



## Third Amendment and Addition of Lots to the Declaration of Protective Covenants Saddle Ridge Subdivision (New Phases)

KNOW ALL MEN BY THESE PRESENTS, that WJE, LLC, a Wyoming Limited Liability Company (hereinafter “Grantor” or “Declarant”), as the Owner of all the following described lands in Saddle Ridge Subdivision, a Subdivision developed by the undersigned and located in Laramie County, Wyoming, as the same is more particularly described to wit:

Lots 1 – 10, Block 1,  
Lots 1 – 6, Block 2,  
Lots 1 – 11, Block 3,  
Final Plat of Saddle Ridge Subdivision, 16<sup>th</sup> Filing, City of Cheyenne, County of Laramie, State of Wyoming, as recorded with the Clerk of Laramie County, WY on 10/26/2021, Book #12, Page #74 (RECP #822971), and;

Lots 1 – 20, Block 1,  
Lots 1 – 5, Block 2,  
Lots 1 – 13, Block 3,  
Lots 1 – 36, Block 4,  
Lots 1 – 39, Block 5,  
Lots 1 – 27, Block 6,  
Lots 1 – 9, Block 7,  
Lots 1 – 14, Block 8, together with  
Tracts 1, 2, and 3,  
Final Plat of Saddle Ridge Subdivision, 18<sup>th</sup> Filing, City of Cheyenne, County of Laramie, State of Wyoming, as recorded with the Clerk of Laramie County, WY on 10/3/2022, Book #12, Page #169 (RECP #845376).

(Hereinafter referred to as “16<sup>th</sup> and 18<sup>th</sup> Filing Lots”.)

**WHEREAS**, Declarant did execute on November 6, 2017 and then cause to be recorded on November 6, 2017 that certain “Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases)” as recorded on November 6, 2017 at Book 2564, Page 902 (Reception No. 719437) in the records of the ex officio recorder and County Clerk of Laramie County, Wyoming (hereinafter “Declaration of Protective Covenants”).

**WHEREAS**, Declarant did execute and cause to be recorded on February 26, 2018 [erroneously dated 2017 in the notary block] that certain “First Amendment and Addition of Lots to the Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases)” as recorded on February 26, 2018 at Book 2576, Page 414 (Reception No. 725782) in the records of the ex officio recorder and County Clerk of Laramie County, Wyoming (hereinafter “First Amendment”).



**WHEREAS**, Declarant did execute on December 3, 2020 and then cause to be recorded on December 4, 2020 that certain “Second Amendment and Addition of Lots to the Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases)” as recorded on December 4, 2020 at Book 2708, Page 356 (Reception No. 796238) in the records of the ex officio recorder and County Clerk of Laramie County, Wyoming (hereinafter “Second Amendment”).

**NOW THEREFORE**, Pursuant to the power reserved to WJE, LLC to amend the protective covenants as long as the original intent and protection provided in the original covenants is not diminished, WJE, LLC does hereby declare covenant, agree, and make the following Third Amendment and Addition of Lots (hereinafter “Third Amendment”) to the Declaration of Protective Covenants, as to the limitations and restrictions of use to which the Lots which are within Saddle Ridge Subdivision (“the Subdivision”) may be put:

**A.** The following lots being owned by WJE, LLC, a Wyoming limited liability company, are hereby added to the Declaration of Protective Covenants and Amendments:

The 16<sup>th</sup> and 18<sup>th</sup> Filing Lots legally described as:

Lots 1 – 10, Block 1, Lots 1 – 6, Block 2, Lots 1 – 11, Block 3, Final Plat of Saddle Ridge Subdivision, 16<sup>th</sup> Filing, City of Cheyenne, County of Laramie, State of Wyoming, as recorded with the Clerk of Laramie County, WY on 10/26/2021, Book #12, Page #74 (RECP #822971), and;

Lots 1 – 20, Block 1, Lots 1 – 5, Block 2, Lots 1 – 13, Block 3, Lots 1 – 36, Block 4, Lots 1 – 39, Block 5, Lots 1 – 27, Block 6, Lots 1 – 9, Block 7, Lots 1 – 14, Block 8, together with Tracts 1, 2, and 3, Final Plat of Saddle Ridge Subdivision, 18<sup>th</sup> Filing, City of Cheyenne, County of Laramie, State of Wyoming, as recorded with the Clerk of Laramie County, WY on 10/3/2022, Book #12, Page #169 (RECP #845376).

**B.** The Declaration of Protective Covenants, and the First and Second Amendments, are hereby amended as follows:

1. The Paragraph entitled “Intent” in the Declaration of Protective Covenants is hereby amended to include the following language:

“It is intent of these covenants to create a common interest community that is managed and governed by the membership of an association made up of its resident/homeowners (the “Association”). Any new lot added to the Declaration of Protective Covenants, beginning with the Third Amendment moving forward, shall be included in the membership this new Homeowner’s Association. The Association shall be responsible for the ownership and maintenance of all common elements within the Saddle Ridge Subdivision that are not dedicated or maintained by the City of Cheyenne. The Association shall be vested with the jurisdiction to govern said common elements as well as to enforce any term set forth in the Declaration of Protective Covenants.”

2. Declarant has or will cause “Saddle Ridge Master Homeowners Association, Inc.,” a Wyoming nonprofit corporation, to be incorporated under the laws of the State of Wyoming (the “Association”), as an Owner’s Association for the purpose of exercising the



functions as set forth with regard to the 16<sup>th</sup> and 18<sup>th</sup> Filing Lots. The Association has been or shall be organized prior to the date that the first Lot in the 16<sup>th</sup> and 18<sup>th</sup> Filing Lots is conveyed to an Owner by Declarant. The Association shall have the duties, powers and rights set forth in these Covenants and by the Association's Articles of Incorporation and Bylaws. Covenants setting forth the operation, obligations, duties, and powers as well as the basic structure and functionality of the Association are set forth in the special Covenants relating to the Saddle Ridge Master Homeowners Association which are attached hereto and incorporated herein this Amendment and the Declaration of Protective Covenants as Exhibit "A."

3. Covenants relating to Declarant and Common Elements:

3.1 Maintenance of Common Elements. The maintenance, upkeep, repair and improvement of certain open space, common elements, and fixtures and/or improvements shall be the responsibility of the Association. The areas designated as common elements at the time these Covenants are Tracts 1, 2, and 3 of the Final Plat of Saddle Ridge Subdivision, 18<sup>th</sup> Filing, City of Cheyenne, County of Laramie, State of Wyoming, as recorded with the Clerk of Laramie County, WY on 10/3/2022, Book #12, Page #169 (RECP #845376) including any and all improvements, structures, and pathways located on those Tracts not maintained by the City of Cheyenne. Further, the Association shall be responsible for the maintenance, upkeep, and repair of all monument signage for the entire Saddle Ridge Subdivision as a whole. This includes Saddle Ridge monument signage that may be located along Whitney Rd., US Hwy 30, and Pershing Blvd. The Association shall have the right to levy and collect assessments from the members for the cost of such maintenance for these common elements.

3.2 Right to Construct Additional Improvements on Common Elements. Declarant shall have and hereby reserves the unilateral right, but not the obligation, to construct additional improvements on Common Elements at any time and from time to time in accordance with these Covenants for the improvement and enhancement thereof and for the benefit of the Association and Owners. Declarant shall convey or transfer such Improvements to the Association and the Association shall be obligated to accept title to, care for and maintain the same as elsewhere provided in these Covenants.

3.3 Declarant's Rights to Use Common Elements in Promotion and Marketing of the Subdivision. During the Declarant's Rights Period, Declarant shall have and hereby reserves the right to reasonable use of Common Elements (including any community amenity located thereon), Lots owned by Declarant or Principal Builder and of services offered by the Association in connection with the promotion and marketing of property within the boundaries of the Subdivision. Without limiting the generality of the foregoing, Declarant may erect, maintain and relocate within and upon any part of the Common Elements (including any community amenity located thereon) and Lots owned by Declarant or a Principal Builder as many signs, temporary buildings and other structures, including without limitation, model homes, offices for construction, sales or leasing purposes of similar facilities, as Declarant may reasonably deem necessary or proper in connection with the promotion, development and marketing of real property within the Subdivision, the number, location and size of which shall only be subject to applicable State or local laws; may use vehicles and equipment on Common Elements and Lots owned by Declarant or a Principal Builder for promotional purposes; and may



permit real estate brokers/agents, who are not Owners, to use Common Elements at reasonable times and in reasonable numbers; and may refer to the Association and to the Common Elements any services offered by the Association in connection with the development, promotion and marketing of property within the boundaries of the Subdivision.

