

**SECOND AMENDMENT TO AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS, AND BY LAWS
FOR SUNSET PONDS P.U.D.**

This Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions, and By Laws, for Sunset Ponds P.U.D. (hereinafter "Second Amendment") hereby amends that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions, and By Laws, for Sunset Ponds P.U.D., recorded in the Salt Lake County Recorder's Office on January 9, 1998 as Instrument No. 6834279 ("Restated Declaration") as amended by the Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions, and By Laws, for Sunset Ponds P.U.D. recorded in the Salt Lake County Recorder's Office on March 25, 2014 as Instrument No. 11822901 (herein "First Amendment"), and is hereby adopted by Sunset Ponds Homeowners Association, Inc. (the "Declarant") by a vote of the members, and made effective as of the date recorded in the Salt Lake County Recorder's Office.

RECITALS:

A. This Second Amendment affects and concerns the real property located in Salt Lake County, Utah and more particularly described in the attached **Exhibit "A"** ("Property").

B. On or about October 21, 1997 the Declaration of Covenants, Conditions & Restrictions and By-Laws depicting the project was recorded in the Salt Lake County Recorder's Office as Instrument No. 6768688 ("Enabling Declaration").

C. A Restated Declaration was recorded in the Salt Lake County Recorder's Office on January 9, 1998 as Instrument No. 6834279

D. A First Amendment to the Restated Declaration was recorded in the Salt Lake County Recorder's Office on March 25, 2014 as Instrument No. 11822901

F. Pursuant to Article III, Section 30 of the Restated Declaration, the Owners owning sixty-seven percent (67%) or more of the total votes has provided its written consent to the recording of this Second Amendment.

CERTIFICATION

As evidenced by this instrument, the Association has obtained the written consent of the no less than sixty-seven percent (67%) of the total votes for the Association, approving and consenting to the recording of this Second Amendment.

NOW, THEREFORE, pursuant to the foregoing, the Board of Directors of the Association hereby makes and executes this Second Amendment, which shall be effective as of its recording date.

COVENANTS, CONDITIONS AND RESTRICTIONS

1. Recitals. The above Recitals are incorporated herein by reference and made a part hereof.
2. No Other Changes. Except as otherwise expressly provided in this Second Amendment, the Restated Declaration, and subsequent amendments, remain in full force and effect without modification.
3. Authorization. The individual signing for the respective entity makes the following representations: (i) he/she has read the Second Amendment, (ii) he/she has authority to act for the entity designated below, and (iii) he/she shall execute the Second Amendment acting in said capacity.
4. Conflicts. In the case of any conflict between the provisions of this Second Amendment and the provisions of the Restated Declaration or any prior amendments, the provisions of this Second Amendment shall in all respects govern and control. In the case of any existing provision with the Restated Declaration, or prior amendments that could be interpreted as prohibiting the modifications set forth in this Second Amendment, such provision is hereby modified in order to accomplish the purpose and intent of this Second Amendment.

AMENDMENTS

5. Declaration Article III, Section 6 is hereby deleted in its entirety and replaced with the following:

6.1 Rentals. At least eighty percent (80%) of the Lots/Homes at Sunset Ponds (the "Project") shall be owner-occupied. The Management Committee may, but is not obligated to, allow up to twenty percent (20%) of the Lots/Homes to be leased, rented, or occupied by a natural person while no Lot owner occupies the property as the Lot owner's primary residence (collectively "Rentals"). 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 Lots/Homes 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 Lots/Homes shall be restricted as set forth herein; and

- d. Satisfy the requirements of Utah Code Ann., Section 57-8a- 209 as it may be amended or supplemented from time to time.

6.2 Application. Any Owner who intends to lease or rent his or her Lot/Home or allow it to be occupied by a natural person while no Lot owner occupies the property as the Lot owner's primary residence shall submit a written application to the Management Committee requesting permission to lease the unit. Applications may only be approved for a twelve (12) month lease term but may be renewed with approval from the Management Committee. Renewal applications are required every twelve (12) months on or before the anniversary date. Consent shall not be unreasonably withheld. Prior to renting or leasing any Unit, the Owner shall occupy their Unit for at least twelve (12) consecutive months before it can qualify as a permissible rental Unit. For purposes of this section only, "occupy" shall mean that a Unit shall be owned by the same Owner(s) for a period of at least twelve (12) consecutive months, whether physically occupied by said Owner(s) or not, prior to being made available for rental or lease. "Lease" or "rent" shall mean allowing another the right to occupy the Unit in exchange for something of value. The Occupancy Requirement shall not apply to:

- (A) Immediate family;
- (B) Grandfathered owners; or
- (C) Rentals under the Section 6.5.

6.3 Condition Precedent. No Lots/Homes may be leased or rented or occupied by a natural person while no Lot owner occupies the property as the Lot owner's primary residence without the prior express written consent of the Management Committee.

6.4 Definition of Owner-Occupied. The term "owner-occupied" shall mean a Lot/Home occupied by one of the following as his or her primary residence:

- a. The reputed Lot 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 Lot 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 25%) and/or his or her spouse, parents, child, or sibling.

6.5 Exemptions. The Association shall exempt from the rental restrictions the following Lot owners and his or her Lot provided such an exemption will not disqualify the Project or a particular Lot from qualifying for financing:

- a. A Lot owner in the military for the period of the Lot owner's deployment;

- b. A Lot/Home occupied by a Lot owner's spouse, parent, child, or sibling;
- c. A Lot owner whose employer has relocated the Lot owner for two years or less;
- d. A Lot owned by a 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 Lot/Home; or (b) the spouse, parent, child, or sibling of the current resident of the Lot/Home;
- e. A lot owned by an entity that is occupied by an individual who:
 - a. Has voting rights under the entity's organization documents; and
 - b. Has a 25% or greater share of ownership, control, and rights to profits and losses of the entity.
- f. The Lot owner dies and the Lot/Home is being administered by his or her estate; or
- g. Other good cause at the discretion of the Management Committee.

