The Villas Condominiums, Inc. Association

Condominium Rules (Bylaws Article VII – Rules and Regulations)

(November 18, 2025)

Condominium living is a democratic exercise in which people purchase a unit to avoid grass cutting and snow removal, but then find themselves needing to follow rules and Bylaws governing the community.

We at the Villas of Franklin want to help our members navigate these rules. For this reason, we have restated them so they are to the point, meaningful, and enforceable. This should help our owners when attempting to individualize their property. Common sense should always prevail, and the meaningful input of the neighbors should be weighed heavily when making a decision.

Any proposed changes to the property require a Modification Request Form ("MRF") be sent to the management company for Board approval. This will allow a record of all proposed changes (no matter what they are) to be logged. We will then have a list of each condominium and what changes have been made by address.

If there is a disagreement that cannot be solved using the MRF, a written and signed complaint may be submitted to the Board. The Board will have the final decision.

Association Rules and Guidelines

1. Awnings: If an owner wishes to install an awning, please submit an MRF to the management company for Board approval.

2. Charging Stations: Electric vehicle charging stations can not be installed in limited common or common element areas.

3. Clothes Hanging Devices: No clotheslines or other such drying devices can be permanently installed to any unit's exterior, patio/deck or be within the common or limited common areas.

4. Decks and Patios: Owners shall keep their decks and patios in a clean and neat state. Decks and patios are not to be used for storage, including but not limited to, motorcycles, toys, baby carriages, and wagons. Grilling and/or storage of grills is not allowed on decks and patios.

5. Driveways and Walkways: No driveway or walkway expansion shall be permitted beyond the original poured concrete or asphalt footprint.

6. Dumpsters: No dumpster shall be permitted without prior consent of the Board through the MRF process.

7. Exteriors: All exterior replacement items, such as windows, doors, garage doors, deck materials, outdoor light fixtures, etc. shall be the same brand, product and color as originally

installed. If the original product or color is no longer available, substitution of the product or color shall not be allowed without the approval from the Board through the MRF process.

8. Exterior Decorative Items: Using "good common sense", exterior decorative embellishments may be placed on decks/patios, landscape beds, driveways and porches. These items shall not interfere with safe and efficient lawn maintenance/snow removal or inhibit walkways. Contact the Board if there is doubt. The Board reserves the right to deny any decorative items.

9. Exterior Walls: No penetration of exterior wall shall be allowed without submitting a MRF for Board approval.

10. Fences, Invisible Fences, Railings, Walls, Hedges, Lattice, Arches/Arbors, Trellis: Submit a MRF for Board review. Only those items approved in writing by the Board are permitted.

11. Fire Pits: Outdoor fires; including but not limited to, portable fire pits, bonfires, portable burners, tiki torches; are not allowed.

12. Flags: American Flag are allowed with an approved MRF. The Board will allow one flag bracket per unit attached to wood trim, the bracket must be white, and the flagpole must be natural wood or white. The American flag size must be 3' x 5'.

13. Garbage and Trash: All garbage cans and other garbage/recycling containers shall be kept inside of the garage. Empty receptacles shall be removed from the curb the same day as pick up (Wednesday). Garbage containers should not be at the curb before 6:00pm on Tuesday evening.

14. Grills: Per the State of Wisconsin Statutes: "No hibachi, gas-fired grills, charcoal grills or similar devices for cooking, heating or any other purpose shall be used or kindled on any balcony or under any overhanging portion of the building. Grilling on ground level is permitted provided the grill is 10 feet away from the structure.

15. Landscaping Lighting: Solar landscaping lighting may be installed only in landscaping beds. Lights shall not interfere with safe and efficient lawn maintenance and shall not be placed in grassy areas or inhibit walkways. No post-mounted lights are allowed.

