3/19/2016

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CitySide Lofts Condominium Association, Inc. (“HOA”)

Board of Directors (“Board”)

RE: Fines for Violations of CC&R’s

Dear Association Members,

The HOA legal counsel has informed the Board of legal developments in Idaho that pertain to the HOA’s ability to levy fines for violations of the CC&R’s. These developments relate to the clarification of a 2014 Idaho statute that served to put limitations on the ability for homeowners’ associations to issue fines (see Idaho Code Section 55-115). Our counsel now believes that the Board has the clear legal authority to define and levy fines, with the language already provided in Article 7.4.1.4 of the CC&R’s. An excerpt of this language is the following:

“7.4.1.4 Association Rules. The power to adopt, amend and repeal by majority vote of the Board such rules and regulations as the Board deems reasonable (the “Association Rules”) including fees and/or fines for violation of the Condominium Documents and the Association Rules.”

In the open Board meeting held on March 8th, 2015, the Board voted to place a process in place for issuing fines and the amounts for those fines. Please be advised that the following process now applies to the HOA:

Fines for Violations of Article 6. The Board shall have the authority to impose fines on an Owner for any conduct that violates any prohibition in Article 6 and its subdivisions. The Board shall also have the authority to impose fines on an Owner for failing to provide notice as required by Article 6 or its subdivisions. Prior to taking any action to impose a fine on an Owner, the Board shall provide the Owner with written notice of the violation. A majority vote by the Board shall be required prior to imposing any fine on an Owner for a violation of Article 6 and its subdivisions. Such vote may be made at any regular meeting or special meeting. Written notice by personal service or certified mail of the meeting during which such vote is to be taken shall be made to the Owner at least thirty (30) days prior to the meeting. In the event the Owner begins resolving the violation prior to the meeting, no fine shall be imposed so long as the Owner continues to address the violation in good faith until fully resolved. In the event the Owner does not begin resolving the violation prior to the meeting and the Board votes to impose fines on the Owner the fines imposed shall be calculated as the cumulative of $0.00 for the first seven days after notification by the Board of the violation, $75.00 for the second seven days after notification of the Board by the violation, $150.00 for the third seven days after notification by the Board of the violation, and $300.00 for the fourth seven day period and each successive seven day period after notification of the Board by the violation. If the Owner begins resolving the violation prior to the meeting but fails to continue to address the violation in good faith until fully resolved, and the Board votes at the meeting to impose fines on the Owner, the fines shall be calculated as the cumulative of $0.00 for the first seven days after the meeting, $75.00 for the second seven days after the meeting, $150.00 for the third seven days after the meeting, and $300.00 for the fourth seven day period and each successive seven day period after the meeting.

Best Regards,

Board of Directors