

HOUSE RULES

F O R

HALI'I KAI

Revised July 2, 2018

These House Rules supplement but do not change the obligations of the Owners of apartments in Hali'i Kai condominium project (the "Project"), and all Occupants and Guests (as such terms are defined below) thereof, as set forth in the Declaration of Condominium Property Regime of Hali'i Kai (the "Declaration") and the Bylaws of the Association of Apartment Owners of Hali'i Kai Kai (the "Bylaws"). In the event of any inconsistency, the Declaration or the Bylaws, as the case may be, will control.

The primary purpose of these House Rules is to protect all Apartment Owners, Occupants and Guests from annoyance and nuisance caused by improper use of the Resort Project; and also to protect the reputation and desirability of the Project by providing for the maximum enjoyment, comfort and security thereof or therein.

The Board of Directors (the "Board") of the Association of Apartment Owners of the Resort Project (the "Association") shall be responsible for enforcing these House Rules, but such responsibility may be delegated to the Association Property Manager, by the Board. All Owners and other Occupants and Guests shall be bound by these House Rules and by standards of reasonable conduct whether covered by these House Rules or not.

The Board shall make such other rules and regulations from time to time or may amend the following House Rules as it deems necessary or desirable.

A. DEFINITIONS

1. "Apartments" shall mean the Recreational Apartment, and each of the Residential Apartments, as more particularly depicted on the Condominium Map.

2. "Condominium Map" shall mean Condominium Map No, 4021, which sets forth the layout, location, floor plans, elevations, dimensions and apartment numbers of the apartments, the name of the Project, the location, floor plans and elevations of the other buildings, if any, the general location and layout of common elements, the metes and bounds descriptions of any limited common element areas, and the location and identification of parking stalls. -

3. "Design Committee" shall mean the committee created pursuant to the Bylaws to oversee and exercise control over the improvements, renovations, replacements or other modifications of the apartments and other improvements of the Project.

"Design Committee Rules" shall mean the rules and regulations which may be promulgated and adopted by the Design Committee.

4. "Guest" shall mean a guest, family member, invitee or other visitor of an Owner or an Occupant.

6. "Master Declarations" shall mean that certain Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort dated April 21, 1980, effective April 23, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14670 at Page 531, as the same may be amended and/or supplemented from time to time and that certain Declaration of Protective Covenants, Conditions and Restrictions for Waikoloa Beach Resort Conference dated April 1, 1980, effective April 23, 1980, recorded in said Bureau in Liber 14670 at Page 531.

7. "Occupant" shall mean any person (other than an Owner) renting, leasing or otherwise occupying an apartment in the Project.

8. "Owner" shall mean a fee simple owner or co-owner of an apartment in the Project, and shall include all persons characterized as an "Owner" or "Apartment Owner" in the Declaration.

9. "Recreational Apartment" shall mean the apartment contained in one (1) one-story building within the area depicted on the Condominium Map.

10. "Residential Apartments" shall mean each of the apartments contained within twentyfour (24) 8-plex three-story multi-family condominium dwelling unit structures, as more particularly depicted on the Condominium Map. Each such apartment. shall also be individually referred to herein as "Apartment."

11. "Ocean Club Management" shall mean the managing entity and its employees, vendors, contractors, subcontractors, agents and consultants, that are responsible for the physical and administrative management of the Ocean Club, Ocean Club Facilities, and Ocean Club Membership.

12. "Resort Rental Program Management" shall mean the managing entity and its employees, vendors, contractors, subcontractors, agents and consultants, that are responsible for the physical and administrative management of the Resort Rental Program, Resort check in access authorization and concierge services..

A. USE.

1. RESIDENTIAL APARTMENTS. The Residential Apartments shall be occupied and used by the respective Owners thereof, their Occupants and Guests only for residential purposes and in compliance with the restrictions contained in the Master Declaration, the Declaration, the Bylaws, these House Rules, the Design Committee Rules and the respective apartment deeds. No Apartment or limited common element of the Resort shall be used in connection with the carrying on of any business, except as expressly permitted in the Declaration. Time-sharing and implementation of any form of club or membership or fractional use program, as further described in the Declaration, are strictly prohibited.

