DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STEAMBOAT AIRPORT INDUSTRIAL PARK

WHEREAS, Raider Development, LLC, a Colorado limited liability company ("Declarant") is the owner of all of that real property in Routt County, Colorado, which is platted as a Project, called Steamboat Airport Industrial Park, the plat of which is filed as File No. _____of the Routt County real property records (the "**Plat**"). All of the real property described in **EXHIBIT A**, attached hereto and made a part hereof, is referred to in this Declaration as the "**Property**" or "**Properties**".

Declarant hereby establishes on the Property a Planned Community (also referred to herein as "**Project**") under the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101, et seq. (the "**Act**"), and Declarant hereby submits the Property as described on **EXHIBIT A** to the Act as it may be amended from time to time. Declarant hereby makes and declares the following limitations, restrictions, requirements, burdens, and uses upon and of the Property and all parts thereof and upon the owners of lots within and dwellings and buildings erected on the Property as restrictive and protective covenants running with the land ("**Declaration**"), and as binding upon Declarant and all parties having any right, title or interest in any part of the Property, their heirs, successors and assigns, to inure to the benefit of each Lot Owner thereof. The Property shall be held, sold, and conveyed subject to the covenants, conditions, restrictions, reservations, easements, assessments, charges, liens and other provisions of this Declaration which are for the purpose of protecting the value and desirability of the Property, and which shall run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Property.

Declarant has caused to be incorporated the Steamboat Airport Industrial Park Association, Inc. (hereinafter called the "**Association**"), a Colorado nonprofit corporation, for the purpose of exercising the functions of an association under the Act and this Declaration and for the purposes described in its Articles of Incorporation ("**Articles**").

1. Definitions. As used herein the following words and terms shall have the following meanings:

1.1. "**Allocated Interest**" shall mean the percentage allocation of Assessments and votes to each Lot within the Project, as more particularly set forth on **EXHIBIT B**. The formula for determining the Allocated Interest for each Lot is a fraction, the numerator of which is the acreage contained in the Lot and the denominator of which is the total acreage of all Lots included within the Project at the time of determination of the Allocated Interest. The acreage of Lots as indicated on the Plat (as it may be amended) shall be conclusive and binding on all interested parties in determining the Allocated Interest.

1.2. "**Architectural Review Committee**" shall mean the committee of persons appointed by the Executive Board to be responsible for architectural control of structures on the Lots, as more fully described in Section 6 of this Declaration. In the event that an Architectural Review Committee is not appointed or serving, then the Executive Board shall function as the Architectural Review Committee.

1.3. "**Assessment**" shall mean an assessment for expenses that is levied by the Association on one or more Lots pursuant to the terms of this Declaration. The term "Assessment" may refer to an Annual Assessment, Special Assessment, or Default Assessment.

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1.4. "**Association**" shall mean the Steamboat Airport Industrial Park Association, Inc., a Colorado nonprofit corporation and its successors and assigns as the association of Owners for the Project.

1.5. **"Bylaws"** shall mean the Steamboat Airport Industrial Park Association, Inc., Bylaws as adopted and amended from time to time.

1.6. "**City**" shall mean the City of Steamboat Springs, Colorado.

1.7. "**Common Elements**" shall mean all real and personal property, easements, possessory interests in property and Improvements within the Project that are owned, leased or otherwise held by the Association for the use and benefit of Owners, including without limitation, that portion of the Property designated by the Declarant and shown on the Plat as Open Space A Open Space B, and Open Space C which shall be held or possessed by the Association for the use and benefit of all of the Owners. Common Elements do not include the Lots, except to the extent of easements reserved thereon for the benefit of the Association and except to the extent, if any owned by the Association and used by the Association as Common Elements.

1.8. "**Common Expenses**" shall refer to any estimated or actual expenses or liabilities incurred or anticipated to be incurred by or on behalf of the Association, together with any allocations to reserves, which may include but shall not be limited to:

1.8.1. Maintenance, management, operation, repair and replacement of the Common Elements, including but not limited to the Open Space, Utility and Private Access Easement and all other areas of the Property which are maintained by the Association.

1.8.2. Maintenance and repair of the roadways, right of ways, signage, landscaping, and area constituting the principal entrance and roads throughout the Properties;

1.8.3. Costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees;

1.8.4. The cost of utilities, including but not limited to electricity, gas, septic, trash pick-up and disposal, and fire protection and security services, which are provided to the Association and not individually metered or assessed by Lot, and landscaping maintenance and other services which generally benefit and enhance the value and desirability of the Project and which are provided by, or on behalf of, the Association;

1.8.5. Costs of any premiums and/or deductibles for fire, casualty, liability, errors and omissions, Workers' Compensation and all other insurance covering the Common Elements and the Association and costs of any other insurance obtained by the Association;

1.8.6. Reasonable reserves for contingencies, replacements and other proper purposes as deemed appropriate by the Association, which reserves shall be adequate to meet the costs and expenses of maintenance, repair and replacement of the Common Elements which must be maintained, repaired, or replaced on a periodic basis;

1.8.7. Taxes, if any, paid by the Association;

1.8.8. Amounts paid by the Association for discharge of any lien or encumbrance levied against the Common Elements or portions thereof;

1.8.9. Costs of enforcement of the Declaration, Articles, Bylaws and rules and regulations, including court costs and attorney fees;

1.8.10. Any and all other expenses incurred by the Association for any reason whatsoever in connection with the Common Elements (excepting reconstruction costs and capital improvements, as otherwise provided herein), or the costs of any other item or items designated by, or to be provided or performed by, the Association pursuant to this Declaration, the Articles, Bylaws, rules and regulations, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

1.9. **"Declarant Control Period"** shall mean the period of Declarant control, which terminates no later than the earlier of:

1.9.1. Sixty (60) days after conveyance, on a cumulative basis, of seventy-five percent (75%) of all Lots in the ordinary course of business to Lot Owners who are not the Declarant;

1.9.2. Two (2) years after the last conveyance of a Lot by the Declarant to a Lot Owner in the ordinary course of business; or

1.9.3. Two (2) years after any right to add new Lots under this Declaration was last exercised (collectively the "Turnover Date").

1.10. **"Drainage Facilities"** shall mean any drainage ditches, retention ponds, culverts and other improvements and facilities existing or constructed in the Project for the purpose of channeling runoff and other water flowing through the Project.

1.11. "**Executive Board"** shall refer to the board of directors of the Steamboat Airport Industrial Park Association, Inc., designated to act on behalf of such Association.

1.12. "**First Lienor**" means the beneficiary of or holder of the first lien security interest on a Lot, other than the Association with respect to its lien under the Act.

1.13. **"Governing Documents"** shall refer collectively to those documents which govern the operation of the Association, the Properties, and the Project, including: (a) Articles; (b) Bylaws; (c) Rules and Regulations; (d) all recorded plats affecting the Properties; and (e) this Declaration, as one or more of the same may be amended from time to time. Each and every provision of the Governing Documents shall be given the force and effect as if set forth in this Declaration. "Policy" or "Policies" means any of the responsible governance policies required by Section 38-33.3-209.5 of the Act.

1.14. **"Government Regulations"** shall mean the ordinances and regulations of Steamboat Springs, CO, together with any and all applicable state and federal laws and regulations.

1.15. **"Lot"** shall mean a separately described part of the Property designated as a Lot by number on the Plat. Each Lot within the Property may be used and occupied only for residential purposes, and only one single-family dwelling structure may be constructed on a Lot.

1.16. "**Open Space**" refers to the portion of the Common Elements designated by the Declarant, and shown on the Plat, which shall remain primarily undeveloped and utilized for open space. The

Association shall have the right, but not the obligation, to construct and maintain pedestrian trails, parks and other amenities for the benefit of Lot Owners upon such portions of the Property.

1.17. "**Owner**" shall refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.

1.18. **"Person"** means a natural person, a corporation, a partnership, a trustee or any other legal entity.

