

**LAKE SHORE CLUB DISTRICT ASSOCIATION
SCHEDULE OF COVENANTS AND RESTRICTIONS TABLE OF
CONTENTS BY PAGE NUMBER**

- [1] SCHEDULE OF COVENANTS AND RESTRICTIONS - DEFINITION LAKE SHORE CLUB
DISTRICT ASSOCIATION – DEFINITION**
- RIGHTS AND RESPONSIBILITIES**
- [1] GENERAL
RIGHT TO MODIFY**
- [2] RIGHT TO ABATE
RIGHT OF ENFORCEMENT/NON-WAIVER
RIGHT TO ASSIGN
ASSOCIATION MAY PETITION OR CONTRACT FOR IMPROVEMENTS**
- [3] SHARED COST OF IMPROVEMENTS AND MAINTENANCE RESERVATION OF RIGHTS
TITLE TO STREETS AND TREES, MAINTENANCE OF PARKS AND DRIVES**
- [4] RESTRICTIONS
WALLS**
- [5] HEDGES
LAWNS
NUISANCES
USE OF LOTS**
- [6] STORAGE BUILDING
RECREATIONAL VEHICLE PARKING**
- [7] VEHICLE PARKING
SATELLITE DISHES AND ANTENNAE
CLOTHESLINES
HOT TUBS AND WELLS
SWIMMING POOLS**
- [8] SIGNS
HOUSE ADDRESS MARKINGS
PETS**

BUILDING REQUIREMENT

- [9] APPROVAL OF PLANS BY THE LSCDA
BUILDING PERMIT REQUIREMENTS**

WATER DEPARTMENT

- [10] GENERAL
REQUIREMENTS FOR SERVICE
WATER CONNECTIONS
INSPECTION
WATER RATES**
- [11] WATER DEPARTMENT REGULATIONS
RETURNED CHECK FEE**
- [12] DISPUTE RESOLUTION (PROPOSAL A)**

VIOLATIONS AND FINE STRUCTURE

- [13] GENERAL
\$5 DAILY FINE LIST
\$25 DAILY FINE LIST
\$50 DAILY FINE LIST**

ENFORCEMENT PROCEDURES

- [14] GENERAL
INVESTIGATION AND NOTICE OF VIOLATIONS
FINES
APPEAL HEARINGS
CORRECTIVE ACTION BY DIRECTORS**

SCHEDULE OF COVENANTS AND RESTRICTIONS

The following schedule of covenants and restrictions run with the land and apply to all lots in the Lake Shore Club District Subdivision filed in Erie County Map Book 3, pages 176 - 177.

LAKE SHORE CLUB DISTRICT ASSOCIATION

The Lake Shore Club District Association (hereinafter referred to as "LSCDA") is a Pennsylvania nonprofit Corporation, consisting of stockholders, who are lot owners in the Lake Shore Club District Subdivision (hereinafter referred to as "SUBDIVISION"). Each LSCDA lot owner (hereinafter referred to as "OWNER") is entitled to only one vote in the LSCDA, irrespective of the number of lots owned.

RIGHTS AND RESPONSIBILITIES

GENERAL

The LSCDA, through their nine Directors (hereinafter referred to as "DIRECTORS"), is charged with the enforcement of the herein contained Covenants and Restrictions (hereinafter referred to as "C&Rs") and the operation of the SUBDIVISION water system.

The LSCDA is the owner of various properties such as the beach along Lake Erie, Spring Lake, and other miscellaneous properties for the general benefit of OWNERS. The LSCDA also owns the water system and some of the roads not previously conveyed to Fairview Township. The LSCDA has perpetual right-of-ways or easements for utilities over the back and side lot lines, The LSCDA reserves a permanent easement over the rear 5 feet of each and every lot in this subdivision for the purpose of constructing and maintaining electric, telephone and water lines and any accessories incident thereto.

In all matters of dispute concerning the C&Rs the manner by which it will be resolved is contained hereinafter under the heading of "DISPUTE RESOLUTION."

RIGHT TO MODIFY

C&Rs shall be adopted, amended, modified and/or repealed pursuant to Article VII of the By-Laws (Amendments).

