

# RULES AND REGULATIONS OF THE ASSOCIATION

Updated May 21 2024.

The following rules and regulations are adopted by Sunset Condominiums at Northern Bay Owners Association, Inc. (the “Association”) for the purpose of assuring that the Condominium is operated in an efficient and orderly manner so as to create a pleasant living environment.

## ARTICLE I GENERAL

1.01 Applicability to All Residents. All rules and regulations shall apply to and shall be complied with by all Unit Owners, residents within Units and their guests, families, invitees, renters, and tenants.

1.02 Definitions. All capitalized terms not defined herein shall have the definitions assigned to such terms by the Declaration of Condominium for Sunset Condominiums at Northern Bay (the “Declaration”).

1.03 Keys and Locks. The Association shall have the right to always retain a passkey to each Unit in the event of emergencies. Effective upon the lock system replacement in 2023, the lock system on the main entry door of each condo unit that allows access to and from the common area hallway of the building shall be uniform and consistent throughout the Association and must meet the requirements set by the Board. Removal of the main entry door lock will be deemed a safety violation, which will result in the owner paying for replacement of the lock and a fine in accordance with the “Fines and Renter Eviction Protocol”. No Unit Owner shall alter any other exterior door lock or install a new lock on any exterior door of the Condominium without the prior written consent of the Association. If such consent is given, the Unit Owner shall provide the Association with an additional key for use by the Association pursuant to its rights to access the Units.

1.04 Winter Heating. Whether occupied or vacant, all Units shall be heated to at least 55° Fahrenheit during the winter months and will increase the temperature to at least 65° Fahrenheit when outside temperatures fall below 10° Fahrenheit.

1.05 Doorways. Unit Owners shall not prop open the Building’s doors to the stairwells or to the outside.

1.06 Smoking Prohibited. As detailed in the Bylaws, smoking is prohibited in the buildings on the Condominium Property.

## ARTICLE II APPEARANCE

2.01 Signs. No sign of any kind shall be displayed to the public view on or from any Unit or the Common or Limited Common Elements without prior consent of the Board of Directors. However, signs that support or oppose a candidate for public office or referendum

question may be displayed to public view from a Unit as long as the sign is no more than 24 inches by 24 inches in size, is placed no more than 60 days prior to the pertinent election or vote, and is removed within 7 days of the pertinent election or vote.

2.02 Hanging of Garments and Window Coverings. The hanging of garments from the windows or any facades of the Condominium is prohibited. No sheets shall be used for window coverings.

2.03 Protrusions. No awning, under decking, sun screen, storm door, machines, air conditioning units, wiring for electrical or telephone installation or other similar protrusions shall be allowed on the exterior of the Condominium without the prior written consent of the Association.

2.04 Laundry. No laundry is to be hung on the balcony or in windows for any reason.

2.05 Limited Common Elements. All decks and patios which are open to public view shall be kept in a neat and orderly condition. No personal property shall be stored thereon except for patio and deck furniture. Drilling or driving screws, bolts, nails, etc. into the deck posts or joists is prohibited, as is hanging hammocks, swings, etc. from deck posts and joists unless approval is obtained from the General Manager.

2.06 Trash & Recyclables. Trash and recyclables are to be disposed of in one of the Association garbage dumpsters or larger rolling trash bins. Trash & recyclables should not be placed outside the front door of your unit. The reason for this regulation is that garbage attracts animals, gives off unpleasant odors, and conveys an unattractive appearance to the condo entrances.

2.07 Grills & Open Fires. No grills of any kind (gas, charcoal or electric) can be used on the first floor patios, nor can they be used or stored on the second and third level decks. Grills must be at least 10 feet away from any structures including but not limited to posts, siding, patio floors and garages. Except for grills in authorized areas, no flames of any kind including but not limited to open flame tiki torches, candles, open flame fire pits and tables are permitted. No fireworks of any kind are permitted including sparklers, snakes and smoke bombs.

2.08 Hazardous Substances. Unit Owners, residents, tenants, and guests are prohibited from bringing on to the Condominium Property or storing on the Condominium Property any hazardous substances, with exception for two 20 lb. propane tanks for gas grills, two 5 gallon gas cans, and golf cart, ATV, UTV, and e-bike batteries.

