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August 11, 2022

**SECOND AMENDMENT TO THE DECLARATION OF PROTECTIVE COVENANTS
AND RESTRICTIONS FOR THE “TAYLOR TERRACE” PLANNED UNIT
DEVELOPMENT**

RECITALS

WHEREAS, the Declaration of Protective Covenants and Restrictions for the “Taylor Terrace” Planned Unit Development (“Declaration”) was recorded with the Utah County Recorder on December 24, 1977, as Entry No. 43972 in Book 1609 at pages 135-152;

WHEREAS, additional units were added to the development through a Supplementary Declaration of Protective Covenants and Restrictions to the Taylor Terrace Planned Unit Development – Phase II Section “C”, recorded with the Utah County Recorder on June 22, 1982, as Entry No. 15516 in Book 1987 at pages 316-336;

WHEREAS, the real property more particularly described in **Exhibit “A”**, attached hereto and incorporated herein by reference, is held subject to the covenants, restrictions, easements, charges and liens set forth in the Declaration.

WHEREAS, the Declaration was amended by a First Amendment to the Declaration of Protective Covenants and Restrictions to the “Taylor Terrace” Planned Unit Development, recorded with the Utah County Recorder on December 22, 2016, as Entry No. 129175;

WHEREAS, pursuant to Article IX, Section 1, of the Declaration, the Declaration may be amended by an instrument in writing signed by the Owners of a majority of the units, the Board of Trustees, duly appointed pursuant to the By-Laws of Taylor Terrace Association, having obtained the necessary approval from the Owners, hereby amends the Declaration as follows:

The definition for “Dwelling Unit” set forth in Article I, Section 1(d), shall be amended as follows:

(d) “Dwelling Unit” or “Unit” shall mean a single-family residential dwelling unit on the Property, whether attached or unattached, and constructed upon a numbered space reflected on a recorded Plat.

The following definitions shall be added to the end of Article I, Section 1, as follows:

(g) The “Board of Trustees” or the “Board” means the entity with primary authority to manage the affairs of the Association consistent with Utah Code Ann. § 57-8a-501.

(h) “Governing Documents” means any written instrument by which the Association (1) exercises powers; or (2) manages, maintains, or otherwise affects the property under the jurisdiction of the Association. “Governing Documents” includes (1) Articles of Incorporation; (2) Bylaws; (3) a plat; (4) this Declaration; (5) management agreement(s) and (6) any other rules or regulations of the Association.

(i) “Reserve fund line item” means the line item in the Association’s annual budget that identifies the amount to be placed into a reserve fund.

(j) “Covered Loss” means any loss to an Owner’s lot or Dwelling Unit resulting from a single event or occurrence that is covered by the Association’s property insurance policy.

(k) “Lot damage percentage” means the percentage of total damage resulting in a Covered Loss that is attributable to lot damage.

(l) “Limited Common Area” means any Common Properties designated and reserved herein for exclusive use of one or more but less than all of the Unit Owners.

Article V, Sections 5 & 6, shall be deleted in their entirety and replaced with the following language:

Section 5. Date of Commencement and Collection of Annual Assessments, Due Dates. The Board of Trustees, in accordance with Section 3, shall fix the amount of the annual assessments against each Unit at least thirty (30) days in advance of each annual assessment period where possible. In any event, written notice of any annual assessment increases or special assessments shall be sent to every Owner subject thereto not less than thirty (30) nor more than sixty (60) days before the assessment(s) fall due. The due date(s) and payment periods for all assessments shall be established by the Board of Trustees.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Unit have been paid.

Section 6. [Intentionally Omitted].

