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ENT 54883:2006 PG 1 of 6
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2006 May 04 12:34 pm FEE 60.00 BY LH
RECORDED FOR CARTER CROSSING HOA

**AMENDMENT TO
THE DECLARATION OF PROTECTIVE EASEMENTS, COVENANTS, CONDITIONS
AND RESTRICTIONS
OF CARTER CROSSING SUBDIVISION
PLAT A**

This Amendment to the Declaration of Protective Easements, Covenants, Conditions and Restrictions of CARTER CROSSING SUBDIVISION (the "Declaration") that established the Carter Crossing subdivision, Plat A is made this 3rd day of May, 2006 by the Carter Crossing Owners Association (the "Association").

RECITALS

A. Certain real property in Utah County, Utah, known as Carter Crossing Subdivision, Plat A, was subjected to certain covenants, conditions, and restrictions pursuant to a Declaration dated June 20, 2000, and recorded as Entry No. 48280:2000 in the Recorder's Office for Utah County, Utah;

B. This amendment shall be binding against all of the property described in the Declaration and any annexation, expansion or supplement thereto more particularly described in Exhibit "A" attached hereto.

D. To avoid the communal ills, including among other things, rules violations, abuse and destruction of community and private property and the consequent increase in insurance premiums, and the diminished safety of the owners, associated with a high levels of tenancy, the Association deems restricting and regulating the manner of renting and number of rentals within the community necessary and in the best interest of the owners;

E. Pursuant to Article XIII, Sections 13.02 and 13.03 of the Declaration, owners representing more than sixty percent (60%) of the voting rights have signed consents approving this Amendment said consents are on record with the Association.

NOW, THEREFORE, The Association, by and through its Board of Directors, hereby amends the Declaration to add Section 6.09 to Article VI, which section shall be entitled "Leases" and shall read as follows:

6.09 Leases. The leasing and renting of Homes or Lots by owners shall be in accordance with this Section. "Leasing or renting" of a Home or Lot means the granting of a right to use or occupy a Home for a specific term or an indefinite term, in exchange for the payment of rent (money, property or other goods or services of value); but shall not mean and include joint ownership of a Home or Lot by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

(a) **Rental-Lease Limit.** Owners and Lots shall be subject to the following restrictions:

(1) No Owner may lease or rent the Home or Lot for a period of less than twelve (12) consecutive months. Furthermore, an Owner must own and occupy the Home or Lot for two (2) years before qualifying for the opportunity to rent the Home or Lot ("Occupancy Period").

(2) No Home or Lot may be rented or leased if the rental or lease results in more than ten percent (10%) of Homes or Lots in Carter Crossing (the "Rental-Lease Limit") being rented or leased at any given time, except as provided in Subsection 6.09(c), below.

(b) **Application and Approval.** Prior to renting or leasing any Home or Lot, an Owner shall apply to the Board of Directors for approval. The Board shall review the application and make a determination of whether the rental or lease will exceed the Rental-Lease Limit expressed above and whether the Owner has fulfilled the Occupancy Period. The Board shall:

(1) Approve the application if it determines that the rental or lease will not exceed the Rental-Lease Limit and that the Owner has fulfilled the Occupancy Period; or

(2) Deny the application if it determines that the rental or lease of the Home or Lot will exceed the Rental-Lease Limit and/or the Owner has not fulfilled the Occupancy Period.

(3) The Board shall deny an application to rent or lease the Home or Lot for a period of less than twelve (12) consecutive months.

(c) **Hardship Exemption.** Notwithstanding Paragraphs 6.09(b)(1) and (2), to avoid undue hardships or practical difficulties such as the Owner's job relocation, extended vacation, disability, military service, charitable service, or other similar circumstances, the Board of Directors shall have discretion to approve an Owner's application to temporarily rent or lease the Owner's Home or Lot provided the approval would not result in more than twenty percent (20%) of the total Homes or Lots being rented or leased at any given time. The Board of Directors, in its discretion, may use a percentage of the Homes or Lots described in Paragraph 6.09(a)(2) above, if

available, for hardship exceptions.

(d) Multiple Home or Lot Ownership Limitation. An Owner who owns more than one Home or Lot is not eligible to rent more than one Home or Lot until the pending applications of:

(1) All Owners who are not currently renting or leasing a Home or Lot have been approved; and

(2) All Owners who are currently renting or leasing fewer Homes or Lots than the applicant have been approved.

(e) Review of Rental Applications. Applications from an Owner for permission to rent or lease shall be reviewed and approved or denied by the Board of Directors pursuant to the following:

(1) The Board of Directors shall review applications for permission to rent or lease in chronological order based upon the date of receipt of the application. Within ten (10) business days of receipt, the Board shall approve or deny an application as provided in Subsection 6.09(b) and shall notify the Owner within fifteen (15) business days of receipt of the application if permission is not given and the reason for the denial.

(2) If an Owner's application is denied, the applicant may be placed on a waiting list according to the date the application was received so that the Owner whose application was earliest received will have the first opportunity to rent or lease, subject to Subsection 6.09(d).

