

**RULES AND REGULATIONS
FOR
BLUE MESA TOWNHOMES ASSOCIATION**

The following Rules and Regulations were adopted by the Board of Directors of Blue Mesa Townhomes Association, a Colorado nonprofit corporation, on _____ in accordance with paragraph 20.1 of the Declaration of Blue Mesa Townhomes, a planned community:

1. **NUISANCES.** No obnoxious or offensive activity of any nature shall be maintained or allowed within Blue Mesa Townhomes or the common areas and each unit owner or lessee shall use his unit in a manner that is not offensive to the other unit owners, lessees, or guests.
2. **MOTOR VEHICLES.** No motor vehicles shall remain parked upon the property of Blue Mesa Townhomes except as follows:
 - 2.1 All vehicles shall at all times be parked in a designated parking area and parking space where applicable.
 - 2.1.1 The Association will not prohibit the parking of a motor vehicle by a Lot Owner on a street, driveway, or guest parking area, if the vehicle is (1) required to be available at designated periods at the owner's residence as a condition of the owner's employment, (2) the vehicle's gross weight is less than 10,000 lbs, (3) Lot Owner is a bona fide member of a volunteer fire department or employed by an emergency service provider; and (4) the parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of the other Unit Owners to use streets and driveways within the community.
 - 2.2 No inoperable vehicle may be parked at Blue Mesa Townhomes for longer than 72 hours.
 - 2.3 Snowmobile Trailers shall be considered a motor vehicle for purposes of these Rules and Regulations.
3. **SIGNS.** No signs of any type or kind shall be placed or displayed on or around any Unit without the prior written approval of the Association, except for the following:
 - 3.1 The Association will not prohibit the installation of a flag or flagpole but may make regulations as to size and location of the flags and flagpoles.
 - 3.2 the Association will not prohibit the display of service flags. The Association may adopt rules and regulations regarding the size and manner of display, except that the maximum dimensions allowed shall not be less than nine inches by sixteen inches.
 - 3.3 The Association will not prohibit the display of political signs from forty-five days prior to the day of election to seven days after election day. The Association may regulate the size, number and manner of display of the political signs in accordance with the Colorado Common Interest Ownership Act as now existing or as the same may be amended, modified or changed.

3.3.1 Political Sign is defined as 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.

4. **TRASH.** No trash, recyclables, debris or refuse shall be deposited upon the common elements of Blue Mesa Townhomes except only within trash containers, with lids firmly attached, in the designated areas. No fires, nor the burning of any trash, debris or materials shall be allowed within or upon the grounds of Blue Mesa Townhomes. Unit Owners and lessees are responsible, at their cost, for the disposal of any non-household garbage, including but not limited to furniture, tires, appliances, building materials, and other large items. Unit Owners and lessees are further responsible, at their cost, for trash expense incurred by the Association for excessive trash pick up.
5. **ENTRYWAYS.** The entryways within the Blue Mesa Townhomes shall at all times be kept free and clear of all obstructions, snow and ice by the Unit Owners or lessees. No Unit Owner, lessee, or guest, shall in any way obstruct free unlimited access to any of the units.
6. **COMMON AREAS.** The common areas shall be kept and maintained by the Association with the exception of the Limited Common Elements which shall be maintained by the Unit Owner or lessees. No individual shall place, keep or maintain any items of personal property thereon except as provided in these Rules and Regulations or with the prior written consent of the Board of Directors.
7. **NOISES.** Unit Owners, lessees, and guests shall maintain as low noise levels as are reasonably possible at all times and in no event may maintain noise levels which are offensive to other occupants within the Blue Mesa Townhomes.
8. **USE OF GENERAL COMMON ELEMENTS OR LIMITED COMMON ELEMENTS.** Use of any of the general common elements or limited common elements will be made in such a manner as to respect the rights and privileges of other Unit Owners, lessees, employees, guests, business invitees and customers.
9. **LIABILITY FOR DAMAGE.** Any damage to the general common elements or limited common elements caused by a Unit Owner, lessee, employee of a Unit Owner or lessee, guest or customer of a Unit Owner or lessee shall be repaired at the expense of that Unit Owner or lessee. Any cleaning necessitated shall be at the expense of that Unit Owner or lessee.
10. **TOWNHOME UNITS.** Each Unit Owner or lessee shall maintain or cause to be maintained, in good condition and repair, his Unit and all of the fixtures therein, and shall promptly pay all charges for utilities and Association fees. No Unit Owner or lessee may make structural, wiring or mechanical alterations effecting the common elements without the prior written approval of the Board of Directors. No Unit Owner or lessee may install or erect any antennas or satellite dishes on the exterior or roof of any Unit without prior written consent of the Board of Directors.
11. **WINDOW COVERINGS.** No Unit Owner or lessee shall use as window coverings bed sheets, tapestries, blankets, or any other material except for blinds, curtains and drapes made to be window coverings.
12. **COMPLIANCE WITH RULES AND REGULATIONS.** Each Unit Owner, lessee, or, guest agrees to comply with and abide by all Rules and Regulations set forth above and as the

