

TOWNHOME DECLARATION

FOR

TEOCALLI TOWNHOMES

KNOW ALL MEN BY THESE PRESENTS,

WHEREAS, Chris B. Osmundson, hereafter the "Declarant," is the owner of the following described real property situated in the County of Gunnison, State of Colorado:

A portion of Multi-Family Tract 1, SKYLAND, INITIAL FILING, according to the recorded Plat thereof bearing Reception No. 363852 and according to the REPLAT of portions of Skyland Initial Filing enlarging Multi-Family Tract 1, Bearing Reception No. 373701, said tract being particularly described on attached Exhibit A, County and State aforesaid.

WHEREAS, Declarant desires to establish a Townhome project; and

WHEREAS, Declarant does hereby establish a plan for the ownership in fee simple of eighteen (18) real property estates consisting of nine (9) Lots upon which shall be constructed eighteen (18) Townhome Units in nine (9) duplex buildings;

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land described on attached Exhibit A, shall be a burden and benefit to Declarant, his heirs, personal representative, successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, representatives, administrators, devisees or assigns.

1. Definitions. Unless the context shall expressly provide otherwise, the following definitions shall apply.

(a) "Adjacent Units" shall mean Units located on the same Lot.

(b) "Association of Unit Owners," or "Association" means a non-profit or not for profit corporation hereafter duly organized and incorporated, the Certificate and By-Laws of which shall govern the administration of this Townhome project.

(c) "Building" or "buildings" means the building improvements constructed on the property.

(d) "General Common Expenses", to be borne by the Owners of all Units in the Project, means and includes:

(1) All sums lawfully assessed against all Townhome Units;

(2) Expenses of administration of the project and management, maintenance, repair or replacement of the access drive, common areas, landscaping and other facilities serving the Project;

(3) Expenses declared common general expenses by a majority of the Unit Owners or by the board of directors of the Association.

(e) "Entire Premises," "Premises," or "Project" means and includes the land (described on Exhibit A), the buildings and all other improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

(f) "Land" means the land described on attached Exhibit A. All Land, except for the Lots and that part of the Land reserved on the Map for "FUTURE DEVELOPMENT" by Declarant, shall be owned, managed and controlled by the Association, subject to the right of Unit Owners to construct driveways and install utilities in such locations as the Association shall approve.

(g) "Limited Common Expenses" means those expenses relating to a common wall, common roof, common driveway or other facility serving the Owners of less than all of the Townhome Units in the Project, which shall be borne by the Owners benefited by such Limited Common Expense.

(h) "Lot" or "Lots" mean the nine (9) individual lots of land, designated Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9, into which the real property described on Exhibit A has been subdivided and described on the Map.

(i) "Majority of Owners" means those Owners owning more than one-half of the Units in the Project.

(j) "Map" means the engineering survey of the land described in Exhibit A recorded as Reception No. _____ in the Gunnison County records dividing such land into nine (9) Lots and eighteen (18) Townhouse Units.

(k) "Mortgage" means any mortgage, deed of trust, or other security instrument by which a Lot or Unit or any part thereof is encumbered.

(l) "Mortgagee" means any person named as the mortgagee or the beneficiary under any mortgage.

(m) "Owner" means a person, firm, corporation, limited liability company, partnership, association or other legal entity, or any combination thereof, owning one or more Lots or Townhome Units; the term "Owner" shall not refer to any Mortgagee, as herein defined, unless such Mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(n) "Townhome," "Townhome Unit," or "Unit" means one of eighteen (18) parcels of land and all improvements constructed thereon, designated as Units 1A, 1B, 2A, 2B, 3A, 3B, 4A, 4B, 5A, 5B, 6A, 6B, 7A, 7B, 8A, 8B, 9A and 9B as further subdivided and described on the Map.

2. Map. Prior to the first conveyance of a Lot or Unit, Declarant shall cause to be filed for record a Map. The Map shall depict and show at least the following: The boundary lines of each of the Lots and Units comprising the Project, and the Lot and Unit numbers or other designations. The Map shall contain the dual certificate of a registered surveyor or engineer certifying that the Map substantially depicts the boundary lines of the Lots and Units comprising the Project, existing common walls, if any, and the Lot and Unit designations.

In interpreting the Map the existing physical boundaries of each common wall as constructed shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map from time to time, to conform same to the actual physical location of the constructed common wall and to any changes, modifications, alterations or additional improvements.