(f) Application Form; Approval Process; Waiting List. An application form, the application and approval process, a waiting list, and any other rules deemed necessary by the Board to implement this section shall be established by rules adopted by resolution of the Board of Directors consistent with this Section 6.09.

(g) Approved Lease Agreement. All Owners shall use and provide the Board of Directors with a copy of Carter Crossing Owners Association Approved Residential Lease Agreement ("Approved Lease Agreement") which shall be kept on file with the books and records of the Association so that the Association may determine the number of Homes or Lots rented or leased. The Approved Lease Agreement shall be on a form prescribed by resolution of the Board.

(h) Rental Security Deposit. An Owner of a Lot that is being leased must pay a \$1,500.00 security deposit to the Association. The deposit is refundable, in whole or in portion, after deducting any: early lease termination (if the lessee moves out within the first 12 months, the deposit is forfeited) and assessments, fines, and/or charges. The deposit must also be delivered to the Association before the lessee can occupy the Lot being leased.

(i) Violations of Rental Restrictions. If an Owner fails to submit the

required application, fails to use and submit a copy of the Approved Lease Agreement and rents or leases any Home or Lot, and/or rents or leases any Home or Lot after the Board of Directors has denied the Owner's application, the Board of Directors may assess fines against the Owner and the Owner's Lot in an amount to be determined by the Board pursuant to a schedule of fines adopted by the Board. In addition, regardless of whether any fines have been imposed, the Board of Directors may proceed with any other available legal remedies, including but not limited to, an action to terminate the rental or lease agreement and removal of any tenant or lessee.

(j) Recovery of Costs and Attorney Fees. The Association shall be entitled to recover from the offending Owner its costs and attorney's fees incurred for enforcement of this Section 6.09, 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 Lot as an assessment pursuant to Article XII of the Bylaws as contained in this Declaration.

(k) Grandfather Clause. As of the date of recording this amendment, any Owner that is currently renting or leasing a Home or Lot ("Grandfathered Owner") may continue to rent or lease their Home or Lot until such time as the Lot is sold or title is otherwise transferred to a new Owner of record. However, notwithstanding the grandfather provision above, if a Grandfathered Owner fails to re-let their Home or Lot within ninety (90) days of the expiration or termination of a rental or lease agreement by any tenant, then the Grandfathered Owner and Home or Lot become subject to the restrictions expressed above and shall apply to the Board of Directors for permission to rent or lease the Home or Lot in accordance with this Section 6.09. Notwithstanding anything to the contrary, at the termination of the current rental or lease term, all Grandfathered Owners shall be required to use the Approved Lease Agreement.

(l) Owner Obligation to Inform Tenant and Association. Owners shall comply with the following:

(1) The Owner shall provide the tenant or lessee with a copy of the Declaration, Bylaws and all rules and regulations (the "Governing Documents") then in effect and shall take a receipt for delivery of the Governing Documents. In the event Governing 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 of Directors, or its membership.

(2) Upon the commencement of the rental or lease period, the Owner shall provide the Association with a copy of the Approved Lease Agreement and a copy of the receipt specified in Paragraph 6.09(l)(1) of this subsection. If the Owner fails to provide the receipt, the Association shall provide a copy of the Rules and Regulations to the tenant or lessee and take a receipt therefor, and shall assess a reasonable charge therefor to the Owner as an assessment pursuant to Article XII of the Bylaws as contained in this Declaration.

(m) Termination of Lease or Rental Agreement for Violations. In addition to any other remedies available to the Association, the Board of Directors 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 terminate a lease or rental agreement when required by the Board, the Board may declare the Owner to be in violation of this Section and may initiate an action to remove any lessee or tenant at the expense of the Owner.

IN WITNESS WHEREOF, THE CARTER CROSSING OWNERS ASSOCIATION has executed this Amendment to the Declaration as of the 3rd day of May, 2006, in accordance with Article XIII of the Declaration. The undersigned also certify that more than 60% of Owners have signed consents approving this amendment and that said signatures are on file in the records of the Association.

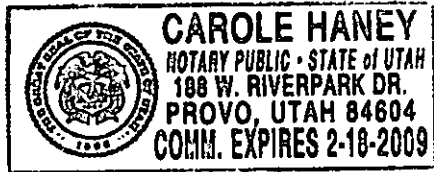
CARTER CROSSING OWNERS ASSOCIATION

Carolyn Landon
President

Blanca Vasquez
Secretary

STATE OF UTAH)
 : ss
County of Utah)

On the 3RD day of MAY 2006, personally appeared CAROLYN LANDON and BLANCA VASQUEZ who, being first 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 and sealed in behalf of said Association by authority of its Board of Directors; and each of them acknowledged said instrument to be their voluntary act and deed.



Carole Haney
Notary Public for Utah

**EXHIBIT A
LEGAL DESCRIPTION**

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Lots 1 through 41, Plat "A", CARTER CROSSING SUBDIVISION, according to the Official Plat thereof, on file and of record in the Office of the Utah County Recorder.