Rules & Regulations of
Steamboat Airport Industrial Park

Steamboat Airport Industrial Park Association, Inc., a Colorado non profit corporation ("Association"), in accordance with the Declaration of Covenants, Conditions and Restrictions for Steamboat Airport Industrial Park ("Declaration") does hereby adopt the following as rules, regulations, policies, guidelines or protocols ("Policy" or "Policies") respecting the Project, Lots and Common Elements therein and all property owned or controlled by the Association. Capitalized terms are defined in the Declaration and such definitions shall be applicable in these Rules and Regulations.

These Rules and Regulations are made for the purposes of promoting the best interests and the health, safety and general welfare of Owners and Occupants of Lots in the Project, to secure full, fair and safe utilization and enjoyment of the Project by Owners and Occupants, to protect persons and property against injury or damage. These Rules and Regulations are applicable to all Owners and Occupants, including all tenants, guests and invitees of such Owners and Occupants. In the event of conflict between the Declaration and these Rules and Regulations, the Declaration shall control. The Governing Documents provide for the ability of the Association to collect fines in the form of Default Assessments and therefore the failure by an Owner or its guests, tenants, or invitees to comply with the applicable Governing Documents (including these Rules and Regulations) shall cause, at the option of the Association and on notice to the Owner, such sums to be a Default Assessment against such Owner's Lot, for which the Association shall have lien and collection rights as available pursuant to Colorado law and as specified in the Governing Documents. Each Owner is responsible and liable for the acts or omissions of such Owner's tenants, guests and invitees and their compliance with the Governing Documents. In all cases, an Owner is liable for all Assessments for violations of these Rules and Regulations by such Owner, Occupant and by the guests, tenants and invitees of such Owner. The Association reserves all remedies for collection of such Assessments as authorized by the Governing Documents, including foreclosure of the lien against an Owner's Lot.

The Executive Board reserves the right to change or revoke existing rules and regulations and to make additional rules and regulations and responsible governance policies from time to time as shall be deemed necessary or desirable for the safety, cleanliness and good order of the Project and for securing the comforts and convenience of all Owners and Occupants.

ARTICLE I
GENERAL

A. **Contact Information**. Each Owner shall provide the Managing Agent with the Owner's mailing and physical address, phone number and email address, along with the person entitled to vote on behalf of the Owner if applicable. Such information shall be updated by the Owner within 30 days of a change. In addition, each Owner shall provide to the Managing Agent the name, mailing address and telephone number of any tenants leasing such Owner's Lot.

B. **Rentals**. All leases of a Lot shall incorporate the Declaration and these Rules and Regulations and shall make clear to tenants that they are responsible for abiding by all provisions of the Governing Documents.

C. **Littering**. No Owner, Occupant, tenant, guest or invitee shall litter in the Common Elements.

ARTICLE II
USE RESTRICTIONS AND PROHIBITIONS

A. General Use Restrictions. In addition to the use restrictions set forth in the Declaration, the following uses and activities are prohibited on all Lots regardless of zoning designation:

- Any use constituting a nuisance under Colorado law, including excessive noise, odor, vibration, or glare affecting neighboring Lots or airport operations; provided, however, that Declarant may be continuing construction within the Project or adjacent projects and so long as such construction meets the requirements of local laws and regulations, it shall not be deemed a nuisance.
- Storage, handling, or disposal of hazardous waste except in strict compliance with all applicable federal, state, and local environmental regulations.
- Explosive storage magazines (except as required and lawfully permitted for mining or demolition contractors storing legally permitted quantities).
- Any activity that interferes with airport communications, navigation aids, or Federal Aviation Regulations ("FAA")-controlled airspace.
- The installation of tall structures, cranes, or equipment that penetrates FAR Part 77 surfaces without prior FAA determination of no hazard.
- Operations emitting smoke, dust, or particulates in excess of Colorado AQCC Regulation No. 1 standards.
- Outdoor burning of refuse, vegetation, or materials.
- Discharge of fireworks or firearms in or around the Project at any time.

