

RULES AND REGULATIONS
FOR DAKOTA CROSSING HOMEOWNERS ASSOCIATION

INTRODUCTION

The goal of these Rules and Regulations is to provide reasonable and practical guidelines for the residents of The Association and for the operation of The Association so that the highest quality of residential living can be attained. Please take the time to familiarize yourself with these Rules and Regulations. Unless otherwise defined, the terms used in these Rules and Regulations shall have the meaning assigned to them in the Declaration of The Association, as amended and/or supplemented.

These Rules and Regulations are an important part of preserving property values and promoting enjoyment of the homes by all Owners and Residents as well as safety and convenience. All Residents/Owners of the Association are obligated to comply with these Rules and Regulations and all other governing documents pertaining to the Association. Owners and Residents are also responsible for compliance with these Rules and Regulations by their family, guests, visitors, and lessees.

In the event of a conflict between the provisions of these Rules and the provisions of the Declaration or Bylaws, the terms of the Declaration or Bylaws (as applicable) shall control.

The Board of Directors has the authority to amend or revoke any of these Rules and to establish new rules. Reasonable notice of any amendment or revocation of a rule, or establishment of a new rule will be given before such amendment, revocation or rule takes effect.

*All owners are required to register their current name, address where they reside, and telephone number with the Association.

GUESTS AND LESSEES

Owners are responsible for compliance with these Rules and Regulations by their family, guests, visitors, and lessees, and can be fined if any of those persons violate any of these Rules and Regulations.

Owners are personally responsible and liable for any damage to the Association caused by their actions or the actions of their family, guests, visitors, and lessees. The fines and costs to repair any such damage shall be the personal liability of the relevant Owner and a lien against that Owner's Unit.

Owners should advise the Association and neighbors of guests occupying their home for more than 21 days in Owners' absence.

USE OF COMMUNITY

Residents/Owners shall keep all portions of the Association in a neat and orderly condition, properly disposing of all waste, trash, and recyclables.

Unit Owners, their immediate families, tenants and guests shall use individual homes for single-family residential purposes only. Commercial or business activity is limited to professional occupations carried on within a living unit and without external evidence of it. Subject to the Declaration, no Property within our development shall be used for business or commercial purposes where customers enter or leave the Association, or where numerous or large deliveries are made to a living unit.

Children are welcome at our community. Residents who have children or have guests with children shall abide by the Rules and Regulations of the Association. Parents/Tenants and Homeowners are responsible for their own children and guests' safety while on common areas of the community.

Ponds are NOT meant for recreational purposes and there is no swimming, ice-skating or any other activity allowed in or around the ponds.

Residents shall not conduct any activity nor maintain any item within their home, patio, deck or yard area, garage or on the property that which is unlawful, hazardous or could result in a rate increase or cancellation of Association insurance.

All maintenance and repairs to the interior of living units and garages is to be done by Owner, at the Owner's expense. Owners are responsible for damage to other units, garages and common areas due to their actions, negligence or failure to make necessary repairs to their home.

Other than those sponsored by the Association, garage sales are not allowed on the property. The Association may designate days which owners may hold garage sales.

Any emergency situation or suspicious behavior should be reported immediately to the local police department. Any fines assessed by the police and/or fire department are the responsibility of the homeowner and/or resident.

NOISE/CONDUCT

Residents/Owners, and their family, guests, visitors, and lessees, shall not engage in any activities that violate the right of other residents to a quiet environment. No unlawful, noxious or offensive activities, including, but not limited to, obscene or profane language, threats of harm to an individual or an individual's property or the playing of loud music, shall be carried on at any time in any portion of the Association, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall, in the judgment of the Board of Directors, cause unreasonable noise or a disturbance to others. Residents/Owners are responsible for the actions of their children, lessees, guests, guests' children and pets, and agents to ensure they do not cause any annoyance, which may unreasonably disturb other residents.

Residents shall not make or permit unreasonable noise that will disturb others. Radios, TV's, stereos and musical instruments must be kept at a reasonable volume at all times. *The Board may determine*

that noise is unreasonable – and therefore in violation of this Rule – even if the noise level does not exceed maximum noise levels allowed by statute or ordinance.

Problems concerning annoyances and nuisances caused by loud music, parties, excessive behavior, etc. that cannot be resolved between the individuals involved should be brought to the Board's attention. Noise/conduct violations may subject the violator to fines for such violation.