Article VI, Section 6, shall be deleted in its entirety and replaced with the following language:

Section 6. Renting and Subletting. The leasing of Units shall comply with this Section. “Leasing” means granting the right to use or occupy a Unit to a non-owner while no Owner occupies the Unit as their primary residence. Leases shall be subject to the following restrictions:

- (a) Units may be rented only to a single family or person. Dormitory, hostel, hotel, or nightly rentals are strictly prohibited, and no Owner may rent or lease individual rooms or anything less than all of his or her Dwelling Unit.
- (b) All leases and lessees shall be subject to the provisions of the Declaration, Bylaws and rules and regulations of the Association. Any owner who leases their Unit shall be responsible for assuring the occupants’ compliance with the Governing Documents.
- (c) No more than ten (10) Units may be leased at any given time (“Lease Limit”). Hardship Exemptions shall not count against the Lease Limit.
- (d) An Owner must own their Unit for a minimum of twenty four (24) months before qualifying for the right to lease (“Minimum Occupancy Period”).
- (e) Initial Lease Term. The initial lease term for the lease of a Unit shall be a twelve (12) month minimum.
- (f) Exemptions. With respect to any rental restriction contained herein affecting the number and minimum term of rentals, exemptions shall be provided for those reasons specifically enumerated in Utah Code Ann. § 57-8a-290(2)(a)(i)-(v) (“Hardship Exemptions”).
- (g) Application and Approval. Each Owner desiring to Lease a Unit shall apply to the Board for approval. The application shall contain all supporting documentation necessary to prove the Owner either complies with the leasing restrictions set forth above or qualifies for a Hardship Exemption. Additionally, Owners shall pay the Board an application fee to be determined by Board resolution.

The Board shall approve the application if (i) the Owner demonstrates compliance with the leasing restrictions of this Section and there are Units available under the Lease Limit, or (ii) the Owner qualifies for a Hardship Exemption.

The Board shall review applications within ten (10) business days of receipt. The Board shall approve or deny an application, and

shall notify the Owner of the result, within fifteen (15) business days of receipt of the application.

- (h) Any Owner leasing his or her Unit shall provide the Board with a copy of the written lease agreement. All such lease agreements shall contain terms subjecting the occupant to the terms, conditions and restriction of the Governing Documents, as amended from time to time.
- (i) If an Owner fails to submit the required application, fails to use and submit a copy of a written lease agreement with the required terms, or leases their Unit after the Board has denied the Owner's application, the Board may assess fines against the Owner and the Unit in an amount to be determined by the Board. Regardless of whether any fines have been imposed, the Board may seek any available legal or equitable remedies, including but not limited to, an action to terminate the lease agreement and the eviction of any tenant or occupant.
- (j) Failure by an Owner to take legal action against their tenant or occupant who is in violation of the Governing Documents within ten (10) days after delivery of written demand to so do from the Board, shall entitle the Association to take any and all such action for and in behalf of said Owner and as his or her agent, including but not limited to the institution of legal proceedings on behalf of such Owner for eviction, injunctive relief or damages.
- (k) Grandfathered Lots. Units being leased on the date this Amendment is recorded shall be exempt from the Lease Limit until: (i) the Owner transfers the Unit by deed, (ii) the Owner grants a life estate in the Unit, (iii) or, if owned by a business entity, the Owner sells or transfers more than 75% of its shares, stock, membership interests or partnership interests within a 12 month period.

The words "General Provisions" appearing directly under Article VI as a heading shall be deleted and replaced with "Use Restrictions".

The following Section shall be added to the end of Article VI:

Section 7. Fines. In accordance with the provisions of Utah Code Ann. § 57-8a-208, the Board may assess a fine, to include collection and enforcement costs as well as reasonable attorney fees, against an Owner for a violation of any of the use restrictions contained in this Article VI and, more generally, a violation of any term or condition contained in the Association's Governing Documents. The Association may assess a fine of up to \$500.00 for any such violation, and, in

the case of a continuing violation, a fine of up to \$100.00 per day for each day the violation continues. All fines assessed hereunder shall accrue interest from the date of assessment at the rate of eighteen percent (18%) per annum. In the event a fine is assessed, an Owner may request an informal hearing before the Board to dispute the fine no later than thirty (30) days after the day on which the Owner receives notice that the fine is assessed. If the Association provides notice of the fine to the Owner by mail, the notice shall be deemed received by the Owner three days after it is mailed.

The words “at the request of an owner” appearing in Article VIII, Section 1, shall be deleted and replaced with “in its sole discretion.”.

The word “Duration” appearing directly under Article IX as a heading shall be deleted and replaced with “General Provisions”.

