

## STEAMBOAT

## DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 24 day of July, 1975,  
by LTV RECREATION DEVELOPMENT, INC., a Delaware corporation,  
having its office and principal place of business in the County  
of Routt, State of Colorado, hereinafter referred to as "Declarant".

## WITNESSETH:

WHEREAS, Declarant was the owner and developer of  
certain real property situate in the County of Routt, Colorado,  
which is more particularly described as:

Fairway Meadows Subdivision, Filing No. 1, a portion of  
the E $\frac{1}{2}$  of Section 21 and the W $\frac{1}{2}$  of W $\frac{1}{2}$  of Section 22,  
Township 6 North, Range 64 West, of the 6th Principal  
Meridian, Routt County, Colorado, consisting of 78.125  
acres, more or less, recorded in the Office of the  
County Recorder of said county at Reception No. 229053.

and created thereon a residential community with open spaces and  
other common facilities for the benefit of said community; and

WHEREAS, Declarant desires to provide for the preservation  
of the values and amenities in said community, for the  
maintenance of open spaces and other common facilities, and to  
this end desires to subject the real property described, together  
with such additions as may hereafter be made thereto to the  
covenants, restrictions, easements, charges and liens, hereinafter  
set forth, each and all of which are for the benefit of said  
property and each owner thereof; and

WHEREAS, Declarant has incorporated under the Laws of  
the State of Colorado, as a non-profit corporation, the STEAMBOAT  
PROPERTY OWNERS' ASSOCIATION (hereafter referred to as the Association),  
for the efficient preservation of the values and amenities in  
said community, and has delegated and assigned to said corporation  
the powers of maintaining and administering and enforcing the  
covenants and restrictions and collecting and disbursing the  
assessments and charges hereinafter created; and

WHEREAS, it is desired to establish certain standards  
covering the said property by means of protective covenants so as  
to secure to each individual owner the full benefit and enjoyment  
of his lot, tract, and/or property with no greater restrictions  
upon the free and undisturbed use of his property than is necessary  
to insure the same advantage to the other similar property owners;  
and to insure the lasting beauty and investment value of the  
property; and,

WHEREAS, the Protective Covenants filed with the Office  
of the County Clerk and Recorder of Routt County, Colorado, are  
inadequate to protect the interests and rights of the lot owners  
in said subdivision and to further define the obligations and  
duties of said lot owners; and,

WHEREAS, under Section 24 of said Protective Covenants,  
the Grantor is authorized, during the first thirty (30) year  
period established in said document, to make such amendments,  
modifications, deletions, additions or inclusions as it may deem  
reasonable or necessary.

NOW, THEREFORE, Declarant hereby declares that all of  
the properties described above shall be held, sold and conveyed  
subject to the following easements, restrictions, covenants and  
conditions, all of which are for the purposes of enhancing and  
protecting the value, desirability and attractiveness of the real  
property. That these easements, covenants, restrictions and  
conditions shall run with the property and shall be binding upon  
all parties having or acquiring any right, title or interest in  
the described properties or any part thereof, and shall be a  
burden upon and inure to the benefit of each owner thereof.

Declarant, under the authority cited above, hereby  
declares that certain document entitled Fairway Meadows Subdivision  
Protective Covenants, dated September 30, 1971, and recorded in  
the Office of the County Clerk and Recorder of Routt County,  
Colorado, in Book 151, Page 614, by the Steamboat Land Company,  
predecessor in interest to the Declarant herein, and that Amendment  
thereto dated May 22, 1975 and recorded in Book 404 at Page 655,

is hereby amended, modified and deleted in its entirety and this document is substituted therefore.

ARTICLE I  
DEFINITIONS

1. "Declarant" shall mean LTV RECREATION DEVELOPMENT, INC., a Delaware corporation or any successor or assign of LTV RECREATION DEVELOPMENT, INC., shall mean any successor by consolidation or merger or by specific designation as a successor or assign of the Declarant under this Declaration in a written instrument, but only to the extent and only as to the particular rights or interests specifically designated in such written instrument.
2. "Property or Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and made subject to the terms of this Declaration.
3. "Lot" shall mean and refer to any plot of land shown upon any recorded plat of the properties with the exception of the "Common Areas", as said term is hereinafter defined. The term "Lot" shall include those numbered plots of land to be used for single-family residences, those numbered plots of land designated as multi-family tracts. If and when any plot of land designated as a multi-family tract is either resubdivided or submitted to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado, then each such condominium unit, townhouse unit or resubdivided lot shall be included within the term "Lot" as herein defined.
4. "Common Area or Common Open Space" shall mean and refer to all property owned or to be owned by the Association for the common use and enjoyment of the owners and all members of the Association, provided however, that the term Common Area or Common Open Space as herein defined shall not include any real property designated as Common Area, Common Element or Common Property on any plat resubdividing any multi-family tract or on any condominium map depicting a condominium project on a multi-family tract.

5. "Multi-family tract" shall mean and refer to a lot designated on the recorded plat, as such, or a lot which is zoned for use by more than one unit even though not designated as a Multi-Family Tract on the plat; to be used for multi-family housing purposes, including but not limited to the construction of condominium units, townhouse units, apartments, duplexes and other multiple dwelling structures.

6. "Owner" shall mean and refer to any person or persons, entity or entities who own fee simple title to a lot, including contract purchasers, but excluding those persons or entities having such interest merely as security for the performance of an obligation. The term Owner shall also include any person or persons, entity or entities who own fee simple title to any condominium unit, townhouse unit or resubdivided lot formerly a part of a multi-family tract. The term Owner shall also include the Declarant, until such time as Declarant no longer holds any fee simple interest in any lot within the properties.

7. "Unit" is a standard of measurement used in this Declaration to determine to fix certain rights and obligations with respect to a lot and the owner of a lot. Each lot shall be deemed to consist of, and the Owner of a Lot shall be deemed to own, one or more units of one or more types, which shall be assigned to each lot in accordance with principles and definitions contained hereinafter in this Declaration.

8. "Plat" shall mean the Plat of Fairway Meadows Subdivision Filing No. 1 recorded October 5, 1971, in the records of the Clerk and Recorder of Routt County, State of Colorado.

9. "Association" shall mean the Steamboat Property Owners' Association, a Colorado corporation not for profit, formed and incorporated as the Association to which reference is made in this Declaration.

10. "Member" shall mean and refer to every person or entity including Declarant who holds membership in the Association.

11. "Guest" shall mean any customer, agent, employee

... owner, and any person or persons, entity or  
... who have any rights, title or interest in a Lot which is  
less than a fee simple interest in a Lot, including a lessee,  
mortgagee, or beneficiary under a deed of trust.

12. "Ski Area Facilities" shall mean ski tows or  
lifts, including towers, cabins and structures or facilities used  
in direct connection with operation of such tows or lifts; ski  
trails or runs; roads used in connection with maintenance or  
operation of tows, lifts, trails or runs; areas occupied or used  
for tow or lift lines; areas which are occupied by open racks for  
... which are available for use by the public; ski school meeting  
areas; and ski patrol facilities and first aid facilities for  
... areas.

13. "Golf Area Facilities" shall mean and refer to the  
golf course or courses including such improvements and equipment  
which are used in connection with the maintenance or operation of  
said golf course or courses.

14. "Tennis Area Facilities" shall mean and refer to  
the tennis courts including such improvements and equipment which  
are used in connection with the maintenance or operation of said  
tennis courts.

15. "Steamboat" shall mean and refer to the project  
owned by LTV Recreation Development, Inc., located in Routt  
County, Colorado.

ARTICLE II

RESTRICTIONS APPLICABLE TO THE PROPERTY

1. Maintenance of the Lots. Each Lot and all of the  
improvements constructed thereon, shall be kept and maintained by  
the Owner thereof in a clean, safe, sanitary and attractive  
condition and in good repair.

2. Nuisance. The Owner of any Lot shall not suffer  
or permit any noxious or offensive activity to be conducted or

carried on or practiced thereon or within any residence or dwelling  
or accessory building constructed thereon or otherwise used or  
employed for any other purpose that will constitute an annoyance  
to the neighborhood or a nuisance as provided by Law or that will  
detract from the residential value, reasonable enjoyment and  
quality of the premises within Steamboat.

3. No Hazardous Activities. No activities shall be  
conducted on the Property and no improvements shall be constructed  
on the Property which are or might be unsafe or hazardous to any  
person or property. Without limiting the generality of the  
foregoing, no fire arms shall be discharged upon the Property.  
No open fires shall be lighted or permitted on the Property  
except in a contained barbeque facility while attended and in use  
for cooking purposes or within a safe and wall-designed interior  
fireplace. No explosive or incendiary devices shall be used or  
stored on the Property.

4. No Division of Lots. No Lots shall be subdivided,  
resubdivided or replatted without the Owner thereof obtaining  
written consent to do so from the Association and from Declarant,  
if at such time Declarant is an Owner of any portion of the  
Property, and further complying with applicable subdivision  
ordinances. Notwithstanding the above set forth provision,  
neither the Declarant nor the Owner of a multi-family tract shall  
need the permission of any party, other than compliance with  
applicable subdivision ordinances, to divide, resubdivide or  
replat any Lot owned by them.

5. No Annoying Light, Sounds or Odors. No light  
shall be emitted on any portion of the Property which is unreasonably  
bright or causes unreasonable glare. No sound shall be emitted  
on the Property which is unreasonably loud or annoying. No odor  
shall be emitted on any of the Property which is noxious or  
offensive to others.

6. Building Location. All improvements shall be  
constructed in accordance with the setback requirements shown

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Upon the Plat. If no setback requirements are shown upon the Plat all improvements shall be located and constructed in accordance with the setback requirements set forth in the Stewart Springs Building and Zoning Regulations.

7. Temporary Residences. No structure of a temporary character, trailer, basement, tent or accessory building shall be used on any Lot as a residence, either temporarily or permanently, however, that structures of a temporary nature may be used for construction purposes and sales offices with the approval of the Architectural Control Committee of the Association. Exceptions to the above may be granted by the Association for a period not to exceed one hundred twenty (120) days for Owners only during construction of a permanent residence by the Owner of his Lot. Except for the exceptions set forth above, no trailer of any type shall be placed or kept on any Lot unless such trailer is in an enclosed garage.

8. Water and Sewer. There shall be no water wells drilled or placed on any Lot or tract covered by these Covenants, except as may be required for a public water system. Any residence or other structure constructed on any Lot shall be connected with the St. Werner Water and Sanitation District or any public or community water or sewage disposal system formed or created to serve the community.