### ARTICLE III USE RESTRICTIONS

#### 3.01 Animals.

a) Animals shall not be kept in any Unit or any part of the Building in which the Unit is a part, nor on any patios or balconies or upon any Common Elements or other part of the Condominium, EXCEPT that dogs and cats and other common domesticated

household animals, not to exceed two (2) in number, may be kept by Unit Owners within each Unit Owner's respective Unit, but shall not be maintained for breeding purposes.

b) Dogs and cats shall be kept on a leash at all times when not in a Unit. No other animals shall be allowed outside a Unit other than for ingress and egress. Animals shall not be permitted to commit or cause a nuisance or unreasonable disturbance.

c) Animals shall not be left unattended in any portion of the Common Elements. Unit Owners are responsible for the immediate clean-up of their animals' waste (dogs, cats, etc.) regardless of the circumstances. Failure to promptly collect and remove animal waste will result in fines.

d) Unit Owners are pecuniarily liable for any damage to the Common Elements, the property of the Association or the property of other Unit Owners and any of their guests or invitees, including, but not limited to carpeting, doors, walls, paintings or lawns committed or caused by their animals. Further, in the case of an animal bite or attack to a person, the animal owner's liability includes medical damage and damage to clothing.

e) Unit Owners shall ensure that the Unit Owner's animal does not at any time disturb any other Unit Owner or occupant of a Unit or a user of the golf course or Common Elements, or damage any property. If in the Association's opinion and discretion the animal has disturbed or is disturbing any other Unit Owner or occupant or user or has caused or is causing damage to property, then the Unit Owner shall permanently remove the animal from the Unit and the Condominium within ten (10) days after written request. A Unit Owner's payment for damage caused by the animal shall not entitle the Unit Owner to keep the animal. A Unit Owner's failure to permanently remove the animal as provided above shall constitute a breach of these rules.

f) Unit Owners shall take adequate precaution and measures necessary to eliminate animal odors within and around their Unit and maintain the Unit in a sanitary condition at all times.

3.02 Damage to Common Elements. Damages to the Common Elements caused by a resident or visitors of a resident or an agent of a resident shall be the responsibility of the Unit Owner or the person causing such damage.

3.03 Unit Rental. No portion of a Unit or an entire Unit may be rented without the prior approval of the Association.

3.04 Maintenance of Unit. All Unit Owners shall promptly perform or shall have promptly performed all maintenance and repair work within their own Unit which would adversely affect any portion of the Condominium. Each Unit Owner shall be responsible for all damages and liabilities that any failure to maintain or repair may engender.

3.05 Maintenance of Common Elements. Unit Owners shall be prohibited from discarding any materials from the windows, balconies or doors of the Units and shall be prohibited from discarding any materials into the Common Elements.

3.06 Nuisances. No offensive or unlawful activity shall occur in the Condominium. No offensive or unlawful use shall be made of the Condominium. All Unit Owners at their own expense shall comply with all city, state and federal laws applicable to their Unit. No Unit shall be used or maintained as a dumping ground for garbage.

3.07 Storage. The Association shall not be liable for any loss or damage to property placed in any Unit or Common Elements. No materials, prohibited by law or local ordinance may be stored in any of these areas.

3.08 Salting. Unit Owners are hereby prohibited from using salt on the access walks, driveways, decks, and stairs of the Condominium and shall be liable for the costs of repairing all damage caused by the use of salt.

#### ARTICLE IV **HARBOR AREA**

4.01 Guests. A Unit Owner, Estates Owner or boat slip tenant may invite family members residing in the Condominium Unit or guests to use these facilities. The Unit Owner, Estates Owner or boat slip tenant must be present when guests are in the Harbor Area. All invited family members and guests shall be under the personal control of the Unit Owner, Estates Owner or boat slip tenant who is responsible for their conduct and safety.

4.02 Animals. No animals are permitted on the beach area. Leashed animals are allowed when transporting to and from boats on the marina docks.

4.03 Association Property. No Association equipment, furniture or property shall be removed from the Harbor Area.

4.04 Conduct. No running, pushing or scuffling is permitted in the Harbor Area. No glass objects shall be brought into the Harbor Area. All Unit Owners, Estates Owners, boat slip tenants and their guests use these facilities at their own risk.

