

AMENDED AND RESTATED**DECLARATION****FOR****GOLD DUST CROSSING, A CONDOMINIUM**

THIS AMENDED AND RESTATED DECLARATION FOR GOLD DUST CROSSING, A CONDOMINIUM (the "Declaration"), is made this 26th day of MARCH, 2012, by Gold Dust Crossing Homeowners' Association, Inc. (hereinafter referred to as the "Association").

NOW, THEREFORE, the Declaration is amended and restated to state as follows:

ARTICLE 1**SUBMISSION/DEFINED TERMS**

Section 1.01 **Submission of Real Estate.** The following described real estate, together with all easements, rights and appurtenances thereto and the building and improvements erected thereon (collectively, the "Real Estate") is subject to the provisions of the Colorado Common Interest Ownership Act, C.R.S. §§38-33.3-101, et seq., as it may be amended from time to time (the "Act") and to the terms and conditions of this Declaration:

Lot 1A, The Depot, a replat of Lots 1 and 2 of THE DEPOT P.U.D. Plan/Subdivision to the Town of Telluride, according to the plat recorded in the office of the Clerk and Recorder in Plat Book 1 at page 1504,

**County of San Miguel,
State of Colorado.**

In the event the Act is repealed, the Act on the effective date of this Declaration shall remain applicable. Further, and all of the above described Real Estate shall be held or sold, and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the Real Estate and be binding on all parties having any right, title or interest in the Real Estate or any part thereof, their heirs, legal representatives, successors, and assigns and shall inure to the benefit of each Unit Owner thereof.

Section 1.02 **Defined Terms.** Each capitalized term in this Declaration or on the Plat Map shall have the meaning specified or used in the Act, unless otherwise defined in this Declaration.

(a) **Commercial Unit** means any one of the Units designated as Commercial on the Plat Map for Gold Dust Crossing. Units which are designated as Commercial shall not be limited to uses of only a commercial nature; but rather, commercial retail, office and other uses shall be permitted within Commercial Units, to the extent permitted by the Town of Telluride zoning and land use code and approved pursuant to the rules regulations, covenants and restriction applicable to the Town of Telluride, Colorado.

(b) **Common Elements** means those portions of the Real Estate owned or leased by the Association, other than a Unit. Common Elements may be designated on the Plat Map but also include any portion of the Real Estate not within the boundaries of a Unit. Common Elements include, but are not limited to, the entire condominium property, including all parts of the Gold Dust Crossing Building other than the Units, and including, without limitation, the following: (i) the real property on which the Gold Dust Crossing Building is located; (ii) all foundations, columns, beams and supports; (iii) all exterior walls of the Gold Dust Crossing Building and all

walls and partitions separating Units from corridors, stairs and other mechanical equipment spaces, other than the portion of such walls and partitions located within the boundaries of a Unit; (iv) all roofs, corridors, stairways and entrances to and from the Gold Dust Crossing Building; (v) all parking, walkway and storage spaces; (vi) all central installations for services such as power, light, telephone, gas, water, air conditioning, central vacuum and all other mechanical equipment spaces; (vii) elevator; (viii) all sewer pipes; (ix) all balconies and roof decks; and (x) all other parts of the condominium property and all apparatus and installations existing in the Building or on the property for the common use or necessary to or convenient for the existence, maintenance or safety of the Gold Dust Crossing Building. A portion of the Common Elements are Limited Common Elements, as defined in the Declarations of Gold Dust Crossing, a Condominium, as may be set forth on this Plat Map. Notwithstanding the notations or lack of notations on this Plat Map, the foregoing shall be Common Elements.

- (c) **Common Expenses** means expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves, and shall also include late charges, attorneys' fees, fines and interest charged by the Association. Common Expenses shall include the dues and assessments payable to the Depot West Homeowners Association within which the Real Estate is situated and membership required.
- (d) **General Common Elements** means those portions of the Common Elements not designated for the exclusive use of one or more but fewer than all of the Units. Common Elements that are not Limited Common Elements are General Common Elements.
- (e) **Limited Common Elements** means those portions of the Common Elements designated for the exclusive use of one or more but fewer than all of the Units, including balconies, decks and common elements designated on the Plat Map as "Private Open Space C.E.". Some, but not all, Limited Common Elements are designated on the Plat Map. Limited Common Elements that may not be designated on the Plat Map include, but are not limited to:
 - (i) Balconies and roof decks, and all structures associated with balconies and roof decks (such as scuppers and drains);
 - (ii) Windows and doors that open onto Common Elements, including but not limited to windows and doors that open onto balconies or roof deck Limited Common Elements;
 - (iii) The interior side of the rooftop parapet wall and the top or cover to the parapet wall;
 - (iv) Skylights;
 - (v) Snowmelt systems; and
 - (vi) Doors accessing General Common Elements or Limited Common Elements.
- (f) **Parking Space** means any portion of the Units' Real Estate designated as parking.
- (h) **Person With a Disability** means and includes any person with a "handicap," as defined under the Federal Fair Housing Act and the regulations adopted by the federal government in connection therewith, as such statute and regulations may be amended from time to time.
- (i) **Plat Map** means the Condominium Plat Map for Gold Dust Crossing, recorded December 21, 1995, at reception number 302511, and as amended by the map recorded June 30, 2000, at reception number 335283.
- (j) **Unit** means a physical portion of Gold Dust Crossing, a Condominium, designated for separate ownership, shown as a Unit on the recorded Plat Map for Gold Dust Crossing, described herein and the boundaries of which are defined in Article 4 of this Declaration.
- (k) **Unit Owner** means the person(s) who owns a Unit.

ARTICLE 2

NAMES/DESCRIPTION OF REAL ESTATE

Section 2.01 Name and Type.

- (a) **Name of Condominium.** The name of the Condominium is "Gold Dust Crossing, a Condominium ("Gold Dust Crossing)". Gold Dust Crossing shall be a condominium, as provided for in C.R.S. § 38-33.3-103(9). A condominium means a common interest community in which portions of the real estate are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the separate ownership portions.
- (b) **Association.** The name of the condominium homeowners' association is "Gold Dust Crossing Homeowner's Association, Inc." (the "Association").

Section 2.02 Real Estate. Gold Dust Crossing is situated in the Town of Telluride, San Miguel County, State of Colorado. The Real Estate upon which Gold Dust Crossing is constructed is legally described in Section 1.01.

Section 2.03 Recording Data. All easements and licenses to which Gold Dust Crossing is presently subject are recited herein or on the Plat Map. In addition, Gold Dust Crossing may be subject to other easements or licenses granted by the Declarant pursuant to this Declaration or granted by authority reserved in any recorded document.

Section 2.04 Utility Easements. Easements for utilities over and across the Common Elements shall be those shown upon the recorded Plat Map of Gold Dust Crossing, or such easements as may be established pursuant to the provisions of this Declaration, or granted by authority reserved in any separately recorded document.

