

When Recorded Return To:

Holmes Western Deer Springs, LLC
126 West Segoe Lily Dr., Ste 250
Sandy, Utah 84070

**FIRST AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
DEER SPRINGS HOMEOWNERS ASSOCIATION, INC.**

This FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR DEER SPRINGS HOMEOWNERS ASSOCIATION, INC. (the "**First Amendment**") is executed and adopted by Holmes Western Deer Springs, LLC (the "**Declarant**").

RECITALS

A. The Declaration of Covenants, Conditions, and Restrictions for Deer Springs Homeowners Association, Inc. was recorded on September 15, 2020 as Entry No. 484659 in the office of the Wasatch County Recorder (hereinafter the "**Declaration**").

B. This First Amendment affects the real property located in Wasatch County, State of Utah, described with particularity on Exhibit A, which exhibit is attached hereto and incorporated herein by reference.

C. The Declarant desires to amend the Declaration as set forth in this First Amendment to clarify the Association's insurance obligations.

D. Unless otherwise set forth herein, the capitalized terms shall have their same meanings and definitions as stated in the Declaration.

E. Pursuant to Article XV, Section 15.1 of the Declaration, the Declarant has the sole authority to amend the Declaration during the Period of Declarant Control.

F. As of the date of the recording of this First Amendment, the Period of Declarant Control remains in effect.

AMENDMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the Declarant hereby executes this First Amendment, which shall be effective as of its recording date with the Wasatch County Recorder's office.

(1) Amendment No. 1. Section 8.2 of Article VIII shall be deleted in its entirety and shall be replaced by the following:

8.2. **Property Insurance.**

1) **Common Area Property Insurance.** To the extent that any structure that is normally insured under a property insurance policy is installed or erected on the Common Area and is the Association's obligation to maintain, the Association shall maintain a policy of property insurance covering the Common Area, including all buildings and improvements, building service equipment, and fixtures thereon.

(a) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an "all in" or "all inclusive" insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to or otherwise permanently part of or affixed to Common Areas, including but not limited to floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, and windows.

(b) At a minimum, the blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft and (2) all perils normally covered by "special form" property coverage.

(c) The blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

2) **Attached Dwelling Property Insurance.** The Association shall maintain a blanket policy of property insurance covering all buildings containing attached townhome Dwellings, including all fixtures, and building services equipment as provided in the Act. The Association may maintain broader coverage if afforded by the insurance contract.

(a) The blanket policy shall exclude land and other items not normally and reasonably covered by such policies. The blanket policy shall be an "all in" or "all inclusive" insurance as those terms are used in the insurance industry and shall include insurance for any fixture, improvement, or betterment installed in or to the Dwelling or any Limited Common Areas or otherwise permanently part of or affixed to Common Areas, Dwellings, or Limited Common Areas, including but not limited to floor coverings, cabinets, light fixtures, electrical fixtures, heating and plumbing fixtures, paint, wall coverings, windows.

(b) At a minimum, the blanket policy shall afford protection against loss or damage by: (1) fire, windstorm, hail, riot, aircraft, vehicles, vandalism, smoke, and theft; and (2) all perils normally covered by "special form" property coverage.

(c) The blanket policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all property covered by such policy (including the Dwellings) at the time the insurance is purchased and at each renewal date. The actual replacement cost of the property shall be determined by using methods generally accepted in the insurance industry.

(d) The blanket policy shall include either of the following endorsements to

assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement under which the insurer agrees to replace the insurable property regardless of the cost; and (2) a Replacement Cost Endorsement under which the insurer agrees to pay up to one hundred percent (100%) of the Property's insurable replacement cost but not more. If the policy includes a coinsurance clause, it must include an Agreed Amount Endorsement which must waive or eliminate the requirement for coinsurance.

(e) Each property policy that the Association is required to maintain shall also contain or provide for the following: (i) "Inflation Guard Endorsement," if available, (ii) "Building Ordinance or Law Endorsement," (the endorsement must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction), and (iii) "Equipment Breakdown," if the project has central heating or cooling or other equipment or other applicable fixtures, equipment, or installation, which shall provide that the insurer's minimum liability per accident at least equals the lesser of two million dollars (\$2,000,000) or the insurable value of the building containing the equipment.

(f) The costs of the attached dwelling property insurance shall be allocated only to the Dwellings benefitted by such insurance as part of a Service Area assessment.

(g) If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner then the Association's policy provides primary insurance coverage, and: (i) the Owner is responsible for the Association's policy deductible; and (ii) the Owner's policy, if any, applies to that portion of the loss attributable to the Association's policy deductible.

(h) The Association shall provide notice to each Owner of the Owner's obligation under Subsection (g) above for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice of the initial deductible, it shall be responsible for the entire deductible in case of any loss. If the Association fails to provide notice of any increase in the deductible, it shall be responsible for paying any increased amount that would otherwise have been assessed to the Owner. The failure to provide notice shall not invalidate or affect any other provision in this Declaration.

(i) If, in the exercise of its business judgment, the Board determines that a claim is likely not to exceed the Association's policy deductible: (i) the Owner's policy is considered the policy for primary coverage to the amount of the Association's policy deductible; (ii) an Owner who does not have a policy to cover the Association's property insurance policy deductible is responsible for the loss to the amount of the Association's policy deductible; and (iii) the Association need not tender the claim to the Association's insurer.

(j) The Association shall have no responsibility to provide property insurance coverage for any detached Dwellings in the Project.

EXHIBIT A
Legal Description

Lots 1 through 45 and common area of **DEER SPRINGS SUBDIVISION, PHASE 1, 1ST AMENDED** according to the official plat on file in the office of the Wasatch County Recorder as Entry Number 495178.

Parcel Numbers: 00-0021-5200 through 00-0021-5230
00-0021-5702 through 00-0021-5706

****** This First Amendment shall not be recorded against Parcels A through E of the DEER SPRINGS SUBDIVISION, PHASE 1, 1ST AMENDED ******