

Kona Bali Kai Condominium

Exhibit "D"

House Rules

7-1-99

Revised 3-2017

To ensure the peace, tranquility, well being, and property of the owners and residents of Kona Bali Kai, certain rules and regulations have been adopted and will be enforced. These rules will serve as guides to consideration for others, and to the application of common sense so as to create a friendly, pleasant, and congenial atmosphere.

Owners are responsible to ensure their guests and/or tenants are familiar and abide by these rules. Owners will be subject to fines for all rules broken by themselves, their guests or tenants.

These House Rules supplement, but do not change, the obligations of owners, tenant's guests and visitors contained in the Declaration and Bylaws of Kona Bali Kai.

The Association of Apartment Owners (AOAO), through its Board of Directors, may from time to time post special safety or other rules and may add to or amend these rules, as they deem appropriate for the safety, cleanliness and appearance of the Project, and the comfort and convenience of all owners and residents. Suggested changes should be delivered in writing to the president of the Association or to the Resident Manager of Kona Bali Kai for transmission to the Board of Directors.

A. General House Rules

1. All guests and tenants are required, and all owners are encouraged, to register at the Castle front desk (or designated location) to obtain a parking pass upon their arrival at Kona Bali Kai. Res. Mgr. office or Sec. Office in main bldg. near pool.
2. Apartment occupancy shall not exceed any federal, state or county statutes, ordinances, or regulations. Occupant limits 2 person per bedroom, plus 2 in the living areas for

temporary or transient accommodation, or 2 per bedroom for any occupancy.

3. Owners, tenants and guests are responsible for the conduct and safety of any person on the Project at their invitation.
4. Pets or other animals are not allowed on the grounds or property, or in the condominiums except for guide dogs, service dogs and signal dogs, which should be on a leash at all times.
5. Owners, tenants and their guests (except for the designated Advocats Volunteer) are prohibited from feeding or leaving feed for the feral cat community. Fines for violation of this provision are double the penalty. See Fine Enforcement Policy
6. All noises from whatever source shall be controlled so that they do not disturb or annoy other residents. Further, quiet hours shall be strictly enforced between the hours of 9 pm and 8 am daily, except Fridays, Saturdays, and nights preceding holidays when quiet hours will begin at 10:00 pm (with the exception of the pool, which will remain 9pm). Infractions are subject to a \$50 fine for the first occurrence. Repeat violators will be fined \$100.
7. Permanent signs, antennas, nameplates, etc. are only permitted with the advance approval of the Board of Directors. The Resident Manager may approve temporary signs such as Open House signs.
8. Smoking is not allowed in the common areas or anywhere in the common areas except designated smoking areas. Approved smoking areas include the South East side of the main parking lot at Building 1 and the North Side of the parking lot of Building 6 and 7. Infractions are subject to a \$50 fine.
9. Owners and Tenants are prohibited from discussing any current, future or completed projects with any employees, contractors, vendors or tradespeople providing services or bidding to provide services or engaged by the AOAO without the written consent or authorization from the Board of Directors. Fines for violation of this provision are double penalties. See Fine Enforcement Policy. Owners or Tenants impersonating Board Members and violating this provision

will be assessed triple penalties. See Fine Enforcement Policy.

B. Rules Pertaining to Apartments

1. Neither apartment owner nor tenant shall alter any lock or install a new lock on any door of the premises without notifying the Site Manager and furnishing to the Site Manager a key to the new or altered lock, so that entry may be made in the event of an emergency. Failure to provide access to the apartment to the Site Manager will be subject to a \$50 fine and all costs of gaining access and rekey incurred by AOA. Owners shall also provide the Resident Manager with the name and phone number of the rental agent for their unit, in case of emergency, and for when violations of these House Rules occur. Owner shall also provide proof of insurance to the Manager.
2. No apartment owner, tenant, nor guest shall use or permit to be brought into the building any flammable oil or fluids such as gasoline, kerosene, naphtha, propane or benzene, or other explosives or articles deemed extra hazardous to life, limb or property. (Condo barbeque propane tanks are the only exception and are not allowed in apartments). No inflammable or combustible materials shall be deposited into the trash containers. No fireworks are allowed anywhere on the property.
3. Refuse must be wrapped or bagged before depositing into rubbish containers. Only normal household refuse may be disposed of in the dumpsters. Owners and tenants must make their own arrangements for the disposal of appliances, construction materials, old furniture, etc.
4. No waterbed shall be permitted in an apartment unit.
5. Charcoal braziers, barbecues or hibachis may not be used within any apartment or upon any apartment's lanai.

