

DOWNTOWN MOBILE DISTRICT MANAGEMENT CORPORATION

Policy Statement on Collection of Delinquent Assessments

March 11, 2015

Reason for Policy

The Alabama Code and the City of Mobile Code of Ordinances provide that any outstanding assessment of the Downtown Mobile District Management Corporation (the "DMDMC") levied on a parcel of real property shall constitute a lien on the property. The lien secures the amount due for the delinquent assessments, any penalties and interest due on the delinquent assessments, and the costs and expenses, including reasonable attorneys' fees and court costs, incurred by the DMDMC in collecting the delinquent assessments and enforcing the lien.

The DMDMC's Board of Directors has adopted this Policy Statement to set forth the policy of the DMDMC with respect to the collection of delinquent assessments, recording of a notice of claim of lien with respect to delinquent assessments, and foreclosure of the lien for delinquent assessments. In adopting this Policy Statement, it is the intent of the Board to establish a uniform procedure for the collection of delinquent assessments, to preserve the ability of the DMDMC to collect delinquent assessments in the event of a private or judicial sale of the property to which the assessment applies, and to preserve the goodwill of members of the Business Improvement District.

Statement of Policy

1. Notice of Intent to File Lien. The President of the DMDMC shall send written notice to any property owner that fails to pay any assessment by September 1. The notice shall provide the amount of the delinquent assessments, together with any interest and penalties due thereon. In addition, the notice shall provide that the DMDMC intends to file a lien on the property if payment of the full amount is not received by September 30.
2. Recording of Notice of Claim of Lien. If, after the giving of notice as provided in Paragraph 1, payment with respect to any delinquent assessment is not received within the time specified in such notice, the President shall cause a notice of claim of lien in the form attached hereto as Appendix A to be recorded in the Office of the Judge of Probate of Mobile County with respect to the subject property. The President shall cause a release of lien to be recorded with respect to a Notice of Claim of Lien upon receipt of payment of the amounts secured by the lien.
3. Foreclosure of Lien. If payment with respect to any delinquent assessments is not received within 30 days of the filing of a Notice of Claim of Lien, the President shall submit information relating to the delinquent assessment to the Board of Directors at the next scheduled meeting of the Board and the Directors shall determine whether or not to institute a foreclosure proceeding in the manner provided in the Alabama Code and the City of Mobile Code of Ordinances.

4. De Minimis Amounts. If the amount of the delinquent assessments is less than \$10.00 with respect to any parcel, the President shall have discretion to determine whether to pursue collection of the delinquent amount. In the event that the President elects to pursue collection of any de minimis amount, the President may follow the collection procedures outlined above in this policy or may use such other means as the President determines appropriate.

5. Penalties and Interest. The City of Mobile Code of Ordinances provides that delinquent assessments are subject to a penalty of five (5) percent of the delinquent assessment, and the delinquent assessment and penalty shall bear interest at the post judgment interest rate established by state law until such delinquent assessment and all interest due thereon has been paid in full. Neither the Board of Directors nor management of the DMDMC shall have the authority to waive or reduce penalties and interest due with respect to any delinquent assessment.

6. Attorneys' Fees. The amount of attorneys' fees secured by each lien shall be determined based on the advice of outside legal counsel to the DMDMC. Such fees may only be waived or reduced by the Board of Directors in extraordinary circumstances as determined by the Board of Directors after examination of a written request from the delinquent property owner.