

APPENDIX "E"
RULES AND REGULATIONS
FOR
SEASIDE KEY WEST RESIDENCES HOMEOWNERS ASSOCIATION, INC.

The following Rules and Regulations supplement those contained in the Declaration of Covenants and Restrictions (the "Declaration") for the SeaSide Key West Residences (the "Property"). They have been promulgated by the Seaside Key West Residences Homeowners Association, Inc. (the "Association"), and are applicable to all occupants of Townhomes as well as to Townhome Owners. The terms used in these Rules and Regulations shall have the same definitions and meaning as those set forth in the Declaration, which has been or is to be recorded in the Public Records of Monroe County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

THE RULES AND REGULATIONS HEREINAFTER ENUMERATED AS TO THE COMMON PROPERTIES, THE TOWNHOMES AND THE PROPERTY IN GENERAL SHALL BE DEEMED IN EFFECT UNTIL AMENDED AS PROVIDED BY THE BY-LAWS OF THE ASSOCIATION AND SHALL APPLY TO AND BE BINDING UPON ALL TOWNHOME OWNERS. THE TOWNHOME OWNERS SHALL AT ALL TIMES OBEY SAID RULES AND REGULATIONS AND SHALL SEE THAT THEY ARE OBEYED BY THEIR FAMILIES, GUESTS, INVITEES, AGENTS, LESSEES, TENANTS, PERSONS FOR WHOM THEY ARE RESPONSIBLE AND PERSONS OVER WHOM THEY EXERCISE CONTROL AND SUPERVISION. VIOLATION OF THESE RULES AND REGULATIONS MAY SUBJECT THE VIOLATOR TO ANY AND ALL REMEDIES AVAILABLE TO THE ASSOCIATION AND OTHER TOWNHOME OWNERS PURSUANT TO THE TERMS OF THE DECLARATION, THE ARTICLES OF INCORPORATION OF THE ASSOCIATION, THE BYLAWS OF THE ASSOCIATION AND FLORIDA LAW. VIOLATIONS MAY BE REMEDIED BY THE ASSOCIATION BY INJUNCTION OR OTHER LEGAL MEANS AND THE ASSOCIATION SHALL BE ENTITLED TO RECOVER IN SAID ACTIONS ANY AND ALL COURT COSTS INCURRED BY IT, TOGETHER WITH REASONABLE ATTORNEYS' FEES, IN ADDITION TO ANY REMEDIES OR RIGHTS WHICH THE ASSOCIATION OR ANY TOWNHOME OWNER MAY HAVE TO RECOVER DAMAGES, COSTS AND ATTORNEYS' FEES AGAINST ANY PERSON VIOLATING THE RULES AND REGULATIONS OR THE DECLARATION AND ANY OF THE EXHIBITS THERETO. THE BOARD OF DIRECTORS MAY, FROM TIME TO TIME, ADOPT NEW RULES AND REGULATIONS OR AMEND OR REPEAL PREVIOUSLY ADOPTED RULES AND REGULATIONS. ANY WAIVERS, CONSENTS OR APPROVALS GIVEN UNDER THESE RULES AND REGULATIONS BY THE BOARD OF DIRECTORS SHALL BE REVOCABLE AT ANY TIME AND SHALL NOT BE CONSIDERED AS A WAIVER, CONSENT OR APPROVAL FOR ANY OTHER PURPOSE OTHER THAN THAT WHICH IS IDENTIFIED AT THE TIME OF THE GIVING OF SUCH WAIVER, CONSENT OR APPROVAL.

