

LOFTS AT MAGNOLIA CONDOMINIUMS

RULES & REGULATIONS

These Rules & Regulations are adopted in accordance with Articles 7.17 of the Declaration of Lofts at Magnolia Condominiums ("Covenants"). The Covenants govern the Common Interest Community located at 210 Magnolia Street, Fort Collins Colorado (the "Condominium Project"). The Condominium Project is a mixed-use Condominium Project consisting of Commercial Units and Residential Units. Capitalized terms are as defined in the Covenants or these Rules & Regulations. In the event of an inconsistency between these Rules & Regulations and the Covenants, the Covenants shall control.

In adopting the Rules & Regulations, it is recognized that the Condominium Project, by its nature, is owned in common by all Unit Owners. All Owners are Members of the Lofts at Magnolia Condominium Association, a Colorado nonprofit corporation ("Association"). Each Owner through the Association is responsible for the preservation of the Common Interest Community. Owners and their property values may be impacted by the acts of other Owners. The Covenants provide for mixed commercial and residential uses within the Condominium Project. It is the intention that these Rules & Regulations are to be applied equitably among all Owners.

1. Hallways, Elevators, Stairways And Sidewalks

1.1 Obstructions. Hallways, elevators, stairways and sidewalks ("Accessways") are intended to be utilized to access the Units. Such Accessways are not to be utilized for storage or to be obstructed. Any personal items, if found in Accessways, may be removed and disposed of by the Association. Particularly, no plants, bicycles, play equipment, baby carriages, furniture, wheelchairs, statuary or other items will be permitted to be kept in any Accessway without the permission of the Association's Board of Directors ("Executive Board").

1.2 Excessive Noise or Playing in Halls. No running, excessive noise, roughhousing or other activities, which would have the effect of disturbing other residents or adding excessive wear and tear to the Condominium Project, shall be allowed in any Accessway.

1.3 Décor. The Executive Board shall have the sole authority to establish Accessway décor, including making all decisions involving color schemes, wall coverings, window coverings, floor coverings, lighting and wall hangings. No resident may modify any Accessway décor without the approval of the Executive Board.

1.4 Security. Owners shall afford access only to that Owner's tenants, guests, or invitees and no unauthorized individual shall be afforded access by any Owner. Exterior doors shall be closed and, where appropriate, locked at all times and shall not be propped open, affording non-authorized persons access to the Condominium Project. Access keys and cards and security codes shall be kept confidential and shall not be disseminated except to Unit occupants and family members. No solicitors shall be afforded access to the Residential portion

for the Condominium Project and no door-to-door sales will be carried on within the Accessways. No handbills shall be posted or distributed within the Condominium Project without approval of the Executive Board.

1.5 Access Keys. No Owner shall duplicate any access card or door key. All access cards and Unit door keys shall be turned in to the Executive Board upon sale of any Unit. The Association may re-key access doors or change security codes at its discretion. All Owners shall provide 24/7 contact information to a person or firm who can provide emergency Unit access.

1.6 Garbage Shoots. No occupant of a Unit shall place any hazardous or flammable material in any garbage shoot, nor shall items of excessive size be placed in the garbage shoot. Particularly large items which are incapable of passing through the garbage shoot shall be carried to trash areas and properly disposed of in dumpsters or other facilities maintained by the association. No Owner or any contractors shall dispose of any carpet rolls, construction materials or similar items in any trash dumpster without the prior permission of the Executive Board. Trash consisting of glass bottles, aluminum cans, newspapers, plastic bottles shall be placed loose in the Recyclable trash shoot loose. All non-recyclable trash, before being placed in the non-recyclable trash shoot, must be plastic bagged.

1.7 Deliveries. The Association shall maintain receptacles for mail and newspaper deliveries in the lobby area. All deliveries including mail and newspapers shall be placed in the Unit's receptacle for such deliveries. Any oversized items or deliveries not placed in the proper receptacles and left in a lobby area shall be disposed of within a reasonable time if allowed, without board approval, to remain in any lobby or other Accessway.

2. Exterior Appearance.

2.1 Signage. No banner-type signage shall be hung within the Condominium Project without approval of the Board. Window lettering shall have characters not larger than eight inches in height. Non-window signage shall be in approved signage areas. No neon or flashing signage will be allowed.

2.2 Draperies/Window Coverings. All window coverings visible from the exterior of the Building shall be of a wood color. Each owner of a Residential unit shall install window coverings within forty-five days of receipt of ownership.

