

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
SONDERS FORT COLLINS (WEST)**

LARIMER COUNTY, COLORADO

When recorded return to:

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First American Title Insurance
National Commercial Services
NCS 1013408-1 (2) CO

**DECLARATION OF
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SONDERS FORT COLLINS (WEST)**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SONDERS FORT COLLINS (WEST) (“Declaration”), is made this 15th day of April, 2022, by Waters’ Edge Developments Inc., a Colorado corporation (“Declarant”). Unless specifically defined otherwise, all capitalized terms used herein shall have the meaning given to such terms in ARTICLE 2 below.

RECITALS

A. Declarant owns the real property described on Exhibit A (the “Community Area”), attached hereto and incorporated herein by this reference.

B. Declarant intends to create a limited expense planned community on the Community Area for the purpose of the use and enjoyment of the Richards’ Lake Rights and Obligations.

DECLARATION

In order to enhance the attractiveness and value of the Community and maintain its value and desirability in connection with the use and enjoyment of the Richards Lake Rights and Obligations declares that the Community Area described on Exhibit A, shall be held, transferred, sold, conveyed, leased, and occupied subject to the covenants, conditions, and restrictions hereinafter set forth, all of which shall run with the land.

**ARTICLE 1.
GENERAL**

1.1 Community Area. Declarant intends that the Community Area be developed as a planned community of residential uses.

1.2 Purposes of Declaration. Property which is subject to this Declaration in the manner hereinafter provided shall be referred to as the Community Area. This Declaration is executed: (a) in furtherance of a common and general plan for the Community Area; (b) to provide for an Association as a vehicle to hold, maintain, care for, and manage the Richards Lake Recreational Purposes; (c) to define the duties, powers, and rights of the Association; (d) to define certain duties, powers, and rights of Owners; and (e) to take other appropriate actions to enhance the quality of the Community and consistent with the terms of this Declaration.

1.3 Declaration. Declarant, for itself, its successors and assigns, hereby declares that all of the Community Area, and each part thereof, shall, from the date the same becomes subject to this Declaration, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered, and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, and other provisions set forth in this Declaration, for the duration hereof, all of which are declared to be

part of, pursuant to, and in furtherance of a common and general plan of development, improvement, enhancement, and protection of the Community Area. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with the terms hereof, shall inure to the benefit of each of the Lots and shall bind, be a charge upon, and inure to the mutual benefit of: (a) all of the Community Area and each part or parcel thereof; (b) Declarant and its successors and assigns; (c) the Association and its successors and assigns; and (d) all Persons having or acquiring any right, title, or interest in the Community Area or any part or parcel thereof or any Improvement thereon and their heirs, personal representatives, successors, and assigns.

1.4 Applicability of Colorado Common Interest Ownership Act. The Community is a limited expense planned community under the Act and is therefore subject only to the provisions of C.R.S. § 38-33.3-105 through C.R.S. § 38-33.3-107. No other portion of the Act shall apply to the Association or the Community.

1.5 Type of Common Interest Community. The Community is a limited expense planned community pursuant to C.R.S. § 38-33.3-116(2).

ARTICLE 2. DEFINITIONS

Unless otherwise expressly provided herein, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified.

“Act”: shall mean the Colorado Common Interest Ownership Act as provided in C.R.S. § 38-33.3-101, et seq., as the same may be from time to time amended.

“Administrative Functions”: shall mean all functions of the Association that are provided for, or are necessary and proper, under this Declaration and shall include, without limitation, providing management and administration of the Association; providing for the performance of the Richards Lake Rights and Obligations; incurring reasonable attorneys’ fees and accountants’ fees; obtaining errors and omissions insurance for officers, directors, and agents of the Association, and obtaining any other insurance required or permitted to be obtained by the Association herein; obtaining fidelity bonds for any Person handling funds of the Association; paying taxes levied against the Association or any Improvements made or acquired by the Association; incurring filing fees, recording costs, and bookkeeping fees; obtaining and maintaining offices and office furniture and equipment; and performing other reasonable and ordinary administration tasks associated with operating the Association.

“Allocated Interests”: shall mean the share of votes allocated to each Lot. The Allocated Interest for each Lot shall be a fraction, the numerator of which is one (1) and the denominator of which is the total number of Lots then within the Community Area.

“Articles of Incorporation”: shall mean the Articles of Incorporation of the Association, which have been or will be filed in the office of the Secretary of State of the State of Colorado, as the same may be amended from time to time.

“Assessment”: shall mean a Common Assessment.

“Association”: shall mean the Sonders Fort Collins (West) Lake Association, Inc., a Colorado nonprofit corporation, and its successors and assigns.

“Board of Directors” or “Board”: shall mean the body responsible for administration of the Association, selected as provided for herein and in the Bylaws.

“Bylaws”: shall mean the Bylaws of the Association which have been or will be adopted by the Board of Directors of the Association, as the same may be amended from time to time.

“City”: shall mean the City of Fort Collins, Colorado.

“Common Assessment”: shall mean assessments levied on all Lots subject to assessment hereunder to fund Common Expenses for the general benefit of all Lots, as more particularly described below.

