

When Recorded Return To:

Edge Mt. Saratoga Condos, LLC
13702 S. 200 W. #B12
Draper, UT 84020

**SECOND AMENDMENT TO THE
DECLARATION OF CONDOMINIUM FOR
QUAILHILL CONDOMINIUMS**

This Second Amendment to the Declaration of Condominium for Quailhill Condominiums (the "**Second Amendment**") is executed and adopted by Edge Mt. Saratoga Condos, LLC (the "**Declarant**").

RECITALS

A. The Declaration of Condominium for Quailhill Condominiums was recorded on June 6, 2019 as Entry No. 51008:2019 in the office of the Utah County Recorder (hereinafter the "**Declaration**").

B. The Amendment to the Declaration of Condominium for Quailhill Condominiums was recorded on November 20, 2019 as Entry No. 121993:2019 in the office of the Utah County Recorder.

C. This Second Amendment affects the real property located in Utah County, State of Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated herein by reference.

D. The Declarant desires to amend the Declaration as set forth in this Second Amendment to add a provision that clarifies that the Association is obligated to maintain dryer vents and to modify the mortgagee protection language to comply with FHA project approval requirements.

E. Unless otherwise set forth herein, the capitalized terms shall have their same meanings and definitions as stated in the Declaration.

F. Pursuant to Article XV, Section 15.1 of the Declaration, the Declarant has the sole authority to amend the Declaration during the Period of Declarant Control.

G. As of the date of the recording of this Second Amendment, the Period of Declarant Control remains in effect.

AMENDMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the Declarant hereby executes this Second Amendment, which shall be effective as of its recording date with the Utah County Recorder's office.

(1) **Amendment No. 1**. The following shall be added as Section 4.3(e) of the Declaration:

- (e) The Association shall have the responsibility to maintain, replace, repair, and clean all dryer and exhaust vents and associated ducting. The Association shall have the authority to remove, replace or retrofit (whether inside or outside Units) all ducting, vent covers, and screens to fulfill such duties.

(2) **Amendment No. 2.** The following shall be added as Section 9.12(d)(v) of the Declaration:

(v) A Unit owned by a first mortgagee (or its assignee) who obtains title to a Unit through foreclosure.

(3) **Amendment No. 3.** Article XIII of the Declaration shall be deleted in its entirety and shall be replaced by the following:

ARTICLE XIII RIGHTS OF LENDERS

13.1. **Lender Notice.** Prior to being entitled to receive any notice that this Declaration requires the Association to provide Lenders, each Lender must deliver to the Association a written notice stating that such Lender is the holder of a loan encumbering a Unit within the Project along with all necessary contact information for notice delivery. Notwithstanding the foregoing, if any right of a Lender under this Declaration is conditioned on a specific written request to the Association, in addition to the above, a Lender must also make such request in writing delivered to the Association. Except as provided in this Section, a Lender's rights pursuant to this Declaration, including, without limitation, the priority of any mortgage lien over the lien of Assessments levied by the Association shall not be affected by the failure to deliver a notice or request to the Association.

13.2. **Title in Mortgagee.** Any first mortgagee who obtains title to a Unit pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable for such Unit's Assessments or charges which accrue prior to the acquisition of title of such Unit by the mortgagee. However, such first mortgagee shall be responsible for Assessments levied while it holds title to the Unit.

13.3. **Priority.** The lien provided for in Article VI for the payment of Assessments shall be subordinate to the lien of any Lender that was recorded prior to the date any such Assessment becomes due. No breach of the Restrictions herein contained, nor the enforcement of any lien provision herein, shall affect, impair, defeat, or render invalid the lien or charge of any Lender made in good faith and for value encumbering any Unit, but all of such Restrictions shall be binding upon and effective against any Owner whose title to a Unit is derived through foreclosure or trustee's sale, or otherwise. No provision herein is intended, nor shall it be construed, to give any Unit Owner, or any other party, priority over any rights of the first mortgagee of a Unit pursuant to its mortgage in the case of payment to the Unit Owner of proceeds from termination, or insurance proceeds, or condemnation awards for losses to or a taking of Units and/or Common Areas.