B. **Prohibited Airport-Impacting Activities**. The following activities are prohibited on all Lots due to their potential to interfere with airport operations:

- Use of radio frequency devices that could interfere with aviation communications or navigation equipment.
- Installation of lights that could be confused with airport lighting systems or that create hazardous glare for pilots.
- Activities that attract large concentrations of birds (e.g., uncovered food waste, open water features without deterrents).
- Use of lasers, reflective devices, or light projection equipment that could temporarily blind or distract pilots.
- Burning of materials producing dense smoke that could reduce visibility in the airport traffic pattern.

ARTICLE III
PETS

A. Permitted Pets. Owner shall be responsible for cleaning any and all waste and messes created by such Owner's pet within the Common Elements and shall be responsible for any and all damage to property within the Project caused by such Owner's pet. Each Owner indemnifies and holds harmless the Association against any loss, claim or liability of any kind or character arising from the privilege of having a pet in or upon the Project.

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B. Violations. If an Owner, Occupant, tenant, guest or invitee violates the above provision or provisions of the Declaration regarding pets, the Owner shall be liable to the Association for fines as set forth in the Declaration, 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(s) and such costs shall also be assessed as an Assessment. In the event that an Owner is fined three times, the offending pet will no longer be permitted within the Project and the Owner will be required to remove the pet from the Project.

ARTICLE IV
PROPERTY MAINTENANCE

A. General Maintenance Obligations. Each Lot Owner shall at all times maintain the Owner's Lot, all Structures thereon, and all landscaping in a clean, neat, safe, and attractive condition consistent with the character and standards of the Project. Maintenance obligations include:

- Mowing, edging, weeding, and maintaining all landscaped areas.
- Removing noxious weeds pursuant to the Colorado Noxious Weed Act and applicable Routt County guidelines on the control and elimination of noxious weeds.
- Keeping all drainage swales and retention areas on a Lot functional and clear of debris.
- Maintaining the sidewalks and curbs (the area from the property line to the gutter) adjoining the building, property or vacant lot in a clean condition and removing snow and ice from adjoining sidewalks immediately after every snowfall in accordance with the Steamboat Code, unless the Association elects to do so as a Common Expense. Snow removal shall occur at least on a daily basis during the time period from November 20 through April 15 of each year pursuant to Steamboat Code.

B. Floor Drains. Floor drain maintenance shall be the responsibility of the Owner and any damages to the common sewer due to negligent maintenance of the floor drain, including fines from government entities for illegal disposal of hazardous or noxious fluids, shall be the responsibility of the Owner. Any damage to the property of others, including Common Elements or property of the Association, resulting from misuse of such sewage disposal facilities shall be the liability of the Owner who is responsible therefor. Each Owner and occupant of a Lot shall maintain and clean floor drains, including timely periodic removal of silt or sediment from the sand trap prior to sediment level reaching the level of the inlet pipe, maintain water level in the sand trap to prevent escape of sewer gas, prevent sediment, oil, solvents or hazardous products from entering the drain system and promptly remove any such substances from the floor drain grease trap. If such substances enter the drain system, Owner shall pay all costs associated with drain cleaning, floor removal, pipe replacement or environmental cleanup and Owners agrees to defend, indemnify and hold the Association harmless from any cost, liability or expense, including attorneys' fees resulting from improper disposal.

C. Construction Site Maintenance. During any approved construction activity, the Lot Owner and its contractor are responsible for:

- Maintaining the construction site in a safe and reasonably neat condition.
- Preventing the tracking of mud or debris onto public roads.
- Installing erosion and sediment controls as required by the applicable stormwater permit.
- Securing all construction materials against wind dispersal.

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- Containing all construction waste and removing it from the site on a regular basis.

D. **Enforcement of Maintenance Standards**. If a Lot Owner fails to perform required maintenance within thirty (30) days after written notice from the Association, the Association may arrange for such maintenance at the Owner's expense, and the cost thereof (plus a 15% administrative fee) shall be Default Assessment.

ARTICLE V
ASSESSMENTS

A. **Assessment Due Date & Delinquency**. Assessments are billed in **quarterly** installments and considered due and payable within 30 days of billing, unless otherwise noted on the statement ("**Due Date**"). Any special or default assessments shall be due and payable on the date specified in the written notice of such assessment sent to Owners or if no date is specified, then such assessments will be due 30 days following notice of such assessment. Assessments shall be considered past due 1 day after the Due Date, at which point any unpaid Assessment is considered "**Delinquent**" and such Owner is considered a "**Delinquent Owner**".