1.19. **"Plat"** shall mean and refer to the plat of Steamboat Airport Industrial Park recorded at Reception No. _____ and filed at File No. _____ together with any additional or supplemental plats affecting a Lot or Lots within the Property.

1.20. **"Project"** shall mean and refer to the Steamboat Airport Industrial Park to be located on the Property.

1.21. **"Property"** shall mean and refer to the real property described in **EXHIBIT A**.

1.22. **"Rules and Regulations"** means the Rules and Regulations of the Association, as the same may be adopted and amended from time to time.

1.23. **"Street"** shall mean a right-of-way dedicated to the public for use as a public street, or a private road within the Project intended for general common use.

1.24. "**Structure**" shall mean a building, driveway, fence, outbuilding, parking area, improvement, wall, foundation, walkway, utility line, or other fixture or improvement affixed and situated on a Lot with the intent that it remains indefinitely.

1.25. "**Turnover Date**" shall mean the date on which the Declarant Control Period ends.

2. General Purpose. This Declaration is made for the purpose of regulating development and use of, and construction and occupancy in, the Property, in order to keep the Property, insofar as possible, desirable, attractive, beneficial, and suitable to residents, and to guard against fires and casualties and unnecessary interference with the natural beauty of the Property, and to enhance the mutual benefit, health, welfare, and protection of the Owners and residents of Lots.

3. Permitted Uses. Each Lot shall be used only for industrial, commercial and multi-family or mixed-use residential purposes if allowed per the Steamboat Springs Community Development Code ("**Steamboat Code**"). All uses of the Property shall be in conformance with the Governing Documents, the Steamboat Code and other applicable ordinances, rules and regulations of Steamboat Springs, Colorado.

4. Lots.

4.1. Number and Size of Lots. The number of initial Lots in the Project shall be Twenty-seven (27). The Lots are identified by number on the Plat. Except as otherwise permitted in this Declaration or the Act, the maximum number of Lots on the Property shall be fifty (50). Lots shall be no smaller than 0.15 acre in size.

4.2. Allocated Interests. The Allocated Interest of each Lot shall be determined as set forth above in Section 1.1. and shown on **EXHIBIT B**. The Allocated Interest shall determine the share of Assessments and common expense liability, together with the votes for each Lot within the Project.

4.3. Description of Lot. After the Declaration and Plat have been filed for record in the Routt County real property records of the County of Routt, State of Colorado, every instrument affecting title to a Lot may describe that Lot by the number identifying the Lot on the Plat (its "Identifying Number"), in substantially the following form:

Lot ___, Steamboat Airport Industrial Park

4.3.1. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect title to a Lot. Each such description shall be construed to include a nonexclusive easement for ingress and egress throughout and for the use of the Common Elements, the right to the exclusive use of the appurtenant Limited Common Elements, if any, the Declarant's exclusive right to conduct storage facility operations (i.e. mini-storage), and the other easements and rights appurtenant to such Lot. Every such description shall be good and sufficient to covenant the Use restrictions as provided for herein.

4.4. Separate Taxation of Lots. Pursuant to the Act, each Lot constitutes a separate parcel of real estate and will be separately assessed and taxed.

4.5. Subdivision of Lots and Relocation of Lot Boundaries. Subject to the rights reserved by Declarant in Section 10, an Owner may subdivide or consolidate Lots, relocate or adjust boundaries between adjoining Lots upon approval of the Executive Board. In order to subdivide, consolidate or join Lots, relocate or adjust the boundaries between adjoining Lots, the Owners of such Lots shall submit to the Executive Board an application which includes matters required by the Act and such other information as may be reasonably requested by the Executive Board. The Executive Board shall approve upon reasonable conditions, or disapprove such application within a reasonable period of time, and shall communicate promptly to the applying Owners the conditions of approval or all of the reasons for disapproval, as applicable. Subdivision or consolidation of Lots, relocation or adjustment of the boundaries between Lots shall be accomplished by an amendment to the Plat reflecting the adjustments to the Lots, together with an amendment to the Declaration reflecting the revised Allocated Interests, prepared in accordance with this Declaration and the Act, and executed by the Owners of the applicable Lots and the Association, and then recorded in the Routt County real property records. Any subdivision of a Lot into townhome or condominium units shall have no effect on the maximum number of Lots on the Property as set forth in Section 4.1. If required, any subdivision, consolation or boundary relocation plat must also be first approved by the governmental body having jurisdiction over the Property.

5. Prohibited Activities and Affirmative Obligations. Without limiting other provisions of this Declaration, the following restrictions, limitations and affirmative obligations shall apply to all Owners and occupants of Lots in the Project:

5.1. Signs. All signs must be in compliance with Government Regulations.

5.2. Trash and Screening of Items. No refuse, garbage, trash, plant waste, scrap or debris of any kind shall be kept, stored or allowed to accumulate on any Lot except within a suitable, bear-proof receptacle which is enclosed or otherwise appropriately screened as approved by the Architectural

Control Committee. There shall be no burning or other disposal of refuse on the Property without the written consent of the Executive Board.

5.3. Outdoor Storage. Materials, supplies and equipment, finished products or semi-finished products, raw materials or other articles of any nature shall not be permitted to be stored or permitted to remain on any vacant Lot or on any Lot outside of an enclosed Structure unless screened as approved by the Architectural Control Committee. Any such outdoor storage approved by the Architectural Control Committee shall be maintained in an attractive and neat condition, and subject to such additional Rules and Regulations as may be reasonably adopted by the Association. All outdoor storage must be in compliance with Government Regulations.

5.4. Parking. Equipment, trailers, mobile homes, campers, trucks, commercial vehicles, abandoned or inoperable vehicles shall not be parked overnight on a Lot outside of a building unless a parking plan is first approved by the Architectural Control Committee and subject to such additional Rules and Regulations as may be reasonably adopted by the Association.

5.5. Livestock, Dogs and Other Animals. No livestock shall be raised, kept, or maintained on a Lot without approval of the Executive Board, specifically including but not limited to poultry, feedlot and swine operations. Dogs or other animals shall not be allowed to run at large within the Project. All dogs or other animals entering or kept on a Lot shall be subject to the Governing Documents. If an Owner, occupant, tenant, guest or invitee violates the Governing Documents regarding pets and animals, the Owner shall be liable to the Association for fines and, in addition, an Owner shall be responsible for any specific costs incurred by the Association or other Lot Owners to clean, restore or repair damage caused by an Owner's pet.

5.6. Nuisance. Noxious, offensive or illegal trades, services or activities shall not be conducted within the Project, nor shall anything be done therein which constitutes a nuisance to the Owners of other Lots, or their tenants, by reason of unsightliness or the excessive emission of fumes, odors, glare, vibration, gases, radiation, dust, liquid waste, smoke or noise.

5.7. Leases. The Owner of any Lot, which is leased in whole or in part, must include in every lease a reference to this Declaration and an obligation on the part of the lessee to abide by all the restrictions herein contained upon use of the leased property.

5.8. Drainage. Established drainage patterns within the Property shall not be modified or altered with unless approved by the Architectural Control Committee.

5.9. Noxious Weed Control. All Owners shall comply with the Colorado Noxious Weed Act and applicable Routt County guidelines on the control and elimination of noxious weeds.

5.10. Storage Facility Exclusive Right. All Lots are subject to an exclusive right reserved by Raider Development, LLC and its assigns to construct, own and operate a Storage Facility within the Project. For purposes of this Declaration, Storage Facility shall mean a facility for the indoor or outdoor lease or sale of more than three (3) individual units or spaces less than 1250 square feet per unit to be used for storage of business or personal goods, including without limitation, self-storage, mini-storage, and garages for vehicle or other storage uses. For purposes of clarification, Storage Facility does not mean a warehouse facility for the storage of commercial or industrial goods for a singular business located on a Lot, nor does such exclusive right prohibit Live/Work units, garages or personal storage units associated with residential structures constructed on a Lot. Raider Development LLC may release the exclusive right upon recording of a document in the

Routt County clerk and recorder's office indicating such release or termination and referencing the Declaration.