6. All draperies, curtains, window louvers, doors and any other furnishings or appointments visible from the outside must conform in color and appearance with the standards for uniformity as set by the Board of Directors. However, the owner submitting samples has the right to inquire regarding the suitability of a product, plans and/or specifications of the Board of Directors to obtain approval. The Site Manager shall be knowledgeable of such standards, materials, colors, etc. Changes by the Board shall be conveyed to the owners by newsletters and/or meeting minutes.
7. Installation of Screen Doors: Owners may install a screen door on their apartment's front door, provided they are of the type and color that has already been approved by the Board of Directors. For those living in Buildings #1 and #2, the only door now approved for installation is the bronze-colored Tru-Frame security model. For those living in Buildings #3-#7, you may install either the bronze-colored Tru-Frame security door, or the bronze-anodized Tru-Frame "Riviera" model. (Other types of bronze colored screen doors may also be allowed, on a case-by-case basis. Submit a picture of the proposed door to the Site Manager. Doors beginning to rust must be removed to prevent unsightly appearance and carpet stains.
8. While renovations and improvements to owners' individual units is encouraged, a Scope of Work must be submitted by the contractor or owner to the Site Manager for approval in advance of commencing any work. The Site Manager will not unnecessarily deny any application, however may advise as to existing rules and requirements relating to Architecture, By Laws and existing Rules. Failure to notify the Site Manager of renovations or improvements to flooring, plumbing, electrical, window or cabinet replacement may result in a fine of up to \$75. Alteration of common elements without approval may result in a fine of \$150 as well as the responsibility to restore the common element to its original (or better) state. Contractors may use only designated luggage carts for hauling materials and supplies to the unit.

Contractors using the guest luggage carts will be subject to a fine of \$75.

Lanais

1. No unsightliness within the public view is permitted. Only furniture appropriate to lanais and potted plants may be placed on the apartment's lanai. Lanais may not be used for storage of any personal belongings.
2. Containers shall be placed under all potted plants to avoid the dripping of water from the lanais.
3. Lanai storage cabinets visible from the outside shall conform to the colors of the building. Owners shall submit plans to the Board for approval prior to all modifications to existing storage cabinets or the installation of new storage cabinets.
4. Only sunscreens may be hung from the front beam on the lanai. Further, they shall be of the color and type as approved by the Board of Directors and shall be hung from inside the beam and extend the entire length of the lanai (in sections).
5. Nothing should be hung from the lanai rails or shall protrude outside the lanai rails. Laundry may be temporarily hung from a rack below the height of the rail and unobtrusively placed on the lanai. I.e. one 3 x 4' expandable laundry rack placed between furniture and the condo building. Windsocks that are faded and torn or ragged looking, sunscreens with strings or ratty are not to be hung anywhere on the lanais. Wind chimes must be shorter than 2 feet but if any resident is disturbed they may need to be removed.
6. No rugs or other objects shall be dusted or shaken from the lanais, hallways or other exterior parts of the building.

Air Conditioners

1. Air conditioners must be properly maintained. Rusty or leaky air conditioners are not permitted.

2. Air conditioners shall not be installed in any exterior window, roof or wall, except as provided for in the lanai window, or as approved by the Board of Directors.
3. Air conditioner units shall be of the type and size approved by the Board of Directors, and shall have low vibration and noise levels.