2. RECREATIONAL APARTMENT. The Recreational Apartment may be used for any purpose permissible by law, the Master Declarations, the Declaration or the Bylaws, including, but not limited to, administrative offices, management offices, concierge services, storage, sales and marketing offices and activity desks or offices. The Owner of the Recreational Apartment may enter into agreements, as it deems appropriate, to utilize the Recreational Apartment to provide services to Owners .(

3. CHECK IN UPON ARRIVAL AT PROJECT. Every guest, transient renter, long-term tenant and occupant of a Residential Apartment other than an Owner, shall present himself or herself to the Resort Rental Management Office at the commencement of such person's occupancy at the Resort. At the time of check-in, Resort Rental Management shall collect any fees and all information deemed necessary by Resort Rental Management to provide for the safety, security, and operation of the Resort. Should electronic keys or card keys be utilized at the Resort, Resort Rental Management shall provide a key to the authorized occupant of the Residential Apartment. Resort Management has the right in its sole discretion to deny access to the Resort facilities if: (i) Resort Rental Management has the reasonable belief that the intended occupant of the Residential Apartment will not comply with the terms of the Declaration, House Rules and any Ocean Club rules and regulations (ii) Resort Rental Management determines that the intended occupants are under age 18 and not accompanied by a responsible adult, (iii) Resort Rental Management determines that the persons attempting to check-in are intoxicated or otherwise intending to engage in inappropriate or illegal activity; or (iv) Resort Rental Management reasonably believes that the number of intended occupants of the Residential Apartment will exceed the number of permitted occupants established in the Project Documents or any fire, health, or safety regulations promulgated by the appropriate government agency."

3 .(a) Owners Check In Upon Arrival

Owners will be issued colored coded cards to be used while staying at the resort. The owner must contact the Property Manager 48 hours, (Monday-Friday 9am-5pm HST), in advance and indicate their length of stay to ensure their access card are properly activated upon arrival and deactivated upon departure. These colored owner cards are ONLY for registered family members and hosted guests staying with the owner. Any unauthorized use of the owners card is a House Rules violation , which will result in a fine to the owner

C. TEMPORARY OCCUPANCY.

1. USE BY OWNERS, OCCUPANTS AND GUESTS. Subject to the terms of the Declaration, Bylaws and such Owner's apartment deed, an Owner may lease or rent the Owner's Residential Apartment or make it available to others, but the Occupants leasing, renting, living in or occupying the apartment shall abide by the Master Declaration, the Declaration, the Bylaws, the Design Committee Rules, Ocean Club Rules and these House Rules, and the Owner shall assume full responsibility for said Occupants' conduct.

2. CONDUCT OF OCCUPANTS AND GUESTS. An Owner shall be responsible for the conduct of any Occupants and Guests. An Owner shall, upon request of the Board or the Managing Agent, immediately abate and remove, at their sole cost and expense, any structure, thing or condition that may exist with regard to the occupancy or use of their apartment by any such Occupants contrary to the intent and meaning of the provisions hereof, or, if an Owner is unable to control the conduct of any such Occupants to conform with the intent and meaning of the provisions hereof, such Owner shall, upon request of the Board or the Association Property Manager, immediately remove such Occupants from the premises, without compensation for lost rentals or profits, or any other economic or other damage resulting there from.

3. OBSERVANCE OF LAWS. Every Owner, Occupant and Guest shall at all times observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority, the Association or the Board applicable to the apartment and the Project.

D. PETS.

No animals or pets of any kind shall be permitted to be kept within the Project as provided in the House Rules; provided, however, that notwithstanding this provisions, visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to keep certified seeing-eye dogs, certified signal dogs, certified service dogs, or other animals as defined by Hawaii State or Federal law , respectively, in their Apartments.

Further, nothing herein or in the House Rules shall hinder full access to the Apartments and the Common Elements by persons with disabilities.

E. COMMON ELEMENTS.

1. OBSTRUCTIONS, USES. All sidewalks, walkways and roadways must not be obstructed or used for any purpose other than ingress and egress. Fireworks of any kind are not allowed within the Resort..

2. THROWING OBJECTS FROM BUILDING. Nothing shall be thrown or permitted to be thrown from the lanai or windows of any Apartment in the Resort.

