

**CONSERVATION EASEMENT COVENANT
FOR
PROSPECT AT MT. CRESTED BUTTE**

THIS CONSERVATION EASEMENT COVENANT is executed the 8th day of FEBRUARY, 2002 by CBMR Real Estate, LLC, a Colorado limited liability company, hereafter termed "Grantor", as follows:

1. OWNERSHIP OF PROPERTY. Grantor is the owner in fee simple of the real property ("Real Property") situate in the Town of Mt. Crested Butte, Gunnison County, Colorado described as follows:

The real property as set forth on attached Exhibit A.

2. RECITALS. The following recitals apply to this Conservation Easement Covenant:

2.1. The Real Property is commonly known as the "East Trade Parcel", and is being developed as a PUD III Planned Unit Development under the name of "Prospect at Mt. Crested Butte".

2.2. By Ordinance No. 3, Series 2001, of the Town of Mt. Crested Butte, Colorado, the East Trade Parcel was zoned with the classification of PUD III Planned Unit Development. This ordinance provided that a wetlands conservation easement be granted as to those jurisdictional wetlands within the East Trade Parcel.

2.3. All of the Wetlands ("Wetlands") as denominated and shown on any final plat of Prospect at Mt. Crested Butte shall specifically be subject to this Conservation Easement Covenant.

2.4. It is the intention of the Grantor that the Wetlands as set forth on any final plat of Prospect at Mt. Crested Butte shall be preserved and protected in accordance with this Conservation Easement Covenant.

2.5. The Grantor by this Conservation Easement Covenant grants to the Town of Mt. Crested Butte, Colorado (the "Town") administrative oversight of all Wetlands as required by Ordinance No. 3, Series 2001 as set forth above.

3. COVENANT OF CONSERVATION USE. The Grantor, for itself, its successors and assigns, and all future persons or entities having any

right; title or interest in and to the Real Property hereby makes, declares and imposes the following Conservation Easement Covenant to run with and be an appurtenant right to all Wetlands within the Real Property as shown by any final plat of Prospect at Mt. Crested Butte.

4. PROPERTY AFFECTED. The real property affected by and subject to this Conservation Easement Covenant shall be all Wetlands as shown and delineated on any final plat of Prospect at Mt. Crested Butte filed in the records of Gunnison County, Colorado.

5. EXCEPTED PROPERTY. It is expressly understood that all other real property within the Real Property as set forth on attached Exhibit A, except only for the defined Wetlands, is specifically excepted from and not included within the definition of Wetlands as set forth in paragraph 4 above.

6. PROHIBITED USES AND PRACTICES. The following uses and practices are inconsistent with the purposes of this Conservation Easement Covenant and shall be prohibited upon or within the Wetlands:

6.1. No human activity other than activities approved by the Town will be permitted within any Wetland or as permitted by paragraph 7 hereafter.

6.2. No activity, including, but not limited to, excavation, construction, unauthorized re-vegetation, introduction of waste, sediment and chemicals, or recreation shall occur within a distance of 25 feet or 50 feet of any Wetland, as set forth on the specific Wetland designation attached as Exhibit B (a supplemental Exhibit B will be prepared and recorded with the final plat of any subsequent Phase), that may be detrimental to the Wetland functions except as provided in paragraph 7 hereafter.

6.3. No pets, including dogs and cats, will be allowed to roam in or be within any Wetland.

7. PERMITTED USES. The following permitted uses are permitted under this Conservation Easement Covenant and such uses and practices are not to be precluded, prevented or limited by this Conservation Easement Covenant:

7.1. Winter usage of any Wetland, including any Wetland setback designation, including ski trails and skiing, both Alpine and Nordic, and snowboarding during such times as the Wetlands are protected by snow cover, either by natural snow or artificial snow, including the construction by adding, removing or moving snow, operation, grooming and maintenance thereof.

7.2. The construction, operation and maintenance of ski lifts over and across the Wetlands, including any Wetland setback designation, so long as no tower or any portion of such ski lift is situate within any Wetlands, including motorized vehicle access during the non ski season to perform necessary construction and maintenance.

