

RULES AND REGULATIONS TOWNHOMES AT MURPHY CREEK

The following rules and regulations ("Rules and Regulations") for Townhomes at Murphy Creek, except as otherwise expressly stated, apply to all Owners and their families, lessees, employees, agents, invitees and guests with respect to the use of the Units and any other portion of the Townhomes at Murphy Creek Project. Capitalized terms not specifically defined in these Rules and Regulations shall have the same meaning as the meaning given to such terms in the Declaration for Townhomes at Murphy Creek (the "Declaration"). These Rules and Regulations shall be superseded by governing law, whether local, state or federal law, and these Rules and Regulations shall be deemed to be automatically amended to the extent governing law restricts or prohibits the enforcement of such Rules and Regulations or to the extent governing law is more restrictive than these Rules and Regulations. All Owners shall comply with applicable law notwithstanding any provision of these Rules and Regulations which allows or restricts any activity or action.

Ownership and Occupancy

1. The Owner of each Unit in the Project shall heat such Unit so as to maintain a minimum temperature in the Unit of no less than 55 degrees Fahrenheit from October 1st of each year to May 31st of the following year in order to minimize any damage which could result from the freezing of pipes, both individual and common, which pass near or through individual Units within the Building. This minimum heating requirement must be met even when the Unit is vacant.

2. The Units are limited to residential use only. No daily or weekly rentals may occur, and no business of any kind may operate out of a Unit unless such home occupation is permitted by applicable law, causes no disturbance and has no impact other Owners or the Project, including, without limitation, impacts of noise, sight, smell, traffic or parking.

3. The Owner of each Unit in the Project shall carry appropriate insurance that covers all personal belongings, as well as appliances, rug, fixtures and the like including liability coverage.

Health, Safety and Quiet Enjoyment

4. No loud or objectionable noise obnoxious odor, or bright light shall be permitted to emanate from any Unit which may be deemed a nuisance to the Owners or occupants of any other Unit.

5. No fireworks of any kind shall be carried, stored, displayed or exploded on or over the Project.

6. No fire hazard, unsightly object or nuisance shall be placed, erected, constructed or permitted within the Project, nor shall any Owner or occupant of a Unit endanger the health or safety of any person or interfere with the peaceful possession and quiet enjoyment of any other Owner or occupant of a Unit.

7. No flammable oils or fluids including, but not limited to, gasoline, kerosene, naphtha, benzene, explosives or any item hazardous to the environment, life, limb or property shall be permitted on or about the Project.

8. Only approved trash receptacles shall be used for the disposal of normal household waste. Trash receptacles are to be stored inside the garage of a Unit at all times, with the sole exception that they may be placed out at 4:00 p.m. the night before the next day's scheduled trash pick up and must be returned to the garage by 8:00 p.m. the day of pick up. Use of the trash pick up for the disposal of bulky, hazardous or toxic materials, including, but not limited to, construction debris, paint, flammable liquids, furniture, appliances, carpet, carpet pad and tires is prohibited. Waste not suitable for disposal in the approved trash receptacles, accumulations of refuse and other unsightly objects or materials will not be placed, kept or allowed to remain within the Project and shall be removed expeditiously at the Owner's expense.

9. Each Owner will supply the Executive Board of Managing Agent a list of contact numbers, including work, cell and home phone numbers, to be used in case of emergency. Phone numbers will be used to contact the Owner in the event of an emergency, and Owners are hereby notified that the unit will be entered through a locksmith or other means if the Owner or occupant is not available and there is a potential hazard that needs immediate attention. Owners shall also furnish to the Executive Board or Managing Agent an electronic mail address for routine communications and notice purposes if available. If the Unit has tenants/renters in occupancy, the Owner of the Unit must provide management the names and phone numbers of the occupants of the Unit, as well as a copy of the lease. The Owner will keep the information concerning all occupants of the Unit current at all times. Failure to comply could result in and each Owner hereby authorized, forced entry to the Unit by either the Executive Board or the Managing Agent. Failure to comply will also result in the removal or re-keying of the lock, all at the Owner's expense.