C. Common Elements and Limited Common Elements

1. Loitering, running, (or) playing or use of foul/offensive language in the corridors, lobby, stairways, and elevator or parking areas is not permitted. No wet bathing suits in elevator. No one should enter the elevator wet.
2. Use of the Project's common elements and amenities is limited to the owners, tenants and guests of Kona Bali Kai. Guests of occupants must be accompanied by the apartment occupant when using the amenities. No apartment owner, tenant or occupant shall sponsor or allow more than 25 guests on the project in a 24 hour period. Any gathering with ten (10) or more invited guests (per apartment) shall require advance notification and approval of the Resident Manager no less than seven (7) days prior to the gathering, and shall require the payment of \$100 cleaning deposit. The sponsoring apartment owner or occupant must be physically present at any such gathering in order for their guests to use any of the project's amenities. (Requesters must complete a Common Area Use Request Form – See Exhibit A hereto.)

Note: Commercial tenants shall not be permitted to use common elements such as the pool, Jacuzzi, BBQ areas, laundry facility, etc. These common elements are reserved for KBK owners, tenants and their guests.

3. Only commercial grade charcoal will be burned in the barbecues that are not operated by propane.

Hallways, Vestibules and Stairways

1. No plants, trash or other personal belongings shall be placed or stored in the hallways, vestibules or stairways.

2. All provisions, milk, groceries, newspapers or other personal property shall be kept clear from all walkways, vestibules or stairs with all convenient dispatch to avoid unsightliness. Neither the Site Manager, Managing Agent, or Association of Apartment Owners will be responsible for packages or other deliveries left in walkways, vestibules of units, or any other place on the premises, nor for any article left in and about any building.
3. Any damage to the building caused by the moving of furniture or other personal effect shall be repaired at the expense of resident/owner causing the damage.
4. All doorways shall be cleaned of grime, dirt, etc., as needed by the occupant or owner.
5. Luggage carts shall be stored by hallway next to guard's office and returned after use.
6. Contractors shall provide own carts for their use.
7. When moving large items, the Resident Manager should be given 24 hours advance notice so elevator can be protected.

Swimming Pool and Jacuzzi

1. Swimming is allowed in the pool from 8:00 am to 10:00 pm. Apartment owners and occupants are responsible for the safety and conduct of their family members, guests and tenants. Minor children and any person of any age who cannot swim should be accompanied by a responsible adult or other person with swimming ability when using the pool or Jacuzzi. Use of the Jacuzzi by very young, elderly, pregnant, or infirm persons is strongly discouraged.
2. Two guests per apartment may use the pool, provided that the apartment occupant is with their guests in the pool area. Residents desiring to have more than two guests in the pool must make prior arrangements with the Resident Manager.

3. No running, pushing, shoving or “horseplay” will be permitted in or around the pool area. No jumping from any part of the building or railings into the pool will be permitted.
4. Swimsuits only in the pool. Long hair must be tied up.
5. No boogie boards or surf boards or flotation devices are permitted in the swimming pool area.
6. Suntan oil and sand must be washed off before a person enters the pool.
7. No glassware, ceramics, chinaware, or other breakables are permitted in the pool area.
8. No towels, caps or other garments shall be left in the pool area.
9. All persons known or suspected to be suffering from a cough, cold, flu, open sores, or wearing bandages shall not enter the pool or Jacuzzi. For hygienic reasons, children who are not toilet trained must wear protective outerwear.
10. Additional House Rules relevant to safety and mutual enjoyment are posted in the pool and Jacuzzi area.

D. Vehicles

1. All vehicles parked or stored on the premises, must be in operating condition and with current registration and inspection tabs.
2. Parking permits shall be issued upon registration and shall be displayed on the front window. The total number of permits issued at any given time to owners, guests or tenants or a unit shall not exceed the number of parking spaces appurtenant to that apartment. Note: A second vehicle may be parked on site for up to 7 days providing the Site Manager approves and a valid parking permit is placed on the vehicle.
3. Only those vehicles with valid parking permits will be allowed to be parked on the premises. Only the specifically assigned owners, tenants and guests may park in the reserved spaces.
4. Parking stalls may only be marked Reserved if the unit is not used as a Vacation Rental. Owners who own a 2nd parking stall must provide the deed to management. That parking stall may be marked Reserved at their request.
5. Only 1 vehicle, motorcycle or moped may be parked in a stall.
6. Sleeping in vehicles is not permitted.