4.05 Boat Slips. The Association's Board of Directors, or Harbor Master if so appointed, shall develop a procedure for and shall be responsible for, the construction of boat slips and for the assignment of those boat slips to Unit Owners, Estates Owners and members of the general public. The Association assumes no responsibility or liability for any watercraft, boat hoists or other property associated with watercraft that are berthed or moored in the Harbor Area. The boat slip tenants should obtain adequate insurance coverage and will be responsible for the installation and removal of these items each season.

4.06 Boats illegally parked in boat slips will be subject to fines.

4.07 No fishing of any type is allowed on the docks except at the end of B Dock facing the open lake/river.

4.08 No boat or watercraft may be fueled while in a slip or along the dock.

4.09 No storage of any flammable substances permitted on or near dock or slip.

4.10 No boat may engage in boat charters nor sell merchandise or services. No commercial activity conducted.

## ARTICLE V VEHICLE RESTRICTIONS

5.01 Obstructions. Driveways shall not be used for any purpose other than the ingress and egress to and from Units.

5.02 Parking.

a) Parking is not permitted in front of garages other than by the Owner and guests to the Owner's specific garage. Improperly parked vehicles shall be subject to fines or removal at owner's expense.

b) Stacked parking of cars, trucks or SUVs (vertical or horizontal) is not acceptable.

c) No campers, RVs or other similar trailers are to be parked on the SCNB property, without the prior approval of the General Manager or Board of Directors.

d) Boat, ATV, and snowmobile trailers may only be parked in the overflow parking lot. All trailers, including boat, snowmobile, and ATV trailers, parking on the Association property must display a registration tag, which can be obtained from the box near the entrance of the overflow parking lot.

e) Vehicles (abandoned/not moved) must not stay parked in one spot for over 3 days and must be moved at least every 72 hours.

f) Golf carts shall not park in the designated car parking stalls.

g) Absolutely NO overnight parking of ANY vehicles on the grass. (Cars, trucks, and SUVs shall never park on the grass). Golf carts parking on the grass temporarily is acceptable (i.e. visiting), with the exception of the grass area between building 16 and 17, around the lagoon/harbor area, and along the curb in front of buildings 9-12. ATVs/UTVs may park in the grass ONLY in the designated areas.

h) Unit Owners shall not leave their vehicles idling in any garages.

i) These provisions shall not prohibit temporary parking of such vehicles for the purpose of loading and unloading.

j) Short term parking may be available in the overflow parking lot by contacting the office. Extended/summer long trailer parking permits may be purchased at the SCNB Office.

k) A temporary waiver of these prohibitions may be obtained at the discretion of the Association.

l) Owners will be fined for trailers parked without obtaining and paying for a permit.

5.03 Vehicle Restrictions. Driving cars, trucks SUV's, ATV's/UTV's on the grass or turf is expressly prohibited. All vehicles including ATV's, SUV's, must follow one-way traffic rules throughout the property.

5.04 Bikes/Recreational Equipment. Unit Owners shall keep bikes and other recreational equipment in their Unit and not stored in the Common Elements.

5.05 Garage Door. The garage door to any Unit shall remain closed at all times except when in use for ingress or egress purposes.

5.06 ATV use by youth. Unless accompanied by an adult 18 years or older, drivers of ATVs on Association property must be 16 years old and hold a valid driver's license. Youth 14 and over may drive an ATV on Association property if they successfully complete the DNR ATV safety course and hold a valid safety permit. Fines for violating this rule shall be assessed against the offending driver or the owner of the unit in which the offending driver is an occupant.

5.07 Safety Flags. Safety flags on low profile vehicles – any ATVs, bicycles, dirt bikes, golf cars without roofs and any low profile recreational vehicles not standing over 5' tall MUST have a fiberglass pole flag attached with a total height no less than 5' and no higher than 7'.

## ARTICLE VI RENTALS

6.01 Fee. A 9% amenity fee shall be added to the daily cost of renters staying at SCNB. Said Amenity Fee shall be due and payable to the Association within ten (10) days of the end of the calendar quarter in which rental activity occurred.

6.02 Rental Agreements. All agreements for rental of Units shall be approved by the Association prior to use and include, among other things, provisions (i) imposing the Amenity Fee, (ii) requiring the individuals or entities collecting rent to collect and remit the Amenity Fee; (iii) authorizing the Association as a third-party beneficiary to the agreement; and obligating all tenants to abide by the Association's Declarations, Bylaws, and Rules and Regulations.

