

ASSOCIATION OF UNIT OWNERS OF MAKALI'I AT WAILEA

AMENDMENT OF RULES AND REGULATIONS OF THE ASSOCIATION OF UNIT OWNERS OF MAKALI'I AT WAILEA

The Board of Directors (the "Board") for the Association of Unit Owners of Makali'i at Wailea ("Association") does hereby consent to the taking of the following actions and adopts the amendment to the Rules and Regulations of the Association of Unit Owners of Makali'i at Wailea ("House Rules") as set forth below.

RECITALS

Hawaii Revised Statutes § 514B-104(a)(11) states the Association may assess charges and penalties, including late fees and interest, for late payment of assessments and levy reasonable fines for violations of the declaration, 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 that establishes a fining procedure that states the basis for the fine and allows an appeal to the Board of the fine with notice and an opportunity to be heard; and

Article X of the Bylaws provides that the Board may amend the rules and regulations from time to time upon the vote or written consent of a majority of the Board, and such amendments shall take effect 30 calendar days after mailing a copy of the House Rules and fines and penalties to the Owners.

At the duly noticed Board of Directors meeting on January 3, 2022 and by written consent on January 5, 2022, the Board of Directors unanimously voted to amend the House Rules as set forth herein.

The House Rules, as amended, shall be binding upon and inure to the benefit of all present and future owners of any units of Makali'i at Wailea and all other persons who shall at any time be Owners, Occupants or Guests of any Unit at Makali'i at Wailea.

A copy of the Amended House Rules in their entirety are enclosed herein. This Amendment will be included with the corporate records.

AMENDMENTS TO HOUSE RULES

The House Rules are specifically amended as follows:

1. Section B.1 is amended to add the following sentence:

In addition to any other remedies described herein, any violation of this Section B.1 shall result in a "Transient Fine", as established from time to time by the Board and defined in Schedule 1 hereto.

2. Section D is amended to include golf carts as vehicles and to reiterate the parking rules found in the Association's Declaration Of Condominium Property Regime.

3. Subsection 1 under the heading "Spa" in Section E is amended to read:

The spas (meaning the Restrooms, Showers, Steam Rooms and Lockers but specifically excluding the Pool Deck, Pool and Hot Tub) will be open from 5:00 a.m. until 9:00 p.m. daily.

4. Subsection 1 under the heading "Exercise Room" in Section E is amended to read:

The exercise room allowed for the exclusive use of owners and occupants that are registered with the Site Manager daily from 5:00 a.m. to 9:00 p.m. However, no other use of the Residents Club is permitted prior to 8:00 a.m."

5. Section I under the heading "Pets" is replaced as reflected in the House Rules incorporated herein.
6. Section K is amended to remove the requirement that prior written consent of the Board is required for an Owner or Occupant to have a golf cart in the Project.
7. Subsections (b) and (c) of Section M.3 are amended to clarify the process of issuing violation notices and fines and to indicate that the fines, fees and interest are found on Schedule 1.
8. Schedule 1 (Fine and Fee Schedule) is added to (a) itemize the established fines for violations of any provision of the Declaration, Bylaws, and/or House Rules, (b) itemize the Transient Fine, (c) move the Annual Dog Registration Fee to this Schedule, and (d) itemize the Late Fee, Interest and Processing Fee for unpaid Assessments, as follows:

First offense – Warning Letter

Second offense - \$100.00 Fine

Third Offense - \$200.00 Fine

Fourth offense - \$300.00 Fine

\$5,000 fine for Transient accommodation

\$50.00 Annual Dog Registration Fee

Late Assessment Fees of \$50 Interest on unpaid assessments at 12% per annum, and a \$35 Processing Fee of \$35 per occurrence.


9. Various changes have been made for clarification and consistency within this document and other Association governing documents.

CERTIFICATION

I, Secretary of the Board of Directors of the Association of Apartment Owners of Makali'i at Wailea, Inc. hereby certify that the foregoing is an Amendment to the House Rules was adopted by a majority the Board of Directors on January 3, 2022 and by written consent on January 5, 2022, and this Amendment to the House Rules is in full force and effect.

DATED: January 19, 2022.

ASSOCIATION OF APARTMENT OWNERS
OF MAKALI'I AT WAILEA

By:  Kevin B. Kern
Its: Secretary

AMENDED AND RESTATED RULES AND REGULATIONS OF THE ASSOCIATION OF UNIT OWNERS OF MAKALI'I AT WAILEA

(Effective March 1, 2022)

These House Rules supplement but do not change the obligations of the Owners, Occupants, and Guests (as such terms are set forth below) of the Makali'i at Wailea condominium project (the "Project") as set forth in the Declaration of Condominium Property Regime of Makali'i at Wailea and Condominium Map, as may be amended from time to time ("Declaration"), and the Bylaws of the Association of Unit Owners of Makali'i at Wailea, as may be amended from time to time ("Bylaws"). In the event of any inconsistency, the Declaration and/or the Bylaws, as the case may be, will control.

