

**KRYSTAL VILLA II ASSOCIATION, INC.
P.O. Box 3863
Ketchum, Idaho 83340**

RULES AND REGULATIONS

As adopted by the Members of the Board of Directors
of the Krystal Villa II Association, Inc.
on January 12, 2015

NOTE: THE LAST PAGE OF THESE RULES ARE AN ABBREVIATED VERSION FOR QUICK REFERENCE AND FOR EASY DISSEMINATION TO INTERESTED PARTIES (I.E. TENANTS AND OCCUPANTS)

NOTICE TO ALL OWNERS, TENANTS, AND OCCUPANTS OF KRYSTAL VILLA II CONDOMINIUMS

The property manager for the Krystal Villa II Association is as follows: Nichols Management, P.O. Box 254, Ketchum, Idaho 83340; Telephone (208) 726-4565; Facsimile (208) 726-2429; e-mail: info@thenicholsgroup.com. Please report any dangerous situations, problems with compliance with Rules and Regulations, or any emergency situations relating to the operation of the Association, directly to Nichols Management.

KRYSTAL VILLA II ASSOCIATION, INC.
P.O. Box 3863
Ketchum, ID 83340

RULES AND REGULATIONS

The following constitute the rules and regulations as adopted by the Board of Directors of Krystal Villa II Association, Inc., an Idaho non-profit corporation (the "Association") on January 12, 2015. These rules and regulations apply to, and are enforceable against, every owner of each condominium unit ("Unit") of the Association, and each tenant, guest, or occupant of each Unit.

**OWNERS ARE RESPONSIBLE FOR TENANTS AND OWNERS, NOT TENANTS,
WILL BE FINED FOR ALL RULE VIOLATIONS.**

Any violation of the RULES AND REGULATIONS are subject to Section 19 Below. Such fines shall be imposed upon the Owner regardless of whether or not the Owner or his/her Tenant/Guest/Renter/Etc. is violating the rules. In addition to fines, other remedies, such as towing vehicles, may be immediately implemented upon violation of the rules.

1. PARKING

1.01. The parking area of the Association may only be used by owners, tenants of owners and guests of owners or tenants. No person other than an owner, tenant of an owner or guest of an owner or tenant may utilize the parking area for any purpose whatsoever, without the advance consent of the manager.

1.02. One parking space should be allocated for use for each owner of a Unit in the parking area immediately adjacent to the Unit. At present, there are no assigned parking spaces, although the board of directors reserves the right, at its discretion, to assign parking spaces at any time. The manager has authority to require reasonable allocation of parking for the convenience of the owners of each Unit, tenants of each Unit or guests of each Unit, at any time. The west unpaved lot is over overflow parking only and should only be used if *all* paved spaces are being used.

1.03. Walkways to and from each Unit should not be blocked by vehicles. Vehicles should not be parked on the grass, even if the grass is covered with snow. Reasonable effort should be made to avoid blocking walkways.

1.04. No boats, RVs, utility trailers, other trailers or campers may be parked in the Association parking lot at any time with the following exception: each owner has the right to park a boat, RV, utility trailer, other trailer, or camper onsite for a total of two weeks in any given year.

Prior to such a vehicle or trailer being parked onsite, the manager must received *prior* written notice containing the dates of use and type of vehicle/trailer.

1.05. Notwithstanding anything contained herein, any vehicle which the manager deems abandoned will be towed at the expense of the owner of the vehicle 4 days after a warning note is posted on the vehicle.

1.06 During snow days (any day where 2 inches or more of snow is received prior to 6AM of the same day) vehicles must be moved to a cleared spot between 9:00 AM and 11:00 AM. Vehicles that are not moved by 11:00 AM are subject to immediate towing.

SPECIFIC PARKING ENFORCEMENT: If any parking rules are violated, the Manager is tasked with towing or booting the offending vehicle/trailer/etc. as soon as possible and the Association has no duty to determine ownership of the car or trailer prior to towing or booting.