3.4 Declarant’s Rights to Complete Development of Property. No provision of these Covenants shall be construed to prevent or limit the unfettered rights of Declarant to complete development of the Property; to construct or alter Improvements on any property owned by Declarant within the Subdivision; to maintain model homes, offices for construction, sales or leasing purposes or similar facilities on any property owned by Declarant or owned or maintained by the Association within the Subdivision; or to post signs incidental to development, construction, promotion, marketing, sales or leasing of property within the boundaries of the Subdivision. Nothing contained in these Covenants shall limit the right of Declarant or require Declarant to obtain approvals (a) to excavate, cut, fill or grade any property owned by Declarant or to construct, alter, demolish or any replace any Improvements on any property owned by Declarant, or (b) to use any structure on any property owned by Declarant or the Association as a construction, model home or real estate sales or leasing office in connection with the sale of any property within the boundaries of the Subdivision, or (c) to require Declarant to seek or obtain the approval of the Architectural Control Committee or of the Association for any such activity or Improvement to Property by Declarant on any property owned by Declarant. Nothing in these Covenants shall limit or impair the Special Declarant Rights of Declarant as elsewhere provided in these Covenants.

3.5 Declarant’s Rights to Grant, Create and Use Easements. Declarant shall have and hereby reserves the right to grant, create and use temporary or permanent easements in, on, under, over and across any Lot and any Common Elements for the benefit of any other portion of the Subdivision, whether or not such benefited portion is or will become Subdivision, for access, utilities, drainage, water and any other purposes incident to development and sale of the Subdivision or incident to the exercise by Declarant of any of its Special Declarant Rights.

3.6 Declarant’s Rights to Convey Additional Property to Association. Declarant shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and Improvements thereon the Association at any time and from time to time in accordance with these Covenants and Association shall be obligated to accept same.

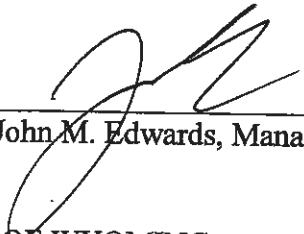
Except as specifically amended in this Third Amendment, the Declaration of Protective Covenants and the First and Second Amendments, remain in full force and effect.

[Signatures on following page]



IN WITNESS WHEREOF, WJE, LLC, a Wyoming limited liability company, has signed this Third Amendment on the date set forth in its acknowledgement.

Declarant:  
WJE, LLC

By   
John M. Edwards, Manager

STATE OF WYOMING                    )  
  )ss.  
COUNTY OF LARAMIE                )

This instrument was acknowledged before me on the 6<sup>th</sup> day of October, 2022 by John M. Edwards, as Manager of WJE, llc and that he executed this Third Amendment to the Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases), and acknowledged this instrument to be the free and voluntary act and deed of WJE, llc for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute this instrument and, in fact, executed this Third Amendment to the Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases) on behalf of WJE, llc.

My Commission Expires: 5-1-2028

  
Notary Public

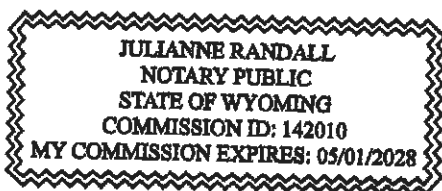




Exhibit A

to the Third Amendment to the Declaration of Protective Covenants  
 Saddle Ridge Subdivision (New Phases)

COVENANTS RELATING TO THE  
 SADDLE RIDGE MASTER HOMEOWNERS ASSOCIATION, INC.

Article I

MASTER ASSOCIATION OPERATION

1.1 Association. The Association has been or shall be formed as a Wyoming nonprofit corporation and registered with the Wyoming Secretary of State. The Association has been or shall be organized prior to the date that the first Lot in the Subdivision is conveyed to an Owner by Declarant. The Association shall have the duties, powers and rights set forth in these Covenants and in its Articles of Incorporation and Bylaws.

1.2 Association Board of Directors. The affairs of the Association shall be managed by the Board of Directors. The number, term and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation or Bylaws. The Board of Directors may, by resolution, delegate portions of its authority to an executive committee or to other committees, to officers or the Association or to agents and employees of the Association, and may also elect or hire managers, but such delegation of authority shall not relieve the Board of Directors of the ultimate responsibility for management of the affairs of the Association. Action by or on behalf of the Association may be taken by the Board of Directors or any duly authorized executive committee, officer, agent or employee, or manager without a vote of Members, except as otherwise provided in these Covenants.

1.3 Membership in Association. Each Owner of a Lot within the Subdivision shall be a Member of the Association, including Declarant, but excluding the Association. There shall be one (1) membership in the Association for each Lot within the Subdivision, and Lots owned by multiple persons shall exercise their rights in common with each other. The Owner of a Lot shall automatically be the holder of the Membership appurtenant to that Lot, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Lot. Declarant and any Principal Builder shall hold one (1) Membership in the Association for each Lot owned by them respectively. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot and no Owner shall be permitted to relieve himself of the responsibility for fulfillment of his obligations of a Member under these Covenants.

1.4 Election of Directors and Officers by Declarant. From date of formation of the Association until the termination of Declarant Control as provided below, Declarant shall have the right to appoint and remove directors of the Board and officers of the Association as hereinafter provided. The period of Declarant's control of the Association (the "**Declarant's Control Period**") shall terminate no later than the earlier of sixty (60) days after conveyance of seventy-five percent (75%) of the maximum number of Lots that may be created within the Property and Expansion Area, six (6) years after the last conveyance of a Lot by Declarant in the



ordinary course of business, or twenty (20) years after recordation of these Covenants; provided, however, that the Declarant may voluntarily surrender Declarant Control with Board Approval.

Except as otherwise provided below, until the termination of Declarant's Control Period, Declarant shall have the sole right to elect all directors (collectively, the "**Declarant Directors**") and to remove any director with or without cause at any time and to fill all vacancies of all directors. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots that may be created within the Property to Owners other than the Declarant, at least one (1) director and not less than twenty-five percent (25%) of the directors of the Board of Directors shall be elected by Members other than the Declarant. Declarant shall have the sole right to appoint the remaining directors then sitting on the Board and to remove and fill vacancies of any such Declarant Director. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Lots that may be created within the Property to Owners other than the Declarant, not less than one third (1/3) of the members of the Board of Directors must be elected by Members other than the Declarant. Declarant shall have the sole right to appoint the remaining directors then sitting on the Board and to remove and fill vacancies of any such Declarant Director.

1.5 Election of Non-Declarant Directors. Each director elected pursuant to the provisions of this Section shall be referred to as a "**Non-Declarant Director.**" At such time as the provisions of Section 3.4 require that a Non-Declarant Director be elected, such Non-Declarant Director shall be elected by a majority vote of the Members at a duly convened meeting of the Association for such purpose. The Non-Declarant Directors shall be removed in accordance with the provisions of the Bylaws applicable to the removal of directors. Upon termination of the Declarant Control Period as provided in Section 3.4, the Board shall consist of at least three (3) directors but not more than nine (9), at least a majority of whom must be Members other than Declarant, and the Board shall elect the officers. The elected directors and officers shall take office upon election. Notwithstanding anything to the contrary contained herein, when and at such time as Members are entitled to elect Non-Declarant Directors to the Board, only Members whose voting rights are in good standing under the Bylaws shall be entitled to vote thereon. In accordance therewith, any and all provisions contained herein requiring the approval of a required percentage of Members, as set forth in the Bylaws, shall be deemed satisfied when the required percentage of Members entitled to vote has been met.

1.6 Voting Rights of Members. Each Member, including Declarant and any Principal Builder, but excluding the Association, shall have the right to cast one (1) vote for each Lot owned by such Member that is subject to these Covenants. The Bylaws shall provide for the manner, time, place, conduct, and voting procedures for Association meetings for the purposes of electing a Non-Declarant Director to the Board of Directors and any other matters upon which Members are required hereunder to vote. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, and in the Bylaws, shall be deemed to be binding on all Owners, and their successors and assigns. For meetings of the Association to approve material amendment(s) to these Covenants or extraordinary actions as may be necessary, at least twenty-five (25) days advance notice to all Members shall be required stating the purpose of the meeting, providing a summary of the material amendment or extraordinary action proposed, and containing a proxy that can be cast in lieu of attendance at the meeting. The Bylaws shall set forth the requirements for a quorum at an Association meeting



provided that a quorum shall not be less than five percent (51%) of the Members present at the beginning of a meeting, in person or by proxy.

