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**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
100WA HANGARS**

NOTICE: THE SUBJECT PROPERTY IS A LEASEHOLD PLANNED COMMUNITY (fka condominiums) UNIT LOCATED ON LAND HELD UNDER A GROUND LEASE FROM GARFIELD COUNTY. ALL RIGHTS TO USE OF THE UNIT WILL TERMINATE WHEN SAID LEASE TERMINATES. ALL USE OF THE PROPERTY IS SUBJECT TO THE TERMS OF THE GROUND LEASE, THIS DECLARATION OF COMMON INTEREST COMMUNITY, STANDARDS, RULES AND REGULATIONS OF THE GARFIELD COUNTY AIRPORT, AS AMENDED, AND ALL OTHER APPLICABLE LAWS, RULES AND REGULATIONS.

NOTICE: IN ADDITION TO THE PROVISIONS SET FORTH HEREIN, OCCUPANCY AND USE OF THE HANGAR UNITS IDENTIFIED HEREIN IS SUBJECT TO THE RULES AND REGULATIONS AND MINIMUM STANDARDS FOR AERONAUTICAL ACTIVITIES ADOPTED BY THE GARFIELD COUNTY BOCC, AS AMENDED FROM TIME TO TIME. IN ADDITION, OCCUPANCY AND USE IS ALSO GOVERNED BY APPLICABLE LAWS, REGULATIONS AND RULES OF THE FEDERAL AVIATION AGENCY (FAA).

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR 100WA HANGARS ("Declaration") is made the 30th day of June, 2008, by STM Hangars, LLC, a Colorado limited liability company ("Declarant").

RECITALS

A. Declarant is the lessee of certain real property located within the boundaries of the Garfield County Regional Airport, Garfield County, Colorado, which is legally described in the attached and incorporated Exhibit A (the "Property"), and has constructed a building on the Property. The Association automatically succeeds to the rights and obligations of Declarant, as Lessee under the Lease, once the requirements set forth in the Lease are complied with.

B. Declarant wishes to establish a planned community for airplane hangars on the Property (the "Project"), and to impose a general plan for the improvement, development and maintenance of the Project, and to adopt and establish covenants, conditions and restrictions upon the Project for the purpose of enhancing, maintaining and protecting the value and desirability of the units and common elements comprising the Project.

C. Declarant deems it desirable to set aside a portion of the Project as common elements for the use of the owners of units within the Project, and to establish a Colorado nonprofit corporation, 100WA Owner Assoc., to which such common elements shall be conveyed.

D. Under CCIOA, a condominium is narrowly defined as ownership of a defined unit, together with an undivided ownership, as tenants in common, of the common elements. Any other form of ownership is a "planned community". Each owner of a 100WA Hangar Unit owns the interior airspace of their unit (as further described in this Declaration) and is a member of 100WA Owner Assoc, which is the owner of all of the common elements. It is Declarant's intent that, except for the form of ownership of the common elements, the 100WA Hangars will function like a condominium ownership building, as further described herein.

THEREFORE, Declarant covenants, agrees and declares that the Project is a planned community, as defined in the Colorado Common Interest Ownership Act, that shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to the following limitations, restrictions, easements, covenants, conditions, reservations, liens and charges described in this Declaration, all of which are declared and agreed to be in furtherance of a general plan for the improvement and maintenance of the Project. All of the limitations, restrictions, easements, covenants, conditions, liens and charges shall run with the land, shall be binding upon and inure to the benefit of all parties having or acquiring any right, title or interest in the Project or any part of it and the successors in interest of such parties, and are imposed upon the Project and every part of it as equitable servitudes that may be enforced by Declarant, its successors and assigns, each unit owner, his or her successors and assigns, or by the Association, its successors and assigns.

ARTICLE 1 **DEFINITIONS**

Section 1.01. "Airport" means the Garfield County Regional Airport, Garfield County, Colorado.

Section 1.02. "Articles of Incorporation" means the articles of incorporation of the Association as they may be amended from time to time.

Section 1.03. "Assessment" shall mean and refer to any assessment levied against one or more Owner(s) or Unit(s) as permitted by this Declaration or applicable law, all of which shall be common expense assessments for the purpose of CCIOA, including without limitation any of the following:

(a) "Regular Assessment" shall mean and refer to a charge against each Unit representing that portion of the Common Expenses attributable to that Unit, including all fees, charges, late charges, attorney fees, fines and interest arising from failure to pay when due the principal amount of such assessment.

(b) "Special Assessment" shall mean and refer to a charge against any Unit for costs incurred by the Association for materials or services furnished to the Owner or his or her Unit at the request of or on behalf of such Owner, or as a result of any Owner failing to maintain his or her Unit in accordance with the provisions of this Declaration, or as a result of the negligence, recklessness, or willful misconduct of any Owner, his or her employees, guests or invitees, or for excessive use or special use of the services or facilities, if any, provided by the Association, or for any other purpose for which this Declaration or applicable law specifies or permits the imposition of a Special Assessment.

(c) "Capital Assessment" shall mean and refer to a charge against any Unit representing a portion of the Association's cost for the purchase, installation, construction, expected or unexpected repair or replacement, of any capital improvement (including the necessary fixtures and personal property related to it) that is a Common Expense of the Association, plus reserves for repair or replacement of existing capital items, and acquisition, construction and installation of new capital improvements. A Capital Assessment may also be a Special Assessment.

Section 1.04. "Association" means the association of the Owners of Units in the Project formed

as a Colorado nonprofit corporation under the name "100WA Owner Assoc."

Section 1.05. "Association Documents" means the Articles of Incorporation, Bylaws and Rules and Regulations of the Association as each of them may be modified from time to time in accordance with this Declaration or applicable law.

Section 1.06. "Board" or "Board of Directors" means the board of directors of the Association.

Section 1.07. "Building" means the hangar structure on the Property that contains the Units as shown on the Plat.

Section 1.08. "Bylaws" mean the Bylaws of the Association as they may be modified from time to time in accordance with this Declaration or applicable law.

Section 1.09. "CCIOA" means the Colorado Common Interest Ownership Act presently codified at C.R.S. § 38-33.3-101, *et seq.*, as it may subsequently be amended, supplemented, repealed and reenacted, and otherwise modified in the future from time to time.

Section 1.10. "Common Elements" (which includes both General Common Elements and Limited Common Elements) means and includes the Building, together with all of the improvements now and subsequently located in and on the Building, and on the Property (if specifically described as such in the Lease or this Declaration) and together with all fixtures, appurtenances and facilities provided for the common use, utility or benefit of Owners or Units, or necessary or convenient to the Building or its existence, use, maintenance or safety; provided, however, that the Common Elements shall not include any of the Units.

Section 1.11. "Common Expenses" means and includes all expenditures made, and liabilities incurred, by or on behalf of the Association, together with any allocations to reserves, specifically including but not limited to the rentals and other fees set forth in the Lease.

Section 1.12. "Conveyance" shall mean and refer to transfer of a fee simple title by deed, installment land purchase contract, or otherwise of any part of the Project.

Section 1.13. "County" means Garfield County, Colorado.

Section 1.14. "Declarant" means STM Hangars, LLC, a Colorado limited liability company and its successor(s) or assign(s) designated in writing by Declarant to be the successor of Declarant (a "Successor Declarant"), subject to any limitation on transfer of Special Declarant Rights contained in this Declaration, the Lease, CCIOA or other applicable law. The rights and obligations of Declarant shall be binding upon and inure to the benefit of each Successor Declarant, but only from the time of recording of the writing designating that person or entity as a Successor Declarant; for that reason, in order for a person or entity to become a Successor Declarant, the writing designating that person or entity as a Successor Declarant must contain the acceptance of that status by the person or entity so designated.