9. No Unsightliness. No unsightliness shall be permitted on the Property. Without limiting the generality of the foregoing:

(a) All unsightly facilities, equipment, objects and conditions shall be enclosed within an approved structure.

(b) No trailers, mobile homes, campers not on a truck, boats, tractors, vehicles other than automobiles or equipment of a similar nature shall be kept or parked for any purpose on the Property, except in such portions of the Property permitted by the Association.

(c) Rubbish, garbage, or other waste shall be kept and stored in a sanitary container. No portion of the

Property shall be used or maintained as a dumping ground for rubbish. All containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a clean sanitary condition and shall be kept inside a residence or in an enclosed structure. No trash, litter, or junk shall be permitted to remain exposed on any Lot or visible from any public roads or adjoining or nearby Lot.

(d) No exterior aerials or antennas will be permitted without permission of the Architectural Control Committee. In addition, no Owner shall place upon his Lot clotheslines, swimming pool filter tanks, or similar tanks, which may be visible from any road. All tanks and liquid storage facilities must be enclosed or otherwise appropriately screened so that they will not be visible from any road or from adjoining Lots. Protective enclosures to screen the above must be approved by the Architectural Control Committee as a part of the plans for the improvements to be located on the property.

(e) No refuse shall be burned on the property.

(f) No lumber, grass, shrubs or tree clippings or plant waste, compost, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any of the Property.

10. Signs. No signs of any kind shall be displayed to the public view on any Lot except those erected by the Declarant and signs used by a builder, developer or its authorized assignees to advertise the property during the construction and sales period, and one (1) sign of not more than four (4) square feet advertising any lot for sale or rent shall be authorized, provided, however, that the Architectural Control Committee may grant exceptions to the above.

11. Animals. No animals, livestock or poultry of any kind shall be housed, raised or kept on any tract or lot either temporarily or permanently, except that commonly accepted domestic household pets may be kept provided they are not kept or maint-

ained for any commercial purposes, nor allowed to run free.

12. Residential Use and Minimum Square Footage. No business or occupation may be conducted on any Lot. Dwellings shall have the following minimum habitable floor areas: single family--1,200 square feet; duplexes--2,400 square feet (no less than 800 square feet in one side) and 800 square feet in a multi-family unit; all exclusive of porches, balconies and garages.

13. Mining and Oil Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or within any Lot. No derrick or other structure designed for use in boring for oil, natural gas or other minerals shall be erected, maintained or permitted upon any Lot. The foregoing restrictions shall apply equally to any equipment or activities connected with the drilling and permanent placement of wells used to secure water.

14. Common Area.

(a) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association or the Association Members.

(b) No use shall be made of the Common Area which will in any manner violate statutes, rules, regulations, orders or decrees of any governmental authority having jurisdiction over the Common Area.

(c) No Owner shall place any structure upon the Common Area, nor shall any Owner do any act which would temporarily or permanently deny free access to any part of the Common Area by all of the Owners.

(d) No use shall ever be made of the Common Area which will deny ingress or egress to said Lots by vehicle and otherwise.

15. Architectural Control. No building, fence, wall, accessory building or other structure shall be constructed, erected or maintained on any Lot, nor shall the surface of any Lot be graded, cleared, matted, changed or altered in any way, nor shall any building, structure, vegetation or other improvement be changed, altered, or expanded except by Declarant, without compliance with the provisions of this Declaration relating to architectural control.

ARTICLE III

STEAMBOAT PROPERTY OWNERS' ASSOCIATION

1. General Purposes and Powers. The Steamboat Property Owners' Association has been formed and incorporated as a Colorado corporation not for profit to be and constitute the Association to which reference is made in this Declaration. It shall perform certain functions, as hereinafter defined, and shall hold and manage a portion of the Property, including the common area, as provided in this Declaration of all Owners of Lots within Steamboat. Said Association shall have all powers necessary or desirable to effectuate these purposes, but it shall not engage in commercial or profit-making type activities.

2. Membership. Every Owner as defined in Article I, Section 6 of this Declaration shall be a Class A Member of the Association. There shall be one Class A membership in the Association for each Lot, which Class A membership shall be appurtenant to the fee simple title to such Lot. The Owner of a Lot shall automatically be the Owner of the Class A membership appurtenant to that Lot and title to and ownership of the membership for that Lot shall automatically pass with fee simple title to the Lot. Each Owner of a Lot shall automatically be entitled to the benefits and be subject to the burdens relating to the membership for his Lot. If fee simple title to a Lot is held by more than one

person or entity, the membership appurtenant to that Lot shall be shared by all such persons or entities in the same proportion of interest and by the same type of ownership as fee simple title to the lot is held. Membership in the Association shall be limited to Owners of Lots, including Declarant, except as hereinafter provided.

3. Declarant's Class B Membership. For so long as Declarant owns any lots, tract or portion of the Property, Declarant shall have and be deemed to hold a Class B Membership in the Association. As the holder of this Class B Membership, Declarant shall be entitled to notice of all meetings of the Association, shall be entitled to speak and be heard at such meetings, and shall be entitled to Class B Member voting rights as hereinafter set forth, but Declarant shall not, by virtue of these rights, be considered an Owner for any other purposes. So long as it holds a Class B Membership, Declarant shall also have the right and obligation to designate a majority of the Members of the Board of Directors of the Association until such time as all of the Lots in the Properties, including all additional Lots in other Properties which are annexed or to be annexed to Steamboat and made subject to this Declaration are sold by Declarant. As holder of Class B Membership, the approval of Declarant shall be required as a condition to merger, consolidation or dissolution of the Association and to the sale, encumbering or other hypothecation of all or any substantial portion of the assets of the Association. Except as hereinafter stated, Declarant, as the holder of the Class B Membership, shall have no other rights and be subject to no other obligation by reason of its membership in the Association. Declarant may voluntarily transfer to the Association its rights and obligations at any time but, in any event, Class B Membership shall end on March 1, 1984.

4. Special Membership for Operation of Ski Area Facilities, Golf Area Facilities, and Tennis Area Facilities. Any owner or operator of the Ski Area Facilities, Golf Area Facilities, Tennis Area Facilities, or any other recreation facilities within

Steamboat, if the real property making up such facilities has not been annexed to the Properties and has not been made subject to the terms of this Declaration, may be granted a Special Membership in the Association, in the sole discretion of the Board of Directors of the Association. If any such Special Membership is granted, the holder thereof, for the term of such Special Membership, shall have the same rights and assessments for access, ingress, egress, enjoyment and use over, in, upon, and across the Common Areas and other facilities of the Association, as an Owner would have, provided however, that the holder of a Special Membership shall not be subject to any of the obligations of an Owner as said term is defined herein, and shall not be considered to be an Owner of a Lot by virtue of said Special Membership. As a condition to the granting of any such Special Membership, the Board of Directors may require execution of an agreement by the holder of such Special Membership obligating such holder to make payments or contributions to the Association, which payments shall be applied by the Association to the cost of maintenance and repair of any Common Areas and the improvements located thereon.

5. Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate any portion of its authority to an executive committee, or to an executive manager or director of the Association.

6. Notices. Except as a greater period is specified in this Declaration, each Owner, the Declarant and holder of a Special Membership shall be entitled to at least fifteen (15) days' notice of any meeting of the Association. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Any notice shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the United States Mail, postage prepaid, addressed

to a Lot Owner. Any notice, information or material shall be deemed properly addressed to an Owner if it is addressed to the last known address of such Owner as shown on the records of the Association at the time of such mailing, or, if the name and address is not so shown on the Association's records if it is addressed "To the Owner" at the address of the Lot of such Owner.

7. Voting Rights. The Association shall have two classes of voting membership.

(a) Class A. Class A Members shall be all of the Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each lot in which they hold the interest. When more than one person holds such interest in any lot, all such persons shall be Members; provided, however, that the vote for such Lot shall be exercised as the several Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to five (5) votes for each Lot to which it holds legal title, provided that the Class B Membership shall cease when the Declarant no longer owns any lot which is a part of the hereinbefore described real property or any property annexed thereto and made subject to the terms of this Declaration.

8. Record Date. The Board of Directors of the Association shall have the power to fix in advance a date as a record date for the purpose of determining Owners entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or materials, or in order to make a determination of owners of Lots for any purpose. A record date shall not be more than fifty (50) days prior to the date on which the particular action requiring determination of Owner of Lots is proposed or expected to be taken or to occur. If no record date has been established for a meeting, the date on which notice of such

meeting is first given to any Owner shall be deemed the record date for the meeting.

9. Certificate of Incorporation and By-Laws. The purposes and powers of the Association and the rights and obligations with respect to Owners and Lots set forth in this Declaration may and shall be amplified by the provisions of the Articles of Incorporation and By-Laws of the Association, but no such provisions may be, at any time, inconsistent with the provisions of this Declaration.

ARTICLE IV

OBLIGATIONS AND RIGHTS OF THE ASSOCIATION

1. Common Area and Other Property Furnished by Declarant. The Association shall be obligated to accept the title to all of the Common Area or Common Open Space and the improvements located thereon which may be assigned, granted or conveyed to the Association by Declarant.

2. Common Area Maintenance. The Association shall be obligated to provide for the highest quality care, management, maintenance and repair of all of the Common Areas and improvements thereon and of all of the personal property and equipment owned, held and used by the Association. The Association shall be obligated to and shall provide for the care, maintenance and repair of all streets and roadways not dedicated to a governmental authority; provided, however, that the Association shall not be obligated to maintain and repair streets and roadways, or a portion thereof, located in a Multi-Family Tract. The above set forth obligations shall include without limitation: the removal of snow from Common Area roads, walks and drives; the repair and maintenance of improvements located in the Common Area; and care of open spaces or unimproved areas and of the plants, trees and shrubs in said areas. The Association shall also be obligated to pay all taxes and assessments of whatever nature levied on the Common Area and the improvements thereon subsequent to the conveyance of said Common Area and improvements to the Association.

3. Security Functions. The Association shall have the

right to provide any additional police or fire protection it shall deem necessary or desirable for the protection of the Members and the Property.

4. Insurance. The Association shall be obligated to and shall obtain and keep in full force and effect at all times Casualty insurance including fire and extended coverage, vandalism and malicious mischief endorsements with respect to all facilities owned by the Association, insuring such facilities for the full replacement value thereof. The Association shall also obtain broad form comprehensive public liability coverage, in such amounts and with such deductible provisions as good business practice may dictate. All insurance shall name the Association as insured. The Association shall provide Declarant, upon request, with certificates evidencing such insurance and copies of the insurance policies.

5. Indemnification. The Association shall be obligated to and shall indemnify Declarant and hold it harmless from all liability loss, cost, damage and expense, including attorney's fees, arising with respect to any operations of the Association or any property or facilities of the Association.