2.3 Building Protrusions. No protrusions from the Building, including air conditioning units, antennas, fireplace or other vents, shall be allowed without approval of the Executive Board.

2.4 Balconies. No enclosures shall be allowed on any balcony. No objects shall be dropped from balconies or placed on balcony ledges. Balconies shall not be used for storage and shall be kept in a tidy fashion, so as to avoid the appearance of clutter, particularly to passers by. Table umbrellas shall not be allowed on furniture on any balcony area. Dust and other items shall not be shaken from balconies, including shaking of dust mops, rags or clothing. Hanging or draping clothing or placement of clotheslines (including for drying of clothes) shall not be

allowed on balcony areas or from Unit windows. Without the approval of Executive Board, wire fencing or other mesh-type barriers shall not be erected on balcony railings. No plant hangings will be allowed on balconies or balcony railings without the approval of the Executive Board. No barbecues, chimneys, or similar devices fueled by charcoal, wood or liquid fuels, shall be maintained on any balcony. Electric and natural gas cooking equipment placed on non-flammable surfaces is allowed on balcony areas, with Executive Board approval.

2.5 Moving Arrangements. No item shall be moved into any Unit over any balcony without permission the Executive Board and without first affording all Owners 24-hour notice by posting. No derrick or other apparatus intended for the movement of any item over any balcony shall be installed on any balcony, the exterior or roof of the Building without Board approval. The Board may require that items may only be moved into Units via balcony areas by bonded moving companies and only after such company provides assurance of adequate insurance coverage to the Board.

2.6 Bird Nesting. Any Unit occupant shall ensure that no birds are allowed to nest in balcony or exterior areas of the Building. If an Owner is unable to knock down or otherwise remove and bird nesting area, such Owner shall, upon noticing a nesting area, contact the Executive Board.

2.7 Hot Tubs. Hot tubs shall not be allowed on balconies.

2.8 Windows and Window Frames. In the event any window is damaged or broken, the window shall be immediately replaced with the same type of window glass approved by the Executive Board. No Owner shall replace any window glass or window frame except with a glass or frame approved by the Executive Board.

2.9 Satellite Dishes. Unit occupants shall not affix satellite dishes to the exterior of the Building.

3. Residential Unit Leases.

If any Residential Unit is leased by an Owner, the Owner shall provide a copy of the Lease to the Executive Board upon written request. No Residential Unit shall be leased for any period of less than one month or longer than twenty-four months except with approval of the Executive Board. If any Unit is leased, any leasing Unit Owner shall, at all times, insure that the Executive Board has contact information for the Unit Owner. Any Owner leasing a Residential Unit shall be jointly and severally obligated with the Tenant for any damages or fines caused by or assessed as a result of the activities of the Owner's Tenant or the Tenant's family, guests or invitees.

4. Pets.

4.1 Number. At a maximum, four (4) pets shall be allowed per Unit. Under no circumstances may more than two (2) dogs or two (2) cats be maintained in any Unit.

4.2 Noise. No pet which is a threat to other residents, causes damage or unreasonable noise or is not properly supervised shall be kept in any Unit. All pets shall be licensed and properly vaccinated and cared for.

4.3 Clean-Up. All pet messes shall be immediately attended to and disposed of. In the event of a Unit occupant's failure to attend to pet messes, the Executive Board may terminate the occupant's right to keep a pet(s) in the Building.

5. Parking.

5.1 Parking Registration. Each Owner shall provide the Board annually with license plate numbers of any vehicles to be parked in parking areas. These license numbers are to be provided for security reasons. If vehicles with license numbers other than those which have been registered are found parked in any space, such vehicle may be towed by the Executive Board.

5.2 Inoperable Vehicles. No inoperable vehicle, trailer, recreational vehicle or oversized vehicle or truck shall be parked in any parking space without permission of the Executive Board.

5.3 Leases. As required by the Covenants, any lease of a parking space must be approved by and filed with the Executive Board. Unless included with a Residential Unit lease, no lease shall be effective for more than one year and all leases shall expire upon the sale of a Unit by the Lessor Unit Owner. Any Owner may lease a parking space(s) only to another Unit Owner.

6. Storage Areas, Bicycles and Mailboxes.

6.1 Storage Areas. Any Residential Unit with a designated storage area shall maintain that storage area in an uncluttered and presentable fashion. No hazardous or flammable materials shall be maintained in any storage area.