16. Landscaping: MRF for Board approval is required for any proposed changes to landscaping; with detailed plans indicating any removal and/or relocation of trees, additional plantings of trees and shrubs. Plantings are not allowed in the area of underground wiring, cables, or irrigation pipes. Any required changes/damage to the sprinkler system or any other unit owner's wiring will be at the requesting unit owner's expense. Quantity, approximate size and types of plants shall be identified. Trees, shrubs, and additional vegetation are to be installed in a manner that does not interfere with the safe and efficient access of lawn maintenance crews.

Annual and perennial flowers planted in existing landscape beds immediately adjacent to your unit, do not require Board approval, however, fall cleanup and maintenance of annuals is to be done by the unit owner.

17. Lawn Furniture: Outdoor furniture must be placed on patios or decks. Benches and patio furniture shall not interfere with safe and efficient lawn maintenance.

18. Lights (exterior): Each unit will have outdoor lighting, illuminating door entries and the driveway (operated by an electronic sensor). Only white 60-watt LED bulbs are to be used. Upon burning out, unit owners are responsible for the replacement of their light bulbs. If the Association becomes aware that bulbs are burned out, unit owners will be notified.

19. Moving Containers: “Pod” or similar type of moving containers may be placed on the unit owner’s driveway for no more than ten (10) days. An MRF submitted for Board approval. The Board may also approve additional time due to extraordinary circumstances. Summer temperatures require wood blocking (2”x12”) under the moving container(s) to distribute the weight and not cause any damage to the asphalt/concrete drive. Any damage to the driveway is the unit owner’s responsibility to repair.

20. Parking and Storage of Vehicles: No unit owner shall cause or permit the common elements to be used in such a way as to deny others the full use of these common elements. Accordingly, there shall be no obstruction of any of the common elements other than the temporary parking of motor vehicles in the outdoor parking spaces. Junked, inoperative or unlicensed vehicles shall not be permitted anywhere in the Condominium. Trailers, vans, trucks, campers, house trailers, boats, boat trailers, motorcycles and snowmobiles shall not be stored, parked or placed outside.

21. Roof Exhaust Systems: No roof exhaust systems or roof penetration can be done without an MRF for Board approval.

22. Skylights, and Solar Tubes: To comply with the Wisconsin Statue Sections 60.61, 60.0401, 236.292 and 700.41 skylights, and solar tubes are not allowed.

23. 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 or as specifically allowed in the Rules and Regulations. 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..

24. Tents: Tent or Sunshade units may be erected for a special event with an MRF for Board approval.

25. Animals: All City of Franklin (Wisconsin) ordinances related to animals, as may be updated from time to time, are incorporated by reference.

26. Monthly Association Dues: Late Fees and Collection Policy: The following policy relates to the method by which the Association will pursue past due accounts, assess late fees and enter into payment plans.

    a. Association Dues – Monthly installments (the "dues") of annual assessments are due and payable on the first (1st) day of each month.

    b. Late Fees – If full payment of monthly dues is not received by the tenth (10th) day of the month, then a late fee of $25.00 will be assessed. Late fees are due and payable as soon as they are incurred. The amount of the late fee may be changed by the Board. Late fees will apply to the month of the late dues payment only. There shall be no late fees assessed on late fee balances only. However, partial payments of monthly dues shall be considered late under this policy and a late fee shall be assessed on the tenth (10th) day of the month unless the monthly dues are paid in full within the tenth (10th) day deadline.

    c. Late Notices – The Association, at its option and within its sole discretion, may send notices to delinquent owners at sixty (60) and ninety (90) day intervals. The ninety (90) day notice may include a ten (10) day demand statement for payment in full of all outstanding dues and late fees. If payment in full is not received within the ten (10) days of such notice, the account may be turned over to the Association's legal counsel and/or a lawsuit or foreclosure proceedings may be brought against the member by the Association. The Association, at its option, may elect to pursue the matter in conciliation or district court or may pursue foreclosure. All attorneys' fees and court costs will be assessed to the member. In the event that legal counsel is retained, the member will be responsible for all attorney and collection fees and costs incurred by the Association.

    d. Payment plan – If a member is in arrears on dues owed to the Association, a payment plan may be entered into with the member. However, the following rules apply to all payment plans.

        i. Any and all payment plans longer than six months must be approved by the Board.

        ii. All payment plans must be in writing and signed by the delinquent owner.

        iii. As a general rule: When an account is turned over to legal counsel specifically for foreclosure proceedings, such action will receive the approval of the Board of Directors.