3. BARBECUING / OPEN FLAME LIGHTING. Outdoor cooking shall not be permitted within any of the Apartments or within any of the common elements identified and depicted on the Condominium Map, and described in the Declaration for the Resort other than within designated barbecue areas. Outdoor cooking with only a gas or electric grill is allowed on the limited common element lanai of an Apartment, provided that a certified ABC dry chemical fire extinguisher is kept within easy access to the barbecue, and no nuisance is created for neighboring apartments. Outdoor cooking with a gas or electric grill is not allowed in any limited common element garage, carport or parking stall or any of the roadways or driveways within the Resort . The use of charcoal grills or open flame Tiki Torches is prohibited in the Resort.

4. AESTHETICS. No unsightliness within the public view is permitted within the Project. For this purpose, "unsightliness" includes but is not limited to the following: (i) the unsightly placement, storage or stowing (as determined by the Board in its sole discretion) of non-decorative gear, equipment, cans, bottles, ladders, trash, boxes, barrels, or other items of personal property in any common element (as defined in the Declaration), or limited common element lanais or balconies or any area outside of such Apartment; (ii) the use of unshaded or improperly shaded lights that create objectionable glare and the placement of any garbage cans, household or commercial supplies or other similar articles outside the Apartment, or in a place where they can be seen from outside any such Apartment, except as the Board shall prescribe; (iii) the use of exterior antennas or satellite dishes except as approved by the Board.. Every Owner, Occupant or Guest is to do his part and to use his influence on all members of his household to do their part towards abating unsightliness within the Resort to the fullest practicable extent.

5. AUTOMOBILES, BOATS, TRAILERS, MOBILE HOMES. The storage or repair of any trailer, boat, automobile or mobile home in a manner that is visible from other Apartments of the Project or any roadway or walkway of the Resort is absolutely prohibited. Temporary or permanent parking of any boat or trailer in areas of the Project that are visible to the public shall be strictly prohibited. No commercial vehicle bearing commercial insignias or names shall be parked in a location that is visible to other Owners, unless it is temporarily parked for purposes of serving an Owner or Owners in the Resort.

6. PERSONAL PROPERTY. No items of personal property, including, without limitation, baby carriages, bicycles, surfboards, packages, boxes or crates shall be left or allowed to stand on or within any of the common element areas or building electrical closets. Articles of any kind left in any of the common element areas may be removed and disposed of at the Owner's risk and expense at the direction of the Board. Notwithstanding the foregoing, nothing shall prohibit an Owner from keeping such items or other similar items within the lanai limited common element areas, provided that the storage or arrangement of such items does not qualify as "unsightliness" as such term is defined in Paragraph E.4 above.

7. STREET TREES AND OTHER LANDSCAPING. No Owner, Occupant or Guest shall

disturb, cut, trim, damage or remove any of the bushes, palms, plants or trees located in the common element landscaped areas adjacent to roadways, the Recreational Facilities, as defined in the Declaration and depicted on the Condominium Map, or parks or parking areas, nor harm, remove, disturb or damage in any way any other plants, shrubs, groundcover or other elements of landscaping placed or planted on any of the common elements of the Resort

8. TERMITE INSPECTIONS. No less frequently than quarterly, (i) the Association, through the Managing Agent, shall cause the exterior of all buildings in which the Apartments are located to be inspected for evidence of termite infestation, and (ii) the Owner of each such apartment shall inspect the interior of his apartment for such evidence. At least once each year, the Association, through the Association Property Manager, may cause the interior of each building (including the interiors of the Apartments) to be inspected for termite and pest damage and shall be allowed access to each Apartment for such an inspection provided that prior written notice of at least fourteen (14) days is given to the affected Owner. The Board and Association Property Manager shall also receive full cooperation from Owner for access to the Apartment for termite and pest inspection and treatment, as necessary. Any evidence of termite and pest infestation or damage shall be reported immediately to the Association Property Manager. The cost of such inspection and the cost of any necessary interior and/or exterior treatment, as determined by the Board in its sole discretion, shall be charged to Owners of the Apartments as a common expense (as further described in the Declaration). Visible evidence of termite damage shall be considered and treated as an unsightliness in accordance with paragraph E.4 above. The Board or Association Property Manager may take appropriate action against an Apartment in the Resort for non-compliance with this section.

9. LANAIS, BALCONIES AND WINDOW LEDGES.

(a) Sunshades, awnings or screens may not be used on the exterior of Apartment windows or over balconies or lanais of the Apartment. Rugs, towels, mops or clothing shall not be draped over balconies or lanais. Clotheslines are not permitted on lanais. No permanent rug or carpeting or artificial turf is allowed on or shall be attached to these balcony or lanai areas.