Section 2.05 Easements for the Board of Directors. Each Unit shall be subject to an easement in favor of the Board of Directors of the Association (including agents, employees and contractors) to perform its obligations pursuant to this Declaration.

Section 2.06 Emergency Easements. A nonexclusive easement for ingress and egress is hereby granted to all police, sheriff, fire protection, ambulance and other similar emergency agencies or person, now or hereafter servicing Gold Dust Crossing, to enter upon any part of the Gold Dust Crossing in performance of their duties.

Section 2.07 Construction Easement. Each Unit shall be subject to an access and construction easement in favor of the Declarant for the purpose of constructing and installing improvements, including structural improvements and utilities within the Unit for the benefit of an adjoining Unit or Units. An adjoining Unit or Units may be below above or adjacent to the Unit subject to the access and construction easement. The easement herein granted shall allow the Declarant and/or his contractor to have access to any Unit upon reasonable notice of not less than twenty (20) days and for a reasonable period of time, not to exceed two (2) weeks, for the purpose of constructing and installing improvements, including structural improvements and utilities in the ceilings, walls and floors of any Unit for the benefit of any other adjoining Unit or Units. All work may be performed by the Declarant and/or Declarant's contractor without the consent or approval of the Unit Owner or holder of a security interest therein. The exercise of this limited access and construction easement by the Declarant or the Declarant's contractor shall not constitute a trespass or violation of the owner's right to quiet enjoyment of his or her Unit. Declarant is obligated to repair and restore the Unit to its original condition following the construction or installation of improvements and to hold the Unit Owner harmless from any and all expense or cost associated with the construction installation of improvements for the benefit of adjoining Unit or Units.

ARTICLE 3

THE ASSOCIATION

Section 3.01 General Purposes and Powers. The Association, through its Board of Directors, shall manage Gold Dust Crossing and perform the functions as provided in this Declaration so as to further the interests of the owners, residents, occupants, tenants and guests of Gold Dust Crossing and members of the Association. Any purchaser of a Unit shall be deemed to have assented to, ratified and approved such designation and management. The Association shall have all powers necessary or desirable to effectuate such purposes.

Section 3.02 Authority. The business affairs of Gold Dust Crossing shall be managed by the Association through its Board of Directors. The Association shall be governed by its Articles of Incorporation and Bylaws, as amended from time to time. The Board of Directors, may, by written resolution, delegate authority to a manager or managing agent for the Association, provided no such delegation shall relieve the Board of Directors of final responsibility.

Section 3.03 Specific Powers.

- (a) The Association shall have the powers, authority and duties as follows and as necessary and proper to manage the business and affairs of Gold Dust Crossing.
- (b) The Association shall have all the powers, authority and duties permitted or set forth in C.R.S. § 38-33.3-302 of the Colorado Revised Statutes.
- (c) The Association shall have the power to assign its right to future income, including the right to assign its right to receive Common Expense Assessments, but only upon the affirmative vote of the Unit Owners to which at least sixty-six and two-thirds percent (66 2/3%) of the votes in the Association are allocated, at a meeting called for that purpose.

Section 3.04 Membership. Every person who is a record Unit Owner of a fee interest in any Unit which is subject to this Declaration shall be a member of the Association, including contract sellers. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of such Unit shall be the sole qualification for such membership. Where more than one person holds an interest in any Unit, all such persons shall be members.

Section 3.05 Directors. The affairs of Gold Dust Crossing, as a Condominium, and the Association shall be governed by a Board of Directors ("Board") which shall consist of three (3) persons, the majority of whom shall be Unit Owners.

Section 3.06 Association Agreements. Any agreement for professional management of Gold Dust Crossing may not exceed one (1) year. Any such agreement must provide for termination by either party without cause and without payment of a termination fee or penalty upon thirty (30) days written notice.

Section 3.07 Declarant Control.

- (a) The period of Declarant control has terminated.

Section 3.08 Indemnification. To the full extent permitted by law, each Officer and Director of the Association shall be and are hereby indemnified by the Unit Owners and the Association against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon them in any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been an Officer or Director of the Association, or any settlements thereof, whether or not they are an Officer or Director of the Association at the time such expenses are incurred; except in such cases wherein such Officer or Director is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 4**UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS****Section 4.01 Number of Units, Easement and Parking Spaces.**

- (a) **Number of Units.** The number of Units in Gold Dust Crossing originally was six (6), of which one (1) was a commercial Unit and five (5) were Residential Units. By recording of an amended plat map on June 30, 2000, at reception number 335283, Declarant subdivided Unit C, the commercial Unit, into two (2) separate units denominated Units C-1 and C-2. Exhibit B to the Declaration sets forth the allocated interests within Gold Dust Crossing as amended. The number of Units in Gold Dust Crossing is now seven (7).

<u>UNIT</u>	<u>SQUARE FEET</u>	<u>DESIGNATION</u>	<u>PARKING</u>
A-1	855	Residential	1 Space
A-2	884	Residential	1 Space
A-3	881	Residential	1 Space
A-4	1456	Residential	1 Space
A-5	1436	Residential	1 Space
C-1	285 Street Level 397 Below Grade	Commercial	1 Space
C-2	505 Street Level 579 Below Grade	Commercial	1 Space
ADDITIONAL PARKING			1 Space
TOTAL UNITS			7 UNITS

- (b) **Additional Units.** Additions of Units to Gold Dust Crossing may be made by Owners or others, upon approval of the Association pursuant to a vote by its members and upon approval of two-thirds of the holders of first lien Security Interest. Such approval by the members and holders of first lien Security Interests shall be evidenced by a certified copy of such resolution of approval and a supplement to this Declaration, both recorded in records of the San Miguel County Clerk and Recorder.
- (c) **Easement to Elevator and Elevator Mechanical Room.** Units C-1 and C-2 are subject to an easement in favor of the Association (including its agents, employees and contractors) to perform its obligations pursuant to the Declaration and other governing documents, which obligations include maintenance, repair and replacement of the elevator, including the elevator mechanical room, which as a General Common Element in Gold Dust Crossing.
- (d) **Parking Spaces.** The following parking spaces located on Townsend Street, Telluride, Colorado, are designated for use as follows:

<u>PARKING SPACE</u>	<u>UNIT NUMBER</u>
No.1	C-1
No. 2	A-3

No. 3	A-2
No. 4	A-1
No. 5	C-2
No. 6	Association

Section 4.02 Identification of Units/Unit Descriptions. The identification number of each Unit is shown on the Plat Map and Exhibit B of this Declaration. Every contract for sale, deed, lease, security agreement, will or other legal instrument shall legally describe a Unit by its identifying Unit number followed by the words:

"Condominium Unit ____, Gold Dust Crossing, a Condominium, in accordance with the recorded Declaration and Plat Map, San Miguel County, Colorado."

