

**FIRST SUPPLEMENT TO THE DECLARATION
FOR THE LIVERY CONDOMINIUMS**

THIS FIRST SUPPLEMENT to the Declaration for The Livery Condominiums, Town of Telluride, San Miguel County, Colorado, is made as of this ___ day of July, 1998, by Marsim Development Limited Liability Company, a Colorado limited liability company, hereinafter referred to as the Declarant.

WITNESSETH:

WHEREAS, the Declarant executed and recorded the Declaration of The Livery Condominiums in Book 574 at Page 623 of the records of the San Miguel County Clerk and Recorder; and

WHEREAS, Article Nine of the Declaration provides for including additional real property in The Livery Condominiums and subjecting the additional real property to the benefits and burdens contained in the Declaration; and

WHEREAS, Declarant is the owner of the improved real property which is described in Exhibit A attached hereto and incorporated herein by this reference and which is reflected on the First Supplement to the Condominium Map for The Livery Condominiums, recorded in the records of the San Miguel County Clerk and Recorder in Plat Book 1 at Page ___, Reception No. _____ (the "Additional Property"); and

WHEREAS, Declarant desires to subject the Additional Property to the Declaration.

NOW, THEREFORE, Declarant does hereby publish and declare that:

1. Definitions. Defined terms used herein shall have the same meaning as set forth in the Declaration.
2. Imposition of Declaration. Pursuant to Articles Nine and Six of the Declaration, Declarant hereby declares and causes the terms, conditions, covenants, easements, restrictions, uses, benefits, burdens, limitations and obligations contained in the Declaration to be deemed to run with the Additional Property and shall be a burden and benefit upon the Additional Property and the Declarant, its successors and assigns and to any person acquiring or owning any interest in the Additional Property and their grantees, successors, heirs, executors, administrators, devisees or assigns.
3. Effective Provisions of Supplement and Declaration. Each provision of this Supplement, the Declaration and any agreement, promise, covenant and undertaking to comply with each provision of this Supplement or the Declaration, and any necessary exception or reservation of grant of title, estate, right or interest to effectuate any provision of this Supplement or the

Declaration:

- 3.1 Shall be deemed incorporated in each deed, lease or other instrument by which any right, title or interest in any real property within The Livery Condominiums (including the Additional Property) is granted, devised, leased or conveyed, whether or not set forth or referred to in such deed, lease or other instrument;
 - 3.2 Shall, by virtue of acceptance of any right, title or interest in any real property within The Livery Condominiums (including the Additional Property) by an Owner or Lessee, be deemed accepted, ratified, adopted and declared a personal covenant of such Owner or Lessee as the case may be, and, as a personal covenant, shall be binding on such Owner or Lessee, and such Owner's or Lessee's respective heirs, personal representatives, successors, lessees, designees, and assigns, and, as a personal covenant of an Owner or Lessee shall be deemed a personal covenant to, with and for the benefit of Declarant;
 - 3.3 Shall be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon title to each parcel of real property within The Livery Condominiums (including the Additional Property), and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of any real property now or hereinafter owned by Declarant within The Livery Condominiums and for the benefit of any and all other real property within The Livery Condominiums;
 - 3.4 Shall be deemed a covenant, obligation and restriction secured by a lien, binding, burdening and encumbering the title to each parcel of real property within the The Livery Condominiums (including the Additional Property), which lien with respect to any site shall be deemed a lien in favor of Declarant.
4. Reallocation of Interests. Pursuant to Sections 6.02 and 6.03 of the Declaration, the reallocation of the Unit Owners' percentage of ownership in the Common Elements attributable to each Unit and the corresponding Common Expense liability and votes in the Association reallocated to each Unit are set forth in Exhibit B attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its

duly authorized agent this 17 day of July, 1998.

DECLARANT

MARSIM DEVELOPMENT LIMITED LIABILITY COMPANY,
a Colorado limited liability company

By: Spencer Simmons, Manager

By: Michael J. Lynch ATTORNEY-IN-FACT
Michael J. Lynch, Attorney-in-Fact

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

The foregoing Declaration was acknowledged before me by Michael J. Lynch, as Attorney-in-Fact for Spencer Simmons, Manager of Marsim Development Limited Liability Company, on the 17th day of July, 1998.

My commission expires: _____

Susan Heiskari, NOTARY PUBLIC
MY COMMISSION Expires May 31, 1999
135 W. Colorado Ave.
Telluride, CO 81435

Susan Heiskari
Notary Public

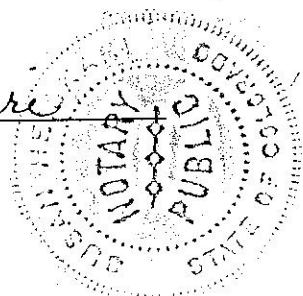


EXHIBIT A

Units 1A, 1B and 1C, and appurtenant Parking Units and Storage Units, The Livery Condominiums, a commercial and residential condominium, according to the First Supplement to the Condominium Map for The Livery Condominiums recorded in the office of the San Miguel County Clerk and Recorder in Plat Book 1 at Page ___, Reception No. _____, and according to the Declaration for The Livery Condominiums recorded in Book 574 at Page 623, Reception No. 309995 as supplemented by the First Supplement to the Declaration for The Livery Condominiums, recorded in Book ___ at Page ___, Reception No. _____; SUBJECT TO the terms, conditions, provisions and obligations contained therein, County of San Miguel, State of Colorado.

TABLE OF INTERESTS

UNIT	GROSS SQUARE FOOTAGE*	PERCENT INTEREST
1A (Residential)	1,959	21.0%
1B (Residential)	1,516	16.3%
1C (Residential)	1,004	10.8%
2A (Residential)	902	9.6%
2B (Residential)	1,108	11.9%
2C (Residential)	1,124	12.0%
Space A (Commercial)	603	6.5%
Space B (Commercial)	862	9.2%
Space C-Wilbourne (Comm.)	250	2.7%
TOTALS	9,328	100%

* Gross square footage calculations include: (a) measurements to the outside exterior walls and center of common walls; (b) certain non-assignable and unusable interior and exterior wall space; (c) decks appurtenant to residential units; and (d) square footage of appurtenant storage units, except with respect to commercial units with currently unassigned and non-appurtenant storage units.