“Common Expenses”: shall mean the actual and estimated expenses incurred or anticipated to be incurred by the Association for the general benefit of all Lots in connection with the Richards Lake Rights and Obligations and for the construction, repair, replacement and maintenance of any Improvements owned or operated by the Association in connection with the Richards Lake Rights and Obligations, including any reserve the Board may find necessary and appropriate pursuant to the Governing Documents.

“Community”: shall mean Sonders Fort Collins (West).

“Community Area”: shall mean all of the real property described on Exhibit A.

“County”: shall mean the County of Larimer, Colorado.

“Declarant”: shall mean Waters’ Edge Developments Inc., a Colorado corporation, and any other Person Declarant designates as its successor as Declarant (as to all or some of the rights reserved to Declarant herein) in an instrument Recorded in accordance with the Act.

“Declarant Control Period”: shall mean the period of time commencing on the date of Recordation of this Declaration and expiring on the earliest of (a) sixty (60) days after conveyance of all of the Lots to Owners other than Declarant.

“Governing Documents”: shall mean this Declaration, the Articles of Incorporation, the Bylaws and any Rules and Regulations of the Association.

“Improvement”: shall mean all structures and any appurtenances thereto of every type or kind, including, but not limited to, buildings, outbuildings, patio covers, awnings, garages, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, painting of any exterior surfaces of any visible structure, additions, walkways, outdoor sculptures or artwork, sprinkler pipes, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior tanks, solar equipment, and exterior air conditioning and water softener fixtures.

“Initial Assessment”: shall have the meaning provided below.

“Lot”: shall mean a Lot depicted on the Plat or on any subsequently recorded plat or replat which is subject to this Declaration and each condominium unit created pursuant to a condominium declaration and condominium map Recorded against a portion of the Community Area.

“Maintenance Funds”: shall mean the accounts into which the Board shall deposit monies paid to the Association and from which disbursements shall be made in the performance of the functions of the Association pursuant to this Declaration.

“Member” or “Membership”: shall mean the Person or, if more than one, all Persons, who collectively constitute the Owner of a Lot.

“Notice of Default”: shall have the meaning provided below.

“Owner”: shall mean the Person, including, without limitation, Declarant, or, if more than one, all Persons, who collectively hold fee simple title of Record to a Lot, including sellers under executory contracts of sale and excluding buyers thereunder.

“Person”: shall mean a natural person, a corporation, a partnership, or any other entity.

“Plat”: shall mean the plats of Waters Edge Second Filing, Larimer County, Colorado and Waters Edge Third Filing, Larimer County, Colorado, and any plat recorded after the date of this Declaration affecting the Community Area.

“Record” or “Recorded” or “Recording”: shall mean the filing for record of any document in the real estate records of the office of the Clerk and Recorder for the County.

“Related User”: shall mean any Person who: (a) resides with an Owner within the Lot, (b) is a guest or invitee of an Owner, or (c) is an occupant or tenant of a Lot, and any family member, guest, invitee or cohabitant of any such person.

“Richards Lake Rights and Obligations” shall mean and refer to any and all rights and obligations pursuant to any lease agreement associated with the use of Richards Lake, and any and all other agreements entered into in connection therewith now or in the future, including but not limited to the Richards Lake Associations Joint Operating Agreement dated January 1, 2022, the Richards Lake Member Use Policy, and any amendments, modifications or replacements thereof, and any and all other agreements or obligations thereunder, and the maintenance, repair and replacement of any Improvements which may be now or in the future constructed or maintained by the Association with respect to the use and enjoyment of Richards Lake and/or access thereto, or pursuant to any of the agreements constituting a part of the Richards Lake Rights and Obligations.

“Rules and Regulations”: shall mean any instruments, however denominated, including policies and procedures, which are adopted by the Association in connection with the Richards Lake Rights and Obligations.

“User Fees”: shall have the meaning provided below.

**ARTICLE 3.
RICHARDS LAKE RIGHTS AND OBLIGATIONS**

The Association will manage and operate, and exercise on behalf of the Community, the Richards Lake Rights and Obligations. Subject to the requirements and limitations set forth herein (including but not limited to payment of Assessments and User Fees as required hereby), the Rules and Regulations and the requirements and conditions of the documents and agreements comprising a part of the Richards Lake Rights and Obligations, Owners and their Related Users shall have the right to use Richards Lake. Without limiting the foregoing, no Owner or Related User may use any of the Richards Lake Rights and Obligations except in strict compliance with the terms hereof and of the documents and agreements comprising a part of the Richards Lake Rights and Obligations. Any Improvements owned or operated by the Association in connection with the Richards Lake Rights and Obligations will be constructed, maintained, repaired and replaced by the Association, as determined by such Association, and the costs thereof shall be paid from the Assessments and User Fees. The Board may from time to time adopt Rules and Regulations the use and enjoyment of the Improvements and Richards Lake Rights and Obligations, including Rules and Regulations restricting use of recreational facilities to occupants of Lots and their guests and limiting the number of guests who may use such facilities. The Board shall further have the right to suspend the right of an Owner to use such facilities (a) for any period during which any charge against such Owner's Lot remains delinquent, and (b) for a period as determined by the Board for violations of the Declaration, the documents and agreements comprising the Richards Lake Rights and Obligations, the Bylaws, or Rules and Regulations of the Association. The Association, acting through the Board, shall have the right to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to terms hereof. Subject to the terms hereof, the Rules and Regulations, the By-Laws and the documents and agreements comprising the Richards Lake Rights and Obligations, any Owner may extend his or her right of use and enjoyment to its Related Users,. An Owner who leases his or her Lot shall be deemed to have assigned all such rights to the lessee of such Lot.

