

PRELIMINARY DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

The parties acknowledge that the platting of a re-subdivision of the Existing Parcel which includes the West Lot will be undertaken by Seller for Purchaser, then once approved by the City of Aurora and recorded as the Plat of Re-subdivision, both of the re-platted lots in the new re-subdivision shall be served by a new access road from Church Road to be constructed by Seller, which shall be located along the north line of the existing parcel ("Access Road"), and the re-subdivision shall also be served by a storm-water detention basin ("Storm Water Basin"). The Access Road and the Storm Water Basin shall be constructed in accordance with the terms of the Construction Agreement. Both the new Access Road and the Storm Water Basin, along with water line and sanitary sewer ("Water and Sewer") to serve the Property will be built by Seller on the Existing Parcel. In accordance with the terms of the Construction Agreement (defined below), Purchaser agrees that one-half (50%) of the total costs of designing, engineering, and constructing the new Access Road, the Water and Sewer and Storm Water Basin shall be borne by it as Purchaser, and 50% shall be borne by the Seller, all of which is subject to the terms and conditions of this Agreement.

The parties acknowledge, if it is determined that the Water and Sewer installation (or either of such components individually) is constructed in a manner which serves other properties and Seller is permitted to provide for recapture of a portion of such costs as a result of other properties obtaining access to same, Seller shall provide for recapture of costs relative to the Water and Sewer installation through appropriate agreements with the City of Aurora and the parties will share equally in such recapture amounts.

The parties acknowledge that there will need to be a recording of a perpetual easement agreement covering ingress, egress, incidental use, and maintenance of the Access Road and Storm Water Basin, and establishment of an association for the re-subdivision to hold title to the Access Road and Storm Water Basin and provide maintenance to both, as well as incidental work in common areas, if any, and associated costs, if any. The parties agrees that one-half (50%) of the total costs of maintenance of the new Access Road, the Water and Sewer and Storm Water Basin, and associated costs, if any, shall be borne by Purchaser, and 50% shall be borne by Seller, all of which is subject to the terms and conditions of this Agreement.

It is understood that this is intended to be a preliminary outline of the declaration of covenants, conditions and restrictions. A formal document will be prepared by an attorney of law upon the purchase of the land by M14 Hoops.