

December 2, 2008

Dear Arbor Hills Neighbors,

Effective January 1, 2009, is the revised Collection of Association Fees Assessments and Service Charges document included in this mailing and posted on the Association web site at:

<http://www.arbor-hills.com/policies.php>

In order to minimize the impact of the rising number of Association homeowner account delinquencies on the Association's budget, the monthly late fee has been increased to thirty-five dollars (\$35) per month for the first ninety (90) days the account is past due. When a homeowner account is ninety (90) days past due, the monthly late fee charged will now increase from thirty-five dollars (\$35) per month to fifty dollars (\$50) per month.

The main reason behind these changes is that when Association dues are paid late, the Association's reserves for long-term repairs are negatively affected. The balance of any unpaid dues reduces the amount held in the Association's reserve funds and the ongoing interest it receives on these funds is an important long-term source of income for the Association. The late fees charged help cover the lost income and the administrative costs of handling homeowner accounts with unpaid balances, including monthly invoicing on past due accounts and other measures.

The returned check fee has also been increased to match the increased cost incurred by the Association when checks are returned.

Please also note that the violation fine amounts have been increased as well.

In light of the current economic climate, we hope that these changes will allow the Association to keep down the portion of the budget and dues allotted to legal and administrative costs related to late and non-payment of Association homeowner accounts.

If you have any question regarding the changes, please contact Shireen Williams at Select Management by phone at (734) 663-1900, extension 230, for further assistance or submit your inquiry via the Association's web form posted at:

<http://www.arbor-hills.com/mail.php>

Sincerely,

Jane Klingsten, President
Board of Directors
Arbor Hills Condominium Association

Cc: Board, Shireen Williams