

**Lake Sherwood
Estates
Association
Rules and
Regulations
Volume IV**

October 23, 2007

Revised March 1, 2017

Notice to all Lake Sherwood Estates Association Members.

RE: LSEA Rules Vol. IV Community Maintenance Standards

The Lake Sherwood Estates Association Board of Directors has approved Rules and Regulations Volume IV, Community Maintenance Standards. These rules were approved at the regular board meeting on October 23, 2007 and revised at the regular board meeting on February 26, 2015 will go into effect as follows:

- **Class C Violations – effective March 1, 2015**
 - **Class C violations are violations that do not require construction and must be completed within ten (10) to thirty (30) days after date of notice. (This would include things like an overgrown lawn, debris in yard, improperly parked vehicles, etc.)**
- **Class B Violations – effective September 1, 2008**
 - **Class B violations are issues that require minor construction or repair and are required to be complete within sixty (60) days**
- **Class A Violations – effective March 1, 2009**
 - **Class A violations are items that require major construction, must start within 90 days of violation notice and must be complete within six (6) months after start**

RULES AND REGULATIONS / VOLUME IV
COMMUNITY MAINTENANCE STANDARDS

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LSEA COMMUNITY MAINTENANCE STANDARDS

RULES and REGULATIONS – VOLUME IV

MISSION STATEMENT AND CHARTER

The Community Maintenance Standards Mission is to provide maintenance guidance to our residents in order to maintain a well-kept, appealing and desirable community with the intentions of increasing property values, attracting and retaining residents committed to the quality of our community as outlined by the rules and regulations of Lake Sherwood Estates.

ARTICLE 1

PURPOSE AND INTENT

Lake Sherwood Estates was created by the Declaration of Restrictions originally recorded in 1967. The Developer stated that its purpose was to develop the property into “an outstanding residential community...and for the creation and maintenance of a residence neighborhood possessing features of more than ordinary value to a residence community.” The Developer desired to assist in providing “the necessary means to better enable it and its grantees to accomplish this purpose.”

Paragraph 40 of the Declaration, as amended, authorizes the ASSOCIATION to “protect the attractiveness of the community as a whole and the property values of Lots within the Subdivision,” provides that each OWNER of a Lot is responsible for the maintenance, repair and replacement of his respective Lot and any improvements thereon, and authorizes the BOARD to adopt rules establishing community standards and procedures to enforce such standards.

Recent community-wide surveys of conditions on the Lots, dwellings and other improvements on the Lots indicate numerous substandard conditions that adversely impact the attractiveness of the community as a whole and the values of Lots within the community.

It is in the best interests of the Lake Sherwood Estates community as a whole to foster the preservation of the appearance, quality and value of individually owned properties and of the lakes and other natural resources of the community.

Therefore, the BOARD adopts these rules and regulations to provide community standards for the maintenance of exterior portions of the lots and dwellings, and to provide procedures to achieve these standards that are fair, effective and efficient. All OWNERS of lots, tenants, and any other party having an interest in any property in Lake Sherwood Estates are bound by these rules and regulations.

ARTICLE 2

DEFINITIONS

The following definitions are in addition to any definitions in the Declaration of Restrictions and By-Laws. Capitalized words in these Rules refer to defined terms in the Declaration of Restrictions and the following additional definitions.

ASSOCIATION: A Missouri not-for-profit Corporation, the Lake Sherwood Estates Association (LSEA), its Board of Directors, employees, and agents.

BOARD: LSEA Board of Directors

CLUTTER: Crowded, disordered or scattered collection of things that reduce neatness and attractiveness.

COMMERCIAL VEHICLE: Any vehicle with a gross vehicle weight rating (GVWR) of 14000 pounds or larger (with or without commercial signage), which is used for hire. Examples of these vehicles include select Ford F-450 trucks, the Dodge Ram 4500, the GMC 4500, any flatbed truck, dump truck, enclosed box truck, tractor-trailer, or semi-trailer.

DEBRIS: The rubble, wreckage, ruins, litter and discarded garbage/refuse/trash, or scattered remains of something destroyed or discarded.

EXTERIOR CONDITIONS/EXTERIOR PROPERTY: The open space on the premises and on adjoining property under the control of OWNERS of such premises.

EXTERMINATION: The control and elimination of insects, rats or other similar pests by eliminating their harborage places; by removing or making inaccessible materials that serve as their food; by poison spraying, fumigating, trapping or by any other commonly approved pest elimination methods.

GARBAGE: The animal or vegetable waste resulting from the handling, preparation, cooking and consumption of food.

GUARD: A building component or a system of building components located at or near the open sides of elevated walking surfaces that minimizes the possibility of a fall from the walking surface to a lower level.

OCCUPANT: Any individual living or sleeping in a building, or having possession of a space within a building.

OWNER: Any person, agent, operator, firm or corporation having a legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court.

P.S.C.: Property Standards Committee.