27. Assessments: Late fees and Collection Policy: The Association will pursue collection of all assessments, late fees, and all related costs of collections, including but not limited to lien fees, collection costs, and attorneys' fees. Fines will be collected in the manner as authorized by law.

a. Ownership Interests - The person who is the owner of a unit as of the date an assessment becomes due is personally liable for the payment of the assessment. The personal obligation for a delinquent assessment does not pass to the successors in title of the owner (but the Association's automatic lien runs with the property). As used herein, the term "delinquent owner" refers to that person who held title to a unit on the date an assessment became due, and who has unpaid assessments and related amounts. Unless expressly noted otherwise, the "owner" refers to an owner of a lot.

b. Due Dates - The due date for a given assessment shall be as prescribed in the applicable assessment billing notice and is referred to in this Assessment Collection Policy as the "due date". For imposition of late fees, assessments are delinquent if not paid within 10 days (the "delinquency date"). The Association reserves the right to impose interest on delinquent amounts in accordance with the terms of the Bylaws Section 5.3.

c. Handling Charges and Returned Checks - In order to recoup costs incurred because of the additional administrative expense associated with collecting delinquent assessments, collection of the following fees and charges are part of the Assessment Collection Policy and as set forth in the Bylaws Section 5.3, secured by the assessment lien and the personal obligation of the delinquent owner:

    i. Any handling charges, administrative fees, postage, or other collection costs or expenses incurred by the Association in connection with the collection of any assessment or related amount owing beyond the delinquency date.

    ii. A reasonable charge, as determined by the board from time to time, will become due and payable for any check tendered to the Association that is dishonored by the drawee of such a check, the charge being in addition to any other fee or charge passed on by a financial institution.

    iii. A late charge of $25.00 on the unpaid assessment.

    iv. Lien fees, if a notice of lien is prepared and/or recorded.

    v. Attorneys' fees and costs.

    vi. Any fee or charge becoming due and payable pursuant to this paragraph will be added to the amount outstanding and is collectible to the same extent and in the same manner as the delinquent assessment.

d. Application of Funds Received - Unless otherwise directed in writing by the payee and unless otherwise subsequently changed by the state statute, all moneys received by the Association will be applied to amounts outstanding to the extent of and in the following order:

i. First, to assessments;

ii. Next, to late fees on those late assessments;

iii. Then to collection fees and attorneys' fees and costs the Association has incurred and related to the unpaid assessments;

iv. Next, to other unpaid fees, charges and fines or interest and late charges on any of those amounts.

e. Ownership Records and Notice - All collection notices and communications will be directed to those persons shown by the Association's records as being the owner of the property for which assessments are due and will be sent to the most recent address of such owner solely as reflected by the Association's records. Any notice of communication so made will be valid and effective for all purposes pursuant to the Bylaws Section 5.3 and this Assessment Collection Policy until such a time as there is actual receipt by the Association, of any change in the identity or status of such owner or its address or both. Where an owner has acted so as to put the Association on notice that its interest in a unit is being handled by a representative or agent for legal or communication purposes, any notice or communication from the Association pursuant to this Assessment Collection Policy will be deemed full and effective for all purposes if given to such a representative or agent.

f. Notification to Owner of Delinquency

i. Late notice. A payment by a member is deemed delinquent if it is unpaid ten (10) or more days after the due date. A late notice may be sent and at the option of the Association, account may be charge a $25.00 late charge and.