10. Unit Owners and occupants shall not place a load on any floor exceeding the floor load per square foot area which the floor was designed to carry and which is allowed by law or which may, in the reasonable opinion of the Executive Board, constitute a hazard to or may damage the Building.

11. The Owner of each Unit shall maintain smoke alarms within his residence in accordance with applicable laws. No person, including an Owner, his family, guest, or invitee, shall tamper with, remove, dismantle or destroy any emergency warning devices within any building or the Project, including those within any Common Elements, such as fire or smoke alarms, sirens, horns or strobe lights. Any violation shall be subject to the enforcement procedures and penalties set forth in these Rules and Regulations.

Exterior Appearance

12. The decks, balconies, patios, stairways and windows shall be used only for the purposes intended, and shall not be used for drying or hanging garments, cleaning rugs, or storing other objects, including, but not limited to, grills of any kind other than electric grills, skis, bicycles, skateboards, ladders, hoses, and lawn and garden equipment. To ensure a consistent appearance for the residences from the exterior of the building, horizontal blinds which are the same type and color of window coverings as initially installed in the Unit at the time of construction shall be maintained by the Owner of each Unit. Any deviation must be approved by

the Executive Board. No reflective coating of any kind is allowed. No sheets, garbage bags, cardboard, blankets, posters, etc. shall be permitted, and the Executive Board shall regulate any item which is visible from the exterior of the Unit. The common accessways, driveways and sidewalks must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the Project unless otherwise authorized by the Executive Board.

12. No Owner will make any improvement to the exterior of his unit, garage or lot without the specific approval of the Townhomes at Murphy Creek HOA Executive Board. Owners must obtain approval through the use of a Design Review Request Form furnished by the property manager

13. Use of charcoal barbeque grills within the Project is prohibited with the exception of those provided by the Association within areas of Common Element. Propane barbeque grills are permitted as long as their use and storage is at least 10 feet from any wooden structure. Electric barbeque grills are permitted.

14. Authorized grills and outdoor patio furniture may be placed and kept outside of the residence without the prior approval of the Executive Board, subject to regulation by law. No other items may be stored on the decks, balconies, patios, stairways, or landscaped areas of the Unit, the Association Maintenance Area or other Common Elements without the prior approval of the Executive Board, including, without limitation, bicycles, toys and other items which cause a cluttered, unkempt or unsafe environment. No clotheslines are permitted.

15. Garage doors shall be maintained in good repair, and remain closed except when vehicles are entering or exiting or for short periods of time when a garage is in use by its Owner.

16. No exterior air conditioning units, swamp coolers, telephone antennae, television antennae, radio antennae or wiring for any of the foregoing shall be placed, erected, constructed or maintained within the Project without the prior approval of the Executive Board. A satellite dish no larger than 18" in diameter is permitted with the location to be approved by the Executive Board. Any fixture permitted to be attached to the exterior of a building by an Owner shall be painted to match the exterior color of the building.

17. No enclosure, structure, outbuilding or facility of any kind, including, but not limited to, fences, barriers, animal pens, posts, poles, clotheslines, mailboxes, ditches, trenches, driveways, walkways, stairs, playhouses and sheds, shall be placed, erected, constructed or maintained by any Unit Owner or occupant within the Project.

18. No tree, shrub, bush, other vegetation or landscaping elements shall be cut, trimmed, pruned, removed, relocated, or otherwise disturbed, nor shall any surface contour be graded, re-graded, altered or otherwise disturbed, without the prior approval of the Executive Board.

19. There will be no loitering, soliciting or posting of handbills by anyone of the premises.

20. Any damage to the Common Elements, Association Maintenance Area, or common personal property caused by an Owner, tenant/renter, guests, and child/children of Owners, tenants/renters or their guests shall be repaired at the expense of the responsible Owner.

