**Rules and Regulations**

**For Charleston Harbor Homes Association**

**[Violation & Fine Enforcement Policy]**

The Charleston Harbor Homes Association (CHHA) has established and published the following rules and regulations as necessary for the enjoyment of the Owners. “Owner” shall mean the owner, whether one or more persons or entities, in fee simple of any Building, but excluding those having such interest merely as security for the performance of an obligation.

**1. Establishment of a violation**.

Any activity or condition continuing in/on any lot and/or home that is in direct opposition to the plat, declaration, articles of incorporation, covenants, restrictions, bylaws, rules and regulations and/or guidelines (referred to as “Association’s governing documents”), which is not expressly authorized by the Board of Directors, (hereinafter referred to as the Board) is deemed a “violation” under this enforcement policy for all purposes. The Board at CHHA has determined violations interfere with the enjoyment of the Owners

**2. Notice of Violation**.

**a. Initial Notice.** Upon verification of the existence of a violation by the Association, an initial violation letter will be sent to the defaulting Member, and if reasonably possible, to each such first mortgagee.

The initial notice will inform the recipient as follows:

(i) The nature, description and location of the violation; and

(ii) A request to remedy the violation; and

(iii) Notice that if the violation has already been corrected, that the Notice may be disregarded.

**b. Second Notice of Violation.** If the lot/home owner fails to remedy the violation and the violation is continuing, no earlier than ten (10) days from the initial notice (unless specifically provided for in the Association’s governing documents), the Association shall send the defaulting Member, and if reasonably possible, to each such first mortgagee a second notice of violation informing the recipient as follows:

(i) The nature, description and location of the violation and the failure of the lot/home owner to correct the violation, as previously requested; and

(ii) Notice that if the violation is corrected or eliminated within ten (10) days from the delivery of the second notice of violation, no further action will be taken; and

(iii) (Where applicable) work on any improvement must cease immediately and may not resume without expressed written approval of the architectural review committee; and

(iv) Failure to remedy or cease work on any subject improvement will result in the Association electing to pursue any one or more of the remedies available to the Association referenced in the governing documents or this enforcement policy. (See “c” below”)

**c. Failure to Remedy.** Failure to

(i) Cease all work immediately upon receipt of the second notice of violation, or

(ii) Remedy the current violation existing upon the lot/home within ten (10) days of the date of the second notice of violation (or sooner if specifically provided), shall constitute a continuing violation and result in one or more of the following:

(a) A fine being levied by the Association against the lot/home owner,

(b) Correction of the violating condition(s) by the Association at the expense of the lot/home owner through a special assessment being levied against the lot/home owner, which may be recorded as a lien against the lot/home, or

(c) Any other remedy under law or equity, the governing documents or this enforcement policy, including but not limited to injunctive relief. The Association shall send to the lot/home owner a formal **Notice of Fine**, informing the recipient of the continuing violation and the remedy chosen as a result thereof. The date of the **Notice of Fine** shall be the “Notice of Fine date.”

(d) Within the time limit specified in the notice, the defaulting Member may cure the default specified, or serve upon or mail a written notice to the Board requesting a hearing before the Board.

1. If a hearing is requested, the Board shall thereafter serve upon or mail to the defaulting Member, and if reasonably possible, to each such first mortgagee, a notice specifying the time and place for such hearing.
2. At the hearing, the Board shall take such evidence and hear such testimony as it deems necessary or desirable.
3. The Board shall not exercise any remedies to obtain relief from the default until the hearing is over and the Board has made its determination and served upon or mailed the same to the defaulting Member and, if possible, to each such first mortgagee.
4. The hearing may be continued from time to time as determined by the Board.

**d. Fine Structure.** At the board’s discretion, pursuant to the provisions of Paragraph 2, an initial fine may be imposed from $10 to $5,000 followed by fines imposed at the rate of $10 to $5,000 per occurrence, day, week or month, pursuant to the association’s fine schedule. **(See Note 1)**

**3. Corrective action.**

Pursuant to the governing documents of the Association, where a violation is determined to exist and referred to the Board and approved by a majority, the violation may be corrected, removed or otherwise abated by qualified contractors, if the Board reasonably determines that said correction, removal or otherwise abatement may be performed without undue expense and without breach of peace. Where the Association decides to initiate any action by qualified contractors, the following will apply:

**a**. The Association must give the lot/home owner and any third party directly affected by the proposed action prior written notice of undertaking of the action. The foregoing notice may be given at any time.

**b.** Cost incurred in correcting or eliminating the violation will be referred to the Association to be recovered from the lot/home owner as a special assessment as set forth in the governing documents.