1.7 Votes for Association Positions. Pursuant to C.R.S. Section 38-33.3-310, votes for positions on the Board shall be taken by secret ballot and, upon the request of one or more Members, a vote on any other matter affecting the common interest community on which all Members are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a Member who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such Members. The results of the vote shall be reported without reference to names, addresses, or other identifying information.

1.8 Board Members and Conflicts of Interest. Pursuant to C.R.S. Section 38-33.310.5, if any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the Board shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the Member may participate in the discussion but shall not vote on that issue. Any contract entered into in violation of this section is void and unenforceable.

## Article 2 DUTIES AND POWERS OF ASSOCIATION

2.1 General Duties and Powers of Association. The Association has been formed to advance and manage the common interests of the Owners. The Association, acting through the Board or persons to whom the Board has validly delegated such powers, shall have the duties and powers hereinafter set forth and, in general, the power to do anything not in violation of the Act that may be necessary or desirable to further the common interests of the Owners, to control, manage, maintain, improve and enhance Common Elements and to improve and enhance the attractiveness, and desirability of the Subdivision.

2.2 Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept property interests to any real property, including any Improvements thereon, and personal property transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all functions associated therewith, provided that such property and functions are not inconsistent with the terms these Covenants. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and licenses. Any property or interest in property transferred to the Association by Declarant shall be within the boundaries of the Subdivision and may be within any Expansion Area as Declarant may elect, in its sole discretion. Any property or interest in property transferred to the Association by Declarant shall be subject to the terms of these Covenants, the terms of any Amended Declaration affecting such property, any reserved Special Declarant Rights, and any other easements, covenants, conditions, restrictions and equitable servitudes or other encumbrances affecting such property prior to the time of conveyance thereof. Except as otherwise specifically approved by resolution of the Board of Directors, property or interest in property transferred to the Association by Declarant shall be free of





encumbrances and/or liens and shall not impose upon the Association any obligation to make monetary payments to Declarant or any affiliate of the Declarant, including, but not limited to, any purchase price, rent, charge or fee.

2.3 Duty to Manage and Care for Property. The Association shall manage, operate, care for, maintain and repair all General Common Elements under its control and keep the same in an attractive and desirable condition for the use and enjoyment of the Owners. The Association may also be required to manage, operate, care for, maintain and repair certain Limited Common Elements under its control and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Owners entitled to utilize such Limited Common Elements.

At the time of these Covenants, the General Common Elements are considered to include, but are not limited to, the following:

- (a) Open Areas and Pocket Parks, along with all trees, plantings, grass, fencing, picnic tables, and play equipment,
- (b) Detention Areas and general established drainage patterns,
- (c) Non-potable irrigation system from the point of Town water delivery to the individual Lots (includes pumps and pump houses),
- (d) Street Lights, and
- (e) Monument Signage.

Notwithstanding the foregoing, the Association shall have the right, but not the obligation, to delegate its powers and duties to manage, operate, care for, maintain and repair any General Common Elements or Limited Common Elements, or portions thereof, to any Sub-association within all or a part of the area covered by these Covenants. Any such delegation to a Sub-association shall be limited to those General Common Elements or Limited Common Elements within or adjacent to the area covered by the Declaration of any Sub-association or operated primarily for the benefit thereof as determined by the Board. Those General Common Elements and Limited Common Elements subject to delegation shall include, without limitation, the following: entry feature landscaping; peripheral landscaping along streets, connector roadways and arterial roadways; open space buffers; bike and pedestrian pathways; community amenities; active adult amenities; and community monumentation adjacent to or part of such Sub-association area. Any Sub-association shall be obligated to accept any such delegation and, upon such delegation, to manage, operate, care for, maintain and repair the General Common Element or Limited Common Element in the manner as required of the Association as elsewhere provided in this Declaration.

2.4 Duty to Pay Taxes. The Association shall pay all taxes and assessments (not including Assessments hereunder) levied upon Lots or Tracts owned by the Association, the General Common Elements, and any Limited Common Elements, and all taxes and assessments (not including Assessments hereunder) payable by the Association. The Association shall have the right to contest any such taxes or assessments, provided that the Association shall contest the same by appropriate legal proceedings which shall have the effect of preventing the collection of the tax or assessment and the sale or foreclosure of any lien for such tax or assessment, and



provided that the Association shall keep and hold sufficient funds to pay and discharge the taxes and assessments, together with any interest and penalties which may accrue with respect thereto, if the contest of such taxes is unsuccessful.

2.5 Duty to Maintain Casualty Insurance. The Association shall obtain and keep in full force and effect at all times from the time that Common Elements are completed, to the extent reasonably available, “all-risk” or “broad form” hazard insurance with respect to all insurable Lots or Tracts owned by the Association, Common Elements, Improvements and personal property owned by the Association. Such insurance shall, to the extent reasonably available, be for the full insurable replacement cost of the insured property, less applicable deductibles at the time the insurance is purchased and at each renewal date, and exclusive of land, excavation, foundations and other items normally excluded from property casualty policies.

2.6 Duty to Maintain Liability Insurance. The Association shall obtain and keep in force and effect at all times from the time that Common Elements are completed, to the extent reasonably obtainable, broad form comprehensive general liability insurance against claims and liabilities arising in connection with the ownership, existence, use or management of any Lots or Tracts owned by the Association, Common Elements, and any Improvements thereon, and covering public liability for bodily injury and property damage. Such liability insurance, to the extent reasonably obtainable (a) have limits as determined by the Association from time to time; (b) insure the Board, the Association, the Architectural Control Committee, the Managers, if any, and their respective employees, agents and all persons acting as agents; (c) include Declarant as an additional insured in its capacity as Declarant, an Owner or director of the Board; (d) include the Owners as an additional insured, but only for claims and liabilities arising in connection with the ownership or use of the any Common Elements; (e) cover claims of one or more insured parties against other insured parties; (f) include a “severability of interest” clause or endorsement precluding the insurer’s denial of any affected person’s claims because of the negligent acts of the Board, the Association, the Architectural Control Committee, the Managers, if any, Declarant, and their respective employees, agents and all persons acting as agents, or of any other Owner; and (g) include any Sub-association as an additional insured, but only for claims and liabilities arising out of any delegation of duties with respect to Common Elements.

2.7 General Provisions Respecting Insurance. If the insurance described is not reasonably available, or if any policy of such insurance is cancelled or renewed without a replacement policy available therefore having been obtained by it, the Association shall promptly cause notice of that fact to be delivered to all Owners. The Association may carry any other type of insurance it considers appropriate in amounts it deems appropriate to insure the interests of the Association. The Association may adopt and establish written nondiscriminatory 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 real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration for all deductibles paid by the Association as a Reimbursement Assessment. Insurance obtained by the Association shall, to the extent reasonably possible, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant and any person claiming by, through, or under Declarant. Insurance policies and insurance coverage shall be reviewed at least annually by the Board of Directors to ascertain



whether coverage under the policies is sufficient in light of the current values of the Common Elements and of the possible or potential liabilities of the Association. The aforementioned insurance may be provided under blanket policies covering the Common Elements, any Improvements thereon, and property of Declarant. In no event shall insurance coverage obtained or maintained by the Association be sought for contribution with insurance purchased by Owners, Related Users, or their Mortgagees for damage to their Lot.

2.8 Fidelity Bonds Required. The Association shall obtain and keep in force, at all times after the Declarant Control Period, a fidelity bond or bonds for any person handling funds of the Association including, but not limited to, a manager and employees of the manager. Each such bond shall name the Association as obligee and the amount of such bonds shall be determined by the Board. Each such bond shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of “employee” or similar expression. In the event the Association has delegated some or all of its responsibility for the handling of funds to a manager, the Association may require the manager to purchase, at its own expense, a fidelity bond which fully complies with the provisions of this Section.

2.9 Other Insurance and Bonds. The Association shall obtain such other insurance as may be required by law, including workers’ compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

2.10 Duty to Prepare Budgets. The Association shall prepare Budgets for the Association as provided in Article 5.

2.11 Duty to Levy and Collect Assessments. The Association shall levy and collect Assessments as provided in Article 5.

2.12 Duty to Amend Covenants Upon Declarant’s Exercise of Special Declarant Rights. The Association shall amend these Covenants upon the request of Declarant in connection with Declarant’s exercise of its Special Declarant Rights.