**ARTICLE 4.
ASSOCIATION FUNCTION, MEMBERSHIP AND VOTING RIGHTS**

4.1 Function of Association. The Association has been or will be formed as a Colorado corporation under the Colorado Revised Nonprofit Corporation Act. The Association shall be the entity responsible for management, maintenance, operation and control of the Improvements and the Richards Lake Rights and Obligations. As more specifically set forth hereinafter, the Association shall have a Board of Directors which, except as provided in the Governing Documents, shall be elected by the Members. The Association shall be the primary entity responsible for enforcement of this Declaration and such Rules and Regulations related to the Richards Lake Rights and Obligations as the Board may adopt. The Association shall perform its functions in accordance with this Declaration, the Bylaws, the Articles of Incorporation and Colorado law.

4.2 Board of Directors. The affairs of the Association shall be managed by the Board of Directors. The number (but not less than provided below), term and qualifications of the Board of Directors shall be fixed in the Articles of Incorporation and Bylaws. The Board of

Directors may, by resolution, delegate portions of its authority to officers of the Association, 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 without a vote of Members, except as otherwise specifically provided in this Declaration. Therefore, at termination of the Declarant Control Period, the Owners of Lots in will elect the members of the Board of Directors.

4.3 Membership. Every Owner shall be a Member of the Association. There shall be one Membership in the Association for each Lot. The Person(s) who constitute 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 shall hold a Membership in the Association for each Lot owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot except that an Owner may assign some or all of his rights as an Owner and as a Member of the Association to a tenant and may arrange for a tenant to perform some or all of such Owner's obligations as provided in this Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of the obligations of an Owner under this Declaration. The rights acquired by any such tenant shall be extinguished automatically upon termination of such tenant's lease.

4.4 Voting. Each Member shall have the right to cast the votes for the Lots owned by such Member except that, in the event any Lot is owned by more than one (1) Member, any Member who is Owner of that Lot and is present to vote at any meeting may cast the votes for such Lot, if more than one (1) Member who is an Owner of that Lot is present at a meeting, the vote for such Lot shall be cast as such Members shall agree or, in the absence of agreement, each Member who is Owner of such Lot shall be entitled to cast the portion of the vote for such Lot equal to such Owner's fractional ownership interest in such Lot. For purposes of this Section, if a Lot is owned by more than one (1) Owner and the deed conveying the Owners' interest does not specify otherwise, each Owner shall be deemed to own a fractional interest in such Lot equal to a fraction where the numerator is one (1) and the denominator is the number of Owners with an ownership interest in such Lot.

4.5 Number of Votes. Each Lot shall have one (1) vote.

4.6 Meetings of Members. The Bylaws shall provide for the manner, time, place, conduct, and voting procedures for meetings of Members.

ARTICLE 5. DUTIES AND POWERS OF ASSOCIATION

5.1 General Duties and Powers of Association. The Association will be formed to further the common interests of the Members. The Association, acting through the Board or Persons to whom the Board has from time to time temporarily delegated such powers in any given instance, shall have the duties and powers hereinafter set forth and, in general, subject to the limitations set forth in this Declaration, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve, and enhance the

common interests of the Members, to maintain, improve, and enhance the Improvements and to exercise the rights and obligations associated with the Richards Lake Rights and Obligations.

5.2 Duty to Accept Property and Facilities Transferred by Declarant. The Association shall accept title to all Improvements and other real property from time to time transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all Administrative Functions and maintenance associated therewith; provided that such property and functions are not inconsistent with the terms of this Declaration. Property interests from time to time transferred to the Association by Declarant may include without limitation fee simple title, easements, leasehold interests, contractual rights, or licenses to use. Any property or interest in property from time to time transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all monetary liens (other than the lien of taxes and assessments not yet due and payable) but shall be subject to the terms of this Declaration.

5.3 Power and Duty to Manage and Care for Improvements and Perform Richards Lake Rights and Obligations. The Association shall have the power and duty, except as otherwise set forth herein, to manage, operate, care for, maintain, and repair all Improvements and perform the rights and obligations for the Richards Lake Rights and Obligations, to keep the same in a good, attractive and desirable condition for the use and enjoyment of the Members consistent with this Declaration.

5.4 Power to Pay Taxes. The Association shall have the power to pay all taxes and assessments levied upon the Improvements and all taxes and assessments payable by the Association. The Association shall have the right to contest any such taxes or assessments by appropriate legal proceedings.

5.5 Power to Maintain Casualty Insurance. The Association shall keep all insurable Improvements insured against loss or damage by fire for the replacement cost thereof with such terms as the Board of Directors shall from time to time determine and shall have the power to obtain and keep in full force and effect such other casualty insurance on the Improvements in such amounts used with such terms as the Board of Directors shall from time to time determine.

