

ATKINSON TOWERS, INCORPORATED  
419A ATKINSON DRIVE  
HONOLULU, HAWAII 96814

## HOUSE RULES

SEPTEMBER 1991

## TABLE OF CONTENTS

<u>Section Number</u>	<u>Subject</u>	<u>Page Number</u>
	Introduction	2
	Authority for Rules	2
1	Definition and Enforcement	3
2	Use and Rental of Apartment	3
3	Building Maintenance and Repairs	4
4	Security	6
5	Lanais	6
6	Autos and Parking	7
7	Pets	8
8	Swimming Pool and Pool Area	8
9	Noise	9
10	Miscellaneous	10
11	Applicability	11
12	Violation Procedures	12
13	Penalty System	12
	Emergency Procedures	

## **INTRODUCTION**

This booklet presents some background information and House Rules which will make daily living at Atkinson Towers more enjoyable for all of us.

Even though it seems there is a super-abundance of rules, we must remember that a large number of people living in a relatively small amount of space must adhere to certain written rules and other unwritten but "good neighbor" rules for us to receive maximum enjoyment of our homes.

Simply stated, the House Rules serve as a guide to consideration for others and to the application of common sense so as to create a friendly, pleasant, and happy atmosphere. This is your home -- its upkeep reflects on you.

Your Board of Directors is dedicated to keeping our property in the finest condition possible. Owners, residents, and guests can be of material assistance by their own attitude and adherence to both written and unwritten rules.

The Board of Directors

## **AUTHORITY FOR RULES**

Article VIII, Section 7 of the By-Laws of Atkinson Towers and Paragraph 4D of the Occupancy Agreement (Proprietary Lease) provided that the Board of Directors shall establish House Rules to govern the operation and use of the common elements.

All apartment owners, residents, and their guests are governed by the provisions of the Proprietary Lease, By-Laws, and House Rules of Atkinson Towers. These House Rules supersede all previous House Rules and may be amended as provided in the By-Laws. Authority for the administration and enforcement of the House Rules is delegated to the Managing Agent, the Manager, and the Board of Directors. Failure to comply with the House Rules, Proprietary Lease, or the By-Laws may result in legal proceedings being initiated against the owner and the offending party.

1. **DEFINITION AND ENFORCEMENT**

1-A Each owner is responsible for not only his/her own compliance with these House Rules but also for that of family members, renters, and guests.

1-B Most infractions can be rectified among neighbors by a congenial reminder, and occupants are strongly encouraged to communicate with each other. Continued infractions should be made known, in writing, to the Board of Directors.

1-C Definitions:

OWNER - Stockholder of Atkinson Towers, Inc., and/or Agreement of Sale purchaser referred to in the Articles and By-Laws as "Lessee".

RESIDENT - Any person living in Atkinson Towers -- owner or renter.

AGENT - Any real estate broker, individual, or company who is empowered to act on behalf of an owner.

GUEST - A person located on the premises for a short period of time at the invitation of a resident or member of the Board.

MANAGER - The person or persons authorized to exercise duties set forth for the manager by the Board of Directors.

2. **USE AND RENTAL OF APARTMENT**

2-A The Corporation owns and operates the entire building, ground facilities, and apartments located on the premises. The right of owners to rent or lease their apartments to other persons is subject to the Articles, By-Laws, Occupancy Agreement (Proprietary Lease), and these House Rules. Owners must obtain Board approval to sublease.

2-B Minimum lease/rental period is six months.

2-C Residents shall not use the apartment or permit the same or any part thereof to be occupied or used for any purpose other than exclusively as a private dwelling unless expressly approved by the Board of Directors.

2-D Permanent occupancy is limited to four persons per apartment with the exception of Penthouse Apartment #1607/08 which is allowed six occupants.

2-E An owner must receive Board approval in order to transfer

his Proprietary Lease and allocated share. A potential owner's (buyer's ) financial report and credit rating must be approved by the Board before consent will be granted.

2-F All residents will fill out an information form for the manager's office to be used in case of emergencies. Forms are to be completed within 24 hours of occupancy. Residents must also provide the manager with a forwarding address prior to vacating an apartment or leaving on trips, and shall provide information regarding the use of their apartments and/or parking stalls while away on trips. All information will be kept confidential.

2-G The office should be informed of all overnight guests.

2-H Residents must inform guests of the House Rules and the operation of the security system.

