

ASSOCIATION OF APARTMENT OWNERS OF PUNAHOU ROYALE

BOARD POLICIES REGARDING

SCHEDULE OF FINES FOR VIOLATIONS OF THE DECLARATION, BY-LAWS, HOUSE RULES AND BOARD POLICIES

1) Fine System

- a) Minor violations may be handled in an informal manner. In addition, a written citation may be delivered to both the apartment owner and violator notifying them of the violation. If the violation can be corrected, as determined by the site manager, the Managing Agent, or the Board, the written notice may include a reasonable time limit for rectification, provided that a further fine may be imposed if the owner or resident fails to take corrective action.
- b) If the site manager, Managing Agent, or the Board determines that a violation warrants a fine, the citation or a subsequent notice shall be issued informing them of the amount of the proposed fine. If any resident or owner received more than three written violation notices in a two-year period, the fourth and subsequent violations will result in fines assessed at twice the rate for that type of violation. Fines may be assessed for each violation with an opportunity to be heard as provided below. A fine of \$50 may be assessed for each incident, although a fine of \$150 may be assessed for a particularly egregious violation, including violations that threaten the safety of the Project or its residents, require the intervention of the police or constitute unlawful acts.

2) Legal Action

- a) In addition to fining, the Board may also take legal action to enforce the house rules and governing documents, at the owner's expense.

3) Citations

- a) Each citation issued shall briefly describe the nature of the violation, date of the violation, apartment number, and name of parties involved, if known.
- b) The original citation shall be delivered to the apartment owner who shall be jointly and severally responsible for payment of any applicable fine along with the violator.
- c) If the owner of the apartment is not an occupant, then a copy of the citation shall also be delivered to the occupant; however, this shall not be deemed a waiver of the owner's responsibility for payment of any applicable fine.

4) Payment of Fines and Liability

- a) Apartment owners shall be liable for their own fines and for fines assessed against their tenants, guests, family members, agents, employees, contractors, etc. A fine must be paid to the Association within thirty (30) days of the assessment of the fine. A fine shall be deemed a common expense chargeable against the owner's apartment. The Association may file a lien against the owner's apartment for the unpaid fines and may collect the unpaid fines under the procedures provided in the By-Laws for collection of delinquent assessments.

5) Hearings

- a) Hearings may be before the Board of Directors or a Committee of the Board. The President (or the Vice President if the President is unavailable) is authorized by the Board to appoint two or more Board Members to serve on a Committee to hear any violation or fine.
- b) Within thirty (30) days of the date of a citation, an owner, occupant, or other offenders may request a hearing on the violation and the fine by delivering a written notice of appeal to the Board President or Secretary or the Managing Agent. The request for hearing must contain a copy of the citation and a statement of the facts. The Board or Committee may limit the amount of time the owner or violator may have to present information. For that reason, owners and violators are strongly encouraged to also include in their request for hearing: (1) an explanation of the position of the person requesting the hearing; (2) the names and addresses of witnesses; (3) written statements from the witnesses; and (4) copies of proposed exhibits.
- c) All appeals shall be heard at a time and place designated by the Board or Committee.
- d) The basis for the violation and the penalty shall be submitted orally or in writing by the Managing Agent, the site manager or the person complaining of the violation at such meeting. The appellant shall then present his or her defense orally or in writing. The Board or Committee may permit further arguments as it deems appropriate. Thereafter, no further discussion, except among the Board itself, shall be allowed.
- e) The Board or Committee shall vote as to whether the penalty shall be affirmed. A majority of those present and voting shall constitute the decision of the Board or Committee. If a fine is affirmed, it shall be remitted by the offender within seven (7) days of the decision.
- f) Failure to timely request a hearing shall result in the automatic issuance of the fine in the amount proposed on the citation and shall constitute a waiver of the right to a hearing and a loss of the right to contest the decision of the Board or Committee except as provided in the Condominium Property Act.
- g) The pendency of a hearing shall not halt the accrual of any ongoing late fees or fines imposed for other offenses, or the obligation of the owner and/or violator to correct the violation. However, the Board of Directors may waive or rescind all or part of the aforesaid penalties at the time of the hearing of such appeal.

6) Further Proceedings

- a) After a timely appeal and if the fine is paid, the unit owner or violator shall have the right to initiate a dispute resolution process as provided by Hawaii Revised Statutes §514B-161 or §514B-162 or by filing a request for an administrative hearing under a pilot program administered by the department of commerce and consumer affairs.

Nothing contained herein shall be interpreted to prevent or delay the Board and/or Managing Agent from immediately enjoining, abating, removing, or remedying — through automatic fines, legal action, or any other means — any violation or breach that may impair or in any way affect the value or safety of the Project or the use, enjoyment, safety, or health of any apartment owner or resident.