

DECLARATION OF PROTECTIVE COVENANTS

FOR

MERIDIAN LAKE MEADOWS

THIS DECLARATION is made with an effective date of the 18th day of December, 1995, by Meridian Lake Meadows, L.P., a Colorado limited partnership ("Declarant").

ARTICLE 1.

STATEMENT OF PURPOSE

Section 1.1 - Ownership of Property. Declarant is the owner of the real property ("Property") situate in Gunnison County, Colorado as set forth on attached Exhibit A which is incorporated herein by reference.

Section 1.2 - Subdivision of Property. The Property, which shall be subdivided and platted as Meridian Lake Meadows, is known popularly as Meridian Lake Park Filing 3.

Section 1.3 - Declaration of Covenants. Declarant hereby makes, declares and establishes the covenants, restrictions and easements set forth herein which shall affect the Property. This Declaration of Protective Covenants shall run with the Property and shall be binding upon all persons and entities having any right, title or interest in and to the Property or any part thereof, their heirs, successors and assigns and their tenants, employees, guests and invitees and shall inure to and be for the benefit of each Owner of a Lot or Unit within Meridian Lake Meadows.

Section 1.4 - Common Interest Community. Declarant further declares the Property to be a Planned Community under the Colorado Common Interest Ownership Act.

Section 1.5 - Statement of Purpose. This Declaration of Protective Covenants is imposed for the benefit of all Owners and future Owners of Lots located within Meridian Lake Meadows and to provide for the preservation of values of Meridian Lake Meadows, and to preserve the covenants, easements, restrictions, assessments and liens hereafter set forth, all of which are for the benefit of the Property and the Owners of Lots.

ARTICLE 2.

DEFINITIONS

The following terms and words shall have the definitions set forth in this Article 2:

Section 2.1 - "Assessments" shall mean regular monthly, quarterly or annual assessments, special assessments or default assessments levied pursuant to the Association Documents to provide funds for the Association.

Section 2.2 - "Association" shall mean Meridian Lake Meadows Association, Inc., a Colorado non-profit corporation, or any successor thereof charged with the powers, duties and obligations set forth herein.

Section 2.3 - "Association Documents" shall mean this Declaration of Protective Covenants, the Plat, the Articles of Incorporation and Bylaws of the Association, the Design Guidelines and any procedures, rules, regulations or policies adopted thereunder by the Association or the Design Review Board.

Section 2.4 - "Board of Directors" or "Board" shall mean the Board of Directors of the Association duly elected and acting according to the Articles of Incorporation and Bylaws of the Association. The Board of Directors is also defined as an Executive Board by Colorado Common Interest Ownership Act.

Section 2.5 - "Building" shall mean anything constructed or erected with a fixed location on the ground and having a roof supported by columns or walls.

Section 2.6 - "Building Envelope" shall mean the area within a Lot shown on the Plat where a building or other improvement shall be located, subject to the prior written approval of the Design Review Board. The location of a Building Envelope shall be changed only after approval in writing by the Declarant or the Design Review Board.

Section 2.7 - "Caretaker Residence" shall mean a dwelling containing at least 400 square feet and no more than 1,200 square feet of Living Area in a Single Family Residential building or in a Garage building. No Caretaker Residence shall be constructed prior to construction of a Single Family Residence on the same Lot. Such Caretaker Residence shall at all times be owned by the Owner of the Lot upon which it is situate.

Section 2.8 - "Colorado Common Interest Ownership Act" shall mean the "Colorado Common Interest Ownership Act of the State of Colorado, Section 38-33.3-101 et. seq., Colorado Revised Statutes".

Section 2.9 - "Common Interest Community" shall have the definition set forth in the Colorado Common Interest Ownership Act.

Section 2.10 - "Declarant" shall mean Meridian Lake Meadows, L.P., a Colorado limited partnership, its representatives, successors and assigns.

Section 2.11 - "Declaration" or "Declaration of Protective Covenants" shall mean this Declaration of Protective Covenants for Meridian Lake Meadows and as this Declaration may be hereafter amended, modified or extended.

Section 2.12 - "Design Guidelines" shall mean those guidelines, rules and regulations published from time to time by the Design Review Board. All Design Guidelines shall be consistent with the provisions of this Declaration and the Original Covenants.

Section 2.13 - "Design Review Board" shall mean the Board of Directors of the Association.

Section 2.14 - "Duplex" shall mean a building designed for or used as a dwelling for two families in two independent housekeeping units.

Section 2.15 - "Garage" shall mean an accessory building or an accessory portion of a Single Family Residence designed for the storage of one or more motor vehicles and for incidental uses.

Section 2.16 - "Improvements" shall mean all buildings, structures, parking areas, loading areas, fences, walls, driveways, signs, changes in exterior color or shape, excavation, site work, grading, landscaping, road construction, utilities and any other construction or facility installed on or under a Lot or other part of the Property.

Section 2.17 - "Landscaping" shall mean planted areas and plant materials, including trees, shrubs, lawns, flower beds and ground cover.

Section 2.18 - "Living Area" shall mean the floor area of a residence having a ceiling height in excess of five feet designed for interior occupancy and use by the inhabitants, but excluding basements, garages, porches, decks, patios and breezeways.

Section 2.19 - "Lot" shall mean the following as shown on the Plat of Meridian Lake Meadows as originally filed and/or as amended:

- A. Meridian Lake Meadows, Lots 1-56
- B. Subsequent Filing(s)

(1) Additional land may, at Declarant's option, be platted into Lots and made part of Meridian Lake Meadows on condition that such additional land shall be contiguous, at least in part, to Meridian Lake Meadows.

(2) The owner of each Lot added to Meridian Lake Meadows in a subsequent filing shall have one vote in the Association and shall be responsible for paying a fraction of the total assessments levied on all Lots in which the numerator is one (1) and the denominator is the total number of Lots in the subdivision.

Section 2.20 - "Maintenance Fund" shall mean the fund created by assessments and fees levied pursuant to this Declaration to provide the Association with funds to carry out its duties and exercise its powers hereunder.

