

KAILUA VIEW ESTATES ASSOCIATION, INC.

ASSESSMENT PAYMENT RESOLUTION

Board of Directors approved November 16, 2016

Effective date will be on December 20, 2016 after mailing to all of the Members of Association at their last known address.

Kailua View Estate's 'Annual Maintenance Assessments' shall be assessed to each Owner in accordance to the Association's Declaration and appropriate documents. The 'Maintenance Assessments' will be assessed annually.

The 'Annual Maintenance Assessment' is due on January 1st of each year. The 'Annual Maintenance Assessment' is considered delinquent if not paid on or before the 30th of January of the year it is due. If the 'Annual Maintenance Assessments' is not paid in full on or before January 30th of each year the owner will be considered delinquent.

'Special Assessments' (such as legal fees, collection letter fees, return payment fees, fines, late fees, and interest on the delinquent assessments) are due and payable, without notice, when they are assessed and posted in the Owner's account.

If there is any unpaid balance at the end of any given month, a 'Collection Letter' advising of the arrearages, such as unpaid 'Maintenance Assessments' or 'Special Assessments', may be sent to the Owner. The cost of the 'Collection Letter' shall be assessed to the Owner's account.

NOW, THEREFORE,

BE IT FURTHER RESOLVED the Association's Attorney or Collection Agency shall be directed to pursue all collection matters that the Board may, from time to time deem necessary by acting through its managing agent, and

BE IT FURTHER RESOLVED that the managing agent is directed to consult with the Association's Attorney or Collection Agency and to turn over to the Association's Attorney or Collection Agency any account wherein the Association Member files or is the subject of a petition for relief in bankruptcy or against whom a lender has commenced any action for foreclosure of a lien against the Association Member's property, and

BE IT FURTHER RESOLVED that when the Association's Attorney or Collection Agency is directed to send notice to any Association Member who is delinquent in the payment of Assessments, that that written notice (hereinafter referred to as the 'Demand Letter') shall include a notice that if the account is not paid in full within thirty (30) days, a Notice of Lien may be recorded against the Association Member's property on behalf of the Association by the Association's Attorney or Collection Agency, and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to the Association's Attorney or Collection Agency for collection:

1. Contacts with a delinquent Association Member regarding the collection of an account shall be handled by the Association's Attorney or Collection Agency. Neither the managing agent nor any Association officer or director shall discuss the collection of the account directly with an Association Member after it has been turned over to the Association's Attorney or Collection Agency, unless a representative of the Association's Attorney or Collection Agency is present or has consented to the contact in advance.
2. When any account is turned over to the Association's Attorney or Collection Agency for collection, the account shall be so marked by the managing agent and no quotations on the account shall be released to any party, including the owner or an escrow company, except with the consent of the Association's Attorney or Collection Agency. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent property's owner and shall be collectible as provided in the Declaration of Governing Documents.
4. The Association's Attorney or Collection Agency shall give notice to the delinquent Association Member that, if the delinquent account is not brought current within the time stated, or a satisfactory agreement has not been reached to accomplish this, foreclosure proceedings or other legal action as permitted by State Law or the governing documents may be commenced.
5. Where an account remains delinquent at the end of the time specified in the 'Demand Letter' and there is no payment plan embodied in a signed agreement, or in the event of a default under the terms of a payment plan, the Association's Attorney or Collection Agency, is authorized, upon notification to and approval of the Board of Directors of Kailua View Estates, to take such further action as determined in Article VI Section 6.05 and shall file a lien against the delinquent Members home or lot for money due within ninety (90) days following the occurrence of such a default and shall commence proceedings to enforce such a lien within six (6) months following such a recordation; provided, however, that a Notice of Lien filed pursuant to this provision shall encompass future defaults in payment and the Association shall have the right to file subsequent Noticed of Liens for additional defaults in payment in which event six (6) month period stated above shall not expire until recordation of the last such filed Notice of Lien. Such lien may be foreclosed by suit by the Association or non-judicial foreclosure as allowed by the law.

BE IT FURTHER RESOLVED that payments received from a delinquent Association Member by way of payment of outstanding and unpaid fees will be allocated in the following descending order of priority irrespective of directions to the contrary by the payer:

1. Legal Fees
2. Collection Letter Fees
3. Return Payment Fee

- 4. Fines
- 5. Special Assessments
- 6. Maintenance Assessments

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to all homeowners at their last known address.

This Resolution was adopted by the Board of Directors on November 16, 2016, and shall be effective on November 20, 2016 after mailing to all of the Members of Association at their last known address.

KAILUA VIEW ESTATES ASSOCIATION, INC.

By Christina M Gross 12/05/16
It's _____ Date

Print Name: Christina M Gross

By Ted Leaf 12-2-14
It's VP Date

Print Name: TED LEAF