

# IMPORTANT NOTICE

**TO: ALL VILLAGE OF TUXFORD HOMEOWNERS**  
**FROM: BOARD OF DIRECTORS, TUXFORD HOMEOWNERS ASSOCIATION**  
**DATE: May 18, 2010**  
**RE: APPROVAL OF THE SECOND AMENDMENT TO THE VILLAGE OF TUXFORD COVENANTS, CONDITIONS AND RESTRICTIONS (CCR)**

The above amendment to our CCR, detailing the new requirements for the insurance of your property, has been approved and will become effective July 1, 2010. Currently you are insuring both the exterior and interior of your building. This new amendment will now create a master exterior insurance policy which has been secured by the Board and will cover all of our buildings under a single contract. Each homeowner will now be responsible for insuring only the interior of their home, contents, and personal liability. Enclosed is a copy of this amendment which clearly delineates elements of your home that will now be covered by the new master exterior policy, and those elements for which coverage remains the responsibility of the homeowner.

You are advised to take this enclosed copy of the CCR amendment with you when you sit down with your insurance agent to revise your current homeowners policy to a new interior and contents only policy (referred to as an HO-6 policy). This amendment will allow your agent to precisely see the exact elements of coverage for which you will now be responsible, and those elements that are covered by the master exterior policy. But remember, your existing policy must remain in force at least through June 30, 2010, with your new policy becoming effective the following day or shortly thereafter.

This master exterior policy is underwritten by Community Association Underwriters of America, Inc.(CAU), and is administered by Pence Insurance Agency, affiliated with Logan Lavelle Hunt Insurance Agency. The Board will be responsible for all the elements of exterior coverage as defined in the amendment. This added responsibility will be in addition to the existing exterior maintenance requirements that we have been and will continue to be performing per the CCR.

In order to pay for this new master exterior policy, the Board will establish an insurance reserve fund that will provide for the down payment, monthly payments, deductibles and all non-deductible claims for exterior damage. The cost to each homeowner will be an additional thirty dollars (\$ 30) per month to be added to the maintenance fee. Therefore, effective July 1, 2010, the maintenance fee will increase to two hundred twenty-five dollars (\$ 225) per month. In order to offset at least some of this additional expense, it will be important for you to negotiate with your insurance agent to get the best possible price reduction on your new coverage. Should your agent be reluctant to work with you to maximize your cost savings, the Board can provide you with several underwriters and agents who fully understand what we are trying to achieve. They will also know that your reduced coverage should definitely result in a cost reduction to you. But you must remember to have your new policy ready to be implemented on July 1, 2010, or shortly thereafter so you will not be overpaying for redundant coverage you will no longer need.

Your Board of Directors is very appreciative that most of you have supported this significant change in the way we will be insuring our buildings. We are certain going forward that all of us will realize that we will be far better protected should we have to face a significant amount of damage to our buildings in the future. With a single claims adjuster and a single contractor, this new coverage we will be maximizing the speed and effectiveness with which each claim will be processed and handled, and minimizing the confusion and delays that occur when multiple claims adjusters and multiple contractors are dealing with damage to a single building.

Finally, please understand that this amendment does not in any way change the basis of our home ownership. The Village of Tuxford remains a zero-lot line, fee simple patio-home community in which you still own your unit and the ground on which it is located. We have simply amended the way in which we insure our units.

Should you or your insurance agent have any questions or need further explanations, please feel free to contact any Board Director. If we do not have the answer you need, we will certainly be able to get to the experts who will have the required information.

- DO NOT FORGET:
- 1). MAINTAIN YOUR EXISTING POLICY AT LEAST  
THROUGH JUNE 30, 2010
  - 2). YOUR NEW POLICY SHOULD BE EFFECTIVE  
ON JULY 1, 2010, OR SHORTLY THEREAFTER
  - 3). YOUR MONTHLY MAINTENANCE FEE WILL BECOME  
\$ 225 EFFECTIVE ON JULY 1, 2010
  - 4). THIS SECOND AMENDMENT TO YOUR CCR BECOMES A  
PERMANENT ADDITION, AND SHOULD BE RETAINED  
ACCORDINGLY

Enclosure

**SECOND AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
SPRINGHURST, SECTION 15  
THE VILLAGE OF TUXFORD, PHASE I  
AND  
SPRINGHURST, SECTION 15-B  
THE VILLAGE OF TUXFORD, PHASE II**

THIS DECLARATION made and entered into by not less than 75% of the Lot owners of lots in Springhurst, Section 15, The Village of Tuxford Phase I and by not less than 75% of the Lot owners of lots in Springhurst, Section 15-B, The Village of Tuxford, Phase II for the purpose of amending the respective Declaration of Covenants, Conditions and Restrictions of each of the subdivisions which are recorded in Deed Book 6904, Page 842, in the Office of the County Clerk of Jefferson County, Kentucky and Deed Book 7194, Page 880 in the Office of the Clerk aforesaid respectively (herein collectively referred to as "the restrictions"),