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

The Board of Directors (the "Board") of the Association of Unit Owners of Makali'i at Wailea (the "Association") shall be responsible for enforcing these House Rules, but such responsibility may be delegated to a managing agent (the "Managing Agent") by the Board. All Owners, Occupants, and Guests shall be bound by these House Rules and by standards of reasonable conduct whether covered by these House Rules or not.

Owners are forewarned that they may be fined upon the first violation of these House Rules and be assessed in accordance with a schedule of fines adopted by the Board. Owners are encouraged to read and review the Association formation documents, including the Declaration, the Bylaws, and the Articles of Incorporation, if any, all as may be amended. Said documents establish and define certain rules and regulations not covered in these House Rules. Together, these documents should be well considered and heeded by all Owners, Occupants, and Guests.

A. DEFINITIONS

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise set forth below.

1. "Condominium Map" means Condominium Map No. 2304, which sets forth the layout, location, floor plans, elevations, dimensions, and unit numbers of the Units, the name of the Project, the location, floor plans and elevations of the other buildings, if any, the general location and layout of common areas, and the location and identification of parking stalls, storage areas, recreational areas, lanais, courtyards, and said land areas.
2. "Guest" means a guest, family member, invitee or other visitor of an Owner or an Occupant.
3. "Master Declarations" means that certain Wailea Community Association Amended and Restated Declaration of Covenants and Restrictions dated July 13, 1998 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2479882, as amended, or as may be amended from time to time, and that certain Additional Declaration of Covenants, Conditions and Restrictions dated March 30, 2004 and filed in said Office as Document No. 3091575, as amended, or as may be amended from time to time.

4. "Occupant" means any person other than an Owner renting, leasing, or otherwise occupying a Unit, including, but not limited to, a family member, invitee, guest, employee, agent, contractor, or customer.
5. "Owner" shall mean a fee simple owner or co-owner of a Unit in the Project, and shall include all persons characterized as an "Owner" or "Unit Owner" in the Declaration.
6. "Smoke" and "smoking" mean inhaling, exhaling, burning, or carrying any lighted or heated cigarette, cigar, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation. "Smoking" also includes the use of an electronic smoking device, which means any device that can be used to deliver aerosolized or vaporized nicotine to the person inhaling the device, including, but not limited to, e-cigarettes, e-cigars, e-pipes, vape pens and e-hookahs.

B. UNITS

1. The Units shall be occupied and used by their respective Owners, Occupants, and Guests only for residential purposes and in compliance with the restrictions contained in the Master Declarations, the Declaration, the Bylaws, and the respective unit deeds. No Unit or Common Element of the Project shall be used for transient or hotel purposes, or in connection with the carrying on of any business, except as expressly permitted in the Declaration. Time sharing is strictly prohibited at the Project. "Transient," as used above, means overnight accommodations for periods of less than one hundred eighty (180) days. In addition to any other remedies described herein, any violation of this Section B.1 shall result in a "Transient Fine", as established from time to time by the Board and set forth in Schedule 1 hereto.
2. Every Owner, Occupant, and Guest shall at all times keep their respective Units in good order and condition and 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 Unit and the Project.
3. No Owner, Occupant, or Guest shall make or suffer any strip or waste or unlawful, improper, or offensive use of a Unit.
4. No clothes, towels, garments, rugs, or other objects shall be hung in or on the lanai railings or walls, courtyards, windows, or facades of the Units in such a manner as to be in view of persons outside the building.
5. No rugs, draperies, or other objects shall be dusted, beaten, or shaken from the windows or on the lanais or courtyards of the Units. Dust, rubbish, or litter shall not be swept or thrown from any Unit into any exterior part of the Project.
6. Nothing shall be allowed, done, or kept in any Unit or Common Element that would overload or impair the floors, walls, or roof of the Project, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.
7. Recess or surface mounting of any subwoofer loudspeakers within or on the ceiling of a Unit and recess mounting of loudspeakers in the demising walls between Units is prohibited. Recess or surface mounting of full range loudspeakers with a nominal loudspeaker driver size of six (6) inches or smaller within or on the ceiling of a Unit is permitted; provided that any loudspeaker recessed mounted in the ceiling must include a metal back can. Recessed mounted loudspeakers may be supported by the gypsum board ceiling or the framing for the ceiling.

8. All window coverings shall be appropriately installed.
9. Exterior appearance of draperies (as seen from the outside by others) shall be white, off white, or beige in color. (Prints, lace, metallic, reflective, etc. fabrics must be lined with white, off white, or beige fabric).
10. Wooden shutters, wooden louvered blinds, or wooden roman shades may be white or natural wood stained.
11. The exterior appearance of freestanding screens, including Shoji screens, must be white, off white, beige or wood tone in color.
12. Temporary (pleated paper) blinds may be installed for a period of up to three (3) months while other window treatments are acquired.
13. Any window treatments outside of these guidelines will need written approval of the Board prior to installation. The Board shall have the discretion to withhold the approval of any window coverings that, in the reasonable opinion of the Board, do not promote a uniform appearance within the Project.
14. Smoking within a Unit, including any Limited Common Element appurtenant thereto, is prohibited.