B. **Interest and Late Fee**. Any Assessment or portion which is Delinquent shall be subject to a late fee of $50.00 for each Delinquent Assessment assessed on a monthly basis. In addition, a $250.00 late fee will be imposed upon an owner that has a Delinquent Assessment that is greater than two installment periods late. Delinquent Assessments shall accrue interest at 8% per annum commencing on the day it becomes Delinquent.

C. **Returned Check Fee and Other Fees**. The Association may charge an Owner any fees incurred by the Association for dishonored checks, wire fees, credit card fees resulting from an Owner's payment or attempted payment to the Association. Such fees shall be added to and included as an Assessment due to the Association.

D. **Application of Payments**. All payments received with regard to a Delinquent Owner's account shall be applied in the following order:

- Past due Assessments.
- Fines.
- Attorney's fees, collection agency fees and costs and expenses of enforcement incurred by the Association and for which an Owner is responsible pursuant to the Act or the Governing Documents.
- Late charges, returned check fees and interest which have accrued on all unpaid amounts.
- Other charges and costs owing to the Association.

E. **Notice to Owner Regarding Delinquent Assessment – Delinquency Notice**.

- If any Assessments become Delinquent (defined above), the Association shall contact the Owner with notification that the Assessment is Delinquent, that a late fee has been applied, that interest is accruing and that the Assessment must be paid immediately ("First Notice"). The First Notice may be delivered by mail or email if the Owner has provided an email address.

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- If any Assessments are Delinquent in excess of 30 days, and before the Association turns over a past due account over to a collection agency or an attorney for collection, the Association shall contact the Owner, by written notice, regarding the Delinquent Assessment ("Delinquency Notice").

    - The Delinquency Notice must be delivered to the Delinquent Owner by certified mail, return receipt requested.

    - The Delinquency Notice to all Owners shall include the following:

        i. The total amount due, with an accounting of how the total was determined.

        ii. An itemization of the past due balance owed to the Association, listing the past due amount broken down into Delinquent Assessments, fines, fees or other charges owed to the Association.

        iii. The name and contact information of the person that the Owner may contact to: request a ledger to verify the amount of the debt; or further discuss the amount owing to the Association.

        iv. The method by which payments will be applied on the Delinquent account of an Owner.

        v. That action is required to cure the Owner's Delinquency and if the Owner fails to do so within 30 days following the date of the Association's Delinquency Notice, the Owner's past due account may be turned over to a collection agency or an attorney, a lawsuit may be filed against the Owner, a lien may be filed and foreclosed against the Owner's Lot if the delinquency is related to non-payment of Assessments, and the Association may pursue any other remedies available under Colorado law and the Governing Documents, including the recovery of attorney fees and costs of collection.

F. **Lien**. The Association has the right to file a lien on a Lot for unpaid assessments, fines, fees, charges, late charges, interest and attorney fees. Once 30 days have passed following the date of the Association's Delinquency Notice, the Executive Board may choose to file a Statement of Lien against the Lot of a Delinquent Owner.

G. **Attorney Fees**. The Association may collect reasonable attorney fees and costs incurred by the Association in the collection of Delinquent Assessments.

H. **Remedies and Legal Actions**. Within 30 days following the date of the Association's Delinquency Notice, the Owner's past due account may be turned over to a collection agency or an attorney, a lawsuit may be filed against the Owner, a lien may be filed and foreclosed against the Owner's Lot if the delinquency is related to non-payment of Assessments, and the Association may pursue any other remedies available under Colorado law and the Governing Documents, including the recovery of attorney fees and costs of collection. The following legal actions are available to the Association:

- Suit for money judgment.
- Suit for injunctive or declaratory relief.

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- Foreclosure of lien for assessments.
- Suit to enforce a restrictive covenant.
- Enforce a contract by specific performance, or to disaffirm, avoid or rescind a contract.

I. **Suspension of Voting Rights**. The voting rights of an Owner who is in default under the Declaration or Governing Documents or who has a Delinquent account shall be suspended. Voting rights shall be reinstated upon payment in full.