PREMISE: A lot, plot, parcel or tract of land as depicted on the plats or plans with all improvements thereon. A building or part of a building with its grounds.

RUBBISH: Combustible and noncombustible waste materials, except garbage; the term shall include the residue from the burning of wood, coal, coke and other combustible materials, paper, rags, cartons, boxes, wood, excelsior, rubber, leather, tree branches, yard trimmings, tin cans, metals, mineral matter, glass, crockery and dust and other similar materials.

TRASH CONTAINER: A commercially available tightly covered container made of non-corrodible materials, which is watertight, does not exceed 60 gallons in capacity and is designed for the purpose of holding household garbage/rubbish.

ARTICLE 3

THE COMMUNITY MAINTENANCE STANDARDS OF LAKE SHERWOOD ESTATES ASSOCIATION

LSEA Rules and Regulations VOLUME IV as defined below shall be known as the “Community Maintenance Standards” for Lake Sherwood Estates Association in Warren County, Missouri. This standard has been modeled after The International Property Maintenance Code (IPMC) Chapter 3, Sections 301, 302, 303 and 304. This Community Maintenance Standard will be applied to all Lake Sherwood property and residences and only applies to the exteriors of residences and adjacent land of all LSEA Property. These rules do not include (IPMC) 303.2 and to all other sections of this code that refer to the “interior maintenance” of residences.

A copy of the IPMC Code is available for review at the Administration office.

ARTICLE 4

EXTERIOR PROPERTY AREAS

1. SANITATION, LITTER AND CLUTTER: All lots and exterior property shall be maintained in a clean, safe and sanitary condition. The occupant shall keep that part of the exterior property which such occupant occupies or controls in a clean and sanitary condition.

CLUTTER, GARBAGE, RUBBISH, trash, or general DEBRIS must be properly disposed of. Dumping is strictly forbidden on any property. No DEBRIS, GARBAGE, RUBBISH, trash, waste material or other refuse shall be deposited or allowed to accumulate or remain on any Lot. Any trash container stored outdoors must meet the criteria outlined in Article 2 above be located behind the front line of the house. In the case of a corner lot, trash containers can't be located in the side yard adjacent to a street.

All equipment, including grounds maintenance equipment such as lawn mowers, wheel barrows and the like and construction materials, must be stored away in enclosed locations out of view from the street, lake and neighboring property. Exterior areas must be maintained in a neat and attractive manner free of clutter. This includes bicycles, toys, recreational and sporting equipment.

2. GRADING AND DRAINAGE: All developed lots shall be graded and maintained to prevent the erosion of soil and to prevent the accumulation of stagnant water thereon, or within any structure located thereon. Individual property OWNERS shall not place obstacles in drainage swales that would obstruct or divert drainage.

Exception: Approved retention areas and reservoirs.

Any time soil is disturbed and/or there has been a significant removal of ground cover on any lot

the property OWNER must install proper erosion control devices. These devices must be in accordance with best practices such as those described in Missouri Department of Resources' "Protecting Water Quality: A Construction Site Water Quality Field Guide" (<http://www.dnr.mo.gov/env/wpp/wpcp-guide.htm>). In addition, suitable runoff diversion control shall be installed to ensure runoff from up gradient areas does not enter the disturbed area. Acceptable runoff diversion controls include, but are not limited to, silt fence with hay/straw bales, combination, rock, or sand bag berm. These devices shall remain in place until adequate ground cover is established within the disturbed area and mature enough to prevent erosion and silt flow to the lakes and adjacent properties. Temporary ground cover can be applied, such as mixture of oats, cereal rye, or wheat until the final ground cover is established. Temporary mesh type covers are also acceptable for smaller areas. Stockpiled soil must be covered with tarp or similar material to prevent run-off.

3. **SIDEWALKS AND DRIVEWAYS:** All sidewalks, walkways, stairs, driveways, parking spaces and similar areas shall be kept in a proper state of repair, and maintained free from hazardous conditions.

4. **PLANTINGS AND LANDSCAPING:** All improved tracts of land (i.e. landscaped, installed lawn, berms, flower beds, shrubbery) must be maintained, as such improvements require. I.E. Lawn maintenance requires the cutting of the growth of lawn grass and weeds to a height not exceeding 8". Mulched areas must be renewed as needed. Lawn and yard rubbish including fallen branches and felled trees must be properly disposed of. Excessive leaf accumulation must be mulched or removed. Shrubs trimmed as needed.

Native shrubs and ground covers are recommended for landscaping in Lake Sherwood. Lists of native materials can be found through the local nurseries, Missouri Department of Conservation and Shaw Nature Preserve. Choices of landscaping materials should be made to enhance the Lake Sherwood ecosystem and minimize use of chemicals and excess watering. Plantings in Lake Sherwood should be chosen to reduce erosion especially on hillsides and in drainage swales; minimize cutting required by utilities and Lake Sherwood maintenance; and allow for safety sightlines especially around curves and at corners.

OWNERS are responsible to maintain a safe sightline where their property is adjacent to LSEA roadways.