13.4. **Required Lender Approval.** Except upon the prior written approval of sixty-seven percent (67%) of all Lenders that have provided notice to the Association as described in Section 13.1, based on one (1) vote for each Unit encumbered by a loan, the Association shall not take action or inaction to do any of the following:

(a) Abandon or terminate by an act or omission the legal status of the Condominium Project;

(b) Use insurance proceeds for any purpose other than to rebuild; or

(c) Except as specifically provided by this Declaration, or as otherwise reserved by the Declarant during the Period of Declarant Control, amend any provisions of the Declaration governing the following:

(i) voting rights;

(ii) the priority of Assessment liens;

(iii) the allocation of interests in the Common Area;

(iv) Unit boundary definitions;

(v) expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project; or

(vi) restoration or repair of the Project (after damage or particular condemnation) in a manner other than that specified in this Declaration, the Articles, or the Bylaws.

(d) In addition to the amendment limitations set forth in subsection (b) above, any other amendment to the Declaration that is of a material adverse nature to Lenders shall require approval of at least fifty-one percent (51%) of Lenders who have provided notice to the Association.

(e) The Association may presume the consent of a Lender for approval of amendments or actions if: (i) written notice of the proposed amendment or action is sent by certified or registered mail with a return receipt requested to the Lender's address listed for receiving notice in the recorded trust deed or other recorded document evidencing the security interest, (ii) at least 60 days have passed after the day on which the notice was mailed, and (iii) the person designated for receipt of the response in the notice has not received a written response from the Lender.

13.5. Notices and Other Rights. Any Lender (and such Lender's insurer or guarantor) shall, upon written request to the Association, be entitled to:

(a) Inspect current copies of the books and records of the Association during normal business hours;

(b) Receive the most recent annual financial statement of the Association;

(c) Notice of any failure of an Owner for a period of sixty (60) days or more to cure any default on his part in performance of his obligations under this Declaration or other Governing Documents;

(d) Notice of any condemnation or casualty loss that affects a material portion of the Project or any Unit on which there is a first mortgage held by such Lender;

(e) Notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(f) Notice of any action that requires a specified percentage of Lenders to approve.

(g) Notice of any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Unit on which a Lender holds a mortgage; and

(h) Notice of any proposed action by the Owners or the Association that would amount to a change in the Declaration necessitating Lender approval as identified in Section 13.4.

13.6. Department of Veterans Affairs Loans. To the extent that any provision in the Governing Documents is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs ("DVA Financing"), such provision shall not apply to any Unit that is (i) encumbered by DVA Financing, or (ii) owned by the Department of Veterans Affairs.

13.7. Single-Entity Ownership Limitations. The number of Units permitted to be owned by a Single-Entity shall not exceed ten percent (10%) of the total Units within the Association. Units owned by the Declarant are not subject to the Single-Entity ownership cap. The Board may adopt Rules and reporting procedures to track the number of Units owned by a Single-Entity to ensure consistent administration and enforcement of this ownership restriction. For the purpose of this Section, the term "Single-Entity" means the same natural individual, investor group, partnership, entity, or corporation. If an individual or entity has a 25% or greater share of ownership, control, and right to profits and losses of another entity, then such entity and its owner(s) shall be considered a Single-Entity. If title to a Unit is obtained in violation of this Section, then: (i) the Board may assess fines against the Owner pursuant to a schedule of fines adopted by the Board; and (ii) the Board may proceed with any available legal remedies, including, without limitation, an action to obtain a court order requiring the Owner to immediately sell or transfer ownership of the Unit.

13.8. Investor Ownership Limitation. The Number of Units permitted to be owned by Investors shall not exceed fifty percent (50%) of the total Units in the Project. For the purpose of this Section, the term "Investor" means: (1) a Person who owns a Unit, but does not occupy the Unit as the Investor's primary residence, or (2) in the case of a Unit owned by a trust or registered business entity, the natural individual(s) who own the entity or are beneficiaries of the trust do not occupy the Unit as their primary residence.