6. Rules and Regulations. The Association shall be authorized to and shall have the power to adopt and enforce rules and regulations applicable to the Common Area: to prevent and reduce fire hazards; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicular traffic; to regulate use of any and all of the Common Area and facilities located thereon to assure fullest enjoyment of use by the persons entitled to use the same; to promote the general health, safety and welfare of persons within the Properties; and to protect and preserve property and property rights. All rules and regulations adopted by the Association shall be reasonable and shall be uniformly applied. The Association may provide for enforcement of any such rules and regulations through reasonable and uniformly applied fines and penalties and/or through exclusion of violators from Common Area and facilities of the Association or otherwise. Each Owner or Guest shall be obligated to and shall comply with

and abide by such rules and regulations.

7. Charges for Use of Facilities. The Association may establish reasonable and uniformly applied charges for use of Common Areas and facilities to assist the Association in offsetting the costs and expenses of the Association attributable thereto. Each Owner and Guest shall be obligated to and shall pay any such charge for use.

8. Right to Dispose of Facilities. Subject to the provisions of this Declaration and of the Articles of Incorporation, the Association shall have full power and authority to sell, lease, grant rights in, transfer, encumber, abandon or dispose of any property or facility of the Association.

9. Governmental Successor. Any property or facility of the Association and any function of the Association may be turned over to a private or governmental authority which is willing to accept and assume the same upon such terms and conditions as the Association shall deem to be appropriate with the consent of the Owners as provided herein and in the Articles of Incorporation and with the consent of Declarant.

10. Implied Rights of Association. The Association, in addition to the powers granted by its Articles of Incorporation, shall have and may exercise any right or privilege given to it expressly in this Declaration, or given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including the right to engage necessary labor and acquire use of or purchase necessary property, equipment or facilities, employ personnel necessary to manage affairs of the Association, and obtain and pay for legal, accounting and other professional services as may be necessary or desirable.

#### ARTICLE V

##### ASSESSMENTS

1. General and Special Assessments. Each Owner, except Declarant, of any Lot situated on the real property heretofore described by acceptance of a deed therefor, whether or not it



shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association the annual general assessments and special assessments established and levied from time to time on his lot as hereinafter provided. The general and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Such assessments are subject to certain limitations; as to general assessments see Article X hereof and for special assessments see Section 6 of this Article.

2. General Assessments. The Association shall and is hereby authorized to levy an assessment against all Lots for the purpose of defraying all costs and expenses of the Association incurred in the performance of its obligations under this Declaration or any other obligations rightfully undertaken by said Association including, without limitation, costs and expenses incurred in protecting and preserving the health, safety and welfare of the Owners of Lots and their Guests; in improving, maintaining, repairing, replacing and making additions to the Common Areas, streets, and facilities of the Association; for the costs of labor, equipment, materials, management and supervision of the Common Areas and facilities of the Association; and for the payment of taxes and insurance relating to the Common Areas and facilities. All assessments so levied are herein referred to as "general assessments." The Board of Directors of the Association shall have the power and authority to determine all matters in connection with general assessments, including the power and authority to determine the amount of general assessment and where, when and how general assessments shall be paid to the Association, and each Owner shall be obligated to pay and shall pay to the Association the amount so established in the manner so established.

3. Budget for General Assessments. The total amount required to be raised by general assessments for the Association

shall be determined for each fiscal year of the Association in accordance with the following procedure.

Not less than thirty (30) days prior to the commencement of each fiscal year of the Association, the Board of Directors of the Association shall prepare a budget for the forthcoming fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated costs and expenses to be incurred by the Association, the estimated income and other funds which will be earned by the Association, and the estimated total amount required to be raised by general assessments to cover the costs and expenses to be incurred by the Association in fulfilling its obligations specified in this Declaration and in fulfilling any and all long-term or continuing commitments of the Association made in connection with or contemplated under any previously approved budget. The total amount required to be raised by general assessments for any fiscal period for a full fiscal year determined as above multiplied by a fraction, the numerator of which is the number of months in the fiscal period and the denominator of which is the months of that fiscal year.

The total amount of general assessments required to be raised by the Association, as shown in a budget prepared in the foregoing manner, shall be equally apportioned among all of the existing Units. In determining the number of Units allocable to each lot for assessment purposes, the following rules shall apply:

- (a) Each Lot, other than a multi-family tract which is used by a single family for residential purposes shall be equal to one Unit.
- (b) Each duplex which has actually been constructed on a Lot shall be equal to two Units.
- (c) Each multi-family tract, which has not been resubdivided or submitted to condominium ownership shall be equal to the maximum number of resubdivided lots, condominium units.

townhouse units, apartment units, duplex or other multiple dwelling units which could be built on said lot pursuant to the Steamboat Springs Subdivision Ordinances, in effect at the time of recording of this Declaration.

(d) If and when a multi-family tract has been resubdivided or submitted to condominium ownership then each such resubdivided lot, townhouse unit, condominium unit, apartment unit, duplex unit or other multiple dwelling unit shall be equal to one Unit.

(e) Notwithstanding any of the foregoing rules, under no circumstances shall any Lot in these properties be equal to less than one Unit. The amount of the general assessment for any fiscal period of the Association payable with respect to each Lot coming into existence during such fiscal year shall be computed by multiplying the general assessment for said type Lot for that fiscal period by a fraction, the numerator of which shall be the number of days remaining in that fiscal period after the Lot comes into existence and the denominator of which shall be the total number of days in that fiscal period.

4. Notice of General Assessment. Within the thirty (30) day period preceding the commencement of each fiscal year of the Association, the Association shall furnish a copy of the budget arrived at in the foregoing manner to Declarant and to all Owners. Accompanying such budget shall be a notice to each Owner setting forth the amount of general assessments due and payable with respect to each Lot of an Owner and specifying where, when and how such general assessment shall be paid to the Association.

5. Supplemental Budget. If at any time it appears to the Association that the amount required to be raised by the Association during any fiscal year shall exceed the amount estimated in the budget previously prepared for such fiscal year, the Board of Directors of the Association may prepare a supplemental budget and may, at any time, deliver to Owners and Declarant, a copy of such supplemental budget together with a notice reflecting the change in the general assessment per Lot due and payable by each such Owner from and after the date of such notice, subject to the limitations of Article X herein.

6. Special Assessments. In addition to the general assessments hereinabove authorized, the Association may levy in any fiscal year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement of the Association, provided, however, that any such assessment must first be approved by a two-thirds (2/3) vote of the members who vote in person or by proxy at a meeting duly called for the purpose of voting on such proposed special assessment. Written notice of any such meeting shall be sent to all members at least thirty (30) days in advance of such meeting and shall set forth the purpose of the meeting. The date or dates on which such special assessment shall be due and payable shall be fixed by the Board of Directors of the Association.

7. Effect of Nonpayment of Assessments--Remedies of the Association. The amount of any general assessment, special assessment, charge, fine, penalty or other amount payable with respect to any Lot, Owner or Owner's Guests shall become due and payable as specified by the Association and any such amount shall bear interest at the rate of twelve percent (12%) per annum from and after the date due, until the same is paid. The Association may bring an action at law against the Owner obligated to pay the delinquent assessments. In addition to such action or as an alternative thereto, the Association may file with the Clerk and Recorder of Routt County, wherein the property is situated, a Statement of Lien with respect to the property, setting forth the name of the Owner, the legal description of the property, the name of the Association, and the amount of delinquent assessments then owing, which Statement shall be duly signed and acknowledged by the President or a Vice-President of the Association, and which shall be served upon the Owner of the property by Certified Return Receipt Requested mail to the address of the property or at such other address as the Association may have in its records for the Owner of the Property. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose

the Statement of Lien in the same manner as provided for the foreclosure of mortgages on real property under the statutes of the State of Colorado. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs and reasonable attorney's fees with respect to the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

8. Liability of Owners, Purchasers and Encumbrancers.

The amount of any assessment, charge, fine or penalty payable with respect to any Owner, or such Owner's Guests or Lot shall be a joint and several obligation to the Association of such Owner and such Owner's heirs, personal representatives, successors and assigns during the Owner's ownership of the Lot. A party acquiring fee simple title to a Lot shall be liable to the Association for all such amounts which had accrued and were payable at the time of the acquisition of fee simple title to the Lot by such party, without prejudice to such party's right to recover any of said amount from the former Owner. Each such amount, together with interest thereon, may be recovered by suit for a money judgment by the Association without foreclosing or waiving any liens securing the same. Notwithstanding the foregoing, the holder of a mortgage deed of trust or other lien on a Lot shall not be liable for any such assessment, charge, fine or penalty and the lien for any such assessments, charges, fines or penalties shall be junior to any lien or encumbrance on a Lot taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder of Routt County, Colorado, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Lot and naming the Owner of the Lot.

9. Estoppel Certificate. Upon payment of a reasonable fee not to exceed \$15.00 and upon written request of any Owner or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association

shall furnish a written statement setting forth the amount of any assessments, charges, fines and penalties, if any, due or accrued and then unpaid with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

ARTICLE VI

RIGHTS OF DECLARANT AND OWNERS

1. Reserved Rights with Respect to Property Conveyed by Declarant. Any real property conveyed to the Association by Declarant shall remain subject to all existing easements for utilities, existing easements for ingress, egress and access, and existing easements for recreational trails and bridle paths. Declarant hereby reserves an easement and right-of-way over all of the Common Area and all Lots not conveyed for its use for the purpose of constructing improvements, utilities, and for other matters, including the right to erect temporary buildings to store any and all materials.

2. No Sale of Common Area. For so long as Declarant is the Owner of any portion of the Property, no portion of the Common Area conveyed to the Association by Declarant may be sold, conveyed, leased, transferred, encumbered, abandoned or otherwise disposed of without the written consent of Declarant and no improvements located on any portion of the Common Area may be destroyed, permitted to deteriorate or waste, or be disposed of by the Association without the written consent of Declarant.

3. No Commercial Enterprises on Common Area. No portion of the Common Area conveyed to the Association shall be used or operated by the Association or by any other person or entity for commercial use, profit or gain without the prior written consent of Declarant and no charges shall be imposed by the Association for the use of the Common Areas by the Owners and their Guests without the prior written consent of Declarant. The above set forth rights in Declarant shall exist only for so long as Declarant is the Owner of any portion of the property.

4. Development of Common Area. So long as Declarant is the Owner of any portion of the Property all development of the Common Area conveyed to the Association by the Association or by any other person or entity shall not be commenced without the prior written approval of the Declarant.

5. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, provided, however, that such right and easement of enjoyment in and to the Common Area shall be subject to the following:

(a) The right of the Association to limit the number of guests of an Owner on the Common Areas and to the facilities located thereon.

(b) The right of the Association to collect money upon a cost basis for the use of any recreational facility situated upon the Common Area.

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage or grant other security interests in the Common Area; provided, however, that the rights of any mortgagee shall be subject to the rights of the Owners while the mortgage or note and deed of trust is current and not in default, and further provided that no funds may be borrowed nor shall any mortgage or deed of trust be given unless an instrument signed by a majority of the members agreeing to such action has been recorded with the Clerk and Recorder of Routt County.

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and the right of the Association to suspend the voting and right to use of the recreational facilities by any Owner for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(e) The right of the Association to dedicate or transfer all or any part of the Common Area, to any public or private agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members and by persons holding mortgages or deeds of trust on any portion of the subject property. No such dedication or transfer shall be effective unless the same is approved by Declarant (so long as a Class B Membership exists) and a majority of the Class A Members of the Association.

6. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

7. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey title to the Common Area by one or more deeds to the Association, prior to the termination of Class B Membership as provided in Article III, subject to all easements and rights-of-way shown on the Plat or subsequently granted by Declarant.

8. Owner's Rights and Obligations Appurtenant. All rights and easements of an Owner under this Declaration and all rights of an Owner with respect to membership in the Association and all obligations of an Owner under this Declaration are hereby declared to be and shall be appurtenant to the title to the Lot owned by such Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from the title to the Lot. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of the Lot shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance or transfer or disposition of such rights and obligations.

#### ARTICLE VII

##### ARCHITECTURAL CONTROL

###### 1. Powers.

(a) General. No building, fence, wall, utility line, drainage system or natural surface of a Lot shall be changed, altered, erected, constructed, moved, removed, maintained or

reconstructed without the prior written approval of the Architectural Control Committee, (hereinafter referred to as Committee). Such approval shall be obtained only after written application has been made to said Committee by the Owner of the Lot requesting authorization from the Committee. Such written application shall be in the manner and form prescribed from time to time by the Committee and shall set forth and include all information and materials required by the Rules and Regulations adopted by the Committee. Such application shall include among other things, a site analysis and at least two (2) complete sets of plans and specifications for proposed construction, alteration, or improvements. Such plans and specifications shall include plot plans showing: contour lines; the location of all existing and/or proposed improvements; the proposed drainage plan; the proposed utility connections; the location of existing trees having a height of six (6) feet or more and having a trunk measuring six (6) inches or more in any diameter at ground level and such trees which the Owner proposes to remove. Such plans and specifications shall also depict or set forth: floor plans; elevations; the color and composition of all exterior materials proposed to be used; working drawings and construction specifications; landscaping plans; construction schedules and such other information or materials which the Committee may require. All such plot plans, specifications and working drawings shall be prepared by either a registered land surveyor or engineer or architect.

(b) Power of Disapproval. The Committee may refuse to grant permission to construct, place or make the requested changes, improvements or alterations when:

(1) The plans, specifications, drawings or other material submitted are themselves inadequate or incomplete, or show the proposed improvement to be in violation of this Declaration;

(2) The design or color scheme of a proposed improvement is not in harmony with the general surroundings of said lot or with adjacent buildings or structures;

(3) The proposed improvement, or any part thereof would in the opinion of the Committee, be contrary to the interest, welfare or rights of all or any part of the Owners of other lots in the Properties.

(c) Power to Grant Variances. The Committee may allow reasonable variances or adjustments of the restrictions contained in this Declaration where literal application thereof would result in unnecessary hardship. Provided, however, that any such variance or adjustment is granted in conformity with the general intent and purposes of these Restrictions; and, that the granting of a variance or adjustment will not be materially detrimental or injurious to other lots in the Properties.

2. Duties of Committee. The Committee shall approve or disapprove of proposed application within thirty (30) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reasons for such refusal.

3. Composition of Committee. The Committee shall be composed of three (3) members who shall be appointed by the Declarant, and who shall be subject to removal by the Declarant at any time. Any vacancies from time to time existing shall be filled by appointment of the Declarant. Declarant may, at its sole option, at any time hereafter, relinquish and assign these powers to the Steamboat Property Owners' Association and must do so on termination of Class B Membership, or at the latest, March 1, 1984.

4. Liability of Committee. Neither the Committee nor any agent thereof, nor the Declarant, nor the Association, shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

5. Duty of Inspection. To the extent that inspection of improvements constructed is not provided for by appropriate

governmental agencies, it shall be the duty of the Committee to inspect work being performed with its permission to assure compliance with these restrictions and applicable regulations.

ARTICLE VIII  
EASEMENTS

1. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of the Properties and over the front, side and rear lot lines as shown on the recorded plat of the Properties. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in or stemming from said easements. However, the easement area of each lot and all improvements in it shall be maintained continuously by the Owner of the lot, except for those improvements for which a public authority or utility company is responsible.

2. Trail and bridle path easements may be reserved and shown on the recorded plat of the Properties and over the side and rear lot lines as shown on the recorded plat of the Properties. Within these easements, no structure, fence, wall landscaping or other materials shall be placed or permitted which may interfere with or cause danger to any person or persons using said easements.

3. Each lot shall further be subject to an easement to the Association and Declarant for the maintenance and permanent stabilization and control of slopes and drainage.

4. The Properties shall be subject to all easements shown and/or set forth on any recorded plat of the Properties.

ARTICLE IX

ADDITIONAL PROVISIONS RELATING TO MULTI-FAMILY TRACTS

1. General. It is anticipated that the Multi-Family

Tracts will either be submitted to condominium ownership or resubdivided into townhouse projects, that each townhouse or condominium project will be subject to additional covenants, conditions, restrictions, easements, liens and assessments, and that each townhouse or condominium project will be administered and governed by either a Homeowners Association or Condominium Association. If and when any such Multi-Family Tract is submitted to condominium ownership under the Condominium Ownership Act of the State of Colorado or resubdivided into a townhouse project it shall be expressly permissible to impose upon such project, subject to the limitations and conditions hereinafter set forth, additional covenants, conditions and restrictions as the Owner of said Multi-Family Tract deems desirable and to provide in such covenants or declarations for a Condominium Association or Homeowner's Association to govern and administer said project.

2. Conditions and Limitations.

(a) That any Condominium Declaration, Declaration of Covenants, Conditions or Restrictions, Protective Covenants or Covenants of a similar type and nature affecting a Multi-Family Tract shall be first approved by Declarant prior to the recording of the same in the office of the Clerk and Recorder of Routt County.

(b) That the Articles of Incorporation and By-Laws of any Condominium Association or Homeowners Association to be created to govern and administer any project as a Multi-Family Tract shall first be approved by Declarant prior to the filing of said Articles of Incorporation in the office of the Secretary of State for the State of Colorado or any other State.

3. That any Condominium Declaration, Declaration of Covenants, Conditions and Restrictions, or other Declarations of a similar type or nature shall not conflict with or be inconsistent with the terms and conditions of this Declaration. Further, any such Declaration shall provide that the Owners thereunder are subject to the terms, conditions and restrictions contained herein and they shall not impose any additional duties, obligations

or responsibilities upon the Steamboat Property Owners' Association.

4. Fee. The Committee may charge a reasonable fee for review of any Condominium Declaration or Declaration of Covenants, Conditions or Restrictions.

#### ARTICLE X

##### GENERAL PROVISIONS

1. Effect Of Owner's Acceptance of Deed. The Owner of any Lot within said subdivision, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot shall be deemed to have accepted such deed and executed such contract subject to each and every restriction, condition, covenant and obligation, and also, for themselves, their heirs, personal representatives, successors and assigns, they are deemed to have covenanted and agreed and to have consented to and with the Declarant, the Association and to and with the grantees and subsequent Owners of each of the Lots affected by this Declaration, to keep, observe and comply with and perform such obligations, covenants, terms and conditions contained therein. Each such Owner is also deemed, by reason of the acceptance of title to said lot with the above referenced Protective Covenants in effect, to be subject to and to comply with the provisions of Article 24 thereof and, as a result thereof, to accept the terms, conditions, restrictions and obligations of this document and to be bound thereby for all purposes.

2. Protection of Encumbrancer. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on any property taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder of Routt County, Colorado, prior to the time of recording in said office of an instrument describing said property and listing the name or names of the Owner or Owners of

for simple title to the Property and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair the title or interest of the holder of such mortgage, deed of trust or other lien or title or interest of the holder of such mortgage, deed of trust or other lien or title or interest acquired by any purchaser upon foreclosure of such mortgage, deed of trust, or other lien, or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration.

3. Limited Liability. Neither Declarant, the Association, the Board of Directors of the Association nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice.

4. Annexation. Additional real property may be annexed to the Property by the Declarant at any time and without consent of the members of the Association. Said annexation shall occur when the Declarant records a Certificate of Annexation, describing the real property to be annexed and on the date of recording said Certificate, said real property shall be deemed part of the Property, as defined herein, and shall be subject to all of the terms and conditions of this Declaration, except as said terms and conditions may be modified in the Certificate of Annexation.

5. Enforcement. The Association, Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, Declarant or by any Owner to enforce any rights hereunder shall in no event be

declined a waiver of the right to do so thereafter.

6. Maximum Annual General Assessment. The maximum annual general assessment, as defined in Article V, Section 2 of this document, shall not exceed the sum of Forty-Eight Dollars (\$48.00) per Lot, subject only to the following:

(a) The maximum annual general assessment may be increased each year not more than three percent (3%) above the previous annual general assessment for the previous year without vote of the membership;

(b) The maximum annual general assessment may be increased above three percent (3%) by a vote of two-thirds (2/3) of each class of members voting in person or by proxy at a meeting duly called for this purpose. Written notice of such meeting shall be sent to all members at least thirty (30) days in advance of such meeting and shall set forth the purpose of the meeting; the day or dates on which the general annual assessment shall be due and payable shall be fixed by the Board of Directors of the Association;

(c) The Board of Directors of the Association may fix the annual assessment in an amount not in excess of the maximum.

7. Amendment. The covenants and restrictions of this Declaration shall run and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than fifty-one percent (51%) of the Owners including Declarant. Any amendment must be properly recorded. No part of the Declaration may be amended in such a manner that it will adversely affect the existing rights of any Owner or mortgagee with particular respect, but not limited to, unpaid assessments or the lien of any mortgage.

8. Severability. Invalidity or unenforceability of any provision in this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

9. Captions. Captions and headings in this instrument are for convenience only and shall not be considered in construing any provision of this Declaration.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 25 day of July, 1975.

