

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF APARTMENT OWNERS OF ILIKAI MARINA APARTMENT BUILDING REGARDING COLLECTION OF RENT FROM TENANTS OF DELINQUENT APARTMENT OWNERS

WHEREAS:

An apartment owner's failure to pay maintenance fees and other assessments ("common expenses") undermines the financial stability of the Association and imposes an unfair burden on the owners who are paying their common expenses;

The Board of Directors is required to collect common expenses from a delinquent owner using every reasonable means;

Section 514B-145, Hawaii Revised Statutes, authorizes the Board, with the approval of a majority of the apartment owners, to collect rent from the tenant of a delinquent apartment owner to reimburse the Association for the owner's unpaid share of the common expenses; and

The Board has determined that collection of rent from tenants at the project is a reasonable means of collecting delinquent common expenses because the common expenses pay for the services which the tenants receive;

NOW THEREFORE, the Board of Directors of the Association of Apartment Owners of Ilikai Marina Apartment Building adopts the following resolution:

RESOLVED:

1. If an apartment owner is renting the apartment to a tenant or through a rental agent and fails to pay the apartment's share of the common expenses within thirty days after the payment is due, the Board of Directors may send a written demand to the tenant and/or rental agent to pay the tenant's rent directly to the Association. Each month, the Board may demand an amount sufficient to pay what the owner owes to the Association, provided the Board will not demand more in any one month than the tenant actually owes or that the rental agent has collected in rent for that month.
2. Before demanding any rent from the tenant and/or rental agent, the Board shall give the owner written notice that the Board intends to collect the rent from the tenant and/or rental agent. The notice shall be sent to the owner by first-class and certified mail at the owner's address shown on the records of the Association and shall:
  - State the exact amount the Association claims is owed by the apartment owner; and
  - Indicate that the Board intends to collect that amount from the tenant's rent, together with any other amounts that become due and remain unpaid.

3. An owner may ask the Board to agree to a payment plan with the owner instead of collecting rent from the tenant and/or rental agent, but the Board shall not be required to accept a payment plan.
4. Demanding rent from an owner's tenant and/or rental agent shall NOT be deemed to prevent the Board from proceeding with foreclosure or any other means of collecting the owner's delinquent common expenses.
5. The collection of rent from an owner's tenant or rental agent shall be subject to the restrictions stated in Subsections 514B-145(e) and (f) of the Hawaii Revised Statutes.
6. In accordance with Section 514B-145(g), this resolution shall take effect upon the approval of a majority vote of the apartment owners at an annual or special meeting of the Association or by the written consent of a majority of the apartment owners.

CERTIFICATE

I hereby certify that the above resolution was adopted pursuant to Section 514B-145 and the RESTATED BY-LAWS OF ASSOCIATION OF APARTMENT OWNERS OF ILIKAI MARINA APARTMENT BUILDING by the Board of Directors of the Association, by a vote of the Board on February 15, 2011, and by the written consent of a majority of the apartment owners.

DATED: Honolulu, Hawaii, Feb. 15, 2011.

  
Secretary, ASSOCIATION OF APARTMENT  
OWNERS OF ILIKAI MARINA APARTMENT  
BUILDING