2.13 Duty to Provide Audit. The Association shall provide for audits or reviews as required in Section 5.5.

2.14 Duties with Respect to Architectural Approvals. The Association shall perform functions to assist the Architectural Control Committee as may be provided in Article 8.

2.15 Duties for Public Disclosure. The Association shall, pursuant to C.R.S. Section 38-33.3-209.4, at least once per calendar year, provide the Members a written notice stating the name of the Association; the name of the Association’s designated agent or management company, if any; and a valid physical address and telephone number for both the Association and the designated agent or management company, if any. The notice shall also include the name of the common interest community, the initial date of recording the declaration, and the reception number or book and page for the main document that constitutes the declaration. If the



Association's address, designated agent or management company changes, the Association shall provide all Owners with an amended notice within ninety (90) days after the change.

2.16 Duties for Disclosure After Expiration of Declarant's Control Period. The Association shall, pursuant to C.R.S. Section 38-33.3-209.4(2), within ninety (90) days after assuming control from the Declarant pursuant to Section 3.4, and within ninety days after the end of each fiscal year thereafter, make the following information available to the Owners, via internet, first-class mail, e-mail, the maintenance of a literature table or binder at the Association's principal place of business, or personal delivery: (1) the date on which the fiscal year commences; (2) the current fiscal-year operating budget; (3) a list, by type of Lot, of the Association's current regular and special assessments; (4) the annual financial statements; (5) the results of any financial audit for the preceding fiscal year; (6) a list of Association insurance policies; (7) the Association's bylaws, articles, and Rules and Regulations; (8) the minutes of Board and member meetings for the preceding fiscal year; and (9) the Rules and Regulations, and any other governance policies adopted and not already listed above.

2.17 Duty to Educate Owners and Annual Meeting Requirements. The Association shall, pursuant to C.R.S. Section 38-33.3-209.7, and at no cost to the Owners, provide to the Owners some form of annual education regarding the general operations of the Association and the rights and responsibilities of Owners, the Association, and its Board. Pursuant to C.R.S. 38-33.3-308 meetings of the Owners, as the members of the Association shall be held at least once each year. Special meetings of the Members may be called by the president, by a majority of the Board, or by Members having twenty percent (20%) of the votes in the Association. Not less than ten (10) nor more than fifty (50) days in advance of any meeting of the Members, the secretary or other officer specified in the bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot Owner. The notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to providing notices in electronic form (via web site otherwise) when feasible. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove and officer or member of the Board.

2.18 Duty to Maintain Records. The Association shall, pursuant to C.R.S. Section 38-33.3-317, the Association shall keep financial records sufficiently detailed to enable the Association to comply with C.R.S. Section 38-33.3-316(8) concerning statements of unpaid assessments. The Association shall keep as permanent records, minutes of all meetings of Members and the Board, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board. The Association or its agent shall maintain a record of Owners in a form the permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Lot owner is entitled to vote. The records required to be maintained under this Section shall be in written form, or in a form that allows conversion to written form in a reasonable time. All records shall be made reasonably available for examination and copying by any Lot Owner and such owner's



authorized agents. The Association may charge a fee not to exceed the Association's actual cost per page, for copies of Association records. As used in this section, "reasonably available" means available during normal business hours, upon notice of five business days, to the extent that the request is made in good faith and for a proper purpose, and the request describes with reasonable particularity the records sought and the purpose of the request, and the records are relevant to the purpose of the request.

2.19 Power to Acquire Property and Construct Improvements. The Association may acquire property or interests in property as a Common Element for the common benefit of all Owners or for particular Owners, as applicable, including Improvements and personal property. The Association may construct Improvements to Property and may demolish existing Improvements.

2.20 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce rules and regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of these Covenants, the operation of the Association, the use and enjoyment of Common Elements and the use of any other property within the Subdivision, including Lots. Any such rules and regulations shall be reasonable and uniformly applied. Such rules and regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment or repeal of any rule or regulation shall be given in writing to each Owner at the address for notices to Owners as elsewhere provided herein or the Bylaws, and copies of the currently effective rules and regulations shall be made available to each Owner upon request and payment of the reasonable expense of copying the same. Each Owner shall comply with such rules and regulations and shall see that persons claiming through such Owner comply with such rules and regulations. Such rules and regulations shall have the same force and effect as if they were set forth in and were part of these Covenants. In the event of a conflict between the rules and regulations and the provisions of these Covenants, the provisions of these Covenants shall prevail.

2.21 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of these Covenants and of rules and regulations it may adopt, and shall take such action as the Board deems necessary or desirable to cause such compliance by each Owner and each person claiming by, through or under such Owner ("**Related User**"). Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of these Covenants and the Rules and Regulations of the Association by any one or more of the following means; (a) by entry upon any Lot within the Subdivision after Notice and Hearing (unless a bona fide emergency exists), without liability to the Owner therefor, for the purpose of enforcement of causing compliance with these Covenants or the Rules and Regulations; (b) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of these Covenants or the Rules and Regulations, by mandatory injunction or otherwise; (c) by commencing and maintaining actions and suits to recover damages for breach of any of the provisions of these Covenants or the Rules and Regulations; (d) by suspension, after Notice and Hearing, of any Owner or Related User from use of any recreational facilities on the Common Elements or Limited Common Elements maintained by the Association during and for up to sixty (60) days following any breach of these Covenants or such Rules and Regulations by such Owner or any Related User, unless the breach



is a continuing breach, in which case such suspension shall continue for so long as the breach continues; ( e) by suspension, after Notice and Hearing, of the voting rights of an Owner during and up to sixty (60) days following any breach by such Owner or a Related User of such Owner of these Covenants or such Rules and Regulations, unless the breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues; (f) by levying and collecting, after Notice and Hearing, reasonable and uniformly applied fines and penalties, established in the Rules and Regulations, or by the Board from time to time, from any Owner or Related User for breach of these Covenants or such Rules and Regulations by such Owner or a Related User of such Owner.

**2.22 Power to Provide Public Functions.** The Association shall have the power to acquire, construct, operate, manage, maintain, repair and replace public facilities and to provide public functions as provided herein.

**2.23 Power to Provide Services to Sub-Association(s).** The Association shall have the power to provide services to Sub-association(s). Such services to any Sub-association shall be provided pursuant to an agreement in writing between the Association and such Sub-association which shall provide for the payment by such Sub-association to the Association of the reasonably estimated expenses of the Association incurred in providing such services to the Sub-association including a fair share of the overhead expenses of the Association. Services which may be provided to a Sub-association may include, without limitation, (a) the construction, care, operation, management, maintenance, repair and replacement of Improvements or Limited Common Elements owned by the Sub-association or certain of its members; (b) the providing of public functions to the area covered by the Sub-association; (c) the enforcement of the provisions of any Amended Declaration for, on behalf of, and in the name of the Sub-association; (d) the collection of assessments for, in the name of, and on behalf of the Sub-association; ( e) the payment of taxes for a Sub-association with funds of the Sub-association or of the Association; (f) the obtaining of insurance for a Sub-association; (g) the collection of charges for use of facilities or Limited Common Elements of a Sub-association or certain of its members; and (h) the appointment and supervision of a Manager or Managers for a Sub-association and/or its Limited Common Elements.

**2.24 Power to Provide Special Services for Owners.** The Association shall have the power to provide services to an Owner or group of Owners, including, without limitation, the construction, care, operation, management, maintenance, repair and replacement of Limited Common Elements to which such Owners are entitled to use. Any service or services to an Owner or group of Owners shall be provided pursuant to an agreement in writing, which shall provide for payment to the Association by such Owner or group of Owners of the reasonably estimated costs and expenses of the Association by providing such services, including a fair share of the overhead expenses of the Association and shall contain reasonable provisions assuring that the obligation to pay for such services shall be binding upon such Owner or group of Owners, and any heirs, personal representatives, successors and assigns of the Owner or group of Owners, and that the payment for such services shall be secured by a lien on the property of the Owner or group of Owners.



**2.25 Power to Charge for Facilities and Services.** The Association shall have the power to establish reasonable and uniformly applied charges for the use of facilities and services. The charges may include reasonable admission or other fees for any special or extraordinary use of property or facilities or services of the Association such as special parking privileges, special recreational facilities, conference rooms, instruction, day-care or child-care services, or similar uses beyond the ordinary use of Common Elements, facilities and services. Such charges or fees shall be set forth in schedules of charges and fees adopted from time to time by Board of Directors.