RIGHT TO ABATE

The DIRECTORS or their assigns, after having complied with the process set forth herein under heading of "DISPUTE RESOLUTION," are hereby granted the right in the event of any violation of restrictions or conditions or breach of any covenants or agreements herein contained to enter upon any SUBDIVISION property as to which violation or breach exists and to summarily abate and remove, at the expense of the OWNER thereof, any erection, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof and they shall not by reason thereof be deemed guilty of any manner of trespass for any entry, abatement or removal.

RIGHT OF ENFORCEMENT/NON-WAIVER

Failure by the LSCDA to enforce any of the C&Rs shall in no event be deemed a waiver of the right to do so thereafter.

RIGHT TO ASSIGN

Any and all of the rights and powers of the DIRECTORS may be assigned by the LSCDA to any corporation or association which may be organized, and which will assume the duties of the DIRECTORS hereunder pertaining to the particular rights and powers assigned and upon any such corporation or association evidencing its consent in writing to accept such assignment and assume such duties, it shall to the extent of such assignment have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by the DIRECTORS.

ASSOCIATION MAY PETITION OR CONTRACT FOR IMPROVEMENTS

The OWNERS authorize and empower the DIRECTORS to construct or contract for the construction of, or petition the proper officials of Fairview Township, Erie County, or such other municipal corporations as may hereafter have jurisdiction over any or all SUBDIVISION lots, for the construction of such sanitary and storm sewers, intake sewers, sidewalks, curbs, all gas and water supply improvements, electric lighting improvements, wires, poles or conduits, or any other various improvements as may in the judgment of the LSCDA be generally desirable or beneficial for any or all SUBDIVISION lots, and to execute on behalf of the OWNERS such bond or bonds as may be required by the public authorities in carrying out any of the above purposes.

SHARED COST OF IMPROVEMENTS AND MAINTENANCE

ASSESSMENTS

As more fully provided in Article IX of the Bylaws, assessments shall be levied annually to cover the operating expenses of the Association, including maintenance, repair and replacement of common areas and services. Special assessments may be levied for unexpected expenses or capital improvements that are not covered by regular assessments. The Association's water system is not included in or funded by such assessments. The DIRECTORS propose, subject to the approval of Association members, that each owner pays, on an equal share basis, an annual assessment of \$120.00 per deeded property for the next fiscal year. Association members shall vote at the annual meeting on the initial assessment of \$120.00 per deeded property and on any increases to the assessment amount proposed by the directors thereafter. The initial assessment of \$120.00 per deeded property and any increases to the annual assessment must be approved by a simple majority vote of Association members in good standing, personally or by proxy, at the annual meeting.

Annual assessments are due and payable by February 15 of each year. An assessment shall become delinquent if payment is not received by the due date. A late fee of \$50.00 shall be imposed on any owner who does not pay the annual assessment in full by the due date. In addition, if an assessment is not paid in full by the due date, the assessment shall bear interest from the date of delinquency at the rate of five percent per month. The Association reserves the right to initiate legal action against any owner whose assessments remain unpaid following the due date. Such legal action may include a lawsuit for money damages or a foreclosure action. In such event, all costs of collection and enforcement, including attorneys' fees, shall be charged to the owner as an additional assessment. All such unpaid assessments and additional assessments shall constitute a lien on the owner's property.

RESERVATION OF RIGHTS

The LSCDA owns for itself, its successors, or assigns, all riparian rights and the full and free use of SUBDIVISION streets, avenues and roads shown on the aforesaid Map Book for the purpose of constructing and maintaining over, under, and along said streets conduits, poles with the necessary cross arms, wires, and any other means of transmission for utilities serving or to serve any or all SUBDIVISION lots, along with the right, at any time, to and inspect, alter, repair, or removing the same; also, for the purpose of constructing and maintaining over, under, and along said boundary lines conduits, poles with the necessary cross arms, wires, and any other means of transmission for utilities serving or to serve any or all SUBDIVISION lots, along with the right, at any time, to inspect, alter, repair, or remove the same, together with the right to transfer or lease the whole or any portion of such easements and right-of-ways; also reserving rights-of-ways for constructing and maintaining storm sewers, now or hereafter constructed for the purpose of draining the land within the SUBDIVISION, and adjoining tracts.