FIREARMS AND FIREWORKS

Hunting, and the discharge of firearms shall not be allowed anywhere in the Association. State approved fireworks may only be used on Independence Day.

No guns, archery equipment or other weapons are allowed in any area of the Association except within a home or while such equipment is being transported between a home and a location outside the Association.

If transporting weapons of any kind, the weapon must be encased at all times. (This includes, but is not limited to, pellet guns, bb guns, and CO2 guns.)

EXTERIOR REGULATIONS

Architectural Control Committee – Unless otherwise provided by the Board, the Architectural Control Committee (ACC) shall consist of the members of the Board.

The ACC will regulate and enforce the terms, conditions, covenants and restrictions of the HOA's Declaration as it pertains to Architectural Controls.

Exterior Alterations – Exterior Alterations require ACC review and approval. These alterations include: sheds, siding, roofing, driveways, solar panels, home additions, decks, sunrooms, screen porches, fences, swimming pools, play structures, basketball hoops, lawn ornaments greater than 2.5' in height, fountains greater than 2.5' in height, retaining or decorative walls greater than 2.5' in height, patios, major landscaping changes (as defined below) or any other structure not originally built with the home.

Homeowners will ensure that all exterior improvements, whether painted or colored materials, are properly and timely maintained to prevent peeling and cracking of paint or loss of coloration or other deterioration to the point where the improvement becomes unsightly and/or incompatible with the aesthetic standards of the community.

Major landscaping changes are defined as any new or replacement plantings of trees/bushes that could grow taller than 4 feet or any adjustment that causes greater than 10 square feet of ground space to be converted (i.e. lawn to mulch, mulch to concrete, etc.). Adjusting materials within planting beds (e.g. mulch to rock) or edging (e.g. strip edging to brick) is considered minor and does not require approval. All materials should leverage a color palette that can be commonly found in the neighborhood. As it is difficult to outline every possible landscaping scenario, if the homeowner is uncertain if a change requires approval, they are advised to contact the board and/or submit an approval request prior to project commencement.

Project Clean-Up – We recognize indoor and outdoor projects may require the placement of materials on homeowner property. Please ensure all construction/landscaping materials, palettes, etc. are cleared from yard and driveway within a reasonable amount of time (within 14 days after the completion of the project). If there is a project that will result in materials residing in the yard/driveway for longer than a month, please contact the board ahead of time.

Consent of the ACC is not required to replace or restore windows, screens, doors, screen doors, storm doors and garage doors to the original color/style and condition.

Complete detailed plans, specifications and related information regarding any proposed Alteration shall be submitted to the Board and approved prior to the project commencement of construction.

With proper ACC approval, a single shed that meets the criteria as described in the association declaration document shall be permitted. Other than this, No dog kennels, yard barns or other detached storage building shall be allowed.

Fences will be allowed; a neutral colored vinyl chain link fence is preferred. Fences do require ACC review and approval.

Satellite Dishes/Antennas – Subject to the approval requirements set forth in Article X, the following antennas may be installed on a Unit, as permitted by applicable federal law: (i) one satellite dish one meter or less in diameter for the purpose of receiving direct broadcast/satellite service or video programming services, or (ii) an antenna for receiving television broadcast signals; provided, that the ACC may require that the satellite dish and/or antenna be installed so as to minimize its visibility from the front of the Living Unit and otherwise camouflage its appearance, unless such requirements would (i) unreasonably delay installation, (ii) unreasonably increase the cost of installation, maintenance or use of the antenna, or (iii) preclude reception of an acceptable quality signal. Such installation shall be subject to all governmental laws, codes and ordinances. The ACC shall have authority to impose further, reasonable requirements consistent with law. The Owner is responsible for all maintenance and repair of any antenna installed on a Living Unit. Other than the foregoing, and subject to applicable federal law, no poles, other than a flag pole approved in accordance with Article X, posts, or towers may be installed in a Lot or Living Unit.

Window Treatments - Draperies, curtains, and blinds or other window treatments visible from the exterior of the home must be typical window treatments compatible with the community. Temporary window coverings will be permitted for a maximum of 60 days.