Section 1.15. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for 100WA Hangars and any supplements and amendments to it.

Section 1.16. "Director" means a member of the Board of Directors.

Section 1.17. "General Common Elements" means all of the Common Elements, except any Limited Common Elements.

Section 1.18. "Lease" means the Private Hangar Condominium Land Lease and Operating Agreement between Garfield County BOCC and STM Hangars, LLC, effective as of June 18, 2007 and recorded in the real property records of the County on February 27, 2008, at Reception# 743637, and any supplements and amendments to it. **SAID LEASE HAS AN INITIAL TERM OF 20 YEARS FROM 6/18/2007 TO 6/17/2027 AND TWO OPTIONS TO EXTEND FOR ADDITIONAL 10 YEARS TERMS FROM 6/18/2027 TO 6/17/2037 AND 6/18/2037 TO 6/17/2047.**

Section 1.19. "Limited Common Elements" means those parts of the Common Elements that are limited to or reserved in this Declaration, the Lease, on the Plat, or by the Association for the exclusive use of one or more, but fewer than all, Owners or Units.

Section 1.20. "Plat" means the plat of the Project recorded in the real estate records of Garfield County, Colorado. A copy of said Plat is attached.

Section 1.21. "Member" shall mean and refer to every person or entity holding a membership in the Association.

Section 1.22. "Officer" means an officer of the Association.

Section 1.23. "Owner" means one or more persons, firms, corporations, partnerships or other legal entities, or any combination of them, that own(s) an interest in one or more Units.

Section 1.24. "Project" means the 100WA Hangars and includes the Building, Units, and all Common Elements as described in this Declaration and the Lease.

Section 1.25. "Property" means the real property in Garfield County, Colorado, legally described in Exhibit A, and also described in the Lease and depicted on the Plat.

Section 1.26. "Rules and Regulations" means any written terms and conditions, however denominated, that are adopted by the Association for the management, regulation, use, operation or any other aspect of all or any part of the Project, including any amendments.

Section 1.27. "Special Declarant Rights" means those development rights and other rights reserved to Declarant under this Declaration.

Section 1.28. "Successor Declarant" is defined in Section 1.14.

Section 1.29. "Unit or Hangar" means the interest in real property consisting of the individual airspace, interior partitions, fixtures and improvements that are located in the Building and contained within the exterior windows, exterior doors, unfinished walls, unfinished floors, and the upper horizontal limit as shown on the Plat, plus all other rights and obligations appurtenant or related to that Unit under this Declaration, the Lease or applicable law. Each Unit is identified by number on the Plat.

ARTICLE 2 **THE ASSOCIATION**

Section 2.01. Membership. Every Owner of one or more Units shall be entitled and required to be a Member of the Association, subject to the voting rights provisions of this Article 2. No person or entity other than an Owner of one or more Units may be a Member of the Association. No Owner shall be entitled to sever his or her ownership interest in a Unit from membership in the Association, provided, that this shall not be construed as precluding the Owner of a Unit from creating or severing a co-tenancy, joint tenancy or any other form of co-ownership with any other person or persons.

Section 2.02. Allocation of Votes. Each Unit that may be created shall be allocated one vote in the Association, subject to Section 2.06. If only one of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Unit. If more than one of the multiple Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of such Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. However, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy meeting the requirements set forth in the Bylaws.

Section 2.03. No Cumulative Voting. In the election of directors of the Association, cumulative voting shall not be allowed.

Section 2.04. Membership Appurtenant. By accepting a deed to a Unit or other conveyance the acceptance of which would render the holder an Owner, membership in the Association shall be appurtenant to and inseparable from a Unit. Membership in the Association may not be transferred except in connection with the transfer of ownership of a Unit and shall be automatically transferred by Conveyance of a Unit without additional action or documentation.

Section 2.05. Directors of the Association. The affairs of the Association shall be managed initially by a Board of Directors consisting of three (3) directors. When Declarant relinquishes control of the Board to the Owners pursuant to Section 2.06, the Board shall be comprised of not fewer than three (3) directors, with the number of directors specified in the Bylaws.

Section 2.06. Management of the Association.

- (a) Notwithstanding anything stated elsewhere in this Declaration, until the earliest of: (i) twenty (20) years after the date of recording of this Declaration (the period of Declarant's control) in the real property records of the County; (ii) sixty (60) days after Conveyance of 75% of the Units to Owners other than Declarant; or, (iii) two (2) years after the most recent Conveyance of a Unit by Declarant in the ordinary course of business, Declarant may appoint and remove all Association officers and all members of the Board of Directors, subject to the limitations stated in this Section 2.06.
- (b) Not later than sixty (60) days after Conveyance of 25% of the Units that may be created by the terms of this Declaration to Owners other than Declarant, at least one member, and not fewer than 25% of the members, of the Board of Directors must be elected by the Owners of Units other than Declarant.

- (c) Not later than sixty (60) days after Conveyance of 50% of the Units that may be created by the terms of this Declaration to Owners other than Declarant, not fewer than 33-1/3% of the members of the Board of Directors must be elected by Owners other than Declarant.
- (d) Not later than the termination of the period of Declarant control specified in subsection 2.06(a), the Owners shall elect a Board of Directors in accordance with Section 2.05 who must be Owners other than Declarant or designated representatives of Owners other than Declarant. The Board of Directors so elected and officers shall take office upon termination of the period of Declarant control specified above.
- (e) Notwithstanding anything to the contrary stated elsewhere in this Section 2.06, by a vote of 67% of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, any member of the Board of Directors may be removed with or without cause, other than a member appointed by Declarant.
- (f) Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period of Declarant's control; but in that event Declarant may require, for the duration of the period of Declarant's control, that specified actions of the Association or the Board (as described in a recorded instrument executed by Declarant) be approved by Declarant before they become effective.
- (g) Within sixty (60) days after Owners other than Declarant elect a majority of the Board, Declarant shall deliver to the Association all property of the Owners and the Association held or controlled by Declarant, including, without limitation, those items specified in C.R.S. § 38-33.3-303(9).

Section 2.07. Quorum. Quorum requirements are specified in the Bylaws.

Section 2.08. Officers of the Association. The Officers of the Association are specified in the Bylaws.

Section 2.09. Authority. The Association shall have all rights, powers and authority specified or permitted by this Declaration, the Lease, the Association Documents, or CCIOA or any other applicable law, to the extent permitted by law.

Section 2.10. Rules and Regulations. The Association, acting through the Board, shall have the right, power and authority from time to time to enact, amend and enforce Rules and Regulations concerning all aspects of the use and occupancy of Units and the Building, and operation and activities on the Property, so long as such Rules and Regulations do not conflict with the Lease, are uniform and nondiscriminatory in their application and enforcement, and are not otherwise illegal. The Association shall have the right to levy and collect fines for violation of the Rules and Regulations in amounts determined by the Board from time to time and, in addition, may maintain a proceeding with regard to any violation of the Rules and Regulations for damages, specific performance, injunctive relief, or any other remedy then available under this Declaration, CCIOA, or other applicable law or in equity, all of which rights and remedies shall be cumulative and nonexclusive. To promote responsible governance,

the Association shall adopt Rules and Regulations concerning the investment of reserve funds, the procedure for the adoption and amendment of policies, procedures and rules, and the procedure for addressing disputes arising between the Association and Owners.

Section 2.11. Duties and Obligations. The Association shall perform all duties and obligations specified in this Declaration, the Lease, and the Association Documents. The Association shall have the right and obligation to maintain, repair and replace as needed all of the Common Elements, including without limitation any obligation that a Unit Owner has failed to carry out pursuant to this Declaration or the Association Documents. Except as stated in Section 4.07, the cost of maintenance, repair and replacement of Common Elements (together with all damage to the interior or any part of a Unit resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements at the direction of the Association) shall be a Common Expense of all of the Owners.