TITLE TO STREETS AND TREES, MAINTENANCE OF PARKS AND DRIVES

The LSCDA is the owner of various private streets, lanes, parks, beaches, and parking spots within the SUBDIVISION excepting those streets conveyed to Fairview Township, and the LSCDA has complete control and authority over the use of said private streets, lanes, parks, beaches, and parking spots and shall be responsible for their proper maintenance, upkeep and care for the sole use and benefit of all OWNERS. If in the judgment of the LSCDA, by a majority vote of OWNERS present at a meeting called with 30 days written notification to all OWNERS of the purpose, time and place of said meeting, it becomes necessary to widen or narrow, extend or change a street or a park area, or to buy, sell or exchange any land for the benefit of the LSCDA the DIRECTORS shall thereupon have the right to sell, exchange, purchase or do any other act and to give a good and sufficient deed for such property.

The trees which border roads in the SUBDIVISION within the road rights-of-ways will not be cut or removed without the approval of the DIRECTORS. Such cutting or removal shall be at the OWNER's expense.

RESTRICTIONS

FENCES

Fences will be approved based upon the following and the Criteria and Requirements set forth below. Prior to the purchase and erection of a fence, the OWNER must first seek written approval from the DIRECTORS. This request must be in writing and accompanied by a color picture depicting the exact style and model of the fence, a list of the construction material to be used, and a plan indicating where the fence will be installed. Approval will normally be granted at the next DIRECTORS regularly scheduled monthly meeting after the submission of a completed application. All documents submitted shall become property of the LSCDA and retained in the proper file.

Criteria and Requirements:

1. Appropriate Fence Styles:
 - a. Spaced (Picket or Split Rail)
 - b. Ornamental
2. May not exceed 4' in height anywhere within the area from the rear of a home to the rear property line and not extend into right-of-ways unless otherwise approved. The area in front of the rear of a house will be considered front yard for this purpose. Decorative only type fences will be permitted in the front yard of a home and may not exceed 42" in height and cannot close in that entire area.
3. The fence shall be erected utilizing one of the following materials:
 - a. Vinyl
 - b. Pressure Treated Wood
 - c. Ornamental -- Wrought Iron, Aluminum, or Steel
4. The OWNER shall agree to maintain the fence in good repair at all times.

WALLS

Decorative walls will be approved based upon the following and the Criteria and Requirements set forth below. Prior to construction of a wall the OWNER must first seek written approval from the DIRECTORS. This request must be in writing and accompanied by a rendering, a list of the construction material to be used, and a plan indicating where the wall will be constructed. Approval will normally be granted at the next DIRECTORS regularly scheduled monthly meeting after the submission of a completed application. All documents submitted shall become property of the LSCDA and retained in the proper file.

Criteria and Requirements:

1. Decorative walls may not exceed 2' in height. Retaining walls are exempt.
2. May not extend into setbacks or right-of-ways.
3. The structure must be erected with any of the following materials:
 - a. Brick
 - b. Stone
 - c. Faced Block

The OWNER shall agree to maintain the wall(s) in good repair at all times.

HEDGES

Hedges in front of an OWNER's home may not exceed 42 inches in height and require written approval of the DIRECTORS. Hedges behind an OWNER's house do not require approval. Property line hedges may not extend into right-of-ways unless otherwise approved.

LAWNS

No portion of a SUBDIVISION lot nearer to any highway than the front building lines on the aforesaid Map Book will be used for any purpose other than that of a lawn, walks and drives, the planting of trees and shrubbery, the growing of flowers or ornamental plants or for statuary, fountains and similar ornamentations, for the purpose of beautifying said premises. No weeds, underbrush or other unsightly growths shall be allowed to be placed or to remain anywhere thereon. Vegetable gardens are permitted to the rear of an Owner's home. Vegetable gardens larger than 10' X 20' require the written approval of the DIRECTORS.