**c.** The Association, and its agents and contractors, will not be liable to the lot/home owner or any third party for any damage or costs alleged to arise by virtue of action taken under this Paragraph 3 where the Association and its agents have acted reasonably and in conformity with this enforcement policy.

**4. Referral to legal counsel**.

Where a violation is determined to exist and is referred to the Board of Directors of the Association pursuant to any of the provisions of this enforcement policy and where the Board of Directors deems it to be in the best interests of the Association, the Board may, at any time during the enforcement process, refer the violation to legal counsel for action seeking injunctive relief against the lot/home owner to correct or otherwise abate the violation, or to pursue any other legal or equitable remedy that may be available to the Association.

**5. Notices**.

**a.** Any notice required by this enforcement policy to be given, sent, delivered or received in writing will be deemed to have been given, sent, delivered or received, as the case may be, the earlier to occur of the following:

(i) When the notice is hand-delivered or posted at the property.

(ii) When the notice is placed into the care and custody of the United States Postal Service, the notice is deemed delivered as of the date the notice is deposited into a receptacle of the United States Postal Service with postage prepaid and addressed to the most recent address of the recipient according to the records of the Association.

**b.** Where the interests of an owner in a lot and/or home have been handled by a representative or agent of such owner or where owner has otherwise acted so as to put the Association on notice that its interests in a lot has been and is being handled by a representative or agent, any notice or communication from the Association pursuant to this enforcement policy will be deemed full and effective for all purposes if given to such representative or agent.

**6. Cure of violation during enforcement**.

A lot/home owner may correct or eliminate a violation at any time during the pendency of any procedure prescribed by this enforcement policy. Upon verification by Association that the violation has been corrected or eliminated, the violation will be deemed no longer to exist and the notice of violation voided. The lot/home owner will remain liable for all costs, fines and attorney fees and costs under this enforcement policy, which said amounts, if not paid upon demand thereof by Association, will be referred for collection as an assessment pursuant to the governing documents. If a violation should reoccur during a six (6) month period, the violation shall continue on the violation process where the last notice was given.

**7. Foreclosure of Lien:**

If any assessment made pursuant to the provisions hereof by the Association remains unpaid for thirty (30) days after the date upon which it is due, it may be foreclosed by suit by the Association in a like manner as a mortgage (or deed of trust) of real property. The Association shall have the power to bid at the foreclosure sale and to acquire and hold, lease, mortgage and convey any property acquired as a result of a successful bid. Suit to recover money charged for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same.

**a. Limitations on Foreclosure of Lien:** The right of the Association to exercise any of its rights of foreclosure pursuant to Paragraph 7 shall be subject to the following limitations:

(i) The Association shall have previously given notice to any holder of a First Deed of Trust which might be affected thereby, of any default by the Owner of a Building, which default has not been cured within thirty (30) days in the performance of such Owner’s obligations under the Association’s governing documents.

(ii) Any holder of a First Deed of Trust who comes into possession of a Building pursuant to the remedies provided in the Deed of Trust, or any similar mortgage, or foreclosure of the Deed of Trust, or Deed (or Assignment) in lieu of foreclosure, shall take the Residential Tract and/or Building free of any claims from the Association for unpaid assessments or charges against the Building subject to such Deed of Trust which accrue prior to the time such holder comes into possession of the Building.

**NOTE 1:** **Fine Policy/Schedule** When a lot/home owner (including any family member, resident, occupant, visitor, guest, agent, licensee or tenant of the owner) violates the provisions set forth in the Association’s governing documents (i.e., plat map, CC&Rs, articles of incorporation, bylaws and/or rules and regulations), there shall be grounds for assessment of a monetary penalty/fines and the violating owner shall be deemed responsible for such violation(s) and the fine assessed.

If the violation continues past default, a fine or penalty may be assessed against the lot/home owner and will be made due and payable if the violation continues to exist. The penalty shall be considered a personal liability of the lot/home owner. The following schedule is the time frame an owner has to cure his/her/their/its violation before the association may reassess the status of the violation:

1. Scheduled Time for Correction
2. Initial Notice of Violation – Remedy or cure violating condition(s) within 10 days, no fine will be assessed.
3. Second Notice of Violation – Notice that fine is pending. Remedy or cure violating condition(s) within 10 days, no fine will be assessed. (Final opportunity to comply)
4. **Third Notice of Violation/Notice of Fine** - A fine of $20.00\* per day shall be levied for up to 10 days for each violation not yet corrected or remedied.
5. Fourth and subsequent notice of violation, which may be assessed without further notice until the violation is cured - A fine of $50.00\* per day shall be levied for each violation not yet corrected or remedied.

\* Charleston Harbor Home’s Association, through its Board of Directors, reserves its right to alter time line and fine amount under circumstances that it determines are just in the board’s sole discretion.