

Amended Restrictive Covenants Page 1 of 5  
Russell Shirts Washington County Recorder  
05/06/2015 02:55:37 PM Fee \$18.00 By  
RICHARDS, KIMBLE & WINN, P.C.

After Recording Return To:

RICHARDS, KIMBLE & WINN, PC  
2040 Murray Holladay Rd., Suite 106  
Salt Lake City, UT 84117

**AMENDMENT TO THE  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
HERMOSO PUEBLO TOWNHOUSE SUBDIVISION  
A PLANNED UNIT DEVELOPMENT**

This Amendment is made on the date evidenced below by Hermoso Pueblo Townhouse Association (the "Association").

**RECITALS**

A. Certain real property in Washington County, Utah, known as Hermoso Pueblo Townhouses (Amended) was subjected to certain covenants, conditions and restrictions pursuant to a Declaration of Covenants, Conditions and Restrictions recorded February 4, 1981, as Entry No. 235225 in the Recorder's Office for Washington County, Utah (the "Declaration").

B. This amendment shall be binding against the property described in the Declaration and any annexation or supplement thereto, described as follows:

All Lots, HERMOSA PUEBLO TOWNHOUSES AMENDED, according to the plat(s) thereof, and any subsequent amendments thereto or substitutes thereof, as recorded in the office of the Washington County Recorder.

C. In order to clarify certain provisions, remove outdated and illegal language, make the Declaration consistent with Utah law, and to increase the Association's ability to meet its financial obligations by timely collecting delinquent assessments, the Association deems it necessary and in the best interests of the Members to adopt the following amendments.

D. Pursuant to Utah Code § 57-8a-104, the undersigned hereby certifies that at least 67% of the voting interests have approved this amendment and that all of the requirements to amend the Declaration have been satisfied.

**AMENDMENT 1. NOW, THEREFORE,** the Association hereby amends **Article V, Section 1** of the Declaration to delete the last sentence and to add the following sentence:

In a voluntary conveyance, the grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his or her share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee.

**AMENDMENT 2. NOW, THEREFORE,** the Association hereby amends Article V, Section 3 of the Declaration to read as follows:

Section 3 - Basis and Maximum of Annual Assessments: The annual assessment may not be increased by more than 20% per year by the Board of Directors unless a vote of the members is conducted and the votes cast approving the increase exceed the votes cast against the increase.

**AMENDMENT 3. NOW, THEREFORE,** the Association hereby amends Article V, Section 8 of the Declaration changing the interest rate for delinquent assessment payments from 12% to 18%.

**AMENDMENT 4. NOW, THEREFORE,** the Association hereby amends Article V, Section 12 of the Declaration to read as follows:

Section 12 - Insurance.

12.1. The Association shall obtain the following types of insurance:

(a) Liability. A public general liability insurance policy covering the Association, its officers, Board members and managing agents, having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence or in an amount not less than the minimum amount required by applicable law, ordinance or regulation. Coverage under this policy shall include, without limitation, 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;

(b) Property. Blanket property insurance or guaranteed replacement cost insurance with not less than 100% of the full replacement cost for the physical structure of all attached dwellings, limited common areas appurtenant to a dwelling on a Lot, and Common Areas, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils, and including coverage for any fixture, improvement, or betterment installed at any time to an attached dwelling or to a Limited Common Area appurtenant to a dwelling on a Lot, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to an attached dwelling or to a Limited Common Area;

(c) Fidelity Insurance or Bond. The Association shall obtain and maintain adequate fidelity coverage to protect against dishonest acts by its officers, members of the Board, employees, and all others who are responsible for handling funds of the Association, including any property manager. Such fidelity coverage shall: (i) name the Association as an obligee; (ii) not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or managing agent, as the case may be, at any given time, and shall in no event be in an amount less than three months assessments on all Lots

plus reserves; (iii) contain an appropriate endorsement(s) to the policy to cover any persons who serve without compensation if the policy would not otherwise cover volunteers, and to cover the Association's management agent, if the Association has delegated some or all of the responsibility for the handling of funds to a management agent; (iv) provide that coverage may not be canceled or substantially modified (including cancellation for nonpayment of premiums) without at least ten (10) days prior written notice to the Association or any insurance trustee.

(d) Directors and Officers (D&O) Insurance. The Association shall purchase and maintain insurance on behalf of any person who was or is a Board member or officer of the Association, and any other person the Association is required by law or contract to indemnify, against any liability asserted against him or her or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under the laws of the state of Utah, as the same may hereafter be amended or modified.

(e) Other Insurance. The Association shall obtain such other insurance if and to the extent required by law or as the Board deems necessary from time to time, such as workers' compensation insurance.

