

**FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF  
COVENANTS AND RESTRICTIONS  
(KEN CARYL RANCH TOWNHOMES)**

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The following is an amendment to the Supplemental Declaration Of Covenants And Restrictions for KEN CARYL RANCH TOWNHOMES, dated February 1, 1979 and recorded on May 8, 1979 at reception number 79040260 in the records of the Clerk and Recorder of Jefferson County, in the State of Colorado.

I. To said Covenants And Restrictions, Article VI, entitled "Covenant For Maintenance Assessments" a Section 17 shall be added as follows:

Section 17. Maintenance Responsibility For Exterior Surfaces of Townhomes. The Subassociation shall provide, in addition to maintenance upon the Common Properties, exterior maintenance upon each structure as follows: repair and maintenance of all exterior surfaces, including but not limited to: fences which are not shared by two Lot Owners, brick, siding, concrete, fascia board, roofs, shingles, underlayment and gutters, down spouts, trimboards, but excluding skylights. Repairs by the Subassociation to skylights will be limited to caulking and/or fastening of flashing. Repairs and maintenance to the roof deck (structural portion of roofs) will be completed by the Subassociation in those instances whereby the need for repair is due to the weathering process.

The scheduling of preventive maintenance to exterior surfaces will occur on a rotating basis with approximately 25% of the homes receiving this maintenance each year, with the specific priority to be determined by the Subassociation. The Subassociation shall have the sole discretion to determine whether to repair or replace and the method for repair and replacement. The Subassociation shall not be responsible for damage caused by ground movement, ground water, surface water action, (except sprinkler water), or defective construction.

The Owner shall be responsible for providing maintenance to all doors and door jambs, including painting of doors and thresholds. The Owner shall be responsible for maintenance of garage doors except that the Subassociation shall be responsible for exterior painting of the garage doors. Each Owner shall be responsible for all interior maintenance and repair, including without limitation, routine maintenance and cleaning of the structure, any fixtures, furnishings, equipment and appliances located thereon, windows, glass and screen surfaces, skylights, patios, decks, planters, flower boxes of any type, and any fence which is shared with another Lot Owner.

In the event that the need for exterior maintenance or repair of a structure is caused through the willful or negligent acts or omissions by the Owner, or the Owner's family, guests, or invitees or the Owner's pets, the cost of such exterior maintenance or repair shall be added to and become part of the assessment charged to the Owner and shall be an addition to any annual or special assessment for which the Owner is responsible. The cost

of such exterior maintenance or repair shall be the personal obligation of the Owner of the property and a continuing lien upon the property and subject to provisions of Article VI, hereof. The Subassociation in its sole discretion, shall determine the cause for exterior maintenance.

II. To said Covenants And Restrictions, Article X, entitled "General Provisions" Section 7(A) shall be amended to read as follows:

Section 7. Insurance, Management Contracts, Conflicts, Declaration, Articles, Bylaws.

A(1) Insurance on Common Area. The Subassociation shall include in the assessment levied an amount for casualty insurance. The Subassociation shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance:

(a) A policy of property insurance covering all insurable improvements located on the Common Area, with "Replacement Cost Endorsement" providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and including an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement." The Association may also purchase a "Demolition Endorsement", an "Increased Cost of Construction Endorsement", a "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent, and/or coverage on personal property owned by the Association. Such insurance as maintained by the Association pursuant to this subsection shall afford protection against at least the following:

(1) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and

(2) such other risks as shall customarily be covered with respect to projects similar in construction, location and use including all perils normally covered by the standard all risk endorsement, where such is available.

(b) A comprehensive policy of public liability insurance covering all of the Common Area, insuring the Association in an amount not less than \$1,000,000.00 covering bodily injury, including death to persons, personal injury and property damage liability arising out of a single occurrence. Such coverage shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Area, legal liability arising out of the law suits related to employment contracts of the Association, and protection against liability for non-owned and hired automobile; such coverage may also include, if applicable, garagekeeper's liability, liability for property of others, host liquor liability, water damage liability, contractual liability, workmen's compensation insurance for employees of the Association, and such other risks as shall customarily be covered with respect to projects similar in construction, location, and use.

(c) A policy providing adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the part of the officers, directors, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association. Such fidelity coverage or bonds shall meet the following requirements:

- (1) all such fidelity coverage or bonds shall name the Association as an obligee;
- (2) such fidelity coverage or bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(d) If the Common Area, or any portion thereof, is located within an area identified by the Federal Emergency Management Agency as having special flood hazards, and flood insurance coverage on the Common Area has been made available under the National Flood Insurance Program, then such a policy of flood insurance on the Common Area in an amount at least equal to the lesser of:

- (1) the maximum coverage available under the National Flood Insurance Program for all buildings and other insurable property located within a designated flood hazard area; or
- (2) one hundred percent (100%) of current replacement cost of all buildings and other insurable property located within a designated flood hazard area.