5.6 Power to Maintain Liability Insurance. The Association shall have the power to obtain and keep in full force and effect general liability insurance against claims and liabilities arising in connection with the ownership, existence, use, or management of the Improvements with such limits and terms as the Board of Directors shall from time to time determine. The coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations of the Association pursuant to this Declaration. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured by the Association to maintain such continuous coverage.

5.7 General Provisions Respecting Insurance. Insurance obtained by the Association may contain such deductible provisions as the Board of Directors may determine. The Association may carry any other type of insurance it considers appropriate in amounts it deems appropriate, to insure the interests of the Association, including but not limited to liability

insurance on behalf of any member of the Board of Directors or any officer or employee of the Association. 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. During the Declarant Control Period, at Declarant's request, insurance obtained by the Association shall, to the extent reasonably possible and provided Declarant reimburses the Association for any additional premium payable on account thereof, name Declarant as an additional insured and shall contain a waiver of rights of subrogation as against Declarant. Insurance may be provided under blanket policies covering the Improvements and property of Declarant.

5.8 Fidelity Bonds. The Association may obtain and keep in force a fidelity bond or bonds for any Person handling funds of the Association. The Board of Directors may request any Person employed as an independent contractor by the Association for the purpose of managing the Association Properties to obtain and maintain fidelity insurance in an amount determined by the Board.

5.9 Other Insurance and Bonds. The Association shall obtain such other insurance as may be required by law, including workmen's 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. All directors' and officers' liability coverage maintained by the Association shall not have an exclusion for Declarant-appointed Board members.

5.10 Duty to Prepare Budgets and Review or Audit. The Association shall prepare budgets and reviews or audits for the Association as provided herein.

5.11 Power to Levy and Collect Assessments and Fees. The Association may levy and collect Assessments and User Fees as provided in this Declaration.

5.12 Association Books and Records. The Association's books and records shall be maintained in accordance with the Bylaws.

5.13 Power to Acquire Property and Construct Improvements. The Association may acquire property or interests in property for the common benefit of Owners including Improvements and personal property. The Association may construct Improvements on property and may demolish existing Improvements.

5.14 Power to Adopt Rules and Regulations. The Association may adopt Rules and Regulations as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of Improvements and Richards Lake Rights and Obligations. Each Member shall comply with such Rules and Regulations and shall see that Persons claiming through such Member 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 this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail.

5.15 Power to Enforce Declaration and Rules and Regulations. The Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and

shall take such action as the Board deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and the Rules and Regulations by any one (1) or more of the following means: (a) by entry upon any property within the Community Area, without liability to the Owner thereof, for the purpose of enforcement or causing compliance with this Declaration 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 this Declaration 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 this Declaration or the Rules and Regulations, (d) by suspension of the voting rights of a Member for such period as determined by the Board following the cure of any breach by such Member or a Related User of this Declaration or the Rules and Regulations, and (e) by applying fines and penalties, established in advance in the Rules and Regulations of the Association, assessed against any Member or Related User for breach of this Declaration or the Rules and Regulations by such Member or Related User.

5.16 Power to Convey and Dedicate Property to Government Agencies. The Association shall have the power to grant, convey, dedicate, or transfer any Common Areas or facilities to any public, governmental, or quasi-governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate. Any such transfer during the Special Declarant Rights Period, shall, in addition to the approval of Members owning at least sixty seven percent (67%) of the Lots (exclusive of the Lots owned by the Declarant) determined as provided above, require the approval of Declarant.

5.17 Power to Borrow Money and Mortgage Property. The Association shall have the power to borrow money and, with the approval of Members owning at least sixty-seven percent (67%) of the Lots (exclusive of the Lots owned by Declarant), determined as provided above, to encumber the Improvements or other assets of the Association as security for such borrowing, subject to provisions elsewhere contained in this Declaration with respect to required approvals and consents to such action.

5.18 Power to Merge or Consolidate. The Association shall have the power to merge or consolidate with another association with the approval of Members owning at least sixty-seven percent (67%) of the Lots (exclusive of the Lots owned by Declarant), determined as provided above, and, if during the Special Declarant Rights Period, the approval of Declarant. 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 consolidated association may administer and enforce the covenants, conditions, and restrictions established by this Declaration, together with the covenants, conditions, and restrictions established upon any other property as one plan.

5.19 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, management, 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 this Declaration.

5.20 General Corporate Powers; Limitations. The Association shall have all of the ordinary powers and rights of a Colorado corporation formed under the Colorado Revised Nonprofit Corporation Act, including, without limitation, entering into partnership and other agreements, subject only to such limitations upon such powers as may be set forth in this Declaration 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 under this Declaration or the Articles of Incorporation or 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 under this Declaration and the Articles of Incorporation or Bylaws.

5.21 Powers Provided by Law. In addition to the above-referenced powers, except as may be limited by this Declaration, the Articles of Incorporation, or the Bylaws, the Association shall have full power to take and perform any and all actions which may be lawfully taken by the Association under the Colorado Revised Nonprofit Corporation Act. Notwithstanding the foregoing or any other provision of this Declaration, the Articles or Bylaws, the Association may institute, defend, or intervene in litigation or administrative proceeding on behalf of itself on matters affecting the Community, but not on behalf of any Owner on matters affecting the Community.

