

**THE ANAKS OCEAN VIEW HILL SAIPAN HOMEOWNERS ASSOCIATION, LTD.
ENFORCEMENT POLICIES AND FINE SCHEDULES**

All members of The Anaks Ocean View Hill Saipan Homeowners Association. Ltd. (the "Association") are subject to the provisions and terms of the Sublease Agreements, the Rules and Regulations promulgated by the Association and any amendments thereto, the Articles of Incorporation and Bylaws, (collectively, the "Governing Documents"). All Owners of the Association, (alternatively referred to as "Owners") and their guests and tenants, are required to comply with the Governing Documents as they may be amended from time to time by the Association. Failure to comply may result in the issuance of fines, actions to recover sums due for damages or injunctive relief, or both, maintainable by the Association, through its Board of Directors (the "Board") against the party failing to comply. Owners are also responsible for ensuring their tenants and guests comply with the Governing Documents.

The Board encourages and prefers that Owners amicably resolve issues directly with the Association and their fellow Owners, however, that is not always possible. When issues cannot be resolved amicably the HOA Board shall rely largely on the enforcement policies promulgated herein. The Board has created these policies to address problems between Owners and the broader issues relating to adherence to our Governing Documents.

These policies apply to acts and conduct occurring after the date they are adopted as stated in the end of this document.

A. Fine Schedule. Fines will be imposed as follows:

1. Design and Appearance Related Violations: All Owners in the ANAKS Complex are required to apply for and receive approval for any interior and/or exterior work on their units, including landscaping changes or any tree removal. No changes or deviations in the scope of work once approved shall be made without prior additional written approval of the Board or its designee committee.

Design Violations	1st Notice of Violation	Notice of Failure to Correct	Continuing Violation
Failure to apply for and receive approval prior to commencement of any work.	Warning Letter and Owner must submit a proper application within 10 days. Or request an extension of time	\$100 fine Owner must submit a proper application within 10 days or request extension.	After expiration of 20 days after 1 st Notice \$50/week fine until proper application is submitted.
Changes or deviations in the scope of work after receiving an approval.	Warning Letter/Cease & Desist Letter. Owner must submit updated application for additional approval within 10 days.	\$100 fine for failure to cease & desist work and/or submit an updated application within 10 days from 1 st Notice.	\$50/day fine for continuing work prior to approval of updated application by Board.

No application submitted, and/or actions are not allowed by the Governing Documents.	Warning Letter/Cease & Desist Letter. Owner must submit a proper application within 10 days.	\$100 Fine for failure to cease and desist work upon notice and/or submit an application within 10 days	\$50/day Fine for continuing work prior to approval of updated application by the SBCA-ARC.
Violations concerning removal of any improvements or trees in Common Areas	\$1,000 Fine		

2. Conduct Violations: All Owners must also comply with requirements of the Governing Documents including but not limited to pet related issues (off leash, failure to clean up after pet, aggressive animal); Parking Issues (Trucks, Trailers, RV's, Campers and Boats); Nuisances (Rubbish or Debris stored outside Unit, Loud Noises).

Conduct Violations	1 st Violation	2 nd Violation	3 rd and Subsequent Violations
As prohibited in the Governing Documents	Warning	\$50 Fine	\$150 Fine

Fines stated above are in addition to, and not in lieu of any right of the Association to require Owners to remedy violations of the Governing Documents, to charge Owners for remedial action taken by the Association, or any remedy available to the Association by law.

B. Procedures for Notice of an Alleged Violation:

1. Design and Appearance Related Violations. No fines will be assessed against a unit until the Owner is notified in writing of the alleged violation and provided an opportunity to be heard by the Board. When the Board receives information suggesting that there has been a violation of the Design Standards or other related violation, the Board may, after reasonable inquiry into the circumstances surrounding the allegations, take the following actions:

- a. *Written Warning:* Upon verification of the existence of a violation by the Board, a 1st Notice of Non-Compliance letter will be sent to the Owner. This letter will detail the nature, description and location of the violation; the necessary corrective action to remedy the violation; and the possible consequences should the violation continue.

- b. *Notice of Failure to Correct:* If the Owner fails to comply with the corrective action stated in the Non-Compliance Letter, the Owner shall be subject to a fine as provided in the schedule above. The Owner will be sent a 2nd Non-Compliance letter along with notification of their opportunity to be heard if they disagree that they are still in non-compliance. If the violation is corrected within 10 days from the 2nd Notice, no further action will be taken.
- c. *Continuing Violation:* Failure to comply with the corrective action stated in the 2nd Non-Compliance Letter of the violation shall constitute a continuing violation and the Owner shall be subject to additional fines as outlined in the Fine and Fee Schedule above. The Board may impose a continuing monetary fine until the infraction or violation has been remedied.

2. Conduct Violations. When the Board receives information suggesting that there has been a conduct violation, the Board may, take the following actions:

- a. Preliminary investigation to determine if the alleged violation has merit.
- b. Notification Letter: After preliminary investigation by the Board or its designee(s) a letter will be sent to the Owner(s) notifying them of an alleged conduct violation. **The letter will detail the nature of the alleged violation, actions to correct it and a time frame in which to correct it. It will also outline procedures for the homeowner to follow and give notice of an opportunity to request and be granted a hearing prior to any fine or other penalty being levied.**
- c. Determination: Upon verification of the violation, a letter will be sent to the Owner stating the Board's decision, including when appropriate, assessment of a fine as outlined in the Fine and Fee Schedule above.
- d. Continuing Violation: Any ongoing violations will be reviewed by the Board or its designee(s) prior to any further penalties being assessed.