Section 2.21 - "Master Association" shall mean the property owners association for Meridian Lake Park Filings 1, 2, 3 and 4 established by the Original Covenants, presently Meridian Lake Park Corporation.

Section 2.22 - "Member" shall mean any person holding membership in the Association.

Section 2.23 - "Mortgage" shall mean any mortgage, deed of trust or other document pledging a Lot or Unit or interest therein as security for the payment of any indebtedness. "First Mortgage" shall mean any mortgage which is not subject to or junior to any lien or encumbrance, except liens for taxes and other liens which are given priority by statute.

Section 2.24 - "Open Space" shall mean all of a Lot excepting the Building Envelope. Although Open Space is for the Lot Owner's exclusive use, Improvements are prohibited, except for Landscaping, driveways and parking areas approved by the Design Review Board.

Section 2.25 - "Original Covenants" shall mean the MERIDIAN LAKE, INC. DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, RESERVATIONS, AND ARCHITECTURAL CONTROL recorded December 27, 1973 in Book 463 at Page 422 of the Gunnison County records.

Section 2.26 - "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot or the owner in fee simple of a condominium or townhome unit; provided, however, that prior to the first conveyance of any Lot after the recording of this Declaration, Owner shall mean Declarant unless Declarant has designated a successor in ownership of fee simple title to exercise the rights, duties and obligations of ownership.

Section 2.27 - "Person" shall mean a person, corporation, partnership, joint venture, association, fiduciary or any other type of entity or designation by which title to any Lot or Unit is held.

Section 2.28 - "Plat" shall mean the Plat of Meridian Lake Meadows affecting the Property dedicated by Declarant as filed in the records of Gunnison County, Colorado, and as such Plat may be amended, enlarged or revised from time to time.

Section 2.29 - "Property" shall mean and include the Property described on attached Exhibit A which is subject to this Declaration. In the event that Meridian Lake Meadows is enlarged though one or more subsequent filings as provided in this Declaration, "Property" shall include all land made subject to this Declaration.

Section 2.30 - "Single Family Residence" shall mean a detached building designed for or used as a dwelling exclusively by one family as an independent housekeeping unit.

Section 2.31 - "Subdivision" shall mean all of the Property subdivided and platted by the Plat, including amendments thereto, filed in the records of Gunnison County, Colorado pertaining to Meridian Lake Meadows.

Section 2.32 - "Unit" shall mean an independent housekeeping unit in a Duplex building on Lots 1, 6, 13 and/or 19.

ARTICLE 3.

USE OF LOTS

Section 3.1 - Use of Lots. Lots shall be used only for the following:

A. One Single Family Residence containing Living Area of no less than 1,600 square feet on Lots 1, 2, 3, 4, 5, 6, 7, 8, 13 and 19, no less than 1,800 square feet on Lots 9 through 12, Lots 14 through 18 and Lots 20 through 24 and no less than 2,000 square feet on Lots 25 through 56; and

B. One Caretaker Residence on each Lot except for a Lot containing a Duplex.

C. In the alternative, on Lots 1, 6, 13 and 19 one Duplex building containing no less than 1,200 square feet per dwelling unit shall be allowed.

D. On Lots 1, 6, 13 and 19, each single family residence or at least one unit in each Duplex must be occupied by a person who claims Gunnison County as his or her primary residence as evidenced by:

- i. Registration to vote in Gunnison County; and
- ii. Colorado driver's license showing Gunnison County residence; and
- iii. The prior filing of a Colorado income tax return.

Section 3.2 - Partition of Lots. No Lot may be partitioned, separated or subdivided from any other part thereof, except that a Lot on which a Duplex is located may be subdivided into two condominium or townhome units.

Section 3.3 - Building Envelope. No Building or other improvement of any kind shall be constructed on a Lot except within the Building Envelope. Declarant retains the right to alter and/or relocate any Building Envelope on any Lot prior to Declarant's conveyance of such Lot to a third party. In the event that an Owner owns two adjoining Lots and desires to change the location of the Building Envelopes for both Lots to reflect a single Building Envelope for the combined usage of both Lots, the Owner may do so subject to compliance with the following conditions:

A. By appropriate land covenant or other recorded document, the Owner shall commit, agree and covenant that both Lots shall be treated as a single Lot for the purpose of compliance with the Declaration of Protective Covenants, except as to Association voting and assessments, and shall thereafter remain in common ownership by the same Owner.

B. The Owner shall apply for and obtain written approval from the Design Review Board for the change of the Building Envelope.

C. The Owner shall apply for and obtain written approval from Gunnison County for a replat changing the Building Envelope.

Section 3.4 - Approval by Design Review Board and Gunnison County. No Building or Improvement shall be constructed on any Lot nor shall any Building or Improvement be altered or demolished except as approved by the Design Review Board and Gunnison County.

Section 3.5 - Design Guidelines. All Buildings and Improvements shall comply with the terms, conditions, definitions and objectives as set forth in the Design Guidelines.

Section 3.6 - Building Location. All Buildings shall be located entirely within the Building Envelope of the Lot as designated on the Plat, except for Buildings on combined Lots,

which may be located in a revised Building Envelope approved by Gunnison County and the Design Review Board.

Section 3.7 - Animals. No animals shall be kept or maintained within the Subdivision except usual domestic household pets. Such household pets shall be confined to the Owner's Lot or controlled on a leash. No barking or vicious dogs shall be permitted within the Subdivision.

Section 3.8 - Parking and Storage. Parking of vehicles on a Lot is permitted only within parking spaces constructed pursuant to approval by the Design Review Board, except that vehicles may be parked in other areas while loading and unloading. Except for automobiles, station-wagons, jeep-type vehicles and bicycles, all other vehicles and all implements, including without limitation, trailers of all types, trucks, boats, tractors, campers not mounted on pickup trucks, snow removal equipment, motorcycles, snowmobiles, all-terrain vehicles, motor homes or other recreational vehicles, inoperable vehicles and maintenance equipment shall be parked or stored only in an approved enclosed structure. No more than two motor vehicles shall be stored outside on any Lot. No abandoned vehicles shall be stored outside on any Lot.