6.03 Modification. The amount of the Amenity Fee, remittance procedure, and all other matters relating to the Amenity Fee may be modified from time to time, in the sole discretion of the Board of Directors, upon thirty (30) days notice to Unit Owners.

6.04 Private Rental of Units. All condo units who rent their units privately that do not pay the Association the 9% Amenity fee will be imposed an individual special assessment. Unit owners shall complete a registration form for each rental of their unit. The registration form shall be provided to the Association at least 48 hours prior to the rental period. The Association will provide a welcome packet to the renters. The Association shall be paid \$50 per rental and an additional \$25 if the registration form is not submitted at least 48 hours prior to the rental. A maximum of 56 units may be rented.

6.05 Insurance Related to Units used as Short-Term or Long-Term Rentals. Unit Owners are responsible for ensuring that their respective insurance policy covers rentals of all types and term lengths and providing the Association with evidence of same. Unit Owners shall procure and maintain a minimum of \$1 million in commercial liability insurance coverage from a reputable insurance provider. The policy shall name the Unit Owner as the insured party and specifically identify the condominium association as an Additional Insured. The commercial liability insurance policy shall provide coverage for all claims arising from the unit owner's activities within their unit and any associated common areas. The Association is not a party to the transaction between a Unit Owner and the Short- or Long-term renter, ("Renter"). The Unit Owner is solely responsible for ensuring that the Renter is made aware of all Rules and Regulations, Bylaws, Declarations, ("Condominium Documents") and agrees to abide by same. Unit Owner shall ensure that a current copy of the Condominium Documents are printed and made available to view in the Unit at all times by the Renter while the Unit is occupied by a Renter. Failure of the Renter(s) to following the Condominium Documents will result in fines being assessed against the Unit Owner.

## ARTICLE VII MISCELLANEOUS

7.01 Drones. Drones are strictly prohibited in the Common Areas of the condominium property, unless prior approval has been sought and obtained by the Board of Directors.

7.02 Electric Vehicles. If an Owner/Occupant wishes to charge an electric vehicle on the condominium property, the Owner/Occupant may not charge the vehicle from common electric outlets. Electric vehicles may only be charged at an outlet tied to the meter associated with the Owner/Occupant's Unit, such that the Owner/Occupant will be fully responsible for the costs of charging the vehicle.

7.03 Social Media Use/Internet Policy.

a) The Association has adopted this policy to provide guidance to our manager, residents and owners on the use of social media, which should be broadly understood for purposes of this policy to include blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in a contemporaneous manner.

b) PROCEDURES. The following principles apply to professional use of social media on behalf of Association as well as personal use of social media when referencing Association. Managers, directors, officers and employees need to know and adhere to the following:

(1) The Association maintains the right to observe content and information made available on social media;

(2) Directors, officers, managers and employees shall not post any material that is inappropriate or harmful to the Association, its members, residents or employees;

(3) Although not an exclusive list, some specific examples of prohibited social media conduct include posting commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, confidential or that can create a hostile work environment.

(4) If any director, officer, employee or manager encounters a situation while using social media that threatens to become antagonistic, they should disengage from the dialogue in a polite manner and seek the advice of the Board, the manager or the association attorney as appropriate.

(5) Subject to applicable law, after-hours online activity that violates this policy or any other Association policy may subject the director, officer, manager or employee to disciplinary action or termination.

(6) Directors, officers, managers and employees shall keep Association related social media accounts separate from personal accounts.

#### 7.04 Conflict of Interest Policy.

a) Purpose of Policy. The purpose of this Conflict of Interest Policy is to avoid any conflict of interest that would improperly and adversely impact the actions of the Association Board of Directors, its President or other Covered Persons (as defined below) and to avoid any appearance of conflict of interest.