LTV RECREATION DEVELOPMENT, INC.

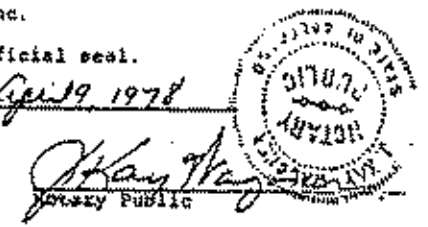
BY: G. Healey Phillips  
Senior Vice President



STATE OF COLORADO )  
COUNTY OF ROUTT ) ss.

The above and foregoing was duly subscribed and sworn to before me this 25 day of July, 1975, by G. Healey Phillips, Senior Vice President, and John J. Wilkinson, Assistant Secretary, of LTV Recreation Development, Inc.

WITNESS my hand and official seal.  
My commission expires April 19 1978





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STEAMBOAT

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 11th day of October, 1976 by LTV RECREATION DEVELOPMENT, INC., a Delaware corporation, having its office and principal place of business in the County of Routt, State of Colorado, hereinafter referred to as "Declarant" and STEAMBOAT PROPERTY OWNERS ASSOCIATION, a Colorado non-profit corporation, having its principal office and place of business in the County of Routt, State of Colorado, hereinafter referred to as "Association".

WITNESSETH:

WHEREAS, Declarant was the owner and developer of certain real property situate in the County of Routt, Colorado, which is more particularly described as:

Fairway Meadows Subdivision, Filing No. 1, a portion of the E1/2 of Section 21 and the W1/2 of W1/4 of Section 22, Township 6 North, Range 84 West, of the 8th Principal Meridian, Routt County, Colorado, consisting of 78.125 acres, more or less, recorded in the Office of the County Recorder of said county at Reception No. 229051.

and created thereon a residential community with open spaces and other common facilities for the benefit of said community; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community, for the maintenance of open spaces and other common facilities, and to this end desires to subject the real property described, together with such additions as may hereafter be made thereto to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has incorporated under the laws of the State of Colorado, as a non-profit corporation, the STEAMBOAT PROPERTY OWNERS' ASSOCIATION (hereafter referred to as the Association), for the efficient preservation of the values and amenities in said community, and has delegated and assigned to said corporation the powers of maintaining and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, it is desired to establish certain standards covering the said property by means of protective covenants so as to secure to each individual owner the full benefit and enjoyment of his lot, tract, and/or property with no greater restrictions upon the free and undisturbed use of his property than is necessary to insure the same advantage to the other similar property owners; and to insure the lasting beauty and investment value of the property; and,

WHEREAS, the Protective Covenants filed with the Office of the County Clerk and Recorder of Routt County, Colorado, are inadequate to protect the interests and rights of the lot owners in said subdivision and to further define the obligations and duties of said lot owners; and,

NOW THEREFORE, Declarant and Association hereby declare that all of the properties described above shall be held, sold and conveyed subject to the following assessments, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. That these assessments, covenants, restrictions and conditions shall run with the property and shall be binding upon all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall be a burden upon and inure to the benefit of each owner thereof, revoking and cancelling all prior recorded Declarations and Amendments.

ARTICLE I

DEFINITIONS

1. "Declarant" shall mean LTV RECREATION DEVELOPMENT, INC., a Delaware corporation or any successor or assign of LTV RECREATION DEVELOPMENT, INC., shall mean any successor by consolidation or merger or by specific designation as a successor or assign of the Declarant under this Declaration in a written instrument, but only to the extent and only as to the particular rights or interests specifically designated in such written instrument.

Recorded in the Office of the County Clerk and Recorder of Routt County, Colorado, on 10/11/76, Book 264107

2. "Property or Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and made subject to the terms of this Declaration.

3. "Lot" shall mean and refer to any plot of land shown upon any recorded plat of the properties with the exception of the "Common Areas", as said term is hereinafter defined. The term "Lot" shall include those numbered plots of land to be used for single-family residences, those numbered plots of land designated as multi-family tracts. If and when any plot of land designated as a multi-family tract is either resubdivided or submitted to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado, then each such condominium unit, townhouse unit or resubdivided lot shall be included within the term "Lot" as herein defined.

4. "Common Area or Common Open Space" shall mean and refer to all property owned or to be owned by the Association for the common use and enjoyment of the owners and all members of the Association, provided however, that the term Common Area or Common Open Space as herein defined shall not include any real property designated as Common Area, Common Element or Common Property on any plat resubdividing any multi-family tract or on any condominium map depicting a condominium project on a multi-family tract.

5. "Multi-Family Tract" shall mean and refer to a lot designated on the recorded plat, as such, or a lot which is zoned for use by more than one unit even though not designated as a Multi-Family Tract on the plat; to be used for multi-family housing purposes, including but not limited to the construction of condominium units, townhouse units, apartments, duplexes and other multiple dwelling structures.

6. "Owner" shall mean and refer to any person or persons, entity or entities who own fee simple title to a lot, including contract purchasers, but excluding those persons or

entities having such interest merely as security for the performance of an obligation. The term Owner shall also include any person or persons, entity or entities who own fee simple title to any condominium unit, townhouse unit or resubdivided lot formerly a part of a multi-family tract. The term Owner shall also include the Declarant, until such time as Declarant no longer holds any fee simple interest in any lot within the properties.

7. "Unit" is a standard of measurement used in this Declaration to determine to fix certain rights and obligations with respect to a lot and the owner of a lot. Each lot shall be deemed to consist of, and the Owner of a Lot shall be deemed to own, one or more units of one or more types, which shall be assigned to each lot in accordance with principles and definitions contained hereinafter in this Declaration.

8. "Plat" shall mean the Plat of Fairway Meadows Subdivision Filing No. 1 recorded October 5, 1971, in the records of the Clerk and Recorder of Routt County, State of Colorado.

9. "Association" shall mean the Steamboat Property Owners' Association, a Colorado corporation not for profit, formed and incorporated as the Association to which reference is made in this Declaration.

10. "Member" shall mean and refer to every person or entity including Declarant who holds membership in the Association.

11. "Guest" shall mean any customer, agent, employee or invitee of an Owner, and any person or persons, entity or entities who have any rights, title or interest in a lot which is less than a fee simple interest in a Lot, including a lessee, mortgagee, or beneficiary under a deed of trust.

12. "Ski Area Facilities" shall mean ski tows or lifts, including towers, cables and structures or facilities used in direct connection with operation of such tows or lifts; ski trails or runs; roads used in connection with maintenance or operation of tows, lifts, trails or runs; areas occupied or used for tow or lift lines; areas which are occupied by open racks for skis which are available for use by the public; ski school meeting areas; and ski patrol facilities and first aid facilities for skiers.

13. "Golf Area Facilities" shall mean and refer to the golf course or courses including such improvements and equipment which are used in connection with the maintenance or operation of said golf course or courses.

14. "Tennis Area Facilities" shall mean and refer to the tennis courts including such improvements and equipment which are used in connection with the maintenance or operation of said tennis courts.

15. "Steamboat" shall mean and refer to the project owned by LTV Recreation Development, Inc., located in Routt County, Colorado.

ARTICLE II

RESTRICTIONS APPLICABLE TO THE PROPERTY

1. Maintenance of the Lots. Each Lot and all of the improvements constructed thereon, shall be kept and maintained by the Owner thereof in a clean, safe, sanitary and attractive condition and in good repair.

2. Nuisance. The Owner of any Lot shall not suffer or permit any noxious or offensive activity to be conducted or carried on or practiced thereon or within any residence or dwelling or accessory building constructed thereon or otherwise used or employed for any other purpose that will constitute an annoyance to the neighborhood or a nuisance as provided by Law or that will detract from the residential value, reasonable enjoyment and quality of the premises within Steamboat.

3. No Hazardous Activities. No activities shall be conducted on the Property and no improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no fire arms shall be discharged upon the Property. No Open fires shall be lighted or permitted on the Property except in a contained barbeque facility while attended and in use for cooking purposes or within a safe and well-designed interior fireplace. No explosive or incendiary devices shall be used or stored on the property.

4. No Division of Lots. No Lots shall be subdivided, resubdivided or replatted without the Owner thereof obtaining written consent to do so from the Association and from Declarant, if at such time Declarant is an Owner of any portion of the Property, and further complying with applicable subdivision ordinances. Notwithstanding the above set forth provision, neither the Declarant nor the Owner of a multi-family tract shall need the permission of any party, other than compliance with applicable subdivision ordinances, to divide, resubdivide or replat any multi-family tract owned by them.

5. No Annoying Light, Sounds or Odors. No light shall be emitted on any portion of the Property which is unreasonably bright or causes unreasonable glare. No sound shall be emitted on the Property which is unreasonably loud or annoying. No odor shall be emitted on any of the Property which is noxious or offensive to others.

6. Building Location. All improvements shall be constructed in accordance with the setback requirements shown upon the Plat. If no setback requirements are shown upon the Plat all improvements shall be located and constructed in accordance with the setback requirements set forth in the Steamboat Springs Building and Zoning Regulations.

7. Temporary Residences. No structure of a temporary character, trailer, basement, tent or accessory building shall be used on any Lot as a residence, either temporarily or permanently, however, that structures of a temporary nature may be used for construction purposes and sales offices with the approval of the Architectural Control Committee of the Association. Exceptions to the above may be granted by the Association for a period not to exceed one hundred twenty (120) days for Owners only during construction of a permanent residence by the Owner of his Lot. Except for the exceptions set forth above, no trailer of any type shall be placed or kept on any Lot unless such trailer is in an enclosed garage.

8. Water and Sewer. There shall be no water wells drilled or placed on any Lot or tract covered by these Covenants.

except as may be required for a public water system. Any residence or other structure constructed on any Lot shall be connected with the Mt. Werner Water and Sanitation District or any public or community water or sewage disposal system formed or created to serve the community.

9. No Unsightliness. No unsightliness shall be permitted on the Property. Without limiting the generality of the foregoing:

(a) All unsightly facilities, equipment, objects and conditions shall be enclosed within an approved structure.

(b) No trailers, mobile homes, campers not on a truck, boats, tractors, vehicles other than automobiles or equipment of a similar nature shall be kept or parked for any purpose on the Property; except in such portions of the Property permitted by the Association.

(c) Rubbish, garbage, or other waste shall be kept and stored in a sanitary container. No portion of the property shall be used or maintained as a dumping ground for rubbish. All containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a clean sanitary condition and shall be kept inside a residence or in an enclosed structure. No trash, litter, or junk shall be permitted to remain exposed on any Lot or visible from any public roads or adjoining or nearby Lot.