The reference to the Gold Dust Crossing Declaration and Plat Map in any instrument shall be deemed to include any supplement(s) or amendment(s) to the Declaration or Plat Map, without specific references thereto.

Section 4.03 Unit Boundaries. Unit Owners are responsible for the maintenance, repair and replacement of the properties located within their Unit boundaries, except as provided in this Declaration. The following are designated as boundaries of each Unit, as defined below and as depicted on the plat:

- (a) **Upper Boundaries.** The horizontal plane of the unfinished lower surface of the ceiling joists, extended to an intersection with the vertical perimeter boundaries. Space above the lower surface of the ceiling joist is a General Common Element.
- (b) **Lower Boundaries.** The horizontal plane of the undecorated or unfinished upper surfaces of the floor joists, extending to an intersection with the vertical perimeter boundaries. Space below the upper surface of the floor joists is a General Common Element.
- (c) **Vertical Perimeter Boundaries.** The plane defined by the center plane between the surfaces of the studs and framing of all perimeter walls between adjoining Units, or between a Unit and an exterior wall or other Common Elements, including the unfinished inner surfaces of studs, framing, poured concrete or other exterior walls.. All framing elements not within the vertical perimeters of a Unit, or an inclusion to a Unit as described below, are General Common Elements.
- (d) **Inclusions.** Unit Owners are responsible for all costs associated with the maintenance, repair, and replacement of Limited Common Elements designated for their use. Each Unit includes such Limited Common Elements and the spaces and improvements lying within the boundaries described above, as more particularly depicted on the Plat Map. Each Unit also includes the spaces and improvements within the spaces containing any heating facilities, electrical switches, wiring, pipes, ducts, conduits, smoke detectors and security systems and communications, television, telephone and electrical receptacles and boxes serving that Unit exclusively, the surface of these items being within the boundaries of that Unit, whether or not the spaces are contiguous.
- (e) **Exclusions.** Except when specifically included by other portions of this Declaration or by the Plat Map, the following are excluded from each Unit: the spaces and improvements lying outside the boundaries described above; thresholds; building exteriors; exterior lighting; and all chutes, chases, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and other service to other Units and the General Common Elements.
- (f) **Noncontiguous Portions.** Certain Units may include special portions or pieces of equipment, such as air conditioning compressors, meters, meter boxes, utility connection structures, air or gas pump, storage facilities, ski storage facilities, and parking spaces, which are situated in buildings or structures that are detached from the Unit. Such special equipment or storage portions are a part of the Unit, notwithstanding their non-contiguity with the principal portions.

Section 4.04 Common Elements and Limited Common Elements.

- (a) The Real Estate described in Section 1.01 herein and in Exhibit A, except the portions of the Real Estate designated as Units on the Plat, and all inclusions to the Units as described in Section 4.03, shall become a Common Element. Portions of the Common Elements may be designated as Limited Common Elements, and portions of Units may become Common Elements or Limited Common Elements.
- (b) A reasonable area around the principal corridor doors and on each side of the door shall be a Limited Common Element appurtenant to the Commercial Unit to which access is provided, for the purpose of special decorative or signage elements, applied with the consent of the Board.

Section 4.05 Unit Owner's Easements of Enjoyment. Every Unit Owner shall have a right and easement of enjoyment in and to any Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

- (a) The right of the Association to promulgate and publish rules and regulations with which each Unit Owner and their guests shall strictly comply.
- (b) The right of the Association to suspend the voting rights and rights to use the Common Elements by an Unit Owner for any period during which any assessment against his Unit remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.
- (c) The right, power and authority of the Association to grant any easement, right-of-way, license, lease, dedication, transfer or conveyance or grant of any similar interest affecting the Common Elements, to the extent permitted by the Act, if the grant is approved by the affirmative vote of Unit Owners having sixty-six and two-thirds percent (66 2/3%) of the votes appurtenant to all Units, and consented to, in writing, by the holders of first lien Security Interests in the Units whose Unit Owners vote affirmatively; provided, further, that if the grant affects any Limited Common Element, such grant shall also require the express written consent of all Unit Owners having the right to use such Limited Common Element and of all holders of first lien Security Interest in the Units to which such Limited Common Element is appurtenant; provided, further that the granting of easements for public utilities or for other public purposes consistent with the intended use of such Common Elements shall not be deemed a transfer within the meaning of this clause. Any easement, right-of-way, license or similar interest granted by the Association pursuant to this Section shall state that the grant was approved (a) by Unit Owners having at least sixty-six and two-thirds percent (66 2/3%) of the votes, and by the corresponding holders of first lien Security Interests, (b) if appropriate, by all Unit Owners having the right to use any Limited Common Element affected by the grant, and by the corresponding holder of first lien Security Interests. Such grant procedure may be used for the purpose (among other things) of permitting reasonable modification of the Common Elements to be made by or at the request of, and at the expense of, a Unit Owner, if such modifications are necessary under the Federal Fair Housing Act (as heretofore and hereafter amended) or otherwise appropriate to afford to one or more Persons With A Disability, residing at or intending to reside at the Unit, the full enjoyment of such Unit, the Limited Common Elements appurtenant to such Unit and/or the Common Elements. Notwithstanding any provision herein to the contrary, Declarant reserves the absolute right to grant to itself or third parties a license for the use and enjoyment of the "Additional Parking Spaces" as noted and located on the Plat Map. Said right shall include the power to license and allow for use of the "Additional Parking Spaces" by the Declarant or any designated third party licenses on such terms and conditions as are acceptable to the Declarant.
- (d) The right of the Association to close or limit the use of the Common Elements, Limited Common Elements while maintaining, repairing and making replacements in the Common Elements, Limited Common Elements and Units.
- (e) The Development and Special Declarant Rights of the Declarant reserved in this Declaration.

- (f) Unit Owners must obtain written approval of the Association prior to installing any structure on, in or within a Limited Common Element, or prior to making any change to a Limited Common Element. Unit Owners also must obtain written approval prior to installing or maintaining any hot tub or similar structure on, in or within a Unit. The Association's approval must ensure protection of the Common Elements and other Units and must require indemnification of the Association for any injury caused by, or attributable to, such structure or hot tub.

Section 4.06 **Delegation of Use.** Any Unit Owner may delegate his right of enjoyment to the Common Elements and facilities to the members of his family, his tenants, guests, or contract purchasers who reside at his or her Unit.

ARTICLE 5

MAINTENANCE, REPAIR AND REPLACEMENT

Section 5.01 **Common Elements.** The Association shall be responsible for the maintenance, repair and replacement of all Common Elements, including Limited Common Elements.