2-I No storage is allowed in meter closets opposite the elevators.

2-J Absolutely no illegal activities will be tolerated in the building or on any other part of the Atkinson Towers premises.

### 3. BUILDING MAINTENANCE AND REPAIRS

3-A All buildings affixed to the realty and improvements affixed permanently to the exterior of the buildings are the property of the Corporation regardless of who may have installed them.

3-B Walkways, elevators, grounds, and exterior surfaces of the building and doors shall be used and decorated only as permitted by the Board. No alterations, installations, repairs, or changes of any nature whatsoever shall be made to the exterior surface of the building without prior written approval of the Board. If changes are made without Board approval, they will have to be removed or restored to original condition at the owner's expense.

3-C Damage caused by breaks to the utility lines shall be the responsibility of the Corporation.

3-D In general, the Corporation is responsible for the repair and maintenance of the common areas such as exterior surfaces, walkways, elevators, fences, gates, shrubbery, and public areas; however, if any of the common area is damaged by an owner or members of his/her family, a tenant, a resident, guest, or anyone employed thereby, the owner shall be responsible for the prompt payment of the cost of repairs.

- 3-E The owner and/or resident is responsible for maintaining and repairing the apartment interior, lanai floor, equipment, and fixtures in such a manner as to not cause damage to other apartments or to the Corporation's property. In case a resident does damage to the apartment or property of another, the owner will be financially responsible for repairs.
- 3-F Only drapes, curtains, mini-blinds, or shutter-type blinds will be displayed on the walkway side of the building. Tape, towels, plastic bags, etc., will not be permitted as window covering.
- 3-G No objects shall extend through any door or window opening into the walkway or beyond the exterior face of the building.
- 3-H Before proceeding with any remodeling, painting, or replacement of appliances, owners MUST notify manager in order to obtain building standards and rules regarding use of the elevator, stairwells, common areas, disposal of supplies or discards. A City and County building permit must be obtained for any structural work or any major remodeling and must be approved by the Board of Directors (per Proprietary Lease) prior to the owner's allowing any work to commence.
- 3-I Repairs or renovations must be done between 8:00 a.m. and 5:00 p.m., Monday through Saturday and 10:00 a.m. to 4:00 p.m., Sundays. No large equipment may be left on the walkway at any time, nor is any work to be done on the walkway at any time.
- 3-J Residents must keep windows and doors clean at all times. Violators will be given two weeks' notice of violation. If not corrected, the Association will clean windows/door and assess owner \$25 to cover expenses.
- 3-K Large items to be discarded such as mattresses, TVs, appliances, cabinets, and sinks shall be removed from the property by the responsible resident without delay. Garbage men will not collect such items.
- 3-L All trash and garbage must be securely wrapped before placing the trash chute. NO inflammable materials such as paint, thinner, solvent, or other dangerous materials will be put into trash chutes. Objects which may clog trash chute such as brooms, mops, hangers, glass bottles, large boxes, and Christmas trees must be carried down and placed in trash bins on the ground level.
- 3-M Trash chute hours are 7:30 a.m. to 10:00 p.m.

#### 4. SECURITY

4-A The security system was installed to insure maximum safety and security for each resident and guest and to also give privacy from unwanted solicitors and uninvited guests. Security is everyone's responsibility, guests included. To insure the maximum effect of the security system, residents must:

- (1) Admit no one into the building or elevator UNLESS they are certain the individual resides in the building.
- (2) Advise all invited guests or service/repair/delivery people of the security system before they arrive. NO ONE is to be admitted into the lobby unless the resident or the resident's representative is there to admit the visitor. Be courteous and meet your guests.
- (3) Advise guests and service/repair/delivery people that NO visitor parking is available. It is each resident's responsibility to arrange IN ADVANCE with the manager for parking for guests or service people or to advise them to park elsewhere.
- (4) Always check that all doors and gates are securely shut behind you, whether or not they are automatic.
- (5) Report any suspicious conduct or loitering to manager or a Board member.
- (6) Inform the management immediately if any break-in is discovered.

4-B Stairwells or gates must NEVER be blocked open EXCEPT if required in an emergency situation.

4-C Entrance doors in main lobby must be used to enter building. Use of stairwells for entry is ABSOLUTELY FORBIDDEN except when elevators are inoperative.