1. Antennae. No exterior antennae shall be permitted on the Property without the prior written permission of the Board. Satellite dishes are permitted subject to provisions as Stated in the Declaration of Covenants and Restrictions shown in Section 10.16.
2. Association Employees. Employees of the Association are not to be engaged by Townhome Owners for personal errands that are not within the scope of the applicable employee's duties. The Board of Directors, through an employed Manager, if any, shall be solely responsible for directing and supervising the Association's employees.
3. Balconies, Terraces and Patios. Enclosures by screening, glass or otherwise of balconies, terraces, roof top terraces or patios must have prior approval of the Architectural Committee. No articles except suitable furniture, plants and planters shall be placed on balconies, terraces, roof top terraces, patios or similar areas. No objects shall be hung from balconies, terraces or roof top terraces, except small household plants. No cloth, clothing, laundry, rugs, mops or any other article(s), shall be hung upon, or shaken from doors, windows, balconies, terraces, roof top terraces or exterior walls
4. Boats and Commercial Vehicles. Boats and boat trailers shall be permitted on the Property provided same can be kept within a Townhome garage wherein the garage door can be closed. No commercial vehicles shall be permitted on the Property, without the prior written consent of the Board of Directors. The Manager is specifically exempt from the foregoing provision to the extent that any of the vehicles of Manager or their respective designees are engaged in any activity relating to maintenance of the Townhomes. No trucks or trailers of any type which are over 25 feet in length are permitted on the property.
5. Children. Each Townhome Owner shall be solely responsible for the actions and any damage caused by the Owner's children or children visiting the Owner. Children are not to play in the parking areas, and loud noises and disruptive behavior will not be tolerated. Adult supervision must be exercised at all times when children are using the Common Properties, including but not limited to recreation areas. Adult supervision of children is critical. For purposes of these Rules and Regulations, any person under the age of eighteen (18) years of age shall be considered a child.
6. Cleanliness. Each Townhome Owner shall maintain the Townhome, and especially the exterior of the Townhome, in a clean and orderly manner, and in a manner, which will not be offensive to any other Townhome Owner. Townhome Owners shall not allow anything to be thrown, or to fall, from doors, balconies or terraces. No sweepings or other substances shall be permitted to escape to the exterior of the Buildings from the doors, balconies or terraces. Garbage cans, laundry, dry cleaning, supplies or other articles shall not be placed areas visible to other Townhome Owners.
7. Conduct: No person shall engage in loud and boisterous or other disorderly, profane, indecent or unlawful conduct on any portion of the Property, including, without limitation, inside any Townhome or in the Common Properties.

8. Destruction of Property. Neither Townhome Owners, their family, guests, invitees, nor employees shall mark, mar, damage, destroy, deface or engrave any part of the Property or the Common Properties. Townhome Owners shall be financially responsible for any such damage.
9. Door Locks. Townhome Owners must abide by the Association's right of entry into Townhomes in emergencies. In case of any emergency originating in, or threatening, any Townhome, regardless of whether the Townhome Owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the Manager, shall have the right to enter such Townhome for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Townhome Owner of each Townhome shall deposit a key to such Townhome, under the control of the Association. No Owner, shall do anything in which would block access to the entry door.
10. Exterior Appearance. To maintain a uniform and pleasing appearance of the exteriors of the Townhome, no awnings, canopy, screens, shutters, air conditioning unit, glass enclosures, or other projections shall be attached to, hung, displayed or placed upon the outside walls, doors, windows or to the balcony, patio, courtyards, driveways, terrace, roof, or other portions of the Buildings or on the Common Properties, other than items originally installed without prior written consent of the Board of Directors. This limitation also applies to any type of screen or umbrella and any exterior antennae for TV, cable, satellite or radio; to the extent such limitations are permitted by law. Balconies, patios and terraces shall not be used for the storage of any items, including but not limited to, bicycles or exercise equipment. Spas are permitted in the rear ground-level courtyards.
11. Facilities. The Property facilities governed by the Association are for the exclusive use of Association Members and their immediate families, tenants, resident houseguests and invitees, as referred to in the Declaration of Covenants.
12. Flammables. No flammable, combustible or explosive fluids, chemicals or other substances may be kept in any Townhome or on the Common Properties. No fires, hibachis, smokers, or cooking devices or other devices that emit smoke or dust, shall be allowed on any balcony or terrace.
13. Barbequing. No barbequing shall be permitted in the Common Area. Active grills are to be manned at all times and a small fire extinguisher present. If you store your grill under the house or in an enclosed area, the grill must be pulled away from the house while in use. Key West Fire Code restricts use of grills on porches. If these rules are not followed, a substantial fine may be imposed. For the safety of all, if you observe unsafe grilling practices, please call Key West Police Department Dispatch at 305.809.1000. Or 911 to report an unsupervised, overturned grill spreading fire of any kind. The Association and Management recommend keeping a small fire extinguisher nearby anytime you plan to grill or use any flammables.