NUISANCES

There shall not be erected, permitted, maintained or carried upon any SUBDIVISION lot or property, or a part thereof, any business or mercantile or manufacturing enterprise of any nature whatsoever, or hospital or institution of like nature, or any livestock or poultry; no garbage, ashes or refuse shall be placed or left on any lot so as to be exposed to view; no soft coal or fuel of any kind giving off black smoke or strong or obnoxious odors shall be used; no

dangerous or offensive thing of any nature or use of the same that might in some manner cause damage shall be allowed.

No septic systems are permitted. Only sanitary sewer hook-ups as approved by the Fairview Township Sewer and Water Authority will be allowed.

Private water wells are not permitted.

USE OF LOTS

SUBDIVISION lots shall be used for private purposes only. No more than one house for a single family shall be built on any lot unless said lot shall be subdivided into smaller parcels, but said lot shall not be so subdivided until the plan has been approved by the Fairview Township Planning Commission. No buildings shall be erected or maintained upon a subdivided lot other than a private dwelling house with an attached private garage and an optional approved storage building, both for the private use of the OWNER.

No other structure or paving of any kind shall be allowed without prior approval of the DIRECTORS and if required, by Fairview Township. Approval shall be granted only upon submission of a written request to the DIRECTORS explaining in detail the structure and/or paving for which approval is sought. Setback from the side and rear property lines for the house including garage must be a minimum of 15'.

Children's swing sets, playground equipment and basketball backboards do not require prior approval. Approval is required for children's playhouses and will normally be given for portable playhouses for periods of active use by children exclusively as a playhouse. When the playhouse is no longer in active use, it must be removed. These items may not be placed in public right-of ways.

STORAGE BUILDING

A detached one-story storage building of no larger than 168 square feet will be approved based upon the following and the Criteria and Requirements set forth below. Prior to the construction/erection of storage building the OWNER must first seek written approval from the DIRECTORS. This request must be in writing and accompanied by a rendering, a list of the construction material to be used, and a plan indicating where the building will be constructed/erected. Approval will normally be granted at the next DIRECTORS regularly scheduled monthly meeting after the submission of a completed application. All documents submitted shall become property of the LSCDA and retained in the proper file. The construction or installation of a storage building 100 square feet or larger also requires zoning approval and a building permit to be issued by Fairview Township (inquire as to the potential tax liability).

Criteria and Requirements:

1. A storage building must be located to the rear of the primary residence.
2. The structure shall be erected on a foundation consistent with the Fairview Township permit requirements.
3. Only the following materials shall be utilized for exterior walls:
 - a. Brick
 - b. Vinyl Siding
 - c. Wood Siding – such as T111
4. Exterior walls and roof shingles must match the color of the primary residence as closely as possible.
5. Any storage building constructed of metal, plastic, or fiberglass will not be approved.
6. Only one storage building per SUBDIVISION lot will be permitted.
7. It is the responsibility of the OWNER to position the storage shed so it does not interfere with access to any utilities or right-of-way. **Fairview Township requires that storage sheds be a minimum of 5' from property lines.**
8. All equipment, utensils, tools and paraphernalia shall be stored inside the storage shed and shall not be left on or about the outside.
9. The OWNER shall agree to maintain the storage building in good repair at all times.

RECREATIONAL VEHICLE PARKING

No boats, mobile homes, camping or work trailers, or other recreational equipment, unless kept in the interior of the attached garage, shall be parked or stored on any SUBDIVISION lot except for short periods not to exceed 7 days. Thereafter, said equipment must be removed for a period of not less than 7 days.

Small utility trailers, no larger than 5' X 10', for personal use only, will be permitted. Utility trailer storage, when not in use, will be limited only to the area immediately behind an OWNER's house.

VEHICLE PARKING

Vehicle parking, both temporary and extended, should be in the driveway or the house attached garage and not on road right-of-ways, lawns, or LSCDA common property. Occasional, temporary parking on the road right-of-ways is permitted. Fairview Township may establish more restrictive regulations.

No automobile or motor driven vehicles shall be left on a lot for a period longer than 30 days in a condition that is not able to be operated on the public highways, after which time the vehicle will be considered a nuisance and detrimental to the neighborhood and will be removed from the lot.