5.22 Implied Rights; Board Authority. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board or any duly authorized executive committee, officer, agent, or employee without a vote of the membership.

5.23 Indemnification. The Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation. Any indemnification or right of indemnification of directors and officers of the Association as provided by this Declaration, the Articles or the Bylaws shall continue as to a person who has ceased to be a director or officer of the Association

and shall inure to the benefit of the director's or officer's estate, heirs, personal representatives, executors and administrators. Any repeal or modification of any provision of the Governing Documents permitting or requiring indemnification of director's, officer's and committee members shall be prospective only, and shall not adversely affect any limitation on the personal liability of a current or former director, officer or committee member of the Association for acts or omissions prior to such repeal or modification.

5.24 Security. The Association shall not be obligated to maintain or support any security activities within the Community Area. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMUNITY AREAS, NOR SHALL ANY OF THEM BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR OF INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS RELATED USERS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS AND COMMITTEES, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH PERSON USING THE COMMUNITY AREA ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS AND TO THE CONTENTS OF LOTS RESULTING FROM ACTS OF THIRD PARTIES.

ARTICLE 6. IMPROVEMENTS AND RICHARDS LAKE

6.1 Liability of Owners for Damage by Member. Each Member shall be liable to the Association for any damage to the Improvements and Richards Lake, including any Richards Lake Rights and Obligations, for any cost, expense or liability incurred by the Association, to the extent not covered by insurance, which may be sustained by reason of the negligent conduct or intentional misconduct of such Member or any Related User and for any violation by such Member or any such Related User of the Richards Lake Rights and Obligations, this Declaration or any Rule and Regulation adopted by the Association, including any increase in insurance premiums directly attributable to any such damage or any such violation. The Association shall have the power, as elsewhere provided in this Declaration, to levy and collect fines and penalties to cover the costs and expenses incurred by the Association on account of any such damage or any such violation of this Declaration or of such Rules and Regulations.

6.2 Association Duties if Damage. In the event of damage to Improvements by fire or other casualty or in the event any governmental authority shall require any repair, reconstruction, or replacement thereof, the Association shall have the duty to repair, reconstruct, or replace the same. Any insurance proceeds payable by reason of damage or destruction thereof by fire or other casualty shall be paid to the Association and shall be used, to the extent necessary, to pay the costs of 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, 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, use Assessments to pay the cost thereof, or if a Member or group of Members is

liable for such damage, levy fines or penalties against the Member or group of Members responsible therefor, to provide the additional funds necessary. Repair, reconstruction, or replacement of Association Improvements 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 use the same for future maintenance, repair, improvement, and operation of other Association Improvements.

6.3 Association Powers in the Event of Condemnation. If any Improvements or interests therein are taken under exercise of the power of eminent domain or by 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. The Association shall have the exclusive right to participate in such condemnation proceedings and to represent the interests of all Owners or other Persons therein. Any award or funds received by the Association shall be held by the Association in the Maintenance Funds as determined by the Board, as a reserve for future maintenance, repair, reconstruction, or replacement of Association Improvements. No Owner shall be entitled to participate as a party or otherwise in any condemnation proceedings.

6.4 Title to Improvements on Dissolution of Association. In the event of dissolution of the Association, the Improvements shall, to the extent permitted by law and reasonably possible, be conveyed or transferred to an appropriate public, governmental or quasi-governmental agency or organization 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 Improvements was held by the Association. To the extent the foregoing is not possible, the Improvements shall be sold or disposed of and the proceeds from the sale or disposition shall be allocated to the Lots in accordance with the Allocated Interests and distributed to the Members.

ARTICLE 7. ASSESSMENTS AND FEES

7.1 Obligation and Lien for Assessments. Each of the Lots shall be subject to the Assessments. Each Lot shall be subject to a lien for the Assessments (together with interest, late charges, costs of collection, and attorneys' fees on or accrued with respect thereto) as provided in this Declaration. The lien may be claimed and enforced in accordance with the provisions of this Declaration. The Assessments against each Lot and each portion of each Assessment (together with interest, late charges, costs of collection, and attorneys' fees on or accrued with respect thereto) shall be the personal, joint and several obligation of the Owners of the Lot at the time each Assessment or portion thereof becomes payable. Each Owner, by acceptance of its interest in any Lot, agrees to pay to the Association the Assessments as to that Lot and as otherwise provided herein, together with interest, late charges, costs of collection, and attorneys' fees as provided herein.

7.2 Amount of Common Assessments; Initial Assessment.

7.2.1 Amount of Common Assessments. The amount of the annual Common Assessment shall be apportioned among the Lots in accordance with their Allocated Interests. Notwithstanding the foregoing, however, the amount of the annual Common Assessments shall be limited as provided in C.R.S. § 38-33.3-116(2).