14. Hurricane Preparation. Hurricane Season is defined as the period of time between June 1st through November 30th each year. Each Townhome Owner who plans to be absent from the Townhome for more than seventy-two (72) hours during the hurricane season must prepare the Townhome prior to departure by:
- A. Removing all loose items from the balcony and yard area.
 - B. Designating a responsible firm or individual to care for the Townhome during such absence in the event that the Townhome should suffer hurricane damage. Each Townhome Owner shall furnish the Manager with the name of such firm or individual.
 - C. Any Townhome Owner failing to make storm or hurricane preparations and/or making improper preparations shall be held responsible for any damage done to the property of other Townhome Owners, and/or to the Common Properties resulting from such failure.

Townhome Owners shall not install hurricane or storm shutters without the prior approval of the Association and the Association's Architectural Committee (the "Committee"). The Board of Directors shall have the right to adopt additional rules and regulations regarding hurricane shutters, or suitable substitutes therefore, including but not limited to, rules and regulations regarding design, color, location and use thereof.

15. Lease Approval Process/Fee. Upon application to the Association to approve any lease of a Townhome, the approval fee required by the Declaration shall be a reasonable amount and as permitted by law. Anyone residing in the Unit is required to read and acknowledge understanding of the Rules & Regulations, ByLaws and Covenants and Restrictions of the Association and must be part of current lease, kept on file in the Association Office. Residents shall not divulge automated property access codes and shall, at the termination of said lease, return any automatic entry appliances (clickers, Clubhouse entry cards). Failure to do so will result in a fee of a reasonable amount assessed to the unit as determined by the Association and permitted by law. All rules and requirements outlined in the Declaration pertaining to lease approval are incorporated as if fully set forth herein.
16. Meetings, Right of Owners to Participate. Townhome Owners may participate in any meeting of the Board of Directors of the Association, at any committee meeting, or at any membership meeting of the Association, subject to the following restrictions:
- A. Townhome Owner participation is limited to items listed on the agenda for said meeting, as specified in the notice of said meeting. Any Townhome Owner desiring to speak at a meeting must file a request with the Association at least twenty-four (24) hours in advance of said meeting.

- B. No Townhome Owner may speak for more than three (3) minutes on any specifically identified agenda topic, and no Townhome Owner may be entitled to speak on any specified agenda topic more than twice during said meeting, or any lawful adjournment thereof.
 - C. A Townhome Owner desiring to make statements at said meeting must state his or her name and Townhome number prior to making a statement.
17. Meetings, Right of Owners to Record or Tape. Any Townhome Owner may tape record or video tape meetings of the Board of Directors, or Townhome Owners meetings:
- Any Townhome Owner desiring to utilize audio and/or video equipment at a meeting shall give advance notice, in writing, to the Board of Directors at least twenty-four (24) hours prior to the meeting.
18. Moving/Deliveries. Moving and deliveries shall only be allowed between the hours of 9:00 a.m. and 5:00 p.m. daily Monday through Saturday. Moving vans must be scheduled with 24-hour advance notice to Manager.
19. Noise.
- A. No Townhome Owner shall make disturbing noises in the Buildings or allow sounds to emanate from the Townhome, or permit the Owner's family, employees, agents, visitors or licensees to do so. In particular, no Townhome Owner shall play (or permit to be played in the Townhome or on the Common Properties appurtenant to it) any musical instrument, television, radio or the like in a way that unreasonably disturbs or annoys other Townhome Owners or occupants. These and all other potentially disturbing noises, such as the playing of pianos and other musical instruments and slamming doors, should be avoided between the hours of 10:30 p.m. and 8:00 a.m.
 - B. No radio or television installation or other electric equipment shall be permitted in any Townhome if it interferes with the television or radio reception of another Townhome.
 - C. Carpentry, carpet laying, picture hanging, or any activity (or do-it-yourself work) involving hammer work, etc., must be done between the hours of 9:00 a.m. and 6:00 p.m. ONLY. No such activity shall be done on Sundays. No exceptions will be allowed.
20. Nuisance. A Townhome Owner shall not permit anything to be done or kept in the Townhome that will increase the insurance rates on the Townhome, the Common Properties, or any portion of the Property, or obstruct or interfere with the rights of other Townhome Owners or the Association. A Townhome Owner shall not commit or permit any nuisance, objectionable or illegal act in the Townhome or the Common Properties or any portion of the Property.