C. COMMON AREAS

1. No Owner, Occupant, or Guest shall make or suffer any strip or waste or unlawful, improper, or offensive use of the Project or alter or remove any furniture, furnishings, or equipment from the common areas.
2. Sidewalks, stairways, walkways, recreational areas, and roadways must not be obstructed or used for any purpose other than ingress and egress, or in the case of recreational areas, for any purpose(s) for which such areas are designated by the Board.
3. Trash shall be disposed of in approved containers placed at the end of an Owner's driveway so as not to obstruct use of the driveway and adjacent walkways and roadways no earlier than the evening prior to trash pick-up day and must be removed no later than the end of trash pick-up day. Trash containers must be stored at all other times in an Owner's Unit or carport.
4. Electric barbeques may be used on the lanai adjacent to the living and dining area of a Unit, as shown on the Condominium Map ("Main Floor Lanai"); provided that any awning thereon shall be in the retracted position during such use. Gas barbeques may be used on the Main Floor Lanai; provided that such gas barbeques are permanently installed by a licensed professional and connected to a piped gas source and any awning thereon shall be in the retracted position during such use. Propane gas tanks are prohibited. Use of such gas and electric barbeques, however, is not permitted on any other lanai or courtyard appurtenant to a Unit. The built-in barbeque equipment installed and maintained by the Association may be used in the designated barbeque area of the Residents Club. All other outdoor cooking, including, without limitation, the use of charcoal hibachis and deep fryers, is prohibited in the Project, including upon any lanai or courtyard appurtenant to a Unit. Should an Owner desire to install a gas barbeque on the Main Floor Lanai of said Owner's Unit, prior to installation, the Owner must obtain the written approval of Developer or the Board as to the make and model of the gas barbeque and the installation plans therefor. Developer or the Board shall have the discretion to withhold the approval of any gas barbeque or the installation plans therefor that, in

the reasonable opinion of Developer or the Board, does not promote a uniform appearance within the Project.

5. Skateboards, roller blades, rollers skates, scooters, or other similar devices are not permitted on any common area.
6. The storage or repair of any boat, trailer, or mobile home in any carport, driveway, or other Common Element of the Project is prohibited. No commercial vehicle bearing commercial insignias or names shall be kept in a location visible to other Owners unless it is temporarily parked for the purpose of actively servicing a Unit during allowable work hours.
7. Vehicles shall navigate the entry circle to the Project in a counterclockwise manner.
8. Nothing shall be thrown or permitted to be thrown from the windows, lanais, or courtyards of any Unit, including specifically, but without limitation, cigarettes, matches, and fireworks of any kind. Cigarettes, matches, and fireworks should not be thrown in any of the Common Elements.
9. No unsightliness within the public view is permitted within the Project. For this purpose, "unsightliness" includes but is not limited to the following: the unsightly placement, storage or stowing (as determined by the Board in its sole discretion) of non-decorative gear, clothes, towels, equipment, cans, bottles, ladders, trash, boxes, barrels, or other items of personal property in any Limited Common Element area or any area outside of a Unit, including, without limitation, all lanais (and lanai railings), courtyards, and carports, the use of unshaded or improperly shaded lights that create objectionable glare, and the placement of any trash containers, household or commercial supplies, or other similar articles outside the Unit, or in a place where they can be seen from outside any such Unit, except as the Board shall prescribe.
10. No items of personal property, including baby carriages, bicycles, surfboards, packages, boxes, or crates shall be left or allowed to stand on or within any of the Common Element areas. Articles of any kind left in any of the Common Element areas will be removed 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 any Limited Common Element courtyard or carport, provided that the storage or arrangement of such items does not qualify as "unsightliness" as such term is set forth hereinabove.
11. No Owner, Occupant, or Guest shall harm, damage, litter in, cut, prune, plant in, dig, uproot, take, remove, or in any way alter any of the landscaping that is part of the Common Elements; or plant, put, place, store, maintain, or affix any plants, planters, statues, water features, or objects of any kind upon or in any portion of said landscaping. No climbing or playing in any of the landscaping is permitted.
12. Sunshades, awnings, or screens may be used on the exterior of Unit windows or over lanais of the Unit with the prior written approval of the Association. Clotheslines are not permitted on lanais or in courtyards. No permanent rug or carpeting or artificial turf is allowed on or shall be attached to lanai or courtyard areas.
13. The care and maintenance of the lanai and courtyard 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 or through the weep holes of lanai areas. Each Owner should ensure that potted plants have appropriate catch canisters underneath them.

