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all Brook Haven PUD

**FIRST AMENDMENT TO THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AND RESERVATION OF
EASEMENTS FOR
BROOK HAVEN, A PLANNED UNIT DEVELOPMENT**

THIS FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND RESTERVATION OF EASEMENTS FOR BROOK HAVEN, A PLANNED UNIT DEVELOPMENT (this "Declaration") is made as of August 27, 2007 by the Association.

RECITALS

- A. The original Declaration of Covenants, Conditions and Restrictions and Reservation for Brook Haven, A Planned Unit Development (the "Original Declaration") was recorded with the Davis County Recorder on September 1, 2001, as Entry 1657726, Book 2798, starting at Page 487 by Greg M. Larsen and Hubert C. Burton who were the Declarants.
- B. As authorized by Article XVII of the Original Declaration, the Association hereby amends the Original Declaration as set forth herein.
- C. The Association desires to change the original Declaration provisions regarding the property casualty insurance provision from an association level to an individual homeowner's level except for the common area of the Association.

AMENDMENTS

1. ARTICLE XIII is hereby amended in its entirety to read as follows:

ARTICLE XIII

Insurance

Section 1. Common Area. The Association shall keep all buildings, improvements and all fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by

the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the Owner and Beneficiary or such insurance. The insurance coverage with respect to the Common Area shall be written in the name of and proceeds shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

Section 2. Insurance on Dwelling Units. The Association shall not be required to maintain any insurance policy on the Dwelling Units individually or collectively. It is the responsibility of each Dwelling Unit owner to obtain their own policy to cover damages to but not limited to the exterior, interior, roof, HVAC, windows, siding, and decks. Notwithstanding the foregoing, the Association shall be named as an interested party on the individual Dwelling Units' insurance policy. The purpose of which is to provide notice to the Association. This does not require the Association to obtain their own policy on the Dwelling Unit however, if the Association deems it advisable to obtain such a policy in absence of the individual owner, the Association may assess that individual owner the premium charge for obtaining such a policy. The amount of the policy shall be the then property tax valuation reported by the Davis County Treasurer for that individual Dwelling Unit for the current year.

Section 3. Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area facilities or other improvements in the Properties insured by the Association, the Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article XII of this Declaration. If such insurance proceeds are insufficient to cover the costs of such repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Common Assessments made against such Lot Owner in accordance with the provisions of Article VI, Section 5 of this Declaration. In the event of total destruction of all of the improvements in the Properties, the proceeds of the insurance carried by the Association shall be divided proportionately among the Lot Owners, such proportion based upon the original base sales price of each improved lot at the time it was initially sold by the Declarant, provided that the balance then due on any valid encumbrance of record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Lot is so encumbered.

Section 4. Waiver of Subrogation. As to each policy of insurance maintained by the Association, which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owner, the Manager, Declarant and the agents and employees of each of the foregoing with respect to any loss covered by such insurance, whether or not caused by negligence or

of breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 5. Liability Insurance. The Association shall obtain comprehensive public liability insurance, including medical payments, liquor liability insurance and malicious mischief, in the amount of 1,000,000.00 per occurrence for personal injury and/or property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other. Such insurance shall contain a "severability of interest" clause or endorsement which shall preclude the insurer from denying the claim of a Lot Owner because of negligent acts of the Association or other Lot Owners.

The Association shall obtain liability coverage on members of the Board of Directors for negligent conduct.

Section 6. Other Insurance and General. The Association may also obtain, through the Board of Directors, Workman's Compensation Insurance and other liability insurance as it deems desirable, insuring each Lot Owner and the Association, Board of Directors and Manager from liability in connection with the Common Area and the premiums for which are Common Expenses including in the Common Assessments made against the Owners. Such insurance policies shall have severability of interest clauses or endorsements which shall preclude the insurer from denying the claim of a Lot Owner because of the negligent acts of the Association or other dwelling unit Owners.

All policies shall be reviewed at least annually by the Board of Directors and the limits increased at its discretion.

Notwithstanding any other provision herein, the Association shall continuously maintain in effect such casualty, flood and liability and bonds and other insurance meeting the requirements for planned unit developments established by the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), and the Federal Home Loan Mortgage Corporation (FHLMC), so long as there are any mortgages on any of the Properties.

Section 7. Hazard Insurance. Each Owner shall be responsible for hazard insurance on the contents of his property.

