

Pleasant Valley Maintenance Association AKA as the Landing
Enforcement of Covenants and Right to Access

I. ENFORCEMENT OF COVENANTS

In order to enforce the Covenants, Articles of Incorporation, Bylaws and Rules and Regulations, the Board of Directors may levy, assess, and collect reasonable fines and costs as established by the Board of Directors. The fines will be assessed against the Homeowner for violations by the Homeowner, members of his or her family, invitees, licensee, tenants or lessees of such Owners. (Whenever the word "Owner" is used in this document, the word "tenant" shall also apply.)

A. PROCEDURE FOR ENFORCEMENT

1. Notice. When a possible violation is reported to or otherwise becomes known to the Association, by an owner or owners of any portion of the property, it will be investigated by the Board or its designated representative(s), and a determination made as to whether a violation has occurred. If an owner or owners decide to report a possible violation, the owner(s) shall provide written notice to the Board or its designee and shall provide their name and address for the Board's records. If a violation is found, written notice of the violation will be sent or delivered to the offending homeowner giving him/her a deadline date for compliance. The deadline given in such notice letters will be a reasonable time period within which to correct the violation and fully comply. In each case or matter, the Board will consider the nature of the violation, the circumstances of the owner and the property, and what it will take to correct the non-compliance in order to determine a reasonable time period deadline to give the owner to comply. If such Notice warns that fines will be imposed if compliance does not occur by a certain date, the Notice will also inform the owner of the right to request a hearing concerning the imposition of fines, pursuant to the provisions in these Rules and Regulations. Notices shall include the following:

- a. First Notice: Notice to Owner stating the alleged violation and time frame for corrective action. The first violation notice should include the specific rule that has been violated, a 30-day period in which to comply (or additional time should it be deemed necessary under the circumstances), a method for achieving compliance, any potential penalties, and a method in which the homeowner may contact the Association in order to discuss the violation.
- b. Second Notice: After time for corrective action has lapsed, Hearing Letter to Owner, Possible Fine. If after the 30-day time period (or initial period) the violation has not been remedied or the Association has not been contacted, a second notice will be sent. The second notice should include the specific violation, a method for achieving compliance, any potential penalties, and a 10-day time period in which the homeowner must contact the Association in order to discuss the violation.
- c. Third Notice: Hearing Called by Board of Directors plus Fine. If after the 10-day time period the violation has not been resolved or the homeowner has failed to contact the Association, the issue will be taken to the Board of Directors at the next monthly board meeting. The homeowner will be notified of this in

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writing and may attend to provide any additional information. At that time the Board of Directors shall decide as to what action will be taken to remedy the violation. Following the meeting, a written report and any action to be taken will be reported to the homeowner in writing. Each case shall be judged on its individual merits, and any previous enforcement of the same or similar violations shall not be binding upon the Board in its decision. Any prior Board decision shall not be considered a new rule unless it is agreed to in the normal process of motion, vote, and documentation.

d. Reoccurring Offenses: Enforcement in Accordance With the Determination of the Board at the Hearing. If this is a reoccurring violation, then this process happens once. Once the process has been completed, future violations receive only the third letter and fining begins anew.

2. Fines and costs. If the owner sent a notice of a violation does not timely comply and correct the violation, the Association may assess fines against him/her and the lot according to the Fine Schedule as set forth below. Additional fines may continue to be assessed while legal action is in process, if the homeowner continues to violate the requirements of the governing documents.

a. First Notice: \$00.00

b. Second Notice: \$25.00

c. Third Notice: \$75.00

d. Fines after Third Notice: \$25.00 per day until violation is corrected

e. Subsequent Violations by Previous Offenders: \$25.00 per day until violation is corrected.

f. Clerical fee: May be assessed in addition to the fine for processing each violation notice, not to exceed \$25.00 per notice.

g. Legal fees or costs incurred by the Association to enforce violations or collect fines will be the responsibility of the homeowner.

h. Interest. If, after the fines accrue they remain unpaid and outstanding for more than 90 days from date of the first such billing, interest shall commence and apply to the unpaid fines at the rate of one and a half percent (1.5%) per month on the unpaid balance.

