

To: Hakone Homeowners – emailed On 11-28-2020

From Hakone Directors:

Florrie Paige H13
Claire Franklin H8
Michael Sinz H7

Re: Request for no interest charge on late regime payments

Several homeowners have requested relief regarding the payment of their quarterly obligations to the Hakone Association.

We as Hakone homeowners are not only in the midst of the challenges of COVID, but are also in need to continue necessary operations and the continuance of a large building wide construction project that impacts all units and owners, both with the value of their property and the physical integrity of the structure. It is essential that all Hakone owners do not fall behind in the payment of their quarterly regular and special assessments. We understand that with rental income down, this may be difficult for you if you depend on rental income to make your ownership payments. However, the expenses billed to all of us in November, which include property taxes, Smugglers' third quarter expenses, and our fourth quarter Hakone regime statement were not unexpected.

As your Directors, we would be able to suspend the 5% late charge and the finance charges on any of your existing late payments if you provide a signed guarantee that you will pay your future amounts due 1/3rd on or before the last day of each month after the invoice is issued.

Should you elect to use the monthly payment option, the first monthly payment of 1/3rd of the remaining balance for this year will be due on November 30, with another 1/3rd due on the last day of December 2020, and the final 1/3rd due on or before the last day of January 2021. Your fourth quarter payment will therefore be paid in full before the next quarterly installment is issued on February 1, 2021.

If you are able to make these payments as outlined above, and wish to continue with this monthly option into 2021, please plan your budget to include the payment of the monthly amount, 1/3 of the quarterly total, due to be received in the SNHA office no later than the last day of each month following the date of the invoice being issued. If you use this option accordingly, the late fees and interest charges will be waived. If you fail to meet this monthly schedule, the 5% late charges and finance charges will be reinstated on the total amount due on the 1st of the month following the failure to pay.

For example:

- 4th Quarter Installment 2020 – monthly payments with 1/3 of the total due to be paid each month on November 30, December 31, January 31, 2021 (**total due no later than January 31, 2021**)

- 1^s Quarter Installment 2021 – invoice issued February 1, with 1/3 due each month
February 28, March 31, April 30
- 2nd Quarter Installment 2021 – invoice issued May 1 with 1/3 of the total due each month
May 31, June 30, July 31
- 3rd Quarter Installment 2021 – invoice issued August 1 with 1/3 of the total due each month
August 31, September 30, October 31
- 4th Quarter Installment 2021 -invoice issued Nov. 1 with 1/3 of the total due each month
November 30, December 31, January 31

Due to the Vermont travel restrictions related to COVID 19, it is unlikely that rental income will return to meet our previous expectations for quite some time, You may want to take advantage of the very low interest rates available at the present time and refinance your unit, or take out a loan to cover the expenses you are finding difficult to pay. Suggestions that Hakone should borrow funds on behalf of the homeowners is not an option at this point.

Please consider your long-term expenses and calculate whether it may be time to sell your unit.

If these arrangements meet your current needs, please be in touch with Joe Ingram (joe@snha.net) to obtain the necessary paperwork which you will need to sign and return promptly.

Payments may be made via credit card on the snha.net web page - <https://snha.net/product/member-fees/>

Stay safe and healthy,

Your Hakone Regime Directors