2. DECKS

2.01. Deck areas are solely to be used for leisure purposes. The only items which may be stored on the deck area are wood or sporting equipment (such as skis, bicycles or other sporting equipment) and appropriate outside deck furniture (upholstered couches, chairs and other furniture that is generally not intended for outdoor use is absolutely prohibited). Any items stored must be kept neatly in the deck area, and must be kept below the top level of the perimeter of the deck enclosure. No storage of sofas, mattresses, carpeting, tools, car tires or any other items is permitted.

2.02. No towels, blankets, clothing or other items shall be hung, or draped over the walls, or railings.

2.03. No unattended animals are permitted on the decks at any time.

2.04. No occupant of an upper level deck shall do anything which shall cause any sawdust, dirt, refuse or any other material to fall upon a lower deck, or any water or liquid to drip upon a lower deck. The owner having the right to utilize the upper deck as limited common area shall be responsible to the Association, and to the owner of the lower deck, should any personal injury or property damage occur as a result of a violation of the foregoing.

2.05. The area under the lower deck units is to remain clean and may not to be used as a storage area.

2.06. No modification of a deck may be made at any time without the advance written consent and agreement from the Association. The Association may require, at the expense of the owner, the immediate restoration of a deck to the condition in which the deck existed prior to such

alteration or modification, at the sole cost and expense of the owner.

3. PETS

3.01. No dogs or animals are allowed on the Common Area or Limited Common Area at any time except those owned by Owners. No dogs or animals may be *kept* on the premises by tenants or renters even if said dogs are actually owned by Krystal Villa owners not residing at Krystal Villa

3.03. Owners of dogs or animals are responsible for the action of their pets. Any mess made by any pet shall be picked up by the owner. Any dogs or other animals shall be kept on a leash at all times, unless accompanied by an owner, and subject to the verbal control of the owner.

3.04. No dogs or animals shall be allowed within the pool or jacuzzi area at any time.

3.05. No animals shall be allowed to remain if such animal constitutes a nuisance to any person.

4. SPEED LIMIT

4.01. The speed limit is 5 miles per hour, or slower when appropriate, in the Association common area.

4.02. Regardless of the maximum speed limit as provided in section 4.1, all persons are required to drive slower than the maximum speed limit as needed, especially in the proximity of the blind curves in the Association parking area.

5. STAIRWELLS

5.01. A stairwell may not be used as a storage area. A stairwell shall be kept clean and neat at all times. Owners are responsible for any personal injury or property damage resulting from failure to keep the stairwell clean, safe and neat at all times.

5.02. No item may be stored under any stairs for any purposes whatsoever, save and except that, in a proper and neat position, bicycles may be parked under the stairs for the Units which are located on the first and second floor on the same side of the building of which the stairs are located. In addition, the bikes can be stored in bike rack areas.

6. CRAWL SPACES

6.01. The crawl spaces under all of the buildings are part of the common area. No owner of a Unit has any rights to utilize the crawl space for any purpose whatsoever. Entry into the crawl space by any owner is prohibited without prior permission or notification.

6.02. No items may be stored under the crawl space for any purpose whatsoever at any time. Any item in the crawl space shall be removed immediately by the manager.

7. EXTERIOR LIGHTING

The outdoor light next to the door of each Unit is turned on by a master switch and are necessary to light the stairways. Lights are not to be unscrewed or made inoperable. The occupant of any Unit should notify the manager if the light is out or if a bulb is missing. Lighting is a safety issue and they should not be unscrewed.

8. POOL/JACUZZI/SAUNA

8.01. The Pool and Jacuzzi are open from 7:00 AM to 10:00 PM. No radios shall be used in or about the proximity of the pool/jacuzzi/sauna area and all persons must refrain from engaging in boisterous, loud, or noisy conduct, or in any way disturbing any of the occupants of nearby condominiums.