#### 5. LANAIS

5-A When textile items including clothes are hung on lanai or railings, screen must be closed. No objects shall be hung in doorways or windows which would be visible to persons outside the building.

5-B Only furniture and small potted plants appropriate to lanais may be used thereon. Screens and other articles which, in the opinion of the Board, are unsightly shall be removed. No object shall protrude from the side of the building.

Hanging plants/objects must be hung at least three feet inside lanai railing.

- 5-C Containers shall be placed under all potted plants in order to avoid dripping water.
- 5-D In cast of excessive water on the lanai due to a storm or other reason, a water vacuum is available from the manager.
- 5-E The sweeping and mopping of lanais and adjacent areas shall not create a nuisance to persons residing in lower or adjacent apartments or to persons on the grounds of the premises.
- 5-F Absolutely NO objects shall be thrown off lanais or walkways. This includes cigarettes butts, food, and gum. Violators will be penalized \$250.
- 5-G Dustmops, rugs, and similar items shall be shaken only into trash chutes. No items shall be shaken over the lanai, walkways, or stairways.
- 5-H Sliding metal screens must be securely fastened to railing during high winds. Liability rests with the resident in case of damage. Carrier straps or rope is recommended to hold screens in place during strong winds. During heavy rains, screens must be closed and lanais checked frequently.
- 5-I Feeding birds on lanais or on the premises is forbidden.
- 5-J Barbecuing is permitted only in the confines of apartments and only when an electric barbecue is used. No briquettes or other inflammable materials are permitted. Barbecue grills must never be left unattended.

## 6. AUTOS AND PARKING

- 6-A All parking stalls are assigned to specific apartments for their exclusive vehicular use and will not be used or occupied by others without permission of the apartment occupant. Although vehicles parked without authorization or not in stalls may be towed away at the owner's expense, residents are urged to not do this until an effort to find the owner of the unauthorized car is made.
- 6-B Cars shall not protrude beyond the confines of the parking stall.
- 6-C Vehicles exceeding the size of the half-ton pickup truck shall not be regularly parked on the premises.
- 6-D Repairs, except of a minor emergency nature, are not permitted in the parking areas.



- 6-E Playing of loud music in the parking areas is prohibited.
- 6-F Motor racing of vehicles is prohibited.
- 6-G Vehicles shall not exceed the speed limit of five miles per hour on the premises and must proceed in the direction of the arrows.
- 6-H Use of running water is not permitted in Atkinson Towers parking stalls because there is no drain.
- 6-I All vehicles shall be parked only in authorized parking stalls.
- 6-J Vehicles without a current registration and/or safety permit must not be parked or stored on the premises. Such vehicles will be removed at owner's expense.

7. **PETS**

- 7-A NO pets except guide dogs for the blind or hearing impaired, fish, or birds are permitted on the premises. THIS INCLUDES VISITORS' PETS.

8. **SWIMMING POOL AND POOL AREA**

- 8-A Anyone using the pool does so at his/her own risk. There is no lifeguard on duty. Pool hours are from 7:00 a.m. to 10:00 p.m. Neither the Board of Directors, the Managing Agent, the Manager, nor the Association will be responsible for injuries or damages sustained by owners, residents, or guests.
- 8-B All persons must comply with the request of the Manager in respect to improper conduct in and about pool area. NO "horseplay", running, screaming, or other boisterous conduct is permitted in the pool or pool area.
- 8-C Minor children are NOT permitted in the pool or pool area unless they are accompanied by and under the direct supervision of an adult resident.
- 8-D Daytime and overnight guests shall be permitted use of the pool and pool area provided they are accompanied by the resident. More than two guests per resident must be cleared with the Manager.
- 8-E Swimming attire must be worn. Goggles or masks are the only pieces of equipment to be used by swimmers in the pool.
- 8-F Bobby pins, hairclips, etc., must be removed if cap is not worn. Bathing caps should be worn by those with long hair.