(d) No exterior aerials or antennas will be permitted without permission of the Architectural Control Committee. In addition, no Owner shall place upon his Lot clotheslines, swimming pool filter tanks, or similar tanks, which may be visible from any road. All tanks and liquid storage facilities must be enclosed or otherwise appropriately screened so that they will not be visible from any road or from adjoining Lots. Protective enclosures to screen the above must be approved by the Architectural Control Committee as a part of the plans for the improvements to be located on the property.

(e) No refuse shall be burned on the property.

(f) No lumber, grass, shrubs or tree clippings or plant waste, compost, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any of the Property.

10. Signs. No signs of any kind shall be displayed to the public view on any Lot except those erected by the Declarant and signs used by a builder, developer or its authorized assignee to advertise the property during the construction and sales period, and one (1) sign of not more than four (4) square feet advertising any lot for sale or rent shall be authorized, provided, however, that the Architectural Control Committee may grant exceptions to the above.

11. Animals. No animals, livestock or poultry of any kind shall be housed, raised or kept on any tract or lot either temporarily or permanently, except that commonly accepted domestic household pets may be kept provided they are not kept or maintained for any commercial purposes, nor allowed to run free.

12. Residential Use and Minimum Square Footage. No business or occupation may be conducted on any Lot. Dwellings shall have the following minimum habitable floor areas: single family--1,100 square feet; duplexes--2,400 square feet (no less than 600 square feet in one side) and 800 square feet in a multi-family unit; all exclusive of porches, balconies and garages.

13. Mining and Oil Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or within any Lot. No derrick or other structure designed for use in boring for oil, natural gas or other minerals shall be erected, maintained or permitted upon any Lot. The foregoing restrictions shall apply equally to any equipment or activities connected with the drilling and permanent placement of wells used to secure water.

14. Common Area.

(a) The use of the Common Area shall be subject

to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association or the Association Members.

(b) No use shall be made of the Common Area which will in any manner violate statutes, rules, regulations, orders or decrees of any governmental authority having jurisdiction over the Common Area.

(c) No Owner shall place any structure upon the Common Area, nor shall any Owner do any act which would temporarily or permanently deny free access to any part of the Common Area by all of the Owners.

(d) No use shall ever be made of the Common Area which will deny ingress or egress to said Lots by vehicle and otherwise.

15. Architectural Control. No building, fence, wall, accessory building or other structure shall be constructed, erected or maintained on any Lot, nor shall the surface of any Lot be graded, cleared, matted, changed or altered in any way, nor shall any building, structure, vegetation or other improvement be changed, altered, or expanded, without compliance with the provisions of this Declaration relating to architectural control.

16. The Owner of each and every lot, covered by this Declaration, shall provide for one hundred percent (100%) off-street parking for all occupants and all visitors and other persons using said lot.

ARTICLE III

STEAMBOAT PROPERTY OWNERS' ASSOCIATION

1. General Purposes and Powers. The Steamboat Property Owners' Association has been formed and incorporated as a Colorado corporation not for profit to be and constitute the Association to which reference is made in this Declaration. It shall perform certain functions, as hereinafter defined, and shall hold and manage a portion of the Property, including the common area, as

provided in this Declaration of all Owners of Lots within Steamboat. Said Association shall have all powers necessary or desirable to effectuate these purposes, but it shall not engage in commercial or profit-making type activities.

2. Membership. Every Owner as defined in Article I, Section 6 of this Declaration shall be a Member of the Association. There shall be one membership in the Association for each Lot, which membership shall be appurtenant to the fee simple title to such Lot. The Owner of a Lot shall automatically be the Owner of the membership appurtenant to that Lot and title to and ownership of the membership for that Lot shall automatically pass with the fee simple title to the Lot. Each Owner of a Lot shall automatically be entitled to the benefits and be subject to the burdens relating to the membership for his Lot. If fee simple title to a Lot is held by more than one person or entity, the membership appurtenant to that Lot shall be shared by all such persons or entities in the same proportion of interest and by the same type of ownership as fee simple title to the Lot is held. Membership in the Association shall be limited to Owners of Lots, including Declarant.

3. Special Membership for Operation of Ski Area Facilities, Golf Area Facilities, and Tennis Area Facilities. Any Owner or operator of the Ski Area Facilities, Golf Area Facilities, Tennis Area Facilities, or any other recreation facilities within Steamboat, if the real property making up such facilities has not been annexed to the Properties and has not been made subject to the terms of this Declaration, may be granted a Special Membership in the Association, in the sole discretion of the Board of Directors of the Association. If any such Special Membership is granted, the holder thereof, for the term of such Special Membership, shall have the same rights and easements for access, ingress, egress, enjoyment and use over, in, upon, and across the Common Areas and other facilities of the Association, as an Owner would have, provided however, that the holder of a Special Membership shall not be subject to any of the obligations of an Owner as said term is defined herein, and shall not be considered

to be an Owner of a Lot by virtue of said Special Membership. As a condition to the granting of any such Special Membership, the Board of Directors may require execution of an agreement by the holder of such Special Membership obligating such holder to make payments or contributions to the Association, which payments shall be applied by the Association to the cost of maintenance and repair of any Common Areas and the improvements located thereon.

4. Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate any portion of its authority to an executive committee, or to an executive manager or director of the Association.

5. Notices. Except as a greater period is specified in this Declaration, each Owner, the Declarant and holder of a Special Membership shall be entitled to at least fifteen (15) days' notice of any meeting of the Association. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Any notice shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the United States Mail, postage prepaid, addressed to a Lot Owner. Any notice, information or material shall be deemed properly addressed to an Owner if it is addressed to the last known address of such Owner as shown on the records of the Association at the time of such mailing, or, if the name and address is not so shown on the Association's records if it is addressed "to the Owner" at the address of the Lot of such Owner.

6. Voting Rights. The Association shall have only one class of voting membership.

(A) Members shall be all of the Owners within the subdivision. Members shall be entitled to one vote for each lot in which they hold the interest. When more than one person holds such interest in any Lot, all such persons shall be Members provided, however, that the vote for such Lot shall be exercised as the several Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

7. Record Date. The Board of Directors of the Association shall have the power to fix in advance a date as a record date for the purpose of determining Owners entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or materials, or in order to make a determination of Owners of Lots for any purpose. A record date shall not be more than fifty (50) days prior to the date on which the particular action requiring determination of Owner of Lots is proposed or expected to be taken or to occur. If no record date has been established for a meeting, the date on which notice of such meeting is first given to any Owner shall be deemed the record date for the meeting.

8. Certificate of Incorporation and By-Laws. The purposes and powers of the Association and the rights and obligations with respect to Owners and Lots set forth in this Declaration may and shall be amplified by the provisions of the Articles of Incorporation and By-Laws of the Association, but no such provisions may be, at any time, inconsistent with the provisions of this Declaration.

#### ARTICLE IV

##### OBLIGATIONS AND RIGHTS OF THE ASSOCIATION

###### 1. Common Area and Other Property Furnished by Declarant.

The Association shall be obligated to accept the title to all of the Common Area or Common Open Space set forth on the Plat.

###### 2. Common Area Maintenance.

The Association shall be obligated to provide for the highest quality care, management, maintenance and repair of all of the Common Areas and improvements thereon and of all of the personal property and equipment owned, held and used by the Association. The Association shall be obligated to and shall provide for the care, maintenance and repair of all streets and roadways not dedicated to a governmental authority; provided, however, that the Association shall not be obligated to maintain and repair streets and roadways, or a portion thereof, located in a Multi-Family Tract. The above set forth obligations shall include without limitation: the

removal of snow from Common Area roads, walks and drives; the repair and maintenance of improvements located on the Common Area; and care of open spaces or unimproved areas and of the plants, trees and shrubs in said areas. The Association shall also be obligated to pay all taxes and assessments of whatever nature levied on the Common Area and the improvements thereon subsequent to the conveyance of said Common Area and improvements to the Association.

3. Insurance. The Association shall be obligated to and shall obtain and keep in full force and effect at all times casualty insurance including fire and extended coverage, vandalism and malicious mischief endorsements with respect to all facilities owned by the Association, insuring such facilities for the full replacement value thereof. The Association shall also obtain broad form comprehensive public liability coverage, in such amounts and with such deductible provisions as good business practice may dictate.

4. Rules and Regulations. The Association shall be authorized to and shall have the power to adopt and enforce rules and regulations applicable to the Common Area: to prevent and reduce fire hazards; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicular traffic; to regulate use of any and all of the Common Area and facilities located thereon to assure fullest enjoyment of use by the persons entitled to use the same; to promote the general health, safety and welfare of persons within the Properties; and to protect and preserve property and property rights. All rules and regulations adopted by the Association shall be reasonable and shall be uniformly applied. The Association may provide for enforcement of any such rules and regulations through reasonable and uniformly applied fines and penalties and/or through exclusion of violators from Common Areas and facilities of the Association or otherwise. Each Owner or Guest shall be obligated to and shall comply with and abide by such rules and regulations.

5. Charges for Use of Facilities. The Association may establish reasonable and uniformly applied charges for use of

Common Areas and facilities to assist the Association in offsetting the costs and expenses of the Association attributable thereto. Each Owner and Guest shall be obligated to and shall pay any such charge for use.

6. Right to Dispose of Facilities. Subject to the provisions of this Declaration and of the Articles of Incorporation, the Association shall have full power and authority to sell, lease, grant rights in, transfer, encumber, abandon or dispose of any property or facility of the Association.

7. Governmental Successor. Any property or facility of the Association and any function of the Association may be turned over to a private or governmental authority which is willing to accept and assume the same upon such terms and conditions as the Association shall deem to be appropriate with the consent of the Owners as provided herein and in the Articles of Incorporation and with the consent of Declarant.

8. Implied Rights of Association. The Association, in addition to the powers granted by its Articles of Incorporation, shall have and may exercise any right or privilege given to it expressly in this Declaration, or given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including the right to engage necessary labor and acquire use of or purchase necessary property, equipment or facilities, employ personnel necessary to manage affairs of the Association, and obtain and pay for legal, accounting and other professional services as may be necessary or desirable.

ARTICLE V  
ASSESSMENTS

1. General and Special Assessments. Each Owner, of any Lot situated on the real property hereinbefore described by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association the annual general assessments

and special assessments established and levied from time to time on his lot as hereinafter provided. The general and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Such assessments are subject to certain limitations; as to general assessments see Article X hereof and for special assessments see Section 6 of this Article.

