

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PARC AT GATEWAY
CONDOMINIUMS
LEASING AND RENTAL POLICY**

This resolution concerning leasing and rentals within the Parc at Gateway Condominiums is made this 9 day of August, 2006 by the Parc at Gateway Condominiums Board of Directors.

RECITALS

A. Certain real property in Salt Lake County, Utah, known as the Parc at Gateway Condominiums was subjected to certain covenants, conditions, and restrictions pursuant to a Declaration dated August 20, 2004, and recorded as Entry No. 9151848 in the Recorder's Office for Salt Lake County, Utah;

B. Article VI of the Declaration creates and empowers a Board of Directors to administer the affairs of the Association.

C. Article X, Section 10.17 of the Declaration authorizes the Board of Directors, by the promulgation of reasonable rules and regulations, to regulate or limit the rentals of Condominium Sub-Units within the Association.

D. Article X, Section 10.02 of the Declaration required each Sub-Unit Owner, their guests to strictly comply with the Association Documents. Article I, Section 1.01(h) of the Declaration defines Association Documents as, among other things, the Rules and Regulations of the Association.

E. The Parc at Gateway Condominiums were developed as single-family residences.

F. Several Owners have purchased Sub-Units as second homes and investment property.

G. Some Owners have decided to rent or lease their Sub-Units to transient tenants. For purposes of this Resolution a transient tenant is a tenant who remains in the Sub-Unit for less than 30 consecutive days.

H. The Board has determined that it is in the best interests of the health and welfare of the Owners and in accord with the purposes of the community to prohibit Owners from renting or leasing to transient tenants.

I. Pursuant to Article X, Section 10.17 of the Declaration, the Board of Directors has adopted the following resolution regulating and limiting the renting and leasing of Sub-Units within the Parc at Gateway Condominiums.

NOW, THEREFORE, Sub-Units being rented or leased shall be subject to the following Rules and Regulations:

Leases. The leasing and renting of Sub-Units by owners shall be in accordance with this policy. "Leasing or renting" of a Sub-Unit means the granting of a right to use or occupy a Sub-Unit for a specific term or an indefinite term (with rent stated on a periodic basis), 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 Sub-Unit by means of joint tenancy, tenancy-in-common or other forms of co-ownership.

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

(1) No owner may lease or rent less than the entire Sub-Unit and no owner may lease or rent a Sub-Unit for a period of less than thirty (30) consecutive days.

(b) **Application and Approval.** At least seven (7) days prior to renting or leasing any Sub-Unit, an owner shall apply to the Board of Directors or their agent for approval. The Board shall review the application and make a determination of whether the rental or lease will violate the minimum lease term. The Board shall:

(1) Approve the application if it determines that the rental or lease is for the entire Sub-Unit and is for a period of thirty (30) or more consecutive days; or

(2) Deny an application to rent or lease less than the owner's entire Sub-Unit or to rent or lease the Sub-Unit for a period of less than thirty (30) consecutive days. Dormitory type rentals are strictly prohibited.

(c) **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 within five (5) business days of receipt. If the Board fails to either approve or deny an application to rent or lease within five (5) business days of receipt, the application shall be deemed to be denied. Nothing in this Section shall preclude an owner from reapplying for permission to rent or lease if the previous rental or lease was deemed denied by inaction from the Board.

(d) **Application Form.** Application shall be made to the Board of Directors by submitting a copy of the proposed lease or rental agreement, and a written background check on all prospective occupants who shall reside in the Sub-Unit. Until such time as an owner submits all required application materials, their application shall be deemed incomplete and shall not be reviewed by the Board.

(e) **Violations of Rental Restrictions.** If an owner fails to submit the required application, rents or leases less than the entire Sub-Unit, rents or leases a Sub-Unit for less than thirty (30) consecutive days, and/or rents or leases any Home or Lot after the Board of Trustees has denied the owner's application, the Board of Directors may assess fines against the owner and