5. **CUTTING / USE OF TREES AND BRUSH:** Lake Sherwood allows the species of brush and trees listed below to be cut and removed without LSEA approval.

The following tree species are allowed to be cut and removed as defined below:

a) Red Bud trees allowed to be cut must be below one and one half (1-1/2") in diameter as measured 12" off the ground. All Red Bud trees that are larger require LSEA approval.

b) Dogwood trees allowed to be cut must be below one inch (1") in diameter as measured 12" off the ground. All Dogwood trees that are larger require LSEA approval.

c) All other species of trees allowed to be cut must be below six inches (6") in diameter (19" in circumference), as measured 12" off the ground. All other larger species require LSEA approval.

d) The total removal/stripping of lower limbs (above eight (8) feet above the ground) on any species of trees to enhance visual effect is not allowed unless required for security reasons and

approved by LSEA.

e) Trees of any size cannot be used as support for any structure, and all structure locations must consider future growth of the trees.

f) Maintenance and cutting of any live trees within a ten foot (10') perimeter of a residence or garage does not need LSEA approval.

Any trees to be cut / removed beyond 10 feet of a residence must be dead or obviously dying. If the condition of the tree is not clear or is disputed, LSEA reserves the right to require that the property OWNER have the condition diagnosed by a tree specialist or an authorized nursery at their expense. In this case, the specialist/nursery recommendation will be considered the final judgment. This diagnosis and recommendation shall be submitted in writing. The potential for OWNER'S/neighbor's property or electrical/phone line damage will also be considered within any approval. Approval is required for larger trees damaged by insects, weather, or other natural means before they are cut and removed unless safety demands their immediate removal.

For all trees that are cut, the limbs and branch materials must be properly disposed of and not left in piles on property. Cutting of trees (live or dead) on another person's property or on LSEA common ground is prohibited without written permission of the affected property OWNER.

Any tree removal allowed by LSEA must be accomplished within sixty (60) days of LSEA approval.

Please help to maintain the natural beauty of Lake Sherwood by observing these tree and brush cutting rules and regulations. If you contemplate building a home or other structure in the future, you must wait until your building plans are approved BEFORE cutting any trees over six inches in diameter. When building a new residence, indicate on your site plan which trees you intend to remove. Mark each tree with red paint that you intend to remove that is over six inches in diameter or 19 inches in circumference measured 12 inches above ground.

6. **LAWNS:** As a forested community, Lake Sherwood seeks to retain its natural beauty. Use of native plantings as described in Section-4 above reduces the need for fertilizers, pesticides and lawn mower pollution. Residents are encouraged to choose plantings thoughtfully and avoid the use of fertilizers, pesticides and chemicals.

7. **CHEMICAL USAGE:** The use of chemicals is strongly discouraged as inappropriate for the sensitive Lake Sherwood environment. Native plantings as described by the Missouri Department of Conservation and Shaw Nature Preserve are highly recommended as primary landscaping materials to minimize the need for pesticides, herbicides and additional watering. Any chemicals that are applied such as fertilizers, herbicides, or insecticides must be designated for the specific target and rated as safe for fish, birds, wildlife, non-target vegetation, and the Lake Sherwood environment. A minimum 20-foot buffer zone (no chemical usage) from any lakes' water edge (at normal pool) must be maintained. The only allowable usage of chemicals in the buffer zone is the very limited and specifically targeted application to flowers and decorative plantings. Contents shall be evaluated prior to application. All labels and instructions must be read and adhered to.

8. **EXTERIOR LIGHTING:** No exterior lighting shall be directly emitted onto, over, across or otherwise spill light on to the water of any lake. Exterior lighting must not illuminate or light trespass on to other properties in an objectionable manner. Furthermore, exterior lighting must not cause objectionable glare or night sky glow.

To aid in achieving these objectives, it is recommended that all exterior lighting be down directed light beam or fully shielded light (no light rays directly emitted by the installed fixture at angles above its horizontal plane), effectively down direct light. If not down direct; other than clear lens material (opaque) should be used to minimize direct glare (that which is caused by the maximum candlepower zone of the luminaries.) You should see the effect of the light, not the light source. Furthermore, the lowest wattage bulbs which will provide the needed illumination should be used. All exterior lighting shall be designated for outdoor use or as weatherproof. All landscape lighting (not attached to the residence) must be low voltage type. Any lighting determined as a nuisance to neighbors or other property OWNERS must be re-lamped, re-directed, shielded or removed as appropriate. Any 120V lighting near the water's edge or on docks must be protected by a GFI system.

Exemptions:

Street lights in use and jointly approved by Lake Sherwood Estates and the "Electric Supply Company" prior to 2008

Holiday lighting which is temporary and maintained.

Temporary lighting with a written request for exemption.

U.S. Flags are permitted to be up-lighted with a maximum 150-watt bulb. And the fixtures must be shielded to reduce direct glare.