7.2.2 Common Assessments and Initial Assessment. For each calendar year, the Association may levy Common Assessments against Owners of the Lots in accordance with this Declaration. Each Owner shall jointly and severally be obligated to pay the Common Assessments levied against and allocated to such Owner and the Lot of such Owner. The first Common Assessment (the "Initial Assessment") shall be made at the time the first Dwelling is transferred to the first purchaser thereof, as shall be determined by the Board of Directors. After the Initial Assessment has been made, Common Assessments shall be made no less frequently than annually and shall be based on a budget adopted no less frequently than annually in accordance herewith. The Initial Assessment and each subsequent Common Assessment shall be determined by the Board in accordance with the budget. 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.

7.2.3 Supplemental Common Assessments. If the sums provided for Common Assessments prove or at any time are anticipated to be inadequate for any reason, including nonpayment of any Owner's Common Assessment, the Board may, from time to time, levy a supplemental Common Assessment (subject to the limitations hereof). Such supplemental Common Assessments shall be allocated among the Lots in the same manner Common Assessments are allocated. Written notice of any supplemental Common Assessment shall be sent to every Owner subject thereto not less than thirty (30) days prior to the date such supplemental Common Assessment becomes payable.

7.3 Budgets. Within ninety (90) days after adoption of any proposed budget for the Community, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver, a summary of the Association budget to all the Members and shall set a date for a meeting of the Members to consider the budget. Such meeting shall occur within a reasonable time after mailing or other delivery of the summary. The Board of Directors shall give notice to the Owners of the meeting as provided in the Bylaws of the Association. The budget proposed by the Board of Directors does not require approval from the Owners and it will be deemed approved by the Owners in the absence of a veto at the noticed meeting by sixty-seven percent (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 approved by the Board of Directors and not vetoed by the Owners must be continued until such time as a subsequent budget proposed by the Board of Directors is not vetoed by the Owners.

7.4 Payment of Assessment. Unless otherwise provided by the Board of Directors as to any Common Assessment, Common Assessments shall be due and payable in advance to the Association by the assessed Member during the calendar year in equal monthly installments, on or before the first day of each month 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.

7.5 Failure to Set Assessment. If the Board of Directors fails to levy an Assessment for any year, the Assessment set for the prior year shall continue in effect for such year until revised by the Board of Directors in accordance with this Declaration. 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 this Declaration or a release of the liability of any Member to pay Assessments, or any installment thereof, for that or any subsequent year. No abatement of the Common Assessment or any other Assessment shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to Association Properties or the Lots or from any action taken to comply with any law or any determination of the Board of Directors or for any other reason.

7.6 Late Charges and Interest. If any Assessment or any installment thereof is not paid when due, the Member obligated to pay the Assessment may be required to pay a late charge at the level from time to time determined by the Board. Any Assessment or installment of an Assessment which is not paid when due shall bear interest from the due date at the rate of fifteen percent (15%) per annum or such other rate as may be established by the Board from time to time.

7.7 Attribution of Payments. All Assessment payments shall be credited first to any late fees, interest, attorneys' fees, and other costs of collection, and next to principal reduction, satisfying the oldest obligations first followed by more current obligations.

7.8 Notice of Default and Acceleration of Assessments. If any 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 ("Notice of Default") to the Owner. The notice 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 Member, 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 against the Lot of the Member. If the delinquent Assessment or installment and any late charges or interest thereon are 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 and all charges and interest thereon in any manner authorized by law or this Declaration.

7.9 Remedies to Enforce Assessments. Each Assessment levied hereunder shall be a separate, distinct, and personal debt and obligation of the Owner or Owners (who shall be jointly and severally liable therefor) of the Lot against which the same is assessed. 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 this Declaration or by law, enforce such obligation on behalf of the Association by suit or by filing and foreclosure of a lien as hereinafter provided. In the event of a default in the payment of any Assessment or other amount due hereunder or breach of any other provision hereunder, the Association, in addition to any remedies hereunder, shall have all remedies available under law.

7.10 Lawsuit to Enforce Assessments. The Board may bring suit at law to enforce any Assessment obligation. Any judgment rendered in such action shall include any late charges,

interest, and other costs of enforcement, including reasonable attorneys' fees in the amount as the court may adjudge, against the defaulting Owner.

7.11 Lien to Enforce Assessments. All Assessments against a Lot (including late fees, interest, cost of collection, and attorneys' fees) shall constitute a lien on such Lot superior to all other liens and encumbrances. Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for Assessments is required. However, the Board may prepare, and record 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 cost thereof shall be considered a Cost of Enforcement. The lien shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Lot subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said lien.

7.12 Estoppel Certificates. Upon the written request of any Member and any Person with, or intending to acquire, any right, title, or interest in the Lot of such Member, the Association shall furnish a written statement setting forth the amount of any Assessments or other amounts, if any, due and accrued and then unpaid with respect to a Lot and the Owner thereof, and setting forth the amount of any Assessment levied against such Lot which is not yet due and payable. Such statement shall, with respect to the Person to whom it is issued, be conclusive against the Association that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have been levied.

7.13 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 this Declaration.

7.14 User Fees. The Association may assess fees ("User Fees") charged to Members who use or derive special benefit from services provided by the Association and which are not used or which do not generally benefit all of the Members. Unpaid User Fees may be enforced as Assessments or in any other manner reasonably determined by the Association.