3. Division of Property into Townhome Units. The real property and improvements to be constructed thereon are hereby divided into the following fee simple estates:

Eighteen (18) separate fee simple estates, each such estate consisting of a parcel of land (Unit) as depicted on the Map and all buildings constructed thereon. Each Townhome Unit is described on the Map, which by this reference is made a part hereof. Each Townhome Unit shall be identified in the Map by the number and letter shown thereon. The Units comprising each Lot shall not be conveyed to separate Owners until after construction of a duplex residential building on the Lot.

4. Inseparability and Description of a Unit.

(a) Each Unit consisting of an individual parcel of land and all improvements constructed thereon shall be inseparable and may be conveyed, leased, encumbered, devised or inherited only as a Townhome Unit.

(b) Every deed, lease, mortgage, trust deed, will or other instrument may legally describe a Townhome Unit by its identifying unit number and letter, followed by the words, "Teocalli Townhomes" with further reference to the recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect the Unit. Each such description shall be construed to include a non-exclusive easement for ingress and egress as shown on the Map to the exclusion of all third parties not lawfully entitled to use the same.

5. Separate Assessment and Taxation - Notice to Assessor.

Declarant shall give written notice to the Assessor of Gunnison County, Colorado, of the creation of the Townhome Unit ownership of this property, so that each Townhome Unit shall be deemed a separate parcel and subject to separate assessment and taxation.

6. Title. A Townhome Unit may be held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of Colorado.

7. Use of Units.

(a) Each Owner shall have exclusive ownership and possession of his Unit.

(b) The Lots and Units in the project shall be used only for residential purposes and home occupations approved by the Association which do not lessen the residential character of the Project.

(c) Each Townhome Unit shall contain a fully enclosed garage containing a floor area at least nine (9) feet wide by eighteen (18) feet long.

(d) The minimum and maximum gross floor area, excluding garages and porches, shall be as follows:

	<u>Lot</u>	<u>Unit</u>
Minimum square footage	3,000	900
Maximum square footage	5,400	3,500

(e) No part of any Building shall be located within five (5) feet of any side Lot line.

(f) The party wall of each building constructed on a Lot shall be constructed on the line which divides Unit A from Unit B. The Owner of a Lot shall have the right to relocate the entire line which divides Unit A from Unit B by up to 15 feet in either direction by recording in the Gunnison County records a Supplemental Map of the Lot showing the relocated line. Such Supplemental Map shall be prepared and certified by a Colorado licensed surveyor, engineer or architect. The Owner of a Lot or the Owners of Adjacent Units shall also have the right to allocate financial responsibility for Limited Common Expenses pertaining to such Lot between the Units on such Lot in such proportions as the Lot Owner deems or Adjacent Unit Owners deem appropriate by recording in the Gunnison County records an instrument to that effect.

(g) The design of all Buildings in the Project shall be consistent with the Design Guidelines for Teocalli Townhomes. The initial Design Guidelines for Teocalli Townhomes are attached hereto as Exhibit B. Such Design Guidelines may be modified by the Association Board of Directors.

(h) No person shall allow any dog to run at large on any part of the Project except with the permission of the Association and/or Owner of the Unit on which the dog is at large. A dog shall be deemed to run at large when not accompanied by its owner or some other person and restrained by a leash, rope or other similar device physically connecting the dog to its owner or other person. No person shall allow a dog upon any part of the Project to bark, growl or snarl at, jump upon or attack or bite any person. No person shall allow a dog upon any part of the Project, within or outside of a building, to bark, yelp, whine or make any other noise which disturbs the occupants of any other Unit; provided, however, that a brief warning bark when someone enters a Unit shall not be deemed to violate this provision.

(i) No fence shall be constructed on any part of the project, except for screening fences or small rear yard fences approved by the Association.

8. Architectural Review and Approval.

(a) The Board of Directors of the Association shall be the Architectural Review Board.

(b) No building or improvement shall be commenced, constructed, erected or maintained upon any Lot, nor shall any landscaping be done, nor shall any exterior decoration, painting, addition, change or alteration be made, until the plans,

specifications and colors therefor have been submitted to and approved in writing by the Board of Directors in the manner hereafter set forth.

(c) Prior to the commencement of any such work, the plans for the proposed building or improvement shall be submitted to the Board of Directors for approval. The submittal for approval shall include at a minimum, the following documents prepared by a licensed architect and, where appropriate, by a licensed engineer.

