

Parcel Numbers:
13-309-0001 through 13-309-0078

**THIRD AMENDMENT
TO THE
SUNSET PLACE TOWNHOUSES HOMEOWNER'S ASSOCIATION, INC.
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS**

This THIRD AMENDMENT TO THE SUNSET PLACE TOWNHOUSES HOMEOWNER'S ASSOCIATION, INC. DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SUNSET PLACE TOWNHOUSES, P.U.D. ("Third Amendment") is effective when recorded with the Davis County Recorder's Office by Sunset Place Townhouses Homeowners Association, Inc. ("Association").

RECITALS

- A. The Sunset Place Townhouses Homeowner's Association, Inc. Declaration of Covenants, Conditions, and Restrictions was recorded on August 3, 2015 as Entry No. 2884326 in the office of the Davis County Recorder ("Declaration").
- B. The Certificate of Amendment to the Sunset Place Townhouses Homeowner's Association, Inc. Declaration of Covenants, Conditions, and Restrictions was recorded on September 2, 2016 as Entry No. 2963681 in the office of the Davis County Recorder.
- C. The Corrected Certificate of Amendment to the Sunset Place Townhouses Homeowner's Association, Inc. Declaration of Covenants, Conditions, and Restrictions was recorded on February 27, 2017 as Entry No. 3004757 in the office of the Davis County Recorder.
- D. The Second Amendment to the Sunset Place Townhouses Homeowner's Association, Inc. Declaration of Covenants, Conditions, and Restrictions was recorded on August November 13, 2018 as Entry No. 3128054 in the office of the Davis County Recorder
- E. This Third Amendment affects the real property situated in Sunset, Davis County, Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated in this Amendment by reference (the "Property") and shall be binding on all parties having or acquiring any right, title, or interest to the Property or any part thereof.
- F. Pursuant to Article XI, Section 9(a) of the Declaration, the undersigned hereby certify that this Third Amendment was approved by at least two-thirds (2/3) of the Owners.

- G. Unless specifically modified herein, all remaining provisions of the Declaration shall remain in full force and effect.
- H. In case of any conflict between the terms of this Third Amendment and the terms of the Declaration, the provisions of this Third Amendment shall control.
- I. Unless otherwise provided in this Third Amendment, capitalized terms used herein shall have the same meaning and effect as used in the Declaration.

THIRD AMENDMENT

NOW, THEREFORE, the Declaration is amended as follows:

- 1. Article VII of the Declaration (Covenant for Assessment) is hereby deleted in its entirety and shall be replaced with the following:**

ARTICLE VIII Covenant for Assessment

1. Covenant for Assessment. The Declarant for each Lot owned by it within the Property, hereby covenants, and each Owner, by acceptance of a deed hereafter conveying any such Lot to it, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (a) in advance, an annual assessment equal to the member's proportionate share of the sum required by the Association, as estimated by the Board of Directors, for annual assessments or charges, and (b) special assessments or charges, (c) individual assessments, (d) and other fees, charges, levies, and fines as may be provided in the governing documents such assessments and charges to be established and collected as hereinafter provided. The assessments or charges shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of this Article VIII and shall be construed as a real covenant running with the land. Such assessments or charges, together with interest at a rate of twelve percent (12%) per annum, and costs and reasonable attorney's fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Owner holding title to any Lot at the time when the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorney's fees, however, shall not pass to the Owner's successor or successors in the title unless expressly assumed by such successor or successors.

2. Use of Assessments. The assessments and charges levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and in particular for (a) the improvement and maintenance, operation, care, services and facilities related to the use and enjoyment of the Common Area as well as fees paid to any management agent; (b) the payment of taxes on the Common Area (except to the extent that proportionate shares of public charges and assessments on the Common Area may be levied against all Lots laid out on the Property by

the tax collecting authority so that the same is payable directly by the Owners thereof, in the same manner as real property taxes are assessed or assessable against the Lots); (c) the payment of insurance premiums on the Common Area; (d) the costs of repair, replacement and additions to the Common Area and improvements thereon; (e) the cost of obtaining, planting and thereafter maintaining the street trees throughout the Community if required by Davis County, whether or not such street trees are located in the Common Area; (f) the costs of utilities and other services which may be provided by the Association for the community; (g) the cost of labor, equipment, insurance, materials, management and supervision incurred or expended in performing all of the foregoing; (h) the cost of refuse containers, as described in Article II, Section 22; (i) the cost of semi-annual maintenance for blowouts on the ends of the water lines serving the Community, as referenced in Article VI, Section 4; (j) the cost of maintenance, insurance and replacement of covered parking; (k) the cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements; (l) the cost of high-speed internet access and television service provided to the Dwellings (as more fully provided by a separate written agreement between the provider and the Association), if any; (m) the scheduled maintenance and on-call service of the sewer lift station, if any; and (n) the maintenance and repair of entry and exit gates, if any.