6.6 Grandfather Clause. A Lot owner who has a rental in the Project before the time this rental restriction is recorded in the Office of the County Recorder of Salt Lake County, Utah may continue renting his or her property until:

- a. The Lot owner ceases to rent, occupies, or sells the Lot/Home; or
- b. An officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of the corporation, limited liability company, trust, or other entity that holds an ownership interest in the Lot, ceases to rent, occupies or sells the Lot/Home.

6.7 Tracking. The Association shall create, by rule or resolution, procedures to:

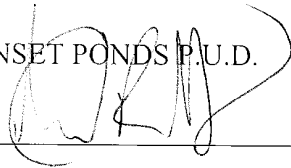
- a. Process the application for leave to rent a Lot/Home;
- b. Approve or deny the application of the owner seeking leave to rent a Lot/Home;
- c. Determine and track the number of rentals and Lots/Homes in the Project; and
- d. Ensure consistent administration and enforcement of the rental restrictions.

6.8 Copy of Signed Lease or Rental Agreement to be provided to Management Committee. A Lot owner leasing or renting his or her Lot/Home shall submit to the Management Committee 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.

6.9 Leases. Each and every agreement for the leasing or rental or occupancy by a natural person while no Lot owner occupies the Lot/Home as the Lot owner's primary residence ("collectively "Rental Agreement") shall be in writing.

- a. By virtue of taking possession of a Lot/Home, each renter agrees to be subject to and abide by the governing documents (including the Rules) for Sunset Ponds, and a violation of the governing documents shall be considered a material violation and default under the Rental Agreement;
- b. No Lot Owner shall be permitted to lease or rent his or her Lot/Home for transient, vacation, hotel, seasonal, or short-term purposes;
- c. Daily and weekly rentals are prohibited;
- d. No Lot owner may lease individual rooms to separate persons or less than the entire Lot/Home without the express prior written consent of the Management Committee;
- e. The initial term of any Rental Agreement shall be at least twelve (12) months; and
- f. Within ten (10) days after delivery of written notice from the Association notifying the Lot owner of the creation of a nuisance or material violation of the governing documents, the Lot owner shall at the request of the Association serve the occupants of the Lot/Home 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 Lot/Home.

SUNSET PONDS P.U.D.



By: ANDREW R. MORGAN
Its: Board President

STATE OF UTAH)
 : ss
COUNTY OF Salt Lake)

On the 11th day of December, 2019, before me the undersigned, a notary public in and for said state, personally appeared Andrew R. Morgan, known or identified to me to be the Board President of Sunset Ponds P.U.D., and the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



NOTARY PUBLIC

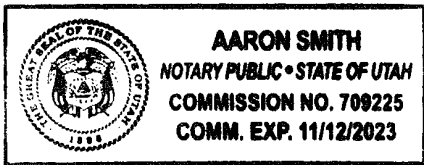


Exhibit "A"

Legal Description

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

Sunset Ponds PUD

<u>Parcel Number</u>	<u>Lot</u>
28-29-104-010-0000	1
28-29-104-011-0000	2
28-29-104-012-0000	3
28-29-107-003-0000	4
28-29-107-001-0000	5
28-20-354-001-0000	6
28-29-107-004-0000	7
28-29-107-002-0000	8
28-20-354-002-0000	9
28-29-108-002-0000	10
28-29-108-001-0000	11
28-20-355-001-0000	12
28-20-355-002-0000	13
28-20-355-003-0000	14
28-20-355-004-0000	15
28-20-355-005-0000	16
28-20-355-006-0000	17
28-29-108-007-0000	18
28-29-108-008-0000	19
28-29-108-009-0000	20
28-29-108-006-0000	21
28-29-108-005-0000	22
28-29-108-004-0000	23
28-29-108-003-0000	24
28-20-353-017-0000	25
28-20-353-018-0000	26
28-20-353-019-0000	27
28-20-353-020-0000	28
28-20-353-021-0000	29
28-20-353-022-0000	30
28-20-353-023-0000	31
28-20-353-024-0000	32

<u>Parcel Number</u>	<u>Lot</u>
28-20-353-025-0000	33
28-20-353-026-0000	34
28-20-353-027-0000	35
28-20-353-028-0000	36
28-20-353-029-0000	37
28-20-353-030-0000	38
28-20-353-031-0000	39
28-20-353-032-0000	40
28-20-353-033-0000	41
28-20-353-034-0000	42
28-29-104-018-0000	43
28-29-104-019-0000	44
28-29-104-020-0000	45
28-29-104-021-0000	46
28-29-104-022-0000	47
28-29-104-023-0000	48
28-29-104-017-0000	49
28-29-104-016-0000	50
28-29-104-015-0000	51
28-29-104-014-0000	52
28-29-109-007-0000	53
28-29-109-005-0000	54
28-29-109-003-0000	55
28-29-109-001-0000	56
28-20-356-001-0000	57
28-20-356-002-0000	58
28-29-109-002-0000	59
28-29-109-004-0000	60
28-29-109-006-0000	61
28-29-109-008-0000	62
28-29-104-013-0000	Area
28-29-104-024-0000	Area