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06/18/2014 10:58 AM \$98.00
Book - 10239 Pg - 135-139
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RECORDER, SALT LAKE COUNTY, UTAH
TERRACE FALLS OWNER ASSN
171 3RD AVE UNIT 202
SLC UT 84103
BY: KRA, DEPUTY - WI 5 P.

**2014 AMENDMENT
OF
TERRACE FALLS CONDOMINIUM OWNERS ASSOCIATION'S
DECLARATION, COVENANTS, CONDITIONS, RESTRICTIONS
AND BYLAWS 09-31-340-202**

1. Parts of Section 7.01, "Ownership and Use of Units;" are amended to read as follows:

(e) All Leases of Units shall be subject to the following limitations:

- (i) There must be a written Lease of the Unit.
- (ii) Only an entire Unit including a parking stall and storage locker may be Leased.
- (iii) The Lease shall specify that the Lessee, his guests and other occupants or users of the Unit, shall be subject to the Act, these Bylaws and the Rules and Regulations.
- (iv) The Lease shall specify that the Board shall have the right to evict a Rule-breaking Lessee without the consent of the Owner.

(f) An Owner which is a corporation which is income-tax exempt and engaged in charitable or religious activities, or its affiliate, may Lease its Units only to its employees or officers, or with the consent of the Board, to others, which consent shall not be unreasonably withheld.

(g) All Leases of Units not owned by a corporation referred to in subsection (f), shall be subject to the following limitations:

- (i) The Unit's current Owner or Co-Owner must have lived in it continuously as his primary residence for at least one year, unless this requirement is waived by the unanimous Board, acting in its sole discretion.
- (ii) Notwithstanding Clause (i), a buyer may purchase a Leased Unit without having first satisfied such Clause, but may not agree to an extension of the Lease or a new Lease, without first satisfying such Clause.
- (iii) The term of any Lease initially made after the adoption of this Amendment must be for at least one full year, unless waived by the Board, acting within its sole discretion.
- (iv) An existing Lease may, upon its expiration, if there are at least 8 other Units then Leased, only be renewed with the same Lessee, or leased to a Relative of such Owner. except as provided in subsection (h).
- (v) A resident Unit Owner may Lease his Unit hereunder when there are less than 8 other Units then Leased hereunder, on a first come, first served basis, or under subsection (h), if applicable.
- (vi) An Owner may not otherwise enter into a new Lease of a Unit at a time when at least 8 other Leases of Units are in effect.

(h) The Board may, in its sole discretion, make an emergency exception to subsection g) in a case where a live Owner

- (i) is, in the professional opinion of his or her personal physician, suffering from a severe mental or physical illness or injury, but is expected to recover, or
- (ii) is drafted into military service, or
- (iii) is required by his/her employer to temporarily transfer to a distant place or employment, or
- (iv) voluntarily vacates his Unit in order to render full-time temporary and uncompensated service to an ill or injured spouse, domestic partner or Relative or to a tax-exempt organization or governmental body, or

(v) needs to temporarily vacate his Unit due to any other event found by the Board, acting in its sole discretion, to be of like urgency.

(i) Any emergency exception under subsection (h) shall not be for more than two years, unless extended by the unanimous Board, acting in its sole discretion.

(j) There shall not be more than two emergency exceptions in effect under subsection (h) at any one time, unless allowed by the unanimous Board, acting in its sole discretion.

(k) A Lease of a Unit under subsection (f) shall not be counted in the application of subsection (g).

(l) In the absence of its Owner or Lessee, a unit may only be occupied for a single period of more than three days, by a non-paying guest or guests who, if not Relatives of the Owner, is or are

(i) a single natural person (regardless of his or her sexual orientation or gender identity) with his or her Relatives, or

(ii) two legally married persons (or two adults who live together as domestic partners or in a similar relationship (regardless of their sexual orientation or gender identity), with their Relatives.

(m) A compensated, or volunteer, physician-prescribed caregiver for a disabled resident may reside indefinitely in a Unit with the resident.

(n) No professional or other personal service activity of a resident for compensation that involves the attendance of clients or other non-residents on the Property shall occur without the advance written permission of the Board.