(1) A plot plan showing the location of any building or improvement, access driveway, parking area and any trees, patios, utility lines, storage areas or decks.

(2) The plans and specifications for the building, including a roof plan, in sufficient detail to verify and confirm the size, type and dimensions of the building, mass and height of the building, all design features thereof, all exterior elevations showing all sides of the building, all floor plans and the types of construction and materials.

(3) Samples of the exterior materials and color schemes for the building.

(4) A landscape, drainage and grading plan.

(d) The Board of Directors shall consider compliance with this Declaration, the harmony of the building with the environment, the effect of the building on the utilization and view of the Lot and surrounding Lots and property and the design of the building with respect to topography, drainage, snow removal, ground elevations and existing natural and terrain features.

(e) The Board of Directors shall, within forty days of receipt of a submittal for approval request with all accompanying data, hold a hearing on such request. The Board may approve, disapprove or approve with conditions any request submitted to it. The decision of the Board shall be in writing. In the event that the Board fails to take action within ten days after the date of the hearing, or fails to hold such hearing within forty days after receipt of a complete submittal for approval request, the application shall be deemed to have been approved.

(f) The applicant and any person on his behalf may attend the hearing on the application for approval and submit information. At least 14 days before the hearing, notice of the hearing with copies of the plans shall be mailed certified mail, return receipt requested by the applicant to all members of the Association and members shall have the right to be present at the hearing or to submit written comments.

(g) A majority of the Board of Directors shall constitute a quorum and all decisions of the Board shall be by a majority vote of the directors of the members present.

(h) The decision of the Board of Directors shall be final, subject only to the right of judicial review as provided by the laws of the State of Colorado. The Board shall indicate to any applicant in the event of disapproval, the reasons why the request was rejected and grant to the applicant an opportunity to resubmit with the revisions and corrections that would secure approval.

(i) The Board may adopt such rules and regulations as are appropriate to govern its proceedings.

(j) No application fee will be required for any approval request. However, the applicant shall compensate the Association for all reasonable expenses incurred, including architectural or other professional fees, incurred in reviewing the application.

(k) In addition to securing approval from the Board of Directors, each owner is responsible for obtaining all approvals, licenses and permits required by Skyland Community Association, Gunnison County, Colorado and any entity or district having jurisdiction over the Lot prior to the commencement of construction.

9. Termination of Mechanic's Lien Rights and Indemnification. No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Owner thereof or his agent or his contractor or subcontractor shall be a basis for filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any Owner for construction performed or for labor, materials, services or other products incorporated in or otherwise attributable to the Owner's Unit at such Owner's request.

10. Administration and Management. The operation and management of this Townhome Property shall be undertaken by the Association. The Association or a majority of Unit Owners shall have the right to promulgate reasonable rules and regulations consistent with this Declaration.

11. Reservation for Access-Maintenance, Repair and Emergencies. The Association and the Adjacent Unit Owner shall have the irrevocable right to have access to each Townhome Unit from time to time during repair or replacement of common utilities, wall or roof or for making emergency repairs necessary

to prevent damage to the common utilities, wall or roof or Adjacent Unit. The Association shall have the right to delegate to one or both Adjacent Unit Owners responsibility to accomplish repair or replacement of the common utilities, wall, common roof or other common facility serving such Units.

Damage to the interior of any part of a Unit resulting from maintenance, repair emergency repair or replacement of the common utilities, wall or roof or as a result of emergency repairs within another Unit shall be a common expense of the Owners of both Units on the Lot; provided, however, that if such damage is the result of the negligence or willfulness of one Unit Owner, then such Unit Owner shall be responsible for all of such damage. Restoration of the damaged improvements shall be to substantially the same condition as prior to the damage.

12. Maintenance Responsibility of Unit. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own his Townhome Unit. The Owner shall not be deemed to own any utilities running through his Unit which serve another Unit except as a tenant in common with the other Owner.

An Owner shall maintain and keep his own Unit in good condition and repair. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or any part thereof or impair any easement or hereditament.

