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TUELLER & ASSOCIATES  
P.O. Box 3153  
Telluride, Colorado 81435

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**FOURTH SUPPLEMENT TO THE  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ELKSTONE,  
A COLORADO COMMON INTEREST COMMUNITY**

This Fourth Supplement to the Declaration of Covenants, Conditions and Restrictions for Elkstone, a Colorado Common Interest Community ("**Fourth Supplemental Declaration**") is made effective as of this *27<sup>th</sup>* day of June, 2011, by ELKSTONE 21, LLC, a Colorado limited liability company ("**Assignee Declarant**"), in its capacity as successor assignee by virtue of assignment of specific Reserved Special Declarant Rights and related Development Rights from ELK LAKE PROPERTIES, LLC, a Colorado limited liability company ("**Declarant**").

WHEREAS, on May 16, 2003, Declarant executed and recorded in the real property records of the Office of the Clerk and Recorder for San Miguel County, Colorado (the "**Official Records**"): (i) the Declaration of Covenants, Conditions and Restrictions for Elkstone, a Colorado Common Interest Community (the "**Elkstone Community**"), under Reception No. 357307 (the "**Declaration**"); and (ii) the Elkstone Community Map, in Plat Book 1, Page 3138, under Reception No. 357310 (the "**Map**").

WHEREAS, Subsequent to recording the Declaration, Declarant recorded in the Official Records: (i) the First Supplement to the Declaration, on July 11, 2005 under Reception No. 376074, and the Second Supplement to the Declaration, on December 13, 2006 under Reception No. 388999 (jointly, the "**Declarant's Declaration Supplements**"); and (ii) the First Supplemental Map, on July 11, 2005 in Plat Book 1, at page 3484 under Reception No. 376075, and the Second Supplemental Map, on December 13, 2006 in Plat Book 1, at page 3778 under Reception No. 389000 (jointly, the "**Declarant's Map Supplements**").

WHEREAS, through the Declaration and Declarant's Declaration Supplements (collectively, the "**Declarant's Supplemented Declaration**"), as well as the Map and the Declarant's Map Amendments (collectively, the "**Declarant's Supplemented Map**"), Declarant submitted Units 1-7, inclusive, to the condominium ownership regime of the Elkstone Community (the "**Elkstone Place Townhome Units**").

WHEREAS, Articles III, XII, XVI and XIX of the Declaration specify and set forth certain Reserved Development Rights and Special Declarant Rights including, but not limited to, (i) the reserved right to amend the Declaration without the approval of the owners of "*Units*" in the Elkstone Community (the "**Units**"); (ii) the right to construct additional buildings or improvements in the so-called "*Expansion Area*," as originally designated on the Map and subsequently reflected on the Declarant's Supplemented Map; (iii) the right to create additional Units and add these into the Elkstone Community without the need for approval or consent by the Owners through amendments to the Declaration and Map (which right resulted in creation of the Elkstone Place Townhome Units pursuant to the Declarant's Supplemented Declaration and Supplemented Map); and (iv) the right to exercise and enjoy such easements through the Elkstone Community's "*Common Elements*" as may be reasonably necessary for the exercise of any

Reserved Development or Special Declarant Rights or to construct additional buildings within the Elkstone Community (and specifically within the designated "*Expansion Area*").

WHEREAS, on July 20, 2007 Declarant executed and delivered to Assignee Declarant that certain Assignment of Special Declarant Rights and Related Development Rights, which was recorded in the Official Records on July 27, 2007 under Reception No. 395383 (the "**Elkstone 21 Assignment**").

WHEREAS, the Elkstone 21 Assignment was entered into, executed, delivered and recorded in connection with Assignee Declarant's processing of, and ultimate approval for, Town of Mountain Village (the "**Town**") land use and construction approvals for development of the "*Elkstone 21*" condominium project on the "*Expansion Area*" of the Elkstone Community, to consist of 21 additional "free market" Units and one of the two total required "employee deed restricted" Units required to be constructed by Declarant for the Elkstone Community (the "**Elkstone 21 Town Approvals**").

WHEREAS, the Declarant and Assignee Declarant cooperated in connection with Assignee Declarant and jointly obtaining the Elkstone 21 Town Approvals in connection with the Elkstone 21 Assignment (including with respect to designs for the project, inclusion of the "employee deed restricted" Unit and execution and delivery of authority and related documents required therefor).