Article IX, Section 1, shall be deleted in its entirety and replaced with the following language:

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of (20) years from the date this Declaration was initially recorded, after which time they shall be automatically extended for successive periods of five (5) years, unless, at least one year prior to the expiration of any such extended period of duration, this Declaration is terminated by an instrument recorded in the Office of the County Recorder of Utah County, State of Utah, signed by the Owners of not less than seventy-five percent (75%) of the Units.

The following language shall be added to the end of Article IX:

Section 5. Amendment. This Declaration may be amended at any time by an instrument signed by the Owners of a majority of the Units. Any such amendment must be recorded in the Office of the County Recorder of Utah County, State of Utah, and shall be effective when executed by the President and Secretary of the Association, who shall certify that the amendment has been so approved.

Section 6. Rules and Regulations. The Board of Trustees may make reasonable rules and regulations governing the operation and use of the Common Properties and of other matters over which it has jurisdiction, which rules and regulations shall be consistent with the rights and duties established in this Declaration and Bylaws. The Board may suspend any Member’s voting rights at the meetings of Members during any period which such Member fails to comply with such rules and regulations or any other obligation under this Declaration. The Board may also take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations, or to obtain damages for noncompliance, all to the extent provided by law.

The following language shall be added to the end of the Declaration, as Articles X, XI, and XII, respectively:

ARTICLE X
BUDGET – RESERVE FUND – RESERVE ANALYSIS

Section 1. Budget. At least annually, the Board shall prepare and adopt a budget for the Association. The Board shall present for approval the adopted budget to Association members at a meeting of the members (the “Annual Meeting”). A budget is disapproved if within forty five (45) days after the date of the Annual Meeting:

- (a) there is a vote of disapproval by at least 51% of all the allocated voting interests of members in the Association; and
- (b) the vote is taken at a special meeting called for that purpose by members.

If a budget is disapproved as set forth above, the budget that the Board last adopted that was not disapproved by members continues as the budget until and unless the Board presents another budget to members and that budget is not disapproved.

Section 2. Reserve Fund. In formulating its budget each year, and based on a reserve analysis previously conducted (*see* Section 3, *infra*), the Association shall include a reserve fund line item to cover the cost of repairing, replacing, or restoring common areas and facilities that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years (if the cost cannot reasonably be funded from the general budget or other funds of the Association) in an amount the Board determines, at its sole discretion, to be prudent.

Section 3. Reserve Analysis. The Board shall (a) cause a reserve analysis to be conducted every six (6) years and (b) review and, if necessary, update a previously conducted reserve analysis every three (3) years. The Board may conduct a reserve analysis itself or it may engage a reliable person or organization, as determined by the Board, to conduct the reserve analysis. A reserve fund analysis shall include:

- (a) a list of the components identified in the reserve analysis that will reasonably require reserve funds;
- (b) a statement of the probable remaining useful life, as of the date of the reserve analysis, of each component identified in the reserve analysis;

- (c) an estimate of the cost to repair, replace, or restore each component identified in the reserve analysis;
- (d) an estimate of the total annual contribution to a reserve fund necessary to meet the cost to repair, replace, or restore each component identified in the reserve analysis during the component's useful life and at the end of the component's useful life; and
- (e) a reserve funding plan that recommends how the Association may fund the annual contribution described above in Subsection (d).

The Association shall:

- (a) annually provide Unit Owners a summary of the most recent reserve analysis or update; and
- (b) provide a copy of the complete reserve analysis or update to a Unit Owner who requests a copy.

Section 4. Veto of Reserve Fund Line Item. Within forty-five (45) days after the day on which an Association adopts its annual budget, Unit Owners may veto the reserve fund line item by a 51% vote of the allocated voting interests in the Association at a special meeting called by the Unit Owners for the purpose of voting whether to veto a reserve fund line item. If the Unit Owners veto a reserve fund line item, and a reserve fund line item exists in a previously approved annual budget of the Association that was not vetoed, the Association shall fund the reserve account in accordance with that prior reserve fund line item.

Section 5. Use of Reserve Funds. The Board shall maintain a reserve fund separate from other Association funds and may not use money in a reserve fund (i) for daily maintenance expenses, unless a majority of Association members vote to approve the use of reserve fund money for that purpose; or (ii) for any purpose other than the purpose for which the reserve fund was established.