SATELLITE DISHES AND ANTENNAE

Satellite dishes of less than 36" wide by 24" high will be permitted on any OWNER's home. Exceptions will have to be approved. Notice to the DIRECTORS of the type and location of the dish prior to installation is required to insure it is properly located. Satellite dishes larger than this shall not be permitted. The use of television or radio antennae shall be permitted only with approval of the DIRECTORS upon submission of a written request.

CLOTHESLINES

Permanent clotheslines are prohibited. Removable umbrella-type clotheslines (must be removed when not in use) located behind the houses are permitted.

HOT TUBS AND WELLS

Private water wells are not permitted.

Hot tubs will be approved based upon the following and the Criteria and Requirements set forth below. Prior to the purchase and installation of a hot tub, the OWNER must first seek written approval from the DIRECTORS. This request must be in writing and be accompanied by a color picture depicting the exact style and model of the hot tub, a list of construction material to be used, and a plan indicating where it will be installed. Approval will normally be granted at the next DIRECTORS regularly scheduled monthly meeting after the submission of a completed application. All documents submitted shall become property of the LSCDA and retained in the proper file. The installation of a hot tub also requires a building permit to be issued by Fairview Township.

Criteria and Requirements:

A hot tub and its installation must be in full compliance with all Fairview Township requirements/ordinances concerning the same and conform to all Pennsylvania Uniform Construction Codes.

The OWNER shall agree to maintain the hot tub in good repair at all times.

SWIMMING POOLS

Private swimming pools are not permitted.

SIGNS

The following signs are permitted on OWNER's lot: For Sale signs, Contractor signs (posted for the duration of the project) and Political signs (posted 30 days prior to an election and removed no later than 5 days after an election). These signs must not exceed six square feet in size. The DIRECTORS must approve any other type of sign.

HOUSE ADDRESS MARKINGS

Each house shall be marked with its street number in numerals at least two inches high on the front of the house and/or the mailbox or other prominent place.

PETS

Dogs running at large are prohibited. Dogs being walked must be on a leash and must not be allowed on residents' lawns or common property. Cleanup after your dog is required. A dog barking for extended periods, particularly at night, is prohibited. Cats must be primarily house pets and not allowed to run for extended periods.

BUILDING REQUIREMENTS APPROVAL OF PLANS BY THE LSCDA

No house or other structure shall be constructed on any SUBDIVISION lot until written plans and specifications, including the location and grade, with color scheme for the house or other structure has been presented to and approved by the DIRECTORS. Approval shall not be arbitrarily withheld or delayed. The DIRECTORS are to exercise discretion when reviewing proposals for a residence or other structure for the purpose of maintaining an attractive residential district free from objectionable or value destroying features and to protect nearby lot owners against improvements of an inferior style, character or appearance interfering with the beauty and harmony of the SUBDIVISION or tending to reduce the value of properties within the SUBDIVISION.

No material change or alteration shall be made in an exterior design of any building, after the original construction thereof, until the DIRECTORS have given written approval. In the event of disapproval by the DIRECTORS the OWNER may exercise the right to arbitration as to the propriety of such action, whereupon each party shall have the unreserved right to select a realtor as an arbitrator and two alternates. If, from the 2 sets of alternates, there is one realtor in common that person will become the third arbitrator. If not, the alternate names will be placed in an opaque container and the OWNER will have an opportunity to draw a single name from among the alternates who will then become the third arbitrator. At the time of the selection of arbitrators the parties will submit at least four dates, during the immediate 30 day period to follow, when they will be available for arbitration. The final selection of a time and place for the arbitration will be that of the arbitrators. The panel will notify all parties accordingly. Each party to the arbitration will have the opportunity to present arguments, witnesses, or other evidence to support his or her claim. Each shall have the right to question the opposing party. Upon hearing the arguments and closing the proceedings the arbitrators will have 30 days to reach a simple majority decision and submit it to all concerned parties. The decision shall be final and conclusive of the question involved.

BUILDING PERMIT REQUIREMENTS

In complying with the C&Rs the following basic minimum requirements must be met before building plans will be approved by the DIRECTORS.

A one floor plan must have a minimum of 1,700 square feet of habitable area - not including garages, porches, and breezeways. A two-story residence must have a minimum of 1,250 square feet on the first floor and 750 square feet on the second floor. A split-level residence must have a minimum of 1,750 square feet total habitable area.