8.02. Everyone uses the pool/jacuzzi/sauna facilities at his or her own risk.

8.03. No person under the age of fourteen (14) years is permitted to use the Jacuzzi.

8.04. Any person under the age of fourteen (14) using the pool or jacuzzi area must be accompanied by a person over the age of eighteen (18) years who is an owner or a tenant of a Unit.

8.05. No glass containers or other glass items of any kind are allowed at any time in and about the pool or jacuzzi area.

8.06. Following the use of the jacuzzi, the jacuzzi lid should be replaced. Standing or placing undue weight upon the jacuzzi lid is prohibited.

8.07. All persons using the pool or jacuzzi shall pick up all cans, cups, or other refuse resulting from the use of the pool or jacuzzi area upon leaving the area.

8.09. No dogs or other animals are allowed in the pool or jacuzzi area at any time, even on a leash.

9. LAUNDRY ROOM

The laundry room is to be used by owners and tenants only. No "guests" (i.e. the public) are permitted to use the laundry room. Any malfunction of the laundry room should be reported immediately to the manager. All empty soap containers and unwanted items should be immediately disposed of and placed in the garbage bins for such use. The heater in the laundry room should not be adjusted.

10. BARBECUES

10.01. The use of barbecues and/or heating units on the decks is extremely dangerous. All barbecues and/or heating and cooking units which use charcoal are prohibited from use on the decks. Persons using a barbecue and/or heating and cooking unit on a deck may only use a gas operated unit.

10.02. Any damage resulting from the use of a barbecue, heating unit or cooking unit will be the responsibility of the owner of the Unit where the barbecue, heating unit or cooking unit was located at the time of such damage.

10.03. No charcoal barbecue, heating or cooking unit may be used on the decks, in units, or anywhere else on the common area. Only gas fired and/or electric barbeques are allowed AND a fire extinguisher sufficient to immediately extinguish any fire which may be caused as a result of the use of such unit must be present.

11. BOILER ROOM

Entry of the main boiler room and the swimming pool heater building are prohibited. These areas are not storage areas. No unauthorized person is permitted to enter either of those areas.

12. PLUMBING/ELECTRICAL PROBLEMS

Any owner, tenant or guest of owner or tenant who experiences plumbing, leaking, electrical, or other problems should immediately notify the manager. Note that some of these issues may not be an association expense.

13. HEATERS

Heating should be turned to approximately 55 degrees when leaving the Unit. Heaters should be kept free of dust, debris, electrical cords, etc., and clean at all times. In addition, all interior doors (including vanity sink doors) should remain open.

14. NOISE

14.01. Noise travels through the units very easily. The volume of all appliances (televisions, stereos or radios) should be kept low at all times, so that no noise penetrates into an adjacent or nearby Unit.

14.02. The manager has the right to require any person occupying a Unit to reduce the volume of, or turn off, any appliance which may be heard outside the perimeter of the Unit.

14.03 If there are noise disputes, the City of Ketchum noise ordinances govern and the police should be called for violations.

15. FIREPLACES

15.01. All wood burning fireplaces will be inspected annually. The Association will, at its own expense, arrange to have each of the fireplaces inspected for safety. The Manager will automatically have those chimneys which have been determined to be in need of cleaning to be cleaned and the owner of the Unit will be billed for the cleaning. The cleaning expense will be charged to the owner of the Unit in the same manner as, and be treated legally the same as, an assessment against the ownership interest of the Unit as provided in the Declaration.

15.02. All ashes should be deposited in a dumpster, after cooling. No ashes should be left on the deck of any Unit.

16. POSSIBLE EMERGENCY ENTRANCE

16.01. It may be necessary for an emergency entry to be made to any Unit. The manager is authorized to make emergency entries in any instance in which it reasonably appears that life, health or property may be endangered. Accordingly, it is advisable to leave keys with the manager in order to alleviate the possibility that forcible entry may take place.