7. No oil changes or major repairs to automobiles or motorcycles shall be permitted on the premises. No racing of motors or other unnecessary noise will be permitted.
8. Automobiles or motorcycles may be washed only at the designated area next to the shed behind Building Six.
9. Personal items such as lumber, crates, or furniture may not be stored in any parking area.
10. Owners who wish to store a motor vehicle in their assigned parking space during their absence should notify the Site Manager who will require a key be left in his care in case of emergency.
11. RV's, boats, trailers, or any vehicle over 21 feet long is not permitted.

E. Violations

1. Violations of the House Rules should be reported promptly to the Site Manager, who will initiate corrective action as appropriate.
2. Vehicles without current registrations and/or valid parking permits may be immobilized, or towed from the premises at their owner's risk and expense. After 3 violations in a 30 day period vehicles will be subject to towing or per incident violation at AOA Discretion.
3. The costs to repair any damage done to common elements will be charged to the responsible party. Owners are responsible for the conduct and actions of their tenants and guests and shall bear any costs incurred in the enforcement of the House Rules. If monies cannot be collected from the tenants or guests for damages to the common elements, the apartment owner concerned will be responsible for payment.
4. Any act of vandalism or malicious mischief will be reported immediately to the police for criminal prosecution and all civil remedies will be pursued, including but not limited to, punitive damages.
5. Owners in violation of the Declaration, Bylaws or House Rules will be given 30 days notice to correct the violation (except parking violations – see paragraph 2. in this section). In accordance with Article V, Section 3 of the Bylaws, the Board directs the Resident Manager to correct any and all violations

not corrected within 30 days and to bill all related costs to the apartment owner concerned.

F. Guidelines for House Rule Violation Fines

Fines are levied for two types of house rule violations: Facilities Violations and Incident Violations.

Facilities Violations pertain to that section of the house rules relating to improperly stored items on lanais, storage of personal items in common areas, air conditioners of unsightly appearance, unauthorized screen doors or lanai shades, etc. Violations shall be enforced according to the Fine Enforcement Policy below.

Incident Violations are those pertaining to excessive noise, foul or offensive language, domestic violence, criminal activity, improper use of or damage to the pool and other common elements, unauthorized or improperly parked vehicles, violation of the “no pets” rule, etc. Incident violations will be served by way of a written notice, for immediate correction, to the tenant, rental agent and apartment owner, with copies to the managing agent’s and Site Manager’s files. Any incident resulting in the police having to be called shall cause a fine to be levied upon the responsible apartment owner with no previous notification. Violations shall be enforced according to the Fine Enforcement Policy below.

For incidents of a less severe nature will receive a warning that Violations shall be enforced according to the Fine Enforcement Policy below.

Documentation required:

Facility violation notices may be generated from the Managing Agent’s inspection reports, the Site Manager’s event log, or the watchman’s daily log. Incident violation notices may be generated from the watchman’s daily log, the Resident Manager’s event log, or a signed “Owner’s Complaint Form.”

All violation notices should be served in a timely manner, with the original copy to the tenant/occupant, accompanied by a copy of the House Rules. Copies will be distributed to the rental agent (if applicable), the Managing agent, the apartment owner (if they are not the occupant), and a copy to the Site Manager's file.

Appeals Process:

The Managing Agent shall act as judge for all House Rule violations. The Managing Agent has the option to pass judgment on, or refer to the Board of Directors, those cases he deems appropriate.

Decisions of the Managing Agent may be appealed to the Board of Directors. Tenants and owners will have 30 thirty days from date of receipt to appeal any notice of violation or fine.