5.11. Off-street Parking and Loading.

5.11.1. Each Owner of a Lot shall provide adequate off-street parking and loading areas within the Lot sufficient to meet the demands of the use of the Lot and meeting the requirements of applicable Governmental Regulations.

5.11.2. All driveways, off-street parking, maneuvering and loading areas shall be paved and properly graded to assure proper drainage.

5.12. Rules and Regulations. All activities within the Project, including without limitation, all development and use of Lots, shall be subject to additional rules, restrictions, and guidelines as set forth in Rules and Regulations adopted from time to time by the Association.

6. Architectural Control.

6.1. Architectural Review Committee. The Architectural Review Committee shall be comprised of two (2) or more representatives appointed by the Executive Board. Declarant shall have the right to appoint an individual to serve as a member of the Architectural Review Committee until such time as Declarant resigns or no longer owns a Lot within the Project.

6.2. Review Required. No development of a Lot or construction, reconstruction, exterior addition, change or alteration to a Structure shall be made until the plans and specifications showing the nature, kind, shape, heights, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee. No Lot may be graded, cleared, marred, changed or altered in any way unless in strict compliance with the plans and specifications for the development of the Lot that has been approved by the Architectural Review Committee. No material changes in or deviations from the approved plans and specifications shall be made without prior written consent of the Architectural Review Committee.

6.3. Approval of Construction Plans. Two complete sets of plans and specifications for the proposed Structure, including elevations, floor plans, exterior color schemes, material types, landscape plans, lighting plans, and two site plans indicating the anticipated location of such Structure or altered Structure on the Lot, shall be furnished to the Architectural Review Committee. The site plan shall include but not be limited to the following information:

6.3.1. 2' contour intervals.

6.3.2. Approximate location of proposed utility lines, appurtenances and easements.

6.3.3. Approximate grading plan of the entire area to be affected by the construction, including spot elevations in critical drainage areas.

6.3.4. Approximate location of driveway, parking areas and Structures.

6.4. In passing upon any plans and specifications submitted to it, the Architectural Review Committee may consider any factors it deems relevant, in its sole discretion, including the following (inclusion

of this listing does not preclude the Architectural Review Committee from considering other factors it deems relevant though not in this listing):

6.4.1. The purposes, limitations and provisions of this Declaration, and any additional architectural control guidelines adopted by the Executive Board, and applicable law;
6.4.2. Suitability of the Structure and the materials of which it is to be constructed to the site upon which it is to be located.
6.4.3. The safety and security of Occupants and neighboring structures.
6.4.4. Conformance with Governmental Regulations.

6.5. The Architectural Review Committee may charge a reasonable uniform fee for the review of plans and specifications, which fee shall be paid in advance.

6.6. Approval or disapproval, or approval with conditions, of plans and specification by the Architectural Review Committee shall be in writing. If the Architectural Review Committee does not approve or disapprove, or approve with conditions, the plans and specifications within sixty (60) days after submission of the plans and specifications, such plans and specifications shall be deemed approved without conditions. The approval or disapproval of plans and specifications shall in no way be deemed to be a precedent requiring the Architectural Review Committee to approve or disapprove, as applicable, any subsequently filed plans and specifications which are identical or similar to those first approved or disapproved. Each set of plans and specifications is deemed unique, and the decisions of the Architectural Review Committee on any such plans and specifications shall not bind the Architectural Review Committee to any course of conduct in the future which is not a part of the plans and specifications and Lot to which the prior decision related.

6.7. No review or approval by the Architectural Review Committee of plans, specifications or other matters shall constitute an express or implied warranty of any nature as to the plans, specifications or other matter in question, including whether such plans and specifications are complete or correct or whether any Structure to be built pursuant thereto is properly designed or engineered or satisfies the requirements of applicable law. No member of the Architectural Review Committee shall have any liability whatsoever for failure or refusal to approve plans, specifications or other matters provided such person acts in good faith.

6.8. The Association may from time to time, by the affirmative vote of a majority of the Executive Board, adopt and from time to time amend architectural guidelines consistent with and supplementing the provisions of this Declaration, and shall deliver a copy of such guideline amendments thereto to the Lot Owners at the time of such adoption. Thereafter, the Association, the Architectural Review Committee and the Executive Board, and all Lot Owners shall comply with such guidelines until and unless they are revoked or amended.

6.9. Landscaping. Improvements shall be landscaped after construction of a Structure on the Lot. Surface scars, cut and fill slopes created due to any construction, utility installation, and all other grading shall be reclaimed with vegetative cover.

6.10. Fences. All fences and screening must be approved in advance by the Architectural Review Committee.

6.11. Lighting. All exterior lighting within Lots shall be downcast and opaquely shielded.

6.12. Continuity of Construction. Construction of all structures commenced in the Property shall be prosecuted diligently to completion and shall be completed within twenty four (24) months of commencement.

7. Maintenance.

7.1. General. No Lot within the Project shall be permitted to fall into disrepair, and all Lots within the Project, including any fences, Structures. improvements and landscaping thereon, shall be kept and maintained in a clean, attractive and sightly condition and in good repair. Exterior materials shall be regularly maintained, repaired and replaced in order to maintain the improvements in a clean, attractive and sightly condition. Maintenance, repair and upkeep of each Lot and improvements located thereon shall be the responsibility of the Owner of the Lot. All landscaping shall be regularly maintained in a neat and trim manner. Noxious weeds shall be removed regularly by Lot Owners. Lot Owners shall maintain their Lots or the area in front of their Lots, extending to the edge of the shoulder of the roads. If the Lot Owner fails to conduct such maintenance and repairs, the Association has the right, but not the obligation to undertake such maintenance and repairs and assess any costs involved in the maintenance and repairs against the Lot as a Default Assessment.

8. Common Elements.

8.1. Conveyance of Common Elements. Declarant shall grant and convey to the Association by written instrument recorded with the Clerk and Recorder of Routt County, Colorado, the Open Space, access, utility, drainage and snow storage easements as shown and described on the Plat, and perpetual and non-exclusive easements for purposes of ingress and egress and utilities as shown and described on the Plat. From time to time, Declarant may, but shall not be obligated to, convey to the Association by written instrument recorded with the Clerk and Recorder of Routt County, Colorado, certain parcels of the Property as Common Elements for use by all of the Owners. The Common Elements shall be designated for the common use and enjoyment of the Owners, as more fully set forth in Section 9.1 below, subject to the limitations set forth in that Section.

8.2. Maintenance. The Association shall maintain and keep the Common Elements in good repair, and the cost of such maintenance shall be a Common Expense, funded as provided in Section 12.

8.3. Lot Owners' Negligence. Notwithstanding anything to the contrary contained in this Section, in the event that the need for maintenance or repair of the Common Elements is caused by the willful or negligent act or omission of any Lot Owner, or by the willful or negligent act or omission of any occupant, employee, guest or invitee of such Lot Owner, any costs, expenses and fees incurred by the Association for such maintenance, repair or reconstruction shall be a specific Assessment to which such Lot Owner's Lot is subject and shall become a lien against such Lot Owner's Lot. Any damage to the Common Elements, including but not limited to the roadway within the Project, which is caused by construction vehicles, shall be the responsibility of the Owner of the Lot upon which the construction vehicles are working.

8.4. Use. No use shall be made of the Common Elements that will in any manner violate the statutes, rules or regulations of any governmental authority having jurisdiction over the Common Elements. The use of the Common Elements shall be subject to such rules and regulations as may be adopted from time to time by the Executive Board.

8.5. Access to Common Elements. No Lot Owner shall place any structure whatsoever upon the Common Elements, nor shall any Lot Owner engage in any activity which will temporarily or permanently deny free access to any part of the Common Elements to all Owners.

8.6. No Partition. The Common Elements shall be owned by the Association. No Owner, group of Owners, or the Association shall bring any action for partition or division of the Common Elements.