ARTICLE 8. SPECIAL DECLARANTS RIGHTS AND RESERVATIONS

8.1 Declarant Rights. Notwithstanding any provision herein to the contrary, Declarant reserves the following "Special Declarant Rights" which may be exercised, where applicable, anywhere within the Community. The rights and reservations shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association and in each deed or other instrument by which any property within the Community Area is conveyed by Declarant whether or not specifically stated therein. The Special Declarant Rights shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded, or affected by any amendment of this Declaration during the Special Declarant Rights Period. Declarant's consent to any one such amendment shall not be construed as consent to any other subsequent amendment.

- (a) To complete any Improvements.
- (b) To exercise any Special Declarant Rights reserved or described herein and to amend the Declaration in connection with the exercise of any Special Declarant Rights.
- (c) To merge or consolidate the Community with a common interest community of the same form of ownership.
- (d) To appoint or remove any officer of the Association or any member of the Board during the Declarant Control Period.
- (e) To exercise any other right reserved or granted to Declarant herein or implied by any other provisions of this Declaration.
- (f) During the Special Declarant Rights Period, the Association shall not, without first obtaining the prior written consent of Declarant, which consent shall not be unreasonably withheld, convey, change, or alter the use of Improvements, mortgage the Improvements, or use the Improvements other than solely for the benefit of Members or as specifically allowed in this Declaration.

8.2 Rights Transferrable. Special Declarant Rights created or reserved hereunder for the benefit of Declarant may be transferred to any Person by Declarant by a Recorded instrument describing the Special Declarant Rights transferred. Such instrument shall be executed by the transferor Declarant and the transferee.

8.3 Limitations. Except as otherwise set forth in this Declaration, Special Declarant Rights shall terminate at the option of Declarant as set forth in a recorded instrument executed by Declarant, but in any event such Special Declarant Rights shall terminate without further act or deed at the end of the Declarant Control Period.

8.4 Interference with Declarant Rights. Neither the Association, the Board nor any Owner may take any action or adopt any rule or regulation that will interfere with or diminish Special Declarant Rights without the prior written consent of Declarant.

8.5 Exercise of Rights. The exercise of any or all of the rights reserved to Declarant shall be at the sole option and discretion of Declarant. Special Declarant Rights may be exercised at any time and from time to time, and, if Declarant exercises any Special Declarant Rights, such rights may, but need not, be exercised as to all or any other portion of the Community. Notwithstanding anything in this Declaration to the contrary, no consent or agreement of, or notice to, the Association, any Owners, or any other Person shall be required in order to allow Declarant to exercise any of its rights hereunder, provided such exercise otherwise complies with the applicable provisions of this Declaration.

ARTICLE 9. MISCELLANEOUS

9.1 Term of Declaration. The covenants, restrictions and obligations of this Declaration shall run with and bind the land in perpetuity until this Declaration is terminated in

accordance herewith. This Declaration may only be terminated upon the consent of Owners holding at least eighty percent (80%) of the vote in the Association. The termination shall be effective on Recording of such instrument or on such later date as is specifically stated in such instrument.

9.2 Amendments by Declarant.

9.2.1 Amendments Before Conveyances. Until the first Lot subject to this Declaration is conveyed with a residence constructed thereon to the first Owner thereof (other than Declarant), any of the provisions contained in the Declaration may be amended or terminated by Declarant by the Recording of an amendment, executed by Declarant, setting forth such amendment or termination.

9.2.2 Technical Amendments. Declarant further reserves and is granted the right and power to make and Record technical amendments of the Declaration, and the Articles of Incorporation and Bylaws of the Association. Such amendments shall be permitted for the purposes of correcting spelling, grammar, dates, cross references, or typographical errors or as may otherwise be required to clarify the meaning of any provision of any and all such documents. No such amendment shall be permitted to make any substantive change in the provisions of this Declaration.

9.2.3 Amendments for Exercise of Reserved Rights. During the Special Declarant Rights Period, the Declarant may make amendments to this Declaration as necessary and/or as required by applicable law in connection with the exercise of any rights reserved by the Declarant under this Declaration.

9.3 Amendment of Declaration by Members. Except as otherwise provided in this Declaration, and subject to the provisions elsewhere contained in this Declaration requiring the consent of Declarant or others, any provision of this Declaration, including, without limitation, any covenant, condition, restriction, or equitable servitude contained in this Declaration, may be amended or repealed at any time and from time to time by the Recording of a written statement of amendment or repeal executed by the Owners of at least sixty-seven percent (67%) of the Lots or by the vote of Members owning at least sixty-seven percent (67%) of the Lots at duly constituted meetings of the Members and the Recording of a certificate of such vote of amendment or repeal executed on behalf of the Association by the President of the Association or any member of the Board of Directors. The amendment or repeal shall be effective on Recording of such instrument or on such later date as is specifically stated in such instrument. No such instrument shall be required to be in any particular form.