The cost of maintaining each common wall shall be a Limited Common Expense to be borne equally by the owners on either side of said wall, unless the Lot Owner or Adjacent Unit Owners have specified a different share of responsibility. In the event of damage or destruction of said wall from any cause, other than the negligence of either Owner, the Owners, at joint expense, or the Association shall repair or rebuild said wall, and each Owner, his successors and assigns, shall have the right to the full use of said wall so repaired or rebuilt. If either Owner's negligence shall cause damage to or destruction of said wall, such negligent party shall bear the entire cost of repair or reconstruction. If either Owner shall neglect or refuse to pay his share, or all of such cost in case of negligence, the Association or the other Owner may have such wall repaired or restored and shall be entitled to have a lien or Association assessment lien on the premises of the Owner so failing to pay, for the amount of such defaulting Owner's share of the repair or replacement cost.

The expense of maintaining, repairing and replacing a roof shall be shared by the Owners of Adjacent Units on the same basis as they share the expenses relating to a common wall.

13. Compliance with Provisions of Declaration. Each Owner shall comply strictly with the provisions of this Declaration and with all rules and regulations promulgated by the Association, or

by a majority of Owners. Failure so to comply shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association or by an aggrieved Owner.

14. Revocation or Amendment to Map or Declaration.

(a) The boundary line separating Units A and B may be relocated in accordance with paragraph 7, above, if the Owner(s) of Units A and B consent and agree to such relocation by instrument(s) duly recorded.

(b) Except as provided in paragraph 7 and subparagraph 14(a), above and subparagraph 32(a), below, neither the Map nor this Declaration shall be amended unless the Owners of a Majority of the Units, or more, consent and agree to such revocation or amendment by instrument(s) duly recorded. Consent by the holders of recorded Mortgages or Deeds of Trust shall not be required.

15. Assessment for Common Expenses. The Association shall have the right to allocate General Common Expenses between the Owners of improved Lots and unimproved Lots on such basis as the Association Board of Directors deems appropriate. All Owners shall be obligated to pay the estimated assessments imposed by the Association to meet the General Common Expenses, such as maintenance of Coyote Circle and the open space and other common facilities. Except for insurance premiums and the allocation between improved and unimproved Lots, the assessments shall be equal, with the Owner of each Unit responsible for 1/18th of the General Common Expenses and 50%, or such other percentage as the Lot Owner or Adjacent Unit Owners have specified, of the Limited Common Expenses attributable to the Building in which his Unit is located. Assessments for insurance premiums shall be based upon that proportion of the total premiums that the insurance carried on a Townhome Unit bears to total coverage. Assessments for the estimated Common Expenses, including insurance, shall be due periodically in advance as specified by the Association. The Association shall prepare and deliver or mail to each Owner an itemized statement showing the various estimated or actual expense for which the assessments are made. Contribution for assessments shall be prorated as of the date on which the ownership of a Townhome Unit commences.

The assessment made upon the Owners shall be based upon the cash requirements deemed to be such aggregate sum as the Association shall from time to time determine is to be paid by all of the Townhome Unit Owners, including Declarant, to provide for the payment of all estimated General or Limited Common Expenses. Said sum may include, among other things, without limitation, the following: expenses of management; maintenance

of and snow removal from Coyote Circle and all common areas; taxes and special assessments until separately assessed; assessments imposed by Skyland Community Association or any special district; fire insurance with extended coverage and vandalism and malicious mischief insurance with endorsements attached issued in the amount of the maximum replacement value of all Townhome Units; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting; exterior decoration; repairs and renovations; garbage collections; wages; water charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Association or the Declarant under or by reason of this Declaration; the payment of any deficit remaining from a previous period; the creation of a reasonable contingency or other reserve or surplus fund as well as other costs and expenses relating to the General and Limited Common Expenses. The omission or failure of the Association to fix the assessment for any quarter shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay.

16. Insurance. The Association shall obtain and maintain liability and casualty insurance of the type and kind deemed appropriate by the Association with respect to the common areas, improvements, buildings, fixtures, equipment and personal property issued by responsible insurance companies authorized to do business in the State of Colorado. The insurance shall be carried in blanket policy form naming the Association as the attorney-in-fact for the Townhome Unit Owners.

Insurance coverage on each Unit, the furnishings, additions and improvements incorporated into a Unit and all items of personal property belonging to an Owner and casualty and public liability insurance coverage within each individual Unit shall be the responsibility of the Owner thereof.

17. Owners' Personal Obligation for Payment of Assessments. The amount of the Common Expenses assessed against each Townhome Unit shall be the personal and individual debt of the Owner thereof. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any part of the Project or by abandonment of his Unit.