8.7. Association Power. The Association, through its Executive Board, may convey, dedicate to the public or other entity, encumber or otherwise dispose of, Common Elements.

9. Easements.

9.1. Owner's Easement of Enjoyment. Every Owner has a right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to every Lot subject to the provisions herein.

9.2. Recorded Easements. The Property shall be subject to all easements as shown on the Plat, any amendments thereto, any recorded plat affecting the Property, and any other easements of record as of the date of recordation of this Declaration including without limitation, those easements listed on **EXHIBIT C**.

9.3. Shared Driveway Easements. Perpetual and on-exclusive shared driveway easements are dedicated to Lot Owners as more particularly labeled and noted on the Plat ("Shared Driveway Easements"), providing each such benefitted Lot an easement for ingress and egress over the Shared Driveway Easement. Such Shared Driveway Easement(s) shall run with, benefit and burden the Lots as noted on the Plat. The Owners of the Lots benefitted from such Shared Driveway Easements shall be jointly responsible for the construction, repair, replacement and maintenance (including snow removal) of such shared driveway within the Shared Driveway Easement and the costs thereof. The Owners of Lots benefitted from such Shared Driveway Easements shall agree upon all aspects of maintenance and repair, including snow removal of such Shared Driveway. No Owner may interfere with the ingress and egress of another Lot Owner, without the other Lot Owner's consent.

9.4. Access Easements. Every Owner is hereby granted and shall have a perpetual, nonexclusive easement and right for purposes of ingress and egress and for utilities, over, across, on and under the easements for access granted to the Association, including without limitation the Access Easement over and across and roads, trails and easements dedicated to the City on the Plat.

9.5. Drainage Easements. The Open Space is subject to drainage easements dedicated to the public as noted on the Plat for the collection and discharge of runoff from adjoining lots in accordance with drainage patterns established for the Property. Declarant also reserves for itself and its successors and assigns, and grants to the Association and its agents, employees, successors and assigns, an easement to enter on any portion of the Common Elements for the purpose of modifying the grade of any drainage channels on the Common Elements to improve the drainage of water.

9.6. Utility Easements. Any entity using the utility easement dedicated on the Plat shall use its best efforts to install and maintain the utilities provided for without disturbing the uses of the Owners. The Association and Declarant shall prosecute the installation and maintenance of such utilities as promptly as reasonably possible; and shall restore the surface to its original condition as soon as possible after completion of its work. Should any entity furnishing a service covered by this general easement request a specific easement by separate recordable document, either Declarant or the Association shall have, and are hereby given the right and authority to grant such easement upon, across, over or under any part or all of the Property designated as Utility Easement on the Plat, without conflicting with the terms of this Declaration. This general easement shall in no way affect, void, extinguish or modify any other recorded easement affecting the Property.

9.7. Declarant's Rights Incident to Construction. Declarant hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under and across the Common Elements, together with the right to store materials on the Common Elements and to make such other use of the Common Elements as may be reasonably necessary or incident to the construction of utilities, improvements and Structures on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment or access to the Common Elements by the Owners.

9.8. Reservation of Easement, Exceptions and Exclusions. Declarant reserves to itself and hereby grants to the Association the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits or licenses over the Common Elements, for purposes including but not limited to streets, paths, walkways, drainage, parking areas, conduit installation areas, and to create other reservations, exceptions and exclusions for the best interest of all the Owners and the Association, in order to serve all the Owners within the Project.

9.9. Maintenance Easement. An easement is hereby reserved by Declarant, and granted to the Association and any member of the Executive Board and their respective officers, agents, employees and assigns, upon, across, over, in and under the Property and a right to make such use of the Property as may be necessary or appropriate to make such emergency repairs or to perform the duties and functions which the Association is obligated or permitted to perform pursuant to the Governing Documents, including the right to enter upon any Lot for the purpose of performing maintenance on such Lot, as required by the Governing Documents.

9.10. Association as Attorney-In-Fact. Each Owner, by such Owner's acceptance of a deed or other conveyance vesting in the Owner an interest in a Lot, does irrevocably constitute and appoint the Association and/or Declarant with full power of substitution as the Owner's true and lawful attorney in the Owner's name, place and stead to deal with the Owner's interest in order to effectuate the rights reserved by Declarant or granted to the Association, as applicable, with full power, right and authorization to execute and deliver any instrument affecting the interest of the Owner and to take any other action which the Association or Declarant may consider necessary or advisable to give effect to the provisions of this Section and this Declaration generally. If requested to do so by the Association or Declarant, each Owner shall execute and deliver a written acknowledged instrument confirming such appointment. No Owner shall have any rights against the Association or Declarant or any of their officers or directors with respect thereto, except in the case of fraud or gross negligence.

9.11. Snow Storage Easement. Lots 24 and 25 shall have an easement over the adjacent Common Elements for the storage of snow, provided however that no snow shall be stored in any retention ponds.

9.12. Delegation of Use. Any Owner may delegate such Owner's right of enjoyment to the Common Elements to such Owner's tenants, guests, licensees and invitees, but only in accordance with and subject to the limitations of the Governing Documents.

10. Special Declarant Rights and Development Rights.

10.1. Special Declarant Rights and Development Rights. Declarant hereby reserves the right, from time to time, until ten (10) years from the date of recording this Declaration, for itself and for parties described in Section 10.1.6 below, to perform the acts and exercise the rights hereinafter specified as follows:

10.1.1. Completing of Improvements. The right to complete improvements indicated on any Plat or site map.

10.1.2. Sales Management and Marketing. The right to maintain upon, and to remove from, the Common Elements and Lots owned by the Declarant, as the Declarant may choose, and in such number, size and location as may be reasonably required by the Declarant convenient or incidental to the construction on, management of, or sale or rental of Lots: signs identifying the Project and advertising the sale of Lots or in any way related to the business of Declarant;

10.1.3. Easements. The right to establish by dedication or otherwise, or to revise, amend or relocate those easements described and included in Section 9, to the extent that they are on or over Common Elements, or within real estate which may be added to the Project.

10.1.4. Dedications. The right to establish, from time to time, by dedication or otherwise, on or over the Common Elements, utility and other easements for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, conduit installation areas, and to create other reservations, exceptions and exclusions for the benefit of and to serve the Lot Owners within the Project.

10.1.5. Merger. The right to merge or consolidate the Project with another common interest community of the same form of ownership.

10.1.6. Transfer Declarant Rights and Special Declarant Rights. The right to transfer, convey, or assign any and all development rights and other special Declarant rights reserved by the Declarant to any person or group of persons succeeding Declarant.

10.1.7. Exercise Declarant Control. The right to exercise those powers described below in Section 11, to appoint and remove officers and members of the Executive Board.

10.2. Exercise of Declarant Rights. No assurances are made herein regarding fixing the boundaries of those portions of the Property that may be the subject of an exercise of Declarant Rights. If any Declarant Rights or other special Declarant Right reserved by the Declarant is exercised in any portion of the Property, it is not required that such Declarant Rights or special Declarant Right be exercised in all or any other portion of the remainder of the Properties except as set forth in this Declaration. No assurances are made herein regulating the order or time in which such portions may be subjected to the exercise of each of the Declarant Rights and other special Declarant Rights reserved by the Declarant.

10.3. Termination of Declarant Rights. The Declarant Rights reserved pursuant to this Article, shall expire ten (10) years from the date of recording this Declaration, unless the expansion and development rights are reinstated or extended by the Association, subject to whatever terms, conditions and limitations the Executive Board may impose on the subsequent exercise of the expansion and development rights of Declarant.

11. Owners Association

11.1. Membership in Association. Each Owner of an undivided fee simple interest in a Lot (including Declarant with respect to Lots from time to time owned by Declarant, but not including the Association with respect to Lots at any time owned by the Association) shall be a member of the

Association and shall remain a member until such Owner ceases to be an Owner. Each Owner of an undivided fee simple interest in a Lot amounting to less than the entire fee interest in such Lot, including a co-owner as tenant in common or joint tenant, shall be a member of the Association, however, each Lot is entitled to only one vote. Each member shall comply strictly with the provision of this Declaration and of the Articles, Bylaws and rules and regulations of the Association.

