

PROPOSED THIRD AMENDMENT  
CHATEAU FORET PHASE II CONDOMINIUM DEVELOPMENT  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

*It is proposed that Section 10.04 Use of Units at page 25 in the First Amendment of Declaration of Covenants, Conditions and Restrictions of Chateau Foret Phase II Condominium Development (recorded June 6, 2003, Entry No.: 8702352, at Book 8824 Page 4999 -5051 which amended the original Declaration of Covenants, Conditions and Restrictions of Chateau Foret Phase II Condominium Development dated April 22, 1996)(the "Declaration") be removed in its entirety and replaced with the following:*

(a) An Owner of a Unit may use such Unit only as a permanent or vacation single family Residence (as "family" is defined from time to time in the zoning ordinances of Holladay City, Utah) for itself and its Guests. No Owner of a Unit shall conduct any business, profession, occupation, or trade from its Unit.

(b) Notwithstanding the restrictions set forth in paragraph 10.04(a) above, an Owner may use its Unit as its private office, on the condition that the Owner does not invite others to its Unit to conduct business and such use complies with all applicable Federal, State, and local laws, ordinances, regulations, and rules.

(c) This Declaration does not prohibit an Owner from leasing or renting such Owner's Unit to others so long as the use of such Unit complies with the provisions of this Declaration, the Act, other Association Documents, and other applicable laws and ordinances. No Unit shall be used for conducting the business of the rental of other Units. All Unit lease and rental agreements shall be in writing and, together with all lessees or renters of such Units in their respective individual capacities, are subject to this Declaration, the Bylaws, the Association Documents and other applicable laws and ordinances.

(d) Notwithstanding the allowances and restrictions in paragraph 10.04(c) above, no more than forty percent (40%) of the total number of Units herein shall be leased or rented for any period of time. However, the following Owners and said Owners' Units are exempt from this provision and/or subject to the following:

1. An Owner in the military for the period of the Owner's deployment;
2. A Unit occupied by an Owner's parent, child or sibling;
3. An Owner whose employer has relocated the Owner for no less than two years; or
4. 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:
  - a. the estate of a current resident of the Unit; or
  - b. the parent, child, or sibling of the current resident of the Unit.
5. In the event that a Owner has entered into a lease regarding a Unit in the condominium project at the time that this provision is recorded with the Salt Lake County Recorder said Owner may continue leasing said Unit until:
  - a. the Owner occupies the Unit; or

- b. An officer, owner, member, trustee, beneficiary, director, or person holding a similar position of ownership or control of an entity or trust that holds an ownership interest in the Unit, occupies the Unit.
- 6. For purposes of the above, a transfer occurs when one or more of the following occur:
  - a. The conveyance, sale, or other transfer of a Unit by deed;
  - b. The granting of a life estate in the Unit; or
  - c. If the Unit is owned by a limited liability company, corporation, partnership, or other business entity, the sale or transfer of more than 75% of the business entity's share, stock, membership interests, or partnership interests in a 12-month period.
- 7. Prior to entering into a lease, an Owner shall obtain written approval from the management committee that said proposed lease does not violate this provision. The Association shall create, by rule or resolution, procedures to:
  - a. Determine and track the number of rentals and units in the condominium project subject to this provision; and
  - b. Ensure consistent administration and enforcement of this provision.
- 8. If an Owner fails to pay an assessment for a period of more than 60 days after the assessment is due and payable, the management committee may require a tenant under a lease with an Owner to pay the Association pursuant to U.C.A. §57-8A-310 all future lease payments due to the Owner.

# BALLOT

PROPOSED THIRD AMENDMENT  
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 DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

One Vote per Unit

Unit Owner \_\_\_\_\_

Date: \_\_\_\_\_

Unit Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Yes \_\_\_\_\_ No \_\_\_\_\_

67% Affirmative Votes is required for Amendment to Pass or 96 of the total 144 Units