Each Unit Owner is responsible for the acts of their tenants/renters, invitees or guests. No persons are permitted on the rooftops.

21. Except as expressly allowed in these Rules and Regulations below, no sign, billboard, poster board or advertising structure of any kind shall be placed, erected, displayed or maintained anywhere within the Project, including on the balconies, porches, decks, windows and exterior walls of the Units unless approved by the Executive Board. No sign larger than 18" x 24" will be approved. Notwithstanding the foregoing, an Owner of a Unit may place one (1) sign with a maximum size of 18" x 24" in the window of a residence (and not within the yard which is within the Association Maintenance Area) indicating that the Unit is for sale or rent.

22. Unless applicable law permits further restriction on the display of the American flag and these Rules and Regulations are then modified to further restrict the display of American flags in accordance with such law, the American flag may be displayed in a window of the residence of a Unit, or on a balcony adjoining the residence, if the American flag is displayed in a manner consistent with the Federal Flag Code, P.L. 94-344; 90 Stat. 810; 4 U.S.C. 4 to 10 or otherwise in accordance with applicable law. No flag or flagpole of an Owner shall be installed or displayed in the yard of a Unit within the Association Maintenance Area. Any flag to be displayed or pole to be used anywhere on or within a residence of a Unit shall be approved by the Executive Board as to location, size, placement and manner of display.

23. Unless applicable law permits further restriction on the display of service flags and these Rules and Regulations are then modified to further restrict the display of service flags in accordance with such law, a service flag bearing a star denoting the service of the Owner or occupant, or of a member of the Owner's or occupant's immediate family, in the active or reserve military service of the United States during a time of war or armed conflict may be displayed in a window of the residence of a Unit, or otherwise in accordance with applicable law. No service flag shall be installed or displayed in the yard of a Unit within the Association Maintenance Area. Any service flag to be displayed or pole to be used anywhere on or within a residence of a Unit shall be approved by the Executive Board as to location, size, placement and manner of display; except that the maximum dimensions of a permitted service flag shall not exceed nine (9) inches by sixteen (16) inches.

24. Unless applicable law permits further restriction on political signs and these Rules and Regulations are then modified to further restrict political signs in accordance with such law, political signs may be displayed in a window of the residence, except that display of political signs earlier than forty-five (45) days before the day of an election and later than seven (7) days after an election day is prohibited. No political signs shall be permitted within a yard of a Unit within the Association Maintenance Area. A residence may have one (1) political sign per political office or ballot issue that is contested in a pending election. The maximum dimensions of such sign shall be the lesser of (A) the maximum size allowed by any applicable Aurora or Arapahoe County ordinance that regulates the size of political signs on residential property, or (B) 18" x 24". As used in this section, "political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official or the passage of a ballot issue.

Vehicles and Parking

25. Parking of motor homes, vehicles with tandem axles, trailers of all types, boats, snowmobiles, ATVs, or any similar vehicle deemed inappropriate by the Executive Board in its reasonable discretion is prohibited; provided however, that trucks or other commercial vehicles necessary for construction or for the maintenance of the Common Elements, Units or any improvements thereto, are permissible but shall not at any time be parked in the garage of a Unit. Motor homes may be parked on premises for 48 hours prior to leaving on an extended trip, and 48 hours following the trip. This 48-hour period is allowed for loading and unloading before and after an extended trip.

26. The parking or operation of motorized vehicles in landscaped or Common Element areas is prohibited. Parking is permitted on the streets, but is not permitted in the drive area behind the garages.

27. All garages shall be used for vehicle parking and storage purposes only. In no event shall any garage be used for commercial or manufacturing purposes, nor shall any loud noise, nuisance, or excessive utility use be permitted. The garages within the Units shall be used primarily for parking of cars and trucks used routinely for transportation by an Owner of occupant of a Unit. Therefore, no Unit Owner shall use such Owner's garage in a manner that would preclude the parking of one car or truck within the garage. No automobile repairs, oil changes, part changes or vehicle maintenance of any kind is permitted within the garage of a Unit or elsewhere on the Project.