FINE ENFORCEMENT POLICY

Effective April 31, 2017

On January 8, 2008, the Board of Directors adopted the following schedule of fines for any violation of the Associations CC&Rs, By-Laws or House Rules. These fines were adopted by the Board under its authority stated in Article V, Section 6(3) of the Declaration, and HRS§514B-104, which resolution the Board has determined to be necessary and proper for the peace, health, comfort, safety and in the best interests of the members of the Association. These fines shall be imposed against the owner. Owners will be responsible for their own actions and the actions of their tenants, family members, guests, agents, employee's, or anyone else using the property that violates any project documents.

1. AMOUNT OF FINES

a) First Offense

A written citation (courtesy notice) explaining the violation to the property owner.

b) Second Offense

A written citation and a \$100.00 fine assessed to the property owner. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation, will be chargeable to the Owner and would, together with the fine itself, become a lien against the Owner's property.

b) Third Offense

A written citation and a \$200.00 fine assessed to the property owner. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation, will be chargeable to the Owner, and would, together with the fine itself, become a lien against the Owner's property.

c) Fourth and Subsequent Offenses

A written citation and a \$400.00 fine assessed for each subsequent offense sent to the property owner. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation, will be chargeable to the Owner and would, together with the fine itself, become a lien against the Owner's property.

e) Continuing Violations

Per Diem fines may be assessed for one continuing violation. The per diem fine will be assessed at a maximum of \$100 dollars per day until the violation is remedied. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation will be chargeable to the Owner, and would, together with the fine itself, become a lien against the Owner's property. A "continuing violation" means a transient activity or condition which continues to exist after notice thereof is given to an owner and is not remedied as required by such notice and the determination by the Board of Directors is final as to such violating owner, subject to appeal as called for in Section 4 of this Fine Enforcement Policy.

2. CITATIONS

Each citation issued shall briefly describe the nature of the violation. Copies of the citations issued to the property owner (who is responsible for themselves, their tenants, guests, family members, agent, or employees) will be kept on file with the records of the Association.

3. PAYMENT OF FINES AND LIABILITY

Unless appealed as permitted below, a fine must be paid to the Association within thirty (30) days of the citation and assessment of the fine.

Owners shall be liable for their own fines and for the fines assessed against their tenants, guests, family members, agents, or employees. If the owner fails to pay or appeal a fine within thirty (30) days after the fines are assessed against the owner or against their tenants, guests, family members, agents, or employees, the fine shall be deemed a common expense chargeable against the owners' unit. The Association may file a lien against the owner's unit for the unpaid fines and may collect the unpaid fines under the procedures of the CC&Rs.

4. APPEAL OF FINES (Any fine may be appealed as provided in this subsection)

Owners shall be given full opportunity to present to the Board any facts which may bear on the propriety and/or amount of fine, and to present such evidence as may be necessary to support that position. Owners may request re-consideration of an appeal ONLY where information not available at the time of the original appeal becomes known. Such request for re-consideration must be sent in writing to the Managing Agent no later than ten (10) days after the board disposes of the original appeal.

- Within thirty (30) days of the date of a fine, an owner shall have the right to appeal to the Board of Directors by mailing or delivering written notice of appeal to the Managing Agent.
- The Board of Directors will acknowledge receipt of appeal, review, and present a decision to the owner within sixty (60) days.

- The Board may reduce or rescind any citation or fine after consideration of the appeal.
- A fine may only be appealed to the Board of Directors one time. No future consideration will be allowed except for allowable requests for reconsideration as described above.
- Only after all appeals have been exhausted. An Owner may apply for mediation pursuant to HRS 514B-161 for any allowable dispute regarding the enforcement of the CC&Rs, but such request for mediation must (a) be made within thirty (30) days after the Board has taken final action on any violation and (b) such request for mediation will not stay the enforcement of the fine(s) and assessment of costs and fees, and a Notice of Lien maybe filed by the Association immediately after the final appeal has been determined by the Board.

5. MISCELLANEOUS

This schedule of fines shall be sent to all current owners of record of Kona Bali Kai AOA and should be kept with the owners Association Documents. The Board reserves the right to establish a new schedule or fines at any time.

