

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR IDARADO LEGACY SUBDIVISION

THIS SECOND AMENDMENT ("Amendment") is made and entered into this 29th day of October, 2004 ("**Effective Date**") by Idarado Legacy, LLC, a Colorado limited liability company ("**Declarant**").

RECITALS

- A. The Declaration of Covenants, Conditions and Restrictions for Idarado Legacy Subdivision was recorded June 17, 2004 at Reception No. 367146 in the Office of the Clerk and Recorder of San Miguel County, Colorado and the First Amendment to the Declaration was recorded September 17, 2004 at Reception No. 369132 (collectively "**Declaration**").
- B. Section 13.3 of the Declaration provides that the Declaration may be amended by the vote or agreement of Owners to which more than 50 percent of the votes in the Idarado Legacy Homeowners Association ("**Association**") are allocated.
- C. Declarant, as the owner of more than 50 percent of the votes in the Association and pursuant to its rights as Declarant to review and approve amendments to the Declaration, hereby agrees that the Declaration shall be amended as hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Declaration is hereby amended as follows:

- 1. Section 7.5 is hereby deleted in its entirety and is replaced with the following modified Section 7.5.

"7.5. Withdrawal Rights and Procedure. The right at any time and from time to time to withdraw from the Common Interest Community any Declarant-owned Lot(s) or Association Property.

Withdrawal may only be accomplished by the recording by Declarant of an amendment to this Declaration and an amendment to the Final Plat, if necessary. Upon the recording of such amendment(s), the withdrawn Lots and/or Association Property shall no longer be part of the Common Interest Community or subject to this Declaration in any way.

Each Declarant-owned Lot, and each Declarant-owned Association Property, is hereby described and declared to be a separate portion of real estate or property that is subject to this right of withdrawal, and Declarant expressly reserves the right to withdraw one or more Declarant-owned Lots and/or all or a portion of any Declarant-owned Association Property from the Common Interest Community. Once a Lot has been conveyed to a Lot Owner other than Declarant, that portion of the real estate is no longer subject to this right of withdrawal. Likewise, once an Association Property has been conveyed to the Association, or the County, that portion of the real estate or property is no longer subject to this right of withdrawal.

The withdrawn property shall be subject to whatever easements, if any, may be reasonably necessary for access or utility service to, or operation or management or use or enjoyment of, the Common Interest Community or any part thereof. Similarly, the owner(s) of the withdrawn property shall have whatever easements, if any, are reasonably necessary for access or utility service to or for use or enjoyment of the withdrawn property over and across Association Property (including road easements) within the Common Interest Community. At the time any withdrawal of real estate or other property is accomplished, Declarant shall record whatever documents are necessary to establish such reciprocal easements in the San Miguel County records.

Any property withdrawn from the Common Interest Community in Pandora and/or Bridal Veil shall be used and developed for purposes not inconsistent with the purposes of this Declaration, provided that in any event, any such withdrawn property may be used for purposes relating to obligations of Idarado Mining Company under Section 3.29 or its other obligations with the State of Colorado to implement measures known as the Remedial Action Plan (“RAP”) on portions of its property to prevent any further potential contamination from historic mining operations. The RAP was reviewed and approved by the United States District Court, evidenced by a Consent Decree filed with the Court under case captioned Civil Action No. 83-C-2385, which Consent Decree was signed by IMC, the State of Colorado and other parties of interest, of record (“Consent Decree”).”

2. Section 7.10 is hereby deleted in its entirety and is replaced with the following modified Section 7.5.

“7.10 Each Owner, by its acceptance of a deed or other conveyance vesting in the Owner an interest in a Lot in the Common Interest Community, does hereby irrevocably constitute and appoint Declarant (with full power of substitution) as said Owner’s attorney-in-fact, in said Owner’s name, place and stead, to take any and all actions and to execute and deliver any and all instruments as may be necessary or appropriate to Declarant’s exercise of the various rights reserved to Declarant under this Article 7 or elsewhere in this Declaration, specifically including without limitation Declarant’s reserved right to use all existing easements within the Common Interest Community, established on the Plat or by other document, or to create, grant, use and/or replat and relocate additional or existing easements across any portion of the Common Interest Community excepting Lots which have been conveyed by Declarant to an Owner, in which instance, easements over a conveyed Lot may only be created or modified only with the prior written consent of the Owner of the Lot.”

3. In all other respects, said Declaration shall remain unmodified hereby and in full force and effect.

4. The Idarado Legacy Homeowners Association, a Colorado nonprofit corporation has reviewed and does approve and consent to this Amendment.

IN WITNESS WHEREOF, Declarant has executed this Amendment as of the Effective Date.

IDARADO LEGACY, LLC,
a Colorado limited liability company

Idarado Legacy, LLC,
a Colorado limited liability company

By: CLH-Telluride Associates, LLC,
a Colorado limited liability company,
Member of Idarado Legacy, LLC

By: Wildcat Land Company, its Manager

By: [Signature]
William R. Hegberg, President

Date: 10/22/04

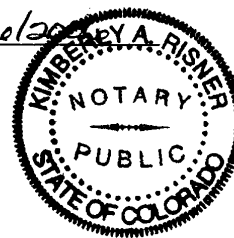
STATE OF COLORADO)
COUNTY OF San Miguel) ss.

The foregoing First Amendment was acknowledged before me this 28th day of October, 2004,
by William R. Hegberg, as President of Wildcat Land Company.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires: 10/10/2005



ASSOCIATION CONSENT:

Idarado Legacy Homeowners Association,
a Colorado nonprofit corporation

By: [Signature]
J. Christopher Chaffin, President

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

Acknowledged, subscribed and sworn to before me this 28th day of October, 2004 by J.
Christopher Chaffin, President, President of Idarado Legacy Homeowners Association

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires: 10/10/2005