J. **Variances and Modifications by Association**. The Association may extend the time for the filing of lawsuits and liens or otherwise waive or modify its collection actions, as determined by the Association in its reasonable discretion after considering the individual circumstance of the Delinquent account, provided that such collection activity complies with Colorado law. In exercising its discretion, it is the policy of the Board to treat delinquencies in a uniform manner while recognizing that there may be extenuating circumstances which make deviation from identical treatment necessary.

K. **Waiver or Defense**. Failure of the Association to comply with any provision of this Collection Policy shall not be construed as any waiver or release of a Delinquent Owner's obligation to pay Assessments or the Association's right to collect the Assessments in accordance with this Policy, the Governing Documents and Government Regulations.

L. **Violation of Foreclosure Laws**. Should the Association violate this Policy, or of Colorado law with regard to foreclosure, the affected Owner may, within five (5) years of the violation, file a civil lawsuit in a court of competent jurisdiction to seek damages. The court may award up to $25,000.00, plus costs and reasonable attorney fees, if the Owner proves the violation by a preponderance of the evidence.

ARTICLE VI
ENFORCEMENT

A. **Enforcement of Governing Documents**. Pursuant to the Governing Documents and applicable law, the Association has the power to adopt policies and to enforce compliance therewith, including without limitation the right, power and authority to establish penalties for the infraction thereof and to assess fines in favor of the Association for specific violations of any regulation, provision, rule, or resolution as set forth hereafter. The Executive Board may determine enforcement action on a case-by-case basis and take other actions as it may deem necessary and appropriate to ensure compliance with the Governing Documents. These enforcement provisions may be in addition to other specific provisions outlined in the Governing Documents, and the Association shall have the right and authority to pursue all rights and remedies available under the Governing Documents or otherwise available at law or in equity. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

B. **Procedure**. The following procedures shall be followed when the Association enforces the Governing Documents:

1. Complaint. Any Owner, Managing Agent, ARC or Executive Board member may initiate a formal review and of alleged violation of the Governing Documents by

filing of a compliant. All complaints shall be in writing and submitted to the Managing Agent if there is one, and if none, then to the Board. The complaint shall be distributed by the Managing Agent or member of the Board to all members of the Board. The complaint shall state the specific provision(s) of the Governing Documents alleged to have been violated and as many specifics as are available as to the date, time, location and persons involved. The Owner subject to such complaint is hereafter referred to as "Respondent(s)".

2. Investigation. Upon receipt of a complaint, the Board shall determine whether the allegations in the complaint are sufficient to constitute a violation of the Governing Documents and whether action by the Association is warranted. The Board may, in its sole discretion, appoint an individual or committee to investigate the matter.

3. Notice of Violation. If the Board reasonably determines that an alleged violation threatens the public health and safety, it shall give written notice to the Respondent in accordance ("Notice of Violation") informing the Respondent that it has ten (10) days to cure the violation (unless such violation is a public health and safety violation in which case the cure period shall be 72 hours), or the Association may fine the Respondent and take such other actions available to the Association to address the violation.

4. Non-Cure. If after inspection of the Lot, the Association determines that the Respondent has not cured the violation within the required time period after receipt of the Notice of Violation, the Association may hold a hearing and institute a fine as further set forth below.

5. Notice and Hearing. The Association may, after notice and hearing, (pursuant to the procedures provided herein), levy a Fine for violations of the Governing Documents. If the Association proposes to impose a Fine on an Owner, such action shall only be taken after "notice and a hearing" pursuant to the following procedure, which the Executive Board has determined to be a fair and impartial factfinding process:

6. Notice of Hearing. The Association shall give notice of the proposed action to the Owner against whom the Fine will be imposed. The notice shall be delivered (in accordance with Section 21.3 of the Declaration) not less than three (3) days before the proposed hearing. The notice shall be in writing and shall include a general statement describing the proposed Fine, the reason for the Fine, and the date, time and place of the hearing. The affected Owner (or its representative) may participate in the hearing by teleconference or other appropriate electronic communications. If the affected Owner (or its representative) cannot participate in the hearing at the proposed time, then the Owner may request another hearing date and time by responding within the three (3) day period following receipt of the notice, provided that such response must include at least two (2) alternative dates falling within thirty (30) days of the date of the original notice of hearing.