**2.26 Power to Enter Lots and Grant Easements.** The Association shall have the right to enter any Lot to perform emergency repairs or to do other work necessary for the maintenance of the Subdivision. The Association shall have the power to grant access, utility, drainage, water facility and other such easements, permits and licenses in, on, over or under Common Elements and the Association shall have the power to assume obligations in connection therewith. The Association shall have the power to designate portions of the General Common Elements as Limited Common Elements. Notwithstanding anything to the contrary contained in these Covenants, if any part of the General Common Elements encroaches or shall hereafter encroach upon a Lot, an easement for such encroachment and for the maintenance of the same, so long as it exists, shall be deemed to have been herewith granted. If any part of a Lot encroaches or shall hereafter encroach upon the Common Elements, or upon another Lot, the Owner of that Lot shall have an easement for such encroachment and for the maintenance of the same so long as it exists, shall be deemed to have been herewith granted. Such encroachments shall not be considered to be encumbrances either on the Common Elements or on a Lot for purposes of marketability of title or otherwise. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of the Improvement to Property, by error in the boundaries set forth in a plat map, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of any Improvement to Property or any part thereof.

**2.27 Power to Convey and Dedicate Property to Government Agencies.** With the approval of Members holding at least eighty percent (80%) of the votes of the Association, including eighty percent (80%) of the votes of Members other than Declarant, the Association shall have the power to grant, convey, dedicate or transfer any Common Elements or facilities to any public or governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate. Any such conveyance shall be subject to the provisions elsewhere contained in these Covenants requiring approval of the same by Mortgagees, Government Mortgage Agencies, by Declarant, and by the Owners of Lots allocated any affected Limited Common Element.

**2.28 Power to Borrow Money and Mortgage Property.** The Association shall have the power to borrow money and to encumber Common Elements as security for such borrowing with the approval of Owners holding at least eighty percent (80%) of the votes of the Association, including eighty percent (80%) of the votes of Owners other than Declarant, to encumber Common Elements as security for such borrowing. Any such encumbrance shall be subject to the provisions elsewhere contained in these Covenants requiring approval of the same by Mortgagees, by Government Mortgage Agencies, by Declarant and by the Owners of Lots



allocated any affect Limited Common Element. An agreement to convey, or subject the Common Elements to a security interest in accordance with this Section shall be evidenced by the execution or ratification of an agreement by the required number of Owners hereinabove described, subject to the provisions elsewhere contained in these Covenants requiring approval of the same by Mortgagees, by Government Mortgage Agencies, by Declarant or by the Owners of Lots allocated any affected Limited Common Element. The agreement shall specify a date after which the agreement will be void unless it has theretofore been recorded. The agreement shall be effective upon Recordation.

2.29 Power to Employ Managers. The Association shall have the power to retain and pay for the services of a Manager to undertake any of the management or other functions for which the Association has responsibility under these Covenants to the extent deemed advisable by the Association. The Association may delegate any of its duties, powers or functions to any such Manager. Any contract or agreement with any such Manager shall be terminable by the Association for cause on no more than thirty (30) days' prior written notice, and shall be terminable by the Association without cause and without payment of a termination fee on no more than ninety (90) days prior written notice. Any such contract or agreement shall be for a term of no more than one (1) year but may be subject to renewal for succeeding terms of no more than one (1) year each. Notwithstanding any delegation to a Manager of any duties, powers or functions of the Association, the Association and its Board of Directors shall remain ultimately responsible for the performance and exercise of such duties, powers and functions. Any agreement or contract with a Manager shall contain any other provisions which are required to be contained therein by any Government Mortgage Agency.

2.30 Power to Engage Employees, Agents and Consultants. The Association shall have the power to hire and discharge employees and agents and to retain and pay for legal, consulting, engineering, architectural and accounting services as may be necessary or desirable in connection with the performance of any duties or the exercise of any powers of the Association under these Covenants.

2.31 General Corporate Powers. The Association shall have all of the ordinary powers and rights of a Wyoming non-profit corporation, including without limitation entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth herein or in the Articles of Incorporation or Bylaws. The Association shall also have the power to do any and all lawful things which may be authorized, required or permitted to be done hereunder or the Articles of Incorporation and Bylaws and to do and perform any and all acts which may be necessary or desirable for, or incidental to, the exercise of any of the express powers or rights of the Association hereunder and the Articles of Incorporation and Bylaws.

2.32 General Association Powers. In addition to the powers set forth in this Article 4, the Association shall have the full power to take and perform any and all actions which may be lawfully taken by the Association under the applicable Wyoming law.

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Article 3  
ASSESSMENTS, BUDGETS AND FUNDS

3.1 Funds to be Established. The Association shall establish, for administering the Association and maintaining the Common Elements, a single fund or series of separate funds, as the Association may determine from time to time. The Association may establish other funds when needed; for example, a separate fund for the operation and maintenance of a community building and/or pool, or a fund for receipts and disbursements relating to services provided by the Association for a Sub-association, or a fund for receipts and disbursements relating to services provided by the Association for a particular Limited Common Element. Nothing herein shall limit, preclude or impair the authority of the Association to establish other funds for specified purposes authorized by these Covenants or by any Amended Declaration. If the Association establishes any additional funds, the Board shall designate an appropriate title for the fund to distinguish it from other funds maintained by the Association. Each of the funds shall be established as one or more trust savings or trust checking accounts at any financial institution in which deposits are insured by an agency of the federal government. Notwithstanding anything to the contrary contained herein, if there are any surplus funds of the Association remaining after payment of or provisions for the applicable Common Assessments, or any prepayment of or provision for reserves, the Association shall not be required to pay the surplus to each Owner or apply the same against any such Owners' future Common Assessments. Instead, the surplus may be retained by the Association in the applicable fund.

3.2 Accounting Method. Pursuant to C.R.S. Section 38-33.3-209.5(a), the Association shall maintain accounting records using Modified Cash Basis Accounting.

3.3 No Commingling of Funds. The Association shall not commingle any amounts deposited in any one fund with amounts deposited in any other fund.

3.4 Authority for Disbursements. The Board shall have the authority to make or to authorize an agent to make disbursements of any monies in the funds.

3.5 Audit or Review of Books and Records. Pursuant to C.R.S. Section 38-33.3-303(4)(b), the books and records of the Association shall be subject to an audit, using generally accepted auditing standards, or a review, using statements on standards for accounting and review services, at least once every two years by a person selected by the Board. Such person need not be a certified public accountant except in the case of an audit. An audit shall not be required unless both of the following are met: (a) The Association's revenues or expenditures are at least \$250,000, and (b) an audit is requested by at least one-third (1/3) of the Members in the Association. Results of any Audit or Review shall be disclosed as provided in Section 4.18.

3.6 Initial Assessments. For the purposes of adequately capitalizing the Association's available funds, upon the sale of every home by a Principal Builder to an Owner, at Closing, the new Owner shall pay \$350 as an initial assessment to the Association. This initial assessment shall only be applied to the first sale of a Residence on a Lot from the Principal Builder to its first Owner. Should a Principal Builder not sell the Residence to an Owner for the period of one

year from the date of certificate of occupancy issued from the Town of Berthoud, that Principal Builder shall be responsible for payment of this Initial Assessment.

In addition to the Initial Assessment to capitalize the Association's funds as described above, there shall be an additional, one-time, "Park and Amenity" fee paid to directly to the Declarant at the Closing on sales of Residences on Lots from the Principal Builder to an Owner in the first Phase of the Subdivision. This Park and Amenity Fee shall in the amount of \$900 and will go to Declarant to fund future park, community house, and pool amenities that will be owned and operated by the Association.

3.7 Common Assessments. For each calendar year, the Association shall levy Common Assessments against Owners of the Lots based upon the annual budget adopted by the Association. Each Owner shall be obligated to pay the Common Assessments levied against, and allocated to, such Owner and the Lot of such Owner as hereinafter more particularly set forth. Notwithstanding anything to the contrary contained in this Article.

3.8 Allocation of Common Assessments. For the purpose of determining the Common Assessments allocated to each Owner, each Lot, Block, or Tract, improved or to be improved with a single family residence, duplex, or townhouse for each year shall constitute one (1) Lot per single family residence, duplex, or townhouse built on the Lot, Block, or Tract, regardless of the size, value, location or use of such residence, duplex, or townhouse. Each Lot, Block, or Tract improved or to be improved with a condominium Lot for each year shall be assigned one (1) Lot for every condominium unit located on such Lot, Block, or Tract. The amount of Common Assessments for any year payable by an Owner for its Lot, shall be computed by dividing the total amount to be raised by the Association by the total number of Lots in the Subdivision.

