

After recording mail to:

Richards Law, PC
2040 Murray-Holladay Rd., #106
Salt Lake City, UT 84117

12878884
11/1/2018 3:31:00 PM \$98.00
Book - 10727 Pg - 2159-2164
ADAM GARDINER
Recorder, Salt Lake County, UT
RICHARDS LAW PC
BY: eCASH, DEPUTY - EF 6 P.

**AMENDMENT
TO THE
DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
COMPASS COVE CONDOMINIUMS**

This Amendment to the Declaration of Covenants, Conditions and Restrictions of Compass Cove Condominiums, is made on the date evidenced below by the Compass Cove Owners Association, Inc. (hereinafter "**Association**").

RECITALS

A. Certain real property in Salt Lake County, Utah, known as the Compass Cove Condominiums was subjected to certain covenants, conditions, and restrictions pursuant to a Declaration of Covenants, Conditions, Restrictions of Compass Cove Condominiums ("Declaration") recorded on July 28, 1998, as Entry Number 7036622 in the Recorder's Office for Salt Lake County, State of Utah, and any amendment, annexation or supplement thereto.

B. This amendment shall be binding against the property described in the Declaration and any annexation or supplement thereto, as described in **Exhibit A**.

C. The Association deems restricting and regulating the manner of renting and the number of rentals within the community necessary and in the best interests of the owners.

D. This Amendment is intended to restrict the manner and number of rentals in the community in order to better establish a residential community and help protect livability and property values for all owners.

E. Pursuant to Article XXIII, Section 3 of the Declaration, the undersigned officer(s) hereby certifies that the voting requirements to amend the Declaration have been satisfied to adopt this Amendment.

NOW THEREFORE, that Article X, Section 5 is hereby deleted and replaced in its entirety as follows:

5. **Leases.**

A. **Rental Cap.** Except as otherwise provided below, no more than eighteen (18) Units out of the total number of Units in the Association may be rented at any given time, including grandfathered Units established below ("Rental Cap"). The Association shall keep a list of all Units rented and those desiring to rent if the Rental Cap is not met.

(i) Application Required. Prior to renting any Unit, an Owner shall apply to the Board for approval and shall submit an application to determine if the Rental Cap will be exceeded. The Board shall deny the application if it determines that the rental of the Lot will exceed the Rental Cap or if the Minimum Requirements of A(ii) below are not met.

(ii) Minimum Requirements. No Owner shall rent less than their entire Unit and no Owner shall rent such Owner's Unit for an initial term of less than twelve (12) months. A Unit Owner who owns more than one Unit is not eligible to rent more than one Unit until the pending applications of all Owners who are not currently renting have been approved.

B. Definition of Rental. "Rent," "Rental," "Renting," or "Rented" means:

(i) a Unit owned by a natural person(s) (not an entity or trust) that is occupied by someone, but is not occupied by the Unit's Owner, or the Unit Owner's spouse, parent, child, or sibling, as their primary residence;

(ii) a Unit owned by an entity or trust, regardless of who occupies the Unit, unless the trust or entity was created for estate planning purposes and was created for: (i) the estate of a current resident of the Unit; or (ii) the spouse, parent, child, or sibling of the current resident of the Unit.

C. Statutory Exemptions from Rental Cap: The following Unit Owners and their respective Units, upon proof sufficient to the Board, are exempt from the rental restrictions stated herein:

(i) A Unit owner in the military for the period of the Unit Owner's deployment;

(ii) A Unit occupied by a Unit Owner's parent, child, or sibling;

(iii) A Unit Owner whose employer has relocated the Unit Owner for no less than two years;

(iv) A Unit owned by an entity that is occupied by an individual who (a) has voting rights under the entity's organizing documents; and (b) has a twenty-five percent (25%) or greater share of ownership, control, and right to profits and losses of the entity;

(v) 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 the estate of:

(a) A current resident of the Unit; or,

(b) The parent, child, or sibling of the current resident of the Unit.

D. Grandfathered Lots. All Owners of Units which are rented at the time that this Amendment is recorded may continue to rent their Unit until the following occurs:

- (i) The Unit is sold, conveyed, or transferred by deed (unless conveyed to the Grantor (seller) or a trust of entity created by the Grantor);
- (ii) The Owner occupies the Unit;
- (iii) An officer, owner, member, trustee, beneficiary, director or person holding a similar position of ownership or control of an entity or trust that has an ownership interest in a Unit occupies the Unit; or
- (iv) The Unit ceases to be rented for a period of one hundred twenty (120) days or more.

However, Units rented pursuant to Section "D" at the time this Declaration is recorded shall be counted towards the Rental Cap.

E. Intent to Continue Leasing. Within thirty (30) calendar days after the date this Amendment is recorded, each Owner who is or was leasing their Unit as of the date this Declaration was recorded ("Recording Date") and who desires to continue to lease their Unit consistent with "D" above, must notify the Board in writing of their intent to continue renting their Unit and must be in compliance with the provisions of this Section. An Owner who fails to timely deliver a notice of intent to continue leasing to the Board or fails to come into compliance with the provisions of this Section shall lose the right to continue to lease the Owner's Unit, which loss of the right to lease shall be effective as of the time the current lease expires.

