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BYLAWS
OF
PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC.
an Idaho Non-Profit Corporation

LAWSON & LASKI, PLLC
675 Sun Valley Road, Suite A
Post Office Box 3310
Ketchum, Idaho 83340

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BYLAWS

OF

PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC.

an Idaho Non-Profit Corporation

Article 1 NAME AND LOCATION

The name of the association is PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC. (hereinafter referred to as the "**Association**"). The Association is organized under the Idaho Nonprofit Corporation Act.

Article 2 DEFINITIONS

2.1 Declaration. The "**Declaration**" shall mean, collectively, the Declaration of Covenants, Conditions and Restrictions for the Pineridge Townhomes, and any amendments or supplements recorded or to be recorded pursuant thereto, and applicable to the townhome development commonly known and referred to as Pineridge located in the Ketchum, Idaho.

2.2 Other Definitions. Each and every definition set forth in Article I of the Declaration shall have the same meaning herein as therein, and each and every such definition is incorporated by reference herein and made a part hereof as if once again fully written and set forth at length hereat.

Article 3 MEMBERSHIP; VOTING RIGHTS

The qualification for membership and the voting rights of members shall be as set forth in Article V of the Declaration, all of which are hereby incorporated by reference herein as if set forth in full. The membership and voting rights as set forth in Article V of the Declaration may only be changed, altered or amended by an affirmative vote of seventy-five percent (75%) of the members of the Association at a meeting noticed and held in accordance with these Bylaws.

Article 4 MEETINGS OF MEMBERS

4.1 Organization Meeting of the Members. An organizational meeting shall be held as soon as practicable after incorporation of the Association, and the directors elected then shall hold office until the first annual meeting. All offices of the Board of Directors (the "**Board**") shall be filled at the organizational meeting.

4.2 Regular Meetings of Members. The first annual meeting of members of the Association shall be held within forty-five (45) days after the closing of the sale of the Townhome that represents the fifty-first (51st) percentile interest of Townhomes approved for sale in the preliminary plat map for the Project, but in no case later than nine (9) months after the closing and recording of the sale of the first Townhome within the development. Thereafter,



regular meetings of members of the Association shall be held at least once in each year at a time and place within the development, or at an alternate location, all as selected by the Board.

4.3 Special Meetings. Special meetings of the members may be called at any time by the president or by a majority of the Board, or upon written request of the members representing at least twenty-five percent (25%) of the votes in the Association, in accordance with the allocated percentage interest for voting rights set forth in Exhibit "A" to the Declaration.

4.4 Notice of Meetings. Notice of all members meetings, annual or special, shall be hand delivered or sent prepaid United States Mail and shall be given not less than fifteen (15) days nor more than sixty (60) days prior to the time of said meeting and shall set forth the place, date and hour of the meeting, and the nature of the business to be undertaken. Notices shall be given by, or at the direction of, the secretary or person authorized to call the meeting, and shall be transmitted to each member entitled to vote there at and to each mortgagee addressed to such member's or mortgagee's address last appearing on the books of the Association for the purpose of notice. Mailed notices shall be deemed received 48 hours after same are mailed by U.S. mail with a certificate or proof of mailing; notice by hand delivery shall be deemed received upon delivery. It shall be the responsibility of each Owner to provide any and all mortgagee information to the Association in a timely manner and to keep such information updated with the Association.

4.5 Quorum. The presence at any meeting in person or by proxy of members entitled to cast at least fifty percent (50%) of the total votes of all members of the Association, in accordance with the allocated percentage interest for voting rights set forth in Exhibit "A" to the Declaration, shall constitute a quorum. If any meeting cannot be held because a quorum is not present, members representing a majority of the votes present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 30 days from the time the original meeting was called, at which adjourned meeting the quorum requirement shall be at least 25% of said total votes. Any meeting of members whereat a quorum is present may be adjourned for any reason to a time not less than 48 hours nor more than 30 days from the time of such meeting by members representing a majority of the votes present thereat, either in person or by proxy. Any mortgagee, through its designated representative, shall be entitled to attend any such meeting but shall not be entitled to vote at the meeting or be counted for purposes of establishing a quorum.

