

EXERCISE OF DECLARANT'S RIGHTS
FOR
THE PALMYRA AT TELLURIDE MOUNTAIN VILLAGE

This Exercise of Declarant's Rights (this "Notice") is made this 7th day of May, 2002, by SAMS-TELCO PARTNERSHIP, a Colorado general partnership (the "Declarant").

WITNESSETH:

WHEREAS, the Declaration for The Palmyra at Telluride Mountain Village was recorded October 10, 1995 at Reception No. 301181 in the real property records of the County of San Miguel, State of Colorado, as amended and supplemented from time to time (the "Declaration"), and created and defined certain covenants, conditions, restrictions and easements for The Palmyra at Telluride Mountain Village (the "Project");

WHEREAS, The Palmyra at Telluride Mountain Village, a Condominium Community map was recorded October 10, 1995 at Reception No. 301179 in the real property records of the County of San Miguel, State of Colorado, as amended and supplemented from time to time (the "Map") and such Map depicts the Units;

WHEREAS, all capitalized terms set forth herein shall have the same meanings as defined in the Declaration unless otherwise defined herein;

WHEREAS, Section 7.1(c) reserves unto Declarant Development Rights and Special Declarant Rights which permit Declarant the right to designate a Unit as Commercial, Retail or Residential; and

WHEREAS, Declarant desires to redesignate the Penthouse Unit as a Commercial Unit.

NOW, THEREFORE, the Declarant hereby designates the Penthouse Unit as a Commercial Unit, as permitted by Declarant's right to exercise such Development and Special Declarant Rights set forth under Section 7.1(c) of the Declaration. The Declaration and Map are hereby further amended as necessary to provide that the Penthouse Unit is a Commercial Unit. Exhibit B to the Declaration entitled "Table of Interests" is hereby amended to reference the Penthouse Unit as a Commercial Unit Type. All other columns on Exhibit B to the Declaration shall remain the same. Declarant further reserves the right to redesignate the Penthouse Unit at a future date pursuant to Section 7.1(c) of the Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment on the day and year written below.

DECLARANT:

SAMS-TELCO PARTNERSHIP, a Colorado general partnership

H. Sams LLC, a General Partner

BY: Steven H. Meyer
Steven H. Meyer, Manager

Morita Properties, Inc., a Colorado corporation, a General Partner

BY: James R. Wear
James R. Wear, President

STATE OF COLORADO)
) SS.
COUNTY OF MESA)

The foregoing instrument was acknowledged before me this 29th day of May 2002, by Steven H. Meyer as Manager of H. Sams LLC, a general partner of SAMS-TELCO Partnership, a Colorado general partnership.

Witness my hand and official seal.
My commission expires: 4-10-04

Shirley M. Felt
Notary Public

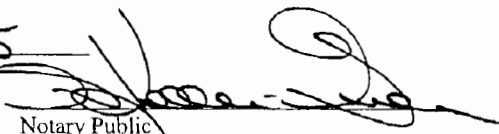


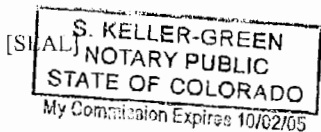
STATE OF COLORADO)
) SS.
COUNTY OF EAGLE)

The foregoing instrument was acknowledged before me this 7th day of May, 2002, by James R. Wear, as President of Morita Properties, Inc., a Colorado corporation, a general partner of SAMS-TELCO Partnership, a Colorado general partnership.

Witness my hand and official seal.

My commission expires: 10/2/05


Notary Public



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