Section 3.9 - Hazardous Activities. No activities shall be conducted on any Lot and no Improvements shall be constructed on any Lot which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms, archery equipment, or fireworks shall be discharged within the Subdivision. No open fires shall be lighted or permitted except in a contained pit or other barbecue unit while attended and in use for cooking purposes or except in a safe and well-designed interior fireplace or stove.

Section 3.10 - Occupancy. No portion of any Lot shall be used for residence, living, or sleeping purposes other than rooms designed for such purposes in a completed structure.

Section 3.11 - Mining and Drilling. No Lot shall be used for the purpose of mining, quarrying, drilling, boring, exploring for, or removing water, oil, gas, or other hydrocarbons, minerals, rocks, stones, gravel, or earth.

Section 3.12 - Signs. No signs or advertising devices of any nature shall be erected or maintained within the Subdivision except as necessary to identify the ownership of the particular Lot and its address, or as necessary or desirable to give directions, advise of rules and regulations, or caution or warn of danger, to advertise a Lot for sale, or as may otherwise be necessitated by law. No signs advertising any Lot for sale, except those of Declarant, shall be erected or maintained within the Subdivision until Declarant has conveyed 85% of all Lots to

third parties or until three years following the recording of this Declaration in the Gunnison County records, whichever occurs first. Any signs which are permitted under the foregoing restrictions shall be erected or maintained only with prior written approval by the Design Review Board. Approval shall be given only if such signs are of attractive design and are as small in size as is reasonably possible. Signs shall be placed or located as directed and approved by the Design Review Board.

Section 3.13 - Light, Sounds and Odors. All exterior lighting shall be designed and directed as approved by the Design Review Board. No light shall be emitted from any Lot which is unreasonably bright or causes unreasonable glare. All exterior lights shall be shielded to reduce to the extent practicable visibility of such exterior lights from adjacent property. No mercury vapor lights shall be permitted. Other outdoor lighting that creates a glare or glow causing visual discomfort to other Lot owners shall be permitted only for brief, limited periods. No sound shall be emitted on any Lot which is unreasonably loud or annoying, and no odor shall be emitted on any Lot which is noxious or offensive to others. No coal shall be burned within the Subdivision.

Section 3.14 - Refuse. No refuse, including without limitation trash, garbage, lumber, grass clippings, shrub clippings or tree clippings, plant waste, compost, ashes, metals, bulk materials, or scrap materials shall be allowed to accumulate on any Lot. Each Owner shall provide suitable covered, noiseless, animal-proof receptacles for the collection of such refuse in preparation for regularly scheduled periodic pickup. Refuse shall be stored for such pickup in such containers which shall, in turn, be enclosed in an approved structure so as to be screened from public view and protected from disturbance. No refuse may be thrown or dumped on any part of the Subdivision. The burning of refuse out of doors shall not be permitted. No incinerators or other devices for the burning of refuse indoors shall be constructed, installed, or used within the Subdivision.

Section 3.15 - Continuity of Construction. All construction, alteration and demolition shall be completed within twelve months of commencement, unless extended by the Design Review Board for good and sufficient cause.

Section 3.16 - Mobile Homes. No mobile home or temporary structure shall be permitted within the Subdivision, except on a temporary basis for use as a construction office, as permitted by the Design Review Board.

Section 3.17 - Fences. Lots shall not be fenced, except that fences approved by the Design Review Board shall be permitted around the Building Envelope and a reasonably sized yard.

Section 3.18 - Drainage. No Owner shall alter the natural drainage of any Lot more than the minimum necessary as approved by the Design Review Board or in a manner which damages any Building, Improvement or other Lot within the Subdivision.

Section 3.19 - Foundations. No Building shall be approved or constructed within the Subdivision unless the foundation for such Building has been designed, based on site specific geotechnical data, by a Colorado licensed engineer or architect who has affixed his seal to the foundation plans.

Section 3.20 - Utilities. All utilities shall be installed underground. A ten (10) foot wide utilities easement contiguous to all Lot lines is reserved for the nonexclusive use of Declarant and/or the Association on all Lots. No improvements, except for utilities, shall be constructed within such utilities easements.

Section 3.21 - Clotheslines. All outdoor clotheslines shall be shielded from view as approved by the Design Review Board.

Section 3.22 - Motor Vehicle Repair. No motor vehicles shall be repaired within the Subdivision except within a fully enclosed garage.

Section 3.23 - Camping. All camping within the Subdivision shall be subject to such rules and regulations as the Association may promulgate from time to time.

Section 3.24 - Nuisance. No obnoxious or offensive activity shall be carried on within the Subdivision, nor shall anything be done or permitted which shall constitute a public nuisance. No noise or other nuisance shall be permitted to exist or operate within the Subdivision so as to be detrimental to any part of the Subdivision or offensive to its occupants.

Section 3.25 - Leasing. The Owner of a Lot or Unit shall have the right to lease the Single Family Residence and/or Caretaker Residence thereon or, in the case of a Duplex, one or both Units, but only subject to all of the following conditions:

A. Every lease shall be in writing and shall provide that any failure of lessee to comply with any provision in the Association Documents shall be a default under the lease.

B. The Owner shall be responsible for any violation of any provision in the Association Documents by Owner's lessee.

C. A copy of every lease having a term in excess of two months shall be filed with the Association.

Section 3.26 - Wood Burning Devices. The maximum number of woodburning devices per Lot shall be two. Such wood burning devices shall be designed to reduce polluting emissions from such wood burning device and shall comply with all applicable rules and regulations of Gunnison County. All stoves shall comply with Colorado Regulation No. 4 of the Colorado Air Quality Control Commission. All fireplaces shall be Rumford masonry fireplaces or similar devices.