Conflicts of interest occur when multiple loyalties may pull a person who is in a position to influence a decision toward opposite courses of action; for example, if a Board Member were to vote on a decision that may result in personal or professional gain for the Board Member, their business, their spouse, or a family member. This Conflict of Interest Policy is intended to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might affect the private financial or other interest of a "Covered Person" as defined below. No policy can cover every possible situation, but the objective of this Policy is to provide guidance that will enable the Board of Directors to identify potential conflict situations and address them so that the Board's decision-making process is not compromised. The Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

b) Scope or covered persons. The Association's conflict of interest policy shall apply to the following persons ("Covered Persons"): Members of the Board of Directors and officers as defined below. In addition, the members of the Board of Directors and the Board President, in their discretion, may elect to extend the principles and procedures set forth in this Policy to additional Association employees and agents when they reasonably deem such extension to be in the best interest of the Association.

c) Definitions.

(1) Conflict of Interest. Generally, a conflict of interest may occur if an interest or activity influences or appears to influence the ability of a Covered

Person to exercise objectivity or impairs a Covered Person's ability to perform his or her responsibilities in the best interests of the Association.

(2) Covered Person. Without limitation, a Covered Person is considered to have a potential conflict of interest when: (a) a Covered Person or any Family Member or any Controlled Entity may receive a financial or other significant benefit as a result of the individual's position on the Board of Directors; and/or (b) a Covered Person has the opportunity to influence the Association's business, administrative or other material decisions in a manner that leads to personal gain or advantage for the Covered Person or any Family Member or for any Controlled Entity; or (c) a Covered Person has an existing or potential financial or other significant interest that impairs or might appear to impair the individual's independence in the discharge of his or her duties to the Association.

(3) Controlled Entity. A "Controlled Entity" is one in which a Covered Person serves as Officer, Board Member, Key Employee or greater than 35% owner, when the interest of the Covered Person and Family Members are taken into account.

(4) Family Member. A "Family Member" includes all of the following for a Covered Person: spouse, domestic partner, ancestors, child (whether natural or adopted), brother or sister (whether whole or half-blood), grandchildren, great-grandchildren and spouses of brothers, sisters, children, grandchildren and great-grandchildren.

(5) Officer. An "Officer" is a person appointed to manage the Association's daily operations, including the Board President, Vice President(s), Treasurer and Secretary.

d) Procedures.

(1) Duty to Disclose. In connection with any actual or possible conflict of interest, any Covered Person must disclose the existence of their financial or other interest that gives rise to a potential conflict of interest. This includes disclosing all material facts to the Board of Directors, Officers, President or other persons with delegated powers considering the proposed transaction or arrangement before any vote or action is taken. On a matter where there is a potential conflict or perception of conflict, Covered Persons shall err on the side of disclosure, rather than risk an inappropriate failure to disclose.

(2) Determining Whether a Conflict of Interest Exists. After disclosure of the interest and all material facts, and after any discussion with the Covered Person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

(3) Procedures for Addressing the Conflict of Interest.

(i) If the Board, committee or the President has reasonable cause to believe a Covered Person has failed to disclose actual or possible conflicts of interest, it shall inform such Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the Covered Person's response and after making further investigation as warranted by the circumstances, the Board, committee or President determines the Covered Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

e) Special Situations.

(1) Confidential Information. Confidential Information learned by Covered Persons in the course of their service of the Association shall be held in confidence and not disclosed to others nor used for personal gain without the prior consent of the Association.

(2) Gifts. As a general rule, Covered Persons may not receive or offer any gift or anything else of significant value for the purpose of influencing the actions of the Association or the Covered Person. Gifts received from vendors, suppliers, consultants and grantees as part of normal business practice must be declined or given to the Association. This guideline is not intended to prohibit normal business practices such as meeting over meals, corporate items given at conferences or token hosting gifts, so long as they are of nominal and reasonable value and promote the Association's legitimate interests. Any questions regarding special situations should be referred to the Association's President.

## ARTICLE VIII POOL & FITNESS CENTER AREA

8.01 Wrist Bands. Association wrist bands are to be worn at the pool enclosure. Owners are to wear rubber wrist bands and renters are to wear paper/tyvek wrist bands. Those owners/renters who do not wear wrist bands will be asked to secure wrist bands or will not be allowed to use the facility.

8.02 Fitness Center. The fitness center will be open all owners and guests/renters. For safety purposes, those under the age of 18 must be accompanied by an adult.