2. Paragraph 12 of APPENDIX 1. DEFINITIONS, is amended to read as follows:

12. "Relatives" of an Owner or Lessee shall consist only of the ancestors, descendants (including adopted persons, foster children and children under legal guardianship), and siblings (and the spouses or domestic partners of any such included persons).

3. Subsection 2.01 (h) is amended to read as follows:

(h) Each Owner must retain exclusive rights to at least one parking stall and one storage locker per Unit owned, but shall have the right to sell any additional parking stall assigned to the Owner's Unit or to rent his parking stall or stalls and/or his storage locker, only to residents of Terrace Falls, for periods ending not later than the day before the date of conveyance of or encumbrance of the Unit to which the stall is appurtenant.

4. Subsection (h) is added to Section 2.05 to read as follows:

(h) A Delegate may not represent more than the Unit or Units of one Owner.

5. The heading of Subsection 2.06 (a)(iv) is amended to read as follows:

(iv) When the polls are closed a special Ballot Committee composed of well-respected and unbiased persons selected by the Board, acting privately, shall,

6. Section 2.06 (a) (v) is amended to read as follows:

(v) In any voting by Owners on an issue other than under Sections 3.05, 6.03(i) and 13.02, if at least 60 valid ballots are cast, a majority of affirmative voting shares is required for the passage of the issue. If less than 60 such ballots are cast, at least 5001 affirmative voting shares is required for passage of any such issue.

7. The following sentence is added to Section 2.11: Such a voter shall not vote more than the proxy or proxies given by a single Owner in any such voting.

8. Parts of Section 3.09 are amended to read as follows:

....

(c) To collect Assessments from the Owners for the Reserve Program as determined under Section 6.03.

(g) To impose and collect reasonable fees for late payment of Dues and Assessments.

(i) To adopt and amend the Rules and Regulations, which shall not conflict with these Bylaws, but may include, and shall not be limited to, reasonable

.....

(i) requirements and procedures for the Leasing of Units by Owners.

...At any time at which it is found to be feasible and reasonable in cost, to utilize electronic means for communication and/or voting.

9. Subsection (d) of Section 3.13 "Settlement of Disputes," is amended to read as follows:

(d) In any unsettled dispute between two or more Owners or between one or more Owners and the Association, involving usage of a Unit or of a Common Area or facility, or the application of the Bylaws or Rules and Regulations (other than the non-payment of Owner dues, or assessments for the Reserve Fund), the parties shall submit the dispute to mediation, with a mediator appointed jointly by the parties or by the Utah State Bar, and if the matter is not thus settled, then notwithstanding any other provision of these Bylaws, the dispute shall not be submitted to any court, but, at the request of either party, shall be submitted to arbitration before a single arbitrator in accordance with Title 78B, Chapter 11, Utah Uniform Arbitration Act, with the fees and expenses of the arbitrator, and attorneys' fees and expenses of the prevailing party, to be paid by the losing party, as identified by the arbitrator.

10. Subsection (k) of Section 6.02. "The Annual Operating Budget," is amended to read as follows:

(k) If, in the course of a fiscal year the Board determines that the Dues, as scheduled, will be materially excessive or deficient based on actual Operating Budget costs, then, subject to subsection (h),

(i) The amount of any such excess shall be credited against the Owners' future Dues, or

(ii) The amount of any such deficiency shall be ratably charged and collected in the remaining installments for the fiscal year.

11. Subsections 6.03(a) and (g)-(l), are amended to read as follows, in compliance with the 2014 amendment of UTAH Code 47-8-7.5:

(a) The purpose of the Reserve Fund is for payment for the replacement, improvement, restoration, or major repair of the components of the Common Areas and Facilities which the Board has determined, or shall determine upon acquisition, in its sole judgment, to have expected lives in excess of three years but less than 30 years, and which could not reasonably be funded from the Operating Budget.

....

(g) In the annual Reserve Program meeting referred to in Section 2.8, , the Board shall present to and provide to the Owners the Reserve Program, as most recently prepared or updated, shall report on the current condition of the Reserve Fund, showing additions from Assessments in the preceding fiscal year, any expenditures thereof for replacement of Common Area components covered by the Fund, investment experience of the Fund, etc., and, based on the Reserve Fund analysis shall make any changes considered necessary for Assessments for prudently funding future replacements of components newly acquired or for otherwise augmenting or reducing the Reserve Fund for immediate, earlier or later than projected replacement of covered Common Area components or facilities.