28. The following vehicles will be towed away immediately at the vehicle Owner's expense (only by direction of the Association, through the Managing Agent or otherwise):

- a. Vehicles obstructing traffic, snow removal or trash collection or parked in a drive lane;
- b. Vehicles obstructing access to any Unit or surface parking spaces except when properly parked;
- c. Vehicles parked in posted "No Parking" zones;
- d. Vehicles blocking access to fire hydrants or otherwise violating fire code or health and safety laws;
- e. Vehicles parked in landscaped areas;
- f. Vehicles parked in drive areas behind the garages; and
- g. Vehicles parked in the handicapped zones.

The following vehicles will be given one (1) warning and then will be towed at the direction of the Association at the Owner's expense:

- x. Inoperative vehicles;
- y. Vehicles without current registration;
- z. Vehicles not moved within 72 hours.

29. No person shall do or permit anything to be done within the Project, or bring or keep anything therein which would conflict with health and safety laws or with any insurance policy of the Association or with any rules of the Association or with any of the rules, regulations or ordinances of any governmental or quasi-governmental authority having jurisdiction over the Project.

30. Notwithstanding any provision in these Rules and Regulations to the contrary, unless applicable law permits further restriction on emergency service vehicles and these Rules and Regulations are then modified in accordance with such law, an Owner or occupant of a Unit shall be entitled to park a vehicle at a Unit if the vehicle is required to be available at designated periods at the residence as a condition of the person's employment and all of the following criteria are met:

- a. the vehicle has a gross weight rating of ten thousand (10,000) pounds or less;
- b. the occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire fighting, law enforcement, ambulance or emergency medical services;
- c. the vehicle bears an official emblem or other visible designation of the emergency service provider; and
- d. parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Owners to use streets and driveways within the Project.

Animals

31. Owners of Units shall be permitted to keep and maintain no more than two (2) household pets at any time in any Unit. **TENANTS/RENTERS MAY NOT KEEP PETS IN THE UNIT AT ANY TIME.** No Owner shall keep in his Unit and allow within the Project any dangerous animal at any time. Pets are not permitted to run free outside of a residence at any time. When outside of a residence or a Unit, pets should be on a leash, no longer than six (6) feet and in control by their Owner at all times. Owners of pets must immediately pick up the waste created by their pets on decks, balconies and outside the residence or Unit, including the Association Maintenance Area and other Common Elements. Pets may not be kept outside on any deck or balcony for longer than two (2) hours. Pets may not be tied to a leash when not under control of the Owner. Animals which create a noise problem, such as barking dogs, will not be permitted. Owners are responsible to prevent pets from damaging any landscaping, buildings or property owned by others. Any damage to landscaping or Common Elements caused by any pet shall be repaired or replaced, as necessary, at the Owner's expense. Owners of animals that are aggressive to anyone in the Townhomes at Murphy Creek Project will be warned. Any further infractions will be fined. After a warning, the Owner of any animal that bites anyone in the Townhomes at

Murphy Creek Project will be fined \$100.00. Further infractions of biting will cause the Owner to be fined \$200.00. The Association, the Executive Board and all Owners submit to the authority of the local Animal Control office for violations of local law and these Rules and Regulations. Any violation shall be deemed cause for the Association, the Executive Board, the Managing Agent or an Owner to request action by the local Animal Control.

32. All dogs over the age of three (3) months shall have at all times a valid pet license issued by the proper authority after having been kept on the Project for any consecutive fourteen (14) day period.

33. Until such time as these Rules and Regulations are modified to change the address of eth Association, all notices to the Executive Board and to eth Association shall be directed to following address:

Townhomes at Murphy Creek Association
Executive Board
c/o MVP Realty & Management
7936 E Arapahoe Ct #2100
Englewood, CO 80012

34. Owners shall be responsible for informing tenants/renters, guests, invitees and contractors of the Rules and Regulations.

