

DECLARATION OF PROTECTIVE COVENANTS

FOR

THE SUMMIT - RESIDENTIAL FILING NO. 2

THIS DECLARATION is made with an effective date of the 25th day of January, 1995, by Ironwood-Summit LLC, a Colorado limited liability company ("Declarant").

ARTICLE 1.

STATEMENT OF PURPOSE

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

Section 1.2 - Subdivision of Property. The Property shall be subdivided and platted as "The Summit - Residential Filing No. 2".

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 The Summit - Residential Filing No. 2.

Section 1.4 - Common Interest Community. Declarant further declares the Property to be a Common Interest Community in accordance with 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 The Summit - Residential Filing No. 2 and to provide for the preservation of values of The Summit - Residential Filing No. 2, 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 - "Architectural Control Committee" shall mean the Board of Directors of the Association.

Section 2.2 - "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 2.3 - "Association" shall mean The Summit Residential Property Owners Association, Inc., a Colorado non-profit corporation, or any successor thereof charged with the powers, duties and obligations set forth herein.

Section 2.4 - "Association Documents" shall mean this Declaration of Protective Covenants, the Plat, the Articles of Incorporation and Bylaws of the Association and any procedures, rules, regulations or policies adopted thereunder by the Association or the Architectural Control Committee.

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. The Board of Directors is also defined as an Executive Board by the Colorado Common Interest Ownership Act.

Section 2.6 - "Building" shall mean anything constructed or erected with a fixed location on the ground and having a roof supported by columns or walls.

Section 2.7 - "Colorado Common Interest Ownership Act" shall mean the "Colorado Common Interest Ownership Act of the State of Colorado, Sections 38-33.3-101 et. seq., Colorado Revised Statutes".

Section 2.8 - "Combined Lots" shall mean two or more contiguous Lots which have been permanently combined by replat approved by the Town and the Architectural Control Committee into one building site. The Owner of Combined Lots shall pay Association assessments and vote in the Association as if such Lots had not been combined.

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 Ironwood-Summit LLC, a Colorado limited liability company, its representatives, successors and assigns.

Section 2.11 - "Declaration" or "Declaration of Protective Covenants" shall mean this Declaration of Protective Covenants for The Summit - Residential Filing No. 2 and as this Declaration may be hereafter amended, modified or extended.

Section 2.12 - "Design Guidelines" shall mean those guidelines, rules and regulations, if any, published from time to time by the Architectural Control Committee. All Design Guidelines shall be consistent with the provisions of this Declaration.

Section 2.13 - "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 2.14 - "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 2.15 - "Landscaping" shall mean planted areas and plant materials, including trees, shrubs, lawns, flower beds and ground cover.

Section 2.16 - "Living Area" shall mean the floor area having a ceiling height in excess of five feet of a residence designed for interior occupancy and use by the inhabitants, but excluding basements, garages, porches, decks, patios and breezeways.

Section 2.17 - "Lot" shall mean the lots as shown on the Plat of The Summit - Residential Filing No. 2 as originally filed and/or as amended. Additional land may, at Declarant's option, be platted into Lots and made part of The Summit on condition that such additional land shall be contiguous, at least in part, to The Summit - Residential Filing No. 2. The owner of each Lot added to the Subdivision in a subsequent filing shall have one vote in the Association and shall be responsible for paying a fraction of the total assessment levied on all Lots in which the numerator is one (1) and the denominator is the total number of Lots in the Subdivision.

Section 2.18 - "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 2.19 - "Member" shall mean any person holding membership in the Association.

Section 2.20 - "Mortgage" shall mean any mortgage, deed of trust or other document pledging a Lot 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 2.21 - "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot; 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 2.22 - "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 is held.

Section 2.23 - "Plat" shall mean the Plat of The Summit - Residential Filing No. 2 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 2.24 - "Property" shall mean and include the Property described on attached Exhibit A which is subject to this Declaration.

Section 2.25 - "Public Area" shall mean that part of the Property, including roads, set aside for public use or open space as shown on the Plat. Developer shall convey to the Town title to the Public Areas.

Section 2.26 - "Single Family Residence" shall mean a detached building designed for or used as a dwelling exclusively by one family as an independent housekeeping unit containing no less than 2,500 square feet of Living Area. Each Single-Family Residence may include one apartment dwelling located within the Single-Family Residence building or within a detached garage building on condition that such apartment dwelling shall contain no more than 1,000 square feet of Living Area, which shall be allowed in addition to the Living Area of the main Single-Family Residence. Such apartment dwelling shall not be rented except to a caretaker for the Single Family Residence.