7.3 The construction, installation, operation and maintenance of any streets, roads, and utility easements (as defined on any final plat), over and across the Wetlands, including any Wetland setback designation, including retaining walls, bridges and bridge abutments, landscaping, street signs and traffic control signs as shown on any final plat of Prospect at Mt. Crested Butte.

7.4 Any summer usage of the Wetlands, including any Wetland setback designation, including trails for hiking and bicycling as shown on any final plat of Prospect at Mt. Crested Butte, or as may be approved in writing by the Town.

7.5 The construction, operation and maintenance of certain culverts required to cross or bridge any Wetlands, including any Wetland setback designation, and necessary grading and fill for the installation thereof, both for hiking and bicycling trails and ski trails.

7.6 A parking lot and buildings on designated Wetland No. 2.

7.7 The right to trim vegetation where necessary to facilitate skiing, both Nordic and Alpine, and to allow snow grooming in those areas by machine.

7.8. Any temporary construction access approved by the Town of Mt. Crested Butte, which approval shall not be unreasonably withheld, for which a temporary permit has been issued by the Corps of Engineers, to be used for construction of roads, streets, easements and the construction of ski lifts and ski runs. Upon completion of the construction, the temporary access crossings shall be removed and any Wetlands repairs shall be made, if required.

8. GRANT TO TOWN OF MT. CRESTED BUTTE. The Grantor hereby gives and grants to the Town of Mt. Crested Butte, Colorado the following rights:

8.1. The administrative oversight of all activities within any Wetlands or any established setback from any Wetlands as shown on a final plat of Prospect at Mt. Crested Butte.

8.2. Full power and authority to enforce all of the terms and conditions of this Conservation Easement Covenant.

9. RIGHT OF PROPERTY OWNERS. Nothing contained in this Conservation Easement Covenant shall be construed to restrict, prohibit or deny the full and complete usage of all other Real Property as shown on any final plat of Prospect at Mt. Crested Butte.

10. TERM OF CONSERVATION EASEMENT COVENANT. This Conservation Easement Covenant shall be a covenant running with the Real Property and appurtenant to the Real Property in perpetuity and without term or limitation.

This Conservation Easement Covenant may not be terminated, modified, amended or changed in any manner by the Owner or Owners of all or any portions of the Real Property, or by any other person or entity, except only with the prior written recorded consent of the Town of Mt. Crested Butte, Colorado.

11. RIGHT OF ENFORCEMENT.

11.1. This Conservation Easement Covenant, and all of the conditions, covenants, rights, usages or restrictions contained herein may be enforced by:

11.1.1. Town of Mt. Crested Butte, Colorado.

11.1.2. Prospect at Mt. Crested Butte Property Owner's Association, or other Association or entity representing the Owners of the Real Property.

11.2. In the event of a violation of any term, condition, covenant, right, usage or restriction contained in this Conservation Easement Covenant, either of the entities set forth in paragraph 11.1 above, may give written notice of any such violation to any person or entity violating any provision of this Conservation Easement Covenant. If such violation has not been corrected within 30 days following such written notice, then such authorized entity may commence an appropriate action in law or in equity, to enjoin any temporary or permanent violation of this Conservation Easement Covenant, for any breach of this Conservation Easement Covenant or any other action or proceedings, including appropriate damages, as may be deemed necessary or proper to insure full and absolute compliance with the terms, conditions, covenants and purposes of this Conservation Easement Covenant.

12. APPLICABLE LAW. This Covenant is executed in Gunnison County, Colorado, and shall be interpreted, construed and governed by the laws of the State of Colorado.

13. JURISDICTION AND VENUE. Jurisdiction and venue of any action as to this Covenant and the interpretation, enforcement or the determination of all terms and conditions herein shall be the District Court of Gunnison County, Colorado.

14. ATTORNEYS' FEES. If any legal action is commenced or maintained in court, whether in law or in equity, as to this Conservation Easement Covenant as to the interpretation, enforcement, construction or the determination of any rights and duties under this Conservation Easement Covenant, the prevailing party in any such action shall be entitled to reasonable attorneys' fees together with all reasonable costs and expenses incurred in such action. In addition to any remedy at law, either party shall have the right to specifically enforce all of the terms and conditions of this agreement.