Holiday Lighting and Decorations – Holiday lights and decorations may be temporarily displayed and hung on homes, decks, fences, trees and shrubs. Lights, decoration, and related fasteners must be removed within thirty (30) days after the holiday concludes (weather permitting during winter months).

Exterior Décor – It is the responsibility of all homeowners to uphold standards for the aesthetics of our community so that the value of our homes remains at or above the level of similar communities. All exterior décor/furniture should be appropriate for outdoor use and should conform to the look and feel of our neighborhood and similar neighborhoods with the same home values. If there are questions as to what might be appropriate, please contact the board prior to purchasing or setting up new decorations.

Solar panels

The purpose of the following guidelines is to reasonably maintain consistent use and location to protect home values and aesthetics, while enabling homeowners to save on electricity costs and enable more green energy use in the community.

Installation and Equipment

- a. Only commercially or professionally made devices are allowed. "Homemade" devices will not be permitted due to the safety and aesthetics aspects of such devices.
- b. The Association strongly suggests the installation contractor be a licensed (e.g., NABCEP Certified Installer) solar equipment contractor.
- c. Homeowners are urged to check with their home builder or insurance company prior to installation of devices for how such installation may impact their roof warranty or other aspects of their structure.
- d. A solar energy system should meet all safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers (IEEE), and accredited testing laboratories, such as Underwriters Laboratories (UL) and applicable rules of the Minnesota Public Utilities Commission (PUC).

Location and Placement

- a. Roof-mounted systems must be installed so that the panels are flush-mounted and centered on the back side of house (preferred)
- b. If the install location which would be required under these Rules would result in the device losing 10% or more of its efficiency or energy generating capability, then alternate locations may be considered.
- c. Solar panels should be an integrated part of the roof design and mounted directly to the roof deck or if mounted on or over the existing roof, should be flush with the slope of the roof.
- d. Solar panels should be positioned as low as possible on the roof extending wider rather than higher on the roof plane. The solar panels, piping or any exposed part of the installation may not be higher than the roof peak.
- e. Visibility of devices and their components must be minimized from public view.
- f. Ground -mounted solar panels are not permitted.

Construction and Finish

- a. All roof mounted equipment, (excluding the face of the solar panels), must be black or match the color of the roof material.

All trim and exterior plumbing lines shall be painted to match, or the color of the materials used must match, the color of the house.

SALE OF HOME/MOVING

Open houses may be held on Saturdays or Sundays from 9:00 A.M. thru 6:00 P.M. only. "Open house" signs will be allowed during the hours of the open house **ONLY** (one in front of the home and one at each main entrance to the community). Signs must be removed by the end of the Open House. **Violation of this Rule may be subject to a fine as defined in the FINES FOR VIOLATIONS section of this document.**

Homeowners will be held fully responsible for any damages (including wear and tear) to the Common Elements. Any cleaning or repairs that are necessary due to a move or delivery must be reported and

taken care of immediately. The Association will bill the owner for any cleaning or repairs required as referenced under "Use of Community" Rules and Regulations as well as this section.

Moves and major deliveries must be completed between 7:00 A.M. and 10:00 P.M. Owners must supervise and be responsible for all aspects of a move or delivery. Damages caused by the moving of any occupant or renter shall be charged to the unit Owner.

LEASING OR RENTAL OF UNIT

Leasing of Units shall be allowed, subject to reasonable regulation by the Association and subject to the Association Documents. Any failure of the lessee to comply with the terms of such documents shall be default under the lease. The Association may impose such reasonable Rules as necessary to implement procedures for the leasing of Units consistent with this Section and the Association's Governing Documents.

Non-occupant Owners must provide the address and phone number of their off-site residence and also provide the name of each Occupant or Renter within any Unit/Home. A fine will be assessed to any Owner failing to provide such information within 30 days of commencement of lease term.

To the extent Owners may rent their Units pursuant to the terms of the Declaration, the Owners shall not display anywhere within the Association signs advertising a Unit for rent or lease. Any Owner violating the leasing sign rule shall be assessed a minimum fine of \$100.00 per week or portion thereof. In addition to any other requirements set forth in the Declaration concerning the renting or leasing of Units, Owners shall provide to their tenants copies of the Declaration, the Bylaws, these Rules and Regulations, and the Articles of Incorporation. Prior to a proposed tenant signing a rental or lease agreement, an Owner shall inform his or her tenants of all policies of the Association, including, but not limited to, the pet policy. In addition, the attached leasing form must be provided to the management company before any new tenant occupies a unit.