## ARTICLE IX ANTI-DISCRIMINATION ANTI-HARASSMENT POLICY

The Association is a Fair Housing provider under the federal Fair Housing Act. As such, the Association is committed to providing a living environment free from discrimination and harassment that is based on an individual's race, sex, age, religion, disability, color, national origin, military status, marital status, parental status, sexual orientation, or gender identity/expression.

This Anti-Discrimination Anti-Harassment Policy (“AD-AH Policy”) is intended to implement this commitment.

This AD-AH Policy is intended to apply to every owner, resident, and guest at the Association, as well as every employee or agent of the Association. Violation of this AD-AH Policy may result in disciplinary action up to and including termination if the violator is an employee/agent of the Association, or penalties, including fines, if the violator is an owner/resident within the Association.

### **The Policy of the Association**

*It is the policy of the Association* that discrimination of any kind based on an individual’s race, sex, age, religion, disability, color, national origin, military status, marital status, parental status, sexual orientation, or gender identity/expression is prohibited.

*It is the policy of the Association* that harassment of any kind based on an individual’s race, sex, age, religion, disability, color, national origin, military status, marital status, parental status, sexual orientation, or gender identity/expression is prohibited.

a) For purposes of this AD-AH Policy, prohibited harassment includes both “quid pro quo” and “hostile environment” harassment.

“Quid pro quo” harassment is an unwelcome request or demand to engage in conduct, as a condition of providing services or facilities. Quid Pro Quo Harassment might also arise when a person’s access to services or facilities is interfered with because of a failure to submit to demands. Commonly, quid pro quo harassment involves an adverse action that occurs after unwelcome sexual advances are rejected by an owner/resident, or sexual favors are required for an Association service or access to an Association facility which would otherwise be available to the owner/resident.

“Hostile environment” harassment is defined as unwelcome conduct that is sufficiently pervasive or severe as to interfere with the providing of or enjoyment of services or facilities. Hostile Environment Harassment only applies to harassment based on a protected class (sex, religion, race, color, familial status, national origin, or handicap), and the harassment must be on the level of interfering with housing/living environment to be actionable under this AD-AH Policy.

b) For purposes of this AD-AH Policy, prohibited harassment described above includes insults, jokes, slurs, and other verbal or physical conduct relating to or based on an individual’s race, sex, age, religion, disability, color, national origin, military status, marital status, parental status, sexual orientation, or gender identity/expression that has the purpose or effect of unreasonably interfering with an individual’s living environment, or creating an intimidating, hostile, offensive, or demeaning living environment.

*It is the Policy of the Association* that any retaliation predicated on the fact that an employee/agent or owner/resident of the Association in good faith reported an AD-AH Policy violation or suspected violation, or in good faith participated or aided in the Association's investigation of an alleged AD-AH Policy violation, is prohibited.

### **Application of This AD-AH Policy**

- It is a violation of this AD-AH Policy to discriminate against another individual on the basis of his or her race, sex, age, religion, disability, color, national origin, military status, marital status, parental status, sexual orientation, or gender identity/expression.
- It is a violation of this AD-AH Policy to harass another individual on the basis of his or her race, sex, age, religion, disability, color, national origin, military status, marital status, parental status, sexual orientation, or gender identity/expression.
- It is a violation of this AD-AH Policy to retaliate against an employee/agent or owner/resident of the Association on the basis of the fact that he or she in good faith reported an AD-AH Policy violation or suspected violation, or in good faith participated or aided in the Association's investigation of an alleged AD-AH Policy violation.
- This AD-AH Policy applies to *all* employees and agents of the Association, including contractors/vendors hired by the Association, and property management personnel.
- An employee/agent who violates this AD-AH Policy is subject to discipline, up to and including termination.
- An owner/resident who violates, or whose guest violates this AD-AH Policy is subject to penalties, including but not limited to fines.

### **Procedures**

Any employee/agent or owner/resident of the Association who believes he or she has been subjected to, or has witnessed, actions that constitute a violation of this AD-AH Policy promptly must report the matter to the Board of Directors. The individual reporting should not wait until the action he or she believes is a violation of this AD-AH Policy becomes severe or pervasive.

The Association's Board of Directors will timely investigate any report of an alleged violation of this AD-AH Policy and, where appropriate, take appropriate corrective action.

To the extent possible, the Association will protect the confidentiality of allegations of AD-AH Policy violations and of documents created or obtained that concern an investigation into an allegation of an AD-AH Policy violation.