11.2. Votes. The Owner of each Lot shall be allocated votes pursuant to the Allocated Interest of the Lot as more particularly set forth on **EXHIBIT B**. The Association shall not be entitled to vote with respect to any Lot owned by the Association and no Lot owned by the Association or by any governmental entity shall be allocated any votes during the period of such ownership.

11.3. Enforcement. Each Owner and each Owner's family, guests, invitees and tenants shall be bound by and shall comply with Governing Documents of the Association. The Governing Documents may be enforced by the Association in appropriate proceedings at law or in equity, including without limitation, an action to restrain or enjoin any violation or threatened violation and to recover damages. In any such action or proceeding in which the Association is the primarily prevailing party, the Association shall be entitled to an award for its costs and expenses of the action, including reasonable attorneys' fees. Nothing herein shall be deemed to limit or restrict the right of Owners to enforce in appropriate cases the Governing Documents. Without limiting other remedies, the Association may from time to time establish and collect fines for violation of specific provisions of the Governing Documents. At the option of the Association, and after notice to the Owner involved, any such fines shall be an assessment against such Owner's Lot, for which the Association shall have the lien and collection rights provided in this Declaration and under the Act. During any period that a violation of this Governing Documents is continuing, the Association may suspend the voting privileges of the Owner of the Lot with respect to which such violation has occurred.

11.4. Power and Authority. The Association shall have all of the power and authority necessary and proper to manage the business and affairs of the Project, pursuant to this Declaration, the Act, the Articles, Bylaws and rules and regulations. The Association shall act through its Executive Board. The Association shall have among its purposes and powers the protection and improvement of the Property, the maintenance and care of the Common Elements, including but not limited to the Open Space, the enforcement, on behalf of the Owners, of this Declaration, the Articles, Bylaws, rules and regulations of the Association and applicable resolutions of a governmental authority, and the Association shall have all of the powers, authority and duties permitted under the Act and have the power generally to do everything necessary or proper for the health, welfare, safety, benefit, or enjoyment of the members. If at any time such Association shall be dissolved or shall become defunct and inoperative, all fee owners of all interests in Lots in the Property from time to time shall jointly be responsible for maintenance of property interests which had been owned by the Association, and any and all costs of maintenance thereof in such event shall be borne by the Owners of each Lot in proportion to the total number of Lots within the Project. The Executive Board of the Association may contract with or employ any managing agent for the Association (including Declarant or any affiliate of Declarant), to perform any of the duties, services, powers and responsibilities of the Association, subject to the Act, this Declaration, the Articles, Bylaws and rules and regulations.

11.5. Powers of the Executive Board.

11.5.1. The Executive Board shall have all the powers, authority and duties necessary to enforce the provisions of the Declaration and promulgate reasonable rules and regulations as to

the use of the Properties, which may modify, limit, create exceptions to, or expand the initial use restrictions set forth in this Declaration.

11.5.2. The Executive Board shall have all the powers, authority and duties permitted pursuant to the Act.

11.5.3. The Executive Board shall have all the powers, authority and duties granted or delegated to it by the Governing Documents.

11.5.4. The Executive Board shall have any powers available to boards of directors of other Colorado nonprofit corporations.

11.6. Manager. The Executive Board of the Association may contract with or employ any managing agent for the Association (including Declarant or any affiliate of Declarant), to perform any of the duties, services, powers and responsibilities of the Association, subject to the Act and the Governing Documents.

11.7. Declarant Control Period. The Declarant shall have the powers reserved in C.R.S. Section 38-33.3-303(5) of the Act to appoint and remove officers and members of the Executive Board during the Declarant Control Period. During the Declarant Control Period:

11.7.1. Not later than sixty (60) days after conveyance, on a cumulative basis, of twenty five percent (25%) of the Lots to Owners other than Declarant, at least one member and not less than twenty five percent (25%) of the members of the Executive Board must be elected by Owners other than the Declarant.

11.7.2. Not later than sixty (60) days after conveyance, on a cumulative basis, of fifty percent (50%) of the Lots to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board must be elected by Owners other than the Declarant.

11.7.3. Relinquishment of Right to Appoint and Remove Members of Executive Board. At any time prior to the Turnover Date, the Declarant may relinquish the right to appoint and remove members of the Executive Board and officers, but may require Declarant approval of actions of the Executive Board or the Association specified by the Declarant in such relinquishment notice which shall be recorded and executed by Declarant. As to such actions, Declarant may give its approval or disapproval at its sole discretion and option, and its disapproval shall work to invalidate such action by the Executive Board or the Association.

11.7.4. Turnover Date. No later than the Turnover Date, the Lot Owners (including Declarant) shall elect an Executive Board of at least two (2), but no more than three (3) members, at least a majority of whom must be Lot Owners other than Declarant, and the Executive Board shall elect the officers, with such Executive Board members and officers to take office upon election. Within sixty (60) days after Lot Owners elect a majority of the members of the Executive Board, Declarant shall deliver to the Association all property of the Lot Owners and of the Association held or controlled by Declarant, including without limitation those items specified in C.R.S. Section 38-33.3-303(9) of the Act.

12. Association Assessments and Budgets.

12.1. Assessments Levied by the Association. The Association shall fix, determine, levy, assess and collect general assessments from the Owners of all Lots on an annual basis for payment of Common Expenses of the Association ("**Annual Assessments**"), based upon the Association's advance budget of the cash requirements needed by it to provide for the management of the Project and the administration and performance of the Association's duties during such assessment year, and to fund and contribute to any reserves deemed appropriate by the Executive Board. The Association may also fix, determine, levy, assess and collect special assessments authorized by and in accordance with, the Act, this Declaration or the Articles or Bylaws of the Association ("**Special Assessments**"). Together with Annual Assessments, Special Assessments and Default Assessments shall be referred to as "**Assessments**". All monetary fines assessed against an Owner pursuant to the Governing Documents or any expenses of the Association which are the obligation of an Owner or which are incurred by the Association on behalf of the Owner pursuant to the Governing Documents, shall be a Default Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided in this Declaration ("**Default Assessment**"). Assessments shall commence the first day of the first quarter after conveyance of the first Lot to an Owner other than Declarant.

12.2. Determining Proportionate Share of Assessments. Each Annual Assessment (including each Assessment for a reserve) and each Special Assessment (other than increases in insurance as a result of individual Owners' actions) shall be allocated among the Owners in proportion to each Owner's Allocated Interest.

12.3. Procedures for Payment. The Association shall establish procedures by which the Assessments shall be made known to and paid by the Owners. Such procedures may include the determination and levying of such Assessments as a periodic and advance (but not less often than annually) installment billing of an annual budget, including funding of reserves, in which event Association expenses shall be deemed to have been severally incurred as of the respective dates of the installment billings. Unpaid Assessments more than thirty (30) days past due shall bear interest from the date the same became due until paid at the rate established by the Executive Board from time to time, not to exceed twenty-one percent (21%) per annum. The Association may also levy uniform late charges on delinquent Owners, and may collect from delinquent Owners all costs and expenses of collecting Assessments, including court costs, witness and expert fees, discovery costs and reasonable attorney's fees, whether or not suit is brought (any and all of which are referred to in this Declaration as "**Collection Costs**"). All interest, late charges and collection costs shall be Default Assessments against delinquent Owner(s) and such Owners' Lot(s).

12.4. Obligation to Pay Assessments. The Owner of each Lot shall be personally obligated to pay the full amount of any and all Assessments against such Owner's Lot(s), including without limitation, such Owner's pro rata share of Association expenses allocated to such Lot(s). In addition, each Owner shall be personally obligated to pay to the Association all of the Association's collection costs incurred in connection with the collection of assessments or other amounts payable by such Owner to the Association. If a Lot is owned by two (2) or more persons, all such Owners shall be personally, jointly and severally obligated to pay all of the foregoing amounts to the Association. No Owner may exempt himself from liability for payment of Annual or Special Assessments or other amounts due to the Association by waiver of the use or enjoyment of the Common Elements of the Association, or by abandonment of such Owner's Lot(s).

