

I'ON ASSEMBLY, INC.
COLLECTION POLICY
REVISED April 12, 2018

WHEREAS, ARTICLE II, 2-104 of the Covenants, Conditions, Restrictions and Easements specifies the duty and obligation of each Titleholder to pay assessments to fund the expenses which the Assembly incurs or expects to incur and sets forth the obligations that may be imposed for failure to pay assessments, including the obligation to pay late charges in such amount as the Board of Trustees may establish by resolution, AND interest computed from the Due Date at a rate of 10% per annum or such higher rate as the Board of Trustees may establish, subject to limitations of Applicable Law, on delinquent assessments, AND the costs of collection including reasonable attorney fees; AND

WHEREAS, the Assembly has contracted with a professional management company to provide management services and supervision over certain contract services to the Assembly; AND

WHEREAS, the Board of Trustees has determined the need to amend the previously approved Collection Policy,

NOW THEREFORE, be it resolved that the Board of Trustees has elected to authorize its management agent to carry out the following amended policy with respect to all delinquent accounts, reserving to itself the right to modify or intervene in certain cases, as the Board sees fit.

- Payments of assessments are due on the date specified on the invoice (the “Due Date”) and will be delinquent after the final day of the month in which the Due Date occurs. (For example, if the due date is January 1, payments will be delinquent as of February 1.) **When payment becomes delinquent, the Titleholder shall be charged a late payment fee of \$50.00**, AND interest will be charged at 10% per annum, computed from the Due Date on the unpaid balance. In addition, a \$10 administrative fee will be charged.
- If payment is not received by the end of the second month following the Due Date, **the Titleholder shall be charged an additional late payment fee of \$100.00**, a second late notice will be sent, and a \$25 administrative fee will be added.
- If payment is not received by the end of the third month following the Due Date, **the Titleholder shall be charged an additional late payment fee of \$150.00** and the management company shall refer the account to legal counsel to file a lien on the Titleholder’s property. The Titleholder shall be responsible for all costs, expenses and fees associated with the collection of the delinquent assessment, including reasonable legal fees, whether or not suit is filed, as provided for in the Declaration of Covenants. Additional administrative fees of \$75 will be charged.

NOTE: If the assessment bill is returned due to an incorrect address, the management company shall perform the following actions:

- Check the Charleston County tax records to verify the address on file for tax bills and/or

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- Verify the Titleholder's correct address by either calling any number listed in the Titleholder's record, and by consulting with the Finance Committee and/or the full Board as specific circumstances dictate.
- The performance or non-performance of this additional address verification by the management company shall not relieve the Titleholder of responsibility for any late fees, interest or legal expenses.
- When the account becomes 120 days past due and the amount of the delinquency (whether from annual assessments, fines or other amounts) exceeds \$1,000.00, including applicable late fees, interest, collection costs and attorney's fees, as well as any outstanding fines for violation, foreclosure action shall be authorized against the delinquent Titleholder. When foreclosure action is necessary, the Collections Attorney will continue to take action against the property owner, even if the past due amount falls under \$1,000 because of partial payments, until the balance is paid in full.
- Payment Plans: In cases of demonstrated hardship, and prior to referral to legal counsel for collection, the Board of Trustees may authorize the management company to accept a payment plan offered by the delinquent Titleholder; provided, that the proposed payment plan meets the following criteria:
 - The proposed plan requires the Titleholder to immediately sign a payment agreement and pay 25% of the total fees owed to the Assembly, including the annual assessment and any applicable late fees, collection costs and attorney's fees, including a one-time \$30.00 SCS administrative fee (the "Initial Lump Sum Payment"); and
 - The proposed payment plan requires the Titleholder to pay the remaining balance owed the Assembly in no more than three additional monthly payments following the Assembly's receipt of the Initial Lump Sum Payment; and
 - In the event that a single payment is missed, the entire payment plan shall become null and void and the remaining balance shall become due immediately, and the Assembly shall proceed with the appropriate collections actions in accordance with the policy.

The Board of Trustees reserves the right to modify this policy at any time in its sole discretion.

This is to certify that the Board of Trustees adopted the Revised Collection policy by unanimous consent, effective April 16, 2018, until such date as it may be modified, rescinded or revoked.