NOTHING CONTAINED IN THIS RESOLUTION SHALL BE INTERPRETED TO PREVENT OR DELAY THE BOARD OR THE MANAGING AGENT FROM ENJOINING, ABATING, REMOVING OR REMEDYING ANY VIOLATION OR BREACH WHICH MAY IMPAIR OR IN ANY WAY AFFECT THE VALUE OR SAFETY OF THE PROPERTY OR THE USE, ENJOYMENT, SAFETY OR HEALTH OF ANY OWNER.

This Resolution was adopted on March 27, 2017 and will become effective on April 31, 2017.

END OF HOUSE RULES

THIS COMMITTEE RECOMMENDS THAT THE RENTAL AGENT'S HAND OUT TO GUESTS ALSO BE UPDATED AS FOLLOWS.

Security: 895-2687

Site Manger: 808-895-8099

Lost and Found: 329-9381

Mail: A mail drop is available at the Front Desk. Please advise them if you will be receiving mail.

House and Pool Rules

Your cooperation with these rules of courtesy will be appreciated. Mahalo!

1. All guests, owners, visitors, etc. must register at the Front Desk and obtain a parking permit.

2. Pool and Jacuzzi hours are 8 a.m. to 10 p.m. Quiet hour is from 9 p.m. to 10 p.m. No children during quiet hour. Glassware, rafts, Frisbees or similar toys are not allowed in the pool area. No lifeguard is on duty. State law requires that swimmers take a shower before entering pool.
3. Owners and guests and their visitors are limited to two visitors to the pool on any one day. Only owners, guests and their visitors are permitted in the pool and cabana area. Guests or owners must remain with visitors at all times.
4. No breakable containers are permitted in the pool area. Please clean up after yourself when you leave.
5. No one is allowed to climb over the fences. You should have your pool key with you at all times.
6. No running, pushing, scuffing or splashing or water other than that accompanying normal swimming will be permitted.
7. No loud noise, yelling or music shall be permitted in the cabana or pool area.
8. For reasons of health and sanitation, no child under the age of 12 is permitted in the Jacuzzi. Use of the Jacuzzi by the very young, elderly, pregnant, and infirm is strongly discouraged.
9. Sand, dirt, etc., shall be washed off before using the facility.
10. Any person having any skin disease, open sore, inflamed eyes or communicable disease shall not use the pool or Jacuzzi.
11. All minor children under the age of 12 shall be supervised by an adult at all times in the pool and cabana area. Children must be supervised at all times and are not allowed to loiter in the corridors, elevators or other common areas.

12. Pets are not permitted in any apartment or common area, with the exception of seeing eye dogs, service animals or signal-trained animals, which must be on a leash at all times.
13. Barbecuing is permitted by registered guests ONLY. There are several barbeque facilities located on the property. Barbecuing outside on the lanai, in the apartment, or any other area is not permitted.
14. Quiet hours are between the hours of 9 p.m. to 8 a.m. Violators are subject to a \$50 FINE. Repeat offenders are subject to increased fines.
15. No towels or swimwear are allowed on the lanai railings. Laundry may only be unobtrusively hung on laundry racks below the height of the railing. (i.e. One 3 x 4 laundry rack placed inconspicuously between furniture and the condominium).
16. No flammable oil or fluids such as gasoline, kerosene, naphtha, propane or benzene, or other explosives or articles deemed extra hazardous to life, limb or property. (Condo barbeque propane tanks are the only exception) No inflammable or combustible materials shall be deposited into the trash containers. No fireworks are allowed anywhere on the property.
17. Kona Bali Kai has a policy regarding the use of bed bug encasements for any sleeping surface for the protection of owners and guests. Our condo complies with this requirement and all of our mattresses and box springs, as well as pillows, are encased. PLEASE USE THE LUGGAGE STANDS FOR PACKING AND UNPACKING. Suitcases in travel rest against others and bed bugs can be transported in this manner. DO NOT place your luggage on the bed or furniture.