- 8-G Board of Health requirements (Section 61, Personal Regulations) will be strictly observed: "Any person having an infectious or communicable disease shall be excluded from the pool. Spitting, spouting of water, blowing the nose, etc., in the swimming pool shall be strictly prohibited."
- 8-H Glass containers of any description are not permitted in the pool or pool area.
- 8-I Bathers must dry themselves thoroughly and don cover-up clothing before entering the lobby.
- 8-J All Corporation furniture must be returned to its designated area when leaving the pool area.
- 8-K Personal lawn furniture may be brought to pool area provided it does not interfere with others and is removed upon leaving the area.
- 8-L Small grounds may use the pool terrace room for parties with the manager's permission.
- 8-M Children wearing diapers and/or not toilet trained are not allowed in the pool.
- 8-N Rubber rafts, diving equipment, surfboards, toys, metal articles such as hairpins and other items which may cause damage to the filter system, sides or bottom of the pool are not allowed.
- 8-O Litter, cigarettes, etc., must be properly disposed of.
- 8-P Radios can only be permitted if volume does not annoy those present or any other residents. Earphones will be required if noise becomes annoying to others.

9. NOISE

- 9-A Residents must not allow the volume of radio, TVs, hi-fi sets, musical stereo, VCRs, musical instruments, or any other loud noise to disturb the neighbors. As a courtesy to your neighbors, close the bathroom door (because of the common duct therein) if your radio, TV, etc., is used after 10:00 p.m.
- 9-B Practicing or playing of musical instruments and singing may be done from 10:00 a.m. to 10:00 p.m.
- 9-C Use of any type of fireworks, including sparklers, is ABSOLUTELY FORBIDDEN on the premises.
- 9-D Honking of horns, shouting, or whistling to attract attention of a resident is forbidden. The pay phone or paging facility in the entrance foyer must be used for that

purpose.

10. MISCELLANEOUS

- 10-A Manager's office hours are from 9:00 to 10:00 a.m., and 4:00 to 5:00 p.m., Monday thru Friday; 9:00 to 11:30 a.m., Saturday. Manager may be reached FOR EMERGENCIES AFTER REGULAR OFFICE HOURS, by calling 946-7442 or Certified Management at 533-3116. If Manager is not available, a Board member may be called to render assistance in extreme emergencies.
- 10-B The Manager must be notified when there are water or power problems. Read your yellow "Flood Control" sheet for information on circuit breakers and valves.
- 10-C All requests, complaints, or suggestions for Board action should be made in writing, signed, and given to the Manager. They will be treated confidentially if possible and so requested.
- 10-D Always clear in advance with Manager when planning to move in or out, giving as much advance notice as possible (at least 72 hours). Operation of elevator, use of padding, and parking arrangements must be coordinated to avoid conflicts. Whenever possible, moving should be done during daytime hours. In order to maintain the peaceful serenity of Atkinson Towers, No Sunday moving is permitted.
- 10-E Immediately after use, shopping carts are to be taken to the trash area on the Atkinson Drive end of the building. DO NOT LEAVE IN MAIN LOBBY, WALKWAYS, STAIRWELLS, OR ELEVATOR AREAS -- THEY ARE A REAL HAZARD.
- 10-F For safety reasons, children under 12 years of age shall not be permitted to dispose of trash down the trash chute.
- 10-G No motorcycles, mopeds, or any internal combustion engines shall be permitted in the building.
- 10-H Eating, drinking, and/or carrying of open beverage containers is not permitted in the elevators, walkways, or lobbies.
- 10-I Water hoses connected to the wash/dryer units must be checked at least every three years. REMINDER: Owner may be responsible for any water damage done to other units.
- 10-J Storage areas are only for residents to store their items. All storage is at the risk of the occupant. The Manager, Managing Agent, the Board of Directors, and/or the Association is not responsible for any loss or damage to stored items.

- 10-K No accumulation of combustible waste such as newspapers is allowed in the storage area. THIS IS A FIRE RULE!!
- 10-L Residents must be aware that the winds can create dangerous conditions for persons on the mauka walkways and within their apartments. All residents are responsible for their own safety precautions as well as those for their family members and guests. Special precautions should be taken to protect everyone from injuries caused by the winds. Elderly and handicapped persons as well as children may require extra precautions.
- 10-M Accidents or injuries sustained to persons or equipment shall be reported to the Manager immediately.
- 10-N Waterbeds and/or other water-filled furnishings are NOT permitted.
- 10-O Persons using the lobby are expected to conduct themselves properly and dress appropriately. As a minimum, men must wear some type of shirt, and women cover their hair curlers.
- 10-P Children are not allowed to play in the main lobby, elevator, lobbies walkways, stairways, shrubs, landscaped areas, or parking areas. Owners are responsible for all actions of their own, their family's guests', or tenants'.
- 10-Q Ball playing, skate boarding, roller skating, cycling, and similar activities will not be permitted in the common areas. All such objects shall be walked or carried to the individual's apartment immediately. At no time will said objects be left in common areas.
- 10-R Smoking is prohibited in the elevators. (This is a State law.)
- 10-S No smoking matter is to be extinguished or discarded in the lobby or other common areas except in the receptacles provided.
- 10-T Absolutely no illegal activities will be tolerated.