3.9 Allocation of Assessments for Limited Common Elements. No Owner shall be charged with any Assessment for a Limited Common Element unless these Covenants or an Amended Declaration covering such Lot provides that the Lot is entitled to use a Limited Common Element and specifies the number of Limited Common Element Assessment Lots allocated to that Limited Common Element. If the Owner is to be obligated to pay an Assessment with respect to any Limited Common Element the Amended Declaration covering the Lot shall: (a) identify the Limited Common Element, if existing, or describe the same in general terms, if proposed; (b) identify the Lots covered by these Covenants or the Amended Declaration which are entitled to use and which shall be obligated to pay Assessments with respect to such Limited Common Element; and (c) specify the number of Lots which shall be allocated to each Limited Common Element. Lots of Limited Common Element Assessments shall be allocated to each designated Lot. Lots of Limited Common Element Assessments shall be allocated in these Covenants or an Amended Declaration in accordance with the following provisions. If Lot and Owner is to be charged with an Assessment for a particular Limited Common Element, the amount of the Assessment for any year payable by such Owner for the Lot shall be computed by dividing the total amount to be raised by the Association for administering, maintaining, repairing or replacing the Limited Common Element for that year, as shown in the Association Budget for that year, by the number of Lots that are entitled to use the pertinent Limited Common Element.



3.10 Funding of Reserve Funds. The Board, in budgeting and levying assessments, shall endeavor, whenever possible, to fund reserves for any or all of its functions, by regularly scheduled payments, included as part of the Common Assessments, rather than by large Special Assessments. Unless the Board finds and determines that it is not necessary, as to a particular reserve fund in a given year, the Common Assessments shall include a component for funding of these reserve funds. Amounts in these reserve funds may be used in the discretion of the Board of Directors, from time to time, for any purpose for which a Common Assessment or Special Assessment may be used. Declarant shall not have any liability for any shortage in reserves occurring at any time or at the time of expiration of the Period of Declarant Control.

3.11 Supplemental Common Assessments. If the estimated sums for any particular fund prove inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a supplemental Common Assessment for any of such funds. Such supplemental Common Assessment shall be assessed against the Owner of each Lot, in the same manner Common Assessments are originally assessed each year by the Board with respect to the particular fund. Written notice of any change in the amount of any annual Common Assessment shall be sent to every Owner subject thereto, not less than thirty (30) days prior to the effective date of such change.

3.12 Annual Budgets. The Board of Directors shall cause to be prepared prior to the commencement of each calendar year, a Budget for such calendar year, including a reasonable provision for contingencies and deposits into reserve funds ("**Budget**"). The Budget may show, in reasonable detail, the categories of expenses and the amount of expenses in each fund, and shall reflect any expected income of the Association for the coming calendar year and any expected surplus from the prior year and any existing surplus in any fund. The Budget may include an amount for contingencies and amounts deemed necessary or desirable for deposits to create, replenish or add to the proper reserve fund for major capital repairs, replacements and improvements for Common Elements.

The non-potable irrigation system and its use is a Common Element. As such, the Annual Budget shall include amounts estimated for usage of non-potable irrigation water. Said amount shall be calculated by using previous year's water usage, the anticipated rate for the Town of Berthoud's non-potable water, and any change in the irrigated space (new lots or increase in irrigated common elements). Amounts for the use of the non-potable irrigation system itself shall also be included in the annual budget. Said amount shall be calculated for the upkeep, maintenance, management, and policing the use of the system plus reasonable provisions for contingencies.

Pursuant to C.R.S. Section 38-33.3-303(4), within ninety (90) days after adoption of any proposed budget for the common interest community, the Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the Owners and shall set a date for a meeting of the Association to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary, as allowed for in the Bylaws, or the Association Rules and Regulations. The budget proposed by the Board does not require approval from the Members and it will be deemed approved by the Members unless at that



meeting, the Budget is vetoed by at least sixty-seven (67%) of the votes in the Association, whether or not a quorum is present. In the event that the proposed budget is vetoed, the periodic budget last proposed by the Board and not vetoed by the Members must be continued until a subsequent budget proposed by the Board is not vetoed by the Members.

3.13 Commencement of Common Assessments. Common Assessments shall commence on the next quarterly assessment after a Lot has Closed from a Principal Builder to an Owner. A Principal Builder shall not be responsible for Common Assessments on any Lot it owns unless it has held title to that Lot for a two (2) year period and has not sold that Lot to an Owner.

3.14 Payment of Assessment. Common Assessments shall be due and payable in advance to the Association by the assessed Owner during the calendar year in four (4) quarterly installments, on or before January 15, April 15, July 15, and October 15 of each calendar year, or in such other manner and on such other dates as the Board of Directors may designate in its sole and absolute discretion. Notice of the amount of the Common Assessments shall be given to each Owner prior to January 15 of each year, except that notice of a Common Assessment shall be given as soon as possible in the year of Commencement as defined in Section 5.13.

3.15 Failure to Fix Assessment. The failure by the Board of Directors to levy an Assessment for any year shall not be deemed a waiver or modification with respect to any of the provisions of these Covenants or a release of the liability of any Owner to pay the Assessment, or any installment thereof, for that or any subsequent year. No reduction or offset of the Common Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or Improvements to Common Elements, from any action take to comply with any law or any determination of the Board of Directors or for any other reason.

3.16 Special Assessments. In addition to Common Assessments, the Board of Directors may, subject to the provision hereof, levy Special Assessments for the purpose of raising funds, not otherwise provided under the Budget for Common Assessments, to construct or reconstruct, repair or replace Improvements upon Common Elements or Lots owned by the Association, including necessary personal property related thereto; to add to the Common Elements; to provide for necessary facilities and equipment to offer the services authorized in these Covenants; or to repay any loan made to the Association to enable it to perform the duties and functions authorized in these Covenants. The Board of Directors shall not levy Special Assessments without the vote of at least two-thirds (2/3) of the Members entitled to vote, who are subject to the Special Assessment. Special Assessments for capital Improvements relating to a Limited Common Element shall be levied solely against the group of Owners who own Lots responsible for the Limited Common Element, and such Special Assessments shall be levied solely on the basis of, and in proportion to, the Lots of Limited Common Element Assessments allocated to such Lots. The Association shall notify Owners in writing of the amount of any Special Assessment and of the manner in which, and the dates on which, any such Special Assessment is payable, and the Owners shall pay any such Special Assessment in the manner so specified. A quorum for purposes of voting upon the foregoing shall be the presence at the beginning of the meeting, in person or by proxy, of Members entitled to cast at least sixty percent (60%) of the vote of the Members who are subject to the Special Assessment of the



Association, whichever is less. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. IF the required quorum is not present in person or by proxy at the beginning of any such meetings of Members, another meeting may be called for purposes of voting upon the foregoing, subject to the notice requirements hereinabove specified. The presence, in person or by proxy, of Members entitled to cast at least thirty percent (30%) of the votes (a) of the Members who are subject to Special Assessment, or (b) which may be cast for the election of the Board, whichever is less, shall constitute a quorum at such subsequent meeting.

3.17 Reimbursement Assessments. The Declarant expects that ordinary costs and expenses incurred by the Association, including attorneys' fees, in enforcing these Covenants, the Articles of Incorporation, the Bylaws or the Rules and Regulations will be treated as part of the annual cost of operating the Association. However, in appropriate cases, the Board of Directors may levy an Assessment against an Owner if the willful or repeated failure of that Owner or a Related User to comply with these Covenants, the Articles of Incorporation, the Bylaws or the Rules and Regulations has resulted in the extraordinary expenditure of funds by the Association to cause such compliance. Such Assessment shall be known as a Reimbursement Assessment and shall be levied only after Notice and Hearing, and only if the Board determines that a Reimbursement Assessment is necessary to maintain community harmony. The Board shall give due consideration to not levying and/or waiving Reimbursement Assessments when compliance is ultimately achieved without resort to litigation, and in all cases shall waive Reimbursement Assessments when compliance is achieved within thirty (30) days of notice to the Owner following the levy of the Reimbursement Assessment. The amount of the Reimbursement Assessment shall be due and payable to the Association thirty (30) days after notice to the Owner of the decision of the Board of Directors that the Assessment is owing.

