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Mortgagee thereof as provided above, such insurance proceeds shall be used to restore the damaged area to a condition compatible with the remainder of the Common Elements, and any remaining proceeds shall be distributed to all Owners equally, or their Mortgagees, as their interests may appear.

Section 8.3 Liability Insurance. The Association shall obtain a comprehensive policy of public liability insurance insuring the Board, Association, any management agent, and their respective employees and agents, covering all of their activities and the Common Elements, in an amount deemed appropriate by the Board, covering all claims for bodily injury and property damage.

Section 8.4 Fidelity Insurance. The Association may, but is not required to, obtain fidelity bonds to protect against dishonest acts on the part of its officers, directors, employees and all others who handle or are responsible for handling funds of the Association.

Section 8.5 Worker's Compensation Insurance. The Association shall obtain Worker's Compensation or similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 8.6 Officers' and Directors' Personal Liability Insurance. The Association may, but is not required to, obtain officers' and directors' personal liability insurance to protect the Association's officers and directors from personal liability related to their acting as officers and directors of the Association.

Section 8.7 Other Insurance. The Association may obtain insurance against such other risks and casualties as the Board deems appropriate.

Section 8.8 Insurance Premiums. Insurance premiums for any of the above-described insurance and all other related costs shall be a Common Expense. First Mortgagees shall have the right, jointly and severally, to pay all overdue premiums on hazard insurance policies, or secure comparable new hazard insurance coverage in the event of a lapse of such a policy, for the Common Elements; any such First Mortgagee making such payment shall be owed immediate reimbursement therefor from the Association.

Section 8.9 Availability. If any insurance required by this Article is not reasonably available, or if any policy of such insurance is canceled or not renewed without a replacement policy therefor having been obtained, the Association shall promptly deliver Notice of that fact to all Owners.

Section 8.10 Casualty and Liability Insurance; Additional Requirements. The casualty and liability policies required by Sections 8.1 and 8.3 above must provide that: (i) the insurer waives its right to subrogation against any Owner or any member of the Owner's household; (ii) no act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and (iii) if, at any time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk, the Association's policy provides primary insurance.

Section 8.11 Property Insurance Adjustment. Any loss covered by the property insurance policy required by Section 8.1 above must be adjusted with the Association, but the insurance proceeds for that loss may be payable to an insurance trustee designated for that purpose or to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for all Owners and Mortgagees as their interests may appear. Subject to Section 8.2 above, all such proceeds must be disbursed first for the repair or replacement of the damaged property, and the Association, Owners, and Mortgagees are not entitled to receive payment of any portion of such proceeds unless there is a surplus after the property has been completely repaired or restored.

The Association may adopt and establish written, non-discriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to property, it shall have the authority to assess any Owners causing such loss or benefitting from such settlement all deductibles paid by the Association.

Section 8.12 Certificates of Insurance; Termination. The insurer issuing property or liability policies as required by Sections 8.1 and 8.3 above shall issue certificates or memoranda of insurance to the Association and, upon request, to any Owner or Mortgagee. Any such insurer may not cancel or refuse to renew its policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and to each Owner and Mortgagee to whom a certificate or memorandum of insurance has been furnished by the insurer.

Section 8.13 Owner's Insurance. No insurance policy issued to the Association pursuant to this Article shall eliminate or reduce the need for Owners to obtain insurance for their own benefit.



ARTICLE IX
GENERAL PROVISIONS

Section 9.1 Enforcement. The Association may take any reasonable action to perform any obligation or remedy any violation of this Declaration by any Owner and all costs thereof, costs of collection, attorney fees, fines, penalties, and interest thereon shall be a personal obligation of such Owner and a charge and lien against the Owner's Lot as provided for assessments herein. In addition, the Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all obligations, restrictions, conditions, covenants, easements, reservations, liens, and charges imposed or created by this Declaration. Failure by the Association or by any Owner to enforce any provision herein shall not be deemed a waiver thereof. To the extent the Association or any Owner exercises its rights of enforcement hereunder against any Owner, all costs thereof, costs of collection, attorney fees, and interest thereon shall be recoverable and shall also be a personal obligation of such Owner and a charge and lien against such Owner's Lot as provided for assessments herein.

Liens resulting from violations other than delinquent assessments which are controlled by Article IV may be described in an affidavit of a Director and recorded with the Weld County Clerk and Recorder and foreclosed against the Owner's Unit who is in violation in the manner for foreclosing a mortgage on real property under the laws of the State of Colorado. In the event of any such foreclosure, the Owner shall be liable for the amount of the lien, any penalties and interest thereon, the cost and expenses of such proceedings, the cost and expenses for filing the lien and all reasonable attorney's fees incurred in connection with the enforcement of the lien.