3. Notification and Non-Compliance Letters. The Notification and Non-Compliance Letters will be sent by mail or personal delivery to the address on record with the Association unless an alternate address has been given in writing by the Owner to the General Manager prior to the date of the Notice of Non-Compliance. Certified Mail may, but is not required to, be used. Any such notices or letters may be sent by email in addition to, but not in lieu of, being sent by mail or personal delivery.

4. Owner Responsibilities. Owners are responsible for the conduct of their guests, tenants, agents, contractors and invitees. If a non-owner occupant of a unit is in violation of the Governing Documents, the Notification Letter, or other notice will be sent to the Owner as provided for in the preceding paragraph. The Owner is responsible for notifying his or her tenants or occupants, paying any fines and taking corrective action.

C. Opportunity for Hearing. An Owner who has received notification of an alleged violation may request a hearing on the violation by mailing or delivering a written request to the Board within 14 days from the date of the notification. Upon a showing that an Owner should have a longer period of time in which to request a hearing, the Board, at its sole discretion, may allow more time for the Owner to request a hearing. Failure to request a hearing within the time set by the Board is a waiver of the Owner's right to challenge the determination that a violation occurred or the imposition of a fine. If a hearing is requested, the hearing will be scheduled and held in the following manner:

- 1. Notice of Hearing.** When the Board has received a timely request for a hearing, it will provide the affected Owner with written Notice of a Hearing before the Board regarding the violation or proposed action. The hearing shall normally be set not less than 10 nor more than 30 days from the receipt of the timely request for hearing and shall be set between the hours of 8:00 a.m. — 6:00 p.m. The Notice of Hearing shall include (a) a statement of offense, (b) the proposed action and/or fine, (c) the date, time and place of the hearing, (d) any time limits upon the presentation of testimony or other evidence; and (e) whether the affected owner may offer a written statement in lieu of a personal appearance.
- 2. Continuance of Hearing.** Once a hearing has been requested and set in accordance with subparagraph C.1 above, the Board shall have discretion to allow or disallow a continuance of the hearing at the request of the Owner. Failure to appear at the hearing shall constitute waiver of the opportunity to be heard.
- 3. Attorneys.** If the Owner intends to have an attorney present at the hearing, the owner must notify the Board at least Seven (7) days prior to the hearing so that the Association may also have counsel present.
- 4. Hearing Procedures.** The Board may decide whether the hearing will be an open or closed hearing. At the hearing, the affected Owner shall have a reasonable amount of time under the circumstances to present evidence and argument to the Board regarding the violation. The Owner may invite others to attend the hearing and ask them to speak on his/her behalf. Specific time limits may be set out in the Notice of Hearing. Additional time may be granted by the Board in its sole discretion. Presentation of evidence or argument shall be subject to reasonable rules of procedure determined by the Board to assure a prompt and orderly resolution of the hearing. Other Owners or witnesses may be allowed to present evidence or argument about the alleged violation or in support of or opposition to the imposition of fines in accordance with procedures established by the Board, or at the sole discretion of the Board.
- 5. Decision of the Board.** The Board will meet in executive session to make its decision on whether a violation has occurred and shall endeavor to send the Owner notice of its decision in writing in the same manner in which the notice of the hearing was given, within Twenty-One (21) days of the hearing. If the Board determines that it needs more time to make its decision, it will so notify the affected Owner(s). The Board may, at its sole discretion, also send a copy of the decision letter to the complaining party. Any fines imposed after a hearing shall become due on the first of the month following the notice of the Board's decision, unless the notice of decision specifically specifies a different date.

6. Request for Reconsideration. The Owner is not entitled to a new hearing; however, the Owner may request reconsideration of the Board's decision upon a showing that something has been overlooked. The Owner must submit a letter to the Board within Ten (10) days of notification of the decision, stating the reasons why reconsideration is requested. The Board will review this information and will use its best efforts to render a decision within Twenty-One (21) days from the date of receiving the reconsideration request.

7. Multiple Violations prior to Hearing. One or more violations of the Governing Documents and/or proposed fines may be combined and heard in one enforcement hearing, if convenient to the Board. Once a hearing is set for one or more alleged violations, additional alleged violations and fines occurring subsequent to the initial notice(s) of violations and prior to the date of the hearing may also be heard at the scheduled hearing, at the sole discretion of the Board.

D. No Waiver / Not Exclusive Remedy. The foregoing shall not be deemed a waiver of any right to enforce or take any other action available under the Governing Documents or at law. The sanctions, fines, fees, interest and penalties set out herein are in addition to, and not in lieu of, other remedies or sanctions available to the Association by law or by the Governing Documents.

E. Fines Become Assessments. Association Owners shall be financially responsible for all fines, damages and other amounts assessed resulting from their own actions, and the actions of their tenants, guests or occupants. Fines imposed under this policy constitute assessments under the Governing Documents and may be enforced as such, including but not limited to the imposition of late fees and interest and placing a lien on the Owner's property.

F. Costs Incurred in Enforcement. In addition to the sanctions set forth above, all costs incurred in enforcing the Governing Documents, including, but not limited to, attorneys' fees, interest, recording fees and other costs incurred in collecting fines or attempting to obtain compliance with the Governing documents constitute assessments and may be collected in the manner for collection of assessments.

These Enforcement Policies and Fine Schedule were adopted by the Board on December 11, 2020.

Secretary, ANAKS OCEAN VIEW HILL SAIPAN HOMEOWNERS ASSOCIATION, LTD.