

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF APARTMENT OWNERS OF ROYAL MAUIAN RELATING TO GUEST REGISTRATION FEES

WHEREAS:

The Board of Directors of the Association of Apartment Owners of Royal Mauian ("Board") is authorized to oversee the administration and operation of the Royal Mauian condominium project ("Project");

The Project is governed by the Condominium Property Act, Hawai'i Revised Statutes ("HRS") Chapter 514B; the Declaration of Horizontal Property Regime Royal Mauian ("Declaration"); the Declaration of Covenants, Conditions and Restrictions and Bylaws of the Association of Apartment Owners of Royal Mauian, A Condominium Property Regime ("Bylaws"); and the Royal Maui House Rules and Information ("House Rules"), as amended;

Section 7 of the Bylaws: (i) gives the Board all powers necessary for the administration of the affairs of the Association; and (ii) allows the Board to do all acts and things necessary to fulfill those responsibilities, *except such acts and things as by law, the Declaration or these Bylaws are expressly reserved to the voting owners or to the unit owners.*"

Sections 7(a) and (d) make the Board responsible for the supervision of the management and operation of the Project and authorize the Board to employ the personnel necessary for the operation of the Project.

The Association employs personnel that currently register guests, process parking passes for the guests' use of the limited parking at the Project, and collect information to confirm that the guests are complying with the minimum five night stay and occupancy limits imposed by the rules of the Project. The Association front desk personnel also provide advice, information, and additional services to short-term renters and guests.

The Board conducted an analysis of the workload of the front desk personnel and determined that in the past 12 months, Association front desk personnel had spent approximately 60% to 70% of their workday dealing with short-term rental guests and the remainder of their time dealing with owners or Association business. The Board also determined that if the front desk personnel were only providing service to owners or the Association, not short-term guests, the time and expense of staffing the front desk would be reduced from 40 hours to 12 to 15 hours per week.

Section 7 (b) states that the Board is responsible for determining the common expenses required for the administration of the affairs of the Project and for the operation, care, upkeep, security, and maintenance of the common elements. The Board has determined that the expense of managing and operating the front desk is not a common expense because, as outlined above, that expense is incurred primarily to provide visitor registration, parking pass services and other assistance to short-term renters of the unit.

Section 514B-104, which governs the operation of the Project, allows the Board to charge individual owners for services provided to the owners, such as the services provided to

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the renters and guests of those owners who rent their units on a short-term basis. More specifically, the section reads as follows:

**§514B-104 Association; powers.** (a) *Except as provided in section 514B-105, and subject to the provisions of the declaration and bylaws, the association, even if unincorporated, may:*

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(10) Impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements described in section 514B-35(2) and (4), and for services provided to unit owners;

(Emphasis added.)

On that statutory basis, the Board has determined that those owners who engage in renting their units on a short-term basis receive a large part of the benefit of the services provided by the front desk personnel, so it is only fair that the cost of those services should be billed per transaction, and not as a common expense based on the common interest of each of the owners.

Therefore, the Board has decided to impose a registration fee for those renters and guests of owners who are using the services of the front desk personnel.

NOW, THEREFORE, BE IT RESOLVED that the Board, upon careful consideration of all the information available to it, adopts the following policy relating to registration fees:

I. RESOLVED, EFFECTIVE APRIL 1, 2023:

- (a) Every tenant or guest of an owner who comes to occupy the owner's unit at the Project must register at the front desk of the Project within 24 hours of arrival and provide the Association personnel at the front desk with the following information:
  - (i) Name, home address, cell phone number;
  - (ii) Names of all unit occupants; number of adults/number of children
  - (iii) Unit number rented; Dates of arrival and departure
  - (iv) Make, model and license of vehicle (if any)
- (b) Every unit owner shall pay a registration fee of \$40 for every tenant or guest, other than the owner(s) listed on the deed of record, that registers at the front desk to occupy the unit of the owner; provided that a group of tenants or guests registering at the same time, for the same period of occupancy in the same unit shall pay only a single registration fee for the group. Each unit will be allowed four (4) waivers of registration fees per year to allow for non-owner family or friends to occupy the unit of the owner. These waivers are not transferrable to any other unit than the one to which they were issued.

- (c) The registration fee shall be charged to the account of the owner of the unit whose tenant or guest registers at the front desk.

II. RESOLVED FURTHER, that if the owner fails to pay the registration fee, it will be deemed a special assessment against the owner’s unit.

III. RESOLVED FURTHER, that if an owner or their agent fails to notify the front desk of occupancy by a guest or a guest fails to register in order to avoid the registration fee, the owner’s unit will be assessed the fee and may incur an additional House Rule violation fine as determined by the Board.

IV. RESOLVED FURTHER, that the rights, powers, and authority which this resolution provides shall become effective as of the date of the Board’s adoption of this resolution and shall remain effective until this resolution is revoked in writing by the Board or changed by an amendment to the Association’s Declaration or Bylaws.

CERTIFICATE

I, \_\_\_\_\_, hereby certify that the above resolution was adopted pursuant to the BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF “ROYAL MAUIAN, by the Board of Directors of the Association, at a Board meeting on \_\_\_\_\_, 2022.

DATED: Kihei, Hawai’i, \_\_\_\_\_, 2022.

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 Secretary, Association of  
 Apartment Owners of Royal Mauian