9.4 Required Consent of Declarant. Notwithstanding any other provision in this Declaration to the contrary, any amendment, modification or repeal of any provisions of this Declaration during the Special Declarant Rights Period shall not be effective unless Declarant has given its written consent to such amendment or repeal, which consent may be evidenced by the execution by Declarant of any certificate of amendment or repeal. The foregoing requirement for consent of Declarant to any amendment or repeal shall terminate upon termination of the Special Declarant Rights Period. Each amendment to this Declaration enacted by the vote or agreement of Owners of Lots shall be applicable only to disputes, issues,

controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred after the Recording of such amendment, and no such amendment shall be applied retroactively (i) to any disputes, issues, controversies, circumstances, events, claims or causes of action that arose out of acts, omissions, events or other circumstances that occurred before the date of recording of such amendment in the County, or (ii) to impair the rights or obligations of any Person, including Declarant, as originally set forth in this Declaration.

9.5 Amendment of Articles and Bylaws. The Articles of Incorporation and Bylaws may be amended in accordance with the provisions set forth in such instruments or, in the absence of such provisions, in accordance with applicable provisions of the Colorado Revised Nonprofit Corporation Act.

9.6 Notices. Any notice permitted or required to be given under this Declaration or under the Bylaws, including any notice by the Association to any Member or Owner and any notice by any Member or Owner to another Member or Owner required by this Declaration or the Bylaws, shall, unless otherwise specified in this Declaration or in the Bylaws, be in writing and may be given either personally, by regular mail, certified mail, registered mail, local or national commercial courier or delivery service, successful and confirmed facsimile transmission, or by any other means that is then commonly in use in the United States as a means of giving important notices and which is designated by the Board of Directors as an appropriate means for giving notices hereunder. All notices given by regular mail shall be deemed to have been received on the third business day after being mailed and all other notices shall be deemed to have been received on the date actually delivered unless the Board of Directors shall adopt a universally applicable rule as to any specific method of giving notices, in which case such rule shall be applicable to all notices given by such method. All notices shall be 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. Such address may be changed from time to time by notice in writing to the Association; provided that all such notices shall be at addresses located in the United States and no more than two (2) Persons and addresses may be designated as being entitled to notices with respect to any Lot. If directions for notice are given to the Association that are inconsistent with the foregoing, the Association may ignore such directions.

9.7 Persons Entitled to Enforce Declaration. The Association, acting by authority of the Board, and any Member of the Association shall have the right to enforce any or all of the provisions, covenants, conditions, easements, restrictions, and equitable servitudes contained in this Declaration against any property within the Community Area and the Owner thereof. The right of enforcement shall include the right to bring an action for damages as well as an action to enjoin any violation of any provision of this Declaration.

9.8 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction, and equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Person entitled to enforce the provisions of this Declaration.

9.9 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, and equitable servitudes contained in this Declaration.

9.10 Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

9.11 Costs and Attorneys' Fees. In any action or proceeding under this Declaration the substantially prevailing party shall recover its costs and expenses in connection therewith including reasonable attorneys' fees.

9.12 Limitation on Liability. The Association, the Board of Directors, 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.

9.13 No Representations or Warranties. Neither Declarant nor any of the agents or employees of any of them makes any representation regarding views, the future use, appearance or height of improvements on any adjacent property, or the selling price of homes, or the desirability of any particular location, zoning and subdivision regulations, or taxes. Declarant makes no warranty or representation as to the presence or non-presence of radon or other naturally occurring hazardous environmental conditions on the Community Area, or to the effect of any such condition on the Lots or Improvements, or the Association or Owners.

9.14 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

9.15 Conflict of Provisions. Except to the extent any provision of this Declaration is inconsistent with the Act, in case of any conflict between this Declaration, the Articles of Incorporation, or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

9.16 Governing Law. The validity and effect of this Declaration shall be determined in accordance with the laws of the State of Colorado.

9.17 Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial validity or partial enforceability of the provisions or portion thereof shall not affect the validity or enforceability of any other provision.

9.18 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine, or neuter genders shall each include the masculine, feminine, and neuter genders.

[Signature page on following pages.]

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this
15th day of April, 2022.

Declarant:

WATERS' EDGE DEVELOPMENTS, INC.

By: [Signature]

Printed Name: DANIEL J NICKLESS

Its: AUTHORIZED PERSON.

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this day 15th of
April, 2022, by Daniel Nickless as Authorized Person of Waters' Edge
Developments Inc., a Colorado corporation.

Witness my hand and official seal.

(S E A L)

Notary Public [Signature]

My Commission Expires: August 10, 2024

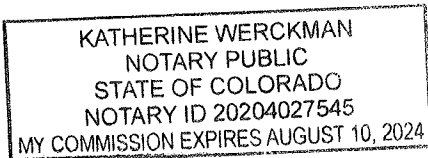


EXHIBIT A

**LEGAL DESCRIPTION OF COMMUNITY AREA
SUBJECT TO THE DECLARATION**

All of the Lots and Tracts located in

Waters' Edge Second Filing,
In the City of Fort Collins, County of Larimer, State of Colorado

And

Waters' Edge Third Filing,
In the City of Fort Collins, County of Larimer, State of Colorado

Other than those Tracts previously conveyed to the Waters' Edge Metropolitan District No. 1.