

STATE OF SOUTH CAROLINA)
)
COUNTY OF BERKELEY)

**FINE AND ENFORCEMENT POLICY FOR CAINHOY TOWN
ASSOCIATION, INC.**

WHEREAS, the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions (Including Community Enhancement Fees) for Cainhoy Town was recorded in Book 3438, Page 785, of the Berkeley County ROD Office on July 27, 2020, as amended and supplemented from time to time (the "Declaration"); and

WHEREAS, pursuant to the Declaration and the Amended and Restated Bylaws attached thereto, Cainhoy Town Association, Inc., its management company, or delegate (collectively, the "Association"), by and through its Board of Directors, is authorized to promulgate rules and regulations governing the property subject to the Declaration; and

WHEREAS, the Association is desirous of recording its Fine and Enforcement Policy attached hereto as Exhibit "A" and Attachments 1 and 2, attached thereto, which are in effect as of the below stated date;

WHEREAS, the Fine and Enforcement Policy attached hereto as Exhibit "A" and Attachments 1 and 2, attached thereto, are subject to modification and amendment by the Association in accordance with the terms of the Declaration and Bylaws;

NOW, THEREFORE, KNOW ALL THESE PRESENTS, that Cainhoy Town Association, Inc. hereby records the Fine and Enforcement Policy attached hereto as Exhibit "A" and Attachments 1 and 2, attached thereto, which become effective thirty days from the date hereof.

IN WITNESS WHEREOF, the parties set their hands and seals this 12th day of April, 2021.

WITNESSES:

Cainhoy Town Association, Inc.

Jessie Houser
1st witness

By: Peter Olson
Name: PETER OLSON - DISTON
Association President

Anna Bumgarner
2nd witness

STATE OF SOUTH CAROLINA)
)
COUNTY OF BERKELEY)

I, the undersigned Notary Public, do certify that Cainhoy Town Association, Inc., by Peter Lawson-Munster, its President, appeared personally before me, and having satisfactorily proven to be the person whose name is subscribed above, have acknowledged the due execution of the within Instrument.

Witness my official seal this 12th day of April, 2022

Anna Bumgarner (SEAL)
Notary Printed Name: Anna Bumgarner
Notary Public for: South Carolina
My Commission Expires: 12/29/31



EXHIBIT "A"

FINE AND ENFORCEMENT POLICY FOR CAINHOY TOWN ASSOCIATION, INC.

This Fine and Enforcement Policy (the "Policy") establishes policies and procedures for the levy of fines within Cainhoy Town in compliance with Governing Documents and applicable law. To the extent any provision within this Policy is in conflict with the Governing Documents or applicable law, such provision shall be modified to comply with the Governing Documents and applicable law. Capitalize terms used herein without definition have the same meaning as delineated in the Governing Documents.

1. Policy. The Association uses fines to discourage violations of the Governing Documents, and to encourage compliance when a violation occurs. This Policy applies only to the Association's use of fines pursuant to the Governing Documents and all other rights and remedies and sanctions set forth in the Governing Documents. The Association's use of fines does not interfere with or constitute a waiver of, or otherwise preclude the exercise of, other rights and remedies for the same violation.
2. Owner's Liability. An Owner is liable for fines levied by the Association for violations of the Governing Documents by the Owner and/or the tenants, occupants, guests, invitees, employees, and agents of the Owner. Regardless of who commits the violation, the Association will direct all communications regarding the violation to the Owner.
3. Amount. The Association may set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, frequency, and effects of the violation. The Association may also establish a schedule of fines for certain types of violations. If the Association allows fines to accumulate, the Association may, at its sole discretion, establish a maximum amount for a particular fine, at which point the total fine will be capped.
4. Violation Notice. Except as set forth in Section 4(C) and (D) below, before levying a fine, the Association will give written notice of the violation (the "Violation Notice") in accordance with Section 3.23 of the Amended and Restated By-Laws of Cainhoy Town Association, Inc., Exhibit F to the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development and an opportunity to be heard, if requested by the Owner, pursuant to Section 5 herein. The Owner may have special rights or relief related to the enforcement action under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. app. §§ 501 et seq.), if the Owner is serving on active military duty. The Violation Notice may vary as follows:
 - (A) First Violation. In the case that the Owner has not been provided with a Violation Notice related to the same or similar violation(s) within the preceding twelve (12) months, the Violation Notice will state those items required by Section 3.23 of the Amended and Restated By-Laws of Cainhoy Town Association, Inc., Exhibit F to the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development. The Association may, in its sole discretion, waive the fine if the violation is cured within the time frame set forth in the Notice of Violation.
 - (B) Uncurable Violation/Violation of Public Health or Safety. If, in the Association's sole discretion, the violation is of an uncurable nature or poses a threat to public health or safety, then the Violation Notice shall – only to the extent applicable under the circumstances – state those items set out in Section 3.23 of the Amended and Restated By-Laws of Cainhoy Town Association, Inc., Exhibit F to the Second Amended and Restated Master Declaration

of Covenants, Conditions and Restrictions for Cainhoy Development, and the Association, in addition to all sanctions provided in the Governing Documents, has the right to levy a fine pursuant to the Schedule of Fines attached hereto as Attachment 1 or take other appropriate action without providing an opportunity to cure or a hearing.