WHEREAS, the Assignee Declarant paid Declarant fair market value in good funds and relied on Declarant's good faith cooperation with respect to the Elkstone 21 Town Approvals in consideration of the Elkstone 21 Assignment.

WHEREAS, subsequent to the Elkstone 21 Assignment and the Elkstone 21 Town Approvals, and in compliance with and reliance thereon, Assignee Declarant obtained third party financing for construction of the 22 additional Units (21 "free market" and one "employee deed restricted") approved for construction on the Elkstone Community "*Expansion Area*" in accordance with both the Elkstone 21 Assignment and Town Approvals (defined below as the "**Elkstone 21 Units**"), which financing required recordation of a deed of trust and related real property security interests in and to the rights obtained by Assignee Declarant under both the Elkstone 21 Assignment and Town Approvals for purposes of constructing the Elkstone 21 Units (the "**Financing Security**").

WHEREAS, in connection with and for the sole purpose of granting the Financing Security (and exclusively as a temporary interim financing step prior to completion of the Elkstone 21 Units and annexation of these into the Elkstone Community pursuant to the Elkstone 21 Assignment, the Declarant Supplemented Declaration and Supplemented Map and the Elkstone 21 Town Approvals), Assignee Declarant executed and recorded in the Official Records (i) the Third Supplement to the Declaration of Covenants, Conditions and Restrictions, recorded in the Official Records on July 27, 2007 under Reception No. 395385; (ii) the Third Supplemental Map recorded in the Official Records on July 27, 2007, in Plat Book 1, at page 3857 under Reception No. 395384; and (iii) the Fourth Supplemental Map recorded in the Official Records on April 26, 2010 in Plat Book 1, at page 4332 under Reception No. 412201 (collectively, the "**Financing Interim Amendments**").

WHEREAS, insofar as Assignee Declarant has completed construction of the Elkstone 21 Units in accordance with the Elkstone 21 Assignment and Town Approvals, Assignee Declarant desires to exercise the Special Declarant Rights and Related Development Rights conveyed by Declarant in the Elkstone 21 Assignment to annex and add the Elkstone 21 Units into the Elkstone Community, in the manner and in accordance with both the Declarant Supplemented Declaration and Declarant Supplemented Map, as well as the Elkstone 21 Town Approvals.

NOW, THEREFORE, Assignee Declarant does hereby publish and declare the following:

**1. CREATION OF ADDITIONAL UNITS AND LIMITED COMMON ELEMENTS.**

Pursuant to the Special Declarant Rights reserved to Declarant in Section 3.1 (b) and 16.3 of the Declaration and related Reserved Development Rights, all as assigned to Assignee Declarant through the Elkstone Assignment and in connection with the Elkstone 21 Town Approvals, Assignee Declarant hereby amends the Declarant's Supplemented Declaration and Supplemented Map, all as follows:

a. Addition of the Elkstone 21 Units. Assignee Declarant hereby adds a total of 22 additional Units to the Elkstone Community, consisting of "free market" Units 8-28, inclusive, and "Employee Deed Restricted" Unit 29, hereafter to be known and identified collectively for purposes of the Elkstone Community and its governing documents as the "**Elkstone 21 Units.**" Immediately upon recordation of this Fourth Supplemental Declaration and the Fifth Supplemental Map (as defined below), (i) the square footages of all Units in the Elkstone Community (including the new Elkstone 21 Units) shall be deemed to be those identified on the attached **Exhibit "A-1"**, which hereby fully amends, supersedes and replaces the **Exhibit "A"** attached to the Declarant Supplemented Declaration; and (ii) the total number of Units in the Elkstone Community, as well as their numeric designations and allocated interests, shall be as set forth on the attached **Exhibit "B-1"**, which hereby fully amends, supersedes and replaces the **Exhibit "B"** attached to the Declarant Supplemented Declaration.

b. Creation of the Elkstone 21 LCEs. In addition to the foregoing, Assignee Declarant further hereby amends the Declarant Supplemented Declaration to designate and allocate the exclusive use, enjoyment and allocation of costs attributed to the building and associated "*Common Area*" improvements to each of the Elkstone 21 Units, as follows:

All of the building improvements and associated common area improvements servicing and/or surrounding exclusively the Elkstone 21 Units constituting "*Common Elements*" hereby are designated as "*Limited Common Elements*" to the Elkstone 21 Units, hereafter to be known as the "**Elkstone 21 LCEs**". In this connection, all decisions regarding insuring, maintaining, repairing, replacing, establishing specific rules and regulations for operating, using and enjoying, and establishing Elkstone Owners Association, Inc. (the "**Association**") budgets for these Elkstone 21 LCEs shall be subject to rejection and/or veto by the vote of no less than 11 of the Elkstone 21 Units.