6.2 Bicycles. Bicycle storage areas shall be maintained within the Condominium Area. Persons storing bicycles, including bicycles in bicycle racks, shall provide the Executive Board with a description of the bicycle. The Executive Board may place notices on bicycles at any time that that bicycle will be removed within a certain period of time if not claimed. If, after such period, a bicycle is not claimed, bicycle locks may be cut of the bicycle may be removed.

6.3 Mailboxes. Mailboxes are provided for the Residential Units. The Executive Board may place bulletin board or other areas for posting notices near the mailboxes. No postings of handbills, notices or other items will be allowed in mailbox areas without the approval of the Executive Board. Mailbox doors are locking and shall be the responsibility of each Owner to maintain that Owner's mailbox.

7. Rooftop Patio.

7.1 Residential Use. The Rooftop Patio is for the use and enjoyment of Residential Unit Owners only, and their tenants, guests, and invitees. An Owner or tenant, or a family member, shall be present at all times when the Rooftop Patio is used.

7.2 Large Gatherings. An Owner desiring to use the Rooftop Patio for an event involving more than twelve (12) people shall first obtain the prior approval of the Executive Board, which approval shall not be unreasonably withheld. The Executive Board may condition approval upon a reasonable agreement including by way of example, and not limitation: (i) the payment of a reasonable damage and cleaning deposit; (ii) evidence of event or other appropriate liability insurance; (iii) professional security services; (iv) type of event and entertainment; and/or, (v) post-event professional cleaning of the Rooftop Patio, common restrooms, elevator or other impacted areas of the Condominium Project. The Executive Board in its discretion may impose a limit on the number of guests anticipated at any single event.

8. Conference Room.

8.1 Use. The conference room located in the residential lobby area shall be for the use of current Residential Unit Owner's only, and their tenants ("Residential Conference Room"). The Residential Conference Room shall not be used by any Residential Unit Owner or tenant of such Owner for any purpose other than the conduct of their business without prior consent from the Executive Board.

8.2 Reservation. Reservations for the use of the Residential Conference Room shall be made through the [A SCHEDULE BOOK MAINTAINED IN THE CONFERENCE ROOM/MAIL ROOM OR THROUGH THE ASSOCIATION?]. Each Unit Owner or Tenant shall be allowed to have [NUMBER OF USES PER MONTH] scheduled reservations for the use of the Residential Conference Room at any one time on the schedule book. A scheduled reservation should include a reasonable amount of time to set up and clean up after use.

8.3 Unscheduled Use. Each Unit Owner or Tenant shall also have access to the Residential Conference Room from time to time on a time available basis provided that such use does not interfere with a previously scheduled use. A Unit Owner or Tenant shall check the schedule book prior to any unscheduled use of the Residential Conference Room. And the user shall note in the schedule book the date and time of each and every unscheduled use so that the property management company can monitor use and access clean up or damage charges as appropriate.

8.4 Janitorial Service. Any party using the Residential Conference Room is responsible to leave the facility in a clean and presentable condition. Immediately following any use, the user shall dispose of all food and drink as appropriate including removing such trash from the Residential Conference Room to avoid smells and to leave the room in a clean and presentable condition.

9. Enforcement. The Executive Board shall have the ability to enforce these Rules & Regulations as allowed by the Covenants. Subject to any subsequent increase in fines as may be approved by the Executive Board from time to time, the Executive Board may elect to provide an

initial warning of any violation or to impose a fine of up to \$25.00 in the event of a first violation. Following an initial violation, fines of up to \$100.00 per violation may be imposed by the Executive Board. Each day that a violation continues shall be considered a separate violation and may be subject to a daily fine of up to \$100.00 as determined by the Executive Board. As set forth in the Covenants, any fine shall be in addition to actual costs incurred by the board or any owner which may be assessed against an Owner violating or responsible for a violation of these Rules.

These Rules and Regulations are adopted this ____ day of February, 2007, by unanimous consent of the Members of the Board of Directors of the Lofts at Magnolia Condominium Association pursuant to Article 7.17 of the Declaration of Lofts at Magnolia Condominiums and Article ____ of the Bylaws.

LOFTS AT MAGNOLIA
CONDOMINIUM ASSOCIATION

By: _____
Alan Strobe, Director

By: _____
Matthew Corey Sietz, Director