F. Hardship Exceptions. The Board may consider an application for a rental hardship exception which would otherwise cause the Rental Cap to be exceeded. Hardship Exceptions, if granted, shall not exceed a period of twelve (12) months. Hardship Exceptions may only be granted, in the Board's discretion (but such discretion may not be arbitrary or inconsistent with past decisions), in an attempt to help avoid undue hardships or extreme practical difficulties if an Owner is not permitted to rent their Unit. Examples (but not requirements) for the need to rent based on a hardship exception may include issues such as disability, unemployment, charitable service, or other similar situations. Such determinations are made in the sole discretion of the Board and shall be final.

G. Additional Rental Guidelines Formalities; Procedures; Rules and Regulations. The Association may adopt additional rules and guidelines for the submitting of an application to rent and all processes related thereto.

H. Breach of the Rental Requirements. If an Owner fails to follow the requirements of this Section or any additional rules and procedures adopted by the Board and rents or leases his or her Unit, and/or rents or leases any Unit after the Board has denied the Owner's application, the Board may assess fines against the Owner and the Owner's Unit in an amount to be determined by the Board pursuant to a schedule of fines adopted by resolution.

I. Attorney Fees and Costs for Violations. The Association shall be entitled to recover from an Owner who violates this Section its costs and attorney's fees incurred for the enforcement of this Section regardless of whether any lawsuit or other action is commenced. The Association may assess such costs and attorney's fees against the Owner and the Unit as an assessment pursuant to the Declaration.

J. Information to be Provided to Tenant. Permitted rental and lease agreements shall comply with this subsection.

(i) The Owner shall provide the tenant or lessee with a copy of this Declaration, the Bylaws, including any relevant amendments to such documents, and all rules and regulations then in effect and shall take a receipt for delivery of the documents. In the event any such documents are amended, revised, changed, or supplemented by the Association, the Owner shall provide the tenant or lessee with a copy of the amendments, revisions, changes, or supplements within ten (10) calendar days of adoption by the Association, its Board, or its membership.

(ii) Upon the commencement of the rental or lease period, the Owner shall provide the Association with Tenant contact information as requested by the Board.

K. Lease Payments by Tenant to Association. Consistent with any other collection remedies contained in the Declaration or Association Rules, if an Owner who is renting his or her Unit fails to pay an assessment for more than sixty (60) days after the assessment is due, the Board may demand that the tenant, and the tenant thereafter shall, pay to the Association all future lease payments due to the Owner, beginning with the next monthly other periodic payment, until the amount due to the Association is paid in accordance with the procedures established by law, and such amounts shall be the personal obligation and debt of the tenant to the Association, jointly and severally with the Owner.

L. Limitation of Unit Ownership. In order to help assure that Units within Compass Cove Condominiums qualify and are eligible for loans on the secondary and primary mortgage market, as also may be required by Fannie Mae, Freddie Mac and/or the Federal Housing Administration, which helps with the ability to purchase or securitize mortgages within Compass Cove Condominiums, no single entity (the same individual, investor group, entity, partnership, or corporation) may own more than 10% of the total number of units within Compass Cove Condominiums at any given time. The Board is also hereby given the discretion to amend this Rental Restriction Section, and this Section only, on its own vote for the sole purposes of making necessary changes to comply with any requirements, as may be desired, of Fannie Mae, Freddie Mac and/or the Federal Housing Administration.

M. Additional Remedies and Enforcement. In addition to any other remedies available to the Association, the Board may require the Owner to terminate a lease or rental agreement if the Board determines that any lessee or tenant has violated any provision of this Declaration, the Articles of Incorporation, the Bylaws, or any amendments thereto, or the rules and regulations adopted thereto. If an Owner fails to correct any such violations related to their tenants, or fails

to terminate the lease pursuant to the above, the Owner hereby grants the Board standing to initiate eviction proceedings against their tenant and considers the Association a third-party beneficiary to its rental/lease agreement.

[END OF AMENDMENT]

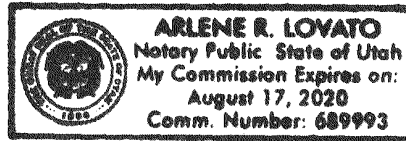
IN WITNESS WHEREOF, COMPASS COVE OWNERS ASSOCIATION, INC has executed this Amendment to the Declaration as of the 26 day of October, 2018, in accordance with the provisions of the Declaration.

COMPASS COVE OWNERS ASSOCIATION, INC.

Deborah Ng
President

Kaylin Ellsworth
Secretary

STATE OF UTAH)
) :SS
COUNTY OF SALT LAKE)



On the 26th day of October, 2018, personally appeared before me Deborah Ng and Kaylin Ellsworth, who being by me duly sworn did that say that they are the President and Secretary of the Association and that the seal affixed to the foregoing instrument is the seal of said Association and that said instrument was signed in behalf of said Association by authority of its Board of Trustees; and acknowledged said instrument to be their voluntary act and deed.

Arlene R. Lovato
Notary Public

EXHIBIT A

Legal Description

All Lots and Common Area COMPASS COVE PH 1 CONDO, COMPASS COVE PH 2 & 3 CONDO according to the plat(s) thereof as recorded in the office of the Salt Lake County Recorder.

COMPASS COVE PH 1 CONDO

43 total lots

Including Parcel: 21272020180000

COMPASS COVE PH 2 CONDO

36 total lots

Including Parcel: 21272020740000