Costs and costs of collection shall include but are not limited to the hourly wage or prorated salary rate for the time expended by members of the Board of Directors, staff and employees of the Association regarding the violation.

Section 9.2 Severability. Invalidation of any provision contained herein shall in no way affect any other provisions which shall remain in full force and effect.

Section 9.3 Term. This Declaration and all provisions herein shall run with and bind the Property for an original term of twenty (20) years from the date this Declaration is first recorded, after which time it shall be automatically extended for successive terms of ten (10) years unless and until terminated. This Declaration may be terminated at any time by the filing in the records of Weld County, Colorado, a legally sufficient instrument signed by the Owners of not less than eighty percent (80%) of all Lots.

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Section 9.4 Amendment. Other than any provision herein which by its terms requires a higher voting percentage for any action, in which event such higher percentage would be required, this Declaration may be amended at any time by written consent of the Owners of not less than sixty-seven percent (67%) of the Lots; except, other than termination of this Declaration altogether or as otherwise provided herein, no amendment may increase, decrease, or otherwise alter any Declarant rights, increase the number or change the boundaries of any Lot, change the number of votes or the relative share of assessments allocated to any Lot, nor alter the use restrictions on any Lot without the unanimous written consent of all Owners. Any amendment must be recorded in the records of Weld County, Colorado, in a legally sufficient instrument prepared, executed, and certified on behalf of the Association by the President of the Association and must be indexed in the grantee's index to such records in the name of St. Michael's Subdivision.

Section 9.5 Management of the Common Elements. The Board may obtain and pay for the services of a managing agent to manage the Association's affairs to the extent it deems advisable, as well as such other persons the Board deem necessary or desirable for proper management, operation, and maintenance of the Common Elements; provided, however, that any related contract shall terminate upon not more than sixty (60) days' written notice, with or without cause, and without payment of any termination fee.

Section 9.6 Condemnation of the Common Elements. If all or any part of the Common Elements are condemned by any public authority or sold or otherwise disposed of in lieu or advance thereof, all compensation, damages, or other proceeds therefrom shall be payable to the Association. The Association shall use such proceeds for restoration of the remaining Common Elements, if possible, to pay any deficiencies in Common Expenses or to establish new or increased reserves as determined by the Board, or may distribute such proceeds equally among the Owners. Any such distributions shall be made by checks payable jointly to the Owners and their respective First Mortgagees.

Section 9.7 Payment of Taxes by First Mortgagees. First Mortgagees may, jointly or singly, pay taxes or other charges which are past due and which may or have become a charge against the Common Elements. First Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.



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Section 9.8 Indemnification. The Association shall indemnify and hold harmless the Declarant, its manager, members, agents, employees, and independent contractors from and against any and all claims, lawsuits, damages, costs, or other liabilities of any kind related to the Property or Association or any act or omission of its directors, officers, agents, employees, or independent contractors, unless caused directly by Declarant's or Declarant's managers', members', agents', employees', or independent contractors' gross negligence or intentional acts or omissions. The Association shall indemnify and hold harmless its directors, officers, agents, employees, and independent contractors from and against any and all claims, lawsuits, damages, costs, or other liabilities of any kind in any way related to the Association or Property unless caused directly by the applicable directors', officers', agents', employees', or independent contractors' gross negligence or intentional acts or omissions.

Section 9.9 Valuation of Common Elements Assessed to Lots. Subject to any applicable law to the contrary, each Lot, together with its interest in the Common Elements, shall constitute a separate parcel of real estate and shall be separately assessed and taxed. Each Owner shall be responsible for all taxes so imposed against his Lot. The valuation of the Common Elements shall be assessed proportionately to each Lot.

Section 9.10 Recording. This Declaration must be recorded in the same manner as a deed in the records of Weld County, Colorado, to be effective. In addition, a plat or map of the Property must be certified by a licensed engineer as being in compliance with the Colorado Common Interest Ownership Act, as amended, and likewise be recorded. Upon the recording hereof Declarant must deliver a copy of this Declaration to the Weld County Assessor.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand this 31st day of May, 2002.

DECLARANT:
Meyer Farm Development, Inc., a Colorado corporation
BY: Dale Boehner
Dale Boehner, Vice President



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STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The above and foregoing instrument was acknowledged before me by Dale Bohner, Vice
President of Meyer Farm Development, Inc., this 31st day of May, 2002.

WITNESS my hand and official seal.

My Commission Expires: 6-11-2005


Notary Public