4.6 Proxies. At all meetings of members each member may be present in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease when the ownership interest or interests of such member entitling him to membership in the Association ceases.

4.7 Order of Business. The order of business of all meetings of the members shall be as follows:

- (a) roll call;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading of minutes of preceding meeting;
- (d) reports of Board and officers;
- (e) election of directors, if any are to be elected;



- (f) unfinished business; and
- (g) new business.

4.8 Parliamentary Procedure. All questions of parliamentary procedure shall be decided in accordance with Roberts Rules of Order.

4.9 Majority of Owners. Except as otherwise provided herein or in the Declaration, the majority of the total voting power present, in person or by proxy, shall prevail at all meetings.

4.10 Action Without Meeting. Any action which may be taken at a meeting of the members may be taken without a meeting if authorized by a writing signed by all of the members who would be entitled to vote at a meeting for such purpose and filed with the secretary.

Article 5 DIRECTORS

5.1 Number. Prior to the termination of any Special Declarant Rights and Additional Reserved Rights of Declarant as set forth in Article II of the Declaration and subject to Declarant Control, the Board shall consist of the number of five (5) directors. Not later than the termination of any Special Declarant Rights and Additional Reserved Rights, the majority of the Board shall consist of Townhome Owners other than the Declarant of which two (2) members of the Board shall be Owners of Deed Restricted Townhomes.

5.2 Term of Office. Each director's term shall be for a period of two (2) years. The director's terms shall be staggered; at the meeting held for election of the first Board, three (3) directors shall be elected for a term of two years and two (2) directors shall be elected for a term of one (1) year; thereafter, at each annual election, the members shall elect sufficient directors for a term of two (2) years to fill all vacancies. All directors shall hold office until their successors are elected and qualified or until he/she resigns or has been removed in the manner provided for herein.

5.3 Nomination. Any member may propose a member for consideration for inclusion in the slate of members presented to the annual meeting for election to the Board, provided that such proposed name be given in writing to the Board fifteen (15) days or more prior to the annual meeting, unless such notice is otherwise waived by the Board.

5.4 Election. Subject to Declarant Control set forth in Article II of the Declaration, election to the Board shall be by secret ballot, if necessary due to more candidates than positions to fill. At such election, the members, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to cast under the Exhibit "A" of the Declaration. The candidates receiving the highest number of votes shall be deemed elected.

5.5 Compensation. No director shall receive any compensation for any service rendered to the Association; provided, however, any director may be reimbursed for actual out-of-pocket expenses incurred in the performance of such duties.

5.6 Removal; Vacancies. Subject to Article II of the Declaration regarding Declarant Control, following notice and an opportunity to be heard as required by this Declaration and the Act, the Townhome Owners, by sixty-seven percent (67%) vote of all persons present and entitled to vote at a meeting of the Townhome Owners, in accordance with the allocated percentage interest for voting rights set forth in Exhibit "A" to the Declaration, at



quorum is present, may remove a member of the Board of Directors with or without cause, other than a member appointed by the Declarant. In the event of the death, resignation or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Article 6 MEETINGS OF DIRECTORS

6.1 Regular Meetings. Regular meetings of the Board shall be held at such intervals as determined by the Board without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day, which is not a legal holiday. Notice of the time and place of any such meeting shall be posted at a prominent place or places within the common area.

6.2 Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days prior notice to each director, which notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be posted in the manner prescribed for notice of regular meetings not less than 72 hours prior to the scheduled time of the meeting.

6.3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business at a meeting of the Board. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

6.4 Conduct of Meetings. Regular and special meetings of the Board shall be open to all members of the Association; provided, however, that Association members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of a quorum of the members of the Board, adjourn a meeting and reconvene in executive session to discuss and/or vote upon any situation in which the Board determines such is reasonably appropriate, and any personnel matters, litigation in which the Association is or may become involved and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6.5 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Article 7 POWER AND DUTIES OF THE BOARD

7.1 Powers. The Board shall have all powers conferred upon the Association as set forth herein and in the Declaration, subject to the limitations sets forth in Article IV of the Declaration and excepting only those powers expressly reserved to the members.