12.5. Effect of Nonpayment; Assessment Lien. All unpaid Assessments, fines for violation of this Declaration or the Articles, Bylaws or rules and regulations, interest, late charges or other amounts levied against an Owner or an Owner's Lot pursuant to this Declaration and all attorney's fees, costs of discovery and suit incurred in connection with enforcement of this Declaration, the

Articles, Bylaws or rules and regulations or to collect any amount owing to the Association (whether or not suit is brought), shall each and all constitute a continuing lien on such Lot pursuant to and as granted by C.R.S. §38-33.3-316 in favor of the Association, as secured party. Such lien of the Association on the Lot shall be prior and superior to all other security interests and non-consensual liens and encumbrances on the Lot EXCEPT as provided in C.R.S. §38-33.3-316(2), as amended from time to time. The recording of this Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of Lien for Assessments is required; however, a claim may be recorded at the Association's option. The Association's lien against a Lot as described herein may be foreclosed by the Association in like manner as foreclosure of a mortgage on real estate under Colorado law. The Association shall be entitled to purchase the Lot at the foreclosure sale, and thereafter to acquire, hold, lease, mortgage or convey the same. By accepting a deed to an interest in a Lot, each Owner shall conclusively be deemed to have waived any homestead or similar exemption that may otherwise be applicable with respect to the Association's lien pursuant to this Declaration. Any First Lienor of a Lot may (but shall not be required to) pay any unpaid Assessments, accrued interest, late payment charges, fines, fees, interest or collection costs due with respect to such Lot, and upon such payment such first lienor shall have a lien on such Lot for the amount so paid of the same rank as the lien described herein and shall be subrogated to the rights and remedies of the Association to collect such amount.

12.6. Suspension of Voting Rights. The Association may, during the period any Assessment or fine is past due and unpaid by an Owner, suspend the voting rights and privileges in the Association allotted to such Lot; provided, however, that such suspension may be imposed only after at least three (3) days' advance written notice given by the Association to the delinquent Owner. No suspension of voting privileges shall affect the rights of any First Lienor pursuant to a proxy granted to such lienor prior to the suspension and of which the Association has received notice pursuant to the Association's Bylaws or rules and regulations.

12.7. Liability of Transferee. In case of sale or other voluntary transfer of a Lot or any interest therein, the transferee shall be jointly and severally liable with the transferor for all unpaid Assessments, interest, late payment charges, collection costs and other amounts payable to the Association with respect to such Lot which are accrued and unpaid as of the date of transfer. If any lienor (including a First Lienor) obtains title to a Lot by a voluntary deed in lieu of foreclosure, then such lienor shall be jointly and severally liable for all such amounts accrued as of the date of transfer, and such lienor shall be deemed an Owner for all purposes from and after such transfer. If a First Lienor obtains title to a Lot by sheriff's deed or public trustee's deed upon foreclosure of the first lien against such Lot, then such First Lienor shall not be liable for such unpaid amounts accrued against such Lot prior to the date of transfer, but such First Lienor shall be deemed an Owner for all purposes from and after the date of transfer. For purposes of the foregoing, the date of transfer shall be the earlier of the date of issuance to the First Lienor of a deed to the Lot(s) or the expiration of the period of redemption allowed to the Owner and to all subsequent lienors entitled to redeem in the foreclosure proceeding.

12.8. Budget. The Executive Board shall make reasonable efforts to adopt a budget for the Association for the ensuing year not later than thirty (30) days after the commencement of such fiscal year, and prior to the annual meeting of Owners. The Executive Board shall determine the periodic intervals of the Annual Assessments (and Special Assessments, if applicable) to be levied to collect the income required by the budget, but not less frequently than quarter-annually. Within thirty (30) days after adoption by the Executive Board of any proposed budget for the Association, the Executive Board shall distribute to Owners, a copy of the budget, as adopted, or a summary thereof, to all Owners and shall set a date for a meeting, which may be the annual meeting of Owners, to consider ratification of the budget, such meeting to be not less than fourteen (14) nor more than

sixty (60) days after mailing of the copy or summary of the budget. Unless at that meeting Owners having a majority of the votes of all Owners reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected by the affirmative vote of Owners having a majority of the votes of all Owners, the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

12.9. Estoppel Certificate. Within ten (10) days after receipt of a written request from any Owner or mortgagee of a Lot or from any prospective mortgagee, purchaser or other prospective transferee of a Lot, or from any title insurer insuring or proposing to insure such Lot, the Association shall issue a written itemized statement to the requesting party setting forth, along with any other information the Association may choose to include, the amount of any unpaid Assessments, interest, late payment charges and collection costs due with respect to the Lot(s) in question. The Association may charge a fee for such Statement, to be set by the Executive Board.

12.10. Contribution to Working Capital and Reserves. Upon the initial acquisition of record title to a Lot from Declarant, each Owner shall make a non-refundable contribution to the working capital and reserves of the Association in an amount equal to $1,000, which working capital account may be assigned to successor owner of a Lot.

13. Insurance.

13.1. Insurance on Common Elements. Commencing not later than the time of the first conveyance of a Lot to an Owner other than the Declarant, the Association shall maintain to the extent reasonably available, insurance covering all insurable improvements located or constructed upon the Common Elements. Such policies and endorsements thereon or copies thereof shall be deposited with the Association. The Association shall generally advise the Lot Owners of the coverage of said policies in order to permit the Lot Owners to determine which particular items are included within the coverage so that the Lot Owners may insure themselves pursuant to Section 13.6 below. Except as otherwise set forth in the Act at C.R.S. Section 38.33.3-313, the Association shall maintain the following types of insurance, to the extent that such insurance is reasonably available, considering the availability, cost, and risk coverage provided by such insurance, and the cost of said coverage shall be paid by the Association as a Common Expense:

13.1.1. A multi-peril type policy covering all insurable improvements within the Common Elements providing, at a minimum, fire and extended coverage, and all other coverage in kinds and amounts customarily acquired or required for projects similar in construction, location and use, including without limitation, perils normally covered by an "all-risk" policy, in an amount determined by the Association.

13.1.2. A policy of comprehensive public liability insurance covering all of the Common Elements in an amount determined by the Association, but not less than One Hundred Thousand Dollars ($100,000.00) per occurrence, for personal injury or death, and/or property damage. The scope of such coverage shall include all coverage in the kinds and amounts customarily acquired or required for projects similar in construction, location and use.

13.1.3. The Association shall, if required pursuant to the applicable provisions of C.R.S. Section 38-33.3-313, obtain fidelity coverage against dishonest acts on the part of directors, officers, managers, trustees, agents, employees or volunteers responsible for handling funds belonging to or administered by the Association.

13.1.4. A Workers' Compensation policy, if required.

13.1.5. A policy of "Directors and Officers" liability insurance to the extent reasonable and available, in the Executive Board's discretion. Further, the Association at its cost and expense, shall obtain and maintain directors and officers liability insurance in full force and effect with coverage of at least One Hundred Thousand Dollars ($100,000.00) or such other amount as the Executive Board shall approve for all Association directors, officers and committee members and its manager, for any and all errors and/or omissions that occur during their tenure in office or employment.

13.1.6. Such other insurance and in such amounts as the Association shall determine, from time to time, to be desirable, or as may be required by C.R.S. Section 38-33.3-313 of the Act.

13.2. Notwithstanding the foregoing, the Association shall endeavor to obtain, to the extent reasonable and available, or shall discontinue, such insurance coverage as two-thirds (2/3) of the Lot Owners shall direct; provided, however, the Association shall not discontinue casualty and public liability coverage, as required by Subsections (a) and (b) above.

13.3. Required Provisions. The insurance policies purchased by the Association shall, to the extent reasonable and available, contain all provisions required by C.R.S. Section 38-33.3-313(4).

