

Exhibit "A" to
Restated Rules and Regulations for
The Lookout Property Owners Association

GENERAL FINE SCHEDULE

1. Definition of construction categories

Major Construction: New home construction, detached garages, barns, accessory buildings, and similar improvements.

Minor Construction: Any construction not classified as Major Construction. Examples include, but are not limited to, pools, fences, gazebos, patio covers, and landscapes.

2. Receipt of Notice

Notices of violations and fine/enforcement action are deemed received on the day of actual receipt or three (3) business days after being mailed to the Owner via U.S. Mail, certified and return receipt, whichever is earlier.

3. Guidelines for fines

The fine amounts and frequencies outlined herein are a guideline only. The Board shall have the authority to vary said amounts and frequencies on a case-by-case basis, as it deems appropriate.

4. Performing construction prior to receiving ACC approval

Cease Construction Notice

If construction is performed prior to an Owner receiving the required ACC approvals, the ACC or Association shall deliver to the Owner of the Lot a written Cease Construction Notice and demand that all construction stop within one day of receipt of the notice letter, and not begin again until the required approvals are in place. The notice shall provide that, if construction is not stopped within the stated time period or is recommenced prior to receipt of approvals, the Owner shall be liable for a fine for each day construction continues without the requisite approvals. The general fine amounts shall be as follows:

Major Construction: \$1000/day fine

Minor Construction: \$100/day fine

5. Unapproved construction remaining prior to receiving ACC approval

Unapproved Construction Notice

The Association and ACC shall have the authority to require that an Owner who has effectuated construction without the requisite approvals of the ACC take remedial action with regard to the unapproved construction. The Association or ACC shall issue an Unapproved Construction Notice to the Owner (as part of or separate from any Cease Construction Notice) requiring that he (at the sole option of the Association/ACC):

- (i) Remove the unapproved construction and return the property to its original state within thirty (30) days of receipt of the Unapproved Construction Notice; or
- (ii) If the unapproved construction would otherwise be in accordance with the deed restrictions, the property owner may be required to submit complete construction plans within thirty (30) days of receipt of the Unapproved Construction Notice. If said plans are submitted in a timely manner but rejected by the ACC, the ACC shall have the option of requiring that the plans be resubmitted within a specified timeframe or requiring that the property be returned to its original state within thirty (30) days of the rejection of the plans.

The notice shall provide that failure to address the unapproved construction within the thirty (30) day cure period will result in the assessment of weekly fines starting on the 31st day. The fines will be assessed in accordance with the following schedule:

Major Construction:

1st day - \$100 fine

8th day - \$250 fine

15th day - \$500 fine

22nd day - \$750 fine

Every 7 days thereafter - \$1000 fine per week

Minor Construction:

1st day - \$25 fine

8th day - \$50 fine

15th day - \$75 fine

22nd day - \$100 fine

Every 7 days thereafter - \$100 fine per week

6. Performing construction that deviates from plans approved by the ACC

Non-Compliant Construction Notice

If an Owner performs construction that deviates from the plans approved by the ACC, the Association or ACC shall have the authority to issue a Non-Compliant Construction Notice to the Owner requiring that he (at the sole option of the Association/ACC):

- (i) Correct the construction deviation(s) within thirty (30) days of the receipt of the Non-Compliant Construction Notice; or
- (ii) If the deviations would otherwise be in accordance with the deed restrictions, the Owner may be required to submit revised complete construction plans within thirty (30) days of the receipt of the Non-Compliant Construction Notice. If said plans are submitted in a timely manner but rejected by the ACC, the ACC shall have the option of requiring that the plans be resubmitted within a specified timeframe or requiring that the construction deviation(s) be corrected within thirty (30) days of the rejection of the plans.

The notice shall provide that failure to address the construction deviations within the thirty (30) day cure period will result in the assessment of weekly fines starting on the 31st day. The fines will be assessed in accordance with the following schedule:

Major Construction:

1st day - \$100 fine

8th day - \$250 fine

15th day - \$500 fine

22nd day - \$750 fine

Every 7 days thereafter - \$1000 fine per week

Minor Construction:

1st day - \$25 fine

8th day - \$50 fine

15th day - \$75 fine

22nd day - \$100 fine

Every 7 days thereafter - \$100 fine per week

7. Fines for violations not related to construction

Notice of Violation—General Violation

If an Owner commits a violation of any restrictions contained within the Declaration, the Bylaws, the Articles of Incorporation, or the Rules and Regulations, and that violation does not fall within the scope of Rules 4-6 above, the Association or ACC shall have the authority to issue a Notice of Violation—General Violation requiring that the Owner cure the violation within thirty (30) days of receipt of the notice to avoid a fine. The notice shall further provide that, if the violation is not cured within the stated cure period, fines shall be imposed according to the following schedule:

1st day - \$25 fine

8th day - \$50 fine

15th day - \$100 fine

Every 7 days thereafter - \$100 fine per week

8. Repeated violation

A repeat or similar violation within six (6) months of receiving notice of the original violation will be considered a continuation of the original violation and result in the next fine being assessed immediately.

9. Right to file an injunction and other enforcement actions

Failure to address a violation after the assessment of a fifth consecutive fine may result in additional enforcement action(s), including the filing of an injunction.

The filing of an injunction does not stop the fining process, and fines will continue to accrue in accordance with the appropriate fining schedule.