14. Children must be monitored while on lanai areas and must not be allowed to climb or stand on the railings.
15. The lanais of the Units may be used as an outdoor relaxation area, containing lanai furniture, potted plants, and other similar outdoor furnishings that comply with the standards governing the appearance of such items as determined by the Board. The lanais shall not be extended and/or enclosed and used as an extension of the interior living area of the Unit except as may be provided for in the Declaration. 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 lanais so as to render them unsightly or offensive to the other Owners.
16. Owners may not make any landscaping changes themselves, and all requests for any change to the landscaping, including the addition or alteration of any landscaping stones, must be made in writing and approved by the Board.
17. No wind chimes or other sound-generating devices shall be installed within the lanais or courtyards or any other exterior location within the Project.
18. Plants hanging from the building will not be allowed, including from the upstairs lanai railings.
19. Except for traditional holiday lights, which may be displayed between Thanksgiving and January 7th only, no temporary or permanent exterior lights shall be installed without prior written approval of the Board. This includes but is not limited to landscape lights and lanai fan lights. Flashing lights (including, without limitation, holiday lights) are prohibited.
20. Except for traditional holiday decorations, which may be displayed between Thanksgiving and January 7th, no temporary or permanent exterior artwork or decorations shall be installed without prior written approval of the Board. Freestanding or inflatable decorations are not permitted. Exterior decorations that play music are not permitted.
21. Decorations and lights must use non-permanent hangers so as to not damage facade, doors, etc. with nail holes.
22. All Owners must seek written approval from the Board before staining any concrete element of, or installing any tile or covering on, any Limited Common Element driveway, carport, walkway, stairway, courtyard, and/or lanai. No graphic design or inlays are allowed. Borders of the same colored tile are allowed.
23. Lanais and courtyards may be furnished appropriately with typical lanai furniture in keeping with the decor of the Project which includes chairs, lounges, and tables which shall be kept in an orderly fashion and maintained in good, clean condition.
24. Any furniture, plants or other articles which, in the opinion of the Board, are unsightly or not in keeping with the overall decor of the Project, shall be removed from the lanais or courtyards upon request of the Board.
25. Freestanding screens may be used for decorative purposes within the lanai area however they must be in keeping with the general decor of the Project and not used to create a storage area on the lanai, nor obstruct any neighbor's view.

26. Bird baths, bird feeders, and bird houses are not allowed in the Project.
27. The addition of spas/hot tubs, whether in-ground or above ground, are not approved.
28. Yard furniture including, but not limited to tables, lounges, etc., must be approved by the Board. If approved, yard furniture must be moved to the lanai when not in use. Hammocks are not allowed.
29. Fires such as, but not limited to, tiki torches, fire pits, etc., are not allowed.
30. Freestanding storage structures of any kind are not allowed in or on lanais. Storage benches on lanais as determined by the Board to be appropriate may be allowed with prior Board approval.
31. No children's play equipment (for example, swings, slides, etc., or basketball hoops) shall be installed within any Common Element.
32. Any water hoses and/or hose reels on the front/side of a Unit or that are visible from the roadway must be stored within a container or be completely hidden by existing walls or landscaping.
33. Smoking within the Project including, without limitation, the common areas of the Project, is prohibited; provided that, in the event that a designated smoking area is identified for the Project, smoking may be permitted within such designated smoking area. In such event, any and all smoking activities shall be limited to the designated smoking area.

D. PARKING

1. Other than on a short-term basis, Owners' and Occupants' vehicles, including golf carts, must be parked in carports and, for center (B and C) Units only, Limited Common Element driveways. Use of carports for storage shall not prevent the ability to park two vehicles inside carports intended for two vehicles (outside, or A and D Units only) and one vehicle inside carports intended for one vehicle (center, or B and C Units only). No Owner or Occupant vehicles shall be parked on a long-term basis outside of these designated areas.
2. Parking on roadways other than in guest parking stalls is not permitted.
3. No vehicle may be parked or left unattended except in carports and Limited Common Element driveways or designated guest or handicap parking stalls in the Project (as appropriate).
4. Guest parking stalls are for Guests only, not for Owners or Occupants, and may be used only between the hours of 7:00 a.m. and 11:00 p.m. daily. Notwithstanding the foregoing, a Guest may park a vehicle in a guest parking stall between the hours of 11:00 p.m. and 7:00 a.m. provided that the Owner or Occupant whom the Guest is visiting obtains from the Managing Agent an overnight parking pass for such Guest.
5. When workmen are performing work on a Unit, the Owner shall advise them to park in such Owner's carport or Limited Common Element driveway, or if necessary for loading and unloading only, in an available guest parking stall. Off-site parking must be used for longer-term requirements of any service provider if carport or Limited Common Element driveway parking is not available.
6. All vehicles shall be centered in the assigned, designated guest or handicap parking stalls so as to prevent crowding of adjacent stalls and blocking of passage ways.