7.2 Duties. It shall be the duty of the Board:

- (a) to cause to be kept a complete record of all of its acts;



(b) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed; and

(c) to delegate its powers as provided in the Declaration.

Article 8 OFFICERS AND THEIR DUTIES

8.1 Enumeration of Offices. The officers of the Association, who shall at all times be members of the Board, shall be a president and vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The election of officers shall take place at the organizational meeting of the Board and thereafter at each meeting of the Board following each annual meeting of the members.

8.3 Term. The officers of this Association shall be elected annually by the Board and each officer shall hold office for one year unless he shall sooner resign, or shall be removed, or shall otherwise be or become disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer who is being replaced.

8.7 Multiple Offices. The offices of the secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 hereof.

8.8 Duties. The duties of the officers shall be as follows:

(a) **President.** The president shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments, and shall sign all promissory notes relating to the Association.

(b) **Vice President.** The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary.** The secretary, or a designated representative approved by the Board, shall record, the votes and keep the minutes of all meetings and proceedings of the Board and of the members, shall serve notices of meetings of the Board and of the members, shall keep appropriate current records showing the members of the Association together with



and mortgagees when requested and provided with their addresses, and shall perform such other duties as required by the Board.

(d) **Treasurer.** The treasurer, or a designated representative approved by the Board, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board, shall sign all checks (unless otherwise signed by the President or another member of the Board) and co-sign promissory notes of the Association, shall keep proper books of account, shall cause an annual operating statement reflecting income and expenditures of the Association for its fiscal year to be prepared and shall cause copies of said statement to be distributed to each member within ninety (90) days after the end of such fiscal year, and shall cause an annual budget to be prepared and presented to each member.

To the extent that the President and/or Treasurer are not available to execute the agreements, contracts, deeds, checks and other instruments of the association, the Board may designate in writing such other person or persons to do so. All checks for unbudgeted items that are greater than Three Thousand Dollars (\$3,000) shall be signed by at least one officer.

8.9 Compensation. No officer shall receive any compensation for any services rendered to the Association; provided, however, any officer may be reimbursed for actual out-of-pocket expenses incurred in the performance of such duties.

Article 9 COMMITTEES

Subject to any contrary provisions of the Declaration and these bylaws, if any, the Board may appoint committees, as it deems appropriate in order to carry out its purpose.

Article 10 ASSESSMENTS

As more fully provided in Article VI of the Declaration, each member is obliged to pay to the Association annual and special assessments to be collected as therein set forth, all of which are hereby incorporated by reference herein as if set forth in full. The assessments set forth in Section 6.4.3 B of Article VI of the Declaration may only be changed, altered or amended by an affirmative vote of seventy-five percent (75%) of the members of the Association, according to their allocated percentage interest for voting rights set forth in Exhibit "A" of the Declaration, at a meeting noticed and held in accordance with these Bylaws.

Article 11 AMENDMENTS

These bylaws may be altered, amended or repealed by members of the Association holding sixty-seven percent (67%) of the votes, in accordance with the members allocated percentage interest for voting rights as set forth in Exhibit "A" to the Declaration. Notwithstanding the foregoing, the percentage of the voting power of the members of the Association, other than the Declarant, necessary to amend a specific clause or provision in these bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision as set forth in these bylaws or in the Declaration.



Article 12 GENERAL PROVISIONS

12.1 Conflicting Provisions. In the case of any conflict between any provisions of the Declaration and these bylaws, the conflicting provisions of the Declaration shall control.

12.2 Fiscal Year. The fiscal year of the Association shall be a calendar year unless and until a different fiscal year is adopted by the members at a duly constituted meeting thereof.

12.3 Proof of Membership. No person shall exercise the rights of membership in the Association until satisfactory proof thereof has been furnished to the secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the owner of an interest in a Townhome entitling him to membership. Such deed of policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

12.4 Absentee Ballots. The Board may make such provisions as it may consider necessary or desirable for absentee ballots.

