
SPACE ABOVE RESERVED FOR RECORDER'S USE ONLY

**SECOND AMENDMENT TO THE
AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS OF ROWHAUS CONDOMINIUMS**

This Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Rowhaus Condominiums ("Amendment") is executed on the date set forth below, by the Rowhaus Condominiums Homeowners' Association, Inc., a Utah nonprofit corporation ("Association") and shall become effective when recorded with the Salt Lake County Recorder.

RECITALS

A. Rowhaus Condominiums was first made subject to the "Declaration of Covenants, Conditions, and Restrictions of RowHaus Condominiums", which was recorded with the Salt Lake County Recorder on June 15, 2007, as Entry No. 10135247, in Book 9479, at Pages 1338-1370 ("Original Declaration").

B. The Original Declaration was replaced in its entirety by the "Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Rowhaus Condominiums" which was recorded with the Salt Lake County Recorder on February 25, 2008, as Entry No. 10355738, in Book 9573, at Pages 7405-7467 ("Declaration").

C. The Declaration was first amended by that certain instrument called the "First Amendment to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Rowhaus Condominiums", which was recorded with the Salt Lake County Recorder on June 5, 2012, as Entry No. 11403752, in Book 10023, at Pages 3275-3285.

D. Section 16.2 of the Declaration provides that it may be amended with the approval of at least 66% of the ownership interests.

E. More than 66% of the ownership interests have approved the following amendments.

F. No Lenders have provided written notice to the Association as provided in Article 14.

G. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration.

AMENDMENTS

Amendment One

Article 1, Section 1.5 of the Declaration is hereby amended to read as follows:

- 1.5 “Association” shall mean and refer to the Rowhaus Condominiums Homeowners’ Association, Inc., the membership of which shall include each Owner of a Unit in the Condominium Project. The Association shall be incorporated as a Utah nonprofit corporation pursuant to the Utah Revised Nonprofit Corporation Act (“URNC Act”), which if invalidated for any reason, may be reincorporated at the discretion of the Management Committee who may utilize such name that the Management Committee shall select in any such reincorporation or reorganization. In case of the formation of any such entity, “Association” as used in this Declaration shall refer to that entity.

Amendment Two

Article 2, Section 2.2 of the Declaration is hereby amended to read as follows:

- 2.2 Name and Location. The Condominium Project shall be named and known as ROWHAUS CONDOMINIUMS. The Condominium Project is located in Salt Lake City, Salt Lake County, Utah, and the legal description of the real estate included in the Condominium Project is the Parcel set forth on Exhibit “A”. The name of the Association is the “Rowhaus Condominiums Homeowners’ Association, Inc.”.

Amendment Three

Article 2, Section 2.4 of the Declaration is hereby amended to read as follows:

- 2.4 Agent for Service of Process. The Registered Agent listed with the Utah State Department of Commerce, Division of Corporations and Commercial Code shall be the person to receive service of process for the Association pursuant to §57-8-10(2)(d)(iii) of the Act, unless such time as the Management Committee duly appoints a new agent. The Management Committee may execute and record a Supplemental Declaration solely for the purpose of changing the Agent for Service of Process at anytime and without satisfying the procedures otherwise required for a Supplemental Declaration.

Amendment Four

Article 8, Section 8.1(b) of the Declaration is hereby stricken in its entirety, and the former Section 8.1(c) shall be renumbered as 8.1(b) and is hereby amended to read as follows:

8.1

- (b) The Association, acting through the Management Committee or its authorized agent, shall have a nonexclusive easement with the right of access to each Unit to make inspections and to maintain, repair, and replace, or effectuate the restoration of the Common Area accessible from such Unit. Such rights shall be exercised in a reasonable manner and at reasonable times with prior notification, unless emergency situations demand immediate access. The Association, acting through the Management Committee or its authorized agent, shall have a nonexclusive right to grant permits, licenses, and easements upon, across, over, under, and through the Common Area for purposes necessary for the proper operation of the Condominium Project; provided, however, such rights shall be exercised

in a reasonable manner and at reasonable times with proper notification, unless emergency situations demand immediate access.