All homes must have a minimum of a two-car garage. All garages must be attached directly to the house or connected with a breezeway. Garage roofs will be of the same type and lines as the house.

A surveyor's plot plan showing the proposed location of the house on the lot and elevation with respect to existing levels of adjacent roads must be submitted along with the building plans.

The front or main portion of any house must be located on the front building line. If preexisting buildings are located on lots adjacent to a proposed house and are not on the building line, the proposed house building line will be the average set back of the existing houses. If there is a house on only one adjacent lot, the proposed house building line will be the average of the existing house set back and the normal building line. Porches or porticos (smaller than 24 square feet), bay windows, fireplaces, and roof projections may extend over the building line. All buildings must be built in strict accordance with building lines on both front and side streets as indicated on the aforesaid Map Book.

No building shall be built on a lot conveyed herein with greater than 70% of the lot width without the approval of the DIRECTORS, and an equal amount of free space will be left on each side of the building.

No more than one house for a single family shall be built on a building lot.

Houses must be connected to the Fairview Township Sewer and Water Authority's sanitary sewer system. Septic tanks are not permitted.

Grading of the lot and general landscaping must be done at the next "planting season" following the completion of construction. Planting season is defined as either spring or fall period of the year.

A building permit issued by DIRECTORS is required before any construction can be started.

The LSCDA building permit fee is as follows:

The fee for application for a permit is \$75.00 for new home construction or an addition exceeding 500 square feet. The fee for all other applications for permits is \$25.00

Before a permit for new construction can be issued, the water system related assessment and water meter charge established by the LSCDA must be paid and responsibility accepted for material and labor expenses for water line extension, curb box, valves, and connections. Permits are necessary for building alterations or additions, including both covered and uncovered decks.

Construction must be commenced within 90 days of the issuance of the permit and completed within one year or the permit is void.

Anything in this section also requires zoning approval and a building permit to be issued by Fairview Township.

WATER DEPARTMENT

GENERAL

The water department is operated in accordance with the Pennsylvania Department of Public Health regulations and the C&Rs.

REQUIREMENTS FOR SERVICE

To be eligible for private water service, a prospective customer must sign a Water Customer's Contract requesting the service, must agree to pay for the water, and must hold the LSCDA harmless from any acts of omission or commission in carrying out service of providing water. The water meter is and remains the property of the LSCDA upon installation, thus assigning authorization and responsibility for test, repair and possible replacement of the meter to the LSCDA. When a water connection is made, a meter must be installed, even if only in a temporary location.

In addition, an OWNER shall be responsible for payment of the following charges:
Charges of a plumbing contractor for installation/connection of the water meter under supervision of the DIRECTORS and/or their assigns.

Charges of a plumbing contractor for all labor and materials to make all connections to the curb box.

When a connection for service must be made to a main lying on LSCDA property or easement, the customer will pay for all labor, material, and other installation costs of the water line on LSCDA property or easement up to and including the curb box and valve to be located at the private property or easement line.

All labor and materials to install all water main extensions, if required.

All charges assessed under the heading hereinbefore of SHARED COST OF IMPROVEMENTS AND MAINTENANCE.

WATER CONNECTIONS

Water connections for private service will be three quarter inch or one inch size and shall be connected into a curb box location as specified by the DIRECTORS and/or their assigns.

INSPECTION

Before any underground water piping is covered, it must be inspected under full pressure and approved by the DIRECTORS and/or their assigns. It is the customer's responsibility to notify the inspector when the underground piping is to be ready, and schedule the inspection.

WATER RATES

The water rate schedule is set to provide the income required to meet the cost of operation, maintenance and improvement to the water system and any principal and interest payments on said system indebtedness; and to provide funds needed by the LSCDA for other improvements and general maintenance together with the funds obtained from the annual maintenance assessments.

WATER DEPARTMENT REGULATIONS

The LSCDA may, from time to time, prescribe or change rules governing the operation of the water system. The water committee has authority to curtail or disconnect service to users, if, in their judgment, such action is necessary. Should a user fail to pay his water bill promptly, water service will be terminated. The user will incur an additional \$100 charge when the water is turned back on.