18. Lien for Nonpayment of Common Expenses. All sums assessed but unpaid for the share of Common Expenses chargeable to any Townhome Unit, including interest thereon at eighteen percent per annum, or at such other rate of interest fixed by the Association or by a Majority of Owners of Units, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances except:

(a) Tax and special assessment liens on the Unit in favor of any taxing entity; and

(b) All sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance, including additional advances, refinance or extension of these obligations made thereon prior to the arising of such a lien; provided, however, that at all times the lien of the Association shall have priority status over any other Lien or Mortgage as provided in the Colorado Common Interest Ownership Act, as it now exists or may hereafter be amended.

To evidence such lien the Association may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner or reputed Owner of the Townhome Unit(s) and a description of the Townhome Unit(s). Such a notice shall be signed by the Association and may be recorded in the office of the Clerk and Recorder of the County of Gunnison, State of Colorado. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment, and may be enforced by the foreclosure on the defaulting Owner's Townhome Unit(s) by the Association in like manner as a mortgage or deed of trust on real property upon recording of a notice thereof. In any such foreclosure the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees and costs. The Association shall have the power to bid in the Townhome Unit(s) at foreclosure sale and shall have the power to acquire and hold, lease, mortgage and convey same.

The amount of the Common Expenses assessed against each Townhome Unit shall also be a debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a Townhome Unit may pay any unpaid Common Expense payable with respect to such Unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

19. Liability for Common Expense upon Transfer of Townhome Unit. Upon Payment of a reasonable fee and upon the written request of any Owner or any Mortgagee or prospective Mortgagee of a Townhome Unit, the Association shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Unit, the amount of the regular or special assessment and the date such assessment becomes due, credit for advanced payments or for prepaid items, which shall be

conclusive upon the Association in favor of all persons who rely thereon in good faith.

The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

20. Mortgaging a Townhome Unit - Priority. Any Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law.

21. Right of First Refusal. In the event any Owner of a Townhome Unit shall desire to sell the same, and shall have received a bona fide offer therefor from a prospective purchaser, the selling Owner shall give written notice thereof to the Adjacent Unit Owner together with a copy of such offer and the terms thereof. The Adjacent Unit Owner shall have the right to purchase the subject Unit upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election to purchase or lease is given to the selling Owner, or his agent, together with a matching down payment or deposit during the twenty day period immediately following the receipt of the notice of the offer to purchase.

In the event any Owner shall attempt to sell his Townhome Unit without affording to the Adjacent Unit Owner the right of first refusal herein provided, such sale or lease shall be voidable and may be voided by a certificate of non-compliance of the Association or Adjacent Unit Owner duly recorded in the office of the Clerk and Recorder of Gunnison County, Colorado.

However, in the event the Association or Adjacent Unit Owner has not recorded such a certificate of non-compliance within one year from the date of recording in the case of a deed delivered in violation of this paragraph, such a conveyance shall be conclusively deemed to have been made in compliance with this paragraph and no longer voidable.

In no case shall the right of first refusal reserved herein affect the right of an Owner to subject his Townhome Unit to a lease, trust deed, mortgage or security instrument.

The failure or refusal by the Adjacent Unit Owner to exercise the right to so purchase or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an Owner receives any subsequent bona fide offer from a prospective purchaser or tenant.

The right of first refusal as provided herein, shall extend and run for the life of the Declarant, Chris B. Osmundson, and his living descendants and the survivor of them, plus twenty-one years.

22. Exemption from Right of First Refusal. In the event of any default on the part of any Owner under any first mortgage which entitles the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of paragraph 21, and the purchaser, or grantee under such deed in lieu of foreclosure, of such Townhome Unit shall thereupon and thereafter be subject to the provisions of this Declaration and the By-Laws of any Association of Unit Owners. If the purchaser following such foreclosure sale, or grantee under deed given in lieu of such foreclosure, shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the Unit free and clear of the provision of paragraph 21, but its grantee shall thereupon and thereafter be subject to all the provisions thereof.