Amendment Five

Article 9 of the Declaration is hereby stricken in its entirety and shall simply be blank.

Amendment Six

Article 10, Section 10.14 of the Declaration is hereby amended to read as follows:

10.14. Leases. Notwithstanding anything to the contrary in this Declaration, the leasing or renting of any Unit within the Project shall be governed by this Section.

(a) **Rental Limit.** Unless otherwise provided herein, no Unit may be rented if the rental results in more than four (4) Units being rented at the same time (“Rental Limit”). As used in this Section 10.14, the term “rent” in any grammatical form includes, lease, sublet, or otherwise permit or allow others to reside therein for legal consideration payable to the Owner or to others at the Owner’s request or direction, or allow others to reside therein alone for charitable purposes without the Owner in residence.

(b) **Restrictions on Permitted Rentals.** Unless otherwise provided herein, a Unit permitted to be rented is subject to the following restrictions:

(i) An Owner may not rent less than the entire Unit unless the Owner resides therein.

(ii) A Unit may not be rented unless the initial rental term is for at least twelve (12) consecutive months.

(iii) A Unit may not be rented to more than three (3) unrelated adults.

(iv) A Unit may not be rented except by written agreement and only with the express written consent of the Management Committee.

(c) **Owner Occupancy and Rental Limit Exceptions.**

(i) **Immediate Family Exception.** Occupancy by the immediate family members of an Owner shall be deemed as occupancy by the Owner. As used in this Section 10.14, “immediate family members” means an Owner’s spouse, child, parent, or sibling.

(ii) **Military Deployment Exception.** An Owner of a Unit who is deployed with a branch of the U.S. military. Military personnel not deployed are otherwise subject to the requirements and restrictions of this Article.

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

(iv) 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 the 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.

(v) Hardship Exception. If an Owner's application to lease his/her Unit is denied by the Management Committee because the Rental Limit has already been reached, to avoid undue hardships or practical difficulties such as the Owner's death, 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 the Owner's Unit. However, the Management Committee may not approve a hardship application to rent a Unit for a period of more than one (1) year. In addition, no more than two (2) Units at any given time may be approved for a hardship exception.

(d) Grandfather Exception. Any Unit grandfathered under the original rental restriction recorded with the Salt Lake County Recorder on June 5, 2012 that has remained eligible for such grandfathering may continue to rent his/her Unit until the Owner no longer has an interest in the Unit, or until the Owner occupies the Unit. The successor in interest to the Unit has no rights under this subsection. Grandfathered Units shall count towards the Rental Limit and are subject to the Subsection (b)(ii), (iii), and (iv) requirements provided above.

(e) Rental Agreement, Tenant Information, and Additional Rental Rules. Owners shall provide the Management Committee with a copy of the rental agreement, the names and contact information of all adult tenants, tenant vehicle descriptions and license plate numbers, and any other information reasonably requested by the Management Committee. The Management Committee shall adopt by resolution Rules and regulations that establish the application and approval process, a waiting list, the content of rental agreements, and may adopt any other Rules deemed necessary to implement this Section 10.14.

(f) Remedies.

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

(a) 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.

(b) Regardless of whether any fines have been imposed, proceed with any other available legal remedies, including, without limitation, an action to require the Owner to terminate the rental agreement and remove the tenant.

(ii) Pursuant to Rules adopted under this Section 10.14, if the Management Committee determines that a tenant has violated a provision of the Declaration, Bylaws, or the Rules, after notice and an opportunity for a hearing, the Management Committee may require an Owner to terminate a rental agreement.

(g) Costs and Attorney Fees.

(i) Fines, charges, and expenses incurred in enforcing the Declaration, the Bylaws, and any Rules with respect to the tenant, and for any costs incurred by the Association in connection with any action hereunder, 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 the Act.