Section 5.02 **Limited Common Elements.** In the event a Common Expense is associated with the maintenance, repair or replacement of a Limited Common Element, those Common Expenses shall be assessed on a pro rata basis against the Unit(s) to which the Limited Common Element is assigned. Unit Owners shall be responsible for notifying the Association immediately of the need for maintenance, repair, or replacement of any Limited Common Element.

Section 5.03 **Units.** Unit Owners shall be responsible for the maintenance, repair and replacement of their Unit and the property located within the boundaries of their Unit and shall be responsible for the cost of the maintenance, repair and replacement of Limited Common Elements designated for the use of their Unit. For purposes of performing maintenance, repair or replacement of Common Elements, including Limited Common Elements, and other duties of the Association, the Association, through its duly authorized agents and employees, may enter upon any Unit. Except in case of an emergency, the Association must provide reasonable notice to Unit Owners prior to such entry.

ARTICLE 6

ALLOCATED INTERESTS

Section 6.01 **Allocated Interests.** The Common Expense liability and votes in the Association allocated to each Unit are set forth in Exhibit B.

Section 6.02 **Determination of Allocated Interests.** The interests allocated to each Unit have been calculated as follows:

(a) Percentage of Liability for Common Expenses:

- (i) On the basis of square footage of each commercial Unit as a fraction or percentage of the square footage of all Units in the Gold Dust Crossing Building; and
- (ii) On the basis of square footage of each Residential Unit as a fraction or percentage of the square footage of all Units in the Gold Dust Crossing Building.

(b) Number of Votes in Gold Dust Crossing Homeowners Association:

- (i) On the basis of square footage of each Commercial Unit as a fraction or percentage of the square footage of all Units in the Gold Dust Crossing Building; and

- (ii) On the basis of square footage of each Residential Unit as a fraction or percentage of the square footage of all Units in the Gold Dust Crossing Building.

Section 6.03 Reallocation. When Units are added to or withdrawn from Gold Dust Crossing, or use rights are re-designated, or the size of a Unit is changed, pursuant to the provisions of this Declaration and the Act, the formulas set forth above shall be used to reallocate the Allocated Interests.

ARTICLE 7

COVENANT FOR COMMON EXPENSE ASSESSMENTS

Section 7.01 Creation of Association Lien and Personal Obligation to Pay for Common Expense Assessments. Each Unit Owner shall be deemed to covenant and agree to pay to the Association annual Common Expense assessments, special assessments, insurance assessments (assessed in proportion to risk), utility assessments (assessed in proportion to usage) and such other assessments as imposed by the Association (the "Common Expense Assessments"). Such Common Expense Assessments, including fees and charges imposed or incurred by the Association in collecting such assessments such as fees, late charges, legal fees, fines and interest (together the "Late Fees"), shall also be the personal obligation of the Unit Owner of such Unit at the time the Common Expense Assessments and Late Fees are due. Assessments in proportion to risk and usage shall be determined by the Association and/or the Association's property manager. The personal obligation to pay any past due sums due to the Association shall not pass to any successor in title unless expressly assumed by them. No Unit Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the Common Expense Assessments are made. All Common Expense Assessments and Late Fees shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Association or the Board is not properly exercising its duties and powers under this Declaration, except pursuant to a hearing and determination by the Board pursuant to the Association's rules and regulations.

The Common Expense Assessments and Late Fees shall be a charge on each Unit and shall be a continuing lien upon the Unit against which such Common Expense Assessments and Late Fees are made. If a Common Expense Assessment is payable in installments, the full amount of the Common Expense Assessment is a lien from the time the first installment is due.

Section 7.02 Apportionment of Common Expenses. Except as provided in this Declaration, all Common Expenses shall be assessed against all Units in accordance with formula for liability for the Common Expenses as set forth in this Declaration and as initially shown on Exhibit B of this Declaration.

Section 7.03 Purpose of Assessments. The assessments levied by the Association through its Board shall be used exclusively for the purposes of promoting the health, safety, and welfare of the residents and guests of Gold Dust Crossing and the members of the Association. Such purposes shall include, but shall not be limited to the following: the improvement, maintenance, repair, upkeep and reconstruction of the Common Elements, and for the painting, landscape care and snow removal and any other maintenance obligations which may be deemed desirable for the common benefit of the Unit Owners or for the maintenance of the building and property values, or for the payment of expenses which may be incurred by virtue of agreement with or requirement of San Miguel County, utility provider or other governmental or quasi-governmental authorities. The assessments may also be used to provide insurance of various types and in such amounts deemed appropriate by the Board. Also, a portion of the assessments may be used to provide a reserve fund for the replacement, repair, and maintenance of Common Elements of the real estate which must be replaced on a periodic basis.

Section 7.04 Annual Assessment/Commencement of Common Expense Assessments. The Common Expense Assessment may be made on an annual basis against all Units and shall be based upon the Association's advance budget of the cash requirements needed by it to provide for the administration and performance of its duties during such assessment year. Common Expense Assessments shall be due and payable in monthly, quarterly, or annual installments, or in any other manner, as determined by the Board. Common Expense Assessment may begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs. The Declarant shall be obligated to pay the Common Expense

Assessments on all unsold units owned by the Declarant. The omission or failure of the Board to levy the Assessment for any period shall not be deemed a waiver, modification or a release of the Unit Owners from their obligation to pay.

Section 7.05 Effect of Non-Payment of Assessment. Any assessment, charge or fee provided for in this Declaration, or any monthly or other installment thereof, which is not fully paid within ten (10) days after the due date thereof, as established by the Board, shall bear interest at the rate of twenty-one percent (21%) per annum from the due date, and the Association may assess a reasonable late charge thereon as determined by the Board. Failure to make payment within sixty (60) days of the due date thereof shall cause the total amount of such Unit Owner's Common Expense Assessment for the remainder of that fiscal year to become immediately due and payable at the option of the Board. Further, the Association may bring an action at law or in equity, or both, against any Unit Owner personally obligated to pay such overdue assessments, charges or fees, or monthly or other installments thereof, and may also proceed to foreclose its lien against such Unit Owner's Unit. An action at law or in equity by the Association against a Unit Owner to recover a money judgment for unpaid assessments, charges or fees, or monthly or other installments thereof, may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefore. If such action at law or equity is commenced, or if Association in any consults with legal counsel concerning payment of assessment, charge or fee and Unit Owner desires to pay the levied assessment, charge or fee, such Unit Owner will be required to pay all attorney's fees incurred by Association in obtaining payment of levied assessment, charge or fee. Foreclosure or attempted foreclosure by the Association of its lien shall not be deemed to estop or otherwise preclude the Association from thereafter again foreclosing or attempting to foreclose its lien for any subsequent assessment, charges or fees, or monthly or other installments thereof, which are not fully paid when due. The Association shall have the power and right to bid on or purchase any Unit at foreclosure or other legal sale, and to acquire and hold, lease, mortgage, vote the Association votes appurtenant to ownership thereof, convey or otherwise deal with the same. If a foreclosure action is filed to foreclose any Assessment Lien, and a Unit Owner abandons or leaves vacant his or her Unit, the Board may take possession and rent said Unit or apply for the appointment of a receiver for the Unit without prior notice to the Unit Owner. The rights of the Association shall be expressly subordinate to the rights of any holder of a first lien Security Interest as set forth in its deed of trust or mortgage (including any assignment of rents), to the extent permitted under the Act.