## 11. APPLICABILITY

- 11-A Every owner and/or resident must sign an acknowledgment that he/she has read and will abide by the current Atkinson Towers' House Rules. Prospective residents must sign such acknowledgement prior to occupancy.
- 11-B An agent must furnish a copy of the House Rules to anyone who is a potential owner or resident prior to occupancy. In addition, any potential owner shall receive a copy of the Proprietary Lease stamped, "For Information Only".

11-C These House Rules have been created in an effort to establish a healthy, happy, and safe environment for all the residents of Atkinson Towers and are enforceable to that end; however, it is also the full intent of Atkinson Towers to abide by all Federal, State, and local laws to include the Fair Housing Amendment Act of 1988. Should any provision of these House Rules conflict with said Fair Housing Amendment Act of 1988 or any other Federal, State, or local laws either by commission or omission, the existing laws will prevail.

## 12 VIOLATION PROCEDURES

### 12-A THE VIOLATION OF ANY HOUSE RULE ADOPTED BY ATKINSON TOWERS, INC., SHALL GIVE THE BOARD OF DIRECTORS, MANAGER, OR ITS MANAGING AGENT THE RIGHT TO:

(1) Enter the apartment in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting apartment owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors, Manager, or Managing Agent shall not thereby be deemed guilty in any manner of action or trespass; AND/OR

(2) Enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such breach. All costs thereof, including attorney(s)'s fees, shall be borne by the defaulting apartment owner(s).

12-B Serious and/or repeat violation of these House Rules may result in legal action of injunctive relief as deemed appropriate by the Board of Directors.

## 13. PENALTY SYSTEM

13-A The Board of Directors or the Maintenance Manager may impose a penalty against the owners of an apartment when said apartment owners or guests, children, invitees, tenants, and/or occupants of said apartment violate any House Rule of Atkinson Towers. The penalty for any violation shall be as follows:

(1) FIRST OFFENSE - written citation with a copy of said citation being sent to the resident, Rental Agent and the apartment owner.

Atkinson Towers, Inc.  
House Rules - March 1990 (Revised November 1994)

- \* (2) SECOND OFFENSE - written citation with a copy of said citation being sent to the resident, Rental Agent and the apartment owner and a \$25 penalty which will be assessed against the apartment owner and which will constitute a lien on the owner's interest in his/her proprietary lease.
  - \* (3) THIRD AND SUBSEQUENT OFFENSES - written citation with a copy of said citation being sent to the resident, Rental Agent and the apartment owner, and \$50 penalty for each occurrence which will be assessed against the apartment owner and which will constitute a lien on the owner's interest in his/her proprietary lease.
  - \* Said \$25 penalty will be imposed upon a second violation of said House Rules. The two violations need NOT be for the same House Rule before said penalty is levied, i.e., if a tenant violates a "Security" rule for his first violation and then violates a "Noise" rule for his second violation, the penalty would be imposed upon the occurrence of the second violation. It is not necessary for a resident to violate a specific rule, such as a "noise" rule, two times before said \$25 penalty is levied. A \$50 penalty will be assessed for the third and subsequent violations of said House Rules. The Manager, the Board of Directors, or the Managing Agent are authorized to issue said written citations and to levy the penalties as aforesaid. Fines will constitute a lien on the owner's interest in his/her proprietary lease.
- 13-B A late fee of \$5 per month will be imposed against the apartment owner for each month from the date of assessment that a penalty remains unpaid.
- 13-C The apartment owner, tenant, or occupant shall have the right to appeal any citation or penalty to the Board of Directors within ten days of the date said citation or penalty was issued by doing the following:
- (1) Mailing a letter, constituting a Notice of Appeal, to the Board of Directors in care of the Managing Agent for the Association.
  - (2) The Notice shall be mailed postage prepaid, certified mail, return receipt requested, or be hand delivered to the Manager who will give a written receipt for the same.
  - (3) The date of mailing as certified by the post office or the date of delivery to the Manager shall constitute the date of Appeal.
  - (4) The Notice must contain a copy of the applicable citation(s), a statement

(4) The Notice must contain a copy of the applicable citation(s), a statement of the facts of the violation(s), the reasons for appeal, the names and addresses of witnesses, and copies of any proposed exhibits.