(ii) In addition to Subsection (g)(i) above, the Association is entitled to recover from an Owner determined in violation of this Section its costs and attorney fees incurred for its enforcement, regardless of whether any lawsuit or other action is commenced. The Association may assess the costs and attorneys' fees against the Owner and the Unit as an assessment as provided in the Declaration and the Act.

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

Amendment Seven

Article 11 of the Declaration is hereby amended to read as follows:

ARTICLE 11

INSURANCE

11.1 Insurance. The Management Committee shall obtain insurance as required in this Declaration, the Act, or other applicable laws. 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 polices, including coverage, or endorsements to other policies. Insurance premiums for policies purchased by the Association shall be a Common Expense.

11.2 Property Insurance.

(a) Hazard Insurance. The Association shall maintain a blanket policy of property insurance covering the entire Condominium Project, including the Common Area and all buildings including all Units, fixtures, and building services equipment as provided in the Act. The Association may maintain broader coverage if afforded by the insurance contract.

- (i) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an “all in” or “all inclusive” insurance policy as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to the Unit or any Limited Common Areas or otherwise permanently part of or affixed to Common Areas, Units, or Limited Common Areas, including but not limited to floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, and windows.
 - (ii) At a minimum, the 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.
 - (iii) The 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 Units) 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.
 - (iv) The 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; and (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.
 - (v) 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) “Building Ordinance or Law Endorsement”, (the endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction), and (iii) “Equipment Breakdown”, if the Condominium Project has central heating or cooling or other equipment or other applicable fixtures, equipment, or installation, which shall provide that the insurer’s minimum liability per accident at least equals the lesser of two million dollars (\$2,000,000) 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 (unless otherwise in this Article 11);
 - (ii) notwithstanding Subsection (i) above, and subject to Subsection (iii) below:
 - 1) the Owner is responsible to pay the Association’s policy deductible; and

- 2) the Owner's policy, if any, applies to that portion of the loss attributable to the Association's policy deductible.
- (iii) An Owner that has suffered damage to any combination of a Unit or a Limited Common Area appurtenant to a Unit ("Unit Damage") as part of a loss, resulting from a single event or occurrence, that is covered by the Association's property insurance policy ("a Covered Loss") is responsible for an amount calculated by applying the percentage of total damage resulting in a Covered Loss that is attributable to Unit Damage ("Unit Damage Percentage") for that Unit to the amount of the deductible under the Association's property insurance policy; and
- (iv) If an Owner does not pay the amount required under Subsection iii. above within 30 days after substantial completion of the repairs to, as applicable, the Unit or the Limited Common Area appurtenant to the Unit, the Association may levy an Assessment against the Owner for that amount.
- (c) **Flood Insurance.** If any part of the Condominium Project is or 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 covering the Condominium Project, or, at a minimum, that portion of the Condominium Project located within the Special Flood Hazard Area. That policy shall cover any machinery and equipment that are not part of a building and all Common Area within the Condominium Project ("Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (i) the maximum limit of coverage available under the National Flood Insurance Program for the Insurable Property within any portion of the Condominium Project located within a designated flood hazard area; or (ii) one hundred percent (100%) of the insurable value of the Insurable Property. If the Condominium Project is not situated in a Special Flood Hazard Area, the Association may nonetheless, in the discretion of the Management Committee, purchase flood insurance to cover water and flooding perils not otherwise covered by blanket property insurance.
- (d) **Earthquake Insurance.** The Association may purchase earthquake insurance as the Management Committee deems appropriate. If the Management Committee elects not to purchase earthquake insurance, a majority vote of the Owners may override the Management Committee's decision to not purchase earthquake insurance, in which event the Management Committee shall purchase earthquake insurance within 60 days of the vote.
- (e) **Association's Obligation to Segregate Property Insurance Deductible.** The Association shall maintain an amount equal to the Association's property insurance policy deductible or \$10,000, whichever is less. This requirement shall not apply to any earthquake or flood insurance deductible.
- (f) **Association's Right to Not Tender Claims that are Under the Deductible.** If, in the exercise of its business judgment, the Management Committee determines that a claim is likely not to exceed the Association's property insurance policy deductible: (a) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; (b) 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
(c) the Association need not tender the claim to the Association's insurer.