(b) The care and maintenance of the balcony is the responsibility of each individual Owner. Care must be taken to prevent irrigation and cleaning water, detergents and other fluids from running and dripping over the edges of the balcony or lanai area onto the lanais below. Each Owner should ensure that potted plants have appropriate catch canisters underneath them.

(c) Children must be monitored while on balcony or lanai areas, and must not be allowed to climb or stand on the railings.

(d) The balconies and lanais of the Apartments may be used as an outdoor living area, containing lanai furniture, potted plants and other similar outdoor furnishings, that comply with the standards governing the appearance of such items (including without limitation, size, materials, color and fabric). The lanais shall not be used for storage of any type, including, without limitation, boxes, tools, exercise and sports equipment, bicycles, toys, beach equipment, cleaning utensils and supplies or other household items. The lanais shall be maintained in clean, neat and sanitary condition at all times, and nothing shall be placed on the balconies or lanais so as to render them unsightly or offensive to the other Owners or to any other property in the vicinity of the Project or its occupants, including but not limited to draping any items over balcony railings or hanging clothes or towels on the lanai or balcony.

10. REFUSE. Garbage shall be disposed of only in areas provided therefore. Garbage containing food shall be thoroughly drained, placed in a plastic bag, and securely tied and with other trash items be taken to the large receptacles provided for this purpose.. The Association Property Manager must be notified of any oversized articles requiring removal. Incinerator, trash and rubbish fires are strictly prohibited.

11. ARCHAEOLOGICAL EASEMENTS. Each Owner is deemed to acknowledge that (i)

Owners may be prohibited from entering onto or disturbing the archaeological sites, (ii) there may be risks, disturbances, liability, nuisances, hazards and damages associated with the location of the archaeological sites and the easements related thereto, and (iii) the Association shall maintain, preserve and not disturb, and take affirmative action to prevent any person or thing from destroying, damaging or otherwise disturbing such archaeological sites and shall comply with all requirements imposed by Developer, the State of Hawaii, County of Hawaii or any other governmental agency, and any other law, ordinance, rule or regulation. Any Owner entering upon the Archaeological Easements shall use due care so as to not disturb the archaeological sites and shall promptly remove any refuse or portable recreational equipment from the Archaeological Easements after use. White rock or any other type of graffiti is prohibited in lava rock areas and within the entire resort.

12. Drones. Due to safety and privacy concerns, the use of unmanned aerial devices (commonly referred to as drones) and unmanned aircraft systems on or from anywhere on the Hali'I Kai property is prohibited

F. PARKING.

1. PARKING. Parking in unmarked paved areas is prohibited, except for temporary loading and unloading. No vehicle may be parked or left unattended, except in the Owner's limited common element assigned parking stall, or in a designated Visitor or handicap parking stall(s). Guests must park in designated Visitor parking stalls or handicap parking stalls, as applicable, throughout the Resort. When workmen are performing work on an Apartment, the Owner shall seek direction from the Association Property Manager to advise them where to park. All vehicles shall be centered in assigned parking stalls or in the designated Visitor or handicap parking stall(s) so as to prevent crowding of adjacent stalls and blocking of passages. Parking is not allowed in any grassy area. **All guests MUST display their parking pass that was assigned at check in**

2. GARAGES/CARPORTS. Any Owner, occupant or Guest may make any use of his or her assigned section within his or her assigned garage or carport, provided that such use does not violate the Master Declaration, the Declaration, the Bylaws, these House Rules, the Design Committee Rules and/or any Federal, State or County law, regulation or code; provided that any limited common element garage or carport shall not be used by any Owner, Occupant or Guest as an additional living space. Garage doors shall remain closed at all times when not in use.

3. REPAIRS. Any Owner, Occupant or Guest washing, cleaning or polishing cars within the Project shall thoroughly clean the area immediately after such use. Car washing, cleaning or polishing shall be allowed only within designated car wash area, or within the limited common element garage, carport, tandem or street stall assigned to such Owner. Any repairs of a motor vehicle or any equipment associated with such repairs shall not be permitted in any limited common element garage, carport or parking stall, or in any of the common elements of the Resort.