ii. Pre-Lien Demand. No sooner that thirty (30) days beyond the due date, the Association may, but is not required to, send a demand letter to the delinquent owner making formal demand for immediate payment for all outstanding amounts ("Demand Lien Letter"). All fess and collection costs associated with the demand lien letter will be charged to the delinquent owner's account. Fees for this letter are a cost of collection and per the terms of the Bylaws Section 5.3, not only the personal obligation of the owner, but also secured by the assessment lien.

iii. Notice of Lien. No sooner that sixty (60) days after the due date, where an owner has failed to pay in full the delinquency secured by the assessment lien, the Association may cause to be prepared and recorded with the Milwaukee County Circuit Court against title to the owner's property a written notice of lien ("Notice of Lien"). All assessments and charges, with the exception of fines and late charges and interest thereon, constitute a lien on the unit automatically under the Bylaws Section 5.3 and Wisconsin law. Any fees imposed for the recordation of the notice of lien are not only the personal obligation of the owner, but also secured by the assessment lien and will be charged to the delinquent owner's account.

iv. Other Notifications. After ninety (90) days, the Association's legal counsel may, at the direction of the board, pursue other legal remedies available to collect delinquent assessments, including, without limitation, personal judgement suits and/or an action to foreclose the assessment lien. Prior to instituting litigation related to the delinquency, the Association's legal counsel will send a letter to the delinquent owner's address of record with the Association. A fee can be charged to the owners account for transferring the collection file to the Association's legal counsel, said fee not only the personal obligation of the owner, but also secured by the assessment lien and will be charged to the delinquent owner's account.

g. Foreclosure Suits/Suits for Money Judgement - Under the Bylaws Section 5.3 and Wisconsin law, the Association may sue a delinquent owner personally for a money judgment and/or foreclose the assessment lien against the unit in the same manner as a mortgage. Either remedy may result in additional expense, or actions, including garnishments, debtor examinations, or sheriff sales of real or personal property.

h. Policy - The Association, through the Board of Directors, reserves the right and is willing to work with delinquent owners via payment plans and to consider legitimate hardships and other circumstances.

28. Code of Conduct for Board Members

a. If you agree to be a board member, make your service a priority. Expect to attend as many meetings as you can and attend almost all of them. Punctuality is appreciated.

b. Know your rules, your budget, and your buildings. Read, reread, and be well versed in your governing documents and prior minutes. Those documents are your foundation. Read all relevant materials before meetings so you are prepared to discuss issues and make sound decisions. Be very well versed in your association's budgetary requirements and restraints. Become an expert in your buildings and grounds. Know your buildings physically. Know what it takes to maintain the buildings, the landscaping, the facilities, and the roof.

c. Remember your fiduciary duties. Recognize that board members operate in a fiduciary capacity, which means you are entrusted with the operations of the association and doing what is in the association's best interest, not always in the interest of the owners.

d. Acting in the association's best interest also means making decisions on the merits, not because you have a personal agenda. Do not solicit or accept gifts, gratuities, or favors, especially with those given with the intent of influencing a decision. Do not seek preferential treatment from board members, committees, contractors, or suppliers (see Conflict of Interest Policy). Do not receive compensation for serving on the board. Do not advance a personal cause by using your position on the board to enhance your financial status through the use of particular contractors or suppliers.

e. Know the professionals you are dealing with.

f. Always comply with your governing documents and relevant laws.

g. Use competitive bidding. The easiest way to avoid the appearance of impropriety in associations contracts is to seek competitive bids for all projects over a certain amount.

h. Work within the association's framework and refrain from unilateral action. Remember that the board speaks with one voice. If there is a board decision you disagree with, once it's made, support it.

i. Always exhibit professional behavior. Treat unit owners with respect and decency.

j. Maintain confidentiality of association matters when it is appropriate. You should never discuss board actions and decisions about litigation outside board meetings.

k. Promptly disclose conflicts of interest and take immediate action when one arises. Request that the board minutes note that you have recused yourself from the discussion and that portion of the meeting.

29. Document Retention Policy: Records of The Villas Condominiums, Inc. (the "Association") are important assets. Association records include essentially all records you produce as a Board Member, whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract, or something not as obvious, such as a computerized desk calendar, an appointment book, or an expense record.