7. Vehicles shall not be driven in excess of the posted speed limit within the Project. Drivers are expected to observe all traffic and directional signals for the safety of all and to exercise extreme caution in the operation of any type of vehicle within the Project.
8. Owners, Occupants, and Guests may wash, clean, or polish their vehicles only in Limited Common Element driveways. Any Owner, Occupant, or Guest washing, cleaning, or polishing vehicles within the Project shall thoroughly clean the area immediately after use. Extensive repairs of a vehicle or other equipment, or any repairs of a vehicle or other equipment which could cause damage, defacement, or soiling of the area, shall not be permitted in any carport, driveway, roadway, or other Common Element of the Project.
9. Damage to vehicles and other objects or to the Common Elements shall be the responsibility of the person who caused the damage.
10. Owners and Occupants shall be responsible for maintaining their respective carports and driveways in a clean condition, free from oil drips or other discharge from their vehicles. From time to time and upon giving prior written notice and opportunity to cure, the Association may (a) clean any carport or driveway and (b) assess the Owner of the Unit to which the carport or driveway is appurtenant a fee of one hundred dollars (\$100.00) for such cleaning.
11. Owners and Occupants shall register their vehicles with the Managing Agent.
12. Any Owner, Occupant, or Guest who violates the parking regulations set forth hereunder may face a fine as set by the Board and may have his/her car towed away at his/her expense.

E. RESIDENTS CLUB

GENERAL RULES

1. Guests may not use any portion of the Residents Club unless accompanied by an Owner or Occupant who is at least eighteen (18) years old. Notwithstanding the foregoing, a Guest who is at least eighteen (18) years of age may use the Residents Club unaccompanied by an Owner or Occupant provided the responsible Owner or Occupant notifies the Managing Agent prior to the such Guest's arrival at the Project and such Guest registers with the Managing Agent within one (1) business day of his/her arrival. Such a registered Guest may accompany children to the Residents Club provided that said children are under his/her supervision at all times.
2. Smoking is not permitted anywhere in the Residents Club.
3. The Residents Club will be open from 8:00 a.m. until 9:00 p.m. daily.
4. The Residents Club shall not be used for any commercial or political purpose.
5. All Owners, Occupants, and Guests are responsible for cleaning up after themselves prior to leaving the premises, and removing all personal items from the area and all food and drink from the refrigerator/freezer.
6. Wheeled vehicles or devices (other than wheeled vehicles or devices relied upon by handicapped persons or infants) will not be permitted in the Residents Club.
7. The gate to the Residents Club shall remain closed and shall not be propped open for Guests.

8. Animals are only allowed in the Residents Club at the mailboxes while the Owner or Occupant to whom the Animal(s) belongs is retrieving his/her mail.
9. Radios and all other audio and visual devices are not permitted unless earphones are used or they are being used for a Board approved Association function.
10. Intoxicated persons are not permitted to use the Residents Club.
11. All persons using any portion of the Residents Club are required to exercise due care to preserve the functionality and appearance of the facilities. All trash and personal belongings must be removed after use of any portion of the Residents Club. Any chairs or umbrellas belonging to the Association, if any, should be returned to their original positions/locations to ensure a neat and orderly appearance. All Owners, Occupants, and Guests acknowledge and agree that the Board and/or Managing Agent may issue rules governing the use of the Residents Club which are not inconsistent with these House Rules.
12. In extreme cases or multiple violations of the rules pertaining to the Residents Club, the Board will have the option to revoke an Owner's, Occupant's, or Guest's privileges to use the Residents Club.

SPAS

(Restrooms/ Showers/ Steam Rooms/ Lockers)

1. The spas (meaning the Restrooms, Showers, Steam Rooms and Lockers but specifically excluding the Pool Deck, Pool and Hot Tub) will be open from 5:00 a.m. until 9:00 p.m. daily.
2. Children under the age of twelve (12) are not permitted in the steam rooms.
3. Not more than four (4) persons from any one (1) Unit shall use a steam room at one time.
4. Lockers (if any) are for use while at the Residents Club.
5. Any personal items remaining at the spas after hours will be removed.
6. Food and drink are not permitted in the steam rooms.
7. Persons with open sores or wounds or infectious or communicable diseases are not permitted in the spas.

POOL AREA

(Pool Deck/ Pool/ Hot Tub)

1. The pool area will be open from 8:00 a.m. until 9:00 p.m. daily.
2. There will be no lifeguard at the pool area. Therefore, anyone using the pool does so at his/her own risk and is fully responsible for his/her own safety. Parents or a responsible adult are responsible for their children's safety.
3. Showering before entering the pool is required. The shower for the swimming pool is located on the pool deck. All suntan oil, dirt, and other such materials must be removed before entering the pool.