Section 3.27 - Protection Against Wildfires. In order to minimize wildfire hazards:

A. All grass shall be mowed to a maximum height of 6 inches within 50 feet from any Building;

B. The area within 3 feet of all Buildings (5 feet on the downhill side) shall be kept free of all vegetation; and

C. All firewood shall be stacked uphill of all Buildings.

ARTICLE 4.

DESIGN REVIEW AND APPROVAL

Section 4.1 - Design Review Board. The Board of Directors of the Association shall constitute the Design Review Board unless the Association contracts with Meridian Lake Park Corporation, the Colorado non-profit corporation serving as property owners association under the Original Covenants, to act as the Design Review Board for this Subdivision.

Section 4.2 - Review and Approval. No Building or Improvement shall be commenced, constructed, erected or maintained on any Lot, nor shall any landscaping be done, nor shall any exterior painting, addition, change, alteration or demolition be made, until the plans and specifications therefor have been submitted to and approved in writing by the Design Review Board in the manner hereafter set forth.

Section 4.3 - General Requirements. All Buildings and Improvements within the Subdivision shall have a pleasing appearance in harmony with the natural features of the land, surrounding environs and the Purposes stated in this Declaration. No bright colors or other construction techniques which would unnecessarily call attention to the Building shall be permitted. A-frames or geodesic domes shall not be permitted. Colors of Buildings and Improvements shall be primarily earth tones.

Section 4.4 - Submittal Procedure. Prior to the commencement of any work requiring the approval of the Design Review Board as above set forth, the plans for any such Building

or Improvement shall be submitted to the Design Review Board for approval. The submittal for approval shall include, at a minimum, all documents required by the Design Guidelines.

Section 4.5 - Purpose of Review. The Design Review Board shall consider the suitability of the proposed Building or Improvement and in particular the harmony of the Building or Improvement with the environment, the effect of the Building or Improvement on the utilization and view of the Lot and surrounding Lots and Property and the placement of the Building or Improvement with respect to topography, drainage, snow removal, ground elevations and existing natural and terrain features and compliance with the Design Guidelines.

Section 4.6 - Hearing. The Design Review Board shall, within thirty-five days after receipt of a complete application with all accompanying data, hold a hearing on such application. The Design Review Board may approve, disapprove or approve with conditions any application submitted to it. The decision of the Design Review Board shall be in writing. In the event that the Design Review Board fails to take action within thirty-five days after the date of the hearing, or fails to hold such hearing within forty-one days after receipt of a complete application, the application shall be deemed to have been approved.

Section 4.7 - Notice of Hearing. The applicant, or any person on applicant's behalf, may attend the hearing and submit information in support of the application. Written notice of the hearing shall be posted on the Lot.

Section 4.8 - Quorum. A majority of the Design Review Board shall constitute a quorum and all decisions of the Design Review Board shall be by majority vote of the board members present and shall be in writing.

Section 4.9 - Final Decision. The decision of the Design Review Board shall be final, subject only to the right of judicial review as provided by the laws of the State of Colorado. In the event of disapproval, the Design Review Board shall indicate to the applicant the reasons why the application was disapproved and grant to the applicant an opportunity to resubmit with revisions and corrections that would secure approval by the Design Review Board.

Section 4.10 - Expenses. The Design Review Board may adopt a schedule of reasonable fees to be charged for each application submitted to the Design Review Board for review and approval. Such fees shall be paid by the applicant upon submittal of the application.

Section 4.11 - Limitation of Liability. The Design Review Board shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it for review and approval. Neither the Design Review Board, nor any individual member thereof, shall be liable to any Person for any act of the Design Review Board in connection with any application, except only to the extent that the Design Review Board, or any individual member thereof, acted with malice or wrongful intent.

Section 4.12 - Building Permit. Compliance with the design review process is not a substitute for compliance with building regulations. Each Owner is responsible for obtaining all approvals, licenses and permits as may be required by Gunnison County and any Special District providing services to the Lot prior to starting construction, alteration or demolition of any Building or Improvement.

Section 4.13 - Design Guidelines. The Declarant and/or the Design Review Board shall adopt Design Guidelines which shall include all design requirements for the construction of any Building or Improvement upon any Lot within the Subdivision. Such Design Guidelines may be altered, amended, revised, and changed from time to time as determined by the Design Review Board.

Section 4.14 - Rules and Regulations. The Design Review Board may adopt such rules and regulations as are appropriate to govern its proceedings or the implementation of its responsibilities.

ARTICLE 5.

MERIDIAN LAKE MEADOWS ASSOCIATION, INC.

Section 5.1 - Establishment of Association. Meridian Lake Meadows Association, Inc., a Colorado non-profit corporation, shall have all powers vested in subdivision property owners associations under Colorado law and shall be governed by and shall exercise all of the duties, privileges, obligations and powers set forth in this Declaration, the Design Guidelines and the Articles of Incorporation and Bylaws of the Association. The Association shall have the right to contract with the Master Association for the Association to perform any function which the Master Association can or does perform, or vice versa. The Association shall plow and maintain all roads within Meridian Lake Meadow until Gunnison County accepts such roads for plowing and/or maintenance and shall maintain a perimeter fence around the Property sufficient to exclude livestock. The Association shall have primary responsibility to monitor and enforce compliance with deed restrictions and other provisions regarding the use and occupancy of lots and units and compliance with the Gunnison County noxious weed control program.

Section 5.2 - Members. Each Owner shall be a member of the Association. No Owner, whether one or more persons or entities, shall have more than one membership per Lot owned by such Owner, but all persons owning each Lot shall be entitled to the rights of membership and the use and enjoyment appurtenant to the ownership of each Lot. If the Units in a Duplex are owned by two different Owners, each Owner of a Unit shall be entitled to one-half of a membership in the Association.

Section 5.3 - Termination of Membership. The right of membership in the Association and the status as a member shall terminate upon the termination of status as an Owner. Upon conveyance, sale or assignment of the Owner's interest, the selling Owner shall be relieved of liability for assessments from and after the date of such sale or conveyance; provided, however, that no such sale or conveyance of any ownership shall relieve an Owner of liability arising prior to the date of such sale or conveyance.