(e) In addition, the Association may obtain insurance against such other risks of similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available, including but not limited to personal liability insurance to protect directors and officers of the Association from personal liability in relation to their duties and responsibilities in acting as directors and officers on behalf of the Association.

All such policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Member of the Association and shall provide that the policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to the insured, as well as to the First Mortgagees of any Lot. Duplicate originals of all policies and renewals thereof, together with proof of payment of premiums, shall be delivered to any First Mortgagee of any Lot upon written request. The insurance shall be carried in blanket form naming the Association, as the insured, as trustee and attorney in fact for all Owners, and each Owner shall be an insured person under such policies with respect to liability arising out of any such Owner's membership in the Association.

A(2) Insurance on the Structures on Lots. The Board of Directors of the Subassociation or its agent shall obtain and maintain, at all times, insurance of the type and kind hereinafter provided, to the extent that such insurance is reasonably available,

considering the availability, cost and risk coverage provided by such insurance: A policy of property insurance covering the residences located on each Lot with a "Replacement Cost Endorsement" providing that any claim will be settled on a full replacement cost basis without deduction for depreciation, and including an "Inflation Guard Endorsement" and an "Agreed Amount Endorsement". The Association may also purchase a "Demolition Endorsement", an "Increased Cost of Construction Endorsement" and/or a "Contingent Liability from Operation of Building Laws Endorsement" or the equivalent. Such insurance as maintained by the Subassociation pursuant to this section shall afford protection against at least the following:

- (a) loss or damage by fire and other perils normally covered by the standard extended coverage endorsement; and
- (b) such other risks as shall customarily be covered with respect to projects in construction, location and use, including all perils normally covered by the standard all risk endorsement, where such is available.

The insurance as provided in this Section 2 shall be carried in blanket policy form naming the Association, as insured, as trustee and attorney in fact for all Owners. The policy or policies shall contain a standard non-contributory First Mortgagee's clause in favor of each First Mortgagee and a provision that it cannot be canceled or materially altered by either the insured or the insurance company until thirty (30) days' prior written notice thereof is given to the insured and each First Mortgagee. The Subassociation shall furnish a certified copy of such blanket policy and a certificate identifying the interest of the Owner in question, to any party in interest upon request. All blanket policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of a particular Owner guilty of a breach of warrant, act, omission, negligence or non-compliance with any provision of such policy, including payment of the insurance premium applicable to that Owner's interest, or who permits or fails to prevent the happening of any event whether occurring before or after a loss, which under the provisions of such policy would otherwise 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.

A(3) Subassociation Insurance as Primary Coverage. If at the time of any loss under any policy which is in the name of the Subassociation, there is other insurance in the name of any Owner and such Owner's policy covers the same property or loss, or any portion thereof, which is covered by such Subassociation policy, such Subassociation policy shall be primary insurance not contributing with any of such other insurance.

A(4) Other Insurance to be Maintained by Owners. Insurance coverage on the furnishings and other items of personal property belonging to an Owner and public liability insurance coverage upon each Lot shall be the responsibility of the Owner thereof.

A(5) Annual Review of Insurance Policies. All insurance policies carried by the Subassociation shall be reviewed at least annually by the Board of Directors of the Subassociation to ascertain that the coverage provided by such policies adequately covers those risks insured by the Subassociation.

CERTIFICATION

The undersigned, for an on behalf of The Ken Caryl Townhouse Association, a Colorado non-profit corporation, hereby certify that the foregoing FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS was duly adopted pursuant to Article X, Section 2, of the Supplemental Declaration Of Covenants And Restrictions made February 1, 1979 and recorded May 8, 1979 at reception number 79040260, and more particularly that not less than ninety percent (90%) of the Lot Owners signed an instrument evidencing their consent to the adoption of Article VI, Section 17 and the amendment of Article X, Section 7(A).

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(SEAL)

/s/ Elmer Weigel  
President Of Ken Caryl Townhouse Association

/s/ Brad H. Sobel  
Secretary Of Ken Caryl Townhouse Association

STATE OF COLORADO )  
 )ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this 15 day of December, 1992 by Elmer Weigel as President of Ken Caryl Townhouse Association, a Colorado non-profit corporation and Brad H. Sobel as Secretary of Ken Caryl Townhouse Association, a Colorado non-profit corporation.

Witness my hand and official seal.

My Commission Expires: May 14 1994

Annemeri B. Schaffer  
Notary Public