7. Receipt of Communication. Communication to an Owner is deemed received the day of delivery if by email or text or hand-delivered to the Owner, and deemed received two days after deposit into mail if sent by US mail certified, return receipt requested.

8. Hearing. The hearing shall be presided over by an Impartial Decision Maker. An "Impartial Decision Maker" means a Person or group of Persons who have the

authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including its architectural requirements, and the other Responsible Governance Policies of the Association, and who do not have any direct personal or financial interest in the outcome. An Impartial Decision Maker shall not be deemed to have a direct personal or financial interest in the outcome if the Impartial Decision Maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. At the hearing, the affected Owner shall have the right, personally or by a representative, to give testimony orally, in writing or both, subject to any reasonable rules of procedure established by the Executive Board to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decisions but shall not bind the Impartial Decision Maker. The Executive Board shall make its records relating to the violation that is the subject of the proposed Fine (other than records of any executive sessions of the Executive Board as described in the Bylaws) available to the affected Owner either prior to or at the hearing. A record of the hearing shall be kept in the same manner as the keeping of minutes of Executive Board meetings. The affected Owner shall be notified of the decision in the same manner in which notice of the hearing was given.

9. Failure to Appear. If the affected Owner fails to participate at the hearing and does not respond to the hearing notice with a request for an alternate time within the parameters described above, the Executive Board may act without a hearing.

10. Specific Exclusions; General Enforcement. These notice and hearing provisions apply only in connection with Fines imposed by the Association or its Managing Agent. The term "Fine" expressly excludes, and these notice and hearing provisions shall not apply to, the levy or collection of Assessments (including Default Assessments). Furthermore, notice and hearing shall not be required prior to the Association's pursuit of remedies other than Fines for violation, and nothing contained in this Article shall be deemed or construed to limit the Association's right to enforce the provisions of the Governing Documents through any proceedings at law or equity, or through mediation or arbitration, as applicable. Failure of the Association to enforce the Governing Documents will not be deemed a waiver of the right to do so for any subsequent violations or abate and/or limit the accrual of interest on any unpaid Assessments.

C. Fine Schedule. The Board shall impose a fine according to the following table:

COVENANT OR RULE	1ST VIOLATION	2ND VIOLATION	3RD AND SUBSEQUENT VIOLATION(S)
	$100.00	$500.00	$1000.00

1. A "second violation" is a separate violation of the same rule, covenant or policy by an Owner or a violation that has not been cured within 5 days from the notice for a violation.

2. A "third violation" is a third separate violation of the same rule, covenant or policy by an Owner or a violation that has not been cured within 10 days from notice for a violation.

D. **Joint and Several Liability.** Each Owner of the Lot upon which the violation occurs shall be jointly and severally liable for any fine imposed pursuant to the enforcement of the Governing Documents, including but not limited to, all attorney's fees, expert witness fees and costs incurred by the Association resulting from or in any way related to the violation or the collection of fines.

E. **Enforcement, Attorney's Fees and Costs.** The provisions of this Policy shall not limit, or be a condition precedent to, the Association's right to enforce the Governing Documents by any means available, including but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorneys' fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this Policy. If a violation involves damages to Association property, the violator shall pay the costs of repair or replacement. If, as a result of the hearing process described above, it is determined that the Owner should not be held responsible for the alleged violation, the Association shall not allocate to the Owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or hearing the claim. Notwithstanding any provision of the Governing Documents to the contrary, an Owner shall not be deemed to have consented to pay such costs or fees.

F. **Business Judgment Rule.** The decision of the Executive Board to pursue enforcement action in any particular case shall be left to the Executive Board's discretion, subject to the duty to exercise its business judgment, and not to be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Executive Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further actions; (ii) the covenant, rule, or restriction being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interest, based on hardship, expense or other reasonable criteria, to pursue the enforcement action.

G. **No Waiver.** Failure by the Executive Board to enforce any covenant, restriction, rule or regulation, or any other provision of any of the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter or preclude the Association from enforcing any other covenant, restriction, rule or regulation or provision of the Governing Documents.

APPROVED this _____ day of _____, 2026.

STEAMBOAT AIRPORT INDUSTRIAL PARK ASSOCIATION, a Colorado nonprofit corporation

PRESIDENT:

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Lynn L. Bourdon, III

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