

WEST MOLOKAI ASSOCIATION  
March 28, 2014  
NOTICE RE ACT 326 - RELATED TO TAXATION

The purpose of this notice is to enable the Association to comply with Act 326 (the "Act"), which became effective on July 1, 2012. If your lot/unit is or has been used for transient accommodations (as defined in the attached Act 326 Transient Accommodations form) for the period of January 1, 2013 to the date you complete the attached form, the operator of the transient accommodation is required to provide certain information to the Association which, in turn, is required to provide information to the State of Hawaii, Department of Taxation ("Department"). The Association is required to provide information to the Department by April 30, 2014, for the year 2013 and by December 31 for each year after 2013. Accordingly, the Association requests that all owners complete and return the attached Act 326 Transient Accommodations Form ("Act 326 Form") by no later than April 10, 2014. If your lot/unit is currently being used as a transient accommodation (as defined below) and/or if it has been used as such at any time between January 1, 2013 and the date you complete the Act 326 Form, you will also need to have the operator sign the Act 326 Form. Thereafter, if there is any change in the information provided, the Association must be notified of the change within sixty (60) calendar days after the change.

Attached is a copy of Act 326 and a six page Announcement issued by the Department of Taxation which provides information regarding Act 326. Please read these documents for further clarification.

Please download the attached Act 326 Form and then complete it, sign it, and return it to the Association. As mentioned above, if your lot/unit is currently being used as a transient accommodation and/or if it has been used as a transient accommodation at any time between January 1, 2013 and the date you complete the Act 326 Form, the Act 326 Form must also be signed by the operator.

Please complete and return the Act 326 Form to the Association at the address noted on the form by no later than April 10, 2014. Please complete and return an updated form within sixty (60) days following any change in information.

There are a few things you should be aware of in regards to this matter:

- (i) If your lot/unit is owned by more than one person or entity, all owners should sign the Act 326 Form acknowledging that the information is correct or each owner should sign a different form. If only one owner signs, the Association will consider that signature to be a warranty to the Association by all owners of the lot/unit that the person signing is signing for all owners of the lot/unit.
- (ii) If your lot/unit is being (or has been) used as a transient accommodation, the operator of the transient accommodation must also sign the Act 326 Form.

Finally, as stated above, the Act 326 Form is intended to enable the Association to comply with the Act. If you are operating a transient accommodation, you should consult with your own attorney or tax adviser regarding Act 326 to ensure that you are complying with the requirements of the Act as they pertain to you, personally, and your transient accommodation.

Attachments: 1) Act 326 Transient Accommodations Form to be completed and returned to the Association; 2) *Department Of Taxation Announcement No. 2014-02*; 3) Act 326