Section 7.06 Lien Priority. The lien of the Association under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first lien Security Interest on the Unit (except as allowed by the Act with regard to the limited lien priority allowed to the Association); and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. This Section does not affect the priority of mechanics' or materialmen's liens. The lien of the Association under this Article is not subject to the provision of any homestead exemption as allowed under State or Federal law. Sale or transfer of any Unit shall not affect the lien for said assessments or charges except that sale or transfer of any Unit pursuant to foreclosure of any first lien Security Interest, or any proceeding in lieu thereof, including deed in lieu of foreclosure, or cancellation or forfeiture shall only extinguish the lien of assessment charges as provided by applicable State law. No such sale, transfer, foreclosure, or any proceeding in lieu thereof, including deed in lieu of foreclosure, nor cancellation or forfeiture shall relieve any Unit from continuing liability for any assessment charges thereafter becoming due, nor from the lien thereof.

Section 7.07 Working Fund. The Association or Declarant may require the first Unit Owner of each Unit (other than Declarant) to make a non-refundable Payment to the Association in an amount equal to one-fourth (1/4th) of the annual Common Expense Assessment against that Unit in effect at the closing thereof, which sum shall be held, without interest, by the Association as a working fund. Said working fund shall be collected and transferred to the Association at the time of closing of the sale by Declarant of each Unit, as aforesaid, and shall be maintained for the use and benefit of the Association. Such payment shall not relieve a Unit Owner from making regular payments of assessments as the same become due. Upon the transfer of his Unit, a Unit Owner shall be entitled to a credit from his transferee for any unused portion of the aforesaid working fund. This account may be updated annually as of December 31st, and notice shall be given to all Unit Owners whose individual account does not equal one fourth (1/4th) of the current annual assessment. Payment of any shortage shall be due with the next regular assessment payment, following written notice.

Section 7.08 Common Expenses Attributable to Fewer than all Units.

(a) Any Common Expense associated with the maintenance, repair or replacement of components and elements attached to or a part of a Unit or Units or to a Unit or Units to which a Limited Common Element is designated shall be assessed against that or those Units. If any such Limited Common Element is designated for use by more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is designated.

(b) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner may be assessed exclusively against that Unit.

(c) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.

(d) An assessment to pay a judgment against the Association may be made only against the Units in Gold Dust Crossing at the time the judgment was entered, in proportion to their Common Expense liabilities.

(e) If a Common Expense is caused by the misconduct or negligence of a Unit Owner, the Association may assess that expense exclusively against that Unit Owner's Unit.

(f) Fees, charges, taxes, impositions, late charges, fines, attorney's fees, collection costs and interest charged against a Unit Owner pursuant to this Section are enforceable as Common Expense assessments.

ARTICLE 8

RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Subject to the Development Rights and Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Elements:

Section 8.01 Use/Occupancy. No Unit within Gold Dust Crossing shall be used for any purpose other than as allowed by the local zoning codes and the rules, regulations, covenants, restrictions and conditions applicable to the Town of Telluride, County of San Miguel, State of Colorado. No Unit shall be occupied for business, living or sleeping purposes by more persons than the Unit was designed to safely accommodate. No Improvements located upon a Unit shall be occupied in any manner at any time prior to being fully completed in accordance with approved plans nor shall any Improvements when completed, be in any manner occupied until there is compliance with all requirements, conditions, covenants, and restriction herein set forth. Residential Units shall not be used for any purpose other than a residential dwelling unit, and commercial uses are strictly prohibited.

Section 8.02 Units to be Maintained. Each Unit at all times shall be kept in a clean, sightly, and wholesome condition. No trash, litter, junk boxes, containers, bottles, cans, implements, machinery, lumber or other building materials shall be permitted to remain exposed upon any Unit so that the same are visible from any neighboring Unit, or any street, except as necessary during a period of construction. Declarant, its agents and assigns and the Association, and its agents, shall have the authority to enter and clean up Units which do not conform to the provisions of this Section, and to charge and collect from the Unit Owners thereof all reasonable costs related thereto.

Section 8.03 Declarant's Use. Notwithstanding anything to the contrary contained in this Declaration, it shall be expressly permissible for Declarant, their contractors, employees and agents, to perform such reasonable activities, and to maintain upon portions of Gold Dust Crossing such facilities as they deem reasonably necessary or incidental to the construction and sale of Units in the development of Gold Dust Crossing, specifically including, without limiting the generality of the foregoing the maintenance of temporary business offices, storage areas, trash bins, signs, model units, temporary sales offices and lighting facilities.

Section 8.04 Restrictions on Animals and Pets. No animals, livestock, poultry or insects, of any kind, shall be raised, bred, kept or boarded within a Unit; provided, however, that with the prior written approval

of the Board, Unit Owners may keep a reasonable number of dogs, cats, fish or other domestic animals which are bona fide household pets, so long as such pets are not kept for breeding purposes and are not kept in such number or in such manner as to create a nuisance to any Unit Owner and are allowed by the local zoning codes and the rules, regulations, covenants, restrictions and conditions applicable to the Town of Telluride, County of San Miguel, State of Colorado. The Board shall have, and is hereby given the exclusive right and authority to reasonably determine that dogs, cats, or other household pets are being kept for breeding purposes or are being kept in such a number or in such manner as to be unreasonable or to create a nuisance to any Unit Owner, or that a Unit Owner is otherwise in violation of the provisions of this Section, and to take such action or actions as it deems reasonably necessary to correct the same. A Unit Owner's right to keep household pets shall be subject to the Unit Owner's responsibility to pay for damage caused by such pets. Unit Owners shall be strictly liable for any personal or property damage caused by such pets.

Section 8.05 Nuisances. No Nuisance shall be permitted within Gold Dust Crossing, nor any use, activity or practice which is the source of unreasonable annoyance or embarrassment to, or which unreasonably offends or disturbs, any Unit Owner or which may unreasonably interfere with the peaceful enjoyment or possession of the proper use of a Unit or Common Element, or any portion of Gold Dust Crossing by Unit Owners. Further, no immoral, improper, offensive or unlawful use shall be permitted within Gold Dust Crossing or any portion thereof. All valid laws, ordinances and regulations of all governmental and quasi-governmental bodies having jurisdiction over Gold Dust Crossing or a portion thereof shall be observed. As used herein, the term nuisance shall not include any activities of Declarant which are reasonably necessary to the development and construction of Improvements within Gold Dust Crossing; provided, however, that such activities of the Declarant shall not unreasonably interfere with any Unit Owner's use and enjoyment of his Unit, or any Unit Owner's ingress and egress to or from their Unit and a public way.