Section 2.27 - "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 The Summit - Residential Filing No. 2.

Section 2.28 - "Town" shall mean the Town of Mt. Crested Butte, Colorado.

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 no more Living Area than the Architectural Control Committee deems appropriate for the Lot, considering Lot size, shape, topography, proximity to neighboring Lots and other factors.

B. Such other uses as are allowed by the Town Code.

Section 3.2 - Antennas. The size, shape, location, and color of any exterior television or radio antenna or receiving dish shall be subject to prior approval by the Architectural Control Committee which may, in its discretion, forbid the installation of any such exterior antenna or receiving dish, if the same cannot be shielded from view.

Section 3.3 - Partition and Combination of Lots. No Lot may be partitioned, separated or subdivided from any other part thereof. Two or more Lots may be combined into one Lot, in which event the interior lot line(s) and easement(s) shall be vacated.

Section 3.4 - Approval by Architectural Control Committee and Town. 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 Architectural Control Committee and the Town.

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, if any.

Section 3.6 - Animals. Animals shall be permitted to be maintained on any Lot, such as customary domestic household pets, which shall be kept confined to the owner's Lot or attached to a leash. The owner of any domestic household pet shall at all times be personally responsible for all actions of such pet, including any damage caused by such pet. If any domestic household pet is noisy, unruly, or otherwise creates a disturbance or nuisance it shall promptly and permanently be removed from the Subdivision.

Section 3.7 - Parking and Storage. Parking of vehicles on any Lot is permitted only within parking spaces constructed pursuant to approval by the Architectural Control Committee, except that vehicles may be parked in other areas while loading and unloading. Except for automobiles, station-wagon-type vehicles, jeep-type vehicles, pickup trucks, and bicycles, other vehicles and all articles and implements, including without limitation trailers or all types, other types of trucks, self-powered or other mobile homes, boats, tractors, campers not mounted on pickup trucks, snow removal equipment, snowmobiles, motorcycles, and maintenance equipment, shall only be parked or stored in an enclosed structure or shall be shielded from view from the roads and adjoining lots or tracts by fencing or landscaping approved by the Architectural Control Committee.

Section 3.8 - 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 3.9 - 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 3.10 - 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 3.11 - Signs. No signs or advertising structures or devices of any nature shall be erected, constructed or maintained on any residential Lot; provided, however, that the Architectural Control Committee may approve an individual identification sign for the owner of a residence on such Lot. During all phases of construction there shall be no contractor signs nor signs of any nature nailed to trees.

Section 3.12 - Light, Sounds and Odors. All exterior lighting shall be designed and directed as approved by the Architectural Control 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 3.13 - 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 3.14 - Continuity of Construction. All construction, alteration and demolition shall be completed within twelve months of commencement, unless extended by the Architectural Control Committee and the Town for good and sufficient cause.

Section 3.15 - 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 Architectural Control Committee.

Section 3.16 - Fences. No fences, walls or barriers shall be constructed, erected or maintained on any lot without the prior approval of the Architectural Control Committee. All fences shall be constructed primarily of wood, having a natural wood finish, or of rock, or a combination of wood and rock.

Section 3.17 - Drainage. No Owner shall alter the natural drainage of any Lot more than the minimum necessary as approved by the Architectural Control Committee or in a manner which damages any Building, Improvement or other Lot within the Subdivision.

Section 3.18 - Foundations. No Building shall be approved or constructed within the Subdivision unless the foundation for such Building has been designed by a Colorado licensed engineer who has affixed his seal to the foundation plans.

Section 3.19 - Utilities. All utilities shall be installed underground.

Section 3.20 - Clotheslines. All outdoor clotheslines shall be shielded from view as approved by the Architectural Control Committee.

Section 3.21 - Motor Vehicle Repair. No motor vehicles shall be repaired within the Subdivision except within a fully enclosed garage.

Section 3.22 - Camping. No camping shall be allowed within the Subdivision.

Section 3.23 - 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 3.24 - Leasing. The Owner of a Lot shall have the right to lease such Lot but only subject to all of the following conditions:

A. The entire Lot and all improvements thereon shall be leased to one individual or to one family.

B. 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.

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

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

ARTICLE 4.

