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HIDDEN COVE

PROPERTY OWNERS ASSOCIATION

A NOTICE FROM THE BOARD OF DIRECTORS ADDRESSING PROCEDURES FOR THE COLLECTION OF DELINQUENT ASSESSMENTS

It is and shall always remain the focus of the Board of Directors to provide leadership and a pleasant environment for all of the POA members. To accomplish this goal the Board of Directors must actively and relentlessly enforce the Covenants and By-laws of the POA to continue to make Hidden Cove a better place for all of us to live, and protect our property values. It has come to the attention of the Board of Directors that some provisions of the Declaration and By-laws concerning Assessments may need further clarification. In an effort to clarify the manner in which Assessments are paid and delinquent Assessments are collected, the Board of Directors has decided to give notice to the POA members of the manner in which they follow and you as a member can reference in making sure all assessments are paid and delinquent Assessments are collected. This notice is merely informing you, the POA members, of the details of the formal procedure in which the Board of Directors and the property manager will proceed in billing and collecting assessments pursuant to the Declaration and By-laws already in place. In no way is this document meant to establish a new procedure or amend the provisions in the Declaration or By-laws, but only to provide details and information as to how the Declaration and By-laws are enforced and clarification on how the Board of Directors and property manager will address these issues where the Declaration or By-laws may be vague or not address details. If any further clarification is desired, please contact the Board of Directors or the property manager.

ASSESSMENT COLLECTION POLICY

1. **Assessment Billing Cycles.**
 - (a). **Annual Assessments.** Annual Assessments shall be billed prospectively. Current Owners shall be billed for the full fiscal year. New Owners shall be billed pro-rata from the date of purchase.
 - i. **Annual Assessment Notice.** The Association shall send written notice to all Owners of the annual Assessment rate no later than thirty (30) days before the start of the fiscal year (June 1st). Notices will be mailed to the last address provided for each Owner. Failure to send notice does not constitute a waiver to pay in full by June 1st. In such cases, payment should be sent in the amount of the previous year's assessment rate.
 - (b). **Special Assessments.** Special assessments shall be billed on an as-needed basis in accordance with the governing documents.
2. **Due Dates.** All assessments shall be due and payable in such manner and at such time as the Board of Directors may establish, with the following exceptions:
 - (a) **Annual Assessments.** Annual Assessments shall be due and payable on the first day of each fiscal year, or June 1st.
 - (b) **Transfer of Title to a Lot.** The Board of Directors may require advance payment of Assessments prior to closing of the transfer of title to a Lot.
 - (c) **Delinquent Assessments.** In the event an Owner is delinquent in paying any Assessment(s), the Board of Directors may require the outstanding balance on all Assessments be paid in full immediately.

3. **Payments.** Payments are applied to the oldest invoice. Payments on delinquent Assessments shall be applied first to Assessments owed; then, after the Assessments are paid in full, to interest charges, collection costs, and any other charges. However, the Association and the Owner may enter into a written agreement for payments to be applied in a different manner.
- (a) **Payment Address.** The mailing address for payment of Assessments is:
Hidden Cove POA
c/o Spectrum Properties, Inc.
PO Box 105007
Atlanta, GA 30348-5007
 - (b) **Account Number.** The Owner account number must be indicated on any payment received. Failure to indicate an account number may result in refusal of the payment. In such cases, the Owner is responsible for any interest charge(s) and other fees resulting from such payment processing delays.
 - (c) **Online payment.** Credit card payments are accepted online at www.smartstreet.org. A processing fee of \$9.95 is charged per credit card transaction.
 - (d) **Overnight Payment Address.** The mailing address for payment of Assessments by overnight delivery before the matter is referred to a lien service or collection agency is:
Hidden Cove POA
c/o Spectrum Properties, Inc.
1126 Lango Avenue
Charleston, SC 29407
 - (e) **Receipts.** Any Owner may request a receipt from the Association which shall indicate the date of payment and the person by whom it was received. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment).
4. **Delinquency.** Any Assessment not paid on or before the date thirty (30) days following its due date shall be deemed delinquent. Delinquent Assessments shall be subject to the following:
- (a) **Delinquent Assessment Interest.** In the event an Owner fails to pay any Assessment within thirty (30) days following its due date, the outstanding balance due shall bear interest from the due date at a rate equal to the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum rate provided by applicable law, compounded monthly, until paid in full. Delinquent Assessment interest shall be added to the amount of the delinquent Assessment(s) and collected as a part thereof.
 - (b) **Courtesy Notice.** At that time at which an Assessment becomes delinquent, the Association, acting through its treasurer or managing agent, shall send written notice via USPS First Class Mail to that related Owner stating the past due amount and requiring immediate payment of that amount in full.
 - (c) **Suspension of Certain Member Rights.** In the event an Assessment is delinquent, the Board of Directors may suspend that Owner's right to vote in the Association and that Owner's right to access any Common Areas, excluding the right of ingress and egress, for a period not to exceed sixty (60) days for the infraction of the published rules and regulations, continued infractions will last beyond the sixty (60) day period.
 - (d) **Formal Collection Action.** Once an Assessment is Delinquent for more than ninety (90) days, or more than one hundred twenty (120) days following its due date, that Owner account shall be turned over to the Association's attorney to initiate formal collection action. Such action may include exercising any and all rights and powers available to the Association under the Declaration, By-laws, and South Carolina law, including but not limited to the filing of a Notice of Lien in the Charleston County RMC Office concerning the Lot and initiating a foreclosure of the Association's lien against the Lot.
 - i. **Demand Letter.** The Association's attorney, upon engagement by the Association for the purpose of collection, is authorized to issue a demand letter to

the Owner to make payment in full to the Association of all sums owing within thirty (30) days.