Section 8.06 No Annoying Lights, Sounds or Odors. No light shall be emitted from any portion of Gold Dust Crossing which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any portion of Gold Dust Crossing which would reasonably be found by others to be noxious or offensive. No noise or music shall be emitted from any Unit after 11:00 p.m. No music shall be allowed on the decks of the building except for background music. Without limiting the generality of the foregoing, no exterior spot lights, searchlights, speakers, horns, whistles, bells or other light or sound devices shall be located or used on any portion of Gold Dust Crossing except with the prior written approval of the Design Review Committee.

Section 8.07 No Hazardous Activities. No activity shall be conducted on any portion of Gold Dust Crossing which is or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any portion of Gold Dust Crossing and no open fires shall be lighted or permitted on any portion of Gold Dust Crossing except in a contained gas barbecue unit while attended and in use for cooking purposes. No charcoal or wood barbecues shall be allowed in the Gold Dust Crossing Building. Gas barbecue devices may only be used on the decks. Propane or other gas containers may not be stored in the interior of the Gold Dust Crossing Building or the Units. The Board of Directors or its agent may inspect the Units on reasonable notice for the presence of gas containers or barbecue devices with the Units. Any Unit subject to short-term rental shall not have any barbecue devices on the premises, gas or otherwise.

Section 8.08 Insurance. Except as may be approved in writing by the Board, nothing shall be done in or kept on Gold Dust Crossing that may result in an increase in the rates of insurance or cancellation of insurance maintained by the Association. Unit Owners are liable for all modifications to Units that increase the risk of loss or cause damage to the Common Elements or to any Unit.

Section 8.09 No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions shall be enclosed within an approved structure, including all snow removal equipment and maintenance equipment, except when actually in use. Also all service areas for hanging, drying or airing of clothing shall be kept within approved structures. No plant boxes or pots shall be allowed on the decks, except with Board approval.

Section 8.10 Utilities. All electric, television, radio and telephone line installations and connections shall be concealed. All types of refrigerating, cooling or heating apparatus must be concealed.

Section 8.11 Restriction on Signs and Advertising Devices. No sign, poster, billboard, advertising device or display of any kind shall be erected or maintained anywhere within Gold Dust Crossing except such sign or signs as may be approved in writing by the Design Review Committee. One sign advertising a Unit for sale or for lease may be placed upon such Unit; provided, however, that standards relating to dimensions, color, style and location of such sign shall be determined from time to time by the Design Review committee and shall comply with local sign codes and with all other applicable statutes, ordinances and regulations.

Section 8.12 Restrictions on Loads. No Owner of a Unit may place a load on any floor which exceeds the floor load for which the floor was designed to support. No Owners of a Unit shall install, operate or maintain any item of heavy equipment or other installation, except in a manner designed to achieve a proper distribution of weight.

Section 8.13 Lease of a Unit. Any Unit Owner shall have the right to lease their Unit upon such terms and conditions as the Unit Owner may deem advisable, subject to the following:

- (a) Short term rentals (of less than three (3) months) of Residential Units to overnight and short term guests shall be subject to reasonable regulations of the Association.
- (b) Any long term lease or rental agreement (of over three (3) months) shall be in writing and shall provide that the lease or rental agreement is subject to the terms of this Declaration, the Bylaws of the Association and the Articles of Incorporation and the rules and regulations of the Association.
- (c) All short and long term leases and rental agreements of Residential Units shall state that the failure of the tenant or renter or guest to comply with the terms of the Declaration or Bylaws of the Association, Articles of Incorporation or the rules and regulations of the Association shall constitute a default of the lease or rental agreement and this Declaration and such default shall be enforceable by either the Association or the landlord, or by both of them.
- (d) All occupancies of guests of Residential Units shall be subject to the right of the Association to evict the guest for failure to comply with the terms of the Declaration or Bylaws of the Association, Articles of Incorporation or the rules and regulations of the Association.

Section 8.14 Sale of a Unit. The right of a Unit Owner to sell, transfer or otherwise convey their Unit shall not be subject to any right of first refusal or similar restriction and such Unit may be sold free of any such restrictions.

Section 8.15 No Restriction on Mortgaging of a Unit. There are no restrictions on the right of the Unit Owners to mortgage or otherwise encumber their Unit. There is no requirement for the use of a specific lending institution or particular type of lender.

Section 8.16 No Time Shares. A Unit may not be conveyed pursuant to a timesharing arrangement described in C.R.S. § 38-33-110 to 113 without the consent of the Association. No timesharing arrangement shall be allowed in Gold Dust Crossing except upon approval and consent by the Association and sixty-six and two-thirds percent (66 2/3%) of the Unit Owners.

Section 8.17 Rules and Regulations. In furtherance of the provisions of this Declaration, and the general plan, rules and regulations concerning and governing Gold Dust Crossing or any portion thereof may be adopted, amended, or repealed, from time to time, by the Board, or its successors and assigns. The Board may establish and enforce penalties for the infraction thereof.

ARTICLE 9

INSURANCE/CONDEMNATION

Section 9.01 Insurance Carried. The Association shall obtain and maintain in full force and effect to the extent reasonably available, and at all times, the insurance coverage set forth herein and as set forth in the Act, which insurance coverage shall be provided by financially responsible and able companies duly

authorized to do business in the State of Colorado. The Association shall maintain, to the extent reasonably available, policies with the following terms or provisions:

- (a) All policies of insurance shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a Unit Owner and shall provide that such policies may not be canceled or modified without at least twenty (20) days prior written notice to all of the Unit Owners, holders of first lien Security Interests and the Association.
- (b) If requested, duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all holders of first lien Security Interests at least ten (10) days prior to expiration of the then current policies.
- (c) All liability insurance shall be carried in blanket form naming the association, the Board, the manager or managing agent, if any, the officers of the Association, holders of first lien Security Interests, their successors and assigns and Unit Owners as insured.
- (d) Prior to obtaining any policy of casualty insurance or renewal thereof, pursuant to the provisions hereof, the Board may obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraiser shall reasonably estimate the full replacement value of the Units and the Common Elements, without deduction for depreciation, review any increases in the cost of living, and/or consider other factors, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions hereof. In no event shall any casualty insurance policy contain a co-insurance clause for less than one hundred percent (100%) of the full insurable replacement cost.
- (e) Unit Owners may carry other insurance for their benefit and at their expense, provided that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any such additional insurance carried by Unit Owners and provided, further, that the policies of insurance carried by the Association shall be primary, even if a Unit Owner has other insurance that covers the same loss or losses as covered by policies of the Association. The Association's insurance coverage, as specified hereunder and under the Act, does not obviate the need for Unit Owners to obtain insurance for their own benefit.
- (f) All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Unit Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provisions of such policy, including payment of the insurance premium applicable to the Unit Owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provision of such policy would otherwise invalidate or suspend the entire policy, but the insurance under any such policy, as to the interests of all other insured Unit Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