Section 2.12. Access. The Association shall have the irrevocable right to have access to each Unit from time to time as may be reasonably necessary for the inspection, operation, maintenance, repair, and replacement of any of the Common Elements in such Unit or accessible from it, for the protection of the structural integrity of the Building, for the maintenance, repair, inspection and protection of the Common Elements, in order to minimize or prevent damage to the Common Elements or to any Unit, and for every other purpose reasonably related to the rights or obligations of the Association, all of which rights of access may be exercised (a) without prior notice during regular business hours (provided such access shall not unreasonably interfere with operation of the business in that Unit), (b) upon reasonable prior notice outside of regular business hours, and (c) without prior notice at any hour in an emergency. If damage is inflicted, or there is a strong likelihood that it will be inflicted, on any Unit or Common Element through exercise of such access rights, the Owner responsible (or the Association, if it is responsible) for the damage, or the expense to avoid damage, shall be liable for the cost of prompt repair or to prevent damage, which in the case of a responsible Owner also may be the subject of any Assessment against that Owner's Unit(s) as provided in this Declaration.

Section 2.13. Actions Against Owners. The Association may take judicial action against any Owner to enforce compliance with any provision of this Declaration, obtain mandatory or injunctive relief, or obtain damages for noncompliance, and may exercise any other right or remedy for enforcement of this Declaration permitted by law; provided, however, that the parties shall first proceed in good faith to submit the matter to mediation. The mediator cannot impose a binding decision. The parties to the dispute must agree before any settlement is binding. Within fourteen (14) days after one party notifies the other of a dispute, the parties shall jointly appoint an acceptable professional mediator. If the parties cannot agree on a mediator, each party shall select a professional mediator whose sole purpose shall be to select a third professional mediator who shall mediate the dispute. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within thirty (30) days after the date the mediator is selected. If the dispute is settled through the mediator, the parties shall share equally in the mediation costs and shall pay their own attorney fees, if any. If the dispute is not settled by mediation and proceeds to litigation, the losing party in the litigation shall pay the prevailing party's portion of the mediation costs and its attorney fees, if any.

Section 2.14. Conveyance or Encumbrance. The Association shall have the right to encumber, dedicate or convey all or any part of the Common Elements or any other Association asset if not otherwise prohibited in the Lease. However, no such encumbrance, dedication or conveyance shall be effective unless an instrument signed by 67% of the Members entitled to vote, including 67% of the votes allocated to Units not owned by Declarant, agreeing to such encumbrance, dedication or transfer has been recorded in the real property records of the County. Such agreement must specify a date after which the

agreement will be void unless approved by the requisite number of votes. Any of the instruments required by this Section 2.14 may be signed in counterparts that shall together constitute a single agreement.

Section 2.15. Management Agreement and Other Contracts.

- (a) The Association may utilize professional management in performing its duties. Any agreement for professional management of the Association's business shall be terminable for cause without penalty to the Association. Any such contract shall be subject to renegotiation.
- (b) Any contracts, licenses or leases entered into by the Association while Declarant controls the Association shall provide for termination by either party to it, with or without cause and without payment of a termination fee, at any time after termination of Declarant's control of the Association, upon ninety (90) days prior written notice.

Section 2.16. Public Disclosures after Declarant Control. Within ninety (90) days after assuming control from Declarant pursuant to Section 2.06, the Association shall make the following information available to Owners by posting on an internet web page (if the Owners have been previously notified of the web address via mail or e-mail), maintaining a literature table or binder at the Association's principal place of business, or by mail or personal delivery:

- (a) The name of the Association;
- (b) The name of the Association's designated agent or management company, if any;
- (c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any;
- (d) The name of the common interest community;
- (e) The initial date of recording of this Declaration;
- (f) The reception number or book and page for the main document that constitutes this Declaration;
- (g) The date on which the Association's fiscal year commences;
- (h) The Association's operating budget for the current fiscal year;
- (i) A list, by Unit, of the Association's current Assessments, including both Regular and Special Assessments;
- (j) The Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (k) The results of the Association's most recent available financial audit or review;

- (l) A list of all Association insurance policies, including but not limited to property, general liability, Association director and officer professional liability, and fidelity policies, which shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed;
- (m) The Association Documents;
- (n) The minutes of the Board and Member meetings for the fiscal year immediately preceding the current annual disclosure; and
- (o) Any rules, regulations and procedures concerning the investment of reserve funds, the adoption and amendment of policies, procedures and rules, and the resolution of disputes between the Association and Owners.

Section 2.17. Annual Public Disclosures. Within ninety (90) days after the end of each fiscal year of the Association, the Association shall make available (by the same methods described in Section 2.16) the information described in subsections 2.16(g) through 2.16(o).

Section 2.18. Owner Education. So long as required by law, the Association shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association and the Board of Directors under Colorado law. The criteria for compliance with this Section 2.18 shall be determined by the Board.

ARTICLE 3

PROPERTY RIGHTS IN THE UNITS AND COMMON ELEMENTS

Section 3.01. Title to the Common Elements. As provided in the Lease or when otherwise required by law, but not later than sixty (60) days after initial sale of the last Unit that may be created by this Declaration, Declarant shall convey fee simple title to the Common Elements to the Association free and clear of all liens and encumbrances, except this Declaration, the Lease, then current real property taxes (prorated to the date of Conveyance), and liens and encumbrances and other title exceptions of record on the date of recording of this Declaration.

Section 3.02. Members' Easements of Enjoyment. Every Member shall have a non-exclusive right and easement in and to the Common Elements, including but not limited to an easement for ingress and egress over and through the Common Elements. Except as may otherwise be provided in the Lease, each such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- (a) The Association shall have the right to adopt Rules and Regulations pertaining to the use and enjoyment of the Common Elements;
- (b) The Association may borrow money and encumber (by mortgage, deed of trust or otherwise) the Common Elements or any part of them in accordance with Section 2.14 for the purpose of improving the Common Elements, provided that any such encumbrance shall be expressly subordinate to the rights of the Members and is not otherwise prohibited in the Lease;

- (c) The right of the Association to suspend a Member's voting rights, use of Common Elements, and/or any benefits of membership in the Association for any period during which any Assessment against such Member's Unit(s) remains unpaid and delinquent, and/or while a Member is in violation of this Declaration or any Rules or Regulations; provided that any suspension of such voting rights, Common Element use, or benefits of membership in the Association, except for failure to pay Assessments, shall be made only by the Association or a duly appointed committee of the Association after notice and hearing given and held in accordance with the Bylaws;
- (d) The right of the Association to dedicate or transfer all or any part of the Common Elements to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members; no such dedication or transfer shall be effective unless an instrument in any number of counterparts signed by Members entitled to cast 67% of the votes has been recorded, agreeing to such dedication or transfer, and provided written notice of the proposed action is sent to every Member no fewer than thirty (30) days nor more than sixty (60) days in advance;
- (e) The right of Declarant or its designees to enter upon the Common Elements for purposes of construction and development of the Project and for purposes of making repairs and remedying construction defects in accordance with this Declaration, provided that such entry does not unreasonably interfere with the use and enjoyment of any Unit, unless authorized by the Owner; and
- (f) The right of the Association to close or limit the use of the Common Elements while maintaining, repairing and making replacements to the Common Elements.

Section 3.03. Delegation of Use. Any Member may delegate his or her right of enjoyment to the Common Elements to his or her family members, licensees and invitees, or tenants or contract purchasers who are in possession of such Member's Unit.

Section 3.04. Waiver of Use. No Member may exempt himself or herself from personal liability for Assessments duly levied by the Association, or release the Unit(s) owned by such Member from the liens and charges created by CCIOA, the Lease or this Declaration, by waiver of the use and enjoyment of the Common Elements, or by abandonment of his or her Unit.

