

**ST. ALBAN'S SQUARE NEIGHBORHOOD ASSOCIATION, INC.
COLLECTION POLICY**

I. DEFINITIONS

OWNER: The legal owner or co-owners of a Lot (house or undeveloped lot) in the St. Alban's Square Community.

MANAGEMENT COMPANY: The Property Management Company (i.e.; Abbott Enterprises, Inc.) contracted by St. Alban's Square Neighborhood Association, Inc. to handle its business affairs.

II. CHARGES

A. Authority

The authority for the St. Alban's Square Neighborhood Association, Inc. to assess late fees and penalties for late payment of assessments is granted under Article IX, Section 9.8 of the "Covenant for The New Neighborhood around St. Alban's Square in Davidson, North Carolina" and state Statute 47F, also known as North Carolina Planned Community Act.

B. Interest Charge

Interest, which shall be paid to St. Alban's Square Neighborhood Association, Inc., is charged beginning thirty (30) days after the due date at a rate of ten percent (10%) per annum, compounded monthly, on any outstanding amount, including late charges. Interest charges will not be waived.

III. COLLECTION POLICY

1. GENERAL PROVISIONS:

- A. All assessments shall be received by or before the due date. Payments received after the due date will be assessed Interest as described above.
- B. A homeowner may stop the collection process at any time by contacting either the Management Company or the Attorney and either making payment or arranging to make payments.
- C. Payment plans will be permitted only in cases of hardship, such as loss of employment, or if otherwise permitted by the Board, who will review all requests for such plans. The periodic payments on a plan will be made by bank draft only. Homeowners paying according to a payment schedule will not be assessed interest charges by St. Alban's Square Neighborhood Association, Inc.

2. STEP 1: Reminder Notice (D1)

If the account is delinquent thirty (30) days after the due date, the Management Company will send a reminder notice (D1) to the homeowner charging the homeowner's account a \$12.00 Administrative Fee in addition to applicable late fees and interest charges.

3. STEP 2: Certified Letter (D2)

The Management Company will send a Certified Letter (D2)

- A. demanding payment in full within thirty (30) days, and
- B. charging the homeowner's account a \$35.00 Administrative Fee in addition to applicable late fees and interest charges, to a homeowner if either
 - A. the account is delinquent sixty (60) days after the due date of the payment, or
 - B. the homeowner lists or otherwise offers the house for sale while there is an outstanding delinquent assessment against the property. This letter will be issued as soon as the Management Company is advised that the house has been listed or otherwise offered for sale and may precede a D1 letter.

4. STEP 3: 15-day Pre-lien Letter (D3)

The Management Company will send a 15-day Pre-Lien Letter (D3) demanding payment in full within fifteen (15) days in compliance with HB 1541. An Administrative Fee of \$12.00 will be assessed to the homeowner's account.

5. STEP 4: Lien Filing (LF)

- A. If the outstanding balance of a delinquent account is not paid by the date specified on the Certified Letter (D2, as described in Step 2), a lien request is made to the Attorney. There is a \$35.00 Administrative Fee charged to the homeowner's account in addition to applicable late fees and interest charges.
- B. Once the account is turned over to the attorney, Management can no longer have contact with the homeowner. The homeowner must contact the attorney directly.
- C. The attorney files a lien.

6. STEP 5: Foreclosure

Thirty (30) days after the lien is filed the attorney will begin proceedings to foreclose the lien only with the approval of the Board of Directors. There is a \$35.00 Administrative Fee charged to the homeowner's account in addition to applicable interest and legal fees. All costs incurred are the responsibility of the homeowner. At this time, the legal fees incurred are on a per hour basis not including the previous amount charged to the homeowner.

EXAMPLES

Single Family Account

A homeowner refuses to pay semi-annual assessment. Below is the timetable of fees charged and actions taken if one semi-annual payment is not made.

Peer Group (Townhome) Account

An owner refuses to pay monthly assessment. Below is the timetable of fees charged and actions taken if one monthly payment is not made. [NOTE: Monthly charge will vary according to unit (i.e.: media room, casita, etc.)]

Description of Charges	Single Family		Peer Group (Townhome)	
	Amount Charged	Amount Due	Amount Charged	Amount Due
Homeowners Dues	\$132.00	\$132.00	\$169.00	\$169.00
30 Days Overdue				
Late Fee	\$10.00		\$10.00	
D1 Letter - Admin. Fee	\$12.00		\$12.00	
Interest	\$1.10		\$1.40	
Total	\$23.10	\$155.10	\$23.40	\$192.40
60 Days Overdue				
D2 Letter - Admin Fee	\$35.00		\$35.00	
Interest	\$1.29		\$1.60	
Total	\$36.29	\$191.39	\$36.60	\$229.00
75 Days Overdue				
D3 Pre-Lien Letter - Admin Fee	\$12.00		\$12.00	
Total	\$12.00	\$203.39	\$12.00	\$241.00
90 Days Overdue				
LF Lien Request - Admin Fee	\$35.00		\$35.00	
Lien Filing (approx)	\$xxx.xx		\$xxx.xx	
Interest	\$1.59		\$1.59	
Total	\$xxx.xx	\$xxx.xx	\$xxx.xx	\$xxx.xx
120 Days Overdue				
Foreclosure (approx)	\$xxxx.xx		\$xxxx.xx	
Foreclosure - Admin Fee	\$35.00		\$35.00	
Interest	\$xx.xx		\$xx.xx	
Total	\$xxxx.xx	\$xxxx.xx	\$xxxx.xx	\$xxxx.xx

Revised: February 1, 2006
St. Alban's Square Neighborhood Association, Inc.