3. Owner must inform tenant. It is each Owner's sole responsibility to inform their tenants of all Rules and Regulations. The Owner is also responsible for any and all damage caused by their tenants.

4. Failure to pay fines. Failure to pay the fines in the time as set forth herein may result in the loss of the rights of membership and/or filing of appropriate legal action.

5. Legal action. Notwithstanding anything to the contrary herein, In the Board's discretion, legal action may be taken against the violating homeowner at any time after a

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compliance deadline is given to owner, and nothing in these Rules is intended to waive or otherwise modify the Association's legal right(s) to take other enforcement measures in order to secure or achieve compliance.

6. Payment plans. Any owner who has fines or penalties due and owing may contact the Board to request payment arrangements as described below in Section V(A)(7).

B. HEARINGS

1. Right to hearing. Any homeowner found by the Board or its designee to be in violation of governing documents provisions or requirements may request a hearing to offer a defense to, or to explain extenuating circumstances regarding the imposition of fines.

2. Request of Hearing. The homeowner must complete a written Request for Hearing which shall be mailed or delivered to the Association within thirty (30) days from the receipt of the first notice violation. The appeal request must contain the following:

- a. Homeowner's name and address;
- b. Homeowner's reasons, basis and defense for the hearing;
- c. A copy of all supporting documentation;
- d. The name of any attending attorneys, witnesses or other collaborating guests;
- e. The homeowner's signature and date of the Request for Hearing;
- f. The Board may waive the thirty (30) day time limitation upon a showing of good cause.

3. Hearing Procedure before the Covenants Committee or the Board.

a. The homeowner will be sent written confirmation by the Association of its receipt of the Request for Hearing. Any appeal will be heard by the Covenants Committee (the "Committee") and shall be made up of a minimum of three (3) members in good standing of the Association or may be heard directly by the Board.

b. No later than thirty (30) calendar days following the receipt of the notice for hearing, the Committee shall mail or deliver notice to the appellant owner of a hearing date, which notice will provide the date, time, and location of the hearing, which is to be determined by the Committee or Board. Efforts will be made to select a date convenient for the Committee or Board and for the homeowner.

c. The Committee or Board will permit the appealing homeowner up to thirty minutes to explain the circumstances of the matter and provide grounds as to why the fine should be waived, reduced or canceled.

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- d. At the conclusion of the presentation, the hearing will adjourn, and the Committee or Board will review the circumstances of the Request for Hearing as presented.
- e. Within thirty (30) calendar days of the hearing, the Committee or Board will mail or deliver written notice to the homeowner of the decision.
- f. If the Committee finds in favor of the homeowner, it will advise the homeowner as to whether the violation and/or the fines originally imposed are reduced, modified, or waived.
- g. If the Committee or Board determines that the owner's explanation or defense presented at the hearing was inadequate or otherwise failed to justify a reduction, modification, or waiver of the violation and/or fines, the owner will be so notified, in which case the fines imposed will continue as owed to the Association until paid in full regardless of whether the violation has since been removed or corrected. In any event, if the Committee or Board finds against the homeowner, the fines will continue to accrue until full and adequate compliance occurs by homeowner.

4. Appeal.

- a. If the initial hearing is heard by the Covenants Committee, the homeowner shall have the right to appeal the Committee's decision to the full Board of Directors. Notice of the appeal before the full Board of Directors shall be made within thirty (30) days of receipt of the Committee's decision. The Notice of Appeal may include a request for a hearing before a quorum of the full Board of Directors.
- b. No later than thirty (30) calendar days following the receipt of the notice of appeal, the Committee shall mail or deliver notice to the appellant owner of a hearing date (if one is requested), which notice will provide the date, time, and location of the hearing, which is to be determined by the Board. Efforts will be made to select a date convenient for the Board and for the homeowner.
- c. The Board will permit the appealing homeowner to explain the circumstances of the matter and/or provide testimony and evidence as to why the fine should be waived, reduced or canceled.

