

# Shelter Island Heights Property Owners Corporation

## Revised Assessment Collection Policy

Effective: December 5, 2015

The Shelter Island Heights Property Owners Corporation ("SIHPOC") collects yearly assessments from its members to fund the delivery of essential services, such as high-quality drinking water and sewage treatment as well as the maintenance of Heights' properties and roads, including but not limited to the Beach Club, the tennis courts and parks, and the provision of various other services to the members. Annual invoices are sent to members in mid-February for an entire calendar year. Payments are due in full by April 30 or, if preferred, in three installments (March 31; June 30; and, September 30). The SIHPOC will entertain other payment schedules in certain situations, such as where a member's employment cash flow does not align with the SIHPOC's specified payment schedule. The SIHPOC mails a cover letter with its annual invoices explaining the process and thereafter sends out payment reminders for unpaid invoices.

Once a payment has been missed, the SIHPOC begins accruing interest on the outstanding balance. The SIHPOC By-Laws provide for penalty interest to be assessed against a member (currently at a rate of 1% per month) on unpaid balances, which will also include accrued interest. When invoices are over 45 days in arrears, the SIHPOC will mail a 10-day *Notice to Cure* letter for unpaid fees and make a reasonable attempt to contact the property owner through other avenues. If the payment deficiency is not brought current within the 10-day cure period, the SIHPOC will record a lien for the outstanding amount on the member's property. Legal and other expenses incurred by the SIHPOC in connection with the recording of a lien shall be added to the outstanding balance.

In the event that: (i) payment deficiencies are not brought current within 120-days of their original due date; or (ii) a member does not provide the SIHPOC with an acceptable written explanation for such deficiency with a written plan to pay off the deficiency within such 120-day period, the SIHPOC may initiate the process of terminating utilities provided by the SIHPOC to the delinquent member's property.

In the event that a member enters into an agreement with the SIHPOC to pay off a deficiency in a member's assessments and the member breaches such agreement, the SIHPOC shall have the right to immediately terminate water and/or other services to a member's house or structure and such terminated services shall not be reestablished to such house or structure unless the member or a new owner of such property pays a \$4,000 re-connection fee for each service to be reconnected.

While most delinquent members have always paid their assessments within a reasonable period after gentle prompting, since 2010 the number, size, and duration of the delinquencies have grown so dramatically that it has unfairly burdened the other members requiring them to shoulder these financial delinquencies to fund the budget of

the SIHPOC. Thus, the current policy of merely charging interest and placing liens on delinquent properties is no longer an effective means of enforcement.

As this is a small community, the SIHPOC has endeavored to protect the identity of its delinquent members, even from the Board. However, members should be aware that such identity protections may no longer be possible with the commencement of this new Assessment Collection Policy.