RETURNED CHECK FEE

In the event a check is returned as NSF (Non-Sufficient Funds) a notification will be sent to check originator, along with an actual copy of the check. A new check will be required for the original amount plus the current returned check fee charged to the LSCDA by the bank.

DISPUTE RESOLUTION

All matters of dispute between the DIRECTORS and an OWNER concerning the C&Rs shall be addressed in the following manner (appearance of legal counsel for any party hereto during this process is expressly prohibited):

1. Informal discussion. Within 30 days of the original notification of non-compliance from the DIRECTORS an OWNER may request an informal meeting to discuss the issue(s). At a mutually convenient time, not to exceed 45 days beyond the original notification, during a regularly scheduled meeting of DIRECTORS, time will be set aside to privately air the matter and reach a resolution. Should this fail to resolve the issue the next step is:
2. Arbitration. The OWNER or the DIRECTORS may file with the other party a formal notice of intent to pursue an arbitrated resolution. This notice must be mailed to the other party via U.S. First Class mail within 15 days of the informal meeting. The other party shall assent in the same manner.
 - a. The arbitration panel shall be composed of three LSCDA members, unless both parties to the arbitration agree to the admission of an outside arbitrator. Each party shall have the unreserved right to select an arbitrator and 2 alternates and notify the other party within 10 days of the date that the notice of arbitration is mailed. If, from the 2 sets of alternates, there is one LSCDA member in common that person will become the third arbitrator. If not, the alternate names will be placed in an opaque container and the OWNER will have an opportunity to draw a single name from among the alternates who will then become the third arbitrator. In the event the party seeking arbitration fails to timely name arbitrators, the request for arbitration shall be deemed withdraw. In the event the responding party fails timely to name arbitrators, the arbitrator and alternates chosen by the moving party shall constitute the arbitration panel. The selection of a panel shall take no more than 30 days from the mailing of the notice to submit to arbitration. At the time of the selection of arbitrators the parties will submit at least four dates, during the immediate 30 day period to follow, when they will be available for arbitration. The final selection of a time and place for the arbitration will be that of the arbitrators. The panel will notify all parties accordingly.
 - b. Each party to the arbitration will have the opportunity to present arguments, witnesses, and other evidence to support his or her claim. Each shall have the right to cross examination.
 - c. Upon hearing the arguments and closing the proceedings the arbitrators will have 30 days to reach a simple majority decision and submit it to all concerned parties. The decision shall be final and conclusive of the question involved.

Any action necessary on the part of an OWNER or the DIRECTORS to implement an arbitration award shall be taken within 30 days of the date of the award.

Legal remedies: Either party shall be entitled to a court order to enforce an arbitration award.
Failure to act: If an OWNER fails to pursue the processes described herein, the DIRECTORS reserve the right to pursue legal remedies.

Cost of litigation: As provided for under “Legal remedies” and “Failure to act” above, if the DIRECTORS pursue legal remedies and prevail the LSCDA shall be entitled to all costs of such suit, including reasonable attorney fees.

Exception: A dispute concerning that which is contained under the heading APPROVAL OF PLANS BY LSCDA will be resolved in a slightly different manner. See said heading for details.

VIOLATIONS AND FINE STRUCTURE

GENERAL

Violations of the requirements of these C&Rs may result in enforcement action against OWNERS, including, but not limited to, the imposition of fines. The schedule of fines is as follows:

\$5 DAILY FINE LIST

Violations of the following sections are subject to a one-time fine of \$25 if not resolved within ten (10) days of the violator receiving notice of the violation, followed by a daily fine of \$5 for each day that the violation continues:

HEDGES
LAWNS
RECREATIONAL VEHICLE PARKING
VEHICLE PARKING
SATELLITE DISHES AND ANTENNAE
CLOTHESLINES
SIGNS
HOUSE ADDRESS MARKINGS

\$25 DAILY FINE LIST

Violations of the following sections are subject to a one-time fine of \$125 if not resolved within ten (10) days of the violator receiving notice of the violation, followed by a daily fine of \$25 for each day that the violation continues:

FENCES
WALLS
STORAGE BUILDINGS
HOT TUBS
PETS

\$50 DAILY FINE LIST

Violations of the following sections are subject to a one-time fine of \$250 if not resolved within ten (10) days of the violator receiving notice of the violation, followed by a daily fine of \$50 for each day that the violation continues:

NUISANCES

USE OF LOTS

SWIMMING POOLS

BUILDING REQUIREMENTS APPROVAL OF PLANS BY THE LSCDA

BUILDING PERMIT REQUIREMENTS

WELLS

ENFORCEMENT PROCEDURES

GENERAL

All matters of dispute between the DIRECTORS and an OWNER concerning the C&Rs shall be addressed in the following manner:

INVESTIGATION AND NOTICE OF VIOLATIONS

Upon notification of alleged violations of these C&Rs, two (2) DIRECTORS will conduct an investigation and make an initial determination. If it is determined that no violations have occurred, the DIRECTORS shall notify the complaining party of the results of the investigation. If it is determined that violations have occurred, the DIRECTORS shall notify the violator in writing, via electronic mail and the Association's online portal. In the event that notification by electronic mail is unsuccessful, the DIRECTORS shall notify the violator by certified mail. Said notice shall include a description of the alleged violations, the requested remedial action, a timeline for said remedial action to be completed, the date after which any applicable fines shall be imposed, and the violator's right to a hearing. Service of said notice will be deemed made upon transmission of the email, upon posting on the portal, or upon mailing the notice.

FINES

Subject to the enforcement procedures discussed herein, violators are subject to one-time fines set forth in the section of these C&Rs titled "Violations and Fine Structure" if the violations are not corrected within ten (10) days of receipt of notice of the violations, followed by daily fines set forth in the same section of these C&Rs for each day thereafter that the violations continue. All violations shall be corrected by violators at their sole expense. All fines assessed in accordance with these C&Rs shall become a lien on the subject property until resolved and paid in full. OWNER shall be responsible for providing written notice to the DIRECTORS that a violation has been corrected. If the DIRECTORS determine that the violation has been remedied, the date that the OWNER made notification to the DIRECTORS will serve as the end of the fine duration period.

APPEAL HEARINGS

If a violator disagrees with the initial determination of the two (2) DIRECTORS, the violator shall have a right to an appeal hearing provided that the violator submits a written request for the hearing to the DIRECTORS within ten (10) days of receipt of the notice of violation. Hearings shall be presided over by three individuals who are OWNERS and members of the Association in good standing, but who do not serve as DIRECTORS. The DIRECTORS shall solicit non-DIRECTOR volunteers from within the Association to preside over the appeal hearing. In the event that three (3) OWNERS do not volunteer to preside over the hearing, a majority of DIRECTORS shall then select DIRECTORS to fill the open seats on the three-member panel. DIRECTORS who initially investigated the alleged violations may not serve on the panel. Hearings shall be scheduled and held within two (2) weeks of receipt of the written requests. The ten-day deadline to resolve violations set forth in these C&Rs shall not apply to violators who request a hearing as provided for herein.

Hearing participants may be represented by counsel, may present evidence (including testimony of witnesses and documents) at the hearing, and may cross examine witnesses. The DIRECTORS may request the Association attorney to be present at the hearing. If the violator does not attend the hearing or if the panelists render a decision against the violator at the hearing, the attorneys' fees charged to the Association by the Association attorney will be assessed against the violator as damages to the Association due to the violations.

Following the hearing, the panelists shall render a decision within ten (10) days and communicate their decision in writing to the violator, unless they establish another time frame. In the event that the panelists deny the violator's appeal, the violator shall have ten (10) days following receipt of the written decision to correct the violation.

CORRECTIVE ACTION BY DIRECTORS

In the event of an emergency, a hazardous condition or another situation requiring an immediate response, as determined solely by the DIRECTORS, the DIRECTORS reserve the right to immediately take corrective action or to hire a contractor or other third party to correct or otherwise address a violation at the violator's sole expense. The Association shall bill the violator for the costs associated with correcting the violation. Said costs shall be charged to the violator as an additional assessment and shall constitute a lien on the subject property.