy required.
- 8. <u>Tracking</u>. The Association shall create, by rule or resolution, procedures to:
 - a. Process the application for leave to rent a Unit;
 - b. Approve or deny the application;

- c. Determine and track the number of rentals and Units in the Project; and
- d. Ensure consistent administration and enforcement of the rental restrictions.
- 9. <u>Copy of Signed Lease or Rental Agreement to be Provided to Board of Directors.</u> A Unit owner leasing or renting his or her Unit shall submit to the Board of Directors a copy of the signed Lease or Rental Agreement, with the renters contact information, within ten (10) days after it has been signed by all parties.
- 10. <u>Leases</u>. Each and every agreement for the leasing or rental or occupancy by a natural person while no Unit owner occupies the Unit as the Unit owner's primary residence ("collectively "Rental Agreement") shall be in writing.
- a. By virtue of taking possession of a Unit, each renter agrees to be subject to and abide by the governing documents (including the Rules) for Eastgate Condominium, and a violation of the governing documents shall be considered a material violation and default under the Rental Agreement;
- b. No Unit Owner shall be permitted to lease or rent his or her Unit for transient, vacation, hotel, seasonal, or short-term purposes;
 - c. Daily and weekly rentals are prohibited;
- d. The initial term of any Rental Agreement shall be not less than six (6) months;
- e. No Unit owner may lease individual rooms to separate persons or less than the entire Unit without the express prior written consent of the Board of Directors;
- f. Within ten (10) days after delivery of written notice from the Association notifying the Unit owner of the creation of a nuisance or material violation of the governing documents, the Unit owner shall at the request of the Association serve the occupants of the Unit with a nuisance notice for eviction, notice to perform conditions or vacate, or other appropriate notice in accordance with the Utah Forced Entry and Detainer Act and, if necessary, proceed with an unlawful detainer action in a court of competent jurisdiction. Other than as stated in this Section, there is no

restriction on the right of any Owner to lease or rent or otherwise grant occupancy rights to his or her Unit.

2. Section 4 of the Declaration should be amended to add the following new subsection:

(I) LIMIT ON NUMBER OF UNITS OWNED.

No Person¹, his or her family², or their affiliates³ may own or control more than ten percent (10%) of the Lots in the Building concurrently.

- 3. In the event of any conflict, incongruity or inconsistency between the provisions of the Declaration and this Amendment, the latter shall in all respects govern and control.
- 4. This Amendment is supplemental to the Declaration, which is by this reference made a part hereof, and all the terms, conditions, and provisions thereof, unless specifically modified herein, are to apply to this Amendment and are made a part of this Amendment as though they were expressly rewritten, incorporated, and included herein.
- 5. If any provision of this Amendment is held to be illegal, invalid, or unenforceable under any present or future law, then that provision will be fully severable. This Amendment will be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part hereof, and the remaining provisions of this Amendment will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Amendment. Furthermore, in lieu of each such illegal, invalid, or unenforceable provision, there will be added automatically, as a part of this Amendment, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.
- 6. The effective date of this Amendment is the date it is recorded in the office of the County Recorder of Davis County, Utah.

¹ Natural person, corporation, limited liability company, partnership, trust or other legal entity.

² Parents and Children.

³ For use herein the term "affiliate" shall be broadly and liberally construed to mean any, corporation, limited liability company, partnership, trust or other legal entity in which he or she has a ten percent (10%) or greater interest or which he or she controls, which means he or she is a director, manager, trustee, officer and so forth.

IN WITNESS WHEREOF, the Association has executed this instrument the 30th day of April, 2012.

EASTGATE HOMEOWNERS ASSOCIATION, INC.

Name: Laura Sprue

Title: President

ACKNOWLEDGMENT

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

On the day of April, 2012, personally appeared before me Laura Spruell, who by me being duly sworn, did say that she is the President of the EASTGATE HOMEOWNERS ASSOCIATION, INC., and that the within and foregoing instrument was signed in behalf of said corporation by authority of its Articles of Incorporation and a resolution of its Board of Directors, and said Michelle Monical duly acknowledged to me that said Eastgate Homeowners Association, Inc. executed the same.

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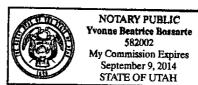


EXHIBIT "A"

LEGAL DESCRIPTION

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



Lot and Parcel Numbers for EASTGATE CONDO

Block / Building	Туре	Lot / Quarter	Parcel Number	Obsolete?
	U	200	16-05-106-002-0000	N
	U	201	16-05-106-003-0000	N
	U	202	16-05-106-004-0000	N
	U	203	16-05-106-005-0000	N
	U	204	16-05-106-006-0000	N
	U	205	16-05-106-007-0000	N
	U	206	16-05-106-008-0000	N
	U	207	16-05-106-009-0000	N
	U	300	16-05-106-010-0000	N
	U	301	16-05-106-011-0000	N
	U	302	16-05-106-012-0000	N
	U	303	16-05-106-013-0000	N
	U	304	16-05-106-014-0000	N
	u	305	16-05-106-015-0000	N
····	υ	306	16-05-106-016-0000	N
	U	307	16-05-106-017-0000	N
	U	400	16-05-106-018-0000	N
	U	401	16-05-106-019-0000	N
	U	402	16-05-106-020-0000	N
	υ	403	16-05-106-021-0000	N
	U	404	16-05-106-022-0000	N
	U	405	16-05-106-023-0000	N
	U	406	16-05-106-024-0000	N
	υ	407	16-05-106-025-0000	N
	U	AREA	16-05-106-001-0000	N