- (g) Notice Requirement for Deductible. The Association shall provide notice to each Owner of the Owner's obligation under Subsection (b) above for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice of the initial deductible, it shall be responsible for the entire deductible in case of any loss. If the Association fails to provide notice of any increase in the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner. The failure to provide notice shall not invalidate or affect any other provision in this Declaration.

- 11.3 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 Two Million Dollars (\$2,000,000.00) 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 should preclude the insurer from denying the claim of an Owner because of the negligence acts of the Association or another Owner.
- 11.4 Director's and Officer's Insurance. The Association shall obtain Directors' and Officers' liability insurance protecting the Management Committee, 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 Property's governing documents, and breach of contract (if available). This policy shall: (1) include coverage for volunteers and employees, (2) include coverage for monetary and non-monetary claims, (3) 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 (4) provide coverage for defamation, so long as each is reasonably available. In the discretion of the Management Committee, 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.
- 11.5 Insurance Coverage for Theft and Embezzlement of Association Funds. The Association shall obtain insurance covering the theft or embezzlement of funds that shall: (1) provide coverage for an amount of not less than the sum of three (3) months' regular assessments in addition to the prior calendar year's highest monthly balance on all operating and reserve funds, and (2) provide coverage for theft or embezzlement of funds by: (a) officers and members of the Management Committee, (b) employees and volunteers of the Association, (c) any manager of the Association, (c) officers, directors, and employees of any manager of the Association, and (d) coverage for acts.
- 11.6 Worker's Compensation Insurance. The Management Committee shall purchase and maintain in effect workers' compensation insurance for all employees of the Association to the extent that such insurance is required by law and as the Management Committee deems appropriate.
- 11.7 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 Mortgagee.

- 11.8 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.
- 11.9 Association has the Right to Negotiate All Claims and Losses and Receive Proceeds. Insurance proceeds for a loss under the Association's property insurance policy are payable to an Insurance Trustee if one is designated, or to the Association, and shall not be payable to a holder of a security interest. An Insurance Trustee, if any is appointed, or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. 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 remaining proceeds 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 Units. Each Owner hereby appoints the Association, or any Insurance Trustee, as attorney-in-fact for the purpose of negotiating all losses related thereto, including the collection, receipt of, and appropriate disposition of all insurance proceeds; 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 representatives, successors, or assigns of the Owner.
- 11.10 Insurance Trustee. In the discretion of the Management Committee or upon written request executed by Owners holding at least 50% of the Allocated Interests, the Management Committee shall hire and appoint an Insurance Trustee, with whom the Association shall enter into an insurance trust agreement, for the purpose of exercising such rights under this paragraph as the Owners or Management Committee (as the case may be) shall require.
- 11.11 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.
- 11.12 Waiver of Subrogation against Owners and Association. All property and CGL policies shall contain a waiver of subrogation by the insurer as to any claims against the Association and the Owners and their respective agents and employees.
- 11.13 Management Committee to Tender Claims. Any claims tendered against an Association insurance policy shall be made by the Management Committee or its authorized agent, not an individual Owner.
- 11.14 Applicable Law. This Declaration is specifically subjecting the Association to the insurance requirements required by U.C.A. §57-8-43 that became law in 2011, and any amendments thereto and thereafter enacted by law. It is the intent of this provision that any future changes to the insurance laws applicable to condominium associations shall apply to this Association.