(4) Amendment No. 4. Section 15.3 shall be added to the Declaration as follows:

15.3 Mortgagee Consent. The right of the Declarant to amend pursuant to Section 15.1 and the right of the Association to amend pursuant to Section 15.2 shall be subject to the Lender consent requirements set forth in Section 13.4 for amendments that are of a material adverse nature to first lien mortgagees as further described therein. The consent of Lenders may be implied if Lenders fail to submit a response to a written proposal for amendment within 60 days of notice as further set forth in Section 13.4(e).

(5) Amendment No. 5. Section 9.3 shall be added to the Exhibit B Bylaws as follows:

9.3 Mortgagee Consent. The right of the Declarant to amend pursuant to Section 9.1 and the right of the Association to amend pursuant to Section 9.2 shall be subject to the Lender consent requirements set forth in Section 13.4 of the Declaration for amendments that are of a material adverse nature to first lien mortgagees as further described therein. The consent of Lenders may be implied if Lenders fail to submit a response to a written proposal

EXHIBIT A
Legal Description

All of **Quailhill at Mt. Saratoga Plat F-1 Building A Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51007:2019.

Parcel Numbers: 50:096:0101 through 50:096:0305

All of **Quailhill at Mt. Saratoga Plat F-1 Building B Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51009:2019.

Parcel Numbers: 50:097:0101 through 50:097:0305

All of **Quailhill at Mt. Saratoga Plat F-1 Building C Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51011:2019.

Parcel Numbers: 50:098:0101 through 50:098:0305

All of **Quailhill at Mt. Saratoga Plat F-2 Building D Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117915:2019.

Parcel Numbers: 50:101:0101 through 50:101:0306

All of **Quailhill at Mt. Saratoga Plat F-2 Building E Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117917:2019.

Parcel Numbers: 50:102:0101 through 50:102:0305

All of **Quailhill at Mt. Saratoga Plat F-2 Building F Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117919:2019.

Parcel Numbers: 50:103:0101 through 50:103:0305

All of **Quailhill at Mt. Saratoga Plat F-2 Building G Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117921:2019.

Parcel Numbers: 50:104:0101 through 50:104:0305

All of **Quailhill at Mt. Saratoga Plat F-2 Building H Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117923:2019.

Parcel Numbers: 50:105:0101 through 50:105:0307

All of **Quailhill at Mt. Saratoga Plat F-2 Building I Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117925:2019.

Parcel Numbers: 50:106:0101 through 50:106:0305

All of **Quailhill at Mt. Saratoga Plat F-2 Building J Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117927:2019.

Parcel Numbers: 50:107:0101 through 50:107:0307

All of **Quailhill at Mt. Saratoga Plat F-2 Building K Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117929:2019.

Parcel Numbers: 50:108:0101 through 50:108:0305

All of **Quailhill at Mt. Saratoga Plat F-2 Building L Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 117931:2019.

Parcel Numbers: 50:109:0101 through 50:109:0305

All of **Quailhill at Mt. Saratoga Plat F-3 Building M Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51431:2020.

Parcel Numbers: 50:114:0101 through 50:114:0310

All of **Quailhill at Mt. Saratoga Plat F-3 Building N Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51433:2020.

Parcel Numbers: 50:115:0101 through 50:115:0305

All of **Quailhill at Mt. Saratoga Plat F-3 Building O Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51435:2020.

Parcel Numbers: 50:116:0101 through 50:116:0307

All of **Quailhill at Mt. Saratoga Plat F-3 Building P Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51437:2020.

Parcel Numbers: 50:117:0101 through 50:117:0305

All of **Quailhill at Mt. Saratoga Plat F-3 Building Q Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51439:2020.

Parcel Numbers: 50:118:0101 through 50:118:0307

All of **Quailhill at Mt. Saratoga Plat F-3 Building R Condominium**, according to the official plat recorded in the office of the Utah County Recorder as Entry Number 51441:2020.

Parcel Numbers: 50:119:0101 through 50:119:0305