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PARADISE COVE HOMEOWNERS ASSOCIATION

A UTAH NON-PROFIT CORPORATION

PARADISE COVE PHASE I, PHASE II, PHASE III

Resolution of the Board of Trustees

WHEREAS, Article II, Section 5 of the Declaration of Covenants, Conditions and Restrictions for Paradise Cove Townhomes (“**Declaration**”) allows the Board of Trustees (“**Board**”) to promulgate and enforce reasonable rules and regulations for the governance of the Paradise Cove Homeowners Association (“**Association**”);

WHEREAS, Article V, Section 1 of the Declaration authorizes the Association to maintain casualty and fire insurance for all Townhomes within the Association, including the structural portions and fixtures thereof;

WHEREAS, the Board has elected to maintain casualty insurance coverage for the Townhomes within the Association, pursuant to Article V, Section 1 of the Declaration;

WHEREAS, the insurance premiums for all insurance policies maintained by the Association are paid through common assessments levied on all Owners (The term “**Owners**” used herein shall have the same meaning as specified in Article I of the Declaration.);

WHEREAS, the insurance coverage on the Townhomes confers a substantial benefit upon all Owners within the Association;

WHEREAS, the Board deems it necessary and in the best interest of the Association to adopt this resolution setting forth certain requirements for individual Owners who are benefitted by the Association’s casualty insurance policies;

NOW, THEREFORE, IT IS RESOLVED that the following policy is adopted by the Board:

Insurance Coverage Requirements

1. **Insurance**. The Association, through its Board, hereby adopts a policy whereby the Association will maintain casualty insurance on all Townhomes within the Association to protect against damage or loss, as determined by the Board. Such insurance shall be periodically reviewed by the Board, no less than annually. Such insurance policies shall be paid for by common assessments levied in accordance with the Association’s governing documents.

2. **Owner Insurance**. All Owners are strongly encouraged to maintain adequate HO-6 insurance policies for their individual Townhomes and contents, which we strongly recommend includes loss assessment coverage of at least \$25,000.00. The Board shall have the right, but not the obligation, to review and require proof of insurance from all Owners regarding such insurance policies. The Board may levy fines or implement other enforcement remedies consistent with the Declaration for failure to comply with these insurance requirements.

3. Coverage and Deductible. The Association's insurance policy shall be primary in any repair or reconstruction to a Townhome caused by damage or loss covered under the policy. The Association shall undertake the repair and reconstruction of any Townhome through use of the proceeds of the Association's insurance policy.

In the event of a loss covered by the Association's insurance policy, the Owner(s) of the Townhome(s) to be repaired or reconstructed shall be responsible to pay the first \$1,000 of the Association's insurance deductible, which may be covered by the Owner's HO-6 policy. Owners shall be individually responsible for any damage of less than \$1,000 to their Townhomes, which may be covered by the Owner's HO-6 policy or out of pocket. No claim shall be filed on the Association's insurance policy for any damage less than \$1,000.

Notwithstanding anything above, the Association as a whole shall be responsible for the entire deductible in the case of earthquake damage to the Townhomes. In the case of such an event, the deductible will be paid through a special assessment upon all Owners.

NOW, BE IT FURTHER RESOLVED that a copy of this Resolution shall be distributed to all Owners and recorded in the office of the Washington County Recorder.

DATED this 18th day of April, 2011.

ATTEST

Pete Voural

President, Paradise Cove Homeowners Association

Boyd A. Bell

Secretary, Paradise Cove Homeowners Association

STATE OF UTAH)
COUNTY OF Washington) :ss

The foregoing Resolution was acknowledged before me on this 18th day of April, 2011 by Pete Voural, and Boyd A. Bell, as President and Secretary of the Paradise Cove Homeowners Association.

Paula Diann McEntire
Notary Public for Utah