- (C) Repeat Violations. If the Owner has been provided with a Violation Notice related to the same or similar violation(s) within the preceding twelve (12) months but commits the violation again, then the Owner shall not be entitled to additional Violation Notices or hearings as provided herein or pursuant to Section 14.3 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development, and the Association, in addition to all sanctions provided in the Governing Documents, the Association has the right to levy a fine pursuant to the Schedule of Fines attached hereto as Attachment 1 or take other appropriate action without providing an opportunity to cure or a hearing.
- (D) Ongoing Violations/Failure to Cure. After an Owner has been provided a Violation Notice as set forth herein and assessed fines in the amounts set forth in the Schedule of Fines, if the Owner never cured the violation in response to any Violation Notices sent or any fines levied, then the Association, in its sole discretion, may, in addition to the rights provided by Section 3.23 of the Amended and Restated By-Laws of Cainhoy Town Association, Inc., Exhibit F to the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development, determine that such a circumstance is a continuous violation which warrants a levy of a fine based upon a daily, monthly, or quarterly amount as determined by the Association in addition to any other remedies or sanctions set forth in the Governing Documents.
5. Violation Hearing. If the Owner is entitled to a hearing as provided herein or pursuant to the Governing Documents, then the Owner has the right to submit a written request to the Association for a hearing before a hearing officer appointed by the Association or a covenants committee (the "Covenants Committee") if established pursuant to Section 5.2 of the Amended and Restated By-Laws of Cainhoy Town Association, Inc., Exhibit F to the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development) and will be provided with a reasonable opportunity to be heard. To request a hearing, the Owner must submit a written request (the "Request") to the Association's manager or the Board (as identified in the Notice of Violation) within ten (10) days after receiving the violation notice. The Association must then hold the hearing requested no later than thirty (30) days after its receipt of the Request. The Association must notify the Owner of the date, time, and place of the hearing at least (10) days before the date of the hearing. The Association or the Owner may request a postponement, and if requested, a postponement shall be granted for a period of not more than ten (10) days. Additional postponements may be granted, but only by agreement of all parties. Notwithstanding the foregoing, the Association may exercise its other rights and remedies as set forth in the Governing Documents and applicable law.

Any hearing before a hearing officer (or the Covenants Committee, if established) will be held in a closed session. At the hearing, the hearing officer (or the Covenants Committee, if established) will consider the facts and circumstances surrounding the violation. The Owner shall attend the hearing in person, but may be represented by another person (e.g., attorney) during the hearing, upon advance written notice to the Association given at least three (3) days prior to the scheduled hearing. If an Owner intends to make an audio recording of the hearing, such Owner's request for hearing shall include a statement noticing the Owner's intent to make an audio recording of the hearing, otherwise, no audio recording of the hearing may be made, unless otherwise approved by the

Association. The minutes of the hearing must only contain proof of proper notice, a brief written statement of the results of the hearing, and the sanction, if any, imposed. However, if the Owner appears at the hearing, all notice requirements will be deemed satisfied. Unless otherwise agreed by the Association, each hearing shall be conducted in accordance with the agenda attached hereto as Attachment 2. The hearing officer may (i) enter into executive session with Association representatives to discuss the matter; (ii) issue a decision verbally at the hearing and adjourn the hearing; (iii) take the matter under advisement and adjourn the hearing; or (iv) adjourn the hearing.

If the Owner fails to appear at a scheduled hearing without requesting a postponement, that Owner waives the right to a further hearing or appeal and the proposed fine will be enforced in accordance with this Policy and the Governing Documents.