4. SPEEDING. Vehicles shall not be driven in excess of the posted speed limit on any driveway or roadway of the Project. Drivers are expected to observe traffic and directional signals for the safety of all and to exercise extreme caution in the operation of any type of vehicle within the Resort.

5. RESPONSIBILITY FOR DAMAGE. Damage to cars and other objects or to the common elements shall be the responsibility of the person causing the damage.

6. VIOLATIONS. Any Occupant or Guest of an apartment who violates the parking regulations set forth hereunder may have their cars towed away at their own risk, and the Owner of such Apartment shall be responsible for payment of the towing charge and any applicable fines.

G. NOISE AND NUISANCES.

1. NUISANCE. No nuisance shall be allowed in the Apartments or the common elements, nor shall any

use or practice be allowed which is improper or offensive in the reasonable opinion of the Board or in violation of the Master Declaration, Declaration, Bylaws or these House Rules, or which unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the apartments and/or the common elements by other Owners or Occupants.

2. SMOKING AND SMOKE GENERALLY.

(a) Subject to the exceptions enumerated herein, the entire Hali'i Kai property is hereby designated a nonsmoking property as of January 1, 2012.

(b) Smoking is prohibited in all unenclosed areas of the Hali'i Kai property, including balconies and lanais.

(c) Notwithstanding any other provision of this Policy, Smoking is prohibited in all exclusive-use unenclosed areas associated with a condominium unit, such as, for example, a private balcony or lanai, to address the problem of smoke drifting from the balcony or lanai of one unit into a neighboring unit.

(d) Smoking in a designated nonsmoking area is a violation of this Policy.

(e) A Property Owner who breaches a Smoking provision of this Policy, or who knowingly permits any other person subject to the control of the property owner, or present by invitation or permission of the property owner, shall be liable for the breach and with be subject to possible penalties as set forth in the Hali'i Kai Penalty Policy, and may be liable to any occupant of the property who is exposed to smoke or who suffers damages as a result of the breach.

(f) Failure to enforce any Smoking provision required by this Policy shall not affect the right to enforce such provision in the future, nor shall a waiver of any breach constitute a waiver of any subsequent breach or a waiver of the provision itself.

(g) The provisions of this Policy are restrictive only and establish no new rights for a person who engages in smoking. Nothing in this Policy shall be interpreted to limit any person's legal rights under Hawaii Law with regard to smoking, including, for example, rights in nuisance, trespass, property damage, and personal injury or other legal or equitable principles.

(h) Violations of this Policy are hereby declared to be a Nuisance to other Hali'i Kai property owners, visitors and employees.

(i) Smoking is prohibited in all common areas and limited common areas, except that the AOA, acting through its Board, may designate a portion of the Common Area as a designated Smoking area.

(j) Smoking is permitted inside a private residential condominium unit at the discretion of each individual Property Owner, provided that it is done exclusively within the unit, and provided that all doors and windows are closed to prevent the problem of smoke drifting through the window of one unit into a neighboring unit.

3. PENALTIES AND ENFORCEMENT FOR HOUSE RULES

(a) The remedies provided by this Policy are cumulative and in addition to any other remedies available at law or in equity.

(b) Every instance of a violation of **the House Rules** is an infraction subject to a **two hundred and fifty dollar (\$250)** fine as set forth in the Hali'i Kai Penalty Policy, and may be subject to further enforcement actions or

finer as specified in the Hawaii Revised Statutes, when the interests of justice so require.

(c) No Person shall intimidate, harass, or otherwise retaliate against any Person who seeks compliance with this Policy.

4. NOISE. Owners, Occupants and Guests of the Apartments shall avoid causing or creating unreasonably excessive noises of any kind at any time and shall not cause or permit any unreasonably disturbing noise or objectionable odors to emanate from their Apartments. Noise due to departing Guests, particularly at night, shall be kept at a minimum.

5. QUIET HOURS. Radios, televisions, stereos, musical instruments, etc., must be played at a reduced volume after 10:00 p.m. and before 8:00 a.m. Owners, Occupants and Guests of the Apartments shall observe 'Quiet Hours'. Excessive noise during this time should be reported to the Association Property Manager who will decide on appropriate action.

