

For Maui Board

**PROPOSED BOARD POLICY TO IMPLEMENT
COLLECTION REMEDIES
KEALIA AOA**

On March 31, 2009 the Ownership of Kealia approved, by written ballot, the
Board Resolution/Policy on Collection of Rent

Signed: 
Andrew Beerer, President

THE KEALIA CONDOMINIUM BOARD POLICY ON COLLECTION OF RENT

In addition to the remedies otherwise available to the Association under its governing documents, and in compliance with the provisions of Hawaii Revised Statutes Sections 514B-145 the Board adopts the following policy for additional remedies in the collection of delinquent amounts:

1. If an Apartment Owner at any time rents or leases his apartment and defaults for a period of thirty (30) days or more in the payment of the Apartment Owner's share of the common expenses, the Board may, so long as such default continues, demand and receive from any renter or lessee occupying the apartment or rental agent renting the apartment (hereinafter collectively in this paragraph referred to as "lessee") an amount sufficient to pay all sums due from the Apartment Owner to the Association, including interest, if any, but the amount shall not exceed the tenant's rent due each month. The tenant's payment under this paragraph 1 shall discharge that amount of payment from the tenant's rent obligation and any contractual provision to the contrary shall be void as a matter of law.

2. Before taking any action described under paragraph 1, the Board shall give to the delinquent Apartment Owner written notice of its intent to collect the rent owed.

(a) The notice shall:

(i) Be sent both first-class mail and certified mail;

(ii) Set forth the exact amount the Association claims is due and owing by the Apartment Owner; and

(iii) Indicate the intent of the Board to collect such amount from the rent, along with any other amounts that become due and remain unpaid.

(b) The Board may not demand payment from a tenant pursuant to this paragraph 2 if a commissioner or receiver has been appointed to take charge of the premises pending a mortgage foreclosure, if a mortgagee is in possession pending a mortgage foreclosure or the tenant is served with a court order directing payment to a third party.

3. Before the Board or managing agent can take the actions permitted in paragraphs 1 and 2, the Board must have the policy described in paragraphs 1 and 2 approved by a majority vote of the Apartment Owners at an annual or special meeting of the Association or by written consent of a majority of the Apartment Owners.