Existing Lake Sherwood "common" lighting in use and installed prior to 2008.

9. **TARPS**: Tarps are only allowable to cover firewood, or temporarily stockpiled construction material, dirt, etc. and must be of earth tone colors and must be sufficiently secured. Tarps must also be in good condition (not torn or tattered). No other tarp coverage is allowed.

Exception: Tarps are allowable for covering boats in the Marinas and are excluded from the earth tone color requirement. However, this rule otherwise applies.

10. **RODENT AND VERMIN HARBORAGE**: All structures and exterior property shall be kept free from harborage and infestation of vermin that are destructive or harmful to health, noxious, objectionable, or disgusting animals collectively, especially those of small size that appear commonly and are difficult to control such as flies, mosquitos, mice, rats, etc. Where found, they shall be promptly exterminated by commonly approved processes that will not be injurious to human health. After extermination, proper precautions shall be taken to eliminate such harborage and prevent re-infestation.

11. **EXHAUST VENTS**: Pipes, ducts, conductors, fans or blowers shall not discharge gases, steam, vapor, hot air, grease, smoke, odors or other gaseous or particulate wastes directly upon abutting or adjacent public or private property or that of another tenant.

12. **ACCESSORY STRUCTURES AND SHEDS**: All accessory structures, including detached garages, sheds, fences and walls, shall be maintained structurally sound and in good repair. Structures must be repainted, re-stained, retreated, sided or resided as needed. For carbon steel metal sheds, rust must be removed before repainting. Propane tanks must be repainted as needed. Tank supplier should be contacted and a request / order submitted for repainting and for specific color requirements. No construction, replacement, or addition of a building, fence, wall, dock, driveway

or other structures shall be commenced until the plans and specifications thereof showing the nature, kind, shape, height, materials and location of same shall have been submitted to and approved in writing by the Architectural Control Committee as outlined in LSEA Rules and Regulations, Volume II.

13. MOTOR VEHICLES: Except as provided for in other regulations, no derelict or inoperative motor vehicle - that which cannot be driven upon the public streets for any reason including but not limited to being unlicensed, wrecked, abandoned, in a state of disrepair, or incapable of being moved under its own power, shall be parked, kept or stored on any lot, or street, for over five days within a 30 day period, except in an enclosed garage, and no vehicle shall at any time be in a state of major disassembly, disrepair, or in the process of being stripped or dismantled except in an enclosed garage. Painting of vehicles is prohibited unless conducted inside an approved spray booth.

Exception: A vehicle of any type is permitted to undergo major overhaul, including bodywork, provided that such work is performed inside a structure or similarly enclosed area designed and approved for such purposes.

Watercraft and boat trailer parking is subject to Lake Sherwood Estates Association Rules and Regulations, Volume III, Article 5.

Except for isolated events, motor vehicles (cars, trucks or COMMERCIAL VEHICLES, motorcycles, boats, ATVs or similar vehicles, campers, house trailers, boat trailers, or trailers of any description) may not be parked on any portion of a lot not specifically designated/constructed as a driveway or off-street parking area which has been approved by the ACC or on any LSEA street rights-of-way which could result in a safety concern or impedance to traffic without prior approval of the LSEA Security Office.

No trailers shall be parked or stored for over five days within a 30 day period on any lot, common area, or street, except when parked entirely within a closed garage, or with the permission of LSEA Security.

14. DEFACEMENT OF PROPERTY: No person shall willfully or wantonly damage, mutilate or deface any exterior surface of any structure or building on any private or public property by placing thereon any marking, carving or graffiti. It shall be the responsibility of the OWNER to restore said surface to an approved state of maintenance and repair.

ARTICLE 5

EXTERIOR STRUCTURES

- **GENERAL:** The exterior of a structure shall be maintained in good repair, structurally sound and sanitary so as not to pose a threat to the public health, safety or welfare. Any structural element that is considered a threat to the appearance or value of properties in the community must be repaired replaced or removed as circumstances dictate. Repair or replacement of same may require ACC approval (see volume II) and a LSEA building permit. Necessary replacement/repair must be accomplished within scheduled guidelines of Article 6, Section 5 of this document.

- **EXTERIOR SURFACES, PROTECTIVE TREATMENT, AND CLEANING:** All exterior surfaces, including but not limited to, doors, door and window glass and frames, cornices,

porches, trim, balconies, decks and fences shall be maintained in good condition. Exterior wood surfaces, other than decay-resistant woods, shall be protected from the elements and decay by painting or other protective covering or treatment. Any exposed surface originally painted, stained or treated must be repainted, re-stained or retreated as needed. Peeling, flaking and chipped paint or treatments shall be eliminated and surfaces repainted or retreated. All siding and masonry joints as well as those between the building envelope and the perimeter of windows, doors, and skylights shall be maintained weather resistant and water tight. All metal surfaces subject to rust or corrosion shall be coated to inhibit such rust and corrosion and all surfaces with rust or corrosion shall be stabilized and coated to inhibit future rust and corrosion.