ARCHITECTURAL REVIEW AND APPROVAL

Section 4.1 - Architectural Control Committee. The Board of Directors of the Association shall constitute the Architectural Control Committee.

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 Architectural Control Committee 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 Architectural Control Committee as above set forth, the plans for any such Building or Improvement shall be submitted to the Architectural Control Committee for approval. Such plans shall be stamped or signed by a Colorado licensed architect or engineer.

Section 4.5 - Purpose of Review. The Architectural Control Committee 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, if any.

Section 4.6 - Hearing. The Architectural Control Committee shall, within thirty days after receipt of a complete application with all accompanying data, hold a hearing on such application. The Architectural Control Committee may approve, disapprove or approve with conditions any application submitted to it. The decision of the Architectural Control Committee shall be in writing. In the event that the Architectural Control Committee fails to take action within fifteen days after the date of the hearing, or fails to hold such hearing within thirty 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 mailed to all Members of the Association and all such Members shall have the right to be present at the hearing or to submit written comments.

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

Section 4.9 - Final Decision. The decision of the Architectural Control Committee 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 Architectural Control Committee 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 Architectural Control Committee.

Section 4.10 - Expenses. The Architectural Control Committee may adopt a schedule of fees to be charged for each application submitted to the Architectural Control Committee for

review and approval. Such fees shall be paid by the applicant upon submittal of the application.

Section 4.11 - Limitation of Liability. The Architectural Control Committee shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it for review and approval. Neither the Architectural Control Committee, nor any individual member thereof, shall be liable to any Person for any act of the Architectural Control Committee in connection with any application, except only to the extent that the Architectural Control Committee, 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 the Town building regulations. Each Owner is responsible for obtaining all approvals, licenses and permits as may be required by the Town 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. Subject to approval by the Town, the Declarant and/or the Architectural Control Committee may adopt Design Guidelines to include 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 Architectural Control Committee.

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

ARTICLE 5.

THE SUMMIT - RESIDENTIAL PROPERTY OWNERS ASSOCIATION, INC.

Section 5.1 - Establishment of Association. The Summit - Residential Property Owners Association, Inc., a Colorado non-profit corporation, shall be governed by and shall exercise all of the duties, privileges, obligations and powers set forth in this Declaration, the Design Guidelines, if any, and the Articles of Incorporation and Bylaws of the Association.

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.

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 of a Lot. 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.

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 "The Summit 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, except easements shown as "Public Areas".

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 set forth in the Association Documents or authorized by law.

ARTICLE 6.

MAINTENANCE ASSESSMENTS

Section 6.1 - Creation of Lien. Each Owner of any Lot, 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 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 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.

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 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 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, setting forth the name of the Owner, the legal description of the Lot, 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 and status over any other lien or

Mortgage as authorized 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 for such Assessments, all successors to the ownership of a Lot 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 may be brought by the Association in the name of the Association on behalf of the Association and/or the individual Owners, by any Owner or by the Town.

Section 7.4 - No Waiver. The failure of the Board, the Association, the Town 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, 2019. 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 the Town. 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 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 the Town, 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-third 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 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 in a bulk purchase for the purpose of development and sale, 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 - Town Code. The provisions of the Town Code pertaining to the Single Family Residential District shall apply to all land use within the Subdivision.

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 Section 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 the Town.

D. The right to add additional land and/or Lots to the Subdivision as provided in Section 2.17 of this Declaration.

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

IN WITNESS WHEREOF, the Declarant has executed this Declaration of Protective Covenants as of the day and year first above written.

Ironwood-Summit LLC,
a Colorado limited liability company


By: C. Roger Addlesperger, Manager

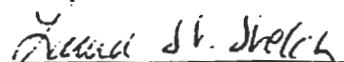
STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The above and foregoing Declaration of Protective Covenants for The Summit - Residential Filing No. 2 was acknowledged before me this 26th day of Janu. 2001, 1995, by C. Roger Addlesperger as Manager of Ironwood-Summit LLC, a Colorado limited liability company.

Witness my hand and official seal.