The following transfers are also exempt from the provisions of paragraph 21:

- (a) Transfer by operation of law of a deceased joint tenant's interest to the surviving joint tenant(s);
- (b) Transfer of a deceased's interest to a devisee or devisees by will or his heirs at law under intestacy laws;
- (c) Transfer of an Owner's interest by treasurer's deed pursuant to a sale for delinquent taxes;
- (d) Transfer of all or any part of a partner's interest as a result of withdrawal, death or otherwise, to the remaining partners carrying on the partnership business and/or to a person or persons becoming partners; a transfer of all or part of the partner's or partners' interests between one or more partners and/or to persons becoming partners;
- (e) Transfer of a corporation's or limited liability company's interest to the person or persons, or any of them, formerly owning the stock of the corporation or membership in the limited liability company as the result of a dissolution and a transfer to the resulting entity following a merger or consolidation.

(f) Transfer of a Unit wherein the document of conveyance transferring the same shall set forth evidences that it was executed by the Association or Adjacent Unit Owner and in compliance with Paragraph 21 hereof;

(g) Transfer by gift;

(h) Transfer by Declarant herein.

If the Owner of a Townhome Unit can establish to the satisfaction of the Association or Adjacent Unit Owner that a proposed transfer is not a sale, then such transfer shall not be subject to the provisions of paragraph 21.

23. Certificate of Compliance - Right of Refusal. Upon written request of any prospective transferee, purchaser, or any existing or prospective Mortgagee of any Townhome Unit, the Association shall issue a written and acknowledged certificate in recordable form, evidencing:

(a) With respect to a proposed sale under paragraph 21 that proper notice was given by the selling Owner and that the Adjacent Unit Owner did not elect to exercise his option to purchase;

(b) With respect to a deed to a first Mortgagee or its nominee in lieu of foreclosure, and a deed from such first Mortgagee or its nominee, pursuant to paragraph 22, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of paragraph 21;

(c) With respect to any contemplated transfer which is not in fact a sale, that the transfer will not be subject to the provisions of paragraph 21.

Such certificate shall be conclusive evidence of the facts contained herein.

24. Destruction of Building. In the event of destruction of a Building or any portion thereof, the Building so destroyed shall be restored at the expense of the adjoining owners, according to a uniform architectural plan and finish; and if any unit is but partially destroyed so that the cost of restoring it is not equal to that of restoring the adjoining unit, then the amount shall be apportioned according to the individual cost.

25. Easement. No Owner shall alter or change any common wall in any manner, interior decoration excepted, and said common wall shall always remain in the same location as when erected, and

each party to said common or division wall shall have a perpetual easement in that part of the premises of the other on which said party wall is located, for common wall purposes.

26. Personal Property for Common Use. The Association may acquire and hold for the use of and benefit of all of the Townhome Owners, real, tangible, and intangible personal property and may dispose of the same by sale or otherwise, and the beneficial interest in any such property shall be owned in common by the Townhome Owners and shall not be transferable except with a transfer of a Townhome Unit. A transfer of a Townhome Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Townhome Unit under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Townhome Unit upon notice to the Association of such transfer.

27. Mailing of Notices. Each Owner shall register his mailing address with the Association and all notices of any kind given pursuant to this Declaration intended to be served upon any Owner shall be sent by certified mail, return receipt requested, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices or demands intended to be served upon the Association shall be given by certified mail, return receipt requested, postage prepaid, to the address thereof. All notices or demands to be served on Mortgagees pursuant hereto, shall be sent by certified mail, return receipt requested, postage prepaid, addressed in the name of the Mortgagee at such address as the Mortgagee may have furnished to the Association in writing. Unless the Mortgagee so furnished such address, the Mortgagee shall be entitled to receive none of the notices provided for in this Declaration. Any notice referred to in this Section shall be deemed given when deposited in the United States mail in the form provided for in this Section. No notice of any kind shall be effective unless such notice conform to the requirements of this paragraph.

28. Period of Townhome Ownership. The separate Townhome estates created by the Declaration and the Map shall continue until this Declaration is revoked in the manner and as is provided in paragraph 14 of this Declaration.

29. General.

(a) If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstances be invalidated, such invalidity shall not affect the

validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

(b) The provisions of this Declaration shall be in addition and supplemental to all other applicable provisions of law.

(c) Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

30. Attorneys' Fees. It is agreed that if any action is brought in a court of law by any Unit Owner or by the Association, or by any other party to this Declaration as to the enforcement or interpretation or construction of this Declaration or any document provided for herein, the prevailing party in such action shall be entitled to reasonable attorney's fees as well as all costs incurred in the prosecution or defense of such action. Additionally, all expenses, including reasonable attorneys' fees, incurred in collecting delinquent assessments shall be paid by the defaulting Owner.