35. Situations and matters not addressed by these Rules and Regulations shall be resolved by the Executive Board in its sole and reasonable discretion.

36. Violations of these Rules and Regulations shall subject the applicable Owner to the following penalties at the discretion of the Executive Board:

- a. **First Violation:** A warning notice to the applicable Owner to have the violation corrected within 7 days of the postmark of the warning. In the event the violation is not immediately corrected, a fine of up to \$25.00 per day may be assessed. If the violation is not corrected in fourteen (14) day, additional fines of up to \$50.00 per day may be assessed.
- b. **Subsequent Violations:** A warning notice or a fine of up to \$50 per day for each same or continuing violation within a ninety (90) day period shall be assessed to the applicable Owner.
- c. Any Owner whose animal bites anyone on the property, after a warning, will be fined \$100.00. Further infractions will cause the Owner to be fined \$200.00.

37. Any Owner notified of a violation shall have ten (10) days from the postmark date of any violation notification from property management representing the Executive Board to file a written protest with the Executive Board, and shall have the right to appear in person or by representative at the next Executive Board meeting. A final decision by the Executive Board shall be binding on the Owner.

38. All fees, charges and penalties imposed by the Executive Board and costs incurred by the Association in enforcing these Rules and Regulations shall be considered default assessments enforceable against Units and Owners in accordance with the Declaration.

39. THE EXECUTIVE BOARD, IN ACCORDANCE HERewith, SHALL HAVE THE AUTHORITY TO TAKE ANY ADDITIONAL REMEDIAL ACTION IT DEEMS APPROPRIATE AND ALSO, AS PERMITTED IN THE DECLARATION, INCLUDING, BUT NOT LIMITED TO , THE FILING OF A LIEN, THE FILING OF AN ACTION FOR INJUNCTIVE RELIEF OR MONEY JUDGMENT, SUSPENSION OF VOTING RIGHTS, SUSPENSION OF RIGHTS TO USE COMMON ELEMENTS, SUSPENSION OF OTHER SERVICES PROVIDED BY THE ASSOCIATION, OR THE EXECISE OF SELF-HELP OR TOHER ACTION TO ABATE ANY VIOLATION OF THESE RULES AND REGULATIONS. NTOHING SET FORTH THEREIN SHALL BE CONSTRUED TO LIMIT ANY REMEDY AVAILABLE TO THE EXECUTIVE BOARD IN THE ENFORCEMENT OF THESE RULES AND REGULATIONS.

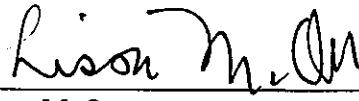
Amendment of Rules and Regulations

40. Subject to the terms of the Declaration and the Executive Board's duty to exercise business judgment and reasonableness on behalf of the Association and the Owners, the Executive Board may modify, cancel, limit, create exceptions to, or expand these Rules and Regulations. In such event, the modification of the Rules and Regulations shall be placed on the agenda for a regular or special Executive Board meeting, and a copy of any proposed modification, expansion or other revision of the Rules and Regulations shall be made available to any requesting Owner or his representative prior to such Executive Board meeting. Owners may deliver any comments on the proposed modifications in writing to the Executive Board prior to the meeting or verbally in person at the meeting at a time designated by the Executive Board for such purpose. Any amendment of or addition to the Rules and Regulations may be made by a majority vote of a quorum of the Directors.

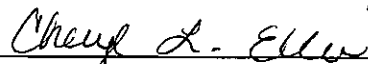
THE ABOVE RULES AND REGULATIONS have been UNANIMOUSLY APPROVED by the Executive Board this 15th day of July, 2008.



Michael A. Mutter



Lissa M. Orr



Cheryl L. Ellis