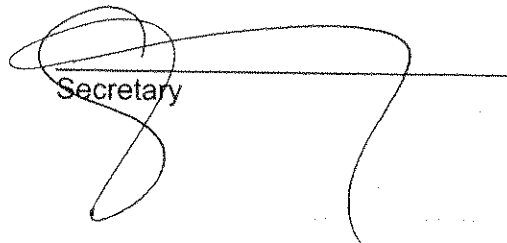
12.5 Consent to Waiver of Notice. The transactions at any meeting of the Board, however noticed, shall be held as valid as though they had occurred at a meeting duly held after regular notice if a quorum be present and either before or after the meeting each director not present thereat signs a written waiver of notice or a consent to the holding of such meeting or an approval of the true and correct minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Board and made a part of its minutes.

12.6 Reserves. Any amounts collected by or paid to the Association in excess of operational needs shall be set aside as reserves for future financial needs in the manner set forth in the Declaration and shall be deposited into insured interest-bearing accounts.

CERTIFICATE OF SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of Pineridge Townhomes Owners Association, Inc, an Idaho nonprofit corporation, does hereby certify that the above and foregoing bylaws were duly adopted by the Board of Directors of said Association on the 29th day of November, 2005, and that they now constitute said bylaws.


Secretary



**PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC.
RULES AND REGULATIONS**

Adopted on _____, 2005.

WHEREAS, the Bylaws ("**Bylaws**") of the Pineridge Townhomes Owners Association, Inc. (the "**Association**"), the Articles of Incorporation of the Association (the "**Articles**") and the Declaration of Covenants, Conditions and Restrictions for Pineridge Townhomes, recorded _____, 2005, recorded as Instrument No. _____ in the Official Records of Blaine County, Idaho ("**Declaration**"), grant to the Board the powers and duties necessary to conduct the affairs of the Association and to make such rules and regulations as they deem in the best interest of the Association (all terms not defined herein shall have the same meaning as set forth in the Declaration);

WHEREAS, for the health, safety, welfare, and comfort and convenience of all Owners, guests and tenants, the Board wishes to establish policies so that it may fairly and consistently enforce the governing documents;

NOW, THEREFORE, BE IT RESOLVED that in addition to the guidelines set forth in the Declaration, the following rules and regulations shall apply to all Owners, guests and tenants of the Association and are hereby adopted by the Board and effective as of the date set forth above:

A. Parking.

1. Owner Vehicle Parking. Parking of Owners' and tenants' vehicles shall be limited to interior garage space for those Townhomes that have garages, and for those Townhomes that do not have garages, parking of vehicles shall be limited to the areas demarcated on the Plat Map as Limited Common Area for a particular Sublot. No Owner may use any parking space assigned to another Owner. Motorcycles are hereby considered to be one vehicle.

2. Guest Parking. Guest parking areas shall be limited to those areas marked as guest parking. All designated guest parking shall be limited to use by guests only, and shall not be used by Owners and/or tenants.

3. Snow Removal. Upon request of the Association, owners shall move their vehicles for snow removal. Any vehicle not moved upon request, may be subject to towing.

4. Fire Lanes. All fire lanes shall remain free of all vehicles at all times. No parking shall be permitted at any location on the Property unless specifically designated for parking by the Association.

5. Repairs. The costs for repairs or replacement of any Common Area damage caused by a vehicle, including without limitation, dripping oil, leaking gas, damage to landscaping, shall be the sole financial responsibility of the vehicle owner.

6. Prohibitions. All parking spaces shall be used for parking operable vehicles only; further, there shall be no working on vehicles in any outdoor space for periods of time in excess of four hours. No boat or any other type of water craft, trailer, recreational vehicle, camper, snow machines or commercial truck (excluding a pick up truck) or vehicle shall be parked or left within the Project. No Owner may use any parking space for storage or use any

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in a manner that obstructs or interferes with any other Owner's or guest's parking rights or that constitutes a safety hazard.

