

**SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF SLEEPY RIDGE POD C – AMENDED**

(Rental Restrictions)

RECITALS

WHEREAS, that certain real property identified as Sunset Village at Sleepy Ridge Homeowners Association, Inc. (the "Association") is situated in Orem, Utah County, State of Utah, and was created by the *Declaration of Covenants, Conditions, and Restrictions of Sleepy Ridge Pod C - Amended*, recorded in the Utah County Recorder's Office on October 19, 2009 as Entry No. 110067:2009 (the "Declaration");

WHEREAS, the *First Amendment to Declaration of Covenants, Conditions, and Restrictions of Sleepy Ridge Pod C - Amended* was recorded on June 4, 2021 as Entry No. 102888:2021;

WHEREAS, the Association's Management Committee has determined that it is in the best interest of the Association and its members that the Association restrict the number of units that may be rented, and to establish a minimum lease term;

WHEREAS, Article 18 of the Declaration states that the Declaration may be amended with an affirmative vote of at least sixty-six percent (66%) of the total votes of the Association, and

WHEREAS, at least 66% of the total votes have approved the following amendment, which shall be recorded against the lots and parcels identified on Exhibit A hereto.

NOW THEREFORE, the Declaration is hereby amended, as follows:

**AMENDMENT ONE**

Section 10.11 shall be added to the Declaration, and shall read as follows:

**10.11. Leasing and Non-Owner Occupancy.** *Each Lot shall be occupied by at least one Owner of the Lot as his or her primary residence. Rental or leasing of the Lots is prohibited, except as otherwise specifically provided in this Section. Notwithstanding anything to the contrary in the Declaration or Bylaws, all leasing and Non-Owner Occupancy of a Unit shall be governed by this Section and any Rules and procedures adopted as allowed in this Section.*

1) **Definitions.** *For the purpose of this Section:*

(a) **"Non-Owner Occupied"** means:

(i) *For a Unit owned in whole or in part by a natural individual or individuals, the Unit is occupied by someone, but no individual Owner occupies the Unit as the individual Owner's primary residence; or*

(ii) *For a Unit owned entirely by one or more entities or trusts, the Unit is occupied by anyone.*

(b) **"Family Member"** means:

(i) *The spouse, parent, sibling, or child of an Owner; or*

(ii) *In the case of a Unit owned by a trust or other entity created for estate planning purposes, a Person occupying the Unit if the trust or other estate planning entity that owns the Unit was created for the estate of (i) a current Occupant of the Unit, or (ii) the spouse, parent, child, or sibling of the current Occupant of the Unit.*

**Maximum Number and Term of Non-Owner Occupied Units.** *Subject to Section 3(e) below, the number and term of Units permitted to be Non-Owner Occupied shall not exceed twelve (12) of the Units within the Association. The 12 or 30% rental Unit maximum shall be calculated by excluding those exempted Units under subsection 3(b) below. If an Owner desires that her / his Unit be considered for Non-Owner Occupied status for a term, the Unit Owner shall notify in writing the Management Committee, or any other committee so designated, and said Unit shall be placed on a waiting list on a first-come first-served basis if the 12 rental Unit maximum has been reached at the time. If an Owner desires to rent a his / her unit, or renew its Non-Owner Occupied Status, such rental or renewal shall only occur through the waiting list process on a first-come first served basis. The Management Committee may adopt reasonable rules and reporting procedures to track the number and term of Non-Owner Occupied Units to ensure consistent administration and enforcement of the leasing restrictions in this Section.*

2) **Requirements for Leasing and Non-Owner Occupancy.** *The Owners of all Leased or Non-Owner Occupied Units must comply with the following provisions:*

(a) *Any lease or agreement for otherwise allowable Non-Owner Occupancy must be in writing, must be for an initial term of at least one (1) year, and shall provide as a term of the agreement that the Occupant shall comply with the Declaration, the Bylaws, and the Rules, and that any failure to comply shall be a default under the lease or agreement. If a lease or agreement for Non-Owner Occupancy (whether in writing or not) does not include these provisions, they shall nonetheless be deemed to be part of the lease or agreement and binding on the Owner and the Occupant.*

(b) *A Non-Owner Occupant may not occupy any Unit for transient, short-term, hotel, resort, vacation, Airbnb, or seasonal use (whether for pay or not).*

(c) No Owner may lease less than the entire Unit (i.e. no subletting of rooms), unless the Owner resides in the Unit, in which circumstance, the Owner may lease a portion of the Unit to not more than one family unit.