Section 3.05. General Restrictions.

- (a) All Owners of Unit(s), by their acceptance of their respective deeds or other conveyances causing them to become Owners, covenant and agree that the Common Elements shall remain undivided, and no Owner shall bring any action for partition (which right is expressly waived), it being agreed that this restriction is necessary to preserve the rights of Owners with respect to the operation and management of the Project.
- (b) No Owner shall engage in any activity that will temporarily or permanently deny free access to any part of the Common Elements to all Members, nor shall any

Owner place any structures (except those installed by Declarant) upon the Common Elements.

Section 3.06. Limited Common Elements. The following shall be Limited Common Elements as depicted on the Plat or as otherwise set forth in this Declaration:

- (a) Any chute, flue, duct, wire, conduit, pipe, drain, bearing wall, bearing column or any other fixture (including mechanical equipment) partially within and partially outside the designated boundaries of a Unit; and any portion thereof serving only that Unit or fewer than all Units; and
- (b) Any shutters, awnings, doorsteps, stoops, and all exterior doors and windows or other fixtures (including mechanical equipment), designed to serve a single Unit but located outside of the Unit's boundaries.

Section 3.07. Use of General and Limited Common Elements. Except as otherwise provided in this Declaration, each Owner shall be entitled to exclusive ownership and possession of his or her Unit(s), and each Owner may use the General Common Elements, as well as the appurtenant Limited Common Elements and other appurtenances to his or her Unit(s), in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners or the Association.

ARTICLE 4 **COVENANT FOR ASSESSMENTS**

Section 4.01. Creation of the Lien and Personal Obligation of Assessments. The undersigned, for each Unit, covenants (and each Owner of any Unit by acceptance of a deed or other conveyance for that Unit, whether or not it shall be so expressed in that instrument, is deemed to covenant and agree) to pay to the Association: (a) all Assessments and charges levied against that Unit; (b) all fees, charges, late charges, attorney fees, fines, collection costs, interest and other sums charged pursuant to this Declaration or as allowed by C.R.S. § 38-33.3-316(1) or any other provision of CCIOA or other applicable law. The Association shall have the right, independent of CCIOA, to impose reasonable charges for late payment of Assessments, recover reasonable attorney fees and other legal costs for collection of Assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated, and, after notice and an opportunity to be heard, levy reasonable fines for violations of this Declaration or the Association Documents, as further described elsewhere in this Declaration.

Any charge set forth in this Section 4.01, from the time such charge becomes due, shall be a charge on and covenant running with the land, and shall be a continuing lien on the Unit against which each such item is assessed. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid Association acceleration of installment obligations. A valid acceleration of installment Assessment obligations may be made by the Board at any time any Assessment or Assessment installment is at least thirty (30) days overdue.

Each such charge, together with interest, costs and reasonable attorney fees, shall also be the joint and several personal obligation of each person and entity who was the Owner of the Unit at the time when the item became due; provided, that this personal obligation shall not pass to an Owner's successors-in-interest unless expressly assumed by them. No Owner may be exempt from liability for Assessments by waiver of use or enjoyment of the Common Elements or other assets or benefits of the Association, or by abandonment of any Unit.

The Association's lien on a Unit for Assessments shall be superior to any homestead exemption now or later provided by the laws of the State of Colorado or any exemption now or hereafter provided by the laws of the United States. The acceptance of a deed to a Unit subject to this Declaration shall constitute a waiver of the homestead and any other such exemption as against such Assessment lien.

Section 4.02. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for: Common Expenses; to promote the health, safety or welfare of the occupants of the Units; for the benefit of the Common Elements; or for any other purpose of the Association, as those purposes (as amended from time to time) are specified in this Declaration, the Lease or the Association Documents; or as otherwise authorized or permitted by CCIOA or other applicable law.

Section 4.03. Initial Assessment.

- (a) The initial Assessment of any particular type shall be fixed in an amount set by, and made upon the resolution of, the Board of Directors.
- (b) After an Assessment of any type has been made by the Association, Assessments of the same type (other than Special Assessments and Capital Assessments, which may be made at any time and from time to time) shall be made no less frequently than annually, based on a budget adopted by the Association as described in this Declaration.
- (c) Until the Board of Directors makes the initial Assessment, all expenses of the Association shall be paid by Declarant.

Section 4.04. Date of Commencement of Assessments; Due Dates. The initial Assessment of any type other than Special Assessments and Capital Assessments shall be adjusted according to the number of months remaining in the calendar year for which the Assessment is made, if less than a full year. Thereafter, the Board shall fix the amount of such annual Assessments against each Unit at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Regular Assessment shall be sent to every Owner subject to the Assessment. The due date(s) shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Unit have been paid. Special Assessments and Capital Assessments may be made by the Board at any time, except as limited by this Declaration, CCIOA or other applicable law.

Section 4.05. Expense Allocation. Except as otherwise stated in this Article 4, or as otherwise provided by CCIOA or other applicable law, each Unit shall be allocated a fraction of the Common Expenses of the Association, based on square footage, as follows:

UNIT NO.	SQ. FEET	PERCENTAGE	UNIT NO.	SQ. FEET	PERCENTAGE
1	2548	14.8%	7	1104	6.4%
2	2548	14.8%	8	1104	6.4%
3	1230	7.1%	9	1104	6.4%
4	1536	8.9%	10	1104	6.4%
5	1104	6.4%	11	1537	8.9%
6	1104	6.4%	12	12229	7.1%

Despite anything to the contrary stated in this Section 4.05, if permitted or required by this Declaration (see for example Section 4.07), CCIOA or other applicable law, any Common Expense or portion of any Common Expense or other cost or expense to the Association benefiting or caused by fewer than all Units shall be assessed exclusively against the Units benefited by or causing the Common Expense or other cost or expense. Specifically, all costs of operation, maintenance, repair or replacement of (or otherwise associated with) any Limited Common Element shall be paid equally by, and assessed to, the Owner(s) of the Unit(s) to which such Limited Common Element is appurtenant, subject to the same terms and conditions of Owner responsibility pertaining to the General Common Elements set forth in Section 4.07.

Section 4.06. New Unit Assessment. Upon the initial sale of a new Unit by Declarant to a third party purchaser, such purchaser shall pay the Association a one-time, nonrefundable, \$100.00 assessment at or within thirty (30) days after closing that shall be deposited by the Association in its general account and used by the Association for Common Expenses. The intent of such assessment is to provide initial capitalization for the Association.

Section 4.07. Owner's Negligence. In the event that the need for maintenance, repair, replacement, reconstruction or reconfiguration of any Common Element, or any other Common Expense, is caused by the willful or negligent act or omission of any Owner, or by the willful or negligent act or omission of any guest or invitee of such Owner, such expense and all related fees, costs and expenses of or to the Association shall be the personal obligation of such Owner and may be made part of any Assessment against such Owner and that Owner's Unit(s). Negligence or the willful act or omission of any Owner or any guest or invitee of such Owner, and the amount of the Owner's liability therefor, shall be determined by the Board of Directors at an informal hearing after notice to the Owner, provided that any such determination that assigns liability to any Owner pursuant to the terms of this Section 4.07 may be appealed by such Owner to a court of law.

Section 4.08. Priority of Lien. The lien for Assessments, which includes without limitation all those items specified in Section 4.01, shall have the priority specified in CCIOA, C.R.S. § 38-33.3-316(2), or other applicable law.

ARTICLE 5

BUDGET AND RECORDS

Section 5.01. Books and Records. Association policies and regulations regarding records, retention of records, and Member access to records are specified in the Bylaws.

Section 5.02. Annual Budget. The Board of Directors shall cause an operating budget, balance sheet and cash flow statement for the Association to be prepared no less frequently than annually.