Section 5.4 - Voting Rights. All Owners within the Subdivision shall be members of the Association. The Owner of each Lot shall be entitled to one vote in the Association. The vote for each Lot shall be exercised by the Owner and when more than one person or entity holds an interest in a Lot the vote for the Lot shall be exercised as the Owners may determine among themselves, but the vote for the Lot shall be cast by only one person. If the Units in a Duplex are owned by two different Owners, each Owner shall be entitled to one-half ($\frac{1}{2}$) vote in the Association.

Section 5.5 - Compliance with Documents. Each Owner shall abide by and have the benefit from the provisions, covenants, conditions and restrictions contained in the Association Documents.

Section 5.6 - Rules and Regulations. The Association shall from time to time adopt, amend and repeal rules and regulations to be known as the "Meridian Lake Meadows Rules and Regulations" governing, among other things, and without limitation:

A. The use of any property owned or controlled by the Association.

B. The use of all easements shown on the Plat.

C. Repair, maintenance and upkeep of all property owned by the Association and any property under the jurisdiction of the Association.

D. Standards for the repair, maintenance, upkeep and use of all Lots and all Improvements, Buildings, grounds and landscaping situate upon such Lots within the Subdivision.

E. Any other matter relating to Meridian Lake Meadows not prohibited by law or the Association Documents.

ARTICLE 6.

MAINTENANCE ASSESSMENTS

Section 6.1 - Creation of Lien. Each Owner of any Lot or Unit, by acceptance of a Deed therefor, whether or not it shall be so expressed in any Deed, is deemed to covenant and agree to pay to the Association: (1) All regular Assessments or charges; and (2) any special Assessments or charges; and (3) any default Assessments or charges, all of which shall be fixed, established and collected as determined by the Association. The annual, special and default Assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and continuing lien upon the Lot or Unit against which each such Assessment is made until paid. Each such Assessment, together with interest, costs and reasonable attorneys' fees, shall be the personal obligation of the Owner of such Lot or Unit at the time when the Assessment became due.

Section 6.2 - Purpose of Assessments. The Assessments levied by the Association shall be used for the following:

A. Any costs and expenses pertaining to the operation of the Association in the performance of its duties and the exercise of its powers.

B. Acquisition, rental, maintenance, operation and improvement of any real or personal property or other facility for the use or benefit of the Owners.

C. Any maintenance, repair or improvement required to be made by any Owner to any Improvement or any Lot which the Owner fails to do.

D. Any other purpose approved by the Owners holding a majority of the votes in the Association.

Section 6.3 - Regular Assessments. The Board of Directors shall prepare a budget prior to the beginning of each fiscal year of the Association and prior to the commencement of each fiscal year, the Board shall adopt a budget and shall determine, levy and assess the Association's regular Assessments for the following year.

Section 6.4 - Special Assessments. In addition to the regular Assessments set forth in Section 6.3, above, the Board of Directors may levy in any fiscal year one or more special

Assessments for the purpose of defraying, in whole or in part, any expense which was not anticipated at the time the budget was adopted. Notice of the amount and due dates for such special Assessments shall be sent to each Owner at least thirty days prior to the due date.

Section 6.5 - Assessment for Each Lot. All regular and special Assessments shall be allocated equally among all Lots. If the Units in a Duplex are owned by two different Owners, each Owner shall be responsible for one-half of the assessment allocated to the Lot on which the Duplex is located.

Section 6.6 - Default Assessments. Any expense of the Association which is the obligation of an Owner or which is incurred by the Association on behalf of the Owner, shall be a default Assessment and shall become a lien against such Owner's Lot or Unit and may thereafter be foreclosed or otherwise collected as provided herein. Notice of the amount and due date of such default Assessment shall be sent to the Owner subject to such Assessment at least thirty days prior to the due date.

Section 6.7 - Nonpayment of Assessments. Any Assessment, whether regular, special or default Assessment, which is not paid within thirty days of its due date shall be deemed delinquent. In the event that any Assessment becomes delinquent, the Association, in its sole discretion, may take one or more of the following actions:

A. Assess a late charge of at least 10% of the amount due and owing per delinquency.

B. Assess an interest rate charge from the date of delinquency at the rate of eighteen percent per annum or at such other rate as the Board shall set.

C. Suspend the voting rights of the Owner during any period of delinquency.

D. Bring an action against any Owner personally obligated to pay the delinquent Assessment.

E. File a Statement of Lien with respect to the Lot or Unit and foreclose such lien in the manner hereafter set forth. The Association may file a Statement of Lien by recording with the Clerk and Recorder of Gunnison County, Colorado, a written statement with respect to the Lot or Unit, setting forth the name of the Owner, the legal description of the Lot or Unit, the name of the Association and the amount of the delinquent Assessments then owing, which Statement shall be signed and acknowledged by an officer, manager, attorney or other representative of the Association and which shall be sent by certified mail, postage prepaid, to the Owner at such address as

the Association may have in its records. Thirty 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 or in any other manner authorized by the law of the State of Colorado. Such Statement of Lien shall secure all Assessments accruing or assessed subsequent to the date of recording of such Statement of Lien until the same has been satisfied and released, together with the Association's attorneys' fees and costs incurred in connection with such delinquency, including the preparation and recording of such Statement of Lien and any release thereof. In any action for the payment or foreclosure of such Assessment, the Association shall be entitled to recover as part of the action, the interest, costs and all reasonable attorneys' fees with respect to the delinquency and action.

The Statement of Lien shall be superior to all other liens and encumbrances on such Lot, except only any tax and assessment liens levied by any governmental entity and the lien of any First Mortgage; provided, however, that at all times the lien of the Association shall have priority status over any lien or Mortgage as provided by the Colorado Common Interest Ownership Act, as it now exists and as it may hereafter be amended.