(h) The Board shall include a reserve fund line item in its annual budget for each fiscal year.

(i) Within 45 days after such meeting, the Owners may veto such reserve fund line item by a mail ballot vote of a majority of the voting shares of the Owners conducted in accordance with Section 2.06.

(j) If the Owners thus veto such reserve fund line item and a properly adopted reserve fund line item existed for the Association for the immediately prior fiscal year that was not vetoed, the Owners shall fund the reserve account prospectively in accordance with that prior reserve fund line item.

(k) Any Reserve Fund component, even though having been found by the Board to be reasonably functional and able to continue to be economically and safely operated, may nevertheless be replaced if it is determined by the Owners of a majority of all the voting shares to be, unsightly, dated or not of the desired quality.

(l) The Board shall not use money in the Reserve Fund for Operating Budget expenses or any other purpose other than the purposes for which the Reserve Fund was established, unless the Owners by a majority vote of their voting shares in a mail ballot vote conducted in accordance with Section 2.06, approve the use of Reserve funds for any such purpose.

12. Section 6.05 (a) is amended to read as follows:

(a) Unpaid Dues and Assessments, attorney's fees, collection costs, costs incurred by the Board in performing its responsibilities and functions under these Bylaws to the extent such costs relate to an Owner's Unit, and related expenses and all other obligations of an Owner to the Association shall constitute a charge and a continuing lien upon and running with and attaching to the Unit or Units of the Owner, effective upon recordation of notice as provided in the Act.

13. Section 6.06, Enforcement, is clarified, simplified and amended to read as follows:

(a) If the Owner fails to pay the Dues and Assessments pertaining to the Owners' Unit or fails to pay upon demand any amounts payable, or reimbursable, by the Owner to the Board, the Board may immediately declare due and payable such amounts together with the total outstanding balance of the Dues and Assessments pertaining to the Unit for the balance of the years covered and may enforce the lien, together with interest, fees and costs.

(b) The Board may take either or both of the following actions concurrently or separately, and/or exercise the remedies hereinafter set forth:

- (i) To proceed in court against the Owner for the unpaid Dues, Assessments and costs.
- (ii) To foreclose the lien against the Unit by power of sale or foreclosure applicable to deeds of trust or mortgages, or in accordance with the then prevailing Utah law relating to the foreclosure of realty mortgages (including any right to recover any deficiency).

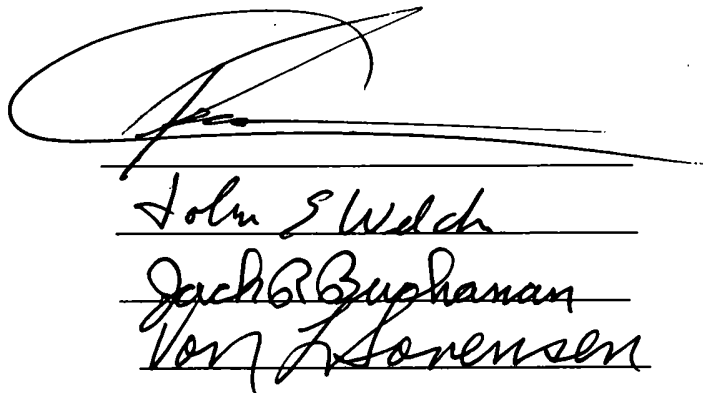
(c) Such lien for nonpayment of Assessment may be enforced by sale by the Board or by a bank or trust company or title insurance company authorized by the Board, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law.

(d) Upon foreclosure, the Owner in possession shall be required to pay a reasonable rental for the Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security.

(e) The remedies above set forth for the Board are not exclusive and the Board may seek other remedies.

Executed June 17, 2014.

President Kreg H. Calder
Vice President John S. Welch
Vice President Jack Buchanan
Treasurer Von L. Sorensen



State of Utah
COUNTY of Salt Lake

On June 17, 2014, Kreg Calder, John S. Welch, Jack Buchanan, and Von L. Sorensen, known to me to be the persons whose names are subscribed above, personally appeared before me and acknowledged to me that they executed the same in the capacity of Members of the Management Board of Terrace Falls HOA.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the date set forth in this certificate.

s/ Patricia B Horne Notary Public in and for said County and State (SEAL)