Section 6. Upon the transfer of title to each Unit, a reinvestment fee shall be charged and payable to the Association in an amount of \$1,000 at the time of transfer. The parties to the transaction are responsible to negotiate who pays this fee.

ARTICLE XI INSURANCE

Section 1. Insurance Coverage. The Association may procure and maintain, to the extent reasonably available,

- (a) blanket property insurance or guaranteed replacement cost insurance on the physical structure of all attached dwellings, limited common areas appurtenant to a dwelling on a lot, and common areas in the project, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils; and

The Association shall procure and maintain, to the extent reasonably available,

- (b) liability insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common areas.

Section 2. Property Insurance. With respect to the property insurance option under Section 1(a), the total amount of coverage provided by blanket property insurance or guaranteed replacement cost insurance may not be less than 100% of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies. The Association shall set aside an amount equal to the amount of the Association's property insurance policy deductible or, if the policy deductible exceeds \$10,000.00, an amount not less than \$10,000.00. Notwithstanding anything to the contrary contained herein, the Association is not required to obtain property insurance for a loss to a dwelling that is not physically attached to another dwelling or to a common area structure.

- (a) An Owner who owns a Unit that has suffered damage as part of a Covered Loss is responsible to the Association for an amount calculated by applying the lot damage percentage for that Unit to the amount of the deductible under the Association's property insurance policy (the "Owner's Responsibility"). If an Owner does not pay the Owner's Responsibility within thirty (30) days after substantial completion of the repairs to, as applicable, the lot, a Dwelling Unit, or the common area appurtenant to the lot, the Association may levy an assessment against said Owner for that amount. The Association shall provide notice in accordance with Utah Code Ann. § 57-8a-214 to each Owner of the Owner's Responsibility, as well as notice of the amount of the Association's policy deductible and of any change in the amount of the deductible.

Section 3. Liability Insurance. With respect to the liability insurance required under Section 1(b), the total amount of coverage shall be determined by the Board its sole discretion.

Section 4. Notice if Insurance Not Reasonably Available. If at any time the Association becomes aware that property or liability insurance under this part is not reasonably available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice, as provided in Utah Code Ann. § 57-8a-214, that the insurance is not reasonably available.

ARTICLE XII MAINTENANCE AND REPAIRS

Section 1. Maintenance and Repairs, Generally. Except as otherwise provided herein, the maintenance, replacement and repair of the Common Properties shall be the responsibility of the Association, and the cost thereof shall be a common expense, paid through the annual or special assessments made under Article V. Except as otherwise provided herein, Owners are solely responsible for the maintenance, repair, and replacement of their Dwelling Units.

Section 2. Duties and Obligations of Owners. An Owner's responsibility for maintenance, repairs, and replacement of the Owner's Dwelling Unit includes any improvements, fixtures and all items and facilities for the residence as originally built, installed, provided or planned, as well as (without limitation) any of the following:

- (a) the Dwelling Unit's structure, exterior, roof, siding, windows, sewage system, utilities connections, driveways, antennas, paint, lights, etc.; and
- (b) any and all landscaping located within two feet of the exterior of Owner's Dwelling Unit, including shrubs, trees, brick front sidewalk wall, sprinkler systems, etc.

Section 3. Property and Liability Insurance Covering Owner's Dwelling Units. With respect to the Owner's respective Dwelling Units, Owners are solely responsible for procuring and maintaining a policy or policies of property and liability insurance and, if desired, any additional "Loss and Damage Assessment" insurance to cover the Owner's share of any losses or damage liability charged to the Association by anyone as a result of: (1) bodily injury or property damage or (2) an act of a Board member, Officer or Trustee.

Section 4. Association's Maintenance Responsibilities - Routine. The Association shall provide maintenance of the Property's Common Areas, including but not limited to:

- (a) Snow removal for driveways and sidewalks;
- (b) Mowing, fertilizing, trimming and weed control services for the Common Property's lawns during the growing season;

- (c) Watering of Common Property lawns and landscaping when seasonally appropriate;
- (d) Maintenance of sprinkler system(s) for the Common Properties; and
- (e) Maintenance to unimproved areas of the Common Properties, as required for safety.