ARTICLE X  
COLLECTION POLICY

10.01 The regular monthly assessments are due on the first day of each month.

10.02 Special assessments, as may be levied from time to time by the Board, and/or any installment thereof, shall be due on or before the date or dates stated in the Board's notice to the Unit Owners informing them of the special assessment.

10.03 Any fines, penalties, or other charges assessed against a Unit Owner shall be due on or before the date or dates stated in the Board's notice to the Unit Owners informing them of the fines, penalties, or other charges.

10.04 All payments received will be applied to the oldest amounts due on record—first to any late fees, interest, attorneys' fees and costs, and then to the assessment or fine balance. Payments tendered for current amounts due will not be accepted by the Association if the instrument of payment is drafted with a future date (i.e., a postdated check).

10.05 The actual date of the Association's receipt of a payment, as reflected on the ledger of the Association, shall control as to the date that payment was made.

10.06 In the event a Unit Owner ever submits a payment which is thereafter returned for any reason (e.g. insufficient funds or account closed), the Unit Owner shall be automatically assessed \$50.00, or the actual costs incurred by the Association as a result of the return of a unit owner's payment, whichever is greater.

10.07 No statement of "payment in full," "accord and satisfaction," or other similar notation on or accompanying any payment shall be binding on the Association, unless the statement is written in "red," the check or payment instrument is mailed to the attention of the Board of Directors and the reduced payment amount is accepted by motion of the Board of Directors. However, if the Unit Owner has knowledge that the account has been referred to legal counsel for collection, then the payment must be mailed to the Association's attorney pursuant to paragraph 10.11 below.

10.08 A late fee of \$50.00 shall be assessed against a Unit owner for any payment not received by the Association by the tenth (10<sup>th</sup>) day after its due date. This late fee assessment shall be made upon each failure by the Unit Owner to remit good and timely payment of any assessment or installment thereof. In addition, unpaid assessments will incur interest at a rate of 1% per month (12% per annum) compounded monthly, until paid.

10.09 The basic collection system of the Board shall be as follows:

- a) At 15 days past due, a board member or the property manager may call the delinquent owner;
- b. At 30 days past due, a past due notice may be sent;
- c. At 45 days past due, a second past due notice may be sent; and

d. At 60 days past due, the matter may be referred to the attorney for collection.

10.10 An administrative fee of \$100.00 shall be assessed against a Unit Owner when a matter is turned over to the Association's attorneys for collection. The Unit Owner is responsible for all costs and actual attorneys' fees incurred by the Association in connection with collecting the Unit Owner's past due balance.

10.11 Once a Unit Owner is notified or becomes aware that its account has been referred to legal counsel, then all future payments, until the account is current, must be submitted to such legal counsel for proper application of same, unless the Association's attorney directs the Unit Owner in writing to pay in some other manner. Unit Owners in collection will not receive further statements from the Association's property manager, and their online access to their account balance will be suspended until their account is brought current.

#### ARTICLE XI RULES ENFORCEMENT AND GRIEVANCE PROCEDURE

11.01 The following is a schedule of the fines that will be imposed for non-compliance with the law, the Declaration, Bylaws, rules, regulations, covenants, conditions or restrictions (herein collectively "Condominium Documents"):

a) **A WRITTEN WARNING** for a Unit Owner or resident's first violation of the Condominium Documents. In addition, a member of the Board may attempt to contact the offending party to explain the violation and the need that all residents and Unit Owners comply with the Condominium Documents.

b) **FIFTY DOLLARS (\$50.00)** shall be assessed against a resident or Unit Owner for a second violation of the Condominium Documents (or for the violation that remains after the Unit Owner has received the warning letter discussed in 1.a). The second violation does not need to be the same violation as the first violation in order for the \$50 fine to be assessed.

c) **ONE HUNDRED DOLLARS (\$100.00)** shall be assessed against a resident or Unit Owner for each successive violation of the Condominium Documents.

d) An immediate \$500.00 fine will be imposed on all safety violations and renters may be evicted for multiple violations or safety issues.

e) Notwithstanding paragraphs (a-c) immediately above, **FIVE HUNDRED DOLLARS (\$500.00)** shall be assessed for each violation of the Condominium Documents, when in the sole opinion of the Board of Directors the violation meets one or more of the following criteria:

(1) The violation is in direct defiance of a previous mandate from the Board of Directors.