- ii. Notice of Lien; Notice of Intent to Foreclose. If payment in full is not received within thirty (30) days following the demand letter; or, if other acceptable payment arrangements are not established; the attorney is authorized to file a Notice of Lien or similar instrument in the Charleston County RMC Office concerning the Lot, putting members of the public on notice of the delinquent Assessment and the fact that the debt is secured by a pre-existing lien against the Lot. Concurrent with the filing of a Notice of Lien, the attorney is authorized to deliver to the delinquent Owner a Notice of Intent to Foreclose letter, or similar notice, giving the Owner notice of the intention of the Association to post the property for foreclosure sale at public auction if the amount owing is not paid in full.
- iii. Foreclosure Postings. If an Owner fails to make payment in full or to make other acceptable payment arrangements by the deadline established in the Notice of Intent to Foreclose, or similar notice, the Board shall vote as to whether to post the Lot for foreclosure. In general, such Lots shall be posted for foreclosure, unless extenuating circumstances dictate otherwise. If and when the Board votes to post a Lot for foreclosure, the Board or its designee shall instruct the attorney to complete the posting. No Lot shall be posted for foreclosure without such Board consent.
- iv. Foreclosure Trustee. In order to facilitate the timely processing of foreclosure postings, if any, the Board hereby designates the Association attorney as the foreclosure trustee for the Association, and grants to such individual the authority to designate or appoint one or more substitute trustees, as may be desirable or necessary to effectuate any related foreclosure sales.

OR

- (d) Formal Collection Action. Once an Assessment is delinquent for more than ninety (90) days, or more than one hundred twenty (120) days following its due date, that Owner account shall be turned over to the Association's attorney to initiate formal collection action. Such action may include exercising any and all rights and powers available to the Association under the Declaration and South Carolina law, including but not limited to the filing of a Notice of Lien in the Charleston County RMC Office concerning the Lot, initiating a foreclosure of the Association's lien against the Lot, and pursuing a judgment against that Owner personally for the full amount owing.
 - i. Decision to Engage Attorney. Before the Association attorney pursues any formal collection action for delinquent Assessment(s), the Board of Directors shall, in an open meeting, approve the decision by a majority vote of the Directors present. The vote shall be recorded in the minutes of that meeting.

6. **Miscellaneous.**


- (a) Delinquency Report. The treasurer shall prepare, and the Board of Directors shall review, at least quarterly, a delinquency report showing the status of all Owner accounts with delinquent Assessments.
- (b) Costs of Collection. Any costs, including attorneys' fees, recording costs, title reports and/or court costs incurred by the Association in the collection of delinquent Assessment(s) shall be added to the amount of the delinquent Assessment(s) and collected as a part thereof.
- (c) Costs of Corrective Action Incurred by Association. If any Owner (either by his or her conduct or by the conduct of any occupant) fails to perform any act that he/she is requested to perform by the Declaration, the By-laws or the rules and regulations, the Association may, but shall not be obligated to, undertake such performance or cure such

violation and shall charge and collect from said Owner the entire cost and expense, including reasonable attorney fees, of such performing or cure incurred by the Association. Any such amount shall be levied against the related Owner account and shall be due and payable immediately following notification of such charge, and the Association may record the lien for said amount in the same manner and to the same extent as if it were a lien for Common Expenses.

- (d) Waiver. Failure of the Board of Directors, the Association, any Owner, or the property manager to enforce any procedure delineated in this policy herein contained shall in no event be deemed as a waiver of the right to do so thereafter.
- (e) Conflicts. To the extent that this Assessment Collection Policy may conflict with the Declaration or South Carolina law, the South Carolina law and Declaration, respectively, shall control.
- (f) Authority to Vary from Policy. In handling any particular delinquent Assessment(s), the Board of Directors retains the authority to vary from this Assessment Collection Policy as may be appropriate given the particular facts and circumstance involved, so long as the related action is in compliance with the Declaration, By-laws, and South Carolina law.

I certify that the foregoing A Notice from the Board of Directors Addressing Procedures for the Collection of Delinquent Assessments and Assessment Collection Policy constitutes the original A Notice from the Board of Directors Addressing Procedures for the Collection of Delinquent Assessments and Assessment Collection Policy of Hidden Cove Property Owners Association, Inc., as duly adopted at a meeting of the Board of Directors, held on the 1st day of September, 2010 and have executed the A Notice from the Board of Directors Addressing Procedures for the Collection of Delinquent Assessments and Assessment Collection Policy this 2nd day of January, 2019.

HIDDEN COVE PROPERTY OWNERS
ASSOCIATION, INC.



By: Richard M. Lauve
Its: President

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Filed By:

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