All non-capitalized references to the “association,” the “owners” or any other defined term in Article I of this Declaration shall be capitalized, where appropriate, in order to reflect the particularized meanings ascribed to them in Article I of the Declaration.

The undersigned hereby certify, on behalf of the Board of Trustees, that a vote concerning this amendment was conducted and approval from at least 51% of the Owners was obtained.

DATED this ____ day of _____, 2022.

**TAYLOR TERRACE HOME OWNERS
ASSOCIATION**

By: Marie Clayton
Its: President

STATE OF UTAH)
 :SS
COUNTY OF UTAH)

On the ____ day of _____, 2022, before me, a notary public, personally appeared Marie Clayton, President of the Taylor Terrace Home Owners Association, a Utah nonprofit corporation, who proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, acknowledged that he executed the same. Witness my hand and official seal.

Notary Public

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**TAYLOR TERRACE HOME OWNERS
ASSOCIATION**

By: Vincent Shrader
Its: Secretary

STATE OF UTAH)
 :SS
COUNTY OF UTAH)

On the ____ day of _____, 2022, before me, a notary public, personally appeared Vincent Shrader, Secretary of the Taylor Terrace Home Owners Association, a Utah nonprofit corporation, who proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, acknowledged that he executed the same. Witness my hand and official seal.

Notary Public

Exhibit "A"

Taylor Terrace PUD Section A also known as:

Commencing at a point North 396.00 feet and West 92.50 feet from the Southeast Corner of Section 30, Township 6 South, Range 3 East, Salt Lake Base and Meridian; thence as follows: West 375.41 feet to the East line of a 104 foot wide street right-of-way; thence North 43°51' East 395.06 feet along said East Street line thence 110.89 feet on the arc of a 1050.17 foot radius curve to the left whose chord bears North 40°49'30" East 110.84 feet; thence North 37°48' East 182.12 feet along said East street line; thence South 52°12' East 126.48 feet; thence South 36°14' West 257.66 feet; thence South 16°17' West 124.55 feet; thence South 2°37' East 107.88 feet to the point of beginning.

Less and Excepting: Commencing North 387.65 feet and West 479.20 feet from the Southeast corner of Section 30, Township 6 South, Range 3 East, Salt Lake Base and Meridian; thence North 43°36'04" East 41.63 feet; thence South 65°03'16" East 67.75 feet; thence South 89° West 90.15 feet to the point of beginning.

Taylor Terrace PUD Section B also known as:

Commencing at the Northwest corner of Section "A" Taylor Terrace, a Planned Unit Development which point is North 908.68 feet and West 10.14 feet from the Southeast corner of Section 30, Township 6 South, Range 3 East, Salt Lake Base and Meridian; thence as follows: North 37°48' East 18.84 feet; thence 151.94 feet along the arc of a 279.25 foot radius curve to the left whose chord bears North 22°12'45" East 150.07 feet; thence East 285.37 feet; thence 40.01 feet along the arc of a 120.00 foot radius curve to the right whose chord bears South 19°46'57" West 39.82 feet; thence South 29°20' West 256.00 feet; thence North 75°41' West 118.50 feet; thence North 52°12' West 126.48 feet to the point of beginning.

Taylor Terrace PUD Section D also known as:

Beginning at a point on the East right-of-way line of 1200 East Street (Temple View Drive), Provo, Utah, which beginning point is South along the Section line 1576.08 feet and East 72.83 feet from the West ¼ corner of Section 29, Township 6 South, Range 3 East, Salt Lake Base and Meridian; thence following along street right-of-way lines by the following seven (7) courses and distances: North 6°50' East 18.59 feet; thence North 1°22'30" West 119.85 feet; thence 23.92 feet along the arc of a 15 foot radius curve to the right the chord of which bears North 44°18'45" East 21.466 feet; thence East 195.84 feet; thence 117.18 feet along the arc of a 72.00 foot radius curve to the right, the chord of which curve bears South 43°22'30" East 104.67 feet; thence South 3°15' West 18.48 feet; thence 59.79 feet along the arc of a 342.60 foot radius curve to the right, the chord of which curve bears South 8°15' West 59.72 feet; thence leaving street right-of-way lines and continuing West 272.44 feet to the point of beginning.