c. Creation of the Elkstone 21 Wine Locker LCEs. In addition to the foregoing, Assignee Declarant further hereby amends the Declarant Supplemented Declaration to designate and allocate the exclusive use, enjoyment, and allocation of the "**Elkstone 21 Wine Locker LCEs**", which generally are located within the Wine Cellar area shown on the Fifth Supplemental Map. Further, the Elkstone 21 Wine Locker LCEs hereby are (i) allocated to the Elkstone 21 Units as set forth on the "*Elkstone 21 Wine Locker LCEs*" table attached hereto as **Exhibit "C"** and (ii) in the configurations and locations depicted on the "*Elkstone 21 Wine Locker LCEs*" drawing attached hereto as **Exhibit "D"**.

**2. FIFTH SUPPLEMENTAL MAP.** Pursuant to Sections 3.1(b) and 16.3 of the Declaration and the Elkstone 21 Assignment, simultaneously herewith Assignee Declarant has prepared and recorded in the Official Records the Fifth Supplemental Map to Elkstone Common Interest Community (the "**Fifth Supplemental Map**"). That Fifth Supplemental Map (together with this Fourth Supplemental Declaration) (i) fully amends, replaces, supersedes and revokes the Financing Interim Amendments; (ii) depicts and describes both the Elkstone 21 Units (i.e., new Elkstone Community Units 8-29, inclusive) and the Elkstone 21 LCEs, and remaining "*General Common Elements*"; (iii) depicts and describes the Elkstone 21 Wine Lockers LCEs as set forth herein; and (iv) therewith, amends and supplements Declarant's Supplemented Map to reflect the foregoing.

3. Unless otherwise defined herein, initially capitalized terms defined in the Declarant's Supplemented Declaration shall have the same meaning herein.

4. This Fourth Supplemental Declaration, together with its accompanying Fifth Supplemental Map, specifically hereby vacates and terminates in their entirety the Financing Interim Amendments and, to the degree necessary to ensure continuation of the security interests created in connection with these Financing Interim Amendments, Assignee Declarant hereby acknowledges, states and confirms that all of its rights and interests in and/or to the Elkstone Community, the Elkstone 21 Assignment and/or the Elkstone 21 Town Approvals hereby shall and are vested in and to the Elkstone 21 Units created by this Fourth Supplemental Declaration and the Fifth Supplemental Map.

5. The "**Elkstone 21 Deed Restriction**" for Employee Deed Restricted Unit 29 is being recorded concurrently with this Fourth Supplemental Declaration. The Association dues for the Employee Deed Restricted Unit 29 shall be allocated pursuant to the Elkstone 21 Deed Restriction and as set forth in the Note on Exhibit "B-1" attached hereto.

6. Except as specifically amended by this Fourth Supplemental Declaration or other amendment or supplements, all other terms and conditions of both the Declarant's Supplemented Declaration and Declarant's Supplemented Map shall remain in full force and effect.

IN WITNESS WHEREOF, Assignee Declarant has caused this Fourth Supplemental Declaration to be executed for recordation in the Official Records by its duly authorized agent, effective as of this 21<sup>st</sup> day of June, 2011.

*(Signatures on Following Page)*

ELKSTONE 21, LLC

By:

E. Mitch Ely, Manager

STATE OF Texas )  
 ) ss.  
COUNTY OF Texas )

The foregoing instrument was acknowledged before me by E. Mitch Ely, Manager of Elkstone 21, LLC, a Colorado limited liability company, on the 16 day of June, 2011.

Witness my hand and seal.

My commission expires: 12.5.12

[Signature]