(d) Except as a guest of an Owner, daily and weekly occupancy by Non-Owner Occupants is prohibited (whether for pay or not).

(e) The Management Committee is authorized to adopt further rules related to Non-Owner Occupied Units and the Occupants of those Units. Such rules may include, but are not limited to: requiring copies of lease or other agreements for Non-Owner Occupancy to be delivered to the Association, requiring contact information for adult Occupants, vehicle information, Occupant phone numbers, or any other reasonable administrative provisions it deems appropriate to enforce the requirements of this Section.

3) **Exemptions.** The following Units may be Non-Owner Occupied and are not subject to the Non-Owner Occupied cap set forth in subsection (1) above:

(a) A Unit owned by a person in the military for the period of the Owner's deployment.

(b) A Unit occupied by a Family Member.

(c) A Unit whose Owner is relocated by the Owner's employer for a period of no less than two (2) years.

(d) A Unit owned by a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for: (1) the estate of a current Occupant of the Unit; or (2) the parent, child, spouse, or sibling of the current Occupant of the Unit.

(e) Units being rented before the time this Declaration is recorded with the County Recorder shall be grandfathered and allowed to continue renting until: (i) the Unit Owner (or an officer, director, trustee or beneficiary of the entity that owns the Unit) occupies the Unit; or (ii) the ownership of the Unit changes, as evidenced by the records at the County Recorder.

4) **Joint and Several Liability of Owner and Non-Owner Occupants.** The Owner of a Unit shall be responsible for the Non-Owner Occupant's or any guest's compliance with the Declaration, Bylaws and Association rules and the Owner and Occupant shall be jointly and severally liable for any fines for violations thereof.

5) **Remedies for Violation.** If an Owner fails to comply with this Section or rents or leases a Unit in violation of this Section, the Management Committee may:

(a) Assess fines against the Owner and Owner's Unit 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 or lease agreement and remove the tenant.

(c) Pursuant to rules adopted under this Section, if the Management Committee determines that a Non-Owner Occupant has violated a provision of the Declaration, the Bylaws, or rules and regulations, the Management Committee may require an Owner to terminate a rental or lease agreement with that Non-Owner Occupant.

(d) In addition to any other remedy for non-compliance, after reasonable notice, the Association shall have the right to initiate an action and obtain a forcible entry and unlawful detainer order from the court, or similar action, with the purpose of removing the offending Non-Owner Occupant. The Association shall also have the right to seek an injunction to enjoin and prevent the violation of this Section 10.11, and in such action, the violation of this Section 10.11 shall be deemed irreparable harm to the Association. The Association, the

*Management Committee, and the Manager shall not have any liability for any action taken pursuant to this subsection and the Owner shall indemnify and pay the defense costs of the Association, the Management Committee, and the Manager arising from any claim related to any action taken in good faith by any of them pursuant to this subsection.*

6) **Costs and Attorney Fees.** *Fines, charges, and expenses incurred in enforcing the Declaration, the Bylaws, and rules and regulations with respect to a Non-Owner Occupant, and for any costs incurred by the Association in connection with any action under this Section, including reasonable attorney fees (regardless of whether any lawsuit or other action is commenced), are Assessments against the Owner and Unit which may be collected and foreclosed on by the Association.*

----- End of Amendment -----

MANAGEMENT COMMITTEE,  
SUNSET VILLAGE AT SLEEPY RIDGE HOMEOWNERS ASSOCIATION

Signed: [Handwritten Signature]

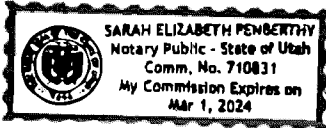
Print: Jesus A Rocio

Position: President Board member HOA.

STATE OF UTAH )  
 ) ss.  
COUNTY OF Utah )

I hereby swear that on this 8 day of July, 2021, Jesus Rocio did appear before me and did affirm that she / he is an authorized representative for the Sunset Village at Sleepy Ridge Homeowners Association, Inc., and that the Association did obtain the requisite votes to execute this First Amendment.

[Handwritten Signature]  
NOTARY PUBLIC



# EXHIBIT A

## **LEGAL DESCRIPTION OF PROPERTY**

**Lots 1 through 40 inclusive, SLEEPY RIDGE POD "C" AMENDED, Orem, Utah, according to the official plat thereof on file in the office of the Utah County Recorder, Utah. Together with an easement interest in said Project's Common Areas, Limited Common Areas, and Facilities as identified on the official plat.**

**Serial Numbers: 66-291-0001 through 66-291-0040 inclusive**