

OAKHURST
RULES REGARDING COLLECTION OF DELINQUENT ASSESSMENTS

The Board of Directors of Oakhurst Owners' Association (the Association") adopts these rules on February 20, 2018, effective immediately.

BACKGROUND

A. The Association is responsible for governance, maintenance and administration of Oakhurst (the "Condominium").

B. The Association exists pursuant to the Michigan Condominium Act and the Michigan Nonprofit Corporation Act, as well as the Articles of Incorporation for the Association, the Master Deed and the Condominium Bylaws (collectively, the "Condominium Documents").

C. The Michigan Condominium Act and Article VII of the Condominium Bylaws authorize the Association's Board of Directors to adopt and enforce reasonable rules and regulations in the interest of the Condominium.

D. The Association's Board of Directors desires to adopt reasonable rules with respect to the collection of assessments.

The Association's Board of Directors adopts the following rules for the Condominium (the "Rules") with respect to collection of assessments, which shall be binding upon all Co-owners and their tenants, occupants, successors and assigns who currently or in the future may possess an interest in the Condominium, and which shall supersede any previously adopted policies on the same subject matter:

1. Assessment Due Dates and Late Fees.

Co-owners are required to pay Association assessments quarterly (the "quarterly assessment"). The quarterly assessments are due on January 1st, April 1st, July 1st and October 1st each year. The quarterly assessment is "late" if not paid in full by the 30th day of the month that such assessments are due. The Association will automatically assess a late charge of \$50.00 per month for each late assessment until the assessment is paid in full to reimburse the Association for reasonable administration expenses incurred by the Association as a result of any nonpayment. The Board will establish due dates and late fees for additional and special assessments if the Board levies such assessments. All late charges shall be immediately due and payable and shall be assessed against and a lien upon the Unit.

2. Assessment Collection Procedures.

A. Reminder Notice.

The Association will first send a reminder notice via regular mail after the 30th of the month that the pertinent assessment payment is due if payment has not been received by that date.

B. Legal Action.

If any portion of the quarterly assessment remains outstanding for more than 90 days after payment is due, the unpaid assessment will be subject to collection by legal action. At the discretion of the Board, such legal action may consist of a lien being filed, foreclosure of the lien by advertisement, a lawsuit for judicial foreclosure of the lien, a lawsuit against the Co-owner for money damages and, once any personal judgment enters, collection may also take the form of garnishment and execution upon personal property.

In order to avoid such actions, Co-owners in default are encouraged to contact the Association to make payment arrangements for satisfaction of any unpaid assessments before the Association takes legal action. Please remember that pursuant to Article II of the Condominium Bylaws all late fees, interest, costs and attorneys' fees are charged to the delinquent account.

3. Application of Payments. Co-owner payments that are made to and accepted by the Association will be applied as follows: first to costs of collection, including attorneys' fees and costs; second to any late fees, interest charges and fines; and third to installments in default in order of their due date. Accordingly, in the event payments are made that do not pay the balance in full (unless paid pursuant to an approved and signed payment arrangement), a delinquency will exist and will incur late fees in accordance with Section 1 above.

4. Payment Arrangements.

Co-owners that wish to request a payment arrangement for any delinquent balance must place the request in writing and submit it to the Association or, if the account has been turned over to an attorney for legal action, to the attorney's office. The Board will only review requests for payment arrangements in cases where the delinquency problem is not chronic, and reasons exist for extending payments. Except in extenuating circumstances, any assessed late fees will not be waived.

Any Co-owner requesting a payment arrangement must state the reason why they cannot make immediate payment in full. To be approved and subject to any extenuating circumstances, any request for a payment arrangement must at a minimum propose equal payments over a period not to exceed six (6) months, sufficient to pay the entire balance in full.

During the term of any payment arrangement, late fees will not be charged so long as the Co-owner does not default in the payment arrangement terms. Upon default in any payment arrangement, the Association may proceed with further collection actions without notice.

5. Applicability. This Rule shall be construed in conjunction with, and not in contravention of, the various provisions of the Condominium Documents.

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Respectfully submitted,
Board of Directors
Oakhurst Owners' Association