3.18 Late Charges, Interest and Fines. If any Common Assessment, Special Assessment or Reimbursement Assessment or any installment thereof is not paid within fifteen (15) days after it is due, the Owner obligated to pay the Assessment may be required to pay a reasonable late charge to be determined by the Board. Any Assessment or installment of an Assessment which is not paid within thirty (30) days after the date of any Notice of Default given under Section 5.19 shall be charged interest from the date such Assessment became due at eighteen percent (18%) per annum simple interest or such other rate as may be established by the Board from time to time. Following Notice and Hearing, the Owner obligated to pay the Assessment may be required to pay a reasonable fine to be imposed by the Board, and any costs, including reasonable attorneys' fees, incurred by the Association in connection therewith.

3.19 Notice of Default and Acceleration of Assessments. If any Common Assessment, Special Assessment or Reimbursement Assessment or any installment thereof is not paid within thirty (30) days after its due date, the Board of Directors may mail a notice of default (the "Notice of Default") to the Owner, and to each First Mortgagee of the Lot who has requested a copy thereof. The Notice of Default shall specify (a) the fact that the installment is delinquent; (b) the action required to cure the default; (c) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in



acceleration of the balance of the Assessment or the installments of the Assessment for the then current calendar year, and the filing and foreclosure of the lien for the Assessment against the Lot of the Owner. The notice shall further inform the Owner of any right to cure the default after acceleration and of any right to bring a court action to assert the nonexistence of a default or any other defense of the Owner. If the delinquent Assessment is not paid in full on or before the date specified in the notice, the Board, at its option, may declare all of the unpaid balance of the Assessment to be immediately due and payable without further demand and may enforce the collection of the full Assessment thereon in any manner authorized by law in these Covenants, subject to the protection afforded to First Mortgagees under these Covenants.

3.20 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner or Owner against whom the same is assessed. In accordance with C.R.S. Section 38-33.3-123(1)(a), the Board may levy its collection costs and reasonable attorney fees as a Reimbursement Assessment as authorized under Section 5.17, without commencing a legal proceeding. In the event of a default in payment of any Assessment or installment thereof, the Board may, in addition to any other remedies provided under these Covenants or by law, enforce such obligation on behalf of the Association by suit or by filing and foreclosure of a lien as hereinafter provided.

3.21 Lawsuit to Enforce Assessments. The Board may bring a suit at law to enforce any Assessment obligation. Any judgement rendered in such action shall include any late charge, interest, fines and other costs of enforcement, including any reasonable attorney fees, in the amount as the court may determine, against the defaulting Owner.

3.22 Lien to Enforce Assessments. Pursuant to and in accordance with the Act, the Association shall have a statutory lien on a Lot for any Assessment, or installment thereof, from the time that the Assessment, or installment thereof becomes due. All fees, interest, charges, fines, cost of collection, attorney fees and interest outstanding for time to time shall be included in such lien. Recording of the Covenants constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessments is required. However, the Board of Directors or managing agent of the Association may prepare, and record in the county in which the applicable Lot is located, a written notice setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot, and a description of the Lot. If a lien is filed, the costs and expenses thereof shall be added to the assessment for the Lot against which it is filed and collected as part and parcel thereof. The Recording of a notice of lien shall not be a condition precedent to nor delay the attachment of a lien which shall attach as of the first day of any period for which any Assessment is levied. The Association's lien may be foreclosed in like manner as a mortgage on real estate. The Association shall have the power to bid at the foreclosure sale and to acquire and hold, lease, mortgage and convey the Lot. In accordance with the Act, the Association's lien shall constitute a lien on such Lot superior to all other liens and encumbrances, except; (a) liens for real estate taxes and other governmental assessments or charges against a Lot; (b) liens and encumbrances recorded prior to recordation of these Covenants; and (c) all sums unpaid under a Mortgage encumbering a Lot ("First Mortgage") that has first priority over any other Mortgage encumbering such Lot to the extent the Assessments became delinquent after the First Mortgage is recorded. A lien under this Section is also prior to a First Mortgage to the extent of an amount equal to the annual assessments based on a periodic



budget adopted by the Association as provided above, which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this Section of an action or nonjudicial foreclosure either to enforce or extinguish the lien. Unless these Covenants provides otherwise, if two or more Associations have liens for assessments created at any time on the same Lot, those liens shall have equal priority. This Section does not affect the priority of mechanics' or materialmen's liens or the priority of liens for other assessments made by the Association. As allowed under C.R.S. Section 38-33.3-316(2)(c), a lien under this Article is not subject to the provisions of Part 2 of Article 41 entitled "Homestead Exemptions" of Title 38, C.R.S. 1973, as amended, or to the provisions of Section 15-11-201, C.R.S. 1973, as amended. Notwithstanding anything herein to the contrary or anything in the Act to the contrary, if federal law applies, no liens for assessments shall be prior to the lien of a mortgage insured or guaranteed by the FHA, VA or other Government Mortgage Agency.

3.23 Statement of Assessments. The Association shall, upon written request of any Owner, Mortgagee or Person with, or intending to acquire, any right, title or interest in a Lot, furnish a certificate in writing signed by an officer or agent of the Association setting forth the amount of unpaid Assessments, if any, with respect to said Lot, the amount of the current annual Assessments for said Lot, the date that such annual Assessments become due and any credit for advance payments. A reasonable fee may be charged by the Board for the issuance of these certificates. Within fourteen (14) days from the receipt of such request and accompanying fee, the Association shall deliver such certificate. Such certificate shall, with respect to the Owner, Mortgagee or Person to whom it is issued, be conclusive against the Association, the Board and all other Owners for all Purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied. If, within such fourteen (14) day period, no such certificate is furnished to the inquiring party, either personally or by mail, the Association shall have no right to assert a lien upon the Lot for unpaid Assessments which were due at the date of the inquiry.

3.24 No Offsets. All Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted for any reason including, without limitation, any claim that the Association or the Board of Directors is not properly exercising its duties and powers under these Covenants.

Article 4  
COMMON ELEMENTS

4.1 Owners' Rights of Use and Enjoyment Generally. Subject to the right of the Association to regulate, convey and encumber the Common Elements, all Owners may use the General Common Elements. Each Owner shall have an easement (a) in the applicable General Common Elements for purposes of access to their Lots, and (b) to use the applicable General Common Elements or Limited Common Elements and all other real estate in the Subdivision and Expansion Areas that must become Common Elements for all other purposes specified herein and in any Amended Declaration.



4.2 Right of Association to Regulate Use. The Association, acting through the Board, shall have the power to regulate use of Common Elements by Owners entitled to use the same, and the public, to further enhance the overall rights of use and enjoyment of all Owners entitled to use the same, including imposing reasonable limits on the times of use and numbers of users permitted to use Common Elements.

4.3 Right of Association to Allow Public Use. The Association, acting through the Board, shall have the right to allow members of the general public to use the General Common Elements, subject to reasonable limitations, and provided that use by the general public does not unreasonably interfere with or impair the rights of use and enjoyment of Owners.

4.4 No Partition of Common Elements. No Owner shall have the right to partition or seek partition of the Common Elements or any part thereof.

4.5 Liability of Owners for Damage. Each Owner shall be liable to the Association for any damage to Common Elements or for any expense or liability incurred by the Association, to the extent not covered by insurance, which may be sustained by reason of the negligence or willful misconduct of such Owner or any Related User using the Common Elements through such Owner and for any violation by such Owner or any such Related User of these Covenants or any Rule or Regulation adopted by the Association. The Association shall have the power to levy and collect a Reimbursement Assessment against an Owner after Notice and Hearing to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of these Covenants or of the Rules and Regulations or for any increase in insurance premiums directly attributable to any such damage or any such violation.

4.6 Association Duties if Damage, Destruction, or Required Improvements. In the event of damage to Common Elements (or Limited Common Elements for which the Association has assumed responsibility in accordance with Section 4.23) by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction or replacement of any Common Elements (or Limited Common Elements for which the Association has assumed responsibility in accordance with Section 4.23), the Association shall have the duty to repair, reconstruct or replace the same. Any insurance proceeds payable by reason of damage or destruction of Common Elements by fire or other casualty shall be paid to the Association and shall be used to the extent necessary, to pay the costs or repair, reconstruction or replacement. If funds from insurance proceeds or from reserves for replacement are insufficient to pay all costs of repair, reconstruction or replacement of Improvements damaged or destroyed, or if the Association is required to make repairs, reconstruction or replacements or Improvements by governmental authorities, the Association may, in order to make up any deficiency in the insurance proceeds or to pay for the required repair, replacement or improvement, levy a Special Assessment in accordance with Section 5.16 or if an Owner or group of Owners is liable for such damage, levy a Reimbursement Assessment against the Owner or group of Owners responsible therefor, to provide the additional funds necessary as elsewhere provided in these Covenants. Repair, reconstruction or replacement of Common Elements shall be done under such contracting and bidding procedures as the Association shall determine are appropriate. If insurance proceeds available to the Association on account of damage or destruction exceed the cost of repair, reconstruction and replacement, the Association may deposit the excess proceeds





in the appropriate fund determined by the Board, as a reserve for future maintenance, repair, reconstruction or replacement of General Common Elements, or may be used for Improvements or additions to, or operation of, General Common Elements. If the insurance proceeds were paid as a result of damage to or destruction of a Limited Common Element, any excess proceeds shall be deposited in the applicable fund established for that Limited Common Element and applied solely to the particular Limited Common Element.