A Unit Owner shall not lease the Unit to a tenant unless the Owner first obtains and approves a national criminal background investigation on the tenant. A company licensed to conduct criminal background investigations shall perform such investigation. In order to evidence that the Owner has complied with this requirement, the Owner shall provide to the Association an official receipt from the company performing the investigation stating that the results of the investigation have been delivered to the Owner. Any owner failing to provide proof of the criminal background check will be assessed a \$1,000.00 fine per month or portion thereof until such time as Owner provides the documents required under this rule. Homes may not be leased for a period of less than one-year, absent prior written consent of the Board of Directors.

All matters regarding a Unit shall be brought to the attention of the Association by the Owner only. The Association shall have no obligation to address any issue brought to its attention by a tenant (except in the case of an emergency). A fee of \$100 will be assessed each time the Association is contacted by a tenant (except in the case of an emergency), and, notwithstanding such contact, the Association shall have no obligation to respond to such contact by a tenant. It is the Unit Owner's responsibility to supply a copy of the Declaration, the Bylaws and the Rules and Regulations to the tenant(s), and to ensure that the tenant(s) and occupants comply at all times with all terms and requirements of the Declaration, the Bylaws and the Rules and Regulations of the Association and laws of the state of Minnesota. Lease Agreements shall provide that the lease must be subject in all respects to the provisions of the Governing

Documents of the community and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. Notice of any violations of the Association's governing documents by such Owner's tenant(s) shall be provided to such Owner by the Association to the same extent the Association is obligated to notify any Owner of a violation of the governing documents. The Association shall have no obligation to provide any notice to any tenant or non-Owner occupant of a violation of the governing documents by such tenant(s) or non-Owner occupants. Fines for violations are the responsibility of the Owner and will be added to the Owner's account.

Request for service by tenants shall be directed to the Landlord only. The Association shall have no responsibility or liability to respond to guest, occupant or tenant requests (except in the case of an emergency).

Please review the Declaration for your community for additional regulations regarding leasing or rental of homes in your community.

GARAGES

Residents/Owners are prohibited from using or storing any of the following items in the garages: Flammable materials and liquids (except in government approved containers), combustible, hazardous, or explosive materials (except those that are common to everyday use).

Residents are encouraged to keep garage doors closed except when vehicles are moving into or out of garage or when a resident is active outside of their home for aesthetic and crime deterrence purposes.

DRIVEWAYS

Residents are responsible for the maintenance of their driveways. Driveways shall be kept clean of oil and gas spills. Driveway snow removal is the responsibility of the resident.

OUTSIDE PARKING

Parking is permitted in your driveway or garage only. Residents/Owners shall, whenever possible, park their cars inside the garage. A maximum of 2 vehicles per home may be parked outside a garage. Residents should encourage guests to park in the resident's driveway rather than on the street. Parking is prohibited in front of driveways, in fire lanes or near mailboxes. This prohibition also prohibits Residents/Owners from parking on the street in front of the driveways serving their own Units. This restriction allows emergency vehicles, fire trucks and Owners full access to the driveways and garages. *Owners are responsible for advising their guests, occupants, and service and delivery personnel of parking regulations.*

No vehicle repairs are permitted on the Common Elements or in any other portion of the Association other than an Owner's garage. Inoperative vehicles and vehicles with expired license tabs shall not be parked or stored outside a Unit (or garage) or in any portion of the Common Elements. Vehicles in violation of this provision may, at the discretion of the Board of Directors, be towed at the vehicle owners' expense, without prior notice to those owners.

Vehicles must be maintained to prevent damage or cause negative effects upon the property. Owners and Residents are responsible for any damages to the common areas. Pads must be placed under

motorcycle kickstands to prevent damage to blacktop.

No boats, trailers, motorcycles, mobile homes, campers, or other recreational vehicles or equipment shall be parked, stored or allowed to remain on any of the Property or on the street for more than 14 days per year except within the confines of an enclosed garage.