C. VARIANCES

- 1. The Board may grant variances to individual homeowners for individual violations of the covenants and/or uses of the HOA owned green space. The homeowner must request a hearing, as stated above, and show the following factors as to why a variance should be granted:
 - a. The application of the covenant would create an impractical and/or unnecessary hardship.
 - b. There are conditions peculiar to the property involved.

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- c. Granting the variance would not cause detriment to the public good of the neighborhood, or impair the purpose of the remaining covenants and/or enforcement of the same.
 - d. That the requested resolution is the minimum way to alleviate the impractical and/or unnecessary hardship.
2. Upon evidence being presented to the Board from the individual homeowner, the Board may grant the variance to that individual homeowner only, and under conditions that the Board deems appropriate. If a variance is granted, it does not affect the enforcement of other violations of the covenants and/or green space, nor waive the right of the Board to enforce the restrictive covenants or green space. In addition, any variance granted must adhere to city ordinances.

II. ASSESSMENTS

A. RIGHT TO ASSESS

The Board of Directors of your Association has the obligation to oversee the collection of all Association regular and special assessments in a timely manner. Based upon the Association's Governing Documents, By-Laws and Articles of Incorporation, the Board of Directors has enacted the following policies and procedures concerning the collection of delinquent assessment accounts. All collection costs incurred are charged to the account of the delinquent homeowner and are subject to change.

1. Regular Assessment Due Date: Regular dues shall be assessed in the month of April of each year. Funds should be made payable to PVMA and mailed to P.O. Box 1492, Georgetown, KY 40324. However, electronic payment options are available at the discretion of the board. Payment is due no later than April 15th of each year, and if paying Bi-Annually, 50% of the annual payment is due no later than April 15th of each year, with the remaining 50% of the annual assessment due no later that October 15th of each year.
2. Courtesy Invoices and Homeowner's Responsibility: An invoice is a courtesy only. It is the homeowner's responsibility to pay the assessment by the due date. It is also the homeowner's responsibility to provide written notice of any changes in the billing address, and/or change(s) in the title of the property, to the Homeowner's Association.
3. Special Assessment Due Date: On date specified by Board of Directors in notice imposing the assessment. (Due date: Minimum thirty (30) days after assessment imposed.)
4. Payment Receipts: Owners can request a receipt from the Association which shall indicate the date of payment and the person who received it.
5. Returned Bank Items: All returned bank items will be subject to a \$25.00 Returned Bank Item Fee.
6. Past due or delinquent assessments: A late charge of \$35.00 will be assessed on the delinquent assessment. An assessment is considered late fifteen (15) days past the due date. Interest may be imposed on all sums due, including assessments, fines,

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collection costs, and late charges, at an annual rate of 18%. Interest will be applied when turned over to the Attorney for collection.

Special assessments payable in installments which are delinquent more than thirty (30) days will be accelerated, and the entire unpaid balance of the special assessment may be due and payable immediately. Remaining balance subject to late charges and interest as provided above.

7. Payment Plan Policy: Request by homeowners for payment plans to cure assessment delinquencies will be considered by the Association on a case-by-case basis. There is no guarantee written or implied that a payment plan will be granted. The Association has sole discretion whether to approve a requested payment plan. The submission of a payment plan request to the Association does not delay collection proceedings, does not constitute a waiver by the Association of any default, and does not relieve the owner of the obligation to pay all assessments, late charges, collection costs, and interest when due. The homeowner must submit the request in writing, and not later than fifteen (15) days of receipt of a collection letter. The homeowner should describe in the request any circumstances, which the owner wishes the association to consider. The homeowner should also attach to the proposed payment plan a check for the amount of the first payment as proposed in the payment plan. If the owner wishes to submit a payment plan request after the owner has been contacted by the Association's attorney regarding the delinquent account, the request for a payment plan with all attachments should be remitted by the owner.