16.02. Neither the Association or the manager shall be responsible for any damage occurring to a Unit as a result of a forcible entry, reasonably taking place upon reasonable facts available to the manager at the time of the entry, occurring as a result of the failure on the part of an owner to leave a key with the manager. Any such damage will be the responsibility of the owner.

17. CURRENT ADDRESS AND EMERGENCY NUMBERS

17.01. The manager of the Association, should be apprised at all times of the current residence address, office telephone number, home telephone number and, to the extent possible, facsimile number of each of the owners of the Unit. In the event of an emergency, it may be necessary for the Association or manager to contact the owner. Accordingly, failure to leave such information will be at the risk of the owner.

17.03. The owner should leave in plain view the name, Unit number and telephone number of the manager of the Association, for any person occupying the Unit to contact in time of an emergency.

18. LIABILITY

18.01. The owner of each Unit is liable for the wrongful acts of any person or entity in possession of, or occupying, a Unit under the authority or control of, or with the consent or invitation of, the owner, any tenant of an owner, or any guest of an owner or tenant.

18.02. As provided in the bylaws and in these regulations, the owner is responsible to the Association for the violation of any rules and regulations of the Association.

19. PROCEDURE FOR ENFORCEMENT OF REGULATIONS

19.01. The manager is authorized and tasked to take such steps as may be necessary, from time to time, to enforce the rules and regulations. This may include moving property which has been deemed abandoned or in violation of the rules (with or without notice) AND includes towing and/or booting vehicles/trailers/etc. Any such action that the manager deems necessary, will be completed at the sole expense of the owner.

19.02.

Notwithstanding any specific remedies noted above, when a rule is violated that is not easily cured by the Association (i.e. removal of abandoned property, towing vehicles/trailers/etc.) the following shall be the protocol:

1. First Notice: Management will send a written notice (e-mail is acceptable if the Owner has e-mail and the owner acknowledges receipt) to the Owner stating the nature of the rule violation, how it can be cured, and the time by which it shall be cured but in any event, it shall be cured no longer than 10 days. Once a first notice has been sent, the Owner is put on notice of said violation for a period of twelve months and within that twelve months, if a similar violation occurs again, Management shall proceed straight to the Second notice.

2. Second Notice: If the violation above is not cured within the allotted time frame indicated in the first notice, the Property Manager will write a formal letter including the nature of the violation, what is required to cure the violation, and notice that the Board of Directors may hold a meeting (at which the violating Owner may be present in person or via teleconference) to discuss the rule violation. The second notice shall be sent via Certified US Mail with a return receipt requested. Failure to pick up the mail does not relieve an Owner from any other enforcement provisions contained herein.

There is a \$75 Fee charged to the Association by Management for writing a second violation notice letter. That fee will be assessed to the Owner's account.

3. Additional Violations: If the remedy is not cured within seven days, another letter will be written by the Property Manager every seven days. A \$75 fee will be charge to the Association for each letter written.

4. Liquidated Damages: These Association Rules have been adopted by the Board of Directors as reasonable and necessary in a close-quarter living arrangement where many people are immediately affected by the actions of a single Owner or the renters and guests of that Owner. The Board and the Manager have a unique responsibility to protect the property rights and values of the Owners as a whole, and to reasonably ensure the quiet enjoyment of the Units and Common Area by those who are on the condominium property. Compliance with the Rules by all Owners, their renters and guests is a matter of necessity and common courtesy, and to this end, the Board shall enforce these Rules by Liquidated Damage Assessments where necessary.

The Board has determined that every breach of these Rules adversely affects the interests and expectations of all the Owners, and that each breach, particularly if it is uncured and continues over time, damages the Owners and the Association in ways that may be difficult, if not impossible, to precisely determine. The Board, in such cases and for the purpose of giving meaningful effect to these Rules, may impose a Liquidated Damages Assessment in an amount to be determined at

the discretion of the Board (as a reliable approximation of the actual monetary damages from such violation, including the necessary effort to obtain compliance), which in any event shall not exceed \$150 for a violation that is not cured within the period specified in a Second Notice Letter. For each day the violation is not cured, beginning from the first receipt of written Notice of violation by the Owner, the Board may assess a daily liquidated damages assessment not to exceed \$10 per day.