21. Obstructions. The sidewalks, driveways, entranceways, passages, vestibules, lobbies, halls and similar portions of the Common Properties must be kept open and shall not be obstructed, littered, defaced or misused in any manner and shall be used only for ingress and egress to and from the Property. No carts, bicycles, carriages, chairs, tables or other objects shall be stored in these areas.
22. Odors. No noxious or unusual odors shall be generated in such quantities that they permeate to other Townhomes and become annoyances or become obnoxious to another Townhome Owner. Normal cooking odors, normally and reasonably generated, shall not be deemed violations of this regulation.
23. Parking. In addition to those parking restrictions set forth in the Declaration of Covenants, no vehicle belonging to a Townhome Owner or lessee or to a member of the family, guest or employee of a Townhome Owner or lessee, or any other person, shall be permitted on the Common Properties without a pass, permit or decal administered by the Association or shall be parked in such a manner as to impede or prevent access to another parking space. Townhome Owners and lessees, respective employees, agents, visitors, and families shall obey the parking regulations posted within the parking areas, if any, and other regulations promulgated in the future for the safety, comfort, and convenience of the Townhome Owners. No motor vehicle that cannot operate on its own power shall remain upon the Common Properties for more than twelve (12) hours, and no repair of vehicles, except for emergency repairs, shall be made. Vehicles should be parked carefully within the painted lines and pulled up close to the bumper. As a security measure, all automobile doors should be locked. Vehicle alarm systems shall be in working order, or the Association shall have the right to disarm same and the right to remove or otherwise insist upon Owner clearing of unsightly vehicles, in the discretion of the Board.
24. Passes: Every guest, invitee or licensee of a Townhome Owner on the Common Properties who is utilizing any recreational area, including, but not limited to, a swimming pool, picnic area, or other commonly used facility, shall obtain a pass from the Association authorizing same.
25. Pest Control. The Association has the right but not the obligation to perform pest control services to the Common Elements and the Townhomes. All Townhome Owners are required to permit employees of pest control companies employed by the Association, if any, to enter Townhomes at regularly scheduled times to perform pest control services.
26. Pets. Pets, birds and fish shall neither be kept nor maintained in or about the Property except in accordance with the provisions of the Declaration of Covenants and the following:
 - (a) Except for fish, each Townhome Owner (regardless of the number of Owners), may maintain up to a maximum of two (2) household pets in a Townhome, to be limited to domestic dogs, or domestic cats, and/or caged birds, provided said pets are not

kept, bred, or maintained for any commercial purpose and do not become a nuisance or annoyance to neighbors.

(b) No dog or cat shall be permitted outside of its Owner's Townhome unless attended by an adult and on a leash. No reptiles or wildlife shall be kept in or on the Property (including Townhomes). No pets shall be allowed in any of the buildings that have been or may be constructed on the Common Properties.

(c) No pets shall emit sounds that can be heard in contiguous Townhomes.

(d) Townhome Owners must immediately collect and clean up any feces from pets upon the Property.

(e) Violation of the provisions of this paragraph shall entitle the Association to all of its rights and remedies, including, but not limited to, the right to fine Townhome Owners (as may be provided in these applicable rules and regulations or the Declaration) and/or to require any pet to be permanently removed from the Property.

(f) The Townhome Owner shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal in the Property. If a dog or any other animal becomes a nuisance and/or is obnoxious to other Townhome Owners by barking or otherwise, the Townhome Owner thereof must cause the problem to be corrected; or, if it is not corrected, the Townhome Owner, upon written notice by the Association, will be required to remove the animal.