31. Binding Agreement. The provisions of this Declaration, and all subsequent agreements and determinations, lawfully made by the Association, shall be appurtenant to and run with the land and be binding on all Owners of Units, their representatives, heirs, successors and assigns.

32. Development Rights and Special Declarant Rights. The Declarant specifically reserves the right to exercise in any order all Development Rights and Special Declarant Rights as set forth in the Colorado Common Interest Ownership Act and this Declaration for the maximum time limit allowed by law, including, without limitation, the following:

(a) The right to amend the Declaration or Map as follows:

Declarant reserves the right and power to modify or amend this Declaration and/or the Map in any respect, subject to approval by Gunnison County, by executing and recording such amendment in the records of Gunnison County, Colorado. This right to modify or amend this Declaration or the Plat in whole or in part, at any time and from time to time, shall be effective until one half of all Lots within the Project have been conveyed by a recorded instrument of conveyance to a person or persons other than the Declarant. No amendment to any Lot as shown on the Map shall be effective without the written consent of the Owner of such Lot.

DESCRIPTION:

EXHIBIT A

BK PG
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Beginning at the northwest corner of said Multifamily Tract I, whence the GLO Brass Cap found at the N 1/4 corner of said Section 12 bears North 44°09'44" West, 552.48 feet;

Thence along the northerly boundary of said Multifamily Tract I North 81°31'13" East a distance of 366.17 feet;

Thence along said boundary South 63°22'10" East a distance of 266.98 feet to the northeast corner of said Tract;

Thence along the easterly boundary of Multifamily Tract I South 11°16'42" East a distance of 17.80 feet;

Thence along the westerly line of a parcel of land as recorded in book 623, page 878 Gunnison County Records, South 15°13'18" West a distance of 342.73 feet;

Thence along said common line South 48°43'18" West a distance of 47.73;

Thence along said common line South 55°30'12" East a distance of 219.24 feet to the the northwest corner of Powderview at the Greens Condominiums as recorded under Reception Number 385161;

Thence along the northwesterly boundary of said property South 34°29'48" West a distance of 202.00 feet;

Thence along said boundary South 55°30'12" East a distance of 90.00 feet;

Thence along said boundary South 34°29'48" West a distance of 81.60 feet;

Thence along said boundary South 50°00'00" West a distance of 43.82 feet to a point on the westerly boundary of Multifamily Tract I;

Thence following said boundary along the arc of a curve to the right a distance of 124.86 feet having a radius of 1286.06 feet, a central angle of 5°33'46" and a chord bearing North 36°12'14" West 124.81 feet.

Thence following said boundary along the arc of a curve to the left a distance of 280.22 feet having a radius of 931.88 feet, a central angle of 17°13'43" and a chord bearing North 42°02'13" West 279.16 feet, to the South corner of Powderview at the Greens Condominiums Phase 2, as recorded under reception number 394310;

Thence along the boundary of said property North 23°45'00" East a distance of 128.12 feet

Thence along the boundary of said property North 38°40'00" West a distance of 180.00 feet.

Thence along the boundary of said property South 61°30'00" West a distance of 169.39 feet to a point on the westerly boundary of Multifamily Tract I.

Thence along said boundary through the arc of a curve to the right a distance of 90.34 feet having a radius of 268.71 feet, a central angle of 19°15'50" and a chord bearing North 18° 06'41" West a distance of 89.92 feet.

Thence along said boundary North 08°28'47" West a distance of 312.43 feet to the northwest corner of Multifamily Tract I, the Point of Beginning.

Said tract contains 7.14 acres more or less.