same may be amended or adopted by the Board of Directors from time to time. The above Rules and Regulations shall in no way amend or alter the Articles of Incorporation, Declaration or Bylaws of the Association, but shall only be supplemental thereto. Any Unit Owner or lessee who violates any of these Rules and Regulations is subject to a fine of \$100.00 per occurrence. Each day the violation continues shall be separate violation. A Unit Owner may also be subject to the impoundment of any personal property in violation of these Rules and Regulations, the towing and impoundment of motor vehicles which violates these Rules and Regulations at the owner's expense, or any combination thereof.

13. **AMENDMENT.** These Rules and Regulations may be altered, amended, revised or enlarged by the Board of Directors at any time. Written notice of any such change, amendment or revision shall be furnished to all Unit Owners and lessees following the adoption thereof.

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ARTICLES OF INCORPORATION OF BLUE MESA TOWNHOMES ASSOCIATION

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, acting as incorporator, hereby establishes a corporation pursuant to the Colorado Revised Nonprofit Corporation Act and adopts the following Articles of Incorporation:

ARTICLE IV Powers

The corporation shall have and may exercise all powers conferred upon a nonprofit corporation under the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as they now exist and as they may hereafter be amended from time to time.

ARTICLE I Name of Corporation

The name of the corporation shall be: Blue Mesa Townhomes Association

ARTICLE V Membership

The corporation shall have voting members and the membership shall be constituted as follows:

ARTICLE II Period of Duration

The corporation shall have perpetual existence, unless dissolved according to law.

5.1 Members. The owner of a unit in Blue Mesa Townhomes, upon becoming such owner, shall be entitled and required to be a member of the corporation and shall remain a member for the period of ownership of the unit.

ARTICLE III Purposes

The corporation is established not for profit and the objects and purposes for which the corporation is organized and the nature of the business to be conducted by it shall be:

5.2 Appurtenant Right. There shall be one membership in the corporation for each unit. Such membership shall be appurtenant to the unit and shall be transferred automatically by the conveyance of the unit to a new owner.

3.1 To constitute the Association to which reference is made in the Declaration for Blue Mesa Townhomes.

5.3 Voting. Each membership shall be entitled to one vote, and in the event the membership is held by more than one owner, the vote must be cast only as a single vote and split or divided votes of membership shall not be allowed.

3.2 To be the Association for the planned community of Blue Mesa Townhomes in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act, as they now exist and as they may hereafter be amended from time to time.

5.4 Terms and Conditions. The terms and conditions of membership in the corporation shall be as set forth in these Articles of Incorporation, the Bylaws of the corporation and the Declaration for Blue Mesa Townhomes.

3.3 To exercise all powers and to administer, manage, and govern Blue Mesa Townhomes, governed by the Declaration for Blue Mesa Townhomes, including all powers granted to the Association under said Declaration.

5.5 Class. There shall be one class of members.

3.4 To own, administer and maintain all property, whether real or personal or interests therein, for the use and benefit of all unit owners within Blue Mesa Townhomes.