Notary Public

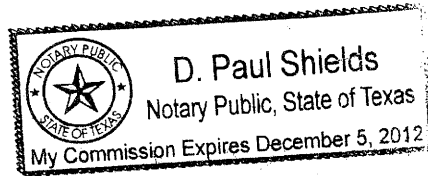


EXHIBIT "A-1"**UNIT AREAS**

Unit	Suite #	Area
1	N/A	3,901 SQ. FT.
2	N/A	3,892 SQ. FT.
3	N/A	4,690 SQ. FT.
4	N/A	3,874 SQ. FT.
5	N/A	3,864 SQ. FT.
6	N/A	3,602 SQ. FT.
7	N/A	3,714 SQ. FT.
8	101	3,763 SQ. FT.
9	102	2,478 SQ. FT.
10	103	1,351 SQ. FT.
11	104	2,853 SQ. FT.
12	201	2,263 SQ. FT.
13	202	2,055 SQ. FT.
14	203	2,243 SQ. FT.
15	204	1,277 SQ. FT.
16	205	1,615 SQ. FT.
17	301	1,642 SQ. FT.
18	302	1,827 SQ. FT.
19	303	1,712 SQ. FT.
20	304	2,086 SQ. FT.
21	305	2,058 SQ. FT.
22	306	1,781 SQ. FT.
23	307	1,502 SQ. FT.
24	401	5,429 SQ. FT.
25	402	3,662 SQ. FT.
26	403	3,559 SQ. FT.
27	501	4,377 SQ. FT.
28	502	4,571 SQ. FT.
29**	206	1,260 SQ. FT.
		82,901 SQ. FT.

\*\* (UNIT 29 IS AN AFFORDABLE HOUSING UNIT)

EXHIBIT "B-1"**ALLOCATED INTERESTS**

<u>Unit</u>	<u>Suite #</u>	<u>Community Allocated Interests</u>	<u>Elkstone 21 LCE Allocated Interests</u>
1	N/A	4.8%	N/A
2	N/A	4.8%	N/A
3	N/A	5.7%	N/A
4	N/A	4.7%	N/A
5	N/A	4.7%	N/A
6	N/A	4.4%	N/A
7	N/A	4.5%	N/A
8	101	4.6%	7.0%
9	102	3.0%	4.6%
10	103	1.7%	2.5%
11	104	3.5%	5.3%
12	201	2.8%	4.2%
13	202	2.5%	3.8%
14	203	2.7%	4.1%
15	204	1.6%	2.4%
16	205	2.0%	3.0%
17	301	2.0%	3.0%
18	302	2.2%	3.4%
19	303	2.1%	3.2%
20	304	2.6%	3.9%
21	305	2.5%	3.8%
22	306	2.2%	3.3%
23	307	1.8%	2.8%
24	401	6.6%	10.0%
25	402	4.5%	6.8%
26	403	4.4%	6.6%
27	501	5.4%	8.1%
28	502	5.6%	8.4%
29**	206	0%	0%

\*\* Note: Unit 29 is an employee deed restricted unit and, pursuant to the "Elkstone 21 Deed Restriction", no dues are allocated to Unit 29 for the allowed period of time (as set forth in the Elkstone 21 Deed Restriction) that either the Assignee Declarant or the Elkstone HOA owns Unit 29. If/when the Assignee Declarant or the Elkstone HOA no longer owns Unit 29, the Elkstone HOA dues for Unit 29 shall be set at an amount equal to the percentage of 1/Total # of Units for the Community Allocated Interests and 1/22 for the Elkstone 21 LCE Allocated Interests, but in no event shall be more than 1.25% of the then-current allowed fair market value for Unit 29, as established by the San Miguel Regional Housing Authority (or other then-responsible housing authority). The Elkstone HOA dues for Unit 29 then shall increase annually thereafter by no more than the percentage increase allocated to the remaining Elkstone 21 Units, if any.

Exhibit "B-1"  
Page One

EXHIBIT "B-1"**PARKING UNITS**

<u>Unit</u>	<u>Parking Space</u>	<u>Community Allocated Interests</u>	<u>Elkstone 21 LCE Allocated Interests</u>
A	A	0%	0%
B	B	0%	0%
C	C	0%	0%
D	D	0%	0%
E	E	0%	0%
F	F	0%	0%
G	G	0%	0%

