Collections Policy for MOA Dues

Revised 9/24/2013

This document outlines the collection procedures for dues not paid by the due date, as authorized by the Marina at St. James Plantation Owners Association Inc. (MOA) Board of Directors.

Preamble

In order for the MOA to operate efficiently and at the lowest cost to its members, each member should pay their dues within the time limits set out by the policy. Delays in paying dues could affect the cash position of the Association, causing bills to be unpaid etc. The MOA Budget assumes all Owners will pay their dues on time. Where there are delinquencies and particularly if the debt turns out to be uncollectible, the cost of that uncollectible debt falls on the remaining owners. Our policy is thus to be aggressive in our collection process.

If Owners run into difficulties in meeting their obligations, they should contact our Agents to discuss options. Otherwise, if we do not hear from an Owner in distress, we will proceed with the collection process and the cost of such collection will fall to the Debtor.

There should be no reason for dues to be paid late. Owners can set up a Direct Debit (Draft) through the Associations bank , set up automatic payments through their own bank, or use the US Mail and send in a check with their coupon.

Collection Policy

Payment is due to be received on the first day of the month, (Day 1). A payment is deemed to be late if it is RECEIVED after the end of the Month in which it was due. *(For example: Due January 1st, not received by January 31st).* If mailed, the date of the postmark, even if it is earlier than the due date, is irrelevant. If payment is not received by the end of the month, late fees are calculated and immediately added to the account, at an annual rate of 18% per annum. Any checks returned by the bank unpaid and any returned ACH payments, are subject to a $35 Returned Check Fee.

The **First Notice** is sent out after the Month end and **after** applying the late fees (Day 30) (See notice below).

If at the end of the NEXT month (Day 60), the debt has still not been cleared, the **Second Notice** (**15 day DL letter**) (See notice below) is sent out. The wording in this letter complies with North Carolina Law and puts the Owner on notice that failure to pay the debt within 15 days, may result in the placing of liens and passing the debt to an Attorney for collection and the incurring of substantial fees. It also notifies the Owner that services may be withdrawn by the Marina until payment is received.

If, after 15 days, (Day 75), the debt is still unpaid and the Owner has not requested accommodation to settle the debt by installment or other ways, the debt may be passed to the Attorney for collection. All payment installment plans must be first approved by the MOA Board of Directors. MOA is not obligated to accept any such proposal and will not be contacting the debtor to make one.

The Attorney sends out a demand letter with a 15 day Grace period. (Attorney fees are at this point added to the debt as well as the ongoing late fees)

At the end of the 15 day grace period (Approx. Day 95), the Attorney writes to the Debtor, having placed a lien on the property, a copy of which is sent to the Debtor with a demand for payment within 30 days. (Day 120).

If the Debtor still fails to pay, then Foreclosure or Asset attachment proceedings may be started as applicable.

Helping the Owner

At any time before 60 Days, the Owner can work with our Agents to put a payment plan in place. Owners are expected to fulfill any commitments made in the payment plan. This generally is a one-time opportunity.

Process after Attorney involvement

After an account is turned over to the Attorney (Day 75), the AR Manager, our Agent's Staff or the Board should not enter into dialogue with the Owner regarding the account. The Attorney will be the ONLY contact with the Owner regarding this situation.

Until the account is current, all checks must be sent to the Attorney and NOT tour Agent or to a Board member. Any checks received by our Agent instead of the Attorney, will be forwarded to the Attorney and considered received when it is at the Attorney's office.

Until the account is current and all fees are paid, late fees will be generated and the lien will be kept in place. If after clearing the account, the owner is again late, the procedure will start over.

Content of Reminder Letters (Using Agent Letterhead)

First Notice Sent out when debt is 30 days overdue, i.e. at end of month (Day30)

"Our records indicate that we have not received your monthly assessment. You currently have a balance due of $0.00 which includes the current month's assessment, last month's assessment that has not been received by the end of the month plus late fees. Please consult your records to verify. If payment has already been sent, please call to confirm receipt.

If you have not yet sent your payment, please do so as soon as possible to avoid further action and additional fees. You may remit the full amount to the address below. If you have any questions, do not hesitate to contact us at 910-363-4540.

In the event that you do not clear your account by the end of the month and it becomes necessary to issue the second Reminder notice, a Document Fee charge of $25.00 may be imposed. This is to compensate our Agents for the additional work required in collecting the debt.

Second Notice (15 Day DL) Sent out by Agent when the debt is 60 days overdue (i.e. at the end of the second month (Day 60))

"This Company provides management services to the **Marina at St. James Plantation Owners Association Inc** and in that capacity, the Board of Directors has asked me to write to you concerning your delinquent assessments owed to the Association. Specifically, you are indebted to the Marina at St. James Plantation Owners Association Inc. in the amount of $0.00 for unpaid association assessments. This amount includes the current month's assessment.

DEMAND IS HEREBY MADE for payment within fifteen (15) days from the date of this letter. Please be advised that pursuant to North Carolina law, you have the right to pay this balance in full within fifteen (15) days of the date of this letter without incurring Attorney fees and costs associated with the collection of this debt. If the balance is not paid in full within fifteen (15) days of this letter, the Association will turn your account over for collection to a Law Office of their choice and you will be responsible under the Association's legal documents and North Carolina Statute for the payment of Attorney's fees and costs incurred in the collection of the debt.

The institution of legal proceedings can be costly and can result in the filing of a lien against your property and ultimately, the foreclosure of your Unit. It could also lead to judgments against other personal property owned by you.

Also be advised, that in the event that this debt is not settled within (15) days from the date of this letter, The Marina at St. James Plantation Owners Association Inc. may withdraw services to your wet slip, dry stack unit or apartment unit after following the procedures laid out in North Carolina General Statutes § 47C-3-107.1 "Procedures for fines and suspension of condominium privileges or services". Such withdrawal of service may include, but is not limited to, not launching boats stored in the Dry Stack, curtailing the supply of utilities to a wet slip and such other cessation of services that are allowed by law.

You are hereby given notice that in the event of nonpayment of the amount owed by the date noted above, a hearing before the Executive Board to consider suspension of services to your condominium unit will be held at the Dockmaster's Office at 2571 St. James Dr SE, Southport, NC at 10:00am on the date noted at the head of this letter plus 30 days. (If such a day is either a weekend or a Holiday, then the date will be on the next business day). You are entitled to attend this hearing and to present arguments as to why services should not be withdrawn.

We encourage you to pay this amount in full or contact this office should you have any questions or wish to discuss this matter further. The statute gives you the specific right to contact me, as the authorized representative of the Association, to discuss a payment arrangement to pay the delinquent balance in installments. All payment installment plans must be first approved by the MOA Board of Directors. The MOA is not obligated to accept any such proposal and will not be contacting you to make one.

You may contact me by mail or telephone at the address or telephone number listed on this letterhead.