27. Plantings. No plantings of whatever nature shall be made by any Townhome Owner upon any Common Properties, without the prior written approval of the Board.
28. Plumbing. The cost of any damage resulting from misuse or neglect of the plumbing system within a Townhome shall be borne by the Townhome Owner causing the damage.
29. Recreational Facilities. The recreational facilities and other portions of the Common Properties are for the exclusive use of Association Members and their immediate families, tenants, resident house guests, and guests. Rules and regulations governing the use of the amenities shall be posted upon or immediately adjacent to such facilities. Said rules and regulations are subject to change from time to time in the sole discretion of the Board. To ensure the safety, comfort and enjoyment of such facilities, adherence with such rules and regulations is mandatory for Members and, to the extent they are permitted to use the pools and other facilities, their guests. Association members and their immediate families, tenants, resident house guests, and guests shall not use the electrical outlets located on the common areas anywhere on the property. These outlets are for the sole purpose of maintenance and cleaning only. Association members shall not affix anything permanently or temporarily to any recreational structure. This includes, but is not limited to, the pool house(s), pool umbrellas, pool furniture, or the pool fences.

30. Responsibility for Deliveries. Townhome Owners shall be liable for all damages to the Buildings caused by receiving deliveries, or moving or removing furniture or other articles to or from the Buildings. The Association shall have the right to charge any Townhome Owner, prior to any interior construction to a Townhome, or any delivery or removal of furnishings or bulk trash to or from that Owner's Townhome, a refundable deposit, in the amount to be determined by the Board in its sole and absolute discretion, which deposit shall be held, and which may be used, by the Association for any damage caused to the Common Properties or for payment or reimbursement of any bulk trash hauling or other associated expense. The Association shall refund the deposit within a reasonable time after the completion of construction of the interior of the Townhome or after delivery or removal of any furnishings and/or bulk trash.
31. Signs. No signs, advertisements, notices or lettering may be exhibited, displayed, inscribed, painted or affixed in, or on upon any part of the Common Properties, or any part of a Townhome so as to be visible outside the Townhome, unless approved in advance by the Manager or the Board.
32. Solicitation. There shall be no solicitation by any person anywhere in the Property for any cause, charity, or any purpose whatever, unless specifically authorized in advance and in writing by the Board of Directors.
33. Storage. Each Townhome Owner's personal property must be stored within the Townhome.
34. Swimming Pools and Spas. Users must observe all posted rules. There are no lifeguards at the pools/spas. Townhome Owners, guests and invitees swim and use the facilities at their own risk. No children are permitted to use these facilities without adult supervision. No group parties or group meetings are permitted at any pool area without the advance written consent of the Association.
35. Telephones. All residents must maintain telephone service at all times in the Townhome and shall advise the Association and gatehouse employees of their telephone number.
36. Trash. All trash, garbage and refuse from the Townhomes shall be placed in sealed garbage bags at such times and in such manner as the Association will direct. Townhome Owners must utilize the appropriate recycling systems, if any, that may be provided by the Association, in accordance with the laws and ordinances of the City of Key West and/or the County of Monroe. A mandatory trash-hauling fee must be deposited, in an amount to be determined by the Board, in its sole and absolute discretion prior to any remodeling of a Townhome. Such Townhome's trash hauling fee shall be used by the Association to defer any and all costs, which may be incurred or associated with such construction or remodeling..
37. Use and Occupancy. All Townhomes shall be used for residential purposes only. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two (2) persons for each bedroom contained in a Townhome, including convertible portions

of any Townhomes. The term "temporary occupancy" as used herein shall mean occupancy of the Townhome not to exceed thirty (30) consecutive days.

38. Window and Door Coverings.

A. Curtains, drapes and other window or door coverings (including their linings), which face on exterior windows or glass doors of Townhomes, shall be white or off-white in color unless otherwise specifically approved by the Board of Directors.

B. No aluminum foil may be placed in any window or glass door of a Townhome, and no reflective substance may be placed on any glass in a Townhome except a substance previously approved by the Board of Directors for energy conservation purposes.

39. Weight Limitations. No Townhome Owner shall cause any weight to be placed on any portion of the Townhome that shall interfere with the structural integrity of the Building.

40. Compliance, Violations, Rules and Regulations Enforcement, Fines, and Hardship Relief. Every Townhome Owner and Townhome occupant(s), along with the Owner's family, guest(s), invitee(s), licensee(s), lessee(s), employee(s), or agent(s), (collectively referred to herein as "Owner(s)") shall comply with the Rules as set forth herein (or which may be amended or adopted by the Seaside Key West Residences Homeowners Association, Inc., or as may be modified by law) including the Provisions of the Declarations, By-laws and Articles of Incorporation, collectively referred to herein as the "Rules". Owner(s) are vicariously liable for the actions of the Owner's family, guest(s), invitee(s), licensee(s), lessee(s), employee(s), or agent(s). It is the duty of all Owners to keep abreast of all rules adopted by the Association and it shall not be a defense to any violation that the Owner(s) are ignorant of the rules, nor matter when they were adopted.