4. Not more than six (6) persons from any one (1) Unit shall use the pool area at one time without prior authorization from Managing Agent.
5. Children under the age of twelve (12) are not permitted in the pool area unless under direct supervision of a parent and/or responsible adult who is at least eighteen (18) years old.
6. Running, excessive splashing, pushing, screaming, shouting, jumping, or diving into the pool or hot tub, horseplay, pool games such as Marco Polo, or other boisterous conduct, are not permitted in the pool area.
7. Parents and/or responsible adults are responsible for the safety and appropriate conduct of their children.
8. Radios and all other audio and visual devices are not permitted unless earphones are used.
9. Cellular telephones must be put on vibrate/silent mode, and all telephone calls must be handled outside of the pool area so as not to interfere with the enjoyment of the others in the pool area.
10. Glassware and other breakable items are prohibited in the pool area.
11. Food is not allowed in the pool or hot tub.
12. Flotation devices such as inflatable mats, inner tubes, or similar items, as well as swim fins, balls, Frisbees or other throwing toys are prohibited in the pool area. Swimming aids and flotation devices for exercise and safety reasons may be used if they do not inconvenience or inhibit the safety of others.
13. Appropriate swimwear must be worn at all times. Cut-offs, street clothes, or diapers (other than swim diapers which must be worn by any child who wears diapers) will not be permitted in the pool or hot tub. Bathing caps or hair bands are recommended for persons with long hair; hairpins are not permitted. Nudity is prohibited.
14. If there is a feces accident in the pool or hot tub, the pool or hot tub needs to be drained, treated, and refilled at the expense of the responsible Owner or Occupant whose child or Guest caused the accident.
15. Climbing on any railing surrounding the pool and/or hot tub and lying on or climbing over the infinity edge of the pool is prohibited.
16. If people are swimming laps along the outer edge of the pool they should be allowed to do so without interference.
17. Persons with open sores or wounds or infectious or communicable diseases are not permitted in the pool or hot tub.
18. Spitting, urinating, and blowing one's nose in the pool or hot tub are strictly prohibited.
19. The introduction of sand, rocks, or other foreign matter in the pool or hot tub is strictly prohibited and will result in immediate eviction therefrom.
20. Swimmers must dry themselves before leaving the pool area.

EXERCISE ROOM

1. The exercise room is available daily from 5:00 a.m. to 9:00 p.m.
2. Shirts and closed-toe shoes must be worn when using exercise equipment. Wet swimwear is not permitted in the exercise room.
3. Children under the age of twelve (12) are not permitted to use the equipment.
4. Food is not allowed in the exercise room.
5. Only unbreakable drink containers are allowed in the exercise room.
6. Radios and all other audio and visual devices are not permitted unless earphones are used.
7. As a courtesy to others, a person should spend no longer than thirty (30) minutes on any one machine if others are waiting. Equipment should be cleaned with disinfectant after use.
8. In an effort to conserve energy, the lights should be turned off when the exercise room is not in use.
9. Persons with open sores or wounds or infectious or communicable diseases are not permitted to use the equipment.

PAVILION AND LAWN

(Covered Area, Barbeque, & Lawn)

1. The reserved use of the pavilion and/or barbeque areas does not include the pool area or any other portion of the Residents Club.
2. Owners, and Occupants of Units whose Owners are, in good standing with the Association may reserve the use of the pavilion and/or barbeque areas by written request to the Managing Agent no earlier than thirty (30) days prior to the date of use. Reservations shall not be for more than thirty (30) persons at one time. A \$100.00 security deposit is required. Any excessive cleaning costs or costs to repair any damage resulting from an Owner's or Occupant's function will be deducted from the deposit.
3. The pavilion and barbeque areas may not be reserved on the following holidays: New Year's Eve, New Year's Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day nor for commercial or political functions.
4. Reservations will be posted on the billboard located next to the mailboxes.
5. If an Owner or Occupant has hired a bartender for a reserved party, a bar may be set up either within or outside the pavilion. Glass bottles will only be allowed behind the bar in this limited situation; no glass shall leave the back of the bar. Therefore, all wine, beer, mixed drinks, or soft drinks must be served in paper or plastic containers. The Owner or Occupant reserving the pavilion for such a function is fully responsible for any and all clean up that may be required should any glass break (this includes costs of draining pool and/or hot tub if necessary), as well as a possible fine. The Association recommends that an Owner or Occupant ask the caterer to consider alternatives to glass bottles whenever possible.

6. The use of hibachis, barbeques grills, and other open-fire cooking equipment is strictly prohibited in all areas except in designated barbeque areas using Association installed built-in barbeque equipment and as set forth in Section C.4 herein.

F. NOISE AND NUISANCE

1. No nuisance shall be allowed in the Units 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 Bylaws or these House Rules, or which unreasonably interfere with, or is in an unreasonable annoyance to, the peaceful possession or proper use of the Units and/or the Common Elements by other Owners, Occupants, or Guests.

2. Loud and/or disturbing noise such as, but not limited to, radios, televisions, stereos, musical instruments, loudspeakers, yelling etc. will not be tolerated.

3. Owners, Occupants, and Guests shall avoid unreasonably excessive noise of any kind at any time and shall not cause or permit any unreasonably disturbing noise or objectionable odors, which interfere with the rights, comforts, or convenience of others, to emanate from their Units.