Section 5.03. Delivery of Budget. Within ninety (90) days after adoption of any proposed budget, the Board of Directors shall mail by ordinary first-class mail or otherwise deliver a summary of the budget to all Owners and shall set a date for a meeting of the Owners to consider ratification of the budget that shall be within a reasonable time after mailing or other delivery of the summary.

Section 5.04. Ratification of Budget. Unless at the meeting Owners representing a majority of all Units veto the budget, the budget is ratified, whether or not a quorum is present.

Section 5.05. Rejection of Budget. If the proposed budget is vetoed, the budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

Section 5.06. Reserve Fund. As part of each annual budget, the Board of Directors shall include an amount that, in its reasonable business judgment, will at least establish and maintain an adequate reserve fund for the repair or replacement of any personal property, fixtures and improvements required to be operated or maintained by the Association based upon age, remaining life, replacement cost and any other relevant factors. Any reserve funds may be deposited in such interest bearing account(s) as the Board of Directors deems appropriate.

Section 5.07. Audit and Review by Owners. Upon the request of at least one-third of the Owners, the books and records of the Association shall be subject to a review, using statements on standards for accounting and review services, by an independent and qualified person selected by the Board. Such person need not be a certified public accountant (except in the case of an audit), but shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The audit or review report shall cover the Association's financial statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.

Section 5.08. Inspection and Audit by County. The Association's accounts related to storage use agreements and tenancies/subtenancies shall be open for inspection and audit by the County, as further provided in the Lease.

Section 5.09. Fiscal Year. The fiscal year of the Association shall initially be the calendar year, but the Association may adopt a different fiscal year, for Assessments or otherwise, if permitted by law.

ARTICLE 6

NONPAYMENT OF ASSESSMENTS

Section 6.01. Delinquency. Any Assessment provided in this Declaration that is not paid when due is delinquent. If any such Assessment is not paid within thirty (30) days after the due date without additional notice or demand, the Assessment shall bear interest from the due date at a rate not to exceed the maximum rate of interest permitted by CCIOA or other applicable law, as determined by the Board. Subject to the provisions of Section 2.13, the Association may, at its option, exercise any right or remedy available to the Association under applicable law, including without limitation bringing an action at law against the Owner personally obligated to pay the same or foreclosing the lien provided in Section 4.01 against the Unit(s) as to which the Assessment has not been paid; and in any case there shall be added to the amount of such Assessment interest and all costs that may be incurred by the Association in its collection of the Assessment, including reasonable attorney fees. Each Owner vests in the Association or its assigns the right and power to bring all actions or proceedings at law or in equity or to institute judicial foreclosure proceedings against such Owner or other Owners for the collection of such delinquent Assessments.

Section 6.02. Nature of Obligation and Lien.

- (a) The obligation for such payments by each Owner to the Association is an independent covenant, with all amounts due from time to time payable in full

without notice (except as otherwise expressly provided in this Declaration) or demand, and without setoff or deduction. The Board or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness and the name of the Owner and description of the Unit. Such a notice shall be signed by one member of the Board or by the managing agent of the Association and may be recorded in the real property records of the County. The lien for each unpaid Assessment attaches to each Unit at the beginning of each Assessment period and shall continue to be a lien against such Unit until paid. The costs and expenses for filing any notice of lien shall be added to the Assessment for the Unit against which it is filed and collected as part and parcel thereof. Each Assessment, together with interest, late charges, costs and reasonable attorney fees, shall also be the personal obligation of each person who was the Owner of such Unit at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass by Conveyance of a Unit.

- (b) The statutory lien for Assessments is prior to all other liens and encumbrances on a Unit, except: (i) liens and encumbrances recorded before the recordation of this Declaration; and (ii) liens for real estate taxes and other governmental assessments or charges against the Unit. Notwithstanding the foregoing, the statutory lien for Assessments is also prior to the lien of a first mortgage to the extent of an amount equal to the Assessments based on a periodic budget adopted by the Association that would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this Section 6.02 of an action or a nonjudicial foreclosure either to enforce or to extinguish the lien.
- (c) The recording of this Declaration constitutes record notice and perfection of the statutory lien. No further recording of any claim of lien or assessment is required; however, a notice of lien may be recorded at the Association's option, in which event costs and attorney fees incurred in connection with the preparation and filing of such notice shall be assessed against the Owner's Unit as a default assessment.

Section 6.03. Foreclosure Sale. Any foreclosure sale related to an Assessment lien is to be conducted in accordance with those provisions of the laws and rules of the courts of the State of Colorado applicable to the foreclosure of mortgages, or in any other manner then permitted or provided by applicable law. The Association, through its duly authorized agents, shall have the power to bid on the Unit at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same in the name of the Association.

Section 6.04. Curing of Default. Upon the timely curing of any Assessment delinquency, the Association is authorized to file or record a certificate setting forth the satisfaction of such claim and release of such lien upon payment by the defaulting Owner of a fee determined by the Association to cover the costs of preparing and filing or recording such release, and other expenses incurred.

Section 6.05. Cumulative Remedies. The Assessment lien and the rights of foreclosure and sale under it shall be in addition to, and not in substitution of, all other rights and remedies that the

Association and its assigns may have under this Declaration and then applicable law, including without limitation a suit to recover a money judgment for unpaid Assessments, as provided above, all of which rights and remedies shall be cumulative.

ARTICLE 7
CONSTRUCTION AND REMODELING;
USE RESTRICTIONS

Section 7.01. Process and Requirements. The construction and remodeling process and approval requirements are set forth in the Lease. No improvement shall be erected, or otherwise altered, placed or permitted to remain on the Property except in accordance with the terms and conditions set forth in the Lease and this Declaration.

Section 7.02. Use of Units. Use of Units is governed by Sec III, Uses and Operations, Sub-sections A-C of the Lease.

Section 7.03. Lighting. Due to the inherent danger of improper lighting to aircraft, no lighting shall be installed or altered except in accordance with the terms and conditions set forth in the Lease.

Section 7.04. Signage. No sign shall be erected, placed, altered or permitted to remain on the Property except in accordance with the terms and conditions set forth in the Lease.

Section 7.05. Soils, Revegetation and Weed Management. The Association shall at all times comply with the soil, weed management and revegetation plan submitted to the County in accordance with the Lease.

Section 7.06. Animals. Animals shall be allowed in the Building only for loading and unloading purposes; provided, that in the event any such animal damages a Common Element, the Owner responsible for allowing the animal on the Property shall be liable for such damage in accordance with Section 4.07. All animals shall be maintained in an Owner's Unit or on a leash or other restraint. No animals shall be boarded or stored in any Unit or on the Property. Owners shall be responsible for the cleanup of all waste from their animals.

Section 7.07. Maintenance. Except as otherwise expressly stated in the Lease or this Declaration, each Owner is responsible for all cleaning, maintenance, repair and replacement of his or her Unit, together with any Limited Common Elements allocated solely to that Unit, including without limitation maintenance, repair and replacement as necessary to keep such Unit(s) clean and in good, clean and sanitary condition and repair at all times, and to avoid damaging any Common Elements, other Units, or other Owners, and to comply with all applicable laws, ordinances and regulations. No Owner shall change, modify or otherwise alter any Common Element without the prior written approval of the Board. Notwithstanding the foregoing, an Owner may install locks and security systems of the Owner's choice on the exterior doors and windows accessing that Owner's Unit, so long as keys and codes for such locks and security systems are provided to the Board. Owners shall be solely responsible for maintenance and repair of bi-fold and "man" door opening, closing and locking mechanisms.

Section 7.08. Snow Removal. Snow removal, if required, from the private vehicle parking area shall be the responsibility of the Association. Owners shall be responsible for snow removal from Unit aprons.