2. General Assessments. The Association shall and is hereby authorized to levy an assessment against all Lots for the purpose of defraying all costs and expenses of the Association incurred in the performance of its obligations under this Declaration or any other obligations rightfully undertaken by said Association including, without limitation, costs and expenses incurred in protecting and preserving the health, safety and welfare of the Owners of Lots and their Guests; in improving, maintaining, repairing, replacing and making additions to the Common Areas, streets, and facilities of the Association; for the costs of labor, equipment, materials, management and supervision of the Common Areas and facilities of the Association; and for the payment of taxes and insurance relating to the Common Areas and facilities. All assessments so levied are herein referred to as "general assessments." The Board of Directors of the Association shall have the power and authority to determine all matters in connection with general assessments, including the power and authority to determine the amount of general assessment and where, when and how general assessments shall be paid to the Association, and each Owner shall be obligated to pay and shall pay to the Association the amount so established in the manner so established.

3. Budget for General Assessments. The total amount required to be raised by general assessments for the Association shall be determined for each fiscal year of the Association in accordance with the following procedure.

Not less than thirty (30) days prior to the commencement of each fiscal year of the Association, the Board of Directors of the Association shall prepare a budget for the forthcoming fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated costs and expenses to be incurred by the Association, the estimated income and other funds which will be earned by the Association, and the estimated total amount required to be raised by general assessments to cover the costs and expenses to be incurred by the Association in fulfilling its obligations specified in this Declaration and in fulfilling any and all long-term or continuing commitments of the Association made in connection with or contemplated under any previously approved budget. The total amount required to be raised by general assessments for any fiscal period for a full fiscal year determined as above multiplied by a fraction, the numerator of which is the number of months in the fiscal period and the denominator of which is the months of that fiscal year.

The total amount of general assessments required to be raised by the Association, as shown in a budget prepared in the foregoing manner, shall be equally apportioned among all of the existing Units. In determining the number of Units allocable to each Lot for assessment purposes, the following rules shall apply:

(a) Each lot, other than a multi-family tract which is used by a single family for residential purposes shall be equal to one Unit.

(b) Each duplex which has actually been constructed on a lot, shall be equal to two Units.

(c) Each multi-family tract, which has not been re-subdivided or submitted to condominium ownership shall be equal to the maximum number of re-subdivided lots, condominium units, townhouse units, apartment units, duplex or other multiple dwelling units which could be built on said lot pursuant to the Steamboat Springs Subdivision Ordinances, in effect at the time of recording of this Declaration.



(d) If and when a multi-family tract has been resubdivided or submitted to condominium ownership then each such resubdivided lot, townhouse unit, condominium unit, apartment unit, duplex unit or other multiple dwelling unit shall be equal to one Unit.

(e) Notwithstanding any of the foregoing rules, under no circumstances shall any Lot in these properties be equal to less than one Unit. The amount of the general assessment for any fiscal period of the Association payable with respect to each Lot coming into existence during such fiscal year shall be computed by multiplying the general assessment for said type Lot for that fiscal period by a fraction, the numerator of which shall be the number of days remaining in that fiscal period after the Lot comes into existence and the denominator of which shall be the total number of days in that fiscal period.

4. Notice of General Assessment. Within the thirty (30) day period preceding the commencement of each fiscal year of the Association, the Association shall furnish a copy of the budget arrived at in the foregoing manner all Owners. Accompanying such budget shall be a notice to each Owner setting forth the amount of general assessments due and payable with respect to each Lot of an Owner and specifying where, when and how such general assessment shall be paid to the Association.

5. Supplemental Budget. If at any time it appears to the Association that the amount required to be raised by the Association during any fiscal year shall exceed the amount estimated in the budget previously prepared for such fiscal year, the Board of Directors of the Association may prepare a supplemental budget and may, at any time, deliver to Owners a copy of such supplemental budget together with a notice reflecting the change in the general assessment per Lot due and payable by each such Owner from and after the date of such notice, subject to the limitations of Article X herein.

6. Special Assessments. In addition to the general assessments hereinabove authorized, the Association may levy in

any fiscal year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement of the Association, provided, however, that any such assessment must first be approved by a two-thirds (2/3) vote of the members who vote in person or by proxy at a meeting duly called for the purpose of voting on such proposed special assessment. Written notice of any such meeting shall be sent to all members at least thirty (30) days in advance of such meeting and shall set forth the purpose of the meeting. The date or dates on which such special assessment shall be due and payable shall be fixed by the Board of Directors of the Association.

7. Effect of Nonpayment of Assessments--Remedies of the Association. The amount of any general assessment, special assessment, charge, fine, penalty or other amount payable with respect to any Lot, Owner or Owner's Guests shall become due and payable as specified by the Association and any such amount shall bear interest at the rate of twelve percent (12%) per annum from and after the date due, until the same is paid. The Association may bring an action at law against the Owner obligated to pay the delinquent assessments. In addition to such action or as an alternative thereto, the Association may file with the Clerk and Recorder of Routt County, wherein the property is situated, a Statement of Lien with respect to the property, setting forth the name of the Owner, the legal description of the property, the name of the Association, and the amount of delinquent assessments then owing, which Statement shall be duly signed and acknowledged by the President or a Vice-President of the Association, and which shall be served upon the Owner of the property by Certified Return Receipt Requested mail to the address of the property or at such other address as the Association may have in its records for the Owner of the property. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages on real property under the statutes of

the State of Colorado. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs and reasonable attorney's fees with respect to the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

8. Liability of Owners, Purchasers and Encumbrancers.

The amount of any assessment, charge, fine or penalty payable with respect to any Owner, or such Owner's Guests or Lot shall be a joint and several obligation to the Association of such Owner and such Owner's heirs, personal representatives, successors and assigns during the Owner's ownership of the Lot. A party acquiring fee simple title to a Lot shall be liable to the Association for all such amounts which had accrued and were payable at the time of the acquisition of fee simple title to the Lot by such party, without prejudice to such party's right to recover any of said amount from the former Owner. Each such amount, together with interest thereon, may be recovered by suit for a money judgment by the Association without foreclosing or waiving any liens securing the same. Notwithstanding the foregoing, the holder of a mortgage deed of trust or other lien on a Lot shall not be liable for any such assessment, charge, fine or penalty and the lien for any such assessments, charges, fines or penalties shall be junior to any lien or encumbrance on a Lot taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder of Routt County, Colorado, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Lot and naming the Owner of the Lot.

9. Estoppel Certificate. Upon payment of a reasonable fee not to exceed \$15.00 and upon written request of any Owner or any person with any right, title or interest in a lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish a written statement setting forth the amount of any assessments, charges, fines and penalties, if any, due or accrued and then unpaid with respect to the party to whom

it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

ARTICLE VI

RIGHTS OF DECLARANT AND OWNERS

1. Reserved Rights with Respect to Property Conveyed by Declarant. Any real property conveyed to the Association by Declarant shall remain subject to all existing assessments for

utilities, existing easements for ingress, egress and access, and existing easements for recreational trails and bridle paths.

2. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with all title to every Lot, provided, however, that such right and easement of enjoyment in and to the Common Area shall be subject to the following:

(a) The right of the Association to limit the number of guests of an Owner on the Common Areas and to the facilities located thereon.

(b) The right of the Association to collect money upon a cost basis for the use of any recreational facility situated upon the Common Area.

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage or grant other security interests in the Common Area; provided, however, that the rights of any mortgagee shall be subject to the rights of the Owners while the mortgage or note and deed of trust is current and not in default, and further provided that no funds may be borrowed nor shall any mortgage or deed of trust be given unless an instrument signed by a majority of the members agreeing to such action has been recorded with the Clerk and Recorder of Routt County.

(d) The right of the Association to suspend the voting rights and right to sue of the recreational facilities by

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an Owner for any period during which any assessment against his Lot remains unpaid; and the right of the Association to suspend the voting and right to use of the recreational facilities by any Owner for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(e) The right of the Association to dedicate or transfer all or any part of the Common Area, to any public or private agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members and by persons holding mortgages or deeds of trust on any portion of the subject property. No such dedication or transfer shall be effective unless the same is approved by a 2/3 vote of the Members of the Association.

6. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

7. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will immediately convey title to the Common Area by one or more deeds to the Association, subject to all easements and rights-of-way shown on the Plat.

8. Owner's Rights and Obligations Appurtenant. All rights and easements of an Owner under this Declaration and all rights of an Owner with respect to membership in the Association and all obligations of an Owner under this Declaration are hereby declared to be and shall be appurtenant to the title to the Lot owned by such Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from the title to the Lot. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of the Lot shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance or transfer or disposition of such rights and obligations.

1. Powers.

(a) General. No building, fence, wall, utility line, drainage system or natural surface of a Lot shall be changed, altered, erected, constructed, moved, removed, maintained or reconstructed without the prior written approval of the Architectural Control Committee, (hereinafter referred to as Committee). Such approval shall be obtained only after written application has been made to said Committee by the Owner of the lot requesting authorization from the Committee. Such written application shall be in the manner and form prescribed from time to time by the Committee and shall set forth and include all information and materials required by the Rules and Regulations adopted by the Committee. Such application shall include among other things, a site analysis and at least two (2) complete sets of plans and specifications for proposed construction, alteration, or improvements. Such plans and specifications shall include site plans showing: contour lines; the location of all existing and/or proposed improvements; the proposed drainage plan; the proposed utility connections; the location of existing trees having a height of six (6) feet or more and having a trunk measuring six (6) inches or more in any diameter at ground level and such trees which the Owner proposes to remove. Such plans and specifications shall also depict or set forth: floor plans; elevations; the color and composition of all exterior materials proposed to be used; working drawings and construction specifications; landscaping plans; construction schedules and such other information or materials which the Committee may require.

(b) Power of Disapproval. The Committee may refuse to grant permission to construct, place or make the requested changes, improvements or alterations when:

(1) The plans, specifications, drawings or other material submitted are themselves inadequate or incomplete, or show the proposed improvement to be in violation of this Declaration;

(2) The design, material and color scheme of a proposed improvement is not in harmony with the general surroundings of said lot or with adjacent buildings or structures;

(3) The proposed improvement, or any part thereof would in the opinion of the Committee, be contrary to the interest, welfare or rights of all or any part of the Owners of other lots in the Properties.

(c) Power to Grant Variances. The Committee may allow reasonable variances or adjustments of the restrictions contained in this Declaration where literal application thereof would result in unnecessary hardship. Provided, however, that any such variance or adjustment is granted in conformity with the general intent and purposes of these Restrictions; and, that the granting of a variance or adjustment will not be materially detrimental or injurious to other lots in the Properties.

2. Duties of Committee. The Committee shall approve or disapprove of proposed application within thirty (30) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reasons for such refusal.