4. Special consideration for quietness shall be followed between the hours of 10:00 p.m. and 8:00 a.m. so as not to interfere with the rights and comfort of others.

5. The use of profane or abusive language will not be tolerated within the Common Elements. Any person using such language shall leave the Common Elements of the Project upon the request of the Managing Agent or other representative of the Board.

6. Excessive noise at any time should be reported to the Managing Agent, and the Managing Agent shall be authorized by the Board to take appropriate action.

7. Noise due to departing Guests, particularly at night, shall be kept to a minimum.

G. MAINTENANCE

1. Every Owner, Occupant, and Guest is to do his/her part and to use his/her influence on all members of his/her household to do their part towards abating unsightliness within the Project to the fullest practical extent.

2. No maintenance employee shall be asked by an Owner, Occupant, or Guest to leave the Common Elements or to perform any tasks. All comments or requests concerning any maintenance issues must be directed to the Managing Agent in writing. Maintenance employees are under the direction of the Managing Agent and the Board.

3. Cleaning of individually-owned Units, including the interior of windows, is the responsibility of the respective Owners and Occupants.

H. HAZARDS

1. The Common Elements (other than those specifically designated recreational areas) shall not be used for recreational activities of any kind. Parents or responsible adults are responsible for the appropriate supervision of minors at all times.

2. Unless the Board gives advance written consent in each and every instance, Owners, Occupants, and Guests shall not use any illumination other than electric lights, or use or permit to be

brought into the buildings or any common area any flammable or combustible substances such as gasoline, kerosene, naphtha, benzene, gunpowder, fireworks, or other explosives or other articles deemed highly or extra hazardous or dangerous to life, limb, or property.

I. ALLOWED ANIMALS

1. Owners, Occupants and Guests (for the purpose of this Section, collectively, “Residents”) may keep up to two (2) of usual and ordinary household animals such as a dog or cat, provided they are not kept, bred, or maintained for any commercial purposes. No (a) wild or undomesticated animal, (b) animal defined as a “pest” under Hawaii Revised Statutes (“HRS”) § 150A-2, as amended, or prohibited from importation under HRS §§ 141-2 and 150A-6, as amended, (c) reptile, insect, bird or rodent, or (d) animal which the Board has determined to be aggressive or dangerous pursuant to evidence provided at a noticed hearing, is permitted to be kept in any portion of the Property, including any Unit or the Common Area. An animal otherwise prohibited, which is kept for the purpose of servicing the Resident’s qualified disability, may be kept by such Resident provided the animal is properly cared for (i.e., kept healthy, clean, and properly groomed and waste material is properly disposed of) and is not unruly or disruptive (e.g., barking, growling, running loose, displaying aggressive behavior, etc.). All animal rules herein apply to assistance animals, unless contrary to law. The Board may approve exceptions to this Section on a case-by-case basis under extraordinary circumstances, following an interview with the relevant Resident and having considered any additional information requested by the Board.

2. Residents shall register all their animals annually with the Managing Agent, who shall maintain a register of all animals kept in the Project. Failure to properly register an animal shall be grounds for ejection of the animal upon notice. Owners of dogs, including dogs that are service animals or emotional support animals, shall be assessed a special annual fee, effective January 1st of each year (“Dog Registration Fee”), as established from time to time by the Board and set forth in Schedule 1 hereto, to defray the additional costs incurred by the Association in properly cleaning and maintaining the Common Elements of the Project.

3. No animal may exceed sixty (60) lbs. in weight. No infant or juvenile animal of any type or breed which, when fully grown, is likely to exceed sixty (60) lbs. in weight, may be kept in the Project.

4. Animals must be controlled by their Resident and be caged, carried, or kept on a leash at all times in the Common Areas. Residents shall prevent their animal from soiling any portion of the Common Area and shall promptly clean up any waste left by their animal. Residents shall be fully responsible for any damage caused by their animal.

5. The following breeds of dogs may not be kept in the Building by Residents: Pit Bull, German Shepherd, Alaskan Malamute, Chow, Great Dane, Rottweiler, Dalmatian, Presa Canario, Husky, Wolf-dog hybrid, Doberman Pincher, Akita, and Jindo. The term Pit Bull refers to any dog that is or is mixed with a Bull Terrier, Miniature Bull Terrier, American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog that exhibits physical traits of any one or more of these Pit Bull breeds or any dog exhibiting those distinguishing characteristics which conform to the standards established by the American Kennel Club (“AKC”), United Kennel Club (“UKC”), or American Dog Breeders Association (“ADBA”) for any of these Pit Bull breeds. If a dog’s breed is unknown or disputed, or is otherwise found to be an aggressive or dangerous animal, the Board’s determination that the dog exhibits (1) the physical traits or distinguishing characteristics of one of these prohibited breeds which conform to the standards established by AKC, UKC, or ADBA or (2) any aggressive or dangerous traits, is sufficient to expel the animal from the Building.