In addition to remedies available pursuant to the Declarations and Florida law, the Seaside Key West Residences Homeowners Association, Inc. (hereafter "Association") through its Board of Directors has delegated to the Rules Compliance Committee (hereinafter "Committee") the right to remove from the Association's premises, or any portion of the premises, any members of the Owner's family, guest(s), invitee(s), licensee(s), lessee(s), employee(s), or agent(s). In addition, the Committee shall have the power to warn, fine, and recommend to the Board the placement of a lien upon any Owner(s) property or compel compliance with any covenant, restriction or rule herein, or grant injunctive relief, or otherwise sanction the Owner(s), so long as the action complies with Florida law. Only the Board of Directors has the authority to place a lien or foreclose upon it. The fine may be imposed upon the applicable unit in the event the unit Owner does not pay it, and the Association may levy attorney fees and court costs in such an amount as may be permitted by law and the Association's rules and/or By-Laws. Notwithstanding an applicable and timely appeal to an appropriate court, fines shall be paid not later than thirty (30) days after written notice of a violation by the Committee. In instances of continuing violations, and after notice of the violation has been provided, the Committee in its discretion may deem each succeeding day to be a new violation for which an additional fine may be imposed, however, the cumulative total for these

additional fines shall not exceed the greater of one thousand dollars or the maximum amount allowed by law. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be legally entitled; however, any fine paid by any offending violator shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner(s). All monies received from fines shall be allocated as directed by the Board of Directors.

Rules and Regulations.

- A. Alleged violations of the Rules shall be called to the attention of the Townhome Owner(s) by the management of the Association. Management shall, at the same time, also notify the Rules Compliance Committee.
- B. The Rules and Regulations of the Association shall be enforced as follows:
 - (i) Upon receipt of information by management that causes management to believe there has been a probable violation of the rules, the Committee shall meet to determine if in fact there is probable cause to believe that there has indeed been a violation of the Associations Rules. Probable cause is defined as a reasonable belief that it is more probable than not to believe a violation(s) has occurred.
 - (ii) Upon a determination to believe probable cause exists by a majority vote of the Committee members, the Committee shall direct management to promptly notify the Owner(s) of the alleged violation by electronic mail, at the e-mail address that all Owners are to have provided to management for receipt of all notices by the Association. Receipt of the electronic notice is deemed valid unless management receives electronic notice that the message was not delivered, in which case management shall deliver the above stated information by putting a copy of the aforesaid electronic mail in an envelope and taping the envelope containing said electronic mail to the front door of the townhome. Included in the electronic mail (or envelope with a copy of the electronic mail) shall be a statement of the provisions of the Declaration, Association Bylaws or Association Rules which have allegedly been violated, along with a short statement of facts outlining how the alleged violation came to the attention of management and what facts, including date and time of the violation, that management has to believe that the violation(s) occurred and that the Owner(s) are responsible for the alleged violation(s). The names of any witnesses to the violation shall also be included.
 - (iii) Before taking any action to fine, sanction or recommend placing a lien upon any Owners property, the Committee must follow a process that establishes by a preponderance of the evidence, in the minds of the Committee, that the alleged violation(s) in fact occurred. A preponderance

of the evidence is defined as it is more likely than not that the violation occurred. The Committee vote to conclude that by a preponderance of the evidence a violation(s) has occurred must be unanimous. The process by which the Committee determines an Owner violated the Rules is as follows:

