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Gay Cappis, County Clerk, San Miguel County, CO

EXHIBIT RC  
DECLARATION OF RESTRICTIVE COVENANT

George I. Brown, III, the fee simple title holder of  
Unit 101, The Plaza, a planned community, in San Miguel  
County, Colorado (the "Unit"),

in consideration of Ten Dollars and other good and valuable  
considerations paid to him by The Telluride Company, the receipt  
and sufficiency of which are hereby acknowledged, hereby declares  
the following restrictions on use of the Unit which shall run  
with the land in perpetuity.

Without the prior written consent of The Telluride  
Company, or its successors in title to Unit 201, the Plaza, the  
Unit shall never be used for any of the following:

The operation of an establishment

- (a) in which persons of either sex appear in a state of nudity for the purpose of entertaining patrons of such establishment as described in C.R.S. 30-15-401(l) and C.R.S. 31-15-401(p);
- (b) in which persons of either sex engage in "strip tease" or other "exotic" dancing for the purpose of entertaining patrons of such establishment;
- (c) in which service personnel are not fully clothed or
- (d) selling, offering for sale or displaying so called "adult" or "X rated" material.

Anything herein contained to the contrary notwithstanding, the restrictions declared herein shall terminate upon (i) the violation by The Telluride Company of any of its obligations under Agreement Relating to Amendment of Partnership Agreement, Dissolution and Liquidation of Partnership, and Other Matters of even date herewith between George I. Brown, III, The Telluride Company and The Lot 52 Partnership (the "Agreement"), or (ii) default by The Telluride Company, its successors and assigns, under Note or Deed of Trust to be executed and delivered pursuant to the Agreement, which, in either case, is not cured within forty-five (45) days of written notice to The Telluride Company,