The use of driveways, private streets, and the type of vehicles and personal property permitted thereon, shall be subject to further regulation by the Association, including without limitation, the right of the Association to tow vehicles parked illegally or in violation of the Rules or to remove unauthorized personal property. Commercial vehicles (as defined by the Minnesota Department of Transportation) and Oversized vehicles may not be parked or stored on the property.

The Board of Directors maintains the authority to enforce for rule violations as defined in the FINES FOR VIOLATIONS section.

PETS

Those Residents/Owners with pets shall be responsible for caring for their pets in such a way as to keep them from becoming a nuisance to other Residents/Owners. Dog barking is to be strictly controlled by the dog's owner.

Pet owners shall be responsible for cleaning up and disposing of solid waste made by their pets every time the pets are outside a Home. Pet owners are responsible for reimbursing the Association and other offended parties for damage to landscaping and/or any other portion of the Association caused by their pets.

Owners are responsible for any damage to property and grounds, including sod replacement caused by their pet, guest's pet or tenant's pet. Owners must replace any damaged sod or landscaping before June 1st of each year. Pets must be quartered or live inside a Unit. Other quarters, such as dog runs, kennels or doghouses outside of a Dwelling, are not permitted.

All pets are subject to any and all City Pet Ordinances. Commercial breeding is prohibited.

Pet owners shall indemnify and hold harmless the Association and the management against any loss or liability arising from a pet.

If the Resident/Owner receives 3 pet-related violations, the resident may receive written notice to permanently remove the pet from the property within three days of the third notice. Failure or refusal to remove the pet will then result in an additional \$50 per day fine until the pet is removed.

SNOW REMOVAL

The City is responsible for snow removal of the neighborhood streets.

Homeowners are responsible for snow removal of their private sidewalks and driveways. In addition, homeowners are also responsible for snow removal of the common and/or public sidewalks adjacent to their lot and around their mailboxes.

TRASH

In an effort to keep the Association neat and attractive, all Owners, Residents, Visitors, and Guests shall refrain from depositing any trash or debris on the Common Elements.

Trash, garbage, and other waste shall be kept only in covered sanitary containers, and shall be disposed of in a clean and sanitary manner. Owners are responsible for appropriately disposing of all toxic waste materials such as paint, solvents, motor oil, etc. Failure to adhere to the proper procedures for disposing of garbage and/or trash may be subject to fine. No garbage and/or trash shall be permitted to become a nuisance, annoyance, safety or health hazard to the community.

Between the months of April and November, it is acceptable to keep a closed yard waste container and sealed yard waste bags outside the homeowner's garage in an inconspicuous location not directly in front of the home or garage doors.

All garbage and trash must be secured in garbage bags and deposited in approved garbage containers. For regular garbage, recycling and for yard waste between December and March, refuse containers and bags may not be placed outside prior to 7:00 PM on the evening prior to trash pick-up day. And except for the yard waste exception as described above, refuse containers must be placed back in the garages by 9:00 PM the day of pick up. Owners must prepare refuse as set forth by the waste hauler or City recycling program.

Non-corrugated packing boxes, moving materials, furniture, mattresses, tires, batteries, etc., will not be taken by the regular waste hauler. Owners/Residents must make arrangements for such materials to be removed promptly from the property. Owners must contact the waste hauler directly to make special arrangements for pickup and direct billing to their own home for that special pickup.

Christmas Tree Disposal – Please contact your contracted waste hauler for more information on pick up for tree removal.

RECYCLING

Our homes have a significant impact on recycling precious resources. Your Association encourages your participation. Please contact the City or the contracted waste hauler for more information on recycling programs in your community.

ASSOCIATION ASSESSMENTS

All Owners are asked to make their Association assessment payments via the ACH method (automatic withdrawal from a designated account). Contact the Association's management company to set up the automatic debiting plan. Any payment not received in full by the 10th day of month will be subject to a late fee of \$30.00 per month.

Each annual assessment levied by the Association is payable in equal monthly installments or quarterly installments so long as the homeowner's account is current. Each monthly installment is due and payable on the first of the month. Each quarterly installment is due on the first of the first month of the quarter.

A late charge of \$30.00 will be assessed against all accounts that are delinquent at the close of business on the 10th day of the month.