13.4. Non-Liability of Association/Executive Board. Notwithstanding the duty of the Association to obtain insurance coverage, as stated herein, neither the Association nor any Executive Board member, nor the Declarant, shall be liable to any Lot Owner, mortgagee or other person, if any risks or hazards are not covered by insurance, or if the appropriate insurance is not obtained because such insurance coverage is not reasonably obtainable on the Association's behalf, or if the amount of insurance is not adequate, and it shall be the responsibility of each Lot Owner to ascertain the coverage and protection afforded by the Association's insurance and to procure and pay for such additional insurance coverage and protection as the Lot Owner may desire.

13.5. Insurance Claims. The Association is hereby irrevocably appointed and authorized, subject to the provisions contained herein, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, and to do all other acts reasonably necessary to accomplish any of the foregoing. The Executive Board has full and complete power to act for the Association in this regard, and may, at its discretion, appoint an authorized representative, or enter into an insurance trust agreement, wherein the trustee shall have authority to negotiate losses under any policy purchased by the Association.

13.6. Benefit. Except as otherwise provided herein, all insurance policies purchased by the Association shall be for the benefit of, and any proceeds of insurance received by the Association or any insurance trustee shall be held or disposed of in trust for, the Association or the Lot Owners as any of their interests may appear.

13.7. In the event of damage to or destruction of all or a portion of the Common Elements as a result of fire or other adversity or disaster, the insurance proceeds, if sufficient to reconstruct or repair the damage, shall be applied by the Association to such reconstruction and repair. If the insurance proceeds with respect to such Common Elements damage or destruction are insufficient to repair and reconstruct the damage or destruction, the Association may levy a special Assessment in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction unless: (a) the Planned Community is terminated; or (b) repair or replacement would be illegal under any state or local statute or ordinance governing health and safety. The Assessment as to

each Lot shall be equal to the Assessment against every other Lot. Such Assessment shall be due and payable as provided by resolution of the Executive Board, but not sooner than sixty (60) days after written notice thereof. The Assessment provided for herein shall be a debt of each Lot Owner and a lien on its Lot, and may be enforced and collected in the same manner as any Lien for Assessment provided for in this Declaration. If the entire Common Elements is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Properties. No distributions of insurance proceeds shall be made unless made jointly payable to the Lot Owners (and First Lienor of their respective Lots, if any).

13.8. Other Insurance to be Maintained by Lot Owners. Insurance coverage on the furnishings and other items of personal property belonging to an Owner, public liability insurance coverage upon each Lot and hazard insurance coverage on the Improvements constructed on each Lot shall be the responsibility of the Owner thereof. No Owner shall maintain any insurance, whether on its Lot or otherwise, which would limit or reduce the insurance proceeds payable under the casualty insurance maintained by the Association in the event of damage to the improvements or fixtures on the Common Elements.

13.9. Annual Review of Insurance Policies. All insurance policies carried by the Association shall be reviewed at least annually by the Executive Board to ascertain that the coverage provided by such policies adequately covers those risks insurable by the Association.

14. Association as Attorney-In-Fact. Each Owner hereby irrevocably appoints the Association as the Owner's true and lawful attorney-in-fact for the purposes of dealing with any improvements covered by insurance written in the name of the Association pursuant to Section 13 upon their damage or destruction as provided above. Acceptance by grantee of a deed or other instrument of conveyance from Declarant or any other Owner conveying any portion of the Property shall constitute appointment of the Association as the grantee's attorney-in-fact, and the Association shall have full authorization, right and power to make, execute and deliver any contract, assignment, deed waiver, or other instrument with respect to the interest of any Owner which may be necessary to exercise the powers granted to the Association as attorney-in-fact.

15. Variance. A variance from or exception to Sections 5 and 6 of the provisions hereof, may be granted in writing by the Association, so long as such variance does not violate Government Regulations. Any waiver, variance or exception granted shall apply only with respect to the specific Lot and/or transaction for which the waiver, variance or exception was requested and shall not obligate the Association to grant a similar waiver, variance or exception in any other case.

16. Effect and Duration of Covenants. This Declaration shall run with and bind the Property and shall inure to the benefit of the Association and Owners of any real property subject to this Declaration, their respective legal representatives, heirs, successors and assigns. This Declaration shall be effective for a term of forty (40) years after and from the date this Declaration is recorded in the Routt County real property records, and thereafter this Declaration shall automatically be extended for successive periods of ten (10) years each, unless there has been recorded an instrument terminating this Declaration, executed and acknowledged in recordable form by the then-Owners as provided below in Section 17.

17. Amendment. This Declaration may be amended only as follows:

17.1. By the approval of at least sixty-seven percent (67%) of all of the votes in the Association entitled to be cast, or such greater percentage as may be required by the Act and the recording of such amendment in the Routt County real property records; or

17.2. By Declarant for any reason and with respect to any Section or provision herein, but only if such amendment or alteration is made and recorded prior to the conveyance of the first Lot in the Project. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to such amendments or supplemental declarations on behalf of each Owner. Each deed, mortgage, or other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and consent to, the reservation of the Declarant rights to make or consent to such amendments or supplemental declarations during the period of such Declarant rights. No such amendment or supplemental declaration made by Declarant shall impair the lien of a first mortgage upon any Lot or any warranties made by an Owner or mortgagee in order to induce any of the above agencies or entities to make, purchase, insure or guarantee a mortgage on such Lot.

18. Enforcement. Each Owner of a Lot is obligated to comply with and conform to this Declaration and the Governing Documents. In the event of a violation of this Declaration and/or the Governing Documents, the Association may enforce same through an action at law or in equity to enjoin non-compliance, mandate compliance, remove or relocate non-compliant improvements, foreclose the Association's lien to recover unpaid sums or damage or any combination of the foregoing remedies. If any improvement shall be placed on a lot without full compliance with tis Declaration and the Governing Documents, then the Owner of the Lot agrees and acknowledges that removal of such improvement shall be a proper remedy for such non-compliance. Further in the event of a violation of this Declaration and/or the Governing Documents, then in addition to rights of the Association for enforcement, any person or persons owning any interest in any Lot in the Property may institute proceedings at law or in equity to enforce the provisions of this Declaration, to restrain or enjoin the person or entity violating or threatening to violate them, and to recover damages, actual and punitive. In any such action, the prevailing party shall be entitled to reasonable attorneys' fees and costs of discovery and suit.

19. Limitation on Liability. The Declarant and the Association shall exercise their own judgment in administering, enforcing and interpreting the provisions of this Declaration and shall not be liable to any Owner or other person for actual or alleged acts or omissions, failure, mistakes in judgments or non-enforcement in connection with actions taken or admitted to be taken pursuant to this Declaration, unless such acts or omissions constitute gross negligence or a willful abuse of discretion.

20. Registration of Owners and First Lienors. Each Owner and each First Lienor shall register his mailing address with the Association as provided in the Bylaws. Periodic statements for Annual Assessments, notices of Special Assessments, notices of meetings, and other routine notices from the Association to an Owner shall be sent by regular mail, postage prepaid, addressed to the name of the Owner at such registered mailing address. Any Owner may give written notice to other Owners in the same manner. All other notices or demands intended to be served by the Association upon an Owner shall be sent by certified mail, postage prepaid, addressed to the name of the Owner at such registered mailing address or at the address of such Owner as shown in the records of the Routt County Assessor. All notices, demands or other communications intended to be served upon the Association shall be sent by certified mail, postage prepaid, to the address of the Registered Agent of the Association as designated in the records of the Colorado Secretary of State. The Association shall at all times keep and maintain up-to-date records of the names and addresses of all Owners and First Lienors of Lots subject to this Declaration.

21. Conflict of Provisions. In case of any conflict between this Declaration, and the Articles or the Bylaws, this Declaration shall control. In case of any conflict between the Articles and the Bylaws, the Articles shall control.

22. Fair Housing. No Lot Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, mortgaging, or occupancy of its Lot to any person of a specified race, sex, adulthood, marital status, color, religion, ancestry, physical handicap, or national origin.