5.6 Certificates. The corporation may issue a certificate evidencing membership therein.

ARTICLE VI
Board of Directors

6.1 Directors. The business and affairs of the corporation shall be managed by a board of directors.

6.2 Number of Directors. The initial Board of Directors shall consist of two persons. Thereafter, the number of directors shall be determined by or in the manner provided in the Bylaws.

6.3 Initial Board of Directors. The persons comprising the initial Board of Directors and their names and addresses are as follows:

Debra Paparo
0253 Haystack Lane
Snowmass, CO 81654

Harvey Paparo
0253 Haystack Lane
Snowmass, CO 81654

6.4 Rights of Declarant. Notwithstanding any other provision of these Articles of Incorporation, Ruby Construction, Inc., a Colorado corporation, as the Declarant of the planned community known as Blue Mesa Townhomes, its successors and assigns, shall have the right to appoint the members of the Board of Directors (who need not be owners of units) during the period of Declarant control, which is 10 years after the date of filing of the Declaration for Blue Mesa Townhomes. The period of Declarant control shall terminate no later than the earlier of (1) 60 days after the conveyance of 75% of the units that may be created within Blue Mesa Townhomes to owners other than Declarant, (2) two years after the last conveyance of a unit in Blue Mesa Townhomes by Declarant in the ordinary course of business, or (3) two years after any right to add new units in Blue Mesa Townhomes was last exercised. Further, not later than 60 days after the conveyance of 25% of the units that may be created in Blue Mesa Townhomes to unit owners other than Declarant, at least one member and not less than 25% of the members of the Board of Directors shall be elected by the unit owners other than Declarant, and not later than 60 days after the conveyance of 50% of the units that may be created in Blue Mesa Townhomes to unit owners other than Declarant, not less than 1/3 of the members of the Board of Directors must be elected by unit owners other than Declarant.

ARTICLE VII
Indemnification

The corporation shall indemnify the officers and directors of the corporation to the full extent permitted by the statutes of the State of Colorado.

ARTICLE VIII
Limitation of Liability

8.1 Nonliability of Director. The personal liability of a director to the corporation or its members for monetary damages for breach of a fiduciary duty as a director or officer is limited to the full extent provided by the statutes of the State of Colorado.

8.2 Liability for Willful or Wanton Acts. Directors shall not be liable for actions taken or omissions made in the performance of corporate duties except for wanton and willful acts or omissions.

ARTICLE IX
Bylaws

The initial Bylaws of the corporation shall be adopted by the Board of Directors. The power to alter, amend or repeal the Bylaws or adopt new Bylaws shall be vested in the Board of Directors.

ARTICLE X
Registered Office and Agent

10.1 The address of the initial registered office of the corporation is:

120 North Taylor Street
Gunnison, Colorado 81230

and the name of its initial registered agent at such address is Wilderson, O'Hayre, Dawson, & Norris, P.C.

10.2 Change of Office or Agent. Either the registered office or the registered agent may be changed at any time in the manner provided by law.

10.3 Principal Office: the principal office of the Corporation shall be:

IN WITNESS WHEREOF, the above named incorporator has signed these Articles of Incorporation the _____ day of _____, 2006.

Michael C. Dawson

ARTICLE XI
Distribution of Assets on Dissolution

Upon dissolution of the corporation, its assets shall be applied and distributed as follows:

11.1 First to pay and discharge all liabilities and obligations of the corporation.

11.2 To return, transfer or convey any assets as required by the provisions of Section 7-26-103, C.R.S. or as the same may be subsequently amended or modified.

11.3 All remaining assets of the corporation shall be distributed to its members in proportion to each member's ownership in the common elements of Blue Mesa Townhomes.

Consent of Registered Agent:

I consent to act as the initial registered agent for the corporation.

Dated: _____, 2006.

Registered Agent:

Wilderson, O'Hayre, Dawson, & Norris, P.C.

By: _____
Michael C. Dawson, Vice President

ARTICLE XII
Incorporator

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The incorporator of the corporation is as follows:

<u>Name</u>	<u>Address</u>
Michael C. Dawson	P.O. Box 179 Gunnison, Colorado 81230