Owners will receive a written notice of a delinquent account payment when their account is thirty (30) days overdue, followed by a second notice after sixty (60) days. If an Owner's account is ninety (90) days overdue, the account will be turned over to the Association's attorney for collection. The Board of Directors has the discretion to deviate from this timeline if it deems appropriate. Payments received from an Owner will be applied to the oldest outstanding charge on the Owner's account. All attorney's fees and other costs and expenses incurred by the Association relating to the collection of an Owner's account, including, but not limited to, charges for checks returned for insufficient funds, will be the personal liability of that Owner, be levied against that Owner's Unit, and constitutes a lien against that Owner's Unit.

Pursuant to the Association's Governing Documents, if an assessment or installment thereof is 30 days delinquent, the Association may, upon 10 days' written notice to the Owner, accelerate the remaining balance of the assessment.

Owners may prepay assessments or installments levied against their Units at any time; however, no discount will be given for prepayments.

OWNER REGISTRATION

All Owners are required to register with the Association their current name, address where they reside, and telephone numbers. Email addresses are also encouraged (but not required). Failure to provide this information within 30 days after assuming ownership shall result in an automatic fine as set forth in the FINES FOR VIOLATIONS section of these Rules. In accordance with the Association documents, any Owner who has not registered may not have voting rights.

FINES FOR VIOLATIONS

The Board of Directors has the authority, pursuant to the Declaration, to impose reasonable fines for violations of the Rules and Regulations. The notices and fines set forth below will be administered for those violations that pose no immediate risk to the health, safety, or welfare of the residents of the Association or to any portion of the Association. The Board of Directors reserves the right to take more stringent action when a violation of the Rules and Regulations is deemed to present an immediate hazard to the health, safety, or welfare of the residents of the Association or to a portion of the Association. In addition, the Board of Directors reserves the right to pursue any other actions or remedies that are authorized by the Declaration, the Bylaws, and any relevant Minnesota laws.

The Board of Directors or the Association's management company will enforce the following guidelines in the event that a violation to the Rules and Regulations has taken place, unless otherwise noted herein.

Note: Prior to reporting an infraction or dispute to the Association, residents should make every reasonable attempt to resolve the matter between each other first. Violations must be documented and reported, in writing, to the Board of Directors or through the Association. Please include date, address and time of incident; *anonymous complaints will not be acknowledged or acted upon*. Unless previously noted, the following fine structure will prevail:

1. **First violation:** A written warning is sent to the Owner of the Unit in which the violator (who may or may not be the owner) is residing or visiting.
2. **Second violation:** Any violation of the subsequent Rule or provision of the Governing Documents (including non-compliance following the first violation warning letter) within the twelve-month period following issuance of a written warning of a violation constitutes a second violation, second violations are subject to a \$100.00 fine.
3. **Third violation:** A third violation of the subsequent Rule or provision of the Governing Documents (including non-compliance following the first violation warning letter) within twelve months of the previous violation constitutes a third violation, are subject to a \$200.00 fine (*in addition to* the fine set forth in item 2, above).
4. **Fourth violation:** A fourth violation of the subsequent Rule or provision of the Governing Documents (including non-compliance following the first violation warning letter) within twelve months of the previous violation constitutes a fourth violation, Fourth violations are subject to a \$300.00 fine (*in addition to* the fines set forth in items 2 and 3, above).
5. **Subsequent violations within twelve-month period:** A subsequent violation of any Rule or provision of the Governing Documents (including non-compliance following the first violation warning letter) within twelve months of the previous violation constitutes a subsequent violation, Each subsequent violation is subject to a \$400.00 fine (*in addition to* the fines set forth in items 2, 3, and 4, above).
6. **Multiple / Non-subsequent violations within twelve-month period:** When three violations of any single or multiple rules or provisions of the Governing Documents within a twelve-month period occur, the third violation is to be subject to a \$100.00 fine. The fourth violation a \$200.00 fine, the fifth a \$300.00 fine, etc.

In addition to the fines assessed for violations, the Board may assess to the violating Owner any and all administrative fees incurred by the Association to generate a violation notice and collect any fine associated with such violation.

All fines shall be due and payable to the Association immediately, but in no event any later than the first day of the month following the date that the fines are imposed. At the discretion of the Board of Directors, following notice to Owners, the fine amounts can be amended at any time. On behalf of the Association, the Board of Directors will exercise its legal rights and fiduciary responsibility to collect fines in the same manner as if the fine were a delinquent assessment. Late charges will be assessed on unpaid fines in the same manner as unpaid assessments. Unpaid fines constitute a lien against the Owner's Unit. Such lien may be foreclosed in the same manner as a lien for unpaid assessments.