- 13-D The Board of Directors may require the apartment owner, tenant, or occupant to appear at a Board meeting to provide additional information.
- 13-E The Board of Directors will mail or deliver a written decision to the apartment owner, tenant, or occupant within thirty (30) days of receipt of the Notice of Appeal.
- 13-F The Board of Directors may reduce, suspend, or cancel any penalty after considering the appeal. Any decision by the Board shall be final unless modified or stayed by the Board for its' own reason.

**PLEASE NOTE; FOR QUICK REFERENCE IN CASE OF AN EMERGENCY  
ATKINSON TOWERS HAS PREPARED SPECIAL INSTRUCTION CARDS AS  
FOLLOWS:**

**FIRE - RED CARD**

**ELECTRICAL - YELLOW CARD**

**FLOOD - YELLOW CARD**

205/2-7

**UNCLAIMED POSSESSION POLICY  
ATKINSON TOWERS, INC.**

Approved by the Board of Directors on June 17, 2002

Disposition of unclaimed possessions:

1. When personalty in or on the grounds of Atkinson Towers, Inc has been abandoned, the Board of Directors may sell the personalty in a commercially reasonable manner, store such personalty at the expense of its owner, donate such personalty to a charitable organization, or otherwise dispose of such personalty in its sole discretion; provided that no such sale, storage, or donation shall occur until sixty days after the board complies with the following:

A. The board notifies the owner in writing of:

- (1) The identity and location of the personalty, and
- (2) The Board of Directors' intent to so sell, store, donate, or dispose of the personalty.

Notification shall be by certified mail, return receipt requested to the owner's address as shown by the records of the association or to an address designated by the owner for the purpose of notification or, if neither of these is available, to the owner's last known address, if any; or

B. If the identity or address of the owner is unknown, the Board of Directors shall first advertise the sale, donation, or disposition at least once in a daily paper of general circulation within the circuit in which the personalty is located.

C. The proceeds of any sale or disposition of personalty under section 1 shall, after deduction of any accrued costs of mailing, advertising, storage, and sale, be held for the owner for thirty days. Any proceeds not claimed within this period shall become the property of the cooperative.

**PERSONALTY:** Personal property



**Atkinson Towers, Inc.  
Storage Room Policy**

Approved by the Board of Directors on June 17, 2002

1. All items are required to be marked with the name and apartment number of the owner. Unmarked items or items left in the storage rooms by former residents will be considered abandoned and these items will be subject to disposal in accordance with Atkinson Towers, Inc.'s Unclaimed Possession Policy.
2. All items kept in the storage rooms shall be stored at the risk of the owner and is understood that the storage room is for resident's use only.
3. Any hazardous material, or other like items are not allowed in the storage rooms. Any items found in the storage rooms deemed to be a hazard can be immediately disposed of and the costs of such disposal charged to the stockholder of the unit. Any questions of the type of items that can be stored are to be resolved by the Managing Agent/Maintenance Manager. Residents can appeal the decision of the Managing Agent/Maintenance Manager by submitting a written appeal to the Board of Directors.

# ATKINSON TOWER COOPERATIVE, INC.

## ASSESSMENT PAYMENT RESOLUTION

**WHEREAS** the Board of Directors of the Corporation is charged with the responsibility of collecting assessments for common expenses from corporation stockholders pursuant to the Governing Documents of the Corporation, and

**WHEREAS** from time to time stockholders become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

**WHEREAS** the Board deems it to be in the best interests of the Corporation to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Corporation to refer these accounts promptly to an attorney for collection so as to minimize the Corporation's loss of assessment revenue; and

**WHEREAS** the Board has retained the Corporation's attorneys for their experience in representing community associations in collections and other matters; and

**WHEREAS** the Board has directed the Corporation's attorneys to represent the Corporation on the terms outlined in this resolution, unless specifically advised otherwise;