My commission expires: July 20 1996



Notary Public

A tract of land located in the east half of the southeast quarter of Section 26, Township 13 South, Range 86 West of the 6th Principal Meridian, Town of Mt. Crested Butte, County of Gunnison, State of Colorado, being more particularly described as follows:

Beginning at a point on the east line of said Section 26 from whence the southeast corner of said section, a standard brass cap on an iron pipe, bears South $02^{\circ}39'58''$ East 947.05 feet with all bearings herein relative thereto:

Thence North $80^{\circ}46'27''$ West 95.83 feet;

Thence South $05^{\circ}45'03''$ East 170.71 feet;

Thence South $48^{\circ}13'26''$ West 200.43 feet;

Thence South $70^{\circ}21'54''$ West 198.23 feet;

Thence North $08^{\circ}04'23''$ East 205.68 feet;

Thence North $43^{\circ}34'11''$ East 34.51 feet;

Thence 38.45 feet along the arc of a non-tangent curve to the right having a radius of 50.00 feet, a central angle of $44^{\circ}03'41''$ and a chord bearing of North $24^{\circ}23'58''$ West 37.51 feet;

Thence 21.68 feet along the arc of a curve to the left having a radius of 30.00 feet, a central angle of $41^{\circ}24'35''$ and a chord bearing North $23^{\circ}04'24''$ West 21.21 feet;

Thence North $43^{\circ}46'42''$ West 6.18 feet;

Thence 37.24 feet along the arc of curve to the left having a radius of 30.00 feet, a central angle of $71^{\circ}07'05''$ and a chord bearing North $79^{\circ}22'32''$ West 34.89 feet;

Thence 137.30 feet along the southerly right-of-way line of Summit Road as platted in The Summit - Residential Filing No.1, along the arc of a curve to the right having a radius of 155.40 feet, a central angle of $50^{\circ}37'16''$ and a chord bearing North $89^{\circ}37'26''$ West 132.88 feet;

Thence North $64^{\circ}18'48''$ West along the southwesterly right-of-way line of said Summit Road 245.50 feet;

Thence 257.00 feet along the southwesterly right-of-way line of said Summit Road, on a curve to the right having a radius of 230.00 feet, a central angle of $64^{\circ}01'20''$ and a chord bearing North $32^{\circ}18'08''$ West 243.83 feet;

Thence North $00^{\circ}17'28''$ West along the westerly right-of-way line of said Summit Road 191.77 feet;

Thence South $83^{\circ}51'06''$ East 60.36 feet to the easterly right-of-way line of said Summit Road;

Thence South $81^{\circ}21'43''$ East along the southerly line of Lot 24 as platted in The Summit - Residential Filing No. 1, 139.30 feet to the westerly right-of-way line of said Summit Road;

Thence South $78^{\circ}13'46''$ East 60.01 feet to the easterly right-of-way line of said Summit Road;

Thence 130.74 feet along the easterly right-of-way line of said Summit Road on a non-tangent curve to the left having a radius of 95.00 feet, a central angle of $78^{\circ}51'13''$ and a chord bearing of South $26^{\circ}54'15''$ East 120.67 feet;

Thence South $66^{\circ}19'53''$ East along the northeasterly right-of-way line of said Summit Road 159.12 feet;

Thence North $25^{\circ}25'37''$ East along the easterly line of Lot 23 of said Filing No. 1 121.08 feet;

Thence North $62^{\circ}49'09''$ West 30.18 feet along the northerly line of said Lot 23;

Thence North $74^{\circ}19'40''$ East 106.41 feet along the southeasterly line of Lot 20 of said Filing No. 1 to the southwesterly right-of-way line of said Summit Road;

Thence North $74^{\circ}17'38''$ East 60.00 feet to the northeasterly right-of-way line of Summit Road;

Thence North $15^{\circ}42'22''$ West along the easterly right-of-way line of Summit Road 29.60 feet;

Thence 159.87 feet along the northeasterly right-of-way line of Summit Road, along the arc of a curve to the left having a radius of 225.00 feet, a central angle of $40^{\circ}42'40''$ and a chord bearing North $35^{\circ}40'17''$ West 156.53 feet;

Thence North $13^{\circ}25'15''$ East 345.36 feet along the easterly line of Lots 7, 6, and 5 of said Filing No. 1 to the northwesterly corner of the aforementioned Lot 5;

Thence South $56^{\circ}40'53''$ East 301.32 feet to the east line of the southeast quarter of said Section 26;

Thence South $02^{\circ}39'58''$ East 727.93 feet along the east line of the southeast quarter of Section 26 to the point of beginning.

Containing 12.363 Acres more or less.