7. Enforcement. Without limiting the generality of the powers of the Association with respect to parking, the Association is specifically authorized, but not obligated, to remove any vehicle parked in any area not designated for parking, or any vehicle parked in any space that is assigned to another person or reserved for a specific use, or any vehicle parked in an obstructing or hazardous manner, in all cases at the expense of the Owner or occupant that owns such vehicle. Notwithstanding the foregoing, expenses incurred by the Association in connection with such removal (and storage, if necessary) shall be a personal obligation of such Owner even though the expense was incurred due to the Owner's guest, tenant, or invitee; further, if the Owner fails to pay such amount within seven (7) days after notice to Owner of the amount owed, then the failure to pay shall be a default by the Owner and such expenses shall automatically become a reimbursement assessment determined and levied against such Owner enforceable by the Association as provided in the Declaration.

8. Parking Passes. The Board may, in its sole discretion, issue parking passes to the Owners of the Townhomes and monitor parking with the use of such passes.

B. Animals/Pets.

1. Dogs and Cats. Up to two (2) adult dogs, and up to two (2) adult cats may be kept on each Sublot, provided the following: (i) that they are not kept, bred or maintained for any commercial purpose, (ii) that such animals are not allowed to run at large and dogs shall not be allowed to bark excessively at any time of the day or night, (iii) that all dogs while outside of a Townhome shall be on a leash at all times except if contained in a fenced backyard of Sublots 1, 2, 3, 4, 5, 6, 7, or 8; (iv) that no such dog is unreasonably aggressive, and (v) Owners or caretakers of all dogs are to immediately clean up after their pets.

2. Other Ordinary Household Pets. Subject to the restriction on the number of dogs and cats set forth above as well as the general prohibitions set forth herein, birds, other small caged animals, and other ordinary household pets may be maintained on any Sublot.

3. General Prohibitions. The capturing, trapping or killing of any wildlife within the Property is prohibited, except in circumstances posing an imminent threat to the safety of persons. No horses, cattle, livestock, household animals or other animals of any kind shall be raised, bred or kept or maintained on any Sublot, except as specifically set forth herein.

4. Enforcement. Any animal determined in the sole discretion of the Board to be running at large, creating a nuisance, making objectionable noise, endangering any person's health, safety, or property, or otherwise constituting an inconvenience to any Owner, shall be removed upon written request of the Board. If the owner of the animal fails to honor such request for removal within thirty (30) days after such written request, the Board shall be entitled to remove the animal, without liability therefor.

C. Decks, Patios, Balconies, Porches and Exterior Areas.

1. No Unsightly Articles. No unsightly articles shall be permitted to remain so as to be visible from any roads or streets or adjoining Sublots.



This document provided courtesy of Sun Valley Title as a storage facility for anything other than a gas or propane barbecue, plants, and patio furniture.

Permitted Items. Decks, patios, balconies and porches shall not be used

Deleted: , and neatly stacked firewood.

3. **Prohibited Items.** Without limiting the foregoing, the storage of bikes, toys, camping equipment, sporting equipment and building supplies shall be considered unsightly articles which are prohibited on the decks, patios, balconies and porches if they are visible from any roads, streets or other Sublots. Service areas, storage piles, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view.

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D. Refuse. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any Sublot except within an enclosed structure or as appropriately screened from view.

E. Interior Window Coverings. Standard blinds, curtains or window shades, in good condition, are the only permitted window coverings. The use of flags, sheets, blankets or towels as window coverings is prohibited. No plastic or aluminum may be installed on the exterior or interior of any windows or doors.

F. Decorations.

1. **Noncommercial Signs, Flags, Posters and Banners.** Noncommercial signs, posters, flags or banners may not be displayed by an Owner with the exception of the American flag.

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2. **Holiday Decorations.** Holiday decorations, including without limitation lights, may be installed on the exterior of a Townhome or on a Sublot no earlier than one (1) month prior to the holiday and shall be removed by the Owner no later than two (2) months after the holiday.

G. No Exterior Modifications and/or Additions. It is the intent of the Board that the Property will not be altered from its improved state as of the completion date of the construction of the original improvements by Declarant.

1. **No Exterior Modifications.** No improvements, alterations, repairs, change of paint colors, excavations, changes in grade, landscaping or other work which may in any way alter the exterior of any Sublot or the improvements located thereon or the Common Areas, may be made without the prior written consent of the Board and without the prior written approval of all adjoining Townhome Owners.

2. **No Additions.** Further, no building, fence, wall, gates or other structure shall be constructed or erected, altered, or built without the prior written approval of the Board and all adjoining Townhome Owners.