A Resident may appeal the Board's decision to expel the animal and has the burden to show the dog is not of a prohibited breed. The Resident's failure to appeal the Board's decision within thirty (30) days of receiving the Board's determination letter is deemed an acceptance and agreement with the Board's determination. Animals being kept in the Building on the effective date of these Rules, which were not in violation prior to that date but which are prohibited under these Rules, are permitted to be kept; provided, however, those animals must be registered with the Managing Agent. The Board is authorized to restrict other categories of animals which are dangerous or have aggressive tendencies, as designated by the insurance industry or a governmental agency.

6. The Board may cause any animal determined by the Board to (a) be in the Property in violation of the Declaration, Bylaws and/or these Rules, (b) be a danger to the health and safety of any occupant in the Property, (c) exhibit aggressive or dangerous behavior, or (d) otherwise be a nuisance within the Property, to wear a muzzle while in the Common Areas, or to be temporarily removed by the Managing Agent to a pound or animal shelter under the jurisdiction of the County of Maui by calling the appropriate authorities. After notice and a hearing, the Board may require the permanent removal of any such animal. The Board may find that an animal is a nuisance if the animal or its Resident continues to violate the provisions of the Declaration and/or the Bylaws, as the case may be, after receipt by the Resident of a written demand from the Board to comply with the applicable requirements.

7. Residents are liable for any injury to persons or property caused by any animal brought or permitted onto or kept within the Property by the Resident or their respective family, guests, or invitees and shall indemnify the Board and the Association and hold them harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any animal within the Property.

8. Any damage to the Project caused by an animal shall be the full responsibility of the owner of the animal and the Owner of the Unit in which the animal is kept, and the costs of repair or replacement of any portion of the Property due to such damage shall be specially assessed to such person(s).

9. Owners of dogs, including dogs that are service animals or emotional support animals, shall be assessed a special annual fee of \$50.00 per dog to defray the additional costs incurred by the Association in properly cleaning and maintaining the Common Elements of the Project.

J. BUILDING / UNIT MODIFICATIONS

1. Except as permitted by the Declaration and Bylaws, nothing shall be allowed, done, or kept in any Unit or the Common Elements of the Project which would be a violation of the law or would overload or impair the structure of the Unit 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.

2. No alterations, modifications, or changes, structural or otherwise, shall be permitted either within or without a Unit without prior consent and written approval of the Board and such prior approvals as may be required by applicable law, the Declaration, and the Master Declarations, evidence of which shall be provided to the Managing Agent as requested.

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

4. Maintenance of individually-owned Units, including all of the items and fixtures included as part of the Unit in the Declaration, is the responsibility of the respective Owners and/or Occupants. Accordingly, all repairs of internal installations within each Unit, such as water, light, gas (if any), power, sewage, telephone, sanitation, windows, lamps, and other fixtures and accessories belonging to such Unit shall be the responsibility of the Owner of such Unit and made at such Owner's expense.
5. Except as otherwise permitted in the Declaration, no additions or alterations to the original design of the Unit will be permitted which are visible from the exterior of the buildings, other than those originally offered by Developer.
6. Except as otherwise provided in the Declaration, Bylaws or these House Rules, no signs, posters, signals, or lettering shall be inscribed or exposed on any part of the Units or common elements appurtenant thereto nor shall anything be projected out of any window or door or off any lanai or courtyard of any Unit, without the prior written approval of the Board.
7. No Owner shall, without the prior written approval of the Board, install any wiring for electrical or telephone installations, antennae, machines, air conditioning units, other equipment, or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows, or roof of the Project.
8. No Owner or Occupant shall decorate the entry door of his/her Unit or any common element of the Project except in accordance with such standards and/or guidelines as many be established by the Board from time to time.
9. No highly reflective finish, other than glass (which, however, may not be tinted or mirrored), shall be used on the exterior of any building in the Project; provided, however, that a tint in the color and with the reflective value as designated by the Board, may be installed by an Owner on the glass located along the perimeter of his/her Unit. If any bubbling or cracking shall occur, the Owner shall immediately remove the tint and may replace it in accordance with the foregoing provision.
10. An Owner may install one additional dead bolt on the entry door to such Occupant's Unit, provided that such dead bolt and the installation thereof shall be in accordance with specifications adopted by the Board from time to time.
11. Hours of work: Construction activity shall be allowed only on Monday through Friday (excluding state and/or federal holidays) between the hours of 8:00 a.m. and 5:00 p.m., except in emergencies.
12. All work shall be performed by a licensed contractor as required by law with adequate Comprehensive General Liability and Workers Compensation insurance.
13. All common areas of the Project shall be cleaned of construction debris and other rubbish on a daily basis by any person or persons working on a Unit or building.
14. An Owner shall not allow any lien to attach to any portion of the Project.
15. An Owner shall hold the Association harmless from and against any claims for harm, damages, or fines arising from the work or the alteration.
16. An Owner shall be fully responsible for all aspects of the work, including without limitation all preparation, clean-up, restoration, and disposal of waste. An Owner shall