Section 6.8 - Successor's Liability for Assessment. In addition to the personal obligation of each Owner to pay all Assessments and the Association's lien on a Lot or Unit for such Assessments, all successors to the ownership of a Lot or Unit shall be jointly and severally liable with the prior Owner for any and all unpaid Assessments, interest, costs, expenses and attorneys' fees against such Lot.

ARTICLE 7.

ENFORCEMENT OF COVENANTS

Section 7.1 - Violations Deemed a Nuisance. Every violation of this Declaration of Protective Covenants, the Articles and Bylaws of the Association or any rules and regulations adopted by the Association shall be deemed to be a nuisance and is subject to all the remedies provided for the abatement thereof.

Section 7.2 - Failure to Comply. The failure to comply herewith shall be grounds for an action to recover damages, for injunctive relief, for specific performance, or for any other relief available in law or at equity. Reasonable notice and an opportunity to be heard shall be provided by the Association to any delinquent Owner prior to commencing any legal proceedings.

Section 7.3 - Who May Enforce. Any action to enforce any provision of the Association Documents, or any other covenant or restriction regarding the use of Lots or the occupancy of any

Buildings, may be brought by the Declarant, by the Association in the name of the Association on behalf of the Association and/or the individual Owners, by any Owner or by Gunnison County.

Section 7.4 - No Waiver. The failure of the Board, the Association, or any other Owner to enforce or obtain compliance as to any violation, shall not be deemed a waiver of the right to do so for any subsequent violation or the right to enforce any part of such documents.

Section 7.5 - Attorneys' Fees. In the event of any legal action or arbitration to enforce any of the provisions of the Association Documents, or for damages, or to restrain the violation of the Association Documents, whether judicial, non-judicial or administrative, the prevailing party shall be entitled to recover all costs, fees and expenses incurred by it in such action, including all reasonable attorneys' fees that it may incur. The Association shall be entitled to recover reasonable attorneys' fees for any legal assistance given to the Association as above provided whether or not legal proceedings are actually filed in court.

ARTICLE 8.

DURATION OF COVENANTS

Section 8.1 - Term. The term of this Declaration of Protective Covenants, and any amendments or supplements thereto, shall be from the date of recording in the records of Gunnison County, Colorado and until September 1, 2020. Thereafter, this Declaration of Protective Covenants shall be automatically extended for five successive periods of ten years each, unless otherwise terminated or amended as hereafter provided.

Section 8.2 - Amendment. This Declaration and/or the Plat may be terminated, extended, modified or amended upon the written consent by the Owners holding 67% of the votes in the Association, subject to approval by Gunnison County. Any such amendment shall be by an instrument duly executed, acknowledged and recorded in the records of Gunnison County, Colorado, and upon such recording shall be for the benefit of and be binding on all Owners of Lots or Units within the Subdivision.

Section 8.3 - Amendment by Declarant. Notwithstanding the provisions of Section 8.2, above, the Declarant reserves the right and power to modify or amend this Declaration and/or the Plat in any respect, subject to approval by Gunnison County, by executing and recording such amendment in the records of Gunnison County, Colorado. This right to modify or amend this Declaration or the Plat in whole or in part, at any time and from time to time, shall be effective until one-half of all Lots within the

Property have been conveyed by a recorded instrument of conveyance to a person or persons other than the Declarant.

Section 8.4 - Mortgage Holder Approval Not Required. The Declaration and/or Plat may be amended as set forth in Sections 3.3, 8.2 and 8.3 of this Declaration and such amendment shall be effective against the holders of Mortgages encumbering Lots in the Subdivision notwithstanding the fact that such holders of Mortgages have not approved such amendment.

ARTICLE 9.

PRINCIPLES OF INTERPRETATION

Section 9.1 - Severability. This Declaration, to the extent possible, shall be construed so as to give validity to all of the provisions hereof. If any provision of this Declaration is determined to be invalid, unenforceable or prohibited by any court, the same shall not affect any other provision or section hereof and all other provisions and sections shall remain in full force and effect.

Section 9.2 - Construction. In interpreting words herein, unless the context shall otherwise provide or require, the singular shall include the plural, the plural shall include the singular and the use of any gender shall include all genders.

Section 9.3 - Headings. The headings on any section or article are included only for purposes of convenient reference and shall not affect the meaning or interpretation of this Declaration.

Section 9.4 - Written Notice. All notices required under this Declaration shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery or five days after mailing by certified or registered mail, return receipt requested, to the address of such Owner on file in the records of the Association at the time of such mailing.

Section 9.5 - Limitation of Liability. Neither the Association nor any officer or director shall be liable to any party for any action or for any failure to take any action with respect to any matter arising by, through or under this Declaration if the action or failure to act was made in good faith. The Association shall indemnify all officers and directors with respect to any action taken in their official capacity as provided in the Association Documents.

Section 9.6 - Applicable Law. The proper jurisdiction and venue for any action pertaining to the interpretation or enforcement of the Association Documents shall be the County

Court or District Court of Gunnison County, Colorado, unless otherwise chosen by the Association.

Section 9.7 - Interest. Any sums, amounts or monies due and owing to the Association under the Association Documents shall bear interest at 1.5% per month (18% per year) or at such other rate of interest as the Board shall set from the date due until paid.

Section 9.8 - Assignment. Declarant may assign all or any part of its rights and reservations hereunder to any successor who takes title to all or part of the Property and/or to the Association, in whole or in part. Such successor shall be identified, the particular rights being assigned shall be specified, and, to the extent required, concomitant obligations shall be expressly assumed by such successor, all in a written instrument duly recorded in the records of the Clerk and Recorder of Gunnison County, Colorado.

Section 9.9 - Stricter Provision Applies. In the event of a conflict or variation between the provisions set forth in this Declaration of Protective Covenants for Meridian Lake Meadows and the Original Covenants, the stricter provision shall apply.

ARTICLE 10.

