

DECLARATION OF PROTECTIVE COVENANTS

OF

BUTTE PASTURE

THIS DECLARATION AND AGREEMENT is executed the 20th day of April, 2004, by Butte Realty Co., a Colorado corporation, hereafter termed "Declarant".

ARTICLE 1.

STATEMENT OF PURPOSE OF DECLARATION

Section 1.1 Ownership of Property. Declarant is the owner of real property located in the E½ of Section 12, Twp 14S, R86W, 6th P.M. and W½ of Section 7, Twp 14S, R85W, 6th P.M., County of Gunnison, State of Colorado more particularly described on attached **Exhibit A** ("Property").

Section 1.2 Declaration of Covenants. Declarant hereby makes, declares and establishes the following covenants, restrictions and easements 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 Lots, tracts or parts 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 within the Property.

Section 1.3 Statement of Purpose. This Declaration of Protective Covenants is imposed for the benefit of all Owners and future owners of Lots, parcels and areas located within the Property and to provide for the preservation of values of the Property and to provide and to establish the covenants, easements, restrictions, assessments and liens hereafter set forth, all of which are for the benefit of the Owners of Lots.

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

ARTICLE 2.

DEFINITIONS

The following terms and words shall have the following definitions:

Section 2.1 "Association" shall mean the Butte Pasture Association, a Colorado non-profit corporation, or any successor thereof charged with the duties and obligations set forth herein.

Section 2.2 "Association Documents" shall mean this Declaration of Protective Covenants, the Plat, the Articles of Incorporation and Bylaws of the Association, any amendments thereto, and any future design guidelines, rules and regulations or policies adopted by the Association.

Section 2.3 "Assessments" shall mean annual, periodic, special or default assessments levied pursuant to this Declaration to provide the funds required to meet the obligations of the Association.

Section 2.4 "Barn" shall mean an accessory building designed to enclose livestock and to store agricultural products, feed, supplies and agricultural and livestock equipment and property, as well as boats, snowmobiles, all-terrain vehicles and other recreational equipment and/or personal property. The barn may also be used as living area, such as work shop, office space or guest bedrooms, on condition that no kitchen shall be allowed.

Section 2.5 "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.

Section 2.6 "Building" shall mean a building or structure, or any similar type of improvement situate and located on a lot or parcel of land within the Property.

Section 2.7 "Building Site" shall mean the envelope or area within a Lot where a Building or other improvement shall be located, always subject to the prior written approval of the Board of Directors. To minimize visual impacts, impact on wetlands or avoid building constraints, the Board shall have the right to modify the size and shape of the Building Site in the general location shown on the Plat. The location of a Building Site constitutes no warranty or assurance that the Building Site contains potable water or is free of building constraints.

Section 2.8 "Common Area" or "Common Elements" shall mean all real property in which the Association owns any interest or has a leasehold interest for the common use and enjoyment of its members, as designated on the recorded map. Such interest may include, without limitation, estates in fee, estates for a term of years, leasehold estates, or easements. Each and every Common Area may have a restricted use or enjoyment and may be designated for a specific use for such Common Area.

Section 2.9 "Family Residence" shall mean the primary residence on any Lot designed for occupancy by the owner of the Lot.

Section 2.10 "Garage" shall mean an accessory building or an accessory portion of a residence designed for the storage of one or more motor vehicles, as well as boats, snowmobiles, all-terrain vehicles and other recreational equipment and/or personal property. The garage may also be used as living area, such as work shop, office space or guest bedrooms, on condition that no kitchen shall be allowed.