23. Binding Arbitration. In case of any claim or dispute between the Declarant, its builder, general contractor, broker, its agents or employees, on the one hand and any Lot Owner(s), on the other hand, which claim or dispute relates to the right and/or duties of the parties under the Governing Documents, or relates to the design or construction of the Project or any part thereof, the procedure shall be as follows:

23.1. The aggrieved party or parties shall notify the other party or parties of the grievance, in writing. When the aggrieving party receives such a notice, it shall promptly respond with an investigation, inspection meeting, discussion, or other action reasonably appropriate to the circumstances. Appropriate action shall include, without limitation, prompt communication with the aggrieved party or parties, and a proposed course of action to resolve the problem. All parties involved in the matter shall negotiate in a good faith attempt to amicably resolve the problem. If the parties are unable to resolve the problem within a reasonable period of time (not to exceed ninety (90) days after the first notice of claim or dispute) the matter shall be submitted to binding arbitration pursuant to the Uniform Arbitration Act, with one arbitrator to be chosen by mutual agreement of the parties, or in the event that the parties cannot agree on one arbitrator, then each party shall designate one arbitrator and all such designated arbitrators shall designate one arbitrator to arbitrate the dispute. If the dispute or claim involves a sum not in excess of the jurisdictional limit of the Small Claims Court, the aggrieved party shall have the option of taking the matter to Small Claims Court in lieu of binding arbitration.

24. Safety and Security. All Owners and occupants of a Lot and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property within the Project. Owners are hereby notified that the Property has been and may continue to be occupied by wildlife from time to time, including but not limited to, bears, elk and deer. Owners are advised to take precautions to ensure the safety of persons, property and wildlife from such occupancy.

25. Airport Proximity Disclosure and Avigation Easement. All Owners and occupants of a Lot and their respective guests and invitees are notified that portions of the Property are within the Steamboat Springs Airport Overlay Zone as designated by the City of Steamboat Springs. Individuals are directed to review the Airport Fair Disclosure Statement recorded at Reception No. _____ of the Routt County real property records. The Property is also subject to an Avigation and Hazard Easement recorded at Reception No. _____.

26. Miscellaneous. Invalidation of any one of the provisions of this instrument by judgment or court order or decree shall in no way affect any of the other provisions, which shall remain in full force and effect. The headings are informational only and do not amplify or limit section provisions. Use of any pronoun herein shall be deemed to include all other pronouns, where appropriate, and the singular shall be deemed to include the plural, and vice versa, where appropriate. This Declaration shall be construed in accordance with Colorado law.

EXECUTED by Declarant this _____ day of _____, 2026.

Raider Development, LLC, a Colorado limited liability company

By: _____

DRAFT 1/20/2026

Lynn L. Bourdon III, Manager

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

SUBSCRIBED, sworn to and acknowledged before me this ____ day of _____, 2026, by Lynn L. Bourdon III, as Manager of Raider Development, LLC.

WITNESS my hand and official seal.

My Commission expires: _____

_____
Notary Public

EXHIBIT A
To Declaration of Protective Covenants for
Steamboat Airport Industrial Park

Legal Description of the Property:

LOT 1 AS SHOWN ON THE PLAT OF "AIRPORT SOUTH" AS FILED BY D&D AT FILE NO. 14087 AND RECORDED UNDER RECEPTION NO. 726677 ON JUNE 29, 2012 AT THE ROUTT COUNTY RECORDER'S OFFICE, LOCATED IN THE E1/2 SE1/4 SECTION 36, TOWNSHIP 7 NORTH, RANGE 85WEST OF THE 6TH P.M., COUNTY OF ROUTT, STATE OF COLORADO

AND;

LOT 2 AS SHOWN ON THE PLAT OF "AIRPORT INDUSTRIAL PARK" AS FILED BY D&D AT FILE NO. 9180 AND RECORDED UNDER RECEPTION NO. 319404 ON AUGUST 3, 1982 AT THE ROUTT COUNTY RECORDER'S OFFICE, LOCATED IN THE W1/2 SW1/4 SECTION 31, TOWNSHIP 7 NORTH, RANGE 84 WEST OF THE 6TH P.M., COUNTY OF ROUTT, STATE OF COLORADO

CONTAINING 24.4 ACRES ±

COUNTY OF ROUTT, STATE OF COLORADO

EXHIBIT B
To Declaration of Protective Covenants for
Steamboat Airport Industrial Park

ALLOCATED INTEREST

Lot	Area - (acreage)	Votes	Share of Common Expenses
1	1.32	6.93%	6.93%
2	0.93	4.88%	4.88%
3	0.67	3.52%	3.52%
4	1.03	5.41%	5.41%
5	0.66	3.47%	3.47%
6	0.77	4.04%	4.04%
7	0.27	1.42%	1.42%
8	0.25	1.31%	1.31%
9	0.25	1.31%	1.31%
10	0.25	1.31%	1.31%
11	0.25	1.31%	1.31%
12	0.25	1.31%	1.31%
13	0.26	1.37%	1.37%
14	0.26	1.37%	1.37%
15	0.49	2.57%	2.57%
16	0.47	2.47%	2.47%
17	0.56	2.94%	2.94%
18	0.38	2.00%	2.00%
19	0.54	2.84%	2.84%
20	0.87	4.57%	4.57%
21	0.66	3.47%	3.47%
22	0.52	2.73%	2.73%
23	0.55	2.89%	2.89%
24	3.17	16.65%	16.65%
25	1.27	6.67%	6.67%
26	0.95	4.99%	4.99%
27	1.19	6.25%	6.25%
TOTAL	19.04	100.00%	100.00%

EXHIBIT C
To Declaration of Protective Covenants for
Steamboat Airport Industrial Park

EASEMENTS:

Easements, rights of way and all other matters as shown on the FINAL P.U.D. PLAN, AIRPORT INDUSTRIAL PARK – ADDENDUM TO FINAL P.U.D., filed August 3, 1982, at Reception No. 009179, as supplemented by instrument recorded August 3, 1982 in Book 568 at Page 215, Book 568 at Page 216.

Easements, rights of way and all other matters as shown on the Plat of AIRPORT INDUSTRIAL PARK, filed August 3, 1982 at Reception No. 009180.

Terms, conditions, provisions, easements and restrictions as contained in Rule and Order recorded September 27, 1991 in Book 666 at Page 1620.

Terms, conditions, and provisions of Decree recorded September 9, 1996 in Book 724 at Page 915.

Terms, conditions and provisions, and easements and restrictions as set forth on plat of lands owned by the City of Steamboat Springs and the Dennen Trust recorded as filed in File No. 11243 and recorded August 23, 1991 under Reception No. 403801.

Easements and reservations as set forth in Warranty Deed recorded April 16, 2008 under Reception No. 673022.

Easements, conditions, covenants, restrictions, reservations and notes on the Plat of Airport South recorded June 29, 2012 under Reception 726677.

JOINDER AND SUBORDINATION OF LENDER

_____ ("Lender"), the beneficiary under that certain Deed of Trust recorded at Reception No. _____in the office of the Clerk and Recorder of Routt County, Colorado, for itself and its successors and assigns, approves the foregoing Declaration of Protective Covenants for Steamboat Airport Industrial Park ("Declaration"), which affects the property encumbered by the above Deed of Trust, and, for good and valuable consideration, agrees that no foreclosure or other enforcement of any remedy pursuant to any of the Deeds of Trust of which Lender is a beneficiary shall impair, invalidate, supersede or otherwise affect the covenants, conditions, restrictions and easements established by the Declaration or any amendment or supplement thereto and further agrees that any and all of its rights and interest under the Deed of Trust shall be and hereby are declared to be junior and subordinate to the provisions of the Declaration.

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

Acknowledged before me this ____ day of _____, 2026 by _____ as _____ of _____

Witness my hand and official seal.
My commission expires _____.

_____
Notary Public

DRAFT 1/20/2026