3. Budget. The Board shall prepare and adopt an annual budget for the Association. The annual budget shall provide, without limitation, for the maintenance of the Common Areas and for the administration, management, and operation of the Association. If the Board fails to adopt an annual budget, the last adopted budget shall continue in effect until a new annual budget is adopted. The budget shall be made available to Owners within thirty (30) days after adoption.

4. Annual Assessments. Annual assessments shall be made on a calendar year basis based on the budget. Each annual assessment shall be due and payable in monthly installments on the first day of each month, unless a different payment arrangement is made by the Board. At least fifteen (15) days prior to the effective date of any change in the amount of the annual assessment, the Association shall give each Owner written notice of the amount. Any Owner may prepay one or more installments of any annual assessment levied by the Association without premium or penalty. No Owner may exempt himself or herself from liability for annual assessments by abandonment of any Lot owned by such Owner or by the abandonment of such Owner's right to the use and enjoyment of the Common Area.

5. Special Assessments. In addition to the annual assessments authorized above, the Board may levy a special assessment against each Lot payable over such a period as the Board may determine for the purpose of defraying, in whole or in part any expense or expenses not reasonably capable of being fully paid with funds generated by the annual assessments; the cost of any reconstruction or unexpected repair or replacement of the Common Areas; or for any other expense incurred or to be incurred as provided in this Declaration. The Board, in its sole discretion, may levy special assessments up to one thousand dollars (\$1,000) per Lot in a calendar year. Special assessments over one thousand dollars (\$1,000) per Lot in a calendar year must be approved and assented to by at

least fifty-one percent (51%) of the Owners present in person or by proxy at a meeting duly called for such purpose. Notice in writing of the amount of any special assessments and the time for their payment shall be given as soon as is reasonably possible to the Owners. Payment shall be due on the dates and in the manner determined by the Board and provided in the notice.

6. Individual Assessments. In addition to annual and special assessments authorized above, the Board may levy individual assessments against a Lot and its Owner for: (a) administrative costs and expenses incurred by the Board in enforcing the governing documents against the Owner or his or her family members, guests, invitees, or tenants; (b) costs associated with the maintenance, repair, or replacement of Common Areas caused by the neglect or actions of an Owner or his or her family members, guests, invitees or tenants; (c) any other charge, fine, fee, expense, or cost designated as an individual assessment in the governing documents or by the Board, including, without limitation, action taken to bring a Lot and its Owner into compliance with the governing documents; (d) nonpayment of a Reinvestment Fee; (e) costs of providing services to the Lot upon request of the Owner; and (f) attorney fees, court or collection costs, fines, and other charges relating thereto as provided in this Declaration.

7. Reinvestment Fee. The Association shall have the right to collect a "Reinvestment Fee" assessment in accordance with this Section and Utah Code §57-1-46. The following terms and conditions shall govern Reinvestment Fees.

a. Upon the occurrence of any sale, transfer, or conveyance of any Lot as reflected in the office of the Davis County recorder, regardless of whether it is pursuant to the sale of the Lot or not (as applicable, a "Transfer"), the party receiving title to the Lot (the "Transferee") shall pay to the Association a Reinvestment Fee.

b. The Board shall have the power to set the amount of the Reinvestment Fee, in the Board's sole discretion, provided that in no event shall amount of the Reinvestment Fee exceed the maximum rate permitted by law. If no amount is otherwise set by the Board, the amount of the Reinvestment Fee shall be the maximum rate permitted by law.

c. The Association shall not levy or collect a Reinvestment Fee for any Transfer exempted by Utah Code § 57-1-46.

d. The Reinvestment Fee shall be due and payable by the Transferee to the Association at the time of the Transfer giving rise to the payment of such Reinvestment Fee and shall be an individual assessment against the Lot and may be collected as such.

8. Certificate Regarding Payment. The Association shall, upon demand at any time, furnish to any Owner liable for assessments a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A

charge not to exceed ten dollars (\$10.00) may be levied in advance by the Association for each certificate so delivered.

9. Nonpayment of Assessment. Any assessment or portion thereof not paid within thirty (30) days after the due date thereof shall be delinquent and shall bear interest from the date of the delinquency at the rate of twelve percent (12%) per annum, and shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid, or ten percent (10%) of the assessment, whichever is greater, and the Board of Directors shall have the right to declare the entire balance of the assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or without waiving any other right, at equity to foreclose the lien against the Lot in the same manner and subject to the same requirements as are specified by the law of Utah for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided, late fees and reasonable attorneys' fees to be fixed by the court together with the cost of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

10. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage(s) or deed(s) of trust now or hereafter placed upon the Lot subject to assessment; provided, however, that the sale or transfer of any Lot pursuant mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.