Amendment Eight

Article 16, Sections 16.2 and 16.3 of the Declaration are hereby amended to read as follows:

- 16.2 General Amendment Requirements. Amendments to this Declaration shall be proposed by either a majority of the Management Committee or by Owners holding at least forty percent (40%) of the voting interests of the Association. The proposed amendment must be reduced to writing and must be included in the notice of any meeting at which action is to be taken thereon. Except as otherwise provided herein, this Declaration may only be amended upon the affirmative vote of at least sixty-six percent (66%) of the voting interests of the Association. If a Unit is owned by more than one Owner, the signature of any one Owner shall be sufficient to constitute approval for that Unit under this Section. If a Unit is owned by an entity or trust, the signature of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Unit under this Section. No acknowledgment of any signature shall be required.
- 16.3 Execution of Amendments. Any amendment(s) shall be effective upon recordation with the Salt Lake County Recorder. In such instrument the President or other authorized officer shall execute said amendment on behalf of the Association and certify that the vote required by this Section for amendment has occurred.

Amendment Nine

Article 17, Section 17.10 of the Declaration is hereby amended to read as follows:

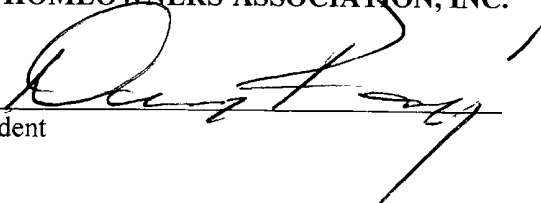
- 17.10 Notices. Any notice to be given to an Owner, a Lender, or the Association under the provisions of this Declaration shall be in writing and shall be delivered as follows:
- (a) Notice to an Owner shall be delivered personally, by email, or placed in the first class United States mail, postage prepaid, to the most recent address furnished by such Owner in writing to the Association for the purpose of giving notice, or if no such address shall have been furnished, then to the street address of such Owner's Unit or posted on the front door of the Unit. Any notice so deposited in the mail shall be deemed delivered when deposited in the United States mail. Any notice delivered by email shall be deemed delivered when sent to the email address registered with the Association. In the case of co-Owners, any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivered to all such co-Owners.
 - (b) Notice to a Lender shall be delivered by first class United States mail, postage prepaid, to the most recent address furnished by such Lender in writing to the Association for the purpose of notice or, if no such address shall have been furnished, to any office of the Lender. Any address for a Lender that is found on a document recorded on the title of a Unit shall be deemed an office of the Lender. Any notice so deposited in the mail shall be deemed delivered upon deposit.
 - (c) The declaration of an officer or authorized agent of the Association declaring under penalty of perjury that a notice has been sent to any Owner or Owners, or to any Lender or Lenders, in any manner that this Section 17.10 allows, shall be deemed conclusive proof of such mailing or delivery.

- (d) Notice to the Association shall be delivered by registered or certified United States mail, postage prepaid, addressed to the office of the Manager of the Association (if any) or if there is no Manager, the Registered Agent with the Utah Department of Commerce (if any) or if there is none, to the statutory agent of the Association. The Association shall, however, have the right to designate a successor or substitute address for receipt of notices hereunder by filing a Supplemental Declaration and such Supplemental Declaration may be filed for this purpose alone upon approval of the Management Committee.

CERTIFICATION

The foregoing amendments were duly approved in a signed written instrument by more than 66% of the total ownership interests of the Association in accordance with Section 16.2 of the Declaration.

ROWHAUS CONDOMINIUMS HOMEOWNERS' ASSOCIATION, INC.



President

ACKNOWLEDGEMENT

STATE OF UTAH

SS:

COUNTY OF SALT LAKE

The foregoing instrument was acknowledged before me this 20 day of September, 2016, by Doug Redding, the President of the Rowhaus Condominiums Homeowners' Association, Inc.



Notary Public



EXHIBIT A
Parcel Numbers
26 Parcels (24 Units, 2 Common Areas)

All of Rowhaus Condo:

15124330010000
15124330020000
15124330030000
15124330040000
15124330050000
15124330060000
15124330070000
15124330080000
15124330090000
15124330100000
15124330110000
15124330120000
15124330130000
15124330140000
15124330150000
15124330160000
15124330170000 (Common Area)

All of Rowhaus 2 Condo:

15124340010000
15124340020000
15124340030000
15124340040000
15124340050000
15124340060000
15124340070000
15124340080000
15124340090000 (Common Area)