6. Right to Appeal. The Owner shall have the right to appeal the hearing decision within ten days after receipt of notice of the results of the hearing. To exercise this right, the Owner must deliver a written notice of appeal to the Association's manager (or the Board if there is no manager), the President of the Board, or the Secretary of the Board. The notice of appeal must contain the specific grounds on which the Owner is appealing the underlying decision. The appeal will be considered and decided by a hearing officer appointed by the Association. The hearing officer to the underlying hearing may not serve as the hearing officer to the appeal. The appeal is limited in its scope. The facts, issues, and arguments considered on appeal will be limited to those facts, issues, and arguments raised in the underlying hearing and, subject to this limitation, only those grounds cited in the notice of appeal will be considered. Based upon the information included in the Owner's notice of appeal, the hearing officer will make a determination as to whether a hearing is warranted. If it is determined that a hearing is warranted, the hearing will be conducted in a manner deemed appropriate in the hearing officer's sole discretion. The Owner will be provided with a reasonable opportunity to be heard at the hearing, subject to the limited scope of appeals delineated herein. The hearing officer may (i) enter into executive session with Association representatives to discuss the matter; (ii) issue a decision verbally at the hearing and adjourn the hearing; (iii) take the matter under advisement and adjourn the hearing; or (iv) adjourn the hearing.
7. Due Date. Fine and/or damage charges are due within 3 days if the violation is one described in Paragraph 4 (B) or (C). In all other cases, the fine and/or damage charges are due upon the later of: (1) the date that the cure period set out in the First Violation notice ends and the Owner does not attempt to cure the violation or the attempted cure is unacceptable to Association, or (2) if a hearing is requested by the Owner, such fines or damage charges will be due within 3 days after the final decision on the matter, assuming that a fine or damage charge of some amount is confirmed at such hearing. If the Owner appeals the hearing decision in compliance with Paragraph 6, the fines or damage charges will be due within 3 days of receipt Owner's receipt of the decision on appeal.
8. Lien Created. The payment of each fine and/or damage charge levied by the Association against the Owner is – together with interest and all costs of collection, including attorney's fees as herein provided and as provided in Sections 4.3, 8.1, 8.9, 11.7, and 14.5 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Developments – secured by the lien granted to the Association pursuant to Sections 4.3, 8.1, 8.6, 8.9, and 17.11 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development. Unless otherwise provided in the Governing Documents, the fine and/or damage charge will be considered an Assessment for the purpose of this Article and will be enforced in accordance with the terms and provisions governing the enforcement of assessments set forth in the Governing Documents.

9. Levy of Fine. Any fine levied shall be reflected on the Owner's periodic statements of account or delinquency notices.
10. Amendment of Policy. This Policy may be revoked or amended from time to time by the Association. This Policy will remain effective until the Association records an amendment to this Policy in the county's official public records.
11. Not Applicable to Certain Assessments. The policies and procedures prescribed herein do not apply to unpaid and/or delinquent assessments under Article 8 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development, except for Specific Assessments related to the violations described herein.

ATTACHMENT 1

Schedule of Fines

The Association has adopted the following general schedule of fines. The number of notices set forth below does not mean that the Association is required to provide each notice prior to exercising additional remedies as set forth in the Governing Documents. The Association may elect to pursue such additional remedies at any time in accordance with applicable law. The Association also reserves the right to set fine amounts on a case by case basis, provided the fine is reasonable in light of the nature, severity, frequency, and effect of the violation. Capitalized terms used herein without definition have the same meaning as delineated in the Fine & Enforcement Policy and if not defined therein, the Governing Documents.

VIOLATION:	FINE AMOUNT:
First Violation:	\$50.00 (may be avoided if Owner cures the violation by the time specified in the notice)
Uncurable Violation/Violation of Public Health or Safety/Repeat Violation	1st Notice \$75.00 2nd Notice \$100.00 3rd Notice \$500.00 4th Notice \$1000.00
Ongoing Violation/Failure to Cure:	Amount TBD on case-by-case basis

The Association reserves the right to adjust these fine amounts based on the nature, severity, frequency, and effect of the violation.

ATTACHMENT 2

HEARING

Note: The hearing officer will provide introductory remarks and administer the hearing agenda. Capitalize terms used herein without definition have the same meaning as delineated in the Fine & Enforcement Policy and if not defined therein, the Governing Documents.

I. Introduction:

Hearing Officer. We have convened for the purpose of providing [Owner] an opportunity to be heard regarding a notice of violation of the Governing Documents sent by the Association.

The hearing is being conducted as pursuant to Section 4.3 of the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development and Sections 3.23 and 5.2 of the Amended and Restated By-Laws of Cainhoy Town Association, Inc., Exhibit F to the Second Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Cainhoy Development. We may be able to decide the dispute at this hearing or we may elect to take the matter under advisement and conclude the hearing. If the matter is taken under advisement, a final decision will be issued in writing within fifteen (15) days.

II. Presentation of Facts:

Hearing Officer. This portion of the hearing is to permit the parties an opportunity to describe the violation and to present photographs or other material relevant to the violation, fines or penalties. We may ask questions during the presentation(s). It is requested that questions by [Owner] be held until the completion of the presentation by the Association's representative, if applicable.

III. Discussion:

Hearing Officer. This portion of the hearing is to permit discussion of the factual disputes relevant to the violation. Discussion regarding any fine or penalty is also appropriate. Discussion should be productive and designed to seek, if possible, a mutually agreed upon resolution of the dispute. We retain the right to conclude this portion of the hearing at any time.

IV. Resolution:

Hearing Officer. This portion of the hearing is to permit discussion regarding the final terms of a mutually agreed upon resolution, if such resolution was agreed upon during the discussion phase of the hearing. If no mutually agreed upon resolution was reached, we may: (i) enter into executive session with Association representatives to discuss the matter; (ii) issue a decision verbally at the hearing and adjourn the hearing; (iii) take the matter under advisement and adjourn the hearing; or (iv) adjourn the hearing.