

Resolution of the Board of the Association of
Apartment Owners of Wavecrest Regarding
Assessment of Fines

WHEREAS: Bylaws Article V Section 1 – Assessments – provides and calls forth a specific late payment charge of \$10 for past due owner assessments and further calls forth an additional late charge of \$10 for assessments remaining unpaid. Whereas the Board believes these fixed amounts were established in the original Property Regime filed for the development in 1974 and that these fixed amounts are currently inadequate to meet the needs of the Association.

Further Section 4 – House Rules – charges the Board with governing the operation and use of common elements and further Section 5 – Expenses of Enforcement – allows for enforcement of said House Rules.

Further 514B-104 - Association Powers – allows the Association to impose charges and penalties, including late fees and interest, for late payment assessments and levy reasonable fines for violations of the declarations, bylaws, rules and regulations of the Association, either in accordance with the bylaws or, if the bylaws are silent, pursuant to a resolution adopted by the board.

NOW THEREFORE the Board of Directors of the Association of Apartment Owners of Wavecrest adopts the following resolution:

BE IT RESOLVED the Bylaws will be silent in the matter of specific amounts of late payment charges on past due assessments. These amounts will be set from time to time by Resolution of the Board of Directors as allowed under 514B-104 (11). All other charges, penalties, late fees and interest allowed under 514B-104 will be established from time to time by Resolution of the Board of Directors.

CERTIFICATE

I hereby certify that the above Resolution was adopted pursuant to the BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF THE WAVECRET, by the Board of Director of the Association at a Board meeting on November 19th, 2009, to delete the reference to specific fine amounts found in the old Bylaws.

Dated: Molokai, Hawaii November 19, 2009

Michael C. Nicholls, President

Wavecrest AOA Michael C. Nicholls, President