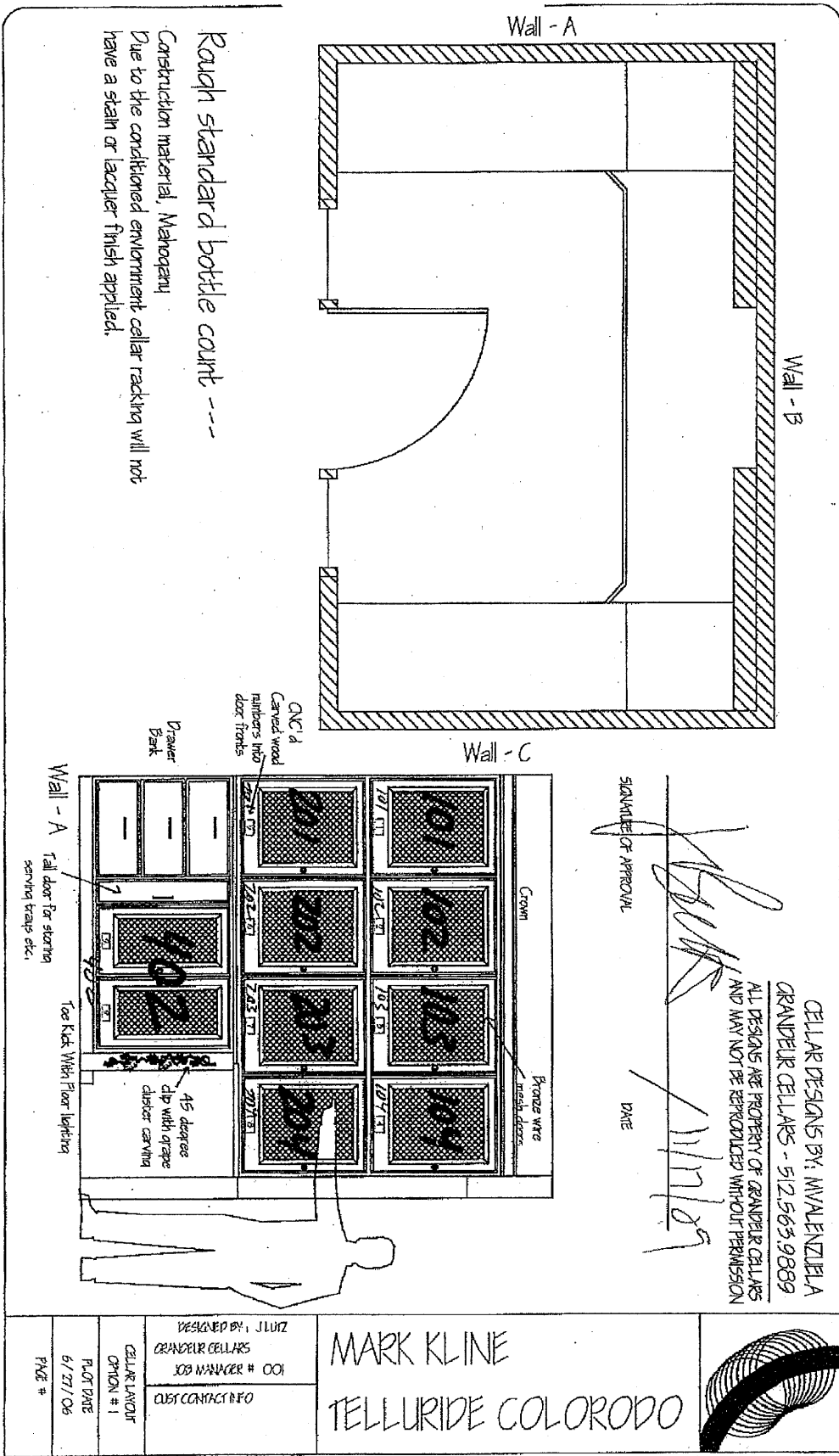


EXHIBIT "C"**ELKSTONE 21 WINE LOCKER LCES**

<u>Unit</u>	<u>Suite #</u>	<u>Wine Locker #</u>
1	N/A	N/A
2	N/A	N/A
3	N/A	N/A
4	N/A	N/A
5	N/A	N/A
6	N/A	N/A
7	N/A	N/A
8	101	101
9	102	102
10	103	103
11	104	104
12	201	201
13	202	202
14	203	203
15	204	204
16	205	205
17	301	301
18	302	302
19	303	303
20	304	304
21	305	305
22	306	306
23	307	307
24	401	401
25	402	402
26	403	403
27	501	501
28	502	502
29**	206	N/A

\*\* (UNIT 29 IS AN AFFORDABLE HOUSING UNIT)

Exhibit "D"

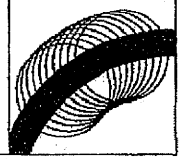


Rough standard bottle count ----  
 Construction material Mahogany  
 Due to the conditioned environment cellar racking will not have a stain or lacquer finish applied.