15. RULE AGAINST PERPETUITIES. Notwithstanding the provisions of paragraph 9, this Conservation Easement Covenant is expressly subject to the condition that the covenants herein contained shall be binding upon and run with the land for a period of time not to exceed in any event the period of time as is provided by any applicable rule or law against perpetuities or the power of alienation that may be then in effect in the State of Colorado including the Colorado Statutory Rule Against Perpetuities Acts.

16. BINDING AGREEMENT. This Covenant and all of the provisions thereof shall be binding upon and inure to the benefit of the Grantor and its successors, assigns, legal representatives and heirs.

Dated with an effective day and date as first above written.

CBMR REAL ESTATE LLC,
A Colorado limited liability company

By: _____


Ralph O. Walton III
General Manager



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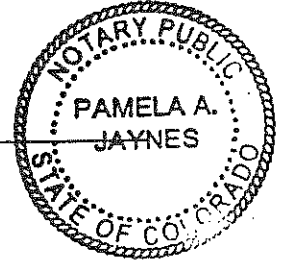
STATE OF COLORADO)
) ss.
County of Gunnison)

The above and foregoing Conservation Easement Covenant was acknowledged before me this 8th day of FEBRUARY, 2002 by Ralph O. Walton III as General Manager of CBMR Real Estate LLC, a Colorado limited liability company.

Witness my hand and official seal
My commission expires: 23 April 2005

Pamela A. Jaynes

Notary Public



My Commission Expires
23 April 2005



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Exhibit A

Legal Description - East Trade Parcel

Lot 14, Section 13, Township 13 South, Range 86 West, of the Sixth Principal Meridian;

Lot 7, Lot 8 and Lot 11, Section 19, Township 13 South, Range 85 West, of the Sixth Principal Meridian;

The following areas of Section 24, Township 13 South, Range 86 West, of the Sixth Principal Meridian:

NE $\frac{1}{4}$ NW $\frac{1}{4}$,
W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$,
NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$,
S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$,
S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$,
N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$,
SW $\frac{1}{4}$ NE $\frac{1}{4}$,
W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$,
W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$,
SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$,
SE $\frac{1}{4}$

Containing an aggregate of 412.96 acres, more or less.

County of Gunnison
State of Colorado

**PROSPECT AT MT. CRESTED BUTTE, PHASE 1
WETLAND DESIGNATION SETBACKS**

Final Plat - Phase 1	*W. E. R. I. Wetland Name	Setbacks (feet)
Not platted in Phase 1	1	50
Not platted in Phase 1	2	25
4	3	50
1	4 A	50
5	4 B	50
2, 3	4 C	50
6, 7	4 D	50
9, 10	4 E	50
Not platted in Phase 1	4 F	50
20	6 A	25
19	6 B	25
Not platted in Phase 1	7	25
Not platted in Phase 1	8 A	25
Not platted in Phase 1	8 B	25
11	9	25
13, 12	10 A	50
14	10 B	50
15	12 A	50
17, 18	12 B	50
16	12 C	50
Not platted in Phase 1	14 A	25
Not platted in Phase 1	14 B	25
Not platted in Phase 1	15	25
Not platted in Phase 1	16 A	25
Not platted in Phase 1	16 B	25
Not platted in Phase 1	17 A	25
Not platted in Phase 1	17 B	25
Not platted in Phase 1	17 C	25
Not platted in Phase 1	17 D	25
Not platted in Phase 1	17 E	25
Not platted in Phase 1	17 F	25
Not platted in Phase 1	18	25
Not platted in Phase 1	19	25
Not platted in Phase 1	20	50
Not platted in Phase 1	21	50
Not platted in Phase 1	22	50
Not platted in Phase 1	23	25
Not platted in Phase 1	24	25
Not platted in Phase 1	25	25
Not platted in Phase 1	26	50
Not platted in Phase 1	27	25
Not platted in Phase 1	28	25

*W.E.R.I. - Western Ecological Resource, Inc.

Map - entitled Wetland Map East Trade Parcel, Revised Dec. 16, 1998, on file with the
Town of Mt. Crested Butte, Colorado.



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