    Wisconsin Statue requires the association to maintain certain tyles of records, usually for a specific period of time. Failure to retain those records for those minimum periods could subject you and the association to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the association in contempt of court, or seriously disadvantage the association in litigation.

    The Association expects all members to fully comply with any published records retention or destruction policies and schedules, provided that all members should note the following general exceptions to any stated destruction schedule: If you believe, or the Association informs you, that association records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until the association's legal counsel determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If you believe that exceptions may apply, or have any questions regarding the possible applicability of that exception, please contact management or a board member.

From time to time the Association establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors.

According to Wisconsin Condominium Law Section 703.20. The Association shall keep all of the following records:

a. Minutes and records of action; condominium documents:

    i. Minutes of meetings of the association and of the board of directors of the association, which the Association shall keep for at least 6 years.

    ii. Records of actions taken without a meeting by the unit owners on behalf of the association or by the board of directors of the Association, which the association shall keep for at least 6 years.

    iii. The governing documents and information that are adopted by the association, which the association shall keep as permanent records.

b. Financial records. An association shall maintain appropriate financial records for at least 6 years, including all of the following:

    i. Detailed, accurate records using standard bookkeeping procedures of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred.

    ii. Annual budgets for both operating and reserve funds.

    iii. Financial statements.

    iv. Bank Statements and account statements, including statements for reserve accounts, created within the past 6 years.

    v. Income and expense statements.

    vi. Insurance policies issued within the past 6 years.

    vii. The most recent audit of the association's financial records, if any.

viii. Contracts entered into within the past 6 years and any bids for those contracts received within the past 3 years.

ix. Invoices and expense records created within the past 6 years.

c. Exceptions: records of initial construction. An association is not required under part (b) to maintain any financial records related to the declarant's initial construction of the common elements during the period of declarant control. If the cost of the initial construction are not assessed against unit owners as common expense and no contracts related to the initial construction is made by or on behalf of the association.

d. Electronic Mail. Any E-mail that needs to be saved should be either:

i. Printed in hard copy and kept in the appropriate file; or

ii. Downloaded to a computer file and kept electronically or on disk as a separate file.

iii. The retention period depends upon the subject matter of the emails, as covered above in this policy.

e. Failure to comply with this document retention policy may result in punitive action.

f. After the applicable time period provided herein, any pertinent documents may be destroyed.

30. Conflict of Interest Policy:

a. Individuals elected to the Board of Directors (the "Board") of The Villas Condominiums, Inc. Association (the "Association") shall not engage in activities that might interfere with the discharge of their responsibilities to the Association or in transactions that reasonably might affect the judgement they exercise on behalf of the Association.

b. A conflict of interest exists when the interests or concerns of any Director are, or may be seen as, conflicting or competing with the interests or concerns of the Association. This includes where a Director may personally benefit, directly or indirectly, by a decision made by the Board. Such a conflicting or competing interest may, but does not necessarily have to, involve an onside organization that has received funds from the Association, has granted funds to the Association, or has provided the Association with goods or services. An "Outside Organization:" shall mean any entity, person or business organization other than the Association.

c. A Director who serves as a director, trustee, officer, staff member, employee, consultant or in a similar capacity to an Outside Organization that is currently providing funds to the Association, or is providing goods or services to the

Association, or is receiving financial support from the Association, or has some other direct tangible financial relations with the Association shall include such information in writing to the Board, and shall provide updated information to the Board as circumstances change. In addition, if any immediate family member of a Director also serves in a similar capacity for an Outside Organization of the type described above, such Director shall include such information in writing to the Board.

i. When any such conflict of interest is relevant to a matter requiring action by the Board, the interested person shall call it to the attention of the Board, or any relevant Committee, and such person shall not vote on the matter; if appropriate such Director shall also absent him/herself from the discussion of the matter.