Oxidation stains shall be removed from exterior surfaces. Surfaces designed for stabilization by oxidation are exempt from this requirement.

Any exterior building materials (e.g. siding, trim, brick, stone, windows, roofing), and/or other exterior items in disrepair must be repaired or replaced. Residence exterior surfaces must be kept clean of excessive mold, mildew, organic growth, dirt, and other discoloration. A Lake Sherwood Estates Association Class-B building permit is required for repainting of existing residences, trim, or installation of exterior treatments (e.g. siding, trim, brick, stone, windows, roofing, treatments), and/or other property improvements involving reworking or changing the current residence exterior finish. Samples of all exterior colors changes must be submitted, to the LSEA ACC for approval. Only earth or slate tones consistent with the LS setting will be considered or allowed. NOTE: A LSEA permit is not required for routine upkeep, maintenance or repair of items damaged by weather, fire or other similar type of events.

- **STRUCTURAL MEMBERS**: All structural members shall be maintained free from deterioration, and shall be capable of safely supporting the imposed dead and live loads.
- **FOUNDATION WALLS**: All foundation walls shall be maintained plumb and free from open cracks and breaks and shall be kept in such condition so as to prevent the entry of rodents and other pests.
- **EXTERIOR WALLS**: All exterior walls shall be free from holes, breaks, and loose or rotting materials; and maintained weatherproof and properly surface coated where required to prevent deterioration.
- **ROOFS AND DRAINAGE**: Excessive leaves, and limbs, tree fallings and plant growth must be removed from roofs and gutters. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or deterioration in the walls or interior portion of the structure. Roof drains, gutters and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a public nuisance. Grading and drainage must be maintained to prevent soil erosion and to prevent the accumulation of stagnant water. All down spouts must have an erosion control device at their terminus. All downspout drainage extension tubes must be routed below ground, otherwise buried or concealed appropriately and terminated in an erosion free area (such as a soak away or leach field) or with an erosion control device. Drains may be exposed 10 feet maximum across a paved surface and 6 feet maximum across an unpaved surface.
- **DECORATIVE FEATURES**: All cornices, belt courses, corbels, terra cotta trim, wall facings and similar decorative features shall be maintained in good repair with proper anchorage and in a safe condition.

- **OVERHANG EXTENSIONS:** All overhang extensions including, but not limited to canopies, marquees, awnings, fire escapes, standpipes and exhaust ducts shall be maintained in good repair and be properly anchored so as to be kept in a sound condition. When required, all exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather-coating materials, such as paint or similar surface treatment.
- **STAIRWAYS, DECKS, PORCHES AND BALCONIES:** Every exterior stairway, deck, porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair, with proper anchorage and capable of supporting the imposed loads. All residence's two (2) primary exit doors, (IE: one front door, one back door), that are above 1'-0" from grade must have installed corresponding stairs, deck with stairs or a platform with stairs **to provide for safe exit in case of emergency before January 1, 2009.** These decks/platforms will require a LSEA building permit and ACC review and approval. **If the deck is not a primary exit, (IE: view or secondary decks off bedrooms and other areas, steps are not required).** If existing deck band boards are in areas not servicing doors, they must either be removed and siding installed, or the deck must be installed by January 1, 2009. All decks/platforms/stairs must be kept clean of excessive mold, mildew, organic growth, dirt, and other discoloration; and be cleaned and re-stained/re-painted as needed.
- **CHIMNEYS AND TOWERS:** All chimneys, cooling towers, smoke stacks, and similar appurtenances shall be maintained structurally safe and sound, and in good repair. All exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather-coating materials, such as paint or similar surface treatment.
- **HANDRAILS AND GUARDS:** Every handrail and guard shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition.
- **WINDOWS, SKYLIGHTS AND DOOR FRAMES:** Every window, skylight, door and frame shall be kept in sound condition, good repair and weather tight. LSEA Rules and Regulations, Volume I, Article 23 outlines the restrictions on window signs.
- **WIND AND FIRE DAMAGE TO STRUCTURE EXTERIORS:** In the event of fire, windstorm or other damage, all affected structures must be repaired as soon as feasible, but no longer than 6 months. Major structural, electrical, and plumbing replacement/repairs require an LSEA building permit and must be inspected by certified IRC code inspector. Each OWNER is responsible for maintaining adequate insurance protecting his property against losses due to casualties.

ARTICLE 6

IMPLEMENTATION OF COMMUNITY STANDARDS

This Article provides step-by-step procedures to implement the community maintenance standards established under these Rules.

1. VOLUNTARY COMPLIANCE: Each OWNER shall have a reasonable opportunity to comply voluntarily with the community maintenance standards contained in these Rules and to take such measures as reasonable and necessary to bring the Lot, dwelling and improvements on the Lot into compliance with these standards.

(a) **Restoration.** For the purpose of these Rules, "corrective measures" means to restore or

repair non-complying conditions to their proper quality and appearance.