Continuing Violation

In the case of a continuing violation of a Rule beyond the date when a fine is imposed under the "Fines for Violations" Section above, an additional daily fine of no less than \$20.00 may, at the discretion of the Board of Directors, be imposed for each day the violation continues. Such continuing violation fine may be imposed if the violation is still not corrected within 7

days after the date the fourth violation letter is sent, and may be imposed retroactive to the date at which the first violation letter was issued.

Notice of Violation and the Opportunity to be Heard

In the case of the imposition of any fines for violations of the Rules and Regulations, the Board of Directors shall, upon written request of the Owner, grant to the Owner a hearing on the violation. The procedures for informing the Owner of a right to a hearing, the Owner's request for a hearing, and the hearing itself, shall be as follows:

1. The Owner shall be given written notice of the nature of the violation and the right to a hearing, and at least 10 days within which to make written request for a hearing. The hearing shall be before the Board of Directors or, at the discretion of the Board of Directors, a committee appointed by the Board of Directors that is made up of at least three disinterested Owners (some or all of the members of the committee may, at the discretion of the Board of Directors, be members of the Board of Directors). The written request shall be mailed or hand delivered by the Owner to the office of the Association's management company (for purposes of these procedures, the receipt by the office of the Association's management company of the written request shall be deemed to be received by the Board of Directors).
2. The hearing shall be scheduled by the Board of Directors and held within 30 days of receipt by the Board of Directors of the Owner's written hearing request, and with at least 5 days prior written notice to the Owner.
3. If the Owner fails to request, or to appear at, the hearing, then the right to a hearing shall be deemed waived by the Owner, and the Board of Directors may impose the applicable fines and take all other action, as it deems appropriate.
4. Hearings shall be conducted in a fair and equitable manner. The decision of the Board of Directors/Committee, and the rules for the conduct of hearings established by the Board of Directors/Committee, shall be final and binding on all parties. The decision of the Board of Directors/Committee shall be delivered in writing to the Owner within a reasonable time following the hearing, if not delivered to the Owner at the hearing.
5. Attendance at the hearing will be limited to the following persons: members of the Board of Directors/Committee, agents of the Association, the Complainant (if any), the Owner, and any other persons who may have relevant evidence or testimony to offer. A person attending the hearing may elect to be represented by legal counsel. A Board of Directors member who has direct involvement in the alleged violation shall excuse him or herself from the hearing process except as necessary to provide relevant evidence or testimony. Such Board member shall not participate in the Board's deliberation or vote regarding imposition of fines or other consequences for the alleged violation.
6. Any fines to be imposed by the Association may, at the discretion of the Board of Directors/Committee, be retroactive to the date of the violation. No notice to the Owner of a right to a hearing need be given (other than the initial notice) before the imposition of fines for a continuing violation.
7. The Board reserves the right to impose a fine immediately, without sending any prior violation letter, if, in the Board's sole discretion, the violation constitutes a hazard to the safety or security of the homeowner, other homeowners or residents, or their respective guests. Failure to provide all written warnings and notices of violation as provided in these Rules shall not nullify any fine imposed for any violation.

Personal Liability for Fines / Levy of Fines as Assessments

Pursuant to Minnesota law, each fine imposed by the Association against an Owner shall be the Owner's personal obligation and shall be a lien against the Owner's Unit. The lien shall attach to the Unit as of the date the fine is imposed, but shall not be final until (i) the fine is affirmed in writing following the hearing referred to above (if applicable) or (ii) after the expiration of the time period within which the Owner could request a hearing but failed to do so (if applicable).

Revision History:

- Original version created by Ryland Homes for developer-owned Homeowners board
- Updated 11/6/2016 (updated reviewed with homeowners on 10/19/2016)
- Updated 01/01/2018 (update reviewed with homeowners on 10/16/2017)
- Updated 01/01/2020 (update reviewed by homeowners on 4/30/19, 7/16/19 and finalized on 11/05/19)
- Updated 2/9/2021 (shed additions passed by homeowners via neighborhood vote October 2020 & solar panel guidelines discussed with homeowners 1/25/2021)