3. **Submittal by Owner and Consent of Board.** Owner shall deliver a written request to the Board of any such proposed changes and shall include appropriate drawings and any other reasonably requested materials. The Board may, in its sole discretion, submit such submitted drawings and materials to an architect designated by the Board, in order to assist the Board in determining the impact of the proposal on the entire Pineridge Property, including without limitation whether such proposal is in harmony with the design of the Property. The



the approval shall pay all fees of such architect incurred in connection with any and all parts of the approval process, including through final completion, in advance.

4. Preliminary Approval of Board. Upon review of the submitted drawings and materials, and review by an Architect, if deemed necessary by the Board, and receipt of written approval of all adjoining Townhome Owners, the Board may grant preliminary written approval which shall be subject to final approval upon receipt and approval of the following: (i) complete elevations and drawings, (ii) valid building permit, (iii) construction schedule, (iv) designation of contractor, and (v) evidence of insurance (in amounts and from a company deemed acceptable by the Board) coverage indemnifying the Association, all other Owners and third persons from any personal injury or property damage arising from acts or inaction on the part of the Owner or the Owner's contractor during the course of the requested work.

5. Final Approval of Board. On receipt of final approval from the Board, Owner may proceed with the proposed work; however, no changes may be made to the proposed work without the prior written consent of the Board. Any work not in conformance with the final approval shall be removed at the Owner's sole expense. Owner shall notify the Board when the work is complete and the Board, or a designated architect, may inspect such work.

H. Occupancy Limits. The maximum number of occupants in any Townhome shall be limited to two (2) persons per bedroom. Exceptions to this occupancy limit will be for short-term (meaning no more than 10 consecutive days) guests only, and shall be limited to two (2) additional persons per bedroom above the limit stated above.

I. Security and Fire Safety.

1. Evidence of Insurance. Each Townhome Owner, at their own expense, shall provide to the Association, on an annual basis, evidence of property and liability insurance for their Sublot.

2. Notification of Use to Association. Prior to, and in no event later than the first day of occupation, Owner shall notify the Association that their Townhome is to be or being occupied by Owner or anyone else.

3. Notification of Contact Information. Each Owner shall provide to the Association emergency contact information for the Owner and their domestic employees. Any change to the contact information shall be provided to the Association on a timely basis.

J. Notice to Tenants and Guests. It is the responsibility of each Townhome Owner to notify his/her guests, tenants, invitees, management agents, contractors and other service people of these Rules and Regulations. For purposes of enforcement of these Rules and Regulations, as well as the Association Bylaws, Articles, and Declaration, each Owner shall be made responsible for the actions of their guests, tenants, invitees, management agents, contractors and other service people while on Association Property.

K. Business/Commercial Operations and Signs.

1. No Business or Commercial Operations. Owners may conduct business activities within a residence located upon a Sublot so long as such business activities (i) are not observable or detectable from the exterior of the residence, (ii) comply with all governmental rules, regulations and ordinances, (iii) do not involve regular visitation by clients, customers,

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~~Replacement of Fire Alarm Batteries.~~
Each Owner hereby consents to the Association, on an annual basis, replacing all fire alarm batteries in the Townhomes, at the expense of each Owner.¶



for business invitees, (iv) do not involve any kind of door-to-door solicitations within the Property, (vi) do not constitute a nuisance, or a hazardous, illegal or offensive use, or threaten the security or safety of other persons, and (vii) otherwise are in compliance with the Declaration. Notwithstanding the foregoing, the renting of a Townhome to vacationers or guests using the Townhome only for a residence is permitted.

2. Commercial Signs. No commercial signs of any type, including without limitation, flags and banners, shall be placed upon any window, exterior of any building or structure, or in the Common Area, except for a "for sale" sign, and during an open house relative to the sale of a Townhome, a standard real estate open house sign may be placed upon the particular Sublot while the event is in progress, limited to the hours of 8:00 a.m. to 5:00 p.m.

