

KEHALANI COMMUNITY ASSOCIATION

COLLECTION POLICY

1. Association assessments are to be paid on the first day of the month. Payments received later than the last day of the month in which they are due will incur a \$25.00 late fee. An additional \$25.00 late fee will be assessed thereafter as long as there is an account balance on the last day of each month.
2. If there is an account balance on the last day of the month, a first late notice demanding payment will be sent.
3. If there is an account balance on the last day of the month after the first late notice, a second late notice demanding payment will be sent.
4. If there is an account balance on the last day of the month after the second notice, a third late notice will be sent which will notify the Owner that their account has been sent to the Association's attorney for collection. The attorney will make a demand for payment including all late charges and attorney's fees.
5. Upon demand from the attorney, if the account is not brought current, including all assessments, late fees, fines and legal costs, the attorney will be instructed to file a lien against the property. "Such lien when delinquent may be enforced by suit, judgment, and/or foreclosure."

PRIORITY OF PAYMENT POLICY

For Association Accounts

The "Priority of Payment" of balances on Owner Association Accounts is as follows: If a payment is made to your Unit account the money paid will be applied to the account in the following order:

- 1) late fees
- 2) fines
- 3) attorney fees
- 4) regular assessments
- 5) special assessments

This means if an Owner has an outstanding fine and/or late fee, when their monthly maintenance fee is received, it will be applied in the order listed above.

Kehalani Community Association Board of Directors

Adopted 6-11-1996
Revised 8-18-2009 to become effective 1-1-2010