

## HAMPTON POINTE PROPERTY OWNERS ASSOCIATION PAYMENT & COLLECTION POLICY

Updated Dated: September 19, 2018

The following is the procedure adopted by the Hampton Pointe Owners Association regarding the collection of assessments. Pursuant to and in accordance with the covenants and the bylaws for the Association, the Board of Directors adopt the following as a policy of the Association:

1. The importance of paying Owners Association fees in a timely fashion will be stressed to the owners and that the prompt payment reduces administration and legal costs for the Owners Association which represents a saving for all the owners. Of course, in order for the Owners Association's Board of Directors to adequately maintain the common areas properly, it is necessary that each owner contribute by paying the Owners Association assessments and in the event that an owner fails to pay their assessments then the other owners are effectively having to make involuntary contributions toward the maintenance of such non-contributing owner=s property.

2. The policy ultimately adopted by the Board should be followed without exception and without any favoritism. Prior to the imposition of the policy the members will be informed in advance of the policy and those that are delinquent will be placed on notice that if they do not bring their balances current within thirty (30) days of the date of the policy notice then their account will be referred to legal counsel for collection.

3. The Owners Association Assessments should be approved on an annual basis, and the owners shall be given the option to pay the assessment over a periodic basis (i.e. monthly or quarterly, in advance) **only if** the payments are made on a timely basis. Payments will be made on the first (1<sup>st</sup>) of the month and shall be considered late and in default on the fifteenth (15<sup>th</sup>) of the month and a fee of \$25.00 shall be imposed at that time. In the event of a default the Owners Association will proceed to collect the entire assessment for the year and not just for the portion of the year that has passed.

4. In the event that any payment is not made within fifteen (15) days of the date that it is due then the Owners Association Property Manager should send the delinquent owner a notice of delinquency.

5. In the event that any payment is not made within forty-five (45) days of the date it is due the account will be referred to legal counsel for collection action. At this time the legal counsel is to notify the owner by letter of the default, and indicate that the owner will pay all costs incurred by the Owners Association in collecting the indebtedness and that such amount shall be added to the delinquent owners outstanding balance.

6. Once referred to the Owners Associations counsel the goal will be to collect the funds as quickly as possible or, in the event that the ability of recovery is unlikely, then the goal shall be to proceed with the foreclosure as quickly as possible. While such action may result in the Owners

Association incurring legal fees that it will not recover, it is designed to force a change in ownership to someone who will pay the assessments in a timely fashion.

In the event an owner fails to pay assessments within seventy-five (75) or more days from the date due, then the Owners Association will file a notice of lien and commence a foreclosure action to foreclose the unit of the Owner failing to pay the property owners assessments. In the event that the property is being leased, then the Owners Association may petition for the appointment of a receiver in accordance with South Carolina Code of Laws 15-65-10 if deemed advisable by the Associations property manager and legal counsel.

A recap of the above deadlines is as follows:

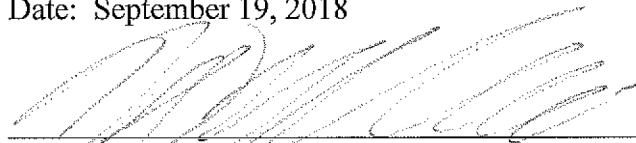
1 <sup>st</sup> of the month	Payment Due
15 <sup>th</sup> day of the month	late fee of \$25.00 and reminder notice
45 days from due date	referred to regime legal counsel for collection
75 days from the due date	file notice of lien and commence civil suit and/or foreclosure

7. In order to address unusual and non-recurring financial problems that arise from time to time, the Board hereby adopts the following procedure for owners to apply for a waiver of late fees, payment arrangements, or a deferral of Owners Association assessment payments. The following procedures will be observed:

- a) Community Manager may waive up to \$1K in late fees without Board approval. Only the Board may waive POA fees and Specific Assessments.
- b) An owner seeking to make payment arrangements must do so in writing stating the reason they were late and what arrangements they would like to propose. The letter should be sent to the Community Manager. The Community Manager is authorized to make payment arrangements with the owners and consult with the HOA attorney. Owners who are delinquent over \$2K, the owner is required to sign a Confession of Judgment when making payment arrangements. This will be in effect until the account is paid in full.
- c) An owner seeking a deferral shall apply to the Board of Directors no later than fifteen (15) days after the date in which the assessment payment is due. The Petition shall outline and provide supporting documentation justifying the reasons for the inability to make the payment, how this situation will be rectified and what measures are being taken to protect the Owners Association;

- d) No deferral will be for a period in excess of three (3) months;
- e) Before becoming effective, such deferral must be approved by a majority of the members of the Board of Directors based upon the reasons for such deferral, the method of securing payment, the financial condition of the Owners Association and such other factors as may be considered important by the Board;
- f) An owner shall only be entitled to one deferral for any 12 month period; and
- g) The Board shall document that such deferral has been provided and the reasons for such deferral.

Date: September 19, 2018



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Steven Brumfield – Board President