11. Enforcement of Lien. The Association may establish and enforce the lien for any assessment, annual, special, or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, interest, cost of collection, late charges permitted by law, and attorney's fees provided for herein or awarded by a court for breach of any of the covenants herein.

12. Reserves for Replacements.

a. The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Area by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United State of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

b. The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any member of the Association in any such reserves shall be considered an appurtenance of such Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

2. Article XI, Section 9 (Amendment) is hereby deleted in its entirety and shall now read as follows:

9. Amendment.

a. This Declaration may be amended upon the affirmative vote of at least two-thirds (2/3) of the voting interests of the Association.

b. No meeting shall be required for an amendment if the required vote for approval is obtained by written consent or ballot.

c. In obtaining the needed two-thirds (2/3) approval, the Association may count a non-vote by an Owner of a Lot as an affirmative vote from that Lot if the following requirements are met:

(1) Voting on the amendment must take place by written ballot;

(2) All requirements for voting by written ballot contained in the Utah Non-Profit Corporation Act must be followed;

(3) Ballots must be sent to Owners at the last known mailing address or email address on file with the Association, along with the wording of the proposed amendment and any other information that will allow the Owners to make an informed decision (the "Ballot Package");

(4) Owners must be given at least twenty-one (21) days to cast their ballots;

(5) After the twenty-one days have passed, the Association shall compile a list of all Owners who have not cast a ballot of behalf of their Lots;

(6) The Association shall re-send the Ballot Packages to those Owners on the list to the last known mailing address or email address on file with the Association, along with the following statement: "Failure to submit a ballot within seven (7) days shall be treated as an approval to the proposed amendment." Owners shall be given at least seven (7) days after these actions have been taken to cast their ballots.

Provided these requirements are met and documented, the Association shall have the right to count a non-vote by an Owner of a Lot as an affirmative vote from that Lot.

c. Any amendment(s) shall be effective upon recordation in the office of the Davis County Recorder. In such instrument the President shall certify that the vote required by this Section for amendment has occurred. If a Lot is owned by more than one Owner, the vote of any one Owner shall be sufficient to constitute approval for that Lot under this Section. If a

Lot is owned by an entity or trust, the vote of any one officer, trustee, or agent of the entity shall be sufficient to constitute approval for that Lot under this Section.

3. Article XI (Miscellaneous), Section 11 is hereby added to the Declaration and shall read as follows:

11. Notice and Quorum Requirements. Written notice of any Owner meetings shall be sent to all Owners not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. Those Owners present in person or by proxy at any duly called meeting shall constitute a quorum for the adoption of decisions.

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IN WITNESS WHEREOF, the Association has caused this Third Amendment to be executed by its President and Secretary.

DATED as of the 25th day of June, 2024.

Sunset Place Townhouses Homeowners Association, Inc.

A Utah Nonprofit Corporation

[Signature]

By: Stephen Olson

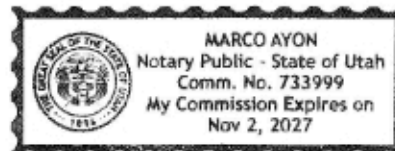
Its: President

State of Utah)
) ss.

County of Davis)

On the 25th day of June, 2024, personally appeared before me Stephen Olson who by me being duly sworn, did say that she/he is the President of Sunset Place Townhouses Homeowners Association, Inc. and that the foregoing instrument is signed on behalf of said corporation and executed with all necessary authority.

Notary Public [Signature]



DATED as of the 20 day of June, 2024.

Sunset Place Townhouses Homeowners Association, Inc.

A Utah Nonprofit Corporation

Kate Herrick

By: Kate M. Herrick

Its: Secretary

State of Utah)
) ss.

County of Davis)

On the 20 day of June, 2024, personally appeared before me Kate Herrick who by me being duly sworn, did say that she/he is the Secretary of Sunset Place Townhouses Homeowners Association, Inc. and that the foregoing instrument is signed on behalf of said corporation and executed with all necessary authority.

Notary Public [Signature]

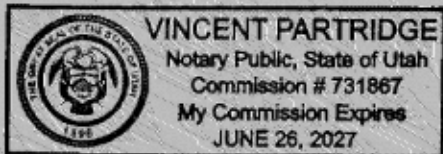


EXHIBIT A

Legal Description and Parcel Numbers

All of Sunset Place Townhouses P.U.D., an amendment to Celeste Place Townhouses, according to the plat on file in the office of the Davis County Recorder's office as Entry Number 2884325.

**Parcel Numbers. 13:309-0001 through 13-309-0076
13-309-0077 through 13-309-0078 (Common Area)**

(78 Total Parcels)