EXHIBIT BDESIGN GUIDELINES FOR TEOCALLI TOWNHOMES

1. Pre-Design Conference. It is recommended that, prior to incurring significant architectural design expense, each Owner should have his architect confer with the Association Board of Directors to ensure that the proposed building will be designed to blend in with other Townhomes in the project.
2. Applicability. These Design Guidelines apply to all construction of improvements, including landscaping, within Teocalli Townhomes. These Design Guidelines apply in addition to the Design Guidelines promulgated by the Skyland Community Association. In the event of a conflict between any provision of the Design Guidelines for Teocalli Townhomes and the Skyland Design Guidelines, the more restrictive requirement shall apply.
3. Purpose. The purpose of these Design Guidelines is to create a project with a distinctive, individual character containing harmony in materials, roof form and color to create a cohesive residential neighborhood. Architectural design should strive for timelessness, not trendiness or fadishness. Architectural Design should also strive for safe, functional and enduring structures compatible with the severe high mountain climate in which the Project is located. To that end, Architectural Design should address, among other factors, snow shedding on entrances and decks.
4. Siding. All buildings shall be sided, at least partially, with stone. In addition, a second siding material shall be required consisting of stucco or wood.
5. Roofs. Roof requirements are as follows:
 - a. Roof features will be a highly visible and dominant element of the architecture due to visibility of the project from surrounding terrain.
 - b. To accomplish visual continuity within the project gable and hip roofs shall be used on all buildings in Teocalli Townhomes. All roofs shall have a pitch of 7/12 or greater with a secondary roof pitch of 4/12 or greater.
 - c. All roofing materials shall be fire resistant wood shingles. All roof construction shall be super insulated to R-38 or greater to keep snow on the roof and to avoid ice build up. All roofs shall be designed for 100 pound per square foot snow load.

6. Windows. Windows shall be constructed of wood with or without metal or vinyl cladding. If cladded, the windows shall be one of the following colors or equivalent:

- a. Weather Shield Hartford Green
- b. Weather Shield Meridian Blue
- c. Weather Shield Desert Tan
- d. Weather Shield Arctic White
- e. Weather Shield Mist Grey.

7. Stucco. Stucco colors shall be within the following Stocolor System ranges, as defined by Sto Corp, 6175 Riverside Drive, SW, Atlanta, GA 30331, phone (404) 346-3666, facsimile: (404) 346-3119:

20303	-	20308	20311	-	20313
20403	-	20408	20410	-	20413
20503	-	20508	20510	-	20513
20604	-	20608	20611	-	20613
20803	-	20808	20810	-	20813
20903	-	20908	20910	-	20913
21003	-	21008	21010	-	21013
21103	-	21108	21111	-	21113
21204	-	21208			
20118	-	20124			
20218	-	20224			
20318	-	20324			
20419	-	20424			
20519	-	20524			
20619	-	20624			
20819	-	20824			
20919	-	20924			
21019	-	21024			
21219	-	21224			

8. Height. The maximum height of any building shall be 35 feet, measured and determined in the manner provided by the Uniform Building Code. Structures or portions of structures with sloping roofs may exceed the 35 foot height limit in accord with the following schedule. Any exception authorized by this subparagraph shall not constitute a change of height limit but shall authorize a building height exceeding the prescribed height limit only for that portion of a structure to which this subparagraph applies. This subparagraph shall apply to gable or hip roofs, but shall not apply to mansard roofs or to any roof structure which does not extend to a peak at a slope of two (2) feet vertical to twelve (12) feet horizontal, or greater.

Schedule of Exceptions
To Height Limit

Vertical rise per Twelve feet horizontal	Permitted additional height
2 feet	1 foot
4 feet	2 feet
5 feet	3 feet
6 feet	4 feet
7 feet	5 feet
8 feet	6 feet
9 feet	7 feet
10 feet	8 feet
11 feet	9 feet
12 feet	10 feet
13 feet or greater	12 feet maximum

9. Screening. All service or utility areas or yards and including garbage cans and trash storage areas shall be screened from view on all sides.

10. Lighting. All exterior lighting shall be designed and directed in the manner approved by the Board of Directors. All exterior lighting or illumination on any Lot shall be so located, placed, shielded and designed to be architecturally and aesthetically in keeping with the buildings and surroundings and to have minimum visual pollution or impact on any other Lot.

11. Antennae. No exterior radio, television, microwave or other antenna or antenna dish or signal capture or distribution device, unless 18 inches in diameter or less, shall be permitted or installed on any Lot unless it is entirely screened from view on all sides.

12. Signs. No sign of any kind shall be displayed to public view on any portion of any Unit, except only a sign not to exceed 4 square feet identifying the owner and/or address of the Unit and a sign not to exceed 4 square feet advertising a Unit for sale.

13. Continuity of Construction. All construction, reconstruction, alterations or improvements shall be prosecuted diligently to completion and shall be completed within 12 months of the commencement thereof, unless an extension is granted by the Board of Directors of the Association for good cause.

14. Chimneys. Chimneys with exposed metal pipe are not recommended. Flat caps and spark arresters are recommended.

15. Driveways. Driveways shall be 20 feet in width and shall be surfaced with asphalt, concrete, pavers or cobblestones.