Section 7.09. Waste Removal. Each Owner shall be responsible for the collection, storage and removal of paper and all other waste and rubbish from his or her Unit, as further provided in the Lease, and shall engage a properly certified service for collection and off-site disposal of industrial waste from his or her Unit.

Section 7.10. Fuel Tanks. The Association or any Owner may construct a fuel tank storage facility, consisting of a secondary containment area and one or more above-ground tanks, in accordance with the terms and provisions set forth in the Lease.

Section 7.11. Security. Each Unit Owner shall be responsible for the security of his or her Unit.

Section 7.12. Leases. The term "Unit Lease" as used in this Section 7.12 shall include any agreement for the leasing or rental of a Unit or any portion of it, for any period of time. Any Owner shall have the right to lease his or her Unit under the following conditions:

- (a) All Unit Leases shall be in writing;
- (b) All Unit Leases and the lessee's occupancy of the Unit shall be subject in all respects to the provisions of this Declaration, the Lease and the Association Documents; and
- (c) The lessee's failure to comply with any of these documents, in any respect, shall be a default under their Unit Lease.

The provisions of (b) and (c) above shall be contained in each Unit Lease, but shall also be deemed to be implied terms of each such Unit Lease, whether or not actually contained in the Unit Lease.

Section 7.13. Nuisance and Hazardous Activities. No obnoxious or offensive activity shall be conducted in any Unit or on the Property, nor shall any activity be permitted that becomes an annoyance or nuisance within the Building. No sound shall be emitted from any Unit that is unreasonably loud or annoying, and no odor shall be permitted from any Unit that is noxious or unreasonably offensive to others, as determined by the Board in its sole discretion. No activity shall be conducted on the Property or within the Building that is or might be unreasonably hazardous to any person or property. Notwithstanding the foregoing, in no event shall activities commonly associated with airplane hangars be considered a nuisance or hazard under this Section 7.13.

Section 7.14. Hazardous Materials. No contaminant or hazardous material shall be generated, used, handled, stored or disposed of on the Property unless in accordance with all applicable laws, orders, rules, ordinances and regulations, as further provided in the Lease. Unit occupants shall comply with the Colorado Department of Labor and Employment, Division of Public Safety regulations regarding storage of oil, solvents and any other regulated substance. Release of contaminants or hazardous materials into the Property or the Airport property is prohibited.

Section 7.15. Utilities and Easements. Electrical, natural gas, telephone, telephone and waste removal services shall be available to all Units, as more specifically set forth in the Lease. The utility companies and other providers furnishing these services shall have the easements shown on the recorded plats of the Property.

Section 7.16. No Re-subdivision of Units. The re-subdivision of any Unit is prohibited.

Section 7.17: Plat Notes. In addition to the provisions and obligations set forth in this Declaration and the Association Documents, use and Occupancy of the Units are also subject to the following notes contained in the recorded Plat of the Project:

- (a) *These hangar units are created on property leased from Garfield County. That Lease, recorded 2/27/2008 has an initial term of 20 years, from 6/18/2007 to 6/17/2027, with two options to extend the lease term for two additional ten year terms. In addition the Lease contains numerous other provisions governing the occupancy of the property and provisions for early termination of the Lease if those conditions are not met. The units created by this Plat terminate and cease to exist when said Lease is terminated or expires. No interest in the underlying real property is created by this Plat. Unit owner's interest is derived solely from the said Lease.*
- (b) *Hangar unit owners and tenants use of the units created by this Plat are governed by said Lease, Garfield County Regional Airport Standards and Rules and Regulations, as amended, FAA regulations and other applicable laws and regulations.*
- (c) *All units are subject to a blanket easement for utilities to serve other units.*
- (d) *Common elements consist of the building and the common elements (CE), as designated on the Plat, are for the use and enjoyment of all unit owners equally. The apron area in front of each hangar unit is generally for the use of the adjacent hangar unit. Any use of adjacent aprons by other unit owners or tenants shall be restricted to infrequent use that does not unreasonably interfere with use of the adjacent hangar.*
- (e) *The 100WA Hangars shall be subject to and operated under the Colorado Common Interest Ownership Act (CRS 38-33.3-101 et seq.), as amended.*

ARTICLE 8 **INSURANCE**

Section 8.01. Insurance. The Association shall obtain and maintain insurance as required by CCIOA, this Declaration and the Lease. In addition, if reasonably available, the Association shall maintain directors and officers liability insurance. The Association, as attorney-in-fact, shall have the authority conferred upon it in Article 9 to deal with insured items in the event casualty to them is an insured loss to the Association under its master insurance policy.

Section 8.02. Assessment of Members. To the extent the Association settles claims for damages to real property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all deductibles paid by the Association. In the event that multiple properties are damaged by a loss, the Association in its reasonable discretion may assess each Owner a pro rata share of any deductible paid by the Association.

Section 8.03. Waiver of Subrogation. The Association and the Owners each waive any and all rights of recovery against the other, their officers, members, agents and employees, occurring on or arising out of the use and occupancy of the Project to the extent such loss or damage is covered or indemnified by proceeds received from insurance carried by the other party, or for which such party is otherwise reimbursed. Each of the parties shall, upon obtaining the insurance required under this Declaration, notify the insurance carrier that the foregoing waiver of subrogation is contained in this

covenant, and, to the extent available, shall require the insurance carrier to include an appropriate Waiver of Subrogation Provision in the policy.

Section 8.04. Fidelity Bond Insurance. If any Owner or Association employee controls or disburses Association funds, the Association must obtain and maintain, to the extent reasonably available, a fidelity bond insurance in an aggregate amount equal to not less than two (2) months of current assessments, plus reserves calculated from the then-current budget of the Association.

Section 8.05. Independent Contractors. Any person employed as an independent contractor by the Association for the purposes of managing the Association must obtain and maintain a fidelity bond in the same amount required in Section 8.04, unless the Association names such a person as an insured employee in a contract of fidelity insurance described in Section 8.04. The Association may carry or require of an independent contractor employed to manage the Association fidelity bond coverage in an amount greater than that specified in this Section 8.05.

Section 8.06. Fidelity Bond Premiums. Premiums for bonds required of the Association under this provision are Common Expenses of the Association.

Section 8.07. Additional Insurance. The Association may carry any other insurance it considers appropriate to protect the Association or the members, including insurance on property it is not obligated to insure.

ARTICLE 9

DAMAGE OR DESTRUCTION OF COMMON ELEMENTS

Section 9.01. Appointment of Association as Attorney-in-Fact. This Declaration constitutes each Owner's appointment of the Association as his or her attorney-in-fact to administer repairs, receive and apply insurance funds, and to ensure compliance with this Declaration upon the damage, destruction or obsolescence of the Common Elements. Any grantee's acceptance of a deed or other conveyance rendering that person an Owner shall constitute the irrevocable appointment of the Association as the grantee's attorney-in-fact, to act with all the powers as provided in this Section 9.01.

Section 9.02. Rights of Association as Attorney-in-Fact. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authority, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner that is necessary and appropriate to exercise the powers granted in this Declaration. Repair and reconstruction of a Common Element means restoring the same to substantially the same condition in which it existed prior to the damage. The obsolescence of a Common Element shall be determined by the Association, in its sole and absolute discretion. Except as otherwise provided in this Declaration, any insurance proceeds collected shall be paid to the Association for the purpose of repair, restoration or replacement.

Section 9.03. Application of Insurance Proceeds. In the event of damage or destruction to a Common Element due to an insured loss, the Association shall apply the insurance proceeds to the reconstruction and repair of such Common Element. If the insurance proceeds are insufficient, the Association may levy a Capital Assessment in the aggregate amount of such deficiency and shall proceed to make such repairs or reconstruction, unless:

- (a) The planned community is terminated;



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- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) 67% of the Owners vote to not rebuild; or
- (d) Prior to the Conveyance of any Unit to a person other than Declarant, the holder of a deed of trust or mortgage on the damaged portion of the Common Element rightfully demands all or a substantial part of the insurance proceeds.