Section 9.02 Hazard Insurance on the Units and Common Elements. The Association shall obtain adequate hazard insurance covering loss, damage or destruction by fire or other casualty to the Units, to the Common Elements and the other property of the Association. The insurance obtained on the Units is not required to include improvements and betterments installed by Unit Owners. If coverage purchased by the Association includes improvements and betterments installed by Unit Owners, the cost thereof shall be assessed to each Unit in proportion to risk. All policies shall contain a standard non-contributory mortgage clause in favor of each holder of first lien Security Interests, and their successors and assigns, which shall provide that the loss, if any thereunder, shall be payable to the Association for the use and benefit of such holders of first lien Security Interests, and their successors and assigns, as their interests may appear of record in the records of the office of the Clerk and Recorder of the County of San Miguel, Colorado. If obtainable, the Association shall also obtain the following and any additional endorsements deemed advisable by the Board of Directors: (a) an Inflation guard endorsement, (b) a Construction Code endorsement, (c) a demolition cost endorsement, (d) a contingent liability from operation of building laws endorsement, (e) an increased cost of construction endorsement, and/or (f) any special P.U.D./Condominium endorsements.

Section 9.03 Liability Insurance. The Association shall obtain adequate comprehensive policy of public liability and property damage liability insurance covering all of the Units and the Common Elements, including structural coverage of the Units, in such limits as the Board may from time to time determine, but not in any amount less than Two Million Dollars (\$2,000,000.00) per injury, per person and per occurrence, and in all cases covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other uses of Gold Dust Crossing. All liability insurance shall name the Association as the insured. If there are steam boilers in operation on Gold Dust Crossing, or if it has central heating or cooling, there must be in force boiler explosion and machinery coverage insurance providing for not less than Two Million Dollars (\$2,000,000.00) per accident, per location.

Section 9.04 Fidelity Insurance. The Association shall obtain adequate fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its officers, directors, trustees and employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The clause "officers, director, trustees and employees" shall not include any officer, director, agent or employee of any independent, professional manager or managing agent heretofore or hereafter employed by the Association. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors, trustees and employees.

Section 9.05 Worker's Compensation and Employer's Liability Insurance. The Association shall obtain worker's compensation and employer's liability insurance and all other similar insurance with respect to its employees in the amounts and forms as may now or hereafter be required by law.

Section 9.06 Officers' and Directors' Personal Liability Insurance. The Association may obtain officers' and directors' personal liability insurance of not less than Two Million Dollars (\$2,000,000.00) to protect the officers and directors from personal liability in relation to their duties and responsibilities in acting as officers and directors on behalf of the Association. Neither the term "officers" nor the term "directors" shall include any officer, director, employee or agent of any professional manager or managing agent heretofore or hereafter employed by the Association.

Section 9.07 Other Insurance. The Association may obtain insurance in comparable amounts, if available, against such other risks, of similar or dissimilar nature, including flood insurance, as it shall deem appropriate with respect to the Association responsibilities and duties.

Section 9.08 Insurance Premium. Except as assessed in proportion to risk, if permitted under the terms of this Declaration, insurance premiums for the above provided insurance shall be a Common Expense to be included as a part of the annual assessments levied by the Association.

Section 9.09 Managing Agent Insurance. The manager or managing agent, if any, shall be insured to the same extent as the Association, as herein provided, and as provided in the Act, for the benefit of the Association, and shall maintain and submit evidence of such coverage to the Association.

Section 9.10 Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and Unit Owners, the Association and the Unit Owners hereby waive and release all claims against one another, the Board and Declarant, to the extent of the insurance proceeds available, whether or not the insurance damage or injury is caused by the negligence of or breach of any agreement by and of said persons.

Section 9.11 Annual Insurance Review. The Board shall review the insurance carried by and on behalf of the Association at least annually, for the purpose of determining the amount of insurance required.

Section 9.12 Adjustments by the Association. Any loss covered by an insurance policy described above shall be adjusted by the Association, and the insurance proceeds for that loss shall be payable to the Association, and not to any holder of a first lien Security Interest. The Association shall hold any insurance proceeds in trust for the Association, Unit Owners and holders of first lien Security Interests as their interest may appear. The proceeds must be distributed first for the repair or restoration of the damaged property, and the Association, Unit Owners and holders of first lien Security Interest are not entitled to receive payment of

any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored.

Section 9.13 Duty to Repair. Any portion of Gold Dust Crossing for which insurance is required under this Article which is damaged or destroyed must be repaired or replaced promptly by the Association, except as provided in the Act. In the event of an incident of loss for which the Association is reimbursed by its insurance, the Association may, at its discretion, use all or a portion of the insurance proceeds to reimburse Unit Owners for any costs associated with such loss that were not covered by such Unit Owners' insurance.

Section 9.14 Condemnation and Hazard Insurance Allocations and Distributions. In the event of a distribution of condemnation proceeds or hazard insurance proceeds to the Unit Owners, the distribution shall be as the parties with interests and rights are determined or allocated by record, and pursuant to the Act.

ARTICLE 10

SPECIAL RIGHTS OF HOLDERS OF FIRST LIEN SECURITY INTERESTS

Section 10.01 General Provisions. The provisions of this article are for the benefit of holders, insurers, or guarantors of holder of first lien Security Interests recorded within Gold Dust Crossing. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the Articles and Bylaws of the Association. A holder, insurer or guarantor of a first lien Security Interest who has delivered a written request to the Association containing its name, address, the legal description and the address of the Unit upon which it holds a Security Interest, shall be considered an "Eligible Holder." Eligible insurers and guarantors of a first lien Security Interest shall have the same rights as Eligible Holder.

Section 10.02 Special Rights. Eligible Holders shall be entitled to: (a) timely written notice from the Association of any default by a mortgagor of a Unit in the performance of the mortgagor's obligations under this Declaration, the Articles of Incorporation, the Bylaws or the Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association, including any annual audited financial statement; (d) receive written notice of all meetings of the Board of Directors or Members of the Association; (e) designate a representative to attend any such meetings; (f) written notice of any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; (g) written notice of abandonment or termination of the Association of the plan contemplated under this Declaration; (h) thirty (30) days written notice prior to the effective date of any proposed, material amendment to this Declaration, the Articles of Incorporation or the Bylaws; (i) thirty (30) days written notice prior to the effective date of termination of any agreement for professional management of the Association or the Common Elements, when professional management had been required previously under the legal documents for Gold Dust Crossing or by an Eligible Holder; and (j) immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Common Elements or Unit if the cost of reconstruction exceeds Twenty Thousand Dollars (\$20,000.00) and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Common Elements or any Units.