12.2 Acceptable Insurance Providers. The Association shall use generally acceptable insurance carriers.

12.3 Lot Owner Insurance Responsibility.

12.3.1 Master Policy Deductible. For covered losses to Lots, the Association's policy is primary but the Lot Owner is responsible for the Association's policy deductible (which shall be an automatic Assessment against such Owner 30 days after substantial completion of the repairs to, as applicable, the Lot, a dwelling on the Lot, or the limited common area appurtenant to the Lot) as follows:

(a) If a loss occurs that is covered by the Association's policy and by a Lot Owner's policy, the Association's policy provides primary insurance coverage and the Lot Owner's policy applies to that portion of the loss attributable to the policy deductible of the Association.

(b) If a Lot, or Limited Common Area or facility appurtenant to a Lot, suffers damage as part of a covered loss, the Lot Owner is responsible for an amount calculated by applying the percentage of total damage resulting in a covered loss that is attributable to Lot damage for that Lot to the amount of the deductible under the Association's policy. The amount of the deductible under the Association's policy shall be determined by the Board from time to time. The Association shall provide notice to the Lot Owners of any change in the amount of the deductible.

**12.3.2 Contents of Lot/Unit.** The Association's policy does not cover the contents of a Lot or dwelling unit or a Lot Owner's personal property. Each Lot Owner is strongly encouraged to obtain insurance coverage for contents of their Lot or dwelling unit, as well as for coverage in the event the Owner has to pay the Association policy deductible as provided above.

**12.3.3 Loss Due to Fault of Another.** This Declaration does not prevent a person suffering a loss as a result of damage to property from asserting a claim, either directly or through subrogation, for the loss against a person at fault for the loss, except that, notwithstanding the foregoing, an insurer under a property insurance policy or liability insurance policy obtained by the Association waives the insurer's right to subrogation under the policy against: (a) any person residing with the Lot owner, if the Lot owner resides in the dwelling unit, and (b) the Lot owner.

**12.3.4 Acceptable Contractors.** No work on any part of the Property, including Lots and dwelling units, shall be performed for repair or replacement due to a covered loss except by a licensed contractor carrying adequate liability and workers compensation insurance, whether such person is hired by an Owner or the Association.

#### **12.4 Power of Attorney**

**12.4.1** Notwithstanding any of the foregoing provisions and requirements relating to Association property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any insurance trust agreement (the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing property or liability insurance and to perform such other functions as are necessary to accomplish this purpose. By purchasing a Lot, all Owners appoint the Association or any Insurance Trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining the insurance specified in this section, including: (1) the collection and appropriate disposition of the proceeds thereof; (2) the negotiation of losses and execution of releases of liability; (3) the execution of all documents; and (4) the performance of all other acts necessary to accomplish such purpose.

**12.4.2** By purchasing a Lot, all Owners appoint the Association or any trustee designated by the Association as attorney-in-fact for the purpose of representing the Owners in condemnation proceedings or negotiations, settlements, and agreements with the condemning authority for acquisition of the Common Areas, or part thereof, by the condemning authority.

**AMENDMENT 5.** NOW, THEREFORE, the Association hereby amends Article VIII of the Declaration by deleting the term "exterior air-conditioner units" where it currently exists and by adding the following sentence: "Exterior air-conditioner units are the sole responsibility of the Lot Owner to maintain, repair and replace."

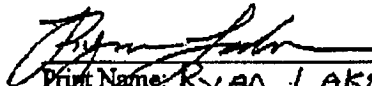
**AMENDMENT 6.** NOW, THEREFORE, the Association hereby amends Article XIII "Age Restriction" of the Declaration by deleting it in its entirety.

**AMENDMENT 7.** NOW, THEREFORE, the Association hereby amends that document recorded March 1, 1995, titled "Hermoso Pueblo Townhouse Subdivision" and recorded as Entry No. 00493524 to delete the following paragraph:

"CHILDREN shall not use the street or garden area in front of the units as playgrounds. In the street because of danger to the children and the tenants (some have impaired hearing or sight). In the garden area because of damage to plants and landscape."

IN WITNESS WHEREOF, Hermoso Pueblo Townhouse Association has executed this Amendment to the Declaration as of the 4th day of May, 2015.

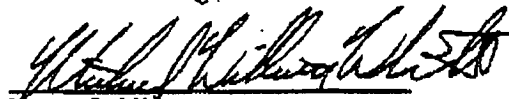
**HERMOSO PUEBLO  
TOWNHOUSE ASSOCIATION**

  
Print Name: RYAN LAKE  
Its:

State of Utah )  
County of Washington )  
:ss

Subscribed and sworn to before me on the 4th day of May, 2015, by  
RYAN LAKE



  
Notary Public