Distributions of insurance proceeds shall be made to the Association unless made jointly payable to the Owners and first mortgagees of their respective Units, if any. The Capital Assessment described in this Section 9.03 shall be a debt of each Owner and a lien on his or her Unit and the improvements on it, and may be enforced and collected in the same manner as any Assessment lien provided for in this Declaration.

ARTICLE 10

GENERAL PROVISIONS

Section 10.01. Easements and Access.

- (a) A blanket easement through all Units is hereby reserved for the Association for the installation and maintenance of utilities and Common Elements. No improvement, structure, planting or other material shall be placed or permitted to remain that may damage or interfere with the installation or maintenance of such utilities or Common Elements.
- (b) The Owners shall have a perpetual nonexclusive easement in common with all other Owners on, over and across the General Common Elements for purposes of ingress and egress to and from their Units from the streets and sidewalks that adjoin the Project, plus an easement for the use of any other General Common Elements for all uses reasonably related to the use or enjoyment of that Owner's Unit(s), subject, however, to the provisions of this Declaration, the Lease and the Association Documents.
- (c) Declarant or its designees retain as a Special Declarant Right the right to enter upon the Common Elements for purposes of making repairs and remedying construction defects, provided that such entry shall not unreasonably interfere with the use and enjoyment of any Unit, unless authorized by the Owner, and the Association shall have the right to close or limit the use of the Common Elements while maintaining, repairing and making replacements in the Common Elements.

Section 10.02. Declarant Rights. Except to the extent expressly prohibited by applicable law, any or all rights or obligations (or both) of Declarant may be transferred by Declarant; provided, that any Special Declarant Rights created or reserved in this Declaration for the benefit of Declarant may be transferred to any person or entity only by an instrument describing the rights transferred, which shall be recorded in the real property records of the County. The right of Declarant to transfer Special Declarant Rights under this Section 10.02 shall expire twenty (20) years after the recording of this Declaration.

Section 10.03. Maximum Number of Units. Declarant reserves the right to create a maximum of twelve (12) Units in the Building, in addition to the Common Elements.

Section 10.04. Term. The provisions of this Declaration shall each constitute covenants, running with the land applicable to the Project and Units, binding Declarant and all persons and entities claiming by, through or under it for the same period as the Lease, as amended or extended.

Section 10.05. Renewal and Termination of Lease. The rights of Lessee to renew the Lease, if any, the conditions for such renewal, and rights and obligations, if any, to remove the improvements from the Property upon termination of the Lease, are set forth in the Lease. Neither the Association, Declarant, nor any unit owner has any right to redeem the reversion under the Lease.

Section 10.06. Termination and Amendment.

- (a) Subject to the provisions of C.R.S. § 38-33.3-217(1), (5), (6) and (7), all or any portion of this Declaration may be supplemented, changed or terminated in whole or in part at any time by the vote or agreement of the Owners of 67% of the Units that may be created; provided, however, that the County must also consent to the termination of this Declaration. Any agreement to supplement, change or terminate this Declaration may be in any number of counterparts, and shall be effective when duly recorded in the real property records of the County. Notwithstanding the foregoing, this Declaration shall automatically terminate upon the termination of the Lease, unless the Project is assigned in accordance with the Lease.
- (b) Declarant reserves and is granted the right and power to record technical amendments to this Declaration and the Association Documents at any time prior to the termination of Declarant's control of the Association, for the purposes of correcting spelling, grammar, dates, typographical and clerical errors, or as may otherwise be necessary to clarify the meaning of any provisions of any such document.

Section 10.07. Relocation or Replacement of Project. As further provided in the Lease, the County has reserved the right to relocate or replace the Project at its cost, and in a substantially similar form and in a generally comparable location, in the event the County needs to further develop the Airport.

Section 10.08. Conflict of Provisions. In case of any conflict between this Declaration, the Lease, the Articles of Incorporation or the Bylaws, the Lease shall control. In case of any conflict between this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall control.

Section 10.09. CCIOA Controls. Any provision of this Declaration in conflict with the provisions of CCIOA shall be void. Any managing agent, employee, independent contractor or other person acting on behalf of the Association shall be subject to CCIOA to the same extent as the Association itself would be under the same circumstances.

Section 10.10. Severability. Invalidity of any of the covenants, restrictions or other provisions contained in this Declaration shall in no way affect or limit any other provisions, which shall

remain in full force and effect. To the extent feasible, any non-complying provision and the remainder of this Declaration shall be reformed to comply with applicable law and to preserve the intent of this Declaration, including the invalidated provision.

Section 10.11. Waiver. The failure of Declarant, the Association, or any Owner to enforce any right under this Declaration upon any occasion shall not be deemed a waiver of such right on any subsequent occasion(s). The waiver, either express or implied, by Declarant, the Association or any Owner of any of the rights, terms or conditions in this Declaration shall not be deemed as or constitute a waiver of any other rights, terms or conditions in this Declaration. Any waiver, in order to be valid and effective, must be in writing.

Section 10.12. Notice. Any notice or demand required or permitted by this Declaration shall be in writing and shall be sent by United States first class mail, postage prepaid, to the address of the Owner of the Unit(s) to receive notice at the address provided by the Owner for that purpose to the secretary of the Association. If the Owner fails to provide an address to the secretary, notice shall be sent to the address of the Owner specified in the deed recorded in the real property records of the County by which that Owner took title and to the street address of that Unit, if any.

Section 10.13. Section Headings. The article and section titles and headings used in this Declaration are for identification purposes only and shall not be utilized to interpret or construe the provisions of this Declaration, which shall remain in full force and effect.

Section 10.14. Binding Effect. The provisions of this Declaration shall be binding upon and for the benefit of Declarant, each Owner, and each and all of their heirs, personal representatives, successors in interest and assigns.

Section 10.15. No Rights Given to the Public. Nothing contained in this Declaration shall be deemed to be a gift or dedication of any portion of the Project to the general public or for any public use or purpose.

Section 10.16. Applicability of Governmental Regulations. The covenants, conditions and restrictions contained in this Declaration are separate and distinct from any zoning, building or other law, ordinance, rule or regulation of the County or of any governmental authority having jurisdiction over the Project that now or in the future may contain different requirements from or in addition to those contained in this Declaration or that may prohibit uses permitted in it or permit uses prohibited in it. In the event of any conflict between the provisions of this Declaration and the provisions of any such law, ordinance, rule or regulation, the Owner must first comply with all governmental laws, ordinances, rules or regulations and then, to the extent possible, the Owner must comply with these covenants, conditions and restrictions unless such compliance would result in a violation of such law, ordinance, rule or regulation, in which case, upon a finding that compliance with this Declaration would result in such a violation, the Board shall waive any such covenant, condition or restriction to the extent it results in such a violation, and in connection with such waiver, the Board may impose such conditional covenants, conditions and restrictions as may be necessary to carry out the intent of this Declaration.

DECLARANT:

STM HANGARS, LLC, a Colorado limited liability company

By John W. Savage
John W. Savage, Manager

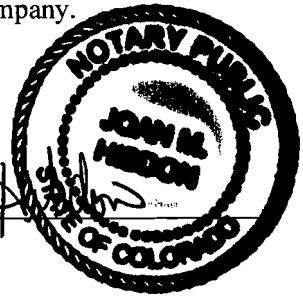
STATE OF COLORADO)
) ss.
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me the 30 day of June, 2008, by John W. Savage, Manager of STM Hangars, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 6/11/2011

Joan M. Allison
Notary Public



LESSOR'S CONSENT TO DECLARATION

Pursuant to CRS 38-33.3-206, the Garfield County Board of County Commissioners, in accord with the terms of the Private Hangar Condominium Land Lease and Operating Agreement between Garfield County BOCC and STM Hangars, LLC recorded 2/27/2008 at Reception No. 743637, hereby consents to the creation of these leasehold planned community (fka condominium) units.

