Hale Napili Governing Document Enforcement Policy & Schedule of Fines

Ensuring that all owners and guests abide by the governing documents (including the Standard of Conditions) of our Association is an important part of the Board of Director's/Executive Committee's (Board) responsibility to all owners. In rare instances, when formal action is required, the Association has a variety of enforcement tools available to it. One of the most effective is the ability to impose fines to obtain compliance. The purpose of a fine is to encourage compliance, not to increase revenues. The Board, therefore, establishes the following fine schedule.

First Violation \$75
Second Violation \$125
Third & Subsequent Violations \$300
Violations with Damage: Fine, plus all costs of repairs, administrative costs or legal fees incurred to bring a member into compliance.

The Association retains the right to combine any fine with any other disciplinary action or other sanctions or conditions depending on the seriousness of the infraction, and to increase the fines as it deems appropriate. For violations that are continuing in nature, such as failure to remove an unapproved architectural alteration, non-compliance with Standard of Conditions or parking violations, fines may be levied on a cumulative daily basis.

When an alleged violation of the governing documents is brought to the attention of the Board, and the Board decides to meet to consider imposing discipline, the Board shall notify the member in writing, by either personal delivery or first-class mail, at least 10 days prior to any such meeting at which time a hearing will be held by the Board to consider imposing discipline (including fines) upon a member. The notice will provide:

- o The date, time and place of the meeting
- o The nature of the alleged violation for which a member may be disciplined
- A statement that the member has a right to attend and may address the Board at the meeting.

The member may also request that the issue be considered by the Board in executive session.

If the Board imposes discipline on a member, the Association shall provide the member a written notice of the disciplinary action by either personal delivery or first-class mail, within 15 days following the action.

If a fine is levied, it will be due and payable 10 days after it is levied and will be added to the owner's account.

Authority for imposing Fines is found in <u>By-Laws</u> Article IV, Section 14(N)(P); Article IX, Section 4, Section 7(A)(2); Article X, Section 3(C); <u>Operating</u> Agreement, Article III, 3.3(N)