L. Quiet Hours. It is incumbent for all residents to respect their neighbor's privacy. The peace and tranquility of the Pineridge Townhomes should be maintained at all times. A special effort must be made to keep noise to a minimum between the hours of 10:00 p.m. to 8:00 a.m. Hours for maintenance or repair work to the Townhomes shall be limited to 8:00 a.m. to 7:00 p.m. Monday through Friday, and 10:00 a.m. to 6:00 p.m. on Saturday. No work is allowed on Sundays.

M. Enforcement Policy. In addition to the enforcement provisions set forth herein regarding parking and animals, in Sections A. and B. of these Rules and Regulations, the following shall be the enforcement policy when Owners, tenants, guests or other invitees are in violation of the Association Bylaws, Articles, Declaration, and these Rules and Regulations, the Board sets forth the following:

1. Owners, Tenants & Guests. Each Owner shall be responsible for the actions of their guests, tenants and invitees while on Association Property.

2. First Violation Notice. A written violation notice shall be placed on the front door of the Townhome, or on the vehicle, as the case may be, notifying the resident or vehicle owner and giving 48 hours to correct the violation. Notwithstanding the foregoing, pursuant to Section A.7 hereof, the Association is authorized, and may do so at its sole discretion and without first providing a written violation notice or waiting the 48 hours, to remove any vehicle parked in an area not designated for parking, or parking in any space that is assigned to another person or reserved for a specific use, or parked in an obstructing or hazardous manner, at the owner's sole cost and expense.

3. Second Violation Notice. If the violation is not corrected within 48 hours, a second notice will be placed on the door of the Townhome, or on the vehicle, as the case may be, and the resident and/or vehicle owner will be given 24 hours to comply.

4. Third Violation Notice and Imposition of Fine. If 24 hours after the second notice the resident has not corrected the violation, a third notice notifying the resident of the imposition of a \$50.00 fine that will be assessed against the Owner's account will be placed on the door of the Townhome.

5. Imposition of Daily Fines. If the violation has not been corrected within one (1) week of the date of the third notice, a daily fine of \$50.00 per day shall be assessed to the Owner's account until the violation has been corrected. A fourth and final notice will be placed on the front door of at this time notifying the resident of the fines. Violations continuing for greater than 30 days from the date of first notice of violation shall increase to \$100 per day.



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6. Notice to Owner of Record. A copy of the third and fourth notice shall be mailed to the Townhome Owner of record.

7. Assessments and Creation of a Lien. The fines imposed shall be deemed a reimbursement assessment in accordance with Section 6.4.4 of the Declaration, and shall be collected in the same manner as regular assessments as set forth in the Declaration. Further, any and all legal fees and expenses associated with imposing such fines and the collection thereof shall be added to the account of the Owner and shall be deemed a reimbursement expense. Further, in accordance with Article VII of the Declaration, the Board may create a lien against such Townhome by recordation of a notice of assessment as provided in Idaho Code §55-1508.

8. Right to Pursue Other Legal Remedies. The payment of the fines may, at the discretion of the Board, be enforced by commencement and maintenance of a suit at law or in equity, or the Board may foreclose by judicial proceedings or through the exercise of the power of sale pursuant to Article VII of the Declaration to enforce lien rights created.

9. Board Discretion. Upon compliance by the Owner and/or resident with thirty (30) days of imposition of the fines, the Board may, in its sole discretion, waive the fines.

10. Right to Hearing. All Owners have the right to request a hearing with the Board regarding violations and fines addressed to their account. Notice of the hearing will be sent at least ten (10) days prior the hearing and will be given either personally or by prepaid first class mail to the most recent address shown in the Association's records. An Owner shall have the right to send a letter, a representative, or appear in person to present evidence as to why they should not be disciplined. The hearing will be held in executive session. Upon timely written request, the Owner may, at the discretion of the Board, be granted a continuance to a new hearing date. In the event a person fails to appear for a hearing, the Board will review the evidence presented and make a decision accordingly. In the event the violation is corrected prior to a hearing date, the Board may discontinue the proceedings. Within fifteen (15) days of the Board's decision, the Owner shall be given written notice of the decision.

Effective as of the date hereinabove written.

PINERIDGE TOWNHOMES OWNERS ASSOCIATION, INC.

By: _____,
_____, Association's Secretary