

SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR  
PARKSIDE AT GOVERNOR'S RANCH HOMES ASSOCIATION

THIS AMENDMENT DECLARATION is made this 14th day of February, 2003  
by the undersigned, WITNESS THAT:

WHEREAS, the undersigned represent the Board of Directors elected by  
the homeowners of all lots in Governor's Ranch Filing No. 12, Jefferson County,  
Colorado, who are entitled to amend the Declaration of Covenants, Conditions and  
Restrictions for Parkside at Governor's Ranch Homes Association recorded in  
Jefferson County, Colorado, on December 11, 1984 under Reception No. 84114258  
pursuant to Article XVI, Section V, thereof,

NOW, THEREFORE, amends ARTICLE VII INSURANCE (Section 1,  
paragraph C; Section 2, Section 4 and Section 5), as well as ARTICLE V,  
COVENANT FOR MAINTENANCE ASSESSMENT, Section 4.

In ARTICLE VII INSURANCE these changes were made:

From page 12, Section 1. Insurance Requirements Generally, paragraph C:

Provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

Any insurance policy may contain deductible provisions. Any loss falling within the deductible portion of the policy shall be borne by the Association, except for wind and hail damage. Deductibles for wind and hail damage shall be collected by the Association using a special assessment. Funds for deductibles other than wind or hail must be included in the Association's reserves and be so designated. The cost and expense of all insurance obtained by the Association shall be paid out of Association funds collected by insurance assessments, as provided in this Declaration.

Proposed change

Provide that the policy of insurance shall not be terminated or cancelled or substantially modified without at least thirty (30) days' prior written notice to the Association.

Any insurance policy may contain deductible provisions not to exceed the lower of \$10,000 or 1% of the applicable amount of coverage. Any loss falling within the deductible portion of a policy shall be borne by the Association and funds for such deductibles must be included in the Association's reserves and be so designated. The cost and expense of insurance obtained by the Association shall be paid for out of Association funds collected by insurance assessments, as provided for in this declaration.

From page 13, Section 2:

2

**Section 2. Casualty Insurance.**

The Association or its agents shall obtain and maintain at all times insurance coverage providing all risk coverage or the nearest equivalent available for the full replacement cost of the Common Area improvements and personal property of the Association, and each Living Unit in the amount of the full replacement value without deduction for depreciation or coinsurance. The insurance shall be carried in blanket policy form naming the Association the insured, shall identify each Owner and the address of his Living Unit, shall provide a standard non-contributory mortgagee clause in favor of each first mortgagee, and shall provide that it cannot be cancelled by either the insured or the insurance company until after at least thirty (30) days prior written notice is given to each Owner and each first mortgagee. Proceeds from insurance on a Living Unit shall be paid to the Association as trustee for the Owner of the Living Unit. The Association shall furnish a certified copy of such blanket policy and the certificate identifying the interest of the mortgagor, to any party in interest at his request. All policies of insurance shall provide that the insurance covering the interest of a particular Owner shall be invalidated or suspended only if such Owner is guilty of a breach of warranty, act, omission, negligence or non-compliance with any provision of such policy, including nonpayment of the insurance premium applicable to his interest, or if he permits or fails to prevent the happening of any event, either before or after a loss which under the provision of such policy would invalidate or suspend the entire policy, but the insurance under any such policy as to the interest of all other insured Owners not guilty of any such act or omission shall not be invalidated or suspended and shall remain in full force and effect.

The insurance described in this paragraph shall be inflation coverage insurance, if such insurance is available, which insurance at all times represents one hundred percent (100%) of the replacement value of each Living Unit and all facilities in the Common Area except land, foundation, excavation and other items normally excluded from coverage and except for any deductible provisions as permitted under Section 1 hereof. The Association shall at least annually obtain an appraisal for insurance purposes which shall be maintained as a permanent record showing that the insurance in any year represents one hundred percent (100%) of the replacement value of each Living Unit and any facilities in the Common Area.

**Proposed change**

The Association or its agents shall obtain and maintain at all times insurance coverage providing all risk coverage or the nearest equivalent available for the full replacement cost of the Common Area improvements and personal property of the Association, in the amount of the full replacement value without deduction for depreciation or coinsurance.

The insurance described in this paragraph shall be inflation coverage insurance, if such insurance is available, which insurance at all times represents one hundred percent (100%) of the replacement value of all facilities in the Common Area except land, foundation, excavation and other items normally excluded from coverage and except for any deductible provisions as permitted under Section 1 hereof.

From page 14, Section 4 and Section 5

3

**Section 4. Workmen's Compensation and Employer's Liability Insurance.**

The Association shall obtain and maintain workmen's compensation and employer's liability insurance as may be necessary to comply with applicable laws.

**Proposed change**

*Eliminate Section 4, as Parkside does not have any employees.*

**Section 5. Insurance by Owners.**

Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper and other items of personality, or other property belonging to an Owner, and public liability coverage within each Living Unit, shall be the sole and direct responsibility of the Owner(s) thereof, and the Association, its Board of Directors and/or the managing agent of the Association shall have no responsibility therefor. Owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further that no liability of the carriers issuing insurance obtained by the Association shall be affected or diminished by reason of any such additional insurance carried by any Owner.

**Proposed change**

Insurance coverage on the exterior as well as the interior furnishings, along with public liability coverage, shall be the sole and direct responsibility of the owner(s) of the Living Unit. Commencing January 18, 2003, at 12:01 a.m., the Association, its Board of Directors, and/or managing agent of the Association shall not be responsible for any insurance on the Living Units.

**In ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS this change was made:**

**From page 7, Section 4:**

**Section 4. Insurance Assessment.**

Assessments against each Lot shall be made at least annually sufficient in amount to pay in advance the casualty insurance premiums on the blanket policy provided for in Section 2 of Article VII. The Association shall allocate such insurance premiums equally among the Lots on which Living Units have been completed without reference to the size of the Living Units.

**Proposed change**

Assessment against each Lot shall be made at least annually sufficient in amount to pay in advance the casualty insurance premiums on the policy provided for in Section 2 of Article VII. The Association shall allocate such insurance premiums equally among the Lots.