RIGHTS RESERVED TO DECLARANT

Section 10.1 - Development Rights and Special Declarant Rights. The Declarant specifically reserves the right to exercise in any order all Development Rights and Special Declarant Rights as set forth in the Colorado Common Interest Ownership Act and this Declaration for the maximum time limit allowed by law, including, without limitation, the following:

A. The right to amend the Declaration or Plat as set forth in Sections 3.3 and 8.3.

B. The right to appoint or remove any officer of the Association or any Director of the Association during the Declarant Control Period.

C. The right to complete or make any Improvements as set forth on the Plat, the Association Documents or as required by Gunnison County.

D. The right to add additional land and/or Lots to the Subdivision as provided in Section 2.19 of this Declaration.

E. The right to maintain signs to advertise the Subdivision.

A tract of land within NW1/4 of Section 22, Township 13 South, Range 88 West, Sixth Principal Meridian, Gunnison County, Colorado, said tract being more particularly described as follows:

Commencing at the Northwest corner of said Section 22, the POINT OF BEGINNING for the herein described tract; thence the following courses around said tract;

1. North 89°40'00" East 2640.99 feet along the northerly boundary of said Section to the north quarter corner of Section 22;
2. South 00°06'04" East 648.46 feet along the easterly boundary of the NW1/4 of said Section 22 to the Northeast corner of Meridian Lake Park Filing No. 2, a subdivision with a plat thereof recorded on December 1, 1975 and bearing Reception No. 308755;
3. North 88°25'11" West 438.48 feet along the northerly boundary of said Filing No. 2;
4. South 45°53'29" West 140.93 feet along said northerly boundary;
5. South 38°17'11" West 118.52 feet along said northerly boundary;
6. North 71°56'22" West 97.46 feet along said northerly boundary;
7. North 16°58'49" West 117.53 feet along said northerly boundary;
8. South 88°43'46" West 197.00 feet along said northerly boundary;
9. South 03°16'14" East 19.00 feet along said northerly boundary;
10. South 88°43'46" West 110.00 feet along said northerly boundary;
11. South 67°07'04" West 424.62 feet along said northerly boundary to the northwest corner of said Filing No. 2;
12. South 13°56'53" West 315.30 feet along the westerly boundary of said Filing No. 2;
13. South 32°40'20" East 109.29 feet along said westerly boundary;
14. South 60°45'51" East 153.56 feet along said westerly boundary;
15. South 34°11'30" East 316.75 feet along said westerly boundary;
16. South 33°26'28" West 573.87 feet along said westerly boundary;
17. South 12°28'32" East 60.00 feet to the Southwest corner of said Filing No. 2;
18. Along the arc of a curve to the right a distance of 208.48 feet, said curve having a radius of 143.71 feet and a long chord of North 60°55'02" West 190.68 feet along the northerly boundary of a tract of land conveyed by Warranty Deed from Lakecrest Corporation to Pristine Point, Inc., said deed recorded in Book 711 at page 760 of the Gunnison County Records;
19. North 19°21'32" West 211.00 feet along the northerly boundary of said tract;
20. South 84°03'28" West 267.00 feet along the northerly boundary of said tract;
21. North 44°21'32" West 195.00 feet along the northerly boundary of said tract;
22. North 59°21'32" West 297.00 feet along the northerly boundary of said tract;
23. North 37°21'32" West 384.28 feet to the Southeast corner of a tract of land conveyed by Warranty Deed from Lakecrest Corporation to Pristine Point, Inc., said deed recorded in Book 720 at page 503 of the Gunnison County Records;
24. North 00°26'30" East 335.62 feet along the easterly boundary of said tract;
25. North 27°09'48" West 172.65 feet to the Northwest corner of said tract;
26. North 00°26'30" East 795.01 feet along the westerly boundary of said Section 22 to the POINT OF BEGINNING of the herein described tract.

No. 464996

Meridian Lake Meadows LLC

Henry A. Gallin, Member

To

Meridian Lake Meadows

Pt. NW¼, Sec. 22

T. 13 S.; R. 86 W., 6th PM

STATE OF COLORADO, }
County of Gunnison } ss.

I hereby certify that this instrument
was filed for record in my office at

04:20 o'clock PM

January 03, 1996, and

is recorded in Book, page

Joanne M. Reitinger
County Clerk and Recorder

By Deputy

Fee \$ 20.00
1.00

NOTICE OF AMENDMENT

**MERIDIAN LAKE, INC.
DECLARATION OF RESTRICTIONS, COVENANTS,
EASEMENTS, RESERVATIONS AND ARCHITECTURAL CONTROL**

PLEASE TAKE NOTICE, of the following amendment to the MERIDIAN LAKE, INC. DECLARATION OF RESTRICTIONS, COVENANTS, EASEMENTS, RESERVATIONS AND ARCHITECTURAL CONTROL recorded December 27, 1973 in Book 463 at Page 422 of the Gunnison County, records ("Declaration"):

1. Paragraph 13.10 of the Declaration provides as follows:

13.10 Amendment. The Declarant shall have the right to amend, delete, or supplement any provision of this Declaration at any time prior to the sale of the Sites or Units contemplated to be included within the Land, provided that any such amendment, deletion, or supplement shall not have a materially adverse effect upon any of the then Owners. The Owners shall have the right to amend, delete or supplement any provision of this Declaration by means of any affirmative vote given by the Owners of four-fifths of the Sites and Units. Such right to amend shall include the right to effectively transfer to the Association any powers, rights, or obligations granted to the Declarant under the Declaration. Such vote shall be taken at a meeting called for such purpose. At any such meeting, each Site and Unit shall have one vote.