H. BUILDING MODIFICATIONS.

1. Except as permitted by the Declaration, the Bylaws, and/or the Design Committee Rules, nothing shall be allowed, done or kept in any Apartment or the common elements of the Resort which would be a violation of the law or would overload or impair the floors, walls or ceilings of the Apartments or cause any increase in the ordinary insurance premium rates or cause the cancellation or invalidation of any insurance maintained by or for the Association. Water beds are not permitted in the Resort.

2. Except as set forth in the Declaration and the Design Committee Rules, and in accordance with the procedure set forth in the **Homeowner Improvement Guidelines** no structural changes of any type shall be permitted within an Apartment, including on or within any limited common element **without prior completion of the application within the Homeowner Improvement Guidelines** and the written consent and approval of the Design Committee in accordance with the Bylaws and such other approvals as may be required by applicable law or Declaration or Master Declaration. No structural changes shall be allowed to the exterior of the buildings

3. Every Owner from time to time and at all times shall perform promptly all repair, maintenance and alteration work within his Apartment, the omission of which would adversely affect any common elements or any other Apartment, and shall be responsible for all loss and damage caused by his failure to do so.

4. Maintenance of individually-owned Apartments, including all of the items and fixtures included as part of the Apartment in the Declaration, is the responsibility of their respective Owners and/or Occupants. Accordingly, all repairs of internal installations within each Apartment, such as water, light, power, sewage, telephone, sanitation, windows, lamps, and other fixtures and accessories belonging to such Apartment, including the interior walls, floors, ceilings and garage of such Apartment shall be the responsibility of the Owner of such Apartment and made at such Owner's expense.

5. Except as otherwise permitted in the Design Committee Rules or by the Design Committee, no private radio, television or other outdoor antenna, including, but not limited to

satellite dishes, will be erected or installed on or anywhere within or without the Apartments or the common elements, without the prior consent in writing of the Board.

6. Except as otherwise permitted in the Declaration, the Design Committee Rules or by the Design Committee, no additions or alterations to the original design of the apartment will be permitted which are visible from the exterior of the buildings or that affect structural integrity, other than those originally offered by the Developer.

I. EMPLOYEES OF THE ASSOCIATION.

1. No maintenance employee shall be asked by an Owner, Occupant or Guest to leave the common elements or to perform any tasks. Rather, the maintenance employee is under the direction of the Managing Agent and the Board.

2. Cleaning of individually-owned Apartments, including all interior windows, is a responsibility of the respective Owners and Occupants.

J. HAZARDS.

1. The common elements shall not be used for recreational activities of any kind. Parents or legal guardians are responsible for the appropriate supervision of minors at all times.

2. Unless the Board gives advance written consent in each and every instance, Occupants shall not use any illumination other than electric lights and household candles, or use or permit to be brought into the buildings or garages for storage, of any flammable oils or fluids such as gasoline, kerosene, naphtha, or benzene, or other explosives or other articles deemed extra hazardous to life, limb or property.

K. GENERAL HOUSE RULES.

1. The Association Property Manager is not required to give access to apartments or buildings without the written permission of the responsible Owner, Occupant, or their authorized agent.

2. Owners and Occupants shall file their name, address and telephone number and signature with the, Association Property Manager upon purchasing and/or taking occupancy of an Apartment, and shall furnish the Board and/or the, Association Property Manager with such other reasonable information as shall be requested from time to time.

3. Each Owner and Occupant shall be responsible for the keys to locked entrances to their Apartment. However, to facilitate the right of access provided by the Bylaws to the Association Property Manager or the Board, each Owner may, but shall not be required to furnish keys to the, Association Property Manager. If an Owner desires to furnish keys to the Association Property Manager, such Owner shall execute a release and indemnification agreement in a form provided by the Board agreeing that the Owner releases the, Association Property Manager, the Association and the Board of and from any and all liability and indemnifies and holds harmless the, Association Property Manager and the Board from any claims, damages or liabilities that may be incurred by the, Association Property Manager or the Board in connection with such keys being furnished to, Association Property Manager. The delivery of such keys shall be at the sole risk of such Owner, and the, Association Property Manager and the Board of the Association shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith, if an Owner elects not to furnish keys to, Association Property Manager and an emergency arises requiring a forcible entry into the Apartment, the Owner of the Apartment shall be solely liable for all costs and expenses arising in connection with such forcible entry, including all costs of replacement or repair to any part of the apartment or common elements damaged by the forcible entry.

