

SUPPLEMENTAL AND ANNEXATION DECLARATION

FOR

THE PACIFIC STREET TOWNHOMES

THIS INSTRUMENT is made and entered by Telluride Pacific, LLC, a Colorado limited liability company, whose address is 136 Country Club Drive, Telluride, CO 81435 ("Declarant").

RECITALS

1. Declarant has executed that certain Declaration of The Pacific Street Townhomes (hereinafter referred to as the "**Declaration**"), recorded in the records in the office of the Clerk and Recorder of the County of San Miguel, Colorado.

2. Article 7 of the Declaration provides enlargement, expansion and other reserved rights of the Declarant.

3. *Exhibit C* of the Declaration provides the legal description of property which Declarant may separately annex to The Pacific Street Townhomes ("**Annexable Property**").

4. The undersigned Declarant desires to annex a portion of the Annexable Property to The Pacific Street Townhomes, pursuant to Article 7 of the Declaration, and desires to establish additional Units.

The undersigned hereby declares as follows:

1. Annexation of Property. Pursuant to Article 7 of the Declaration, the property described in *Exhibit A*, attached hereto and incorporated herein by this reference, being a portion of the Annexable Property, is annexed to The Pacific Street Townhomes and is made a part of the "Real Estate." The property described in *Exhibit A* shall hereafter be held, sold, conveyed, encumbered, leased, rented, occupied and improved subject to the terms and provisions of the Declaration.

2. Units. The Declarant establishes the additional Units within The Pacific Street Townhomes Community, as described and identified in *Exhibit B*, attached hereto and incorporated herein by reference, which units are also identified in a Condominium Map, which Map also describes and includes the property described in *Exhibit A*.

3. Allocated Interests. Immediately upon the recording of this Supplemental Declaration and a Map for the property described in *Exhibit A*, the Units and their allocated interests shall be as set forth in the Declaration.

4. Additional Restrictions. The real property described in *Exhibit A*, attached hereto is subject to the following additional restrictions: None.

5. Definitions. Unless otherwise defined herein, initially capitalized terms defined in the Declaration shall have the same meaning herein.

IN WITNESS WHEREOF, the undersigned Declarant has hereunto set its hand and seal.

TELLURIDE PACIFIC, LLC,
An Arizona limited liability company

By: Russcor Financial, Inc., an Arizona corporation,
Manager

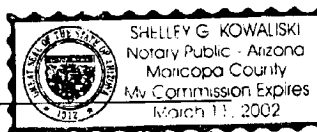
By: *RRussell*
Robert R. Russell, President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing was acknowledged before me this 16th day of January, 2002, by Robert R. Russell, President of Russcor Financial, Inc., Manager of Telluride Pacific, LLC, an Arizona limited liability company.

Witness my hand and official seal.

My commission expires: _____



Shelley Kowalski
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY ANNEXED HEREBY

Lots 32 and 33, Block 7, West Telluride Addition to the Town of Telluride, County of San Miguel, State of Colorado, according to the Plat filed of record in the Office of the Clerk and Recorder of San Miguel County, Colorado in Plat Book 28 at Page 7.

Subject to the terms, conditions, obligations and provisions of the documents and exceptions to title of record, including the following:

1. Plat filed of record in the office of the Clerk and Recorder in Plat Book 28, at page 7, the Amendment to the Map for Pacific Street Townhomes recorded in Plat Book 1, Page 2826, and the Supplemental Map for Pacific Street Townhomes recorded in Plat Book 1 at page 3006.
2. Declaration of Pacific Street Townhouses recorded on August 4, 2000, at Reception No. 335879, Clerk and Recorder of San Miguel County, Colorado.
3. Other instruments of record.

EXHIBIT B
ADDITIONAL UNITS

Unit 524A
Unit 524B
Unit 530A
Unit 530B

EXHIBIT C

CONSENT

The undersigned, being an owner of a portion of the property described on *Exhibit A*, acknowledges and confirms that the described property is subject to the Declaration of the Pacific Street Townhomes recorded on August 4, 2000, at Reception No. 335879, Clerk and Recorder of San Miguel County, Colorado and consents to, ratifies, confirms, adopts and approves all of the provisions of said Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Consent this 28 day of January, 2002.

BECKY S. LEWIS

By: Becky S. Lewis
Becky S. Lewis

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

The foregoing instrument was acknowledged before me this 28th day of January, 2002, by Becky S. Lewis.

Witness my hand and official seal.

My commission expires: Nov. 28, 2005

[Signature]
Notary Public



AFTER RECORDING RETURN TO:

ORTEN & HINDMAN, P.C.
11901 W. 48th Ave.
Wheat Ridge, CO 80333-2166
Attn: CDC