(b) Modifications. OWNERS who seek to modify their Lots, dwellings or other improvements on their Lots are also responsible for compliance with LSEA's architectural and design rules.

2. INSPECTIONS: Lots in the community will be reviewed by LSEA Staff or designated individuals to identify non-compliance with the community maintenance standards contained in these Rules. These reviews will be conducted on a reasonable periodic basis as the LSEA may determine.

3. WARNING LETTERS: The Association Manager will issue a warning letter to any OWNER of a Lot that has a condition that fails to comply with the standards, describing each such condition and prescribing a reasonable time limitation for correction which may vary depending upon the magnitude of the non-complying condition, and which will be guided by Paragraph 5 below. OWNERS will also be advised of the associated monetary fines guided by Paragraph 9 below which will be issued should the OWNER fail to make appropriate corrections.

4. COMPLIANCE WITH WARNING LETTER: Each OWNER who receives a warning letter is encouraged voluntarily to correct all non-complying conditions within the time allotted. OWNERS who take corrective measures are responsible for giving written notice to the Manager describing the actions taken and providing photographs in support. Upon verification that all non-complying conditions have been corrected, no further enforcement action will be taken with respect to such conditions.

5. NOTICE OF VIOLATION: The Association Manager will issue a notice of violation to any OWNER who has failed to correct any non-complying conditions previously cited in a warning letter. The notice of violation will contain a description of each previously cited non-compliant condition, and a statement of fines and/or other penalties (as provided in Section 9 below) that are imposed by the BOARD. The Owner will be given a new time limitation for correcting each non-compliant condition, and will be advised of the increased monetary fines guided by Paragraph 9 below if such conditions are not corrected in the time allotted. The OWNER will also be advised he/she has an opportunity to be heard by the PSC prior to imposition of such fines and/or other penalties. The following guidelines apply to compliance schedules:

(a) Class A: major construction required, start within ninety (90) days after the date of notice, completion within six (6) months after start.

(b) Class B: minor construction or repair required, complete within sixty (60) days after the date of the notice.

(c) Class C: construction not required, complete within thirty (30) days after the date of the notice.

6. HEARINGS; NOTICE AND PROCEDURES:

(a) Notice and Schedule. Hearings requested by the OWNER, must be submitted to the Association Manager within seven (7) days of the date of the violation notice. Upon request by the OWNER, a meeting shall be scheduled for the OWNER to present any facts and circumstances in his own defense to the PSC. The PSC shall meet monthly, or on such other reasonable periodic basis as it may determine, for the purpose of timely hearings. Written notice shall be provided to the OWNER setting forth the date, time and place of the meeting, and any time limitations imposed

on the hearing.

(b) Procedure. The meeting shall be held with the PSC in closed session. The alleged violator shall be afforded a reasonable opportunity to be heard, including presentation of any testimony or evidence on his/her own behalf. Proof of proper notice shall be placed in the minutes of the meeting, and shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the person who mailed or delivered such notice on behalf of the LSEA. Should the OWNER fail to appear at the hearing, the OWNER will be responsible for any costs LSEA incurs associated with preparing for the hearing.

7. NOTICE OF FINDINGS: The Association Manager shall give written notice to the OWNER of the PSC's findings and decision within fifteen (15) days after the scheduled hearing.

(a) Based on evidence presented at the hearing, the PSC may find that a violation has not occurred or does not exist, or that it has been corrected, and notice of violation may be withdrawn.

(b) The PSC may find that a violation has occurred or does exist if:

- (1)** the alleged violator declines or fails to request a hearing, or
- (2)** the alleged violator fails to appear at a scheduled hearing, or
- (3)** evidence presented at the hearing supports such finding.

In the event the PSC determines that the alleged violator is responsible for the violation, the Association Manager shall give written notice to the OWNER stating the PSC's findings and decision that such violation exists, demanding that the violation be corrected on such schedule as the PSC may determine to be reasonable under the circumstances, and stating the PSC's recommendations to the BOARD for imposition of fines and/or other penalties.

8. IMPOSITION OF FINES AND PENALTIES: The ASSOCIATION shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating OWNER, and to suspend any person's right to use the LSEA common areas or recreational facilities for violation of any duty imposed under the LSEA, Rules and Regulations duly adopted by the ASSOCIATION; provided, however, nothing herein shall authorize the ASSOCIATION to limit ingress and egress to or from the offending OWNER'S lot(s). In addition, the ASSOCIATION shall be entitled to suspend any privileges provided by the ASSOCIATION to any guests of, or residents at, the offending OWNER'S lot in the event that the OWNER of such lot is more than thirty (30) days delinquent in paying any fines, penalties, or assessment due the ASSOCIATION. In the event that any occupant, guest or invitee of a lot violates the LSEA Rules and Regulations and a fine is imposed, the fine shall be assessed against the OWNER. The failure of the ASSOCIATION to enforce *any* provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the ASSOCIATION to do so.