- (iv) After twenty (20) days have passed from the Owner(s) receipt of managements notice that probable cause has been found to believe that there has been a violation(s) of the Rules, the Owner shall provide a written response to the Committee by either admitting to the violation(s) or denying the violation occurred. If a response by the Owner(s) is not received within the aforesaid twenty (20) days, it shall be deemed that the Owner(s) have admitted to the violation(s) and the Committee is free to meet and decide as to the what fine, warning or other applicable sanction, as noted above, is in the best interests of the Association, and so notify the Owner(s). The Owner(s) shall be given no less than twenty (20) days' notice of the Committee meeting to decide the applicable fine, warning or applicable sanction. Whether the Owner(s) deny or admit the allegations, but do not attend the meeting, it will be deemed a waiver of appearance, and the Committee is entitled to decide what, if any, applicable fine, warning or other sanction allowed by law. The Owner(s) are free to have an attorney appear in their stead at any time during these proceedings, or may appear remotely through Zoom.
- (v) At any Committee meeting the initial question to first be decided is whether the Owner(s) have received proper notice of the meeting. Absent a positive determination of notice, the meeting shall be adjourned to a later date, when proper notice can be established. Once proper notice has been established, management will proceed to make its case that the violation(s) in fact occurred. Like the homeowner, management is free to hire outside counsel at any stage of the proceedings.
- (vi) Management's case may be made by the utilization and submission of direct, indirect, eyewitness, forensic, physical or circumstantial evidence to be presented through sworn or unsworn witness testimony. The rules of evidence as commonly used in the courts are not required for these proceedings and the Committee is authorized to give whatever weight it deems appropriate to all evidence presented by management. The Owner(s) and/or attorney are afforded the right to question any accuser or witness at the meeting, or otherwise call any witnesses or present any evidence they have in order to defend themselves against the claims presented by management.
- (vii) Upon conclusion of Managements presentation, the Owner(s) shall be afforded the right to call witnesses or otherwise present any evidence they

believe exonerates them. If any witness is unable to attend the meeting the Owner(s) and/or Management may present a video statement of the witness, however if a video statement is intended to be used, the party intending to use the video statement shall be required to give the opposing side the right to attend the video taping of the statement. Both sides will be afforded the right to ask questions of the witness who is being videotaped. Witnesses or Owner(s) may also appear by Zoom at any stage of the proceeding. It is the responsibility of the party requesting the appearance by Zoom to coordinate that appearance with management, and if the Owner(s) or witness fail to appear at the appointed time, the committee is not required to allow that person the right to appear at a later time, and that person's appearance is deemed waived.

- (viii) At the conclusion of the presentations from both sides, either party may, at their discretion, be allowed to make a closing argument, after which the Committee may choose to meet and make their determination or request further evidence to be presented by either side. If no further evidence is requested, the committee is free to make a determination after deliberation or may choose to meet at a later time in private, without either side in attendance, and issue a written Decision. Any Decision must be made within thirty (30) days from the final presentation of evidence, or closing argument, if closing argument is not made.
- (ix) Should the Owner(s) dispute any portion of any Decision by the Committee, they are given thirty (30) days to appeal that Decision to the appropriate court located in Monroe County. If thirty (30) calendar days elapse and the Owner(s) fail to appeal the Decision within that time period, then the Committee's Decision is fully binding and is not subject to appeal. Should an appeal be filed within the aforesaid thirty (30) days, the Committee's decision will be stayed until the court(s) render a Decision as to the merits of the case. If the court modifies the Committee's decision, the matter may be taken up on further appeal until a final judgment is rendered, upon which the decision of the board may be enforced by any lawful means pursuant to the terms of the final Judgment. If the courts decline jurisdiction in this matter, the Decision by the committee is considered binding and is final and may be enforced by the committee by any lawful means necessary.

- C. The Committee shall be composed of three (3) Townhome Owners that have been approved by the Board of Directors and shall serve a minimum of a two (2) year term, which may be extended by the Board in the discretion of the Board. The Committee may meet in person or attend by Zoom. No members of the Board of Directors shall serve concurrently on the Committee, and if a Committee member is elected to the Board, the Committee member shall immediately resign from the Committee and be replaced by the Board.

- D. Nothing herein is intended to conflict with any legislative, regulatory or case law and if any conflict exists, the provision herein is null and void and these provisions are automatically amended to conform with the law.

Hardship Relief.

The Board of Directors shall have the power, but not the obligation, to grant relief to one or more Townhome Owners under the particular circumstances involved from the provisions of specific restrictions contained in these Rules and Regulations upon written request therefrom and for good cause shown in the sole opinion of the Board.