**WITNESSETH:**

NOW THEREFORE, the aforementioned lot owners as evidenced by their signatures to Exhibit A attached hereto hereby adopt the amendments set forth herein and authorize the President and Secretary of The Village of Tuxford Home Owner Association a/k/a The Village of

Tuxford Home Owner Association, Inc. to execute and record same to wit:

1. Article II, Section 12, of the aforementioned Restrictions is amended to delete the existing language and substitute the following:

"Section 12. Insurance.

a. The Board of Directors of the Homeowner Association maintain in full force and effect at all times property damage insurance on the roofs, exterior doors, windows, all structural components of the buildings, building exterior finishes, building foundations, party walls, drywall on interior surfaces of exterior and party walls, and all plumbing, electrical, communication and other utility lines, and services located in either the exterior walls or party walls of the Buildings in an amount equal to one hundred percent (100%) of the replacement value thereof which value shall be determined annually by the Board in consultation with its insurance carrier. Replacement value as used herein shall be determined without deduction or allowance for depreciation, but such insurance may contain a deductible amount determined by the Board.

Such coverage shall afford the following minimum protection:

Loss and damage by fire or other hazards covered by the standard extended coverage endorsement, as well as earthquake, vandalism and malicious mischief and such other property damage insurance as the Board consider appropriate.

b. In addition to the insurance set out above, the Board shall also obtain and maintain in full force at all times the following insurance:

(i) Public liability insurance in such form and in such amounts as may be considered appropriate by the Board.

(ii) Workers Compensation insurance to the extent necessary to comply with

any and all applicable laws.

(iii) Such other insurance as is or shall hereafter be considered appropriate by the Board.

c. All policies purchased by the Board shall provide that same may not be canceled or substantially modified without at least 30 days prior written notice to the Board, all mortgages of the Co-Owners and any and all other insureds named thereon. All policies shall contain a mutual waiver of subrogation between the Homeowner Association and all individual lot owners.

d. All premiums for insurance coverage as set out herein shall be a common expense to be paid by the monthly assessments levied by the Homeowner Association against each of the lot owners, provided, that should the amount of any insurance premium be affected by the use of any particular patio home, the owner of such, as the case may be, shall be required to pay any increase resulting from such use.

e. The Board shall have the exclusive authority to adjust any losses under the said insurance policies provided, in no event shall the insurance coverage obtained and maintained by the Homeowner Association be brought into contribution with any insurance purchased by individual patio home owners or their mortgagees.

f. At his or her own expense, each patio home owner shall obtain additional insurance upon his or her patio home with coverage of not less than the minimum amounts required by the Board from time to time, and with the Homeowner Association named as either an additional insured or an additional loss payee, and shall provide earthquake coverage and shall provide a \$25,000.00 loss assessment clause with no deductible limits, provided no such insurance shall

decrease the amount the Homeowner Association may realize under any of its insurance policies. All insurance proceeds resulting from damage or destruction payable to patio home owners and mortgagees shall be deemed assigned to the Board representing the Homeowner Association. Said Board shall immediately deposit all proceeds in a separate account in an insured bank or thrift institution selected by the Board. The Board shall, with qualified supervision, oversee all repairs and all reconstruction. Disbursements shall be made from said trust account as reconstruction and repairs are made only with the approval of a majority of the members of the Board using standard construction disbursement procedures. In the event insurance proceeds are insufficient to cover the costs of reconstruction or repairs relating to the buildings and other common areas, such portion of the costs not so covered shall be paid by the patio home owners as a common expense. The Board is hereby authorized to borrow funds therefor and to amortize the payment of same over a period of time not exceeding the reasonable life of the reconstruction or repairs."

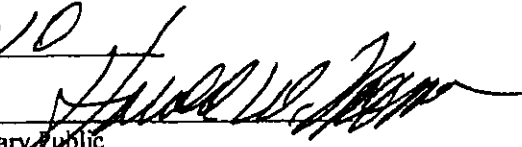
2. Article II, Section 13, of the Restrictions is hereby amended as follows:

"Section 13. Obligation To Reconstruct Or Repair. If all or any portion of a building or a common area is damaged or destroyed by fire, or other casualty, then the Homeowner Association shall promptly rebuild, repair, or reconstruct such building and/or common area in a manner which shall substantially restore same to a like new condition, to include the roof, exterior doors, windows, all structural components of buildings, building exterior finishes, building foundations, party walls, drywall on interior surfaces of exterior and party walls, and all plumbing, electrical, communication and other utility lines and services located in either the exterior walls or party walls, but excluding all such items located within the unfinished surface of the exterior walls, party walls and floors, such as carpet, cabinets, vanities, mirrors, lighting fixtures, wallpaper, interior

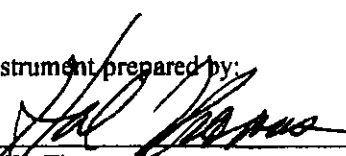


Association, Inc. this 12<sup>th</sup> day of May, 2009.

My commission expires: 8-7-10

  
Notary Public

This instrument prepared by:

  
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