4. Each Owner and Occupant shall assume full responsibility for protecting his apartment, automobile(s), and the contents thereof from theft, robbery, pilferage, vandalism and other loss.

5. Toilets, sinks, and other water apparatus in the Apartments or anywhere on the Resort shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags, sanitary napkins, diapers or other articles be thrown into them. Any damage anywhere resulting from misuse of any toilets, sinks or other water apparatus in an Apartment shall be repaired and paid by the Owner of such Apartment.

6. Each Owner shall observe and perform these House Rules and ensure that his Occupants and Guests also observe and comply with the Master Declaration, the Declaration, the Bylaws, these House Rules and/or any Design Committee Rules. Owners will be responsible for their Occupants' and all Guests' observance of the Master Declaration and House Rules as set forth herein. In the event expenses are incurred due to violations of these House Rules by any such Occupants for whom an Owner is responsible, the Owner shall pay for such expenses, including reasonable attorneys' fees.

7. If the immediate service of the County of Hawaii Police Department, the Fire Department, the Paramedics, an Ambulance or Doctor is required, the desired agency or person should be called directly. Any emergency, particularly such emergencies as flooding, fire and theft, should be brought to the immediate attention of the , Association Property Manager.

L. VIOLATIONS OF THESE RULES.

1. REPORTING VIOLATIONS AND DAMAGES.

(a) Corrective actions regarding violations of the House Rules and damage to the common elements will be handled by the Board as it may be decided and should be reported promptly to the Board or Association Property Manager.

(b) Damage to common elements shall be surveyed by the Board or the Association Property Manager at the direction of the Board and the cost of repair or replacement and any legal fees incurred may be assessed by the Board against the Occupants responsible, including, but not limited to, any Owner for damages caused directly or indirectly by his Occupants or by any Guests.

(c) All persons shall comply with and cooperate with the requests of the , Association Property Manager with respect to matters of personal conduct in and about the common elements.

2. THE VIOLATION OF ANY OF THESE HOUSE RULES SHALL GIVE THE BOARD, THE, ASSOCIATION PROPERTY MANAGER OR THEIR AGENTS THE RIGHT TO :

(a) ENTER THE APARTMENT IN WHICH, OR AS TO WHICH, SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE RISK AND EXPENSE OF THE DEFAULTING OWNER (WHETHER OR NOT CAUSED BY THE OWNER OR BY ANY PERSON FOR WHOSE CONDUCT THE OWNER MAY BE RESPONSIBLE), ANY STRUCTURE, THING OR CONDITION THAT MAY EXIST THEREIN CONTRARY TO THE INTENT AND MEANING OF THE PROVISIONS HEREOF, AND THE BOARD OR THE, ASSOCIATION PROPERTY MANAGER SHALL NOT THEREBY BE DEEMED GUILTY IN ANY MANNER OF TRESPASS; PROVIDED, HOWEVER, THAT JUDICIAL PROCEEDINGS MUST FIRST BE INSTITUTED BEFORE ANY ITEMS OF CONSTRUCTION CAN BE ALTERED OR DEMOLISHED; AND/OR

(b) TO ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY SUCH BREACH, AND ALL COSTS THEREOF, INCLUDING ATTORNEYS' FEES, SHALL BE BORNE BY THE DEFAULTING OWNER (WHETHER OR NOT CAUSED BY THE OWNER OR BY ANY PERSON FOR WHOSE CONDUCT THE OWNER MAY BE RESPONSIBLE); AND/OR

(c) LEVY FINES IN ACCORDANCE WITH THE PROCEDURE SET FORTH IN THE BYLAWS; AND/OR LEVY FINES IN ACCORDANCE WITH THE BYLAWS AND SET FORTH IN THE FINE POLICY ADOPTED BY THE BOARD OF DIRECTORS ON JULY 18 , 2011 WHICH IS ATTACHED AT THE END OF THESE HOUSE RULES; AND/OR

(d) ANY OTHER REMEDIES AVAILABLE BY LAW.

M. GENERAL PROVISIONS.

Developer may use common elements for events, including, but not limited to sales events, without approval from the Association Board of Directors, provided that Developer gives reasonable notice to the Board should the Developer require exclusive use of an area in the Project. Use of the recreational facilities requires approval from the Owner of the facilities.

N. AMENDMENTS.

These House Rules may be amended in the manner set forth in Article X, Section I of the Bylaws.