2. On August 18, 1998 a special meeting of the Owners of all Sites and Units was called for the exclusive purpose of adopting the following Amendment to the Declaration, which was adopted by a vote of 153 votes in favor of the Amendment and 28 votes against the Amendment:

Paragraph 13.10 was amended to read as follows:

13.10 Amendment. The Declarant shall have the right to amend, delete, or supplement any provision of this Declaration at any time prior to the sale of the Sites or Units contemplated to be included within the Land, provided that any such amendment, deletion, or supplement shall not have a materially adverse effect upon any of the then Owners. The Owners shall have the right to amend, delete or supplement any provision of this Declaration by means of an affirmative vote given by the Owners of sixty-

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seven per cent (67%) of the Sites and Units. Such right to amend shall include the right to effectively transfer to the Association any powers, right, or obligations granted to the Declarant under the Declaration. Such vote shall be taken at a meeting called for such purpose. At any such meeting, each Site and Unit shall have one vote.

3. The number of votes in favor of the Amendment exceeded four-fifths of the Sites and Units subject to the Declaration.

SIGNED AND DATED at Crested Butte, Colorado this 20th day of November, 1998.

Meridian Lake Park Corporation, a Colorado nonprofit corporation

By: Peter M. Kennel
Peter M. Kennel, President

Attest:

Walter V. Green
Walter V. Green, Secretary

STATE OF COLORADO)
)ss.
COUNTY OF GUANISON)

The foregoing Notice of Amendment was acknowledged before me this 20th day of November, 1998 by Peter M. Kennel as President and Walter V. Green as Secretary of Meridian Lake Park Corporation, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: Sept. 13, 2000.



David Leinsdorf
Notary Public

AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS

FOR MERIDIAN LAKE MEADOWS

WHEREAS, the Declaration of Protective Covenants for Meridian Lake Meadows ("Declaration") was recorded in Book 776 at Page 224 of the Gunnison County, Colorado records; and

WHEREAS, Section 8.2 of the Declaration provides that the Declaration may be amended upon the written consent of the owners holding 67% of the votes in the Meridian Lake Meadows Association, Inc., a Colorado non-profit corporation ("Association"), subject to approval by Gunnison County; and

WHEREAS, the undersigned hold over 67% of the votes in the Association;

NOW, THEREFORE, the second sentence in Section 3.12 of the Declaration is hereby amended to read as follows:

No signs advertising any Lot for sale, except those of Declarant, shall be erected or maintained within the Subdivision until Declarant has conveyed 85% of all Lots to third parties.

Except as modified hereby the Declaration is hereby reaffirmed and ratified.

Signed this 10th day of November, 1998.


David Leinsdorf


Sandra Allen Leinsdorf


Henry A. Gallin, Member of
Meridian Lake Estates Limited Liability
Company, a Colorado limited liability
company, General Partner of Meridian
Lake Meadows, L.P., a Colorado limited
partnership

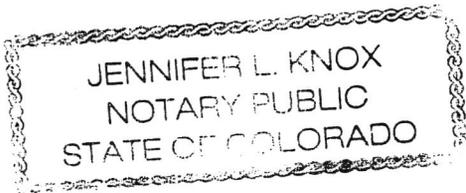
STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

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2 of 3 R 16.00 D 0.00 N 0.00 Gunnison County

The foregoing Amendment to Declaration of Protective Covenants for Meridian Lake Meadows was acknowledged before me this 6th day of November, 1998 by Henry A. Gallin, Member of Meridian Lake Estates Limited Liability Company, a Colorado limited liability company, General Partner of Meridian Lake Meadows, L.P., a Colorado limited partnership.

Witness my hand and official seal.

My commission expires: 4-28-2002



Jennifer L. Knox

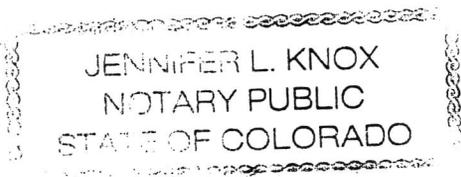
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The foregoing Amendment to Declaration of Protective Covenants for Meridian Lake Meadows was acknowledged before me this 10th day of November, 1998 by David Leinsdorf and Sandra Allen Leinsdorf.

Witness my hand and official seal.

My commission expires: 4-28-2002



Jennifer L. Knox

Notary Public



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3 of 3 R 16.00 D 0.00 N 0.00 Gunnison County

CONSENT OF GUNNISON COUNTY, COLORADO

In accordance with Section 8.2 of the Declaration of Protective Covenants for Meridian Lake Meadows, Gunnison County, Colorado hereby approves the foregoing Amendment to Declaration of Protective Covenants for Meridian Lake Meadows.

Approved this 3rd day of November, 1998.

Gunnison County Board of County
Commissioners

By: Fred R. Field
Fred R. Field, Chairman



Joanne M. Reitinger
Joanne M. Reitinger, County Clerk

RELEASE OF REAL ESTATE MORTGAGE

WHEREAS, by Real Estate Mortgage recorded December 3, 1996 as Reception No. 472397 of the Gunnison County records ("Mortgage"), Meridian Lake Meadows L.P., a Colorado limited partnership ("Mortgagor"), did mortgage the property described therein to secure to the Board of County Commissioners of Gunnison County, Colorado ("Mortgagee") the performance of the obligations recited therein; and

WHEREAS, Mortgagor has performed the obligations secured by the Mortgage to Mortgagee's satisfaction;

NOW, THEREFORE, Mortgagee, holder of the Mortgage, hereby certifies and declares that the Mortgage together with the obligations secured by such Mortgage is fully paid, satisfied, released and discharged and that the property described in such Mortgage be and is hereby released from the lien of the Mortgage.

IN WITNESS WHEREOF, the Board of County Commissioners of Gunnison County, Colorado has caused this Release of Real Estate Mortgage to be executed this 17th day of August, 1999.

Board of County Commissioners of
Gunnison County, Colorado

By: Fred R. Field
Fred R. Field, Chairman

Attest:

Joanne M. Reitinge
Joanne M. Reitinge, Clerk

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The foregoing Release of Real Estate Mortgage was acknowledged before me this 26th day of August, 1999 by Fred R. Field as Chairman of the Board of County Commissioners of Gunnison County, Colorado and by Joanne M. Reitinge as Gunnison County Clerk.

Witness my hand and official seal. My commission expires: 7/25/2001

Deborah L. Moore
Notary Public