(2) The violation was malicious in its intent.

(3) The violation is evidence of a pattern of the resident's or Unit Owner's non-compliance with the Condominium Documents.

(4) The violation is of such a nature that the violation cannot be corrected and/or that direct monetary restitution cannot be determined. (*e.g. if alterations are made that cannot be restored to their original state.*)

11.02 Each day that a violation exists shall be a new violation subject to fine at the discretion of the Board.

### 11.03 Attorney Fees

a) The Board may also assess a Unit Owner who has violated the Condominium Documents for the actual attorney fees incurred associated with reviewing the facts and Condominium Documents and advising the Board.

b) In the event that the Association retains an attorney to collect any funds due, enforce any rule within its governing documents, bring any claim against a Unit Owner or defend any claim or allegation by a Unit Owner, including any counterclaim, the Association shall, if it is the prevailing party in the claim or defense, be entitled to collect from the Unit Owner all of its costs and expenses, including reasonable attorney fees. In the event that the Association retains an attorney to represent the Association's interest in a suit filed by the Unit Owner's mortgage company in which the Association is a named defendant, the Association shall be entitled to collect from the Unit Owner all of its costs and expenses, including reasonable attorney fees. This Rule does not apply to owners' fair housing complaints, neither State nor Federal.

11.04 Any Unit Owner or resident who has been accused of violating the Condominium Documents or been fined may demand that the matter be heard by a Grievance Committee. Such demand must be in writing and provided to the Board of Directors within 14 calendar days of the notice of the violation or fine. If no demand is made within 14 calendar days, then the finding of a violation and/or fine shall be final and binding. If a demand is timely made, the matter shall be submitted to the Grievance Committee within seven (7) days.

### 11.05 GRIEVANCE COMMITTEE RULES AND PROCEDURES:

a) The Grievance Committee shall consist of three (3) members at large of the Association who are chosen by the Board. The members at large shall not be officers or members of the Board of Directors of the Association. If there is no Grievance Committee appointed, the Board may serve as the Grievance Committee.

b) The Grievance Committee may either be a standing committee, with each member serving for one (1) year, or the committee may be *ad hoc* and appointed on an as-needed basis by the Board of Directors.

c) For any grievance hearing, a majority vote of the Committee will determine the action and decisions of the Committee.

d) Members serving on any Grievance Committee must not be directly involved in the specific dispute at hand.

e) Upon receipt by the Grievance Committee of a grievance, the matter shall proceed as follows:

(1) A letter shall be sent by certified mail, return receipt requested, informing all parties:

(i) Of the time, place and date of a hearing before the Grievance Committee.

(ii) Of the right to counsel.

(iii) That evidence shall be received and a record made whether or not the party complained against attends.

(2) The hearing shall be divided into two (2) sections:

(i) The hearing.

(ii) The determination and decision.

(3) The Hearing Section shall be open to only the Grievance Committee, the parties involved, their attorneys and witnesses.

(4) The Determination and Decision Section of the meeting shall be open only to the Grievance Committee, and possibly the attorney for the Association if so requested by the Grievance Committee. The decision will be rendered in writing to all concerned parties within five (5) business days of the hearing.

(5) If the complainant, or their representative, fails to appear at the hearing without a valid excuse acceptable by the Grievance Committee, the grievance shall be dismissed without prejudice and reasonable and necessary costs incurred by the responding party assessed against the complaining party.

(6) If the alleged offender fails to appear, the complainant must prove his/her grievance and no presumption shall be made against the alleged offender for non-appearance.

(7) The burden of proof shall be on the complainant to prove the grievance by a preponderance of the evidence.

f) The decision of the Grievance Committee is final and binding. There shall be no appeal of the decision absent evidence that:

(1) The award was procured by corruption, fraud or undue means;

(2) There was evident partiality or corruption on the part of the Grievance Committee, or any of them;

(3) The members of the Grievance Committee were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced;

(4) The Grievance Committee exceeded its powers, or so imperfectly executed them that a mutual, final and definite award upon the subject matter submitted was not made.

## ARTICLE XII AMENDMENTS

This document may be amended at any time by the Board of Director of the Association.