LESSOR:

BOARD OF COUNTY COMMISSIONERS
OF GARFIELD COUNTY, COLORADO

ATTEST:

Joan M. Allison
Clerk to the Board

By:

John W. Savage Chairman

Date: 7/7/08

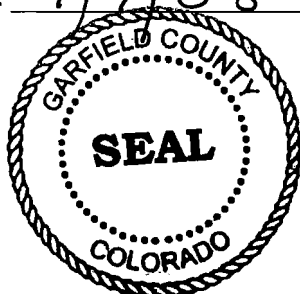


EXHIBIT A

SITUATED IN THE SOUTHWEST QUARTER OF SECTION 13,
TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH P.M.,
COUNTY OF GARFIELD, STATE OF COLORADO.
SHEET 1 OF 2

LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE SOUTHWEST CORNER OF SECTION 13, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH P.M., COUNTY OF GARFIELD, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING: THE SOUTH LINE OF SECTION 13, TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH P.M. MONUMENTED AT THE SOUTHWEST CORNER OF SAID SECTION BY A 3.25" ALUMINUM CAP AND AT THE SOUTHEAST CORNER BY A STONE WITH A CHISELED X, WITH THE LINE BETWEEN BEARING SOUTH 88°41'01"EAST.

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 13, THENCE SOUTH 88°41'01"EAST, ALONG THE SOUTH LINE OF SECTION 13, A DISTANCE OF 1156.12 FEET, THENCE NORTH 01°18'59" EAST, A DISTANCE OF 1691.73 FEET TO THE POINT OF BEGINNING, THENCE NORTH 4°15'33" EAST, A DISTANCE OF 378.08', THENCE SOUTH 85°44'27"EAST, A DISTANCE OF 95.08', THENCE SOUTH 4°15'33" WEST, A DISTANCE OF 378.08', THENCE NORTH 85°44'27" WEST, A DISTANCE OF 95.08' TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 35,947.84 SQUARE FEET OR 0.825 ACRES, MORE OR LESS.

EXHIBIT ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF
FOR AND ON BEHALF OF OLSSON ASSOCIATES.



Reception#: 752070
07/11/2008 11:22:13 AM Jean Alberico
24 of 26 Rec Fee:\$131.00 Doc Fee:0.00 GARFIELD COUNTY CO

DANA L. SPERLING
PROFESSIONAL LAND SURVEYOR
COLORADO REGISTRATION NO. 38012

PREPARED BY:

OLSSON
ASSOCIATES

143 Union Boulevard, Suite 700 TEL 720.962.6072
Lakewood, CO 80228-1825 FAX 720.962.6195 www.oaconsulting.com

NOTE: THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED
LAND SURVEY. IT IS INTENDED ONLY TO DEPICT THE
ATTACHED DESCRIPTION.

drawn by: MPK	scale: 1" = 100'	R.O.W. file number:
checked by: DLS	date: 9/06/06	job number: 2-2003-0682

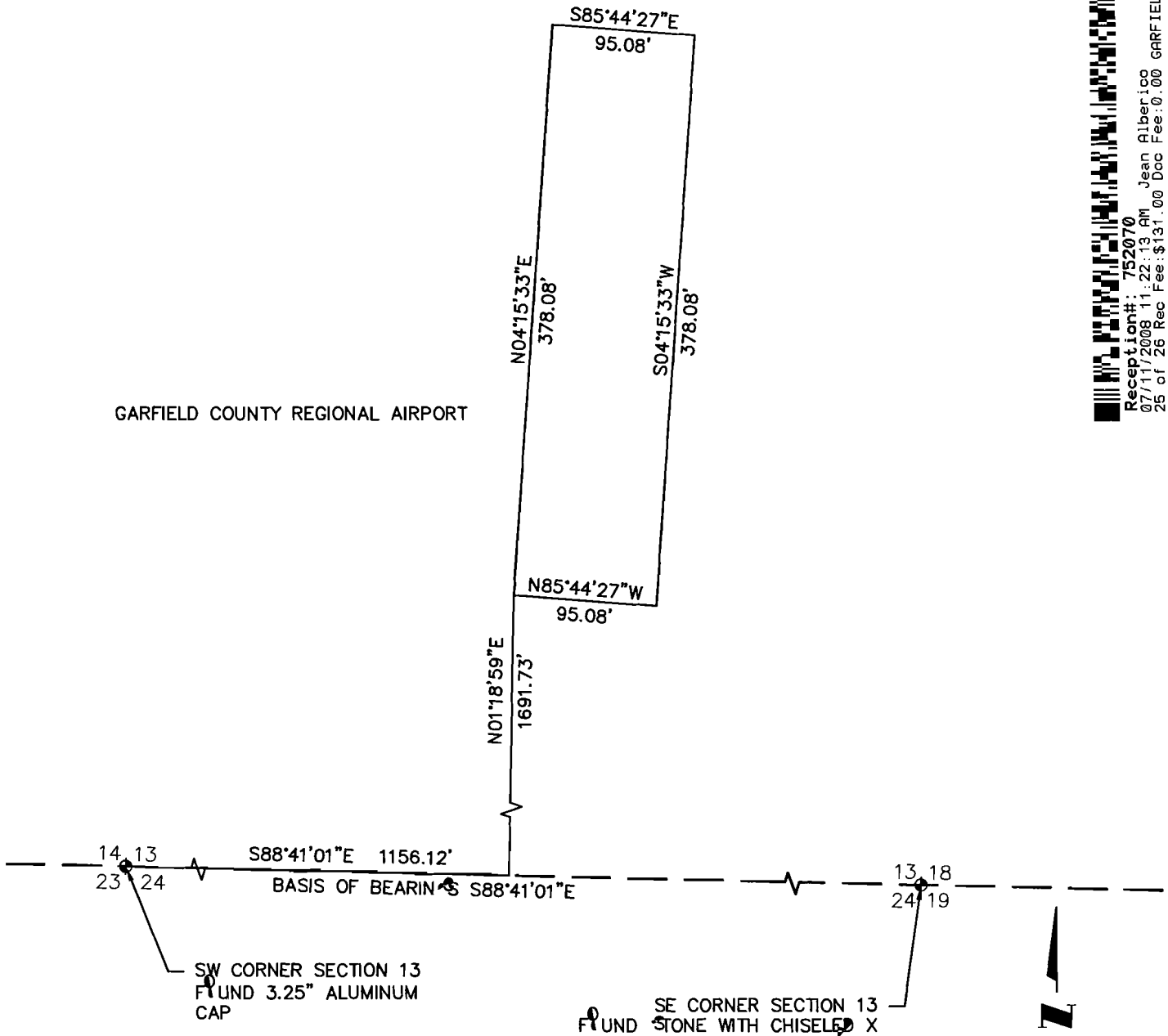
EXHIBIT

COUNTY OF GARFIELD, STATE OF COLORADO

EXHIBIT A

SITUATED IN THE SOUTHWEST QUARTER OF SECTION 13,
TOWNSHIP 6 SOUTH, RANGE 93 WEST OF THE 6TH P.M.,
COUNTY OF GARFIELD, STATE OF COLORADO.
SHEET 2 OF 2

GARFIELD COUNTY REGIONAL AIRPORT



PREPARED BY:

MOLSSON
ASSOCIATES

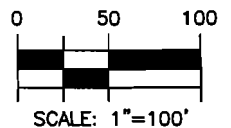
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