The foregoing House Rules are hereby adopted by the Board of Directors this 25th day of June, 2018.

By: Robert Greeno
President, Board of Directors
Association of Apartment Owners
Hali'i Kai

Hali'i Kai Penalty Policy
Adopted by the Hali'i Kai Board of Directors
July 18, 2011

All Hali'i Kai property Owners and guests are subject to compliance with our governing project documents, including the Declaration, By-Laws and House Rules. These rules are in place to help preserve the character of our community, and ultimately to protect property values. The goal of the Association Board of Directors is to promote voluntary compliance with all rules and regulations, without penalizing Owners. For the most part, voluntary compliance has been the norm, and there have rarely been circumstances where an Owner or guest has created any significant problem for the project as a whole. Nevertheless, it is important to be prepared to address possible future violations if they occur, and if they cannot be cooperatively resolved. It is anticipated that this Penalty Policy will provide a tool with which to enforce compliance as needed. It is also anticipated that this Penalty Policy will be rarely used, and will be reserved for only the most serious infractions, or for those where someone simply refuses to comply with our regulations.

The Board of Directors is authorized by the project documents to implement a penalty policy as defined in the Hali'i Kai By-Laws. Article X - GENERAL PROVISIONS provides the Board with the right to impose monetary penalties for violations of the project documents.

The Board of Directors has given careful consideration to this issue and has adopted the following penalty policy with the sincere hope that any necessity requiring the Board to impose a penalty will be a very rare occasion.

Violation Notices and Penalties

Penalties may be imposed against an Owner for any infraction of the Declaration, the By-Laws, or the House Rules by Owners, occupants or their guests, and Owners charged with a violation shall have a right to request a hearing on such charges. Once a hearing decision finds an Owner in violation, a monetary fine of not less than \$100 may be assessed against that Owner.

- 1. First Notice of Infraction** - A verbal notice of the alleged violation, supplemented by a written statement, shall be provided to an Owner against whom such charges are made, and such notification shall advise the Owner that they may request a hearing on the charges. All requests for a hearing must be submitted in writing to the Property Manager within ten (10) days from their receipt of the notice of the alleged violation. If a hearing is requested, the Owner will be notified at least fifteen (15) days prior to the hearing date.
- 2. Hearing Guidelines** - Unless the Owner so charged waives a hearing by paying the assumed fine of \$250 dollars, or by failing to request a hearing, that Owner will be entitled to a hearing as set forth below:
 - The Board will appoint a Panel of three (3) capable persons (at least one of whom shall be a Board member, and the remaining persons so appointed may or may not be an Owner), who will hear the violation(s), evaluate the evidence, and provide a decision.

- At such hearing, the Owner so charged, or that Owner's on-island Managing Agent, shall have the right to present oral or written testimony and to confront and cross-examine witnesses.
 - Within seven (7) days after the hearing, the Panel's decision shall be forwarded in writing to the Owner, Board and Managing Agent, setting forth the decision, any penalties, and the reasons therefore.
 - The Panel's decision shall be binding and is not appealable.
- 3. Imposition of Violation** - Owners will have 10 days from the day they receive the hearing decision to correct any infraction found by the hearing panel, and to pay any assessed fine.
- Any infraction that is not corrected within 10 days of receiving the hearing decision shall be assessed a \$250 additional penalty against the Owner, and an additional \$250 for every 15 days thereafter until appropriate corrective action is taken. Any penalties not paid within the required period may be subject to late fees and collection charges.
 - Second, and Subsequent penalties shall be for the original offense that led to the first assessed penalty.
 - The Board of Directors may delegate the authority to impose penalties to the Property Manager for the Hali'i Kai Association of Apartment Owners
- 4. An accelerated documented sequence of daily verbal notifications may be used by the Hali'i Kai Property Manager when immediate corrective action by the Owner is required. Emergencies which create a risk to persons or property are exempt from the normal time sequences, and may be subject to immediate assessment of penalties for non compliance with reasonable requests to take corrective actions needed to mitigate the emergency. Any such penalties assessed against an Owner are subject to review by the Board at the request of the Owner, including the right for the assessed Owner to request a hearing.**
- 5.** If assessed, all fines shall be paid within thirty (30) days of notification. Any penalties not paid within the required period will be subject to late fees and collection charges.