

AMENDMENT TO THE
DECLARATION OF CONDOMINIUM

This Amendment to the Declaration of Condominium ("Declaration") that established a condominium project known as Eastgate Townhomes is executed on the date set forth below by The Eastgate Townhomes ("Association") having received the necessary approvals of the Owners.

RECITALS

A. Real property in Utah County, Utah, known as Eastgate Townhomes was subjected to certain covenants, conditions, and restrictions pursuant to a Declaration recorded February 15, 2005 as Entry No. 15937:2005, in the records of Utah County, Utah;

B. This amendment shall be binding against the property described in EXHIBIT A and the Declaration and any annexation or supplement thereto;

C. This amendment is intended to prevent higher insurance rates, higher mortgage rates or the inability to obtain a mortgage, lower property values, higher crime, and a higher rate of rules and covenants violations, which are associated with communities with a high level of investor owned Units;

D. The Association deems a rental restriction in the best interests of the owners, their health, safety and welfare and also deems a rental restriction necessary to preserve the pool of prospective buyers by ensuring the qualification of the project for financing, preserving the aesthetic appeal of the community, and ensuring competitive appreciation of the Units.

E. Pursuant to Article X, Section 10.01, of the Bylaws, owners representing more than 66-2/3% of the Total Votes have approved this Amendment;

NOW, THEREFORE, the Association, by and through its Board of Trustees, hereby amends the Declaration as follows:

Article IX of the Declaration is hereby amended to add Section 4 (c), Leases:

(c) Leases. Notwithstanding anything to the contrary contained in the Declaration, the leasing or renting of any Unit within the Project shall be governed by this Section. "Lease" or "rent" shall mean allowing another the right to occupy the Unit in exchange for something of value.

11.18.1. Rental Lease Limit. No owner may lease or rent any Unit for a period of less than twelve (12) consecutive months. No Unit may be rented or leased if the rental or lease results

more than 35% of the Units ("Rental-Lease Limit") being rented or leased at the same time (including Grandfathered Units).

11.18.2. Application and Approval. Prior to renting or leasing any Unit, an owner shall apply to the Board for approval. The Board shall review the application and make a determination of whether the rental or lease will exceed the Rental-Lease Limit or violates the Occupancy Requirement. The Board shall:

11.18.2.1. Approve the application if it determines that the rental or lease complies with the minimum lease term and will not exceed the Rental-Lease Limit; or

11.18.2.2. Deny the application if it determines that the rental or lease of the Unit does not comply with the minimum lease term or will exceed the Rental-Lease Limit.

11.18.3. Hardship Exemption. In an effort to avoid undue hardships or practical difficulties such as the owner's job relocation, disability, military deployment, charitable service, estate planning or other similar circumstances, the Board shall have sole discretion to approve an owner's application to temporarily rent or lease the owner's Unit.

The Board may not approve an application to rent or lease less than the owner's entire Unit.

11.18.4. Multiple Unit Ownership. An owner is not eligible to rent more than one Unit until the pending applications of:

11.18.4.1. All owners who are not currently renting or leasing a Unit have been approved; and

11.18.4.2. All owners who are currently renting or leasing fewer Units than the applicant have been approved.

11.18.5. Review of Rental Applications. Applications from an owner for permission to rent or lease shall be reviewed and approved or denied by the Board pursuant to the following:

11.18.5.1. The Board 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 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. If the Board fails to notify the Owner within fifteen (15) days of receipt of the application, the application shall be deemed to be denied.

11.18.5.2. 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.

11.18.6. 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 a rental restriction shall be established by rules adopted by resolution of the Board consistent with any adopted rental restriction amendments, if any.

11.18.7. Lease Agreement. All owners shall use and provide the Board with a copy of a written 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 Units rented or leased. All leases shall require the tenant to obey and be subject to the Declaration, Bylaws and rules and regulations of the Association. Owners shall provide tenants with a copy of the Declaration, Bylaws, and rules and regulations.

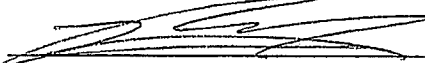
11.18.8. Recovery of Costs and Attorney Fees. The Association shall be entitled to recover from the offending owner its costs and attorney's fees incurred for enforcement of any rental restriction amendments that are adopted by the Members of the Association, regardless of whether any lawsuit or other action is commenced.

11.18.9. Grandfather Clause. As of the date of recording of this amendment, any owner that is currently renting or leasing a Unit ("Grandfathered Owner") may continue to rent or lease their Unit until such time as the Unit is sold or title is otherwise transferred to a new owner of record. Title shall have transferred if more than 75% membership interest in a limited liability company or 75% of the shares in a corporation has been sold within a consecutive twelve (12) month period. However, notwithstanding the grandfather provision above, a Grandfathered Owner shall use a written lease agreement beginning at the commencement of the next lease term after the date of this amendment.

11.18.10. Termination of Lease or Rental Agreement for Violations. 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.

IN WITNESS WHEREOF, the Association, by and through its Board, has executed this Amendment to the Declaration as of the 26 day of July, 2010, in accordance with Article X of the Declaration.

EASTGATE TOWNHOMES

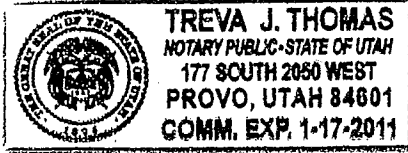


President

Secretary

STATE OF UTAH (County of Utah)

On the 26 day of July, 2010, personally appeared Russ Mackay
and [Signature] 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; and each of them acknowledged said instrument to be their
voluntary act and deed.



[Signature]
Notary Public for Utah

**EXHIBIT A
LEGAL DESCRIPTION**

Lots 1 through 17, Plat A, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:198:0001 and all others in Plat A Eastgate PUD.

Lots 18 through 30, Plat B, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:210:0018 and all others in Plat B Eastgate PUD.

Lots 31 through 49, Plat C, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:220:0031 and all others in Plat C Eastgate PUD.

Lots 50 through 66, Plat D, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:230:0050 and all others in Plat D Eastgate PUD.

Lots 67 through 79, Plat E, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:236:0067 and all others in Plat E Eastgate PUD.

Lots 80 through 103, Plat F, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:255:0080 and all others in Plat F Eastgate PUD.

Lots 104 through 106, Plat G, Eastgate PUD, as shown on the official plat thereof on file in the Utah County Recorder's Office, Utah.

Parcel Nos: 38:361:0104 and all others in Plat G Eastgate PUD.