**NOW, THEREFORE,**

**BE IT RESOLVED** that the Corporation's attorneys shall pursue all collection and other matters which the Board, acting through the Management Agent, may from time to time refer to them and to provide any advice and counsel which the Board may from time to time require; and

**BE IT FURTHER RESOLVED** that there is hereby levied against any account which is not paid in full as of the fifteenth (15th) day of each month, a late fee in the amount of TWENTY FIVE dollars (\$25.00) which the Managing Agent is authorized and directed to charge to and collect from any delinquent stockholder; and

**BE IT FURTHER RESOLVED** that the Managing Agent is directed to send to any Stockholder who is delinquent in the payment of regular or special Assessments of an amount less than \$100.00, a Statement each month until the amount owing is paid in full or the amount owing is \$100.00 or greater, and that if an account is delinquent in the amount of \$100.00 or more, Certified Management will mail that owner a friendly reminder notice (hereafter referred to as the "First Notice"), and that if the account is not paid in full within thirty (30) days of this First Notice, and the amount owed is still \$100.00 or more, the Management Agent will send a second written notice (hereinafter referred to as the "Final Notice"), and if the account is not paid in full within 30 days of this Final Notice, the matter will be turned over to the Corporation's attorneys for collection and the Stockholder will be liable for payment of all

charges imposed by the Corporation's attorneys to cover fees and costs which are charged to the Corporation; and

**BE IT FURTHER RESOLVED** that the Managing Agent is directed to refer any account which remains delinquent in an amount of \$100.00 or more for thirty (30) days after the "Final Notice" to the Corporation's attorneys for collection; and

**BE IT FURTHER RESOLVED** that the Managing Agent is directed to consult with the Corporation's attorneys and turn over for collection immediately any account where the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure or a lien against the unit; and

**BE IT FURTHER RESOLVED** that when the attorney is directed to send to any Stockholder who is delinquent in the payment of Assessments, a written notice (hereinafter referred to as the "Demand Letter") that, if the account is not paid in full within thirty (30) days, a Notice of Lien will be recorded; and

**BE IT FURTHER RESOLVED** that the Managing Agent is directed to execute a Notice of Lien against the delinquent unit as described in the letter to the Stockholder; and

**BE IT FURTHER RESOLVED** that the following policies shall apply to all delinquent accounts turned over to the Corporation's attorneys for collection:

1. All contacts with a delinquent Stockholder shall be handled through the Corporation's attorneys. Neither the Managing Agent nor any Corporation officer or director shall discuss the collection of the account directly with a Stockholder after it has been turned over to Corporation Counsel unless Corporation Counsel is present or has consented to the contact.
2. All sums collected on a delinquent account shall be remitted to the Corporation in care of Corporation Counsel until the account has been brought current.
3. When any account is turned over to Corporation's counsel 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, except with the consent of Counsel. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit and owner and shall be collectable as provided in the Declaration of Governing Documents.
4. The Corporation's counsel shall give notice to the delinquent Stockholder 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 may be commenced.


5. To the extent that Counsel, in their discretion, consider it to be appropriate in the circumstances, they are authorized to enter into an installment payment plan; provided, however, that any payment plan which provides for a down payment of less than the greater of one third (1/3) of the delinquent balance or twice the current monthly assessment, or monthly payments of less than twice the current assessment amount, or a duration in excess of six (6) months shall require the approval of the Board.
6. Where, at the expiration of the period specified in Counsels' demand letter, an account remains delinquent and without a payment plan embodied in a signed agreement or in the event of a default under the terms of either agreement, Counsel is authorized to take such further action as they believe to be in the best interest of the Corporation, including but not limited to:
  - a. Filing suit against the delinquent stockholder for money due; or
  - b. Instituting an action for foreclosure of the Corporation's lien; or
  - c. Filing a proof of claim in bankruptcy; and

**BE IT FURTHER RESOLVED** that outstanding and unpaid fees will be, henceforth, handled in the following manner:

At any time there are unpaid legal charges, late charges, fines, bad check charges, Agreement of Sale payments, or special assessment fees on the account ledgers, the next Corporation fee payment received from the Stockholder will first be applied to liquidating these fees in the order as stated above. After these fees are paid, the remaining amount left over, if any, will be credited to the Corporation's maintenance fee assessment account.

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

This resolution was adopted by the Board of Directors on July 28, 1997 and shall be effective on October 1, 1997.

  
Teresa Van Hoesen, Secretary