SIGNATURE OF APPROVAL  
 [Signature]  
 DATE 1/11/10

CELLAR DESIGNS BY: INVALENTIELA  
 GRANDJEUR CELLARS - 512.565.9889  
 ALL DESIGNS ARE PROPERTY OF GRANDJEUR CELLARS  
 AND MAY NOT BE REPRODUCED WITHOUT PERMISSION

MARK KLINE  
 TELLURIDE COLORADO



DESIGNED BY: JLUZ  
 GRANDJEUR CELLARS  
 JOB MANAGER # 001  
 QUEST CONTACT INFO

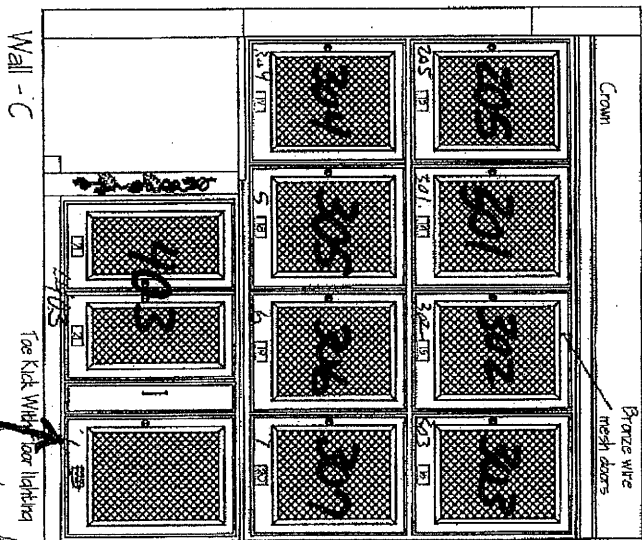
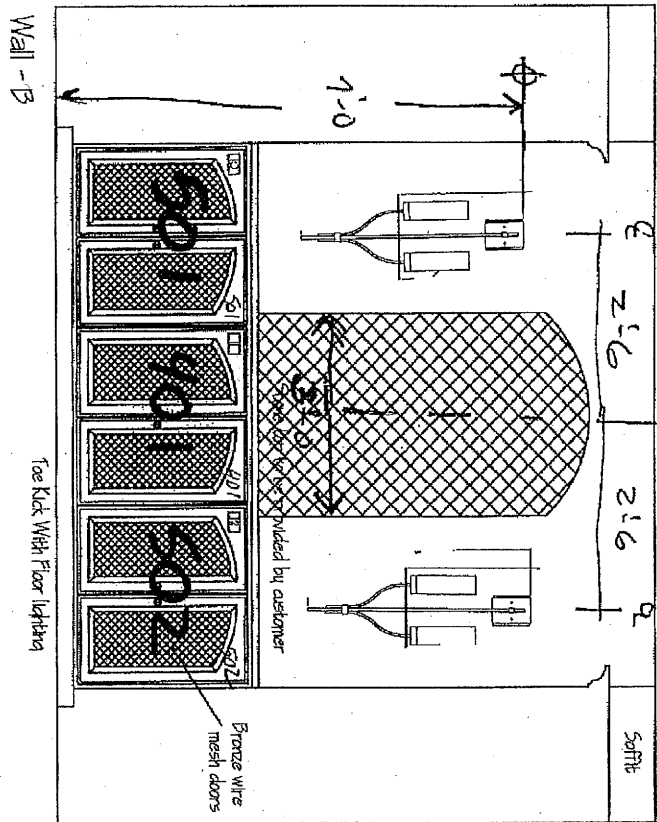
CELLAR LAYOUT  
 OPTION # 1

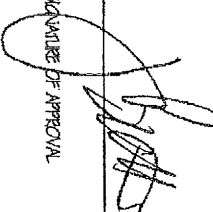
PLOT DATE  
 6/27/06

PAGE #

Exhibit "D"

Rough standard bottle count ---  
 Construction material, -----  
 Due to the conditioned environment cellar tracking will not  
 have a stain or lacquer finish applied.



SIGNATURE OF APPROVAL  


DATE

6/17/09

CELLAR DESIGNS BY: MVALENZUELA  
 GRANDVEUR CELLARS - 512.563.9889  
 ALL DESIGNS ARE PROPERTY OF GRANDVEUR CELLARS  
 AND MAY NOT BE REPRODUCED WITHOUT PERMISSION

This one  
 blank

DESIGNED BY: JLUITZ  
 GRANDVEUR CELLARS  
 JOB MANAGER # 001  
 CUST CONTACT INFO

CELLAR LAYOUT  
 OPTION # 1  
 PLOT DATE  
 6/27/08  
 PAGE #

MARK KLINE  
 TELLURIDE COLORADO

