

Assessment and Infraction Policies

[enforcement of policies and procedures]

All owners, by acceptance of a deed are responsible for payment of all dues and fines. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten (10%) percent per annum.

- 1) Annual dues, late charges, interest, collection costs and any legal fees are the personal obligation of the owner of the property at the time of the assessment.
- 2) Annual dues are due and payable of the due date noted on the notice that is mailed out. Payments can be made in any increment and at any time, if the sum total is paid by the due date.
- 3) Any payments made shall be first applied to legal fees, collection expenses, fines and interest and then applied to any delinquent dues owed, unless the owner and that Association enter into a written agreement providing for payments to be applied in a different manner.
- 4) When any regular or special assessment remains unpaid thirty (30) days past its due date, said assessment shall be subject to a late charge not exceeding ten percent (10%) per annum.
- 5) In accordance with South Carolina Code, the Board of Directors shall impose interest on all sums, including the delinquent dues, reasonable costs of collection, and the late charges, at ten percent (10%) interest per annum, commencing thirty (30) days after the assessment becomes due.

- 6) When any assessment remains unpaid thirty one (31) days past its due date, the Association, through its Board of Directors shall mail a Pre-Lien Notification to the owner by certified mail and first class mail, the owner's mailing address of record advising the property owner of the delinquent status of the account and impending collection action. The owner will be charged a fee for the Pre-Lien Notification and any other operation costs incurred, which shall be charged to the delinquent member's account.
- 7) Within fifteen (15) days from the date of the postmark of the Pre-Lien Notification, a delinquent owner may submit a written request to the Association to meet with the Board of Directors to discuss a payment plan for the amount set forth in the Pre-Lien Notification letter. The Board shall meet with the delinquent homeowner in executive session within forty five (45) days of the date of the postmark of the written request. Each request is handled on a case by case basis. The Board is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's property interests to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches the approved payment plan, the Association may resume its collection action from the time the payment plan was approved.
- 8) If an owner fails to pay the amounts set forth in the Pre-Lien Notification, the Board shall decide by majority vote in an open meeting, whether to record a Notice of Delinquent Assessment (Lien) for the amount of any delinquent assessments, late charges, interest and or costs of collection. The lien may be enforced in any manner permitted by law, including without limitation, a small claims judgement, judicial or non-judicial foreclosure. Owners are

responsible for any charge associated with the release of the Association's Lien upon full reinstatement of the delinquent member's account.

- 9) The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the distressed parcel number of the owner's property.
- 10) If after thirty (30) days from recording the Notice of Delinquent Assessment, the Association may turn the members account over to the Association's Attorney or Trustee to enforce the lien by proceeding with judicial action. The Association is authorized to charge the owner reasonable costs of collection for any action utilized.
- 11) An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed on their account pursuant to South Carolina Corporations Code Section 33-31-1602. If it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interest, and costs of collection associated with collection of those assessments.
- 12) Owners have the right to provide a secondary address for mailing for the purposes of collection to the Association. The owner's request shall be in writing and be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if at any time the secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

- 13) Prior to the recordation of the release of any lien or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association. The mailing address for overnight payments of Assessments is 5917 Rahnavard Blvd. Myrtle Beach, SC 29588.; unless the account has been turned over to the Association's Trustee or Attorney, then the owner would need to call said party for the full amount owed and their correct mailing address.
- 14) The foregoing policies and practices shall remain in full force and effect until such time as they may be changed, modified, or amended in the entirety, by a fully adopted Resolution of the Board of Directors of Caspian Village Home Owners' Association. This policy is subject to change upon thirty (30) days written notice.
- 15) The policy regarding fines for not adhering to the rules, covenants, restrictions and regulations of the Association, the following is the policy and procedure for such action and the consequences for failure to comply;
 - (a) Any infractions of the rules, regulations, covenants, restrictions, bylaws and policies of the Association will be dealt with by at least two members of the Board of Directors and a written warning of such infraction will be issued. The warning will be attached to the front door of the residence and a copy of said notice will be mailed to the property owner on the same day, outlining the reasons why the property is not in compliance with the rules, regulations, covenants, restrictions, bylaws and policies of the Association.
 - (b) The warning provides a resident/owner of the property to rectify the infraction within 7 days of the warning date or face a fine of one hundred dollars (\$100). The fine will accrue interest at a rate of 10% per annum and be added to the member's account.

- (c) If the infraction is not addressed 14 days after the date of the initial warning of the infraction, the property owner has not rectified said infraction to the satisfaction of the two Board members issuing the warning, a second fine of two hundred (\$200) can be levied to the member's account that will accrue at 10% per annum.
- (d) If the infraction is not addressed 21 days after the date of the initial warning of the infraction, the property owner has not rectified said infraction to the satisfaction of the two Board members issuing the warning, a third fine of three hundred (\$300) can be levied to the member's account that will accrue at 10% per annum.
- (e) If the infraction is not addressed 28 days after the initial warning of the infraction, the property owner has not rectified said infraction to the satisfaction of the two Board members issuing the warning, the Board will convene and proceed action upon the owner described and outlined in the rules, regulations, covenants, restrictions, bylaws and policies of the Association. The owner faces a lien on the property for the full amount of all the fines, the interest, costs of administering the lien/foreclosure, attorneys' fees, and any other costs the Association has regarding this action.