B. COLLECTION/ENFORCEMENT

In order to establish a standard method of collection for annual dues, the Board adopts the following policy:

1. Due date: Dues shall be paid no later than the scheduled as documented in paragraph (II)(A)(1) of each year.
2. Delinquency Notice: The Board shall issue only one (1) notice of delinquent dues and/or delinquent overdue charges for any year of collection of the annual dues.
3. Dues and/or overdue charges not received postmarked by the assessment schedule as outlined in paragraph (II)(A)(1), for the annual assessments shall receive a notice of delinquent dues and/or overdue charges. Payment shall be due fifteen (15) days from the date the delinquent notices are sent out. NOTE: If April 15th/October 15th, falls on a Sunday, then the Monday after that day shall become the due date that a payment must be postmarked by.
4. Liens. If dues and/or overdue charges are not paid within thirty (30) days of the final notice being sent, the Board of Directors may authorize a lien for homeowners' association dues to be filed and recorded against the individual owner's property.

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5. Delinquent dues and/or overdue charges not received by the postmarked due date of the delinquent dues and/or overdue charges notice may be referred to the HOA for collection by the attorney.
6. Collection by the attorney will require any and all costs of collection be paid to the attorney by the homeowner being collected from, in addition to the Dues and/or overdue charges owed. All funds owed to the HOA and collected by the attorney will be forwarded to the Board along with the records necessary for the Board to properly update its dues collection records.
7. All information necessary for the attorney to effect collection of overdue accounts shall be forwarded to the Attorney by the Board Secretary within fifteen (15) days of the postmarked due date of the delinquent dues and/or overdue charges notice.
8. Payments received after the postmark due date of the delinquent dues and/or overdue charges notice but no less than two (2) days before the collection list is forwarded to the attorney shall be accepted and properly recorded. Any payment received after the postmark due date of the delinquent and/or overdue charges notice will not be accepted and will be returned to the owner. The owner will then need to contact the HOA's attorney to arrange payment.
9. In addition to a lien, letter, or other collection effort, the Board may approve the filing of a collection action for delinquent assessments or other fines to be filed in the Scott District or Circuit Court. This action will cover all delinquent sums, late charges, and reasonable collection fees. Upon obtaining judgment, a judgment lien will be recorded against the landowner's property. Once this lien is recorded the property is subject to foreclosure. A copy of the judgment lien will be sent via first class mail to all owners of record.
10. The board will send one final letter before foreclosing on the property outlining the judgment lien, amount currently owed, and final date to pay before moving to foreclosure on the property.
11. Foreclosure: The association may institute a foreclosure proceeding to protect its judgment lien. Prior to commencing foreclosure, the association will offer to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such informal dispute resolution.

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in regular session and note the approval in the regular minutes of the association without identification of the name of the individual.

The Association's attorney will initiate foreclosure proceedings. A title search will be requested. Cost of title search is at the current rate charged by the Title Company or collection attorney. The initial cost to commence foreclosure is \$750.00, plus the costs of a title search, court costs, and other fees. The property owner is responsible for these costs and any other additional collection fees. Once a matter is turned over to the Association attorney, you will receive notification from them regarding the amounts

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owed. Do not pay the amount listed on the Association generated assessment statement as it will not contain the additional fees and costs. Once legal collection proceedings are begun, all correspondence/payments or telephone communications will be referred to the Association attorney's office.

All costs incurred by the foregoing actions are a charge to the account of the delinquent property owner and are subject to change. Collection proceedings will be terminated only after both Association assessments and all collection and legal fees have been received.

If a lawsuit or foreclosure procedure is initiated by the Association to recover delinquent assessments, or if the Association is forced to defend an action brought by an owner to contest assessments and/or related charges, the Association is entitled, as stated in the bylaws, to recover from the homeowner not only the amount in default, plus late charges, but also reasonable costs of collection, including title company charges and attorney fees.