3. Composition of Committee. The Committee shall be composed of six (6) persons who shall be chosen in the following manner: one Committee Member shall be appointed by the Declarant; four (4) Members of the Committee who are not officers or employees of Declarant, shall be appointed by the Board of Directors and one architect, engineer or contractor who shall be selected by the Committee and shall serve in an advisory capacity only.

4. Liability of Committee. Neither the Committee nor any agent thereof, nor the Declarant, nor the Association, shall be responsible in any way for any defects in any plans, specifications or other materials submitted to it, nor for any defects in work done according thereto.

5. Duty of Inspection. To the extent that inspection of improvements constructed is not provided for by appropriate governmental agencies, it shall be the duty of the Committee to inspect work being performed with its permission to assure compliance with these restrictions and applicable regulations.

## ARTICLE VIII

### EASEMENTS

1. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of the Properties and over the front, side and rear lot lines as shown on the recorded plat of the Properties. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in or stemming from said easements. However, the easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

2. The Properties shall be subject to all easements shown and/or set forth on any recorded plat of the Properties.

## ARTICLE IX

### ADDITIONAL PROVISIONS RELATING TO MULTI-FAMILY TRACTS

1. General. It is anticipated that the Multi-Family Tracts will either be submitted to condominium ownership or resubdivided into townhouse projects, that each townhouse or condominium project will be subject to additional covenants, conditions, restrictions, easements, liens and assessments, and that each townhouse or condominium project will be administered and governed by either a Homeowners Association or Condominium Association. If and when any such Multi-Family Tract is submitted

to condominium ownership under the Condominium Ownership Act of the State of Colorado or resubdivided into a townhouse project it shall be expressly permissible to impose upon such project, subject to the limitations and conditions hereinafter set forth, additional covenants, conditions and restrictions as the Owner of said Multi-Family Tract deems desirable and to provide in such covenants or declarations for a Condominium Association or Homeowner's Association to govern and administer said project.

2. Conditions and Limitations.

(a) That any Condominium Declaration, Declaration of Covenants, Conditions or Restrictions, Protective Covenants or Covenants of a similar type and nature affecting a Multi-Family Tract shall be first approved by Declarant prior to the recording of the same in the office of the Clerk and Recorder of Routt County.

(b) That the Articles of Incorporation and By-Laws of any Condominium Association or Homeowners Association to be created to govern and administer any project as a Multi-Family Tract shall first be approved by Declarant prior to the filing of said Articles of Incorporation in the office of the Secretary of State for the State of Colorado or any other State.

3. That any Condominium Declaration, Declaration of Covenants, Conditions and Restrictions, or other Declarations of a similar type or nature shall not conflict with or be inconsistent with the terms and conditions of this Declaration. Further, any such Declaration shall provide that the Owners thereunder are subject to the terms, conditions and restrictions contained herein and they shall not impose any additional duties, obligations or responsibilities upon the Steamboat Property Owners' Association.

ARTICLE X

GENERAL PROVISIONS

1. Effect of Owner's Acceptance of Deed. The Owner of any Lot within said subdivision, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase

thereof, whether from Declarant or a subsequent Owner of such Lot shall be deemed to have accepted such deed and executed such contract subject to each and every restriction, condition, covenant and obligation, and also, for themselves, their heirs, personal representatives, successors and assigns, they are deemed to have covenanted and agreed and to have consented to and with the Declarant, the Association and to and with the grantees and subsequent Owners of each of the Lots affected by this Declaration, to keep, observe and comply with and perform such obligations, covenants, terms and conditions contained therein.

2. Protection of Encumbrances. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the lien of any mortgage, deed of trust or other lien on any property taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder of Routt County, Colorado, prior to the time of recording in said office of an instrument describing said property and listing the name or names of the Owner or Owners of fee simple title to the Property and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair the title or interest of the holder of such mortgage, deed of trust or other lien or title or interest of the holder of such mortgage, deed of trust or other lien or title interest of the holder of such mortgage, deed of trust or other lien or title or interest acquired by any purchaser upon foreclosure of such mortgage, deed of trust, or other lien, or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration.

3. Limited Liability. Neither Declarant, the Association, the Board of Directors of the Association nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the

action taken or failure to act was in good faith and without malice.

4. Annexation. Additional real property may be annexed to the Property by the Association, after recommendation by the Board of Directors and approval of at least two-thirds (2/3) of the members in writing. Any such annexed real property shall be deemed part of the Property, as defined herein, and shall be subject to all the terms and conditions of this Declaration, in addition to such others as the Association may impose thereon.

5. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any Owner to enforce any rights hereunder shall in no event be deemed a waiver of the right to do so thereafter.

6. Maximum Annual General Assessment. The maximum annual general assessment, as defined in Article V, Section 2 of this document, shall not exceed the sum of Twenty Four Dollars (\$24.00) per lot, subject only to the following:

(a) The maximum annual general assessment may be increased each year not more than three percent (3%) above the maximum annual general assessment for the previous year without vote of the membership;

(b) The maximum annual general assessment may be increased above three percent (3%) by a vote of two-thirds (2/3) of members voting in person or by proxy at a meeting duly called for this purpose. Written notice of such meeting shall be sent to all members at least thirty (30) days in advance of such meeting and shall set forth the purpose of the meeting; the day or dates on which the general annual assessment shall be due and payable shall be fixed by the Board of Directors of the Association;

(c) The Board of Directors of the Association may fix the annual assessment in an amount not in excess of the maximum.

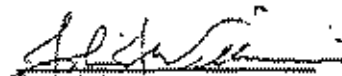
7. Amendment. The covenants and restrictions of this Declaration shall run and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than two-thirds (2/3) of the Owners. Any amendment must be properly recorded. No part of the Declaration may be amended in such a manner that it will adversely affect the existing rights of any Owner or mortgagee with particular respect, but not limited to, unpaid assessments or the lien of any mortgage.

8. Severability. Invalidity or unenforceability of any provision in this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or any valid and enforceable part of a provision of this Declaration.

9. Captions. Captions and headings in this instrument are for convenience only and shall not be considered in construing any provision of this Declaration.

IN WITNESS WHEREOF, the undersigned, being the Declarant and Association herein, has hereunto set its hand and seal this 11th day of October 1976.

ATTEST:

  
Secretary

STEVENSOAT PROPERTY OWNERS ASSOCIATION


BY:   
President

Association

ATTEST:

  
Assistant Secretary

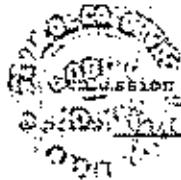
LTV RECREATION DEVELOPMENT, INC.

BY:   
Senior Vice President

Declarant

The above and foregoing was duly subscribed and sworn  
to before me this 14th day of October, 1976 by Myron H. Marley,  
President and John J. Wilkinson, Secretary of Steamboat Property  
Owners Association and by G. Wesley Phillips, Senior Vice President,  
and John J. Wilkinson, Assistant Secretary, of LTV Recreation  
Development, Inc.

WITNESS my hand and official seal.



Alvin K. Rufford  
Notary Public

Recorded at 11:15 AM FEB 24 1987

BOOK 624 PAGE 0233

Section No. 360792 Kim Swinner, Recorder Rout County, CO # 9.14

360792

DEED OF CONVEYANCE  
AND  
ASSIGNMENT OF RIGHTS AND INTERESTS

Recitals

WHEREAS, Steamboat Property Owners' Association, a Colorado non-profit corporation (hereinafter "the Association") was duly incorporated pursuant to the non-profit corporation laws of the State of Colorado on August 17, 1974 in accordance with and pursuant to the Declaration of Covenants, Conditions and Restrictions recorded July 25, 1975 in Book 407, Page 391, Rout County records (hereinafter "the Declaration"); and

WHEREAS, the Association was dissolved by operation of law on January 1, 1984; and

WHEREAS, Steamboat Property Owners' Association, a Colorado non-profit corporation (hereinafter "Assignee") was duly incorporated pursuant to the Colorado Non-Profit Corporation Act on June 30, 1986 for the same purposes and with the same objects as the Association; and

WHEREAS, the Association is desirous of conveying all rights and interests of whatever nature it may hold to Assignee, assigning all corporate assets to Assignee and bestowing upon Assignee, all of the rights, power, authority, duties and obligations of the Association under the Declaration so that Assignee may carry out the purposes and objects for which the Association was formed.

NOW, THEREFORE,

THE UNDERSIGNED, being a majority of the surviving members of the last acting Board of Directors as named in the files of the Colorado Secretary of State pertaining to the Association, pursuant to the power and authority vested in us pursuant to C.R.S. §7-26-170, and on behalf of the Association, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and which consideration includes, without limitation, the assumption by Assignee of all debts, liabilities and duties of the Association, hereby convey, assign and transfer unto Assignee, all of the Association's right, title and interest in and to any and all corporate property, of any nature whatsoever, including, without limitation, all things, choses in action, tangible and intangible personal property, easements and lien rights and all of

the rights, powers, authority and benefits of the Association pursuant to the Declaration. To the extent of our power and authority to do so, we further hereby irrevocably appoint and designate Assignee as the successor of the Association pursuant to the Declaration, for the purpose of exercising the power, authority and rights conferred by the Declaration, for the purpose of enforcing the protective covenants, conditions, restrictions, reservations, liens and charges set forth in the Declaration and performing all of the duties and obligations of the Association pursuant to the Declaration.

SIGNED effective the 1st day of November, 1986.

STEAMBOAT PROPERTY OWNERS' ASSOCIATION  
by its last acting Board of Directors

[Signature]  
Bob Salton, Director  
[Signature]  
Harriet Cook, Director  
[Signature]  
Ed Goodyear, Director

ACKNOWLEDGEMENTS

STATE OF Colorado )  
COUNTY OF Rout ) ss.

Subscribed and sworn to before me this 24th day of November, 1986 by Bob Salton, Director.

WITNESS my hand and official seal.

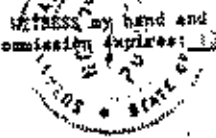
My commission expires: 12-5-88  
[Signature]  
Notary Public

STATE OF Colorado )  
COUNTY OF Rout ) ss.

Subscribed and sworn to before me this 24th day of November, 1986 by Harriet Cook, Director.

WITNESS my hand and official seal.

My commission expires: 12-7-88  
[Signature]  
Notary Public





ISS 624940235

STATE OF COLORADO )  
COUNTY OF ROUTT } \*\*

Subscribed and sworn to before me this 20 day of January  
by Ed Goodyear, Director.

WITNESS my hand and official seal.

My commission expires: 4-2-87

*Ed Goodyear*  
Notary Public