   Specifically, in considering a request to provide funds to, or to borrow funds from, or to contract with, an Outside Organization with which a Director is affiliated, the concerned Director shall notify all Board Members of the relationship of such Director to the Outside Organization that is the subject of the matter before the Board and such Director's relationship, if any, to the consideration and development of the proposal before the Board. If there is a potential situation of this nature but a Director is not certain if the circumstances come within such procedure, such Director may consult with a member of the Board of Directors. The Director shall then disclose the matter to the Board and the Board shall vote on the best course of action.

ii. The minutes of the meeting of the Board, or any Board committee, shall reflect that the potential conflict of interest was disclosed, that the interested person did not participate in the voting on such matter, and, if that was the case, was not present during the discussion of such matter.

d. A copy of this Conflict of Interest Policy shall be furnished to each current Director. All new Directors shall be advised of this Policy upon undertaking the duties of such office. This Policy shall be reviewed annually or as requested by the Directors.

e. Failure to comply with this Policy may result in punitive action.

31. Modification Request Review Policy:

Overview:

Article VII 8.1 (1) of The Villas Condominiums, Inc. Bylaws requires the written consent of the Board before any alterations, construction or removal takes place to common elements or limited common elements.

The Board shall, as necessary, adopt rules and regulations governing the operations and maintenance and use of the units, the common elements, and limited common elements by the unit owners and occupants. (See Bylaws, VI 6.2, Rules and Regulations)

It must be understood it is the responsibility of the Board to assure that no exterior additions or changes are made to dwellings, common elements or limited common elements, unless they confirm to the Villas Condominiums, Inc. Declaration of Condominiums and Bylaws and the Modification Request Review Policy (MRRP). These actions will:

a. Ensure harmony of the external design concept for the community.

b. Protect and preserve the value and desirability of the property and community.

When one buys into a condominium association, it is community living. All exterior areas are held in common and as a result owners do not have their own yards; therefore, the Board does not permit changes to yards, driveways, decks, etc. without approval.

Scope of Review Policy:

No exterior change shall be made to any unit or common or limited common areas until the MRF has been submitted to and approved by the Board.

Exterior changes needing approval include, but are not limited to:

a. Extensions to patios or decks

b. Resurfacing, sealing or painting driveways

c. Installation, replacement or repairs of entry doors, storm/screen doors, patio doors, windows, garage doors, exterior light fixtures

d. Erection of latticework, enclosures or trellises attached to the building

e. Planting or removing of trees or shrubs

f. Installation and placement of satellite dishes

g. Installation and placement of a radon mitigation system

When in doubt about an exterior change, seek clarification from the Board.

Exterior Change Procedures:

A unit owner wishing to make an exterior change to their unit or to the common or limited area shall apply for and receive written approval for each prior to the start of the project. A separate request stall be submitted for each exterior change.

MRF are available on the website or by request to Management. The MRF, completed by the unit owner, together with all applicable information, is submitted to the Board where it is logged as received. MRF are not considered complete until accompanied by all the information necessary for the Board to make an informed decision. In cases where requested changes may impact other unit owners, they may be consulted prior to a decision being made by the Board.

Request Disapproved – Right to Appeal:

If the unit owner wishes to appeal the Board's decision, an appointment for an appeal hearing may be made with the Board. Once the Board makes a decision, the decision is final.

Additions or Changes Made without Approval:

If additions or changes are made without an approval being issued, the Board will inspect the changes. If such additions or changes conform to the MRF, unit owners will be required to submit a MRF to the Board for approval. If such additions or changes do not confirm to the MRF, unit owners will be required to either modify them to confirm or to promptly remove them for the property at their own expense.

Per the Bylaws, in addition to fines, the rules and regulations shall be enforced by such means, as the Association deems necessary and appropriate, including recourse to civil authorities and court action. Any fines changed shall be assessed against the subject unit and may be enforced and collected as an assessment for common expenses, including foreclosure of a lien.

32. Anti-Harassment Anti-Discrimination 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 Harassing and Excessive Contact.