Section 10.03 Special Approvals. Unless at least sixty-six and two-thirds percent (66 2/3%) of the Eligible Holders of first lien Security Interests (based on one vote for each mortgage owned) of Units in the Association and requisite Unit Owners have given their written approval, neither the Association nor any Member shall (a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements or any improvements thereon which are owned, directly or indirectly, by the Association (except that the granting of access easements, utility easements, drainage easements and water facilities easements or easements for other public purposes consistent with the intended use of such real estate by the Association shall not be deemed within the meaning of this provision); (b) change the method of determining the obligations, Assessments or other charges which may be levied against Members or the method of allocating distributions of hazard insurance policy proceeds or condemnation awards; (c) by act or omission change, waive or abandon any scheme or regulation, or enforcement thereof, pertaining to architectural approval of improvement of Units, including the architectural design of the exterior appearance of Units, or

the upkeep of the Common Elements; (d) fail to maintain the casualty, fire and extended coverage insurance as elsewhere provided in this Declaration; (e) use hazard insurance proceeds for losses other than the repair, replacement or reconstruction of the improvements which were damaged or destroyed; (f) take action to terminate the legal status of Gold Dust Crossing after substantial destruction or condemnation occurs; (g) amend any material provision of this Declaration; and (h) establish self-management by the Association when professional management has previously been required by the legal documents for Gold Dust Crossing or by an Eligible Holder. An amendment shall not be deemed material if it receives written request for approval of the proposed act, omission, change or amendment by certified or registered mail, with a return receipt requested, and does not deliver or post to the requesting party a negative response within thirty (30) days, it shall be deemed to have approved such request.

Section 1004 Right to Pay Taxes and Insurance Premiums. Any holder of a first lien Security Interest shall be entitled to pay any taxes or other charges which are in default and which may or have become a lien against a Unit or any of the Common Elements and may pay any overdue premiums on hazard insurance policies or secure new hazard insurance coverage for the Common Elements or Units, and the holder of a first lien Security Interest making such payments shall be entitled to immediate reimbursement therefore from the Association.

ARTICLE 11

GENERAL PROVISIONS

Section 11.01 Enforcement. The Association or a Unit Owner or Unit Owners of any of the Units may enforce the restrictions, conditions, covenants and reservations imposed by the provisions of this Declaration by proceedings at law or in equity against any person or persons, either to recover damages for such violation, including reasonable attorneys fees incurred in enforcing these covenants or to restrain such violation or attempted violation. Failure of the Association or of any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Board of Directors may post on a bulletin board at a conspicuous place on the Common Area notices of any covenant violations by members and copies of any recorded statements. Failure to post shall not affect the validity of any lien or covenant violation.

Section 11.02 Compliance with Federal Fair Housing Act. In order to comply with the requirements of the Federal Fair Housing Act (as heretofore and hereafter amended);

- (a) The Board of Directors may, to the extent permitted by law, make reasonable accommodations in the rules and regulations to the extent such accommodations are necessary under the aforesaid Federal Fair Housing Act or otherwise appropriate to afford a Person With a Disability equal opportunity to use and enjoy a Unit, the Limited Common Elements appurtenant thereto, and/or the Common Elements, which accommodations may include waivers and modification (of such rules and regulations) that are applicable only to a particular Person With a Disability or to a particular category of Persons With a Disability. Unless required by law, (i) the Board of Directors need not follow procedural requirements in making such waivers and modifications and (ii) such waivers and modification need to be approved by, or be subjected to disapproval by, the members of the Association.
- (b) No rule or regulation of Gold Dust Crossing shall be interpreted or enforced in such a way as to make unavailable or deny a Unit to any person, or to discriminate against any person in the providing of services or facilities in connection with the sale or rental of a Unit to such person, because of the familial status of such person, as the term "familial status" is defined under the aforesaid Federal Fair Housing Act.

Section 11.03 Severability. Each of the provisions of this Declaration shall be deemed independent and severable. If any provision of this Declaration or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or application of this Declaration which can be given effect without the invalid provisions or applications.

Section 11.04 Term of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land in perpetuity.

Section 11.05 Amendment of Declaration by Unit Owners. Except as otherwise provided in this Declaration, and subject to provisions elsewhere contained in this Declaration requiring the consent of others, any provision, covenant, condition, restriction or equitable servitude contained in this Declaration may be amended or repealed at any time and from time to time upon approval of at least sixty-six and two-thirds percent (66 2/3%) of the votes in the Association and with the written consent of the Association. The amendment or repeal shall be effective upon the recordation in the office of the Clerk and Recorder of San Miguel County, State of Colorado, of a certificate, setting forth the amendment in full and certifying that the amendment has been approved as set forth above and containing the written consent and approval of the Association.

Section 11.06 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purposes of creating a uniform plan for the development of the Units and of promoting and effectuating the fundamental concepts as set forth in the recitals of this Declaration. This Declaration shall be construed and governed under the laws of the State of Colorado.

Section 11.07 Singular Includes the Plural. Unless the context otherwise requires, the singular shall include the plural, and the plural shall include the singular, and each gender referral shall be deemed to include the masculine, feminine and neuter.

Section 11.08 Captions. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit or otherwise affect that which is set forth in any paragraph, section or article hereof.

IN WITNESS WHEREOF, the undersigned, as President of the Board of Directors, certifies that this Amended and Restated Declaration was approved by a vote of no less than two-thirds of the Unit Owners.

BY

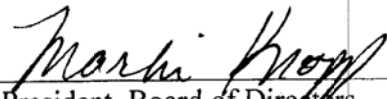


President, Board of Directors

ATTEST:

Secretary

IN WITNESS WHEREOF, the undersigned, as President of the Board of Directors, certifies these Rules and Regulations were adopted by the Board of Directors on the _____ day of _____, 2011.

BY 
President, Board of Directors


ATTEST:

Secretary

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

Lots 1A, The Depot, a replat of Lots 1 and 2 of THE DEPOT P.U.D. Plan/Subdivision to the Town of Telluride, according to the plat recorded in the office of the Clerk and Recorder in Plat Book 1 at Page 1504.

County of San Miguel,
State of Colorado.

EXHIBIT B**ALLOCATED INTERESTS**

<u>UNIT</u>	<u>SQ. FOOTAGE</u>	<u>USE</u>	<u>PERCENTAGE OF COMMON EXPENSE</u>	<u>VOTES</u>
A-1	855	Residential	11.75	11.75
A-2	884	Residential	12.14	12.14
A-3	881	Residential	12.10	12.10
A-4	1456	Residential	20.00	20.00
A-5	1436	Residential	19.73	19.73
C-1	682	Commercial	9.38	9.38
C-2	1084	Commercial	14.90	14.90