4.7 Association Powers in the Event of Condemnation. If any Common Elements or interests therein are taken, under the exercise of the power of eminent domain or by private purchase in lieu thereof, the award in condemnation or the price payable shall be paid to the Association, except to the extent payable to any other Person with an interest in such property, including any Owner of a Limited Common Element and any Mortgagee or such property. The Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners therein. Any award or funds by the Association shall be held by the Association in the appropriate fund determined by the Board, as a reserve for future maintenance, repair, reconstruction or replacement of Common Elements, or may be used for Improvements or additions to, or operation of, Common Elements. However, if any award is attributable to a Limited Common Element, then the award shall be used solely for the benefit of the Improvements in such Limited Common Element. No affected Person shall be entitled to participate as a party or otherwise in any condemnation proceedings, and each affected Person hereby appoints the Association as its attorney-in-fact for the purposes of this Section.

4.8 Title to Common Elements on Dissolution of Association. In the event of dissolution of the Association, the Common Elements shall, to the extent reasonably possible, be conveyed, dedicated, or transferred to an appropriate public or governmental agency or agencies or to a nonprofit corporation, Association, trust or other organization, to be used, in any such event, for the common benefit of Owners for similar purposes for which the particular Common Elements was held by the Association. To the extent the foregoing is not possible, the General Common Elements shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners in proportion to the number of Lots of Common Assessments allocated to each Owner, as determined in Section 5.7. The proceeds from the sale or disposition of any Improvements in a Limited Common Element shall be distributed to those Owners entitled to use such facility in proportion to the number of Lots of Limited Common Element Assessments allocated to such Owners.

Article 5  
MISCELLANEOUS

5.1 Amendment of Covenants by Association. Upon any of the events described in these Covenants requiring the amendment by the Association of these Covenants, the Association shall amend these Covenants accordingly. The Amended Declaration shall be effective upon the Recording of a certificate, executed by the President or a Vice President and the Secretary or an Assistant Secretary of the Association. Notwithstanding anything to the contrary herein contained, any amendment to this Declaration made during the Declarant's Rights Period affecting any Special Declarant Right or any Development Right that Declarant may exercise during such period, or any amendment to this Declaration made during the



Declarant's Control Period affecting a right that Declarant may exercise during such period, or an obligation of Declarant must in each case be approved in writing by Declarant prior to becoming effective.

5.2 Amendment of Covenants by Members. Except as otherwise provided in these Covenants, and subject to provisions elsewhere contained in these Covenants requiring the consent of Eligible First Mortgagees, any provision, covenant, condition, restriction or equitable servitude contained in these Covenants (except as otherwise provided below) may be amended or repealed at any time and from time to time upon approval of the amendment or repeal by Members holding at least sixty-seven percent (67%) of the votes of the Association. Any Section of these Covenants pertaining solely to the rights and obligations of Owners entitled to use a particular Limited Common Element, may be amended or repealed at any time and from time to time only upon approval of the amendment or repeal by all Owners entitled to use such Limited Common Element and any reallocation of Limited Common Elements shall be in accordance with the Act. The amendment or repeal shall be effective upon Recordation of a certificate, executed by the President or a Vice President and Secretary or an Assistant Secretary of the Association setting forth the amendment or repeal in full and certifying that the amendment or repeal has been approved by the required number of Owners. Notwithstanding anything to the contrary herein contained, any amendment to this Declaration made during the Declarant's Rights Period affecting any Special Declarant Right or any Development Right that Declarant may exercise during such period or affecting any obligation of Declarant during such period, or any amendment to this Declaration made during the Declarant's Control Period affecting a right that Declarant may exercise during such period or affecting any obligation of Declarant during such period, must in each case be approved in writing by Declarant before becoming effective.

5.3 Amendment of Articles and Bylaws. The Articles of Incorporation and Bylaws may be amended in accordance with the provision set forth in such instrument or, in the absence of such provisions, in accordance with the applicable provisions of the Nonprofit Corporations Act.

5.4 Priority of First Mortgage Over Assessments. Except as otherwise provided in the Act, each First Mortgagee of a Mortgage encumbering a Lot who obtains title to such Lot pursuant to the remedies provided in the Mortgage, by judicial foreclosure, or by deed or assignment in lieu of foreclosure, shall take title to Lot free and clear of any claims for unpaid Assessments or charges against such Lot which accrued prior to the time such holder acquires title to such Lot.

5.5 Association Right to Mortgage Information. Each Owner hereby authorizes any First Mortgagee holding a Mortgage on such Owner's Lot to furnish information to the Association concerning the status of such First Mortgage and the loan which it secures.

5.6 Notices. Any notice permitted or required to be given under these Covenants shall be in writing and may be given personally or by mail, facsimile or e-mail. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Association for the purpose of service of such notice, or to the Lot of such



Person if no address has been given to the Association and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time in writing to the Association.

5.7 Enforcement by Self Help. Declarant or the Association, or any authorized agent of either of them, may enforce by self help any of the provisions, covenants, conditions, restrictions or equitable servitudes contained in these Covenants, provided such self help is preceded by Notice and Hearing as set forth in the Bylaws.

5.8 Cost and Attorneys' Fees. In any action or proceeding under these Covenants, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorneys' fees.

5.9 Limitation on Liability. The Association, the Board of Directors, the Architectural Control Committee, Declarant and any member, agent or employee of any of the same shall not be liable to any Person for any action or for any failure to act if the action or failure to act was in good faith and without malice.

5.10 Mergers or Consolidations. Upon a merger or consolidation of the Association with another Association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated Association or, alternatively, the properties, rights and obligations of another Association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated Association may administer and enforce the covenants, conditions and restrictions established by these Covenants governing the property, together with the covenants and restrictions established upon any other property, as one plan.

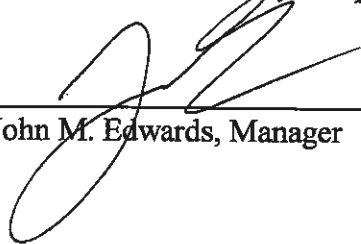
5.11 Disclaimer Regarding Safety. Declarant and the Association hereby disclaim any obligation regarding the security of any persons or property within the Subdivision. By accepting a deed to property within the Subdivision, each Owner acknowledges that Declarant and the Association are only obligated to do those acts specifically enumerated herein, or in the Articles of Incorporation, Bylaws and Rules and Regulations, and are not obligated to do any other acts with respect to the safety or protection of persons or property within the Subdivision.

[Signatures on following page]



IN WITNESS WHEREOF, Declarant has executed these Covenants the 6<sup>th</sup> day of October 2022.

WJE, LLC  
A Wyoming limited liability company

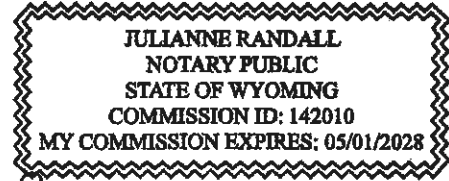
By:   
John M. Edwards, Manager

STATE OF WYOMING     )  
  ) §  
COUNTY OF LARAMIE    )

This instrument was acknowledged before me on the 6<sup>th</sup> day of October, 2022 by John M. Edwards, as Manager of WJE, llc and that he executed this Exhibit A to the Third Amendment to the Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases), and acknowledged this instrument to be the free and voluntary act and deed of WJE, llc for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute this instrument and, in fact, executed this Exhibit A to the Third Amendment to the Declaration of Protective Covenants, Saddle Ridge Subdivision (New Phases) on behalf of WJE, llc.

WITNESS MY HAND AND OFFICIAL SEAL

My Commission Expires: 5-1-2028



  
Notary Public