Liquidated Damage Assessments will be levied in accordance with Idaho Code § 55-115 and be deposited into the Association's general operating fund.

5. Additional Legal Action: In addition to Liquidated Damage Assessments, the Association reserves the right to seek any and all legal remedies to which it is entitled, including civil court actions. In the event litigation is necessary to enforce these Rules, the Owner shall be responsible for the Association's legal fees and any further legal action necessary to collect them. Prior to the initiation of any legal action by the Association, an Owner has the right to petition the Board as outlined in this Section.

6. Right to Petition to the Board: An Owner(s) shall have the right to petition the Board with regards to any complaint, grievance or other issue pertaining to Krystal Villa II. A petition must be in writing and include a phone number. The Board shall consider the petition no later than the next regular Board Meeting or 40 days (whichever is shorter) following receipt of the petition, provided that the Board shall have 10 days prior to the Meeting to study the petition. The Board shall make reasonable efforts to permit the Petitioner(s) to attend the Meeting and shall allow the Petitioner(s) to present evidence. The Board shall provide a written response to the Petitioner(s).

KRYSTAL VILLA II ASSOCIATION

Abbreviated Rules

Note: Owners and Tenants are responsible for *all* rules the below is for quick reference only. Association Management can be reached at 726-4565 (note this is for association management only – unit specific items i.e. dishes, bedding, cleaning, etc. are not association related).

PARKING (Violations subject to immediate towing)

- Oversized vehicles and commercial type vehicles are to be parked by the natural grass area on the west side (towards the ski mountain of the lot).
- Walkways should not be blocked and vehicles should not be parked on grass, even if grass is covered by snow.
- No boats, trailers, or house trailers may be parked in the Association parking lot at any time without prior consent from manager.
- Cars may not be stored at Krystal Villa.
- DURING SNOW DAYS (any day where 2 inches or more of snow is received prior to 6AM of the same day) vehicles must be moved to a cleared spot between 9:00 AM and 11:00 AM. Vehicles that are not moved by 11:00 AM are subject to immediate towing.

DECKS

- Storage of items other than skis, bikes, and other sporting equipment is strictly prohibited.
- Towels, laundry, etc. is not to be hung over the railing or on/above the deck.
- ANIMALS are NOT permitted unattended on decks at any time.

PETS

- Renters shall NOT have pets on the premises or in the units – no exceptions.

POOL/JACUZZI

- The Pool and Jacuzzi are open from 7:00 AM to 10:00 PM
- No radios shall be used in or about the proximity of the pool or jacuzzi area and all persons must refrain from engaging in boisterous, loud, or noisy conduct, or in any way disturbing any of the occupants of nearby condominiums.
- Everyone uses the pool or jacuzzi facilities at his or her own risk.
- No person under the age of twelve (14) years is permitted to use the Jacuzzi
- Any person under the age of eighteen (18) using the pool or jacuzzi area must be accompanied by a person over the eighteen (18) years who is an owner or a tenant of a Unit.
- No glass containers or other glass items of any kind are allowed at any time in and about the pool or jacuzzi area.
- No dogs or other animals are allowed in the pool or jacuzzi area at any time, even on a leash.

MISCELLANEOUS

- Speed Limit: The Speed Limit is 5 MPH

- Storage: No items may be stored under the stairwells, on decks (see above), or on any other part of common area.
- Noise: Keep in mind that noise travels very easily through the units. Refrain from loud noises.
- BBQs: Charcoal BBQs are not permitted on the decks.

WHEN LEAVING THE UNIT, PLEASE KEEP ALL CABINET DOORS UNDERNEATH ANY SINKS OPEN AND MAKE SURE THE HEAT IS TURNED TO 55 DEGREES