In the event a cited issue remains non-compliant after the timeframe specified in Article 5 above, a fine and/or other penalty shall be imposed according to the guidelines outlined in Article 9 below.

9. PENALTIES: Any or all of the monetary fines and withdrawal of privileges set forth in this Section 9 may be imposed in connection with a violation of these Rules, and shall be applicable upon expiration of the deadline for compliance. The time limitation for compliance shall not begin

running until the hearing procedure is completed, and upon notice of findings and the imposition of penalties are provided to the violating OWNER. Any monetary fine shall be due and payable within thirty (30) days after notice of such fine is given to the violating OWNER; unless otherwise stated in the notice.

(a) Monetary Fines -- Classes of Violations.

(1) Class A Violations: any violation requiring correction by substantial construction is subject to a fine of not more than Five Hundred Dollars (\$500.00) per incident of violation plus Twenty-Five Dollars (\$25.00) for each day that the violation continues after the deadline for correction.

(2) Class B Violations: any violation requiring minor construction or repair is subject to a fine of not more than Two Hundred Fifty Dollars (\$250.00) per incident of violation plus Ten Dollars (\$10.00) for each day that the violation continues after the deadline for correction.

(3) Class C Violations: any violation not requiring construction is subject to a fine of not more than Twenty-Five Dollars per incident of initial violation and escalating to \$100.00 for each subsequent like violation or continued non-compliance upon recheck of previously cited violation.

(4) Cutting of Trees: Lot owners cutting trees or having trees cut in violation of LSEA Rules and Regulations will be subject to a fine of \$500.00 per tree. Persons cutting trees on another person's property or common ground area are subject to a \$500.00 fine for each tree cut and the property owner will be notified. Refer to Article 4, Paragraph 5 above for rules concerning the cutting of trees.

(b) Withdrawal of Privileges. In addition to any monetary fines imposed under subsection (a) of this Section 9, the ASSOCIATION may declare that the violating OWNER's status as a member in good standing is withdrawn until such time as the violations are corrected or otherwise resolved. In such event, the OWNER shall forfeit his/her right to vote and to use the lakes and recreation facilities. If the violating OWNER owns more than one (1) Lot, the withdrawal of privileges shall apply to any and all such Lots and all tenants and other occupants of such Lots and, in the case of vacant Lots, shall apply to applications for building permits.

(c) Enforcement Action. The penalties under this Section 9 shall be cumulative and shall be in addition to any other remedy allowed under law and/or at equity and the Declaration. LSEA is entitled to recover its costs and fees set forth in Section 10 below, or abatement of the violation, including removal of any vehicle or other object and correction of any condition that constitutes the violation, at the cost of the violating OWNER.

10. COSTS AND FEES: Any costs and fees incurred by LSEA in implementing these Rules, unpaid fines, and attorney's fees, shall be recoverable against the violating OWNER in the same manner as unpaid assessments under the Declaration of Restrictions. Costs include court costs, lien preparation and recording charges (including release of the lien), administrative costs, fees and costs of title search, returned check charges, reasonable fees for attorney and paralegal services, and any other reasonable expenses incurred in the enforcement of these Rules. For the purposes of this Section 10, the violating OWNER shall be held responsible for LSEA's legal fees beginning with the notice of violation provided under Section 5 above, regardless of whether a judicial proceeding is commenced or a notice of lien recorded.

11. BOARD DISCRETION: The decision to pursue enforcement action in any particular case

shall be within the BOARD'S discretion, except that the BOARD shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the BOARD may determine that, under the circumstances of a particular case:

(a) LSEA's position lacks sufficient strength to justify taking any or further action; or

(b) The covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

(c) Although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending LSEA's resources; or

(d) That it is not in LSEA's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of LSEA's right to enforce such provision at a later time under other circumstances or preclude LSEA from enforcing any other covenant, restriction or rule.

12. ALTERNATIVE DISPUTE RESOLUTION: Notwithstanding its rights to enforce these Rules by judicial proceeding, the BOARD deems it to be in the best interests of the community as a whole to encourage the amicable resolution of disputes between LSEA and individual OWNERS, or between OWNERS, without the emotional and financial costs of litigation. Therefore, at any time after a hearing is held, under these Rules, the BOARD may encourage the voluntary resolution of a dispute through alternative dispute resolution proceedings such as mediation, advisory arbitration, or binding arbitration.

ARTICLE 7

GENERAL PROVISIONS

1. APPLICATION OF GUIDELINES: These Rules are intended to provide objective guidance of LSEA community standards for maintenance of the Lots and improvements thereon. However, the LSEA may take into account subjective considerations such as design, materials, and related matters and such determinations shall be upheld so long as made in good faith and in accordance with the procedures contained in these rules.

It may not always be possible to identify objectionable features in corrective measures until work is completed, in which case it may be unreasonable to require changes in the corrective measures, but the PSC may refuse to approve similar corrective measures in the future. No decision by the PSC with respect to particular corrective measures may be deemed to constitute a waiver of the right to withhold approval as to any similar corrective measures or other matters affecting compliance with the standards contained in these Rules.

2. VARIANCES: LSEA may grant variances and of extensions from compliance with the standards and procedures contained in these Rules when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, consistent with these Rules. The cost of compliance, terms of financing, or inability to obtain applicable permits for a particular corrective measure shall not be grounds for a variance based on hardship. Any variance shall be in writing.

3. LIMITATION OF LIABILITY: The standards and procedures in these Rules are intended as a mechanism to foster maintenance and appearance of the Lots, dwellings and other improvements on the Lots; they do not create any duty to any person. The LSEA, BOARD, PSC, and any other committee, or any member of any of the foregoing, shall not be responsible for:

(a) ensuring the structural integrity, soundness or attractiveness of any corrective measures taken to comply with the standards in these Rules, nor for ensuring that all dwellings are of comparable quality, value, size, or attractiveness, or aesthetically pleasing to OWNERS of neighboring Lots, or

(b) any soil conditions, drainage, or other general site conditions, or

(c) any defects in corrective measures designed or taken by an OWNER, or

(d) any loss or damage (including but not limited to consequential damages and attorney's fees) arising out of the action, inaction, integrity, financial conditions or quality of work of any contractor or subcontractor, or their employees or agents, retained by the OWNER whether or not LSEA has approved or featured such person, or

(e) any injury, damages, or loss arising out of the manner or quality or other circumstances of corrective measures taken by an OWNER.

In all matters, the BOARD, PSC, and the members of each shall be defended and indemnified by LSEA as provided in Article VI, Section 8 of the By-Laws.

4. CERTIFICATE OF COMPLIANCE: Any OWNER may request that LSEA issue a certificate of compliance for such OWNER'S completed corrective measures, certifying that there are no known violations of these Rules. LSEA shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificate. Issuance of such a certificate shall not preclude LSEA from applying these Rules with respect to any non-complying conditions as to which LSEA had notice as of the date of such certificate.

5. AMENDMENT: The BOARD has full authority to amend these Rules at any time. Any amendments shall be prospective only and shall not apply to require modifications or removal of corrective measures previously commenced or completed. There shall be no limitation on the scope of amendments to these Rules, and such amendments may remove requirements previously imposed or otherwise make these Rules less restrictive or more restrictive.

6. ADOPTION, APPLICABILITY: The BOARD shall notify OWNERS of its intent to adopt these Rules to provide an opportunity for OWNERS to comment prior to adopting these Rules. Thereafter, the BOARD is authorized to adopt these Rules, with such revisions as may be reasonable based upon said comments, upon execution below by the President and attestation by the Secretary. These Rules shall be applicable to all Lots and to all OWNERS, tenants, residents, guests and invitees as to events and circumstances occurring after the Effective Date which shall be March 1, 2015 unless otherwise stated.

ARTICLE 8

OCCUPANCY PERMIT REQUIREMENTS

1. BUYER NOTIFICATION: An occupancy inspection and Occupancy Permit will be required for all existing dwellings upon the sale of such dwelling occurring after March 1, 2011.

2. RESIDENTIAL INSPECTIONS FOR TRANSFER OF OWNERSHIP: For any transfer of ownership of an existing dwelling in Lake Sherwood, an inspection of the dwelling and lot must be performed by a certified inspector, for compliance to the “International Property Maintenance Code.” Inspectors must be certified by the “International Code Council – Property Maintenance and Housing” or the “American Society of Home Inspectors” (ASHI). A copy of the completed inspection report (form pic 2) must be forwarded to LSEA administration. Upon the completion of any repairs/replacement of any deficiencies and final passing of the inspection, the buyer must obtain a signed LSEA Occupancy Permit (form pic 1A). This Occupancy Permit is required before occupying the dwelling and before water service is turned on. If a repair/replacement requires major construction a LSEA Building permit may be required.

3. OCCUPANCY PERMIT SIGNOFF AND ISSUE: The Permanent Occupancy Permit (form pic 1A) must be issued by the LSEA Administration office prior to occupancy. The Conditional Occupancy Permit (form pic 1B) may be issued with conditions that certain deficiencies be corrected within a specified period of time after occupancy. The sign-off must be completed before occupancy of the dwelling.

4. OCCUPANCY PERMIT ENFORCEMENT: Failure to obtain a LSEA Occupancy Permit before residence occupancy, or failure to correct in full any deficiencies set forth as conditions in the Occupancy Permit within the time specified, shall subject the buyer to financial penalties up to \$500.00 as allowed by LSEA Rules and Regulations.

5. DISCLAIMER: LSEA disclaims any responsibility whatsoever for selecting an inspector, the accuracy of any inspection report, correcting any deficiencies, or any claim for damages that may arise from the inspection or failure to comply with the findings of the inspection report, including any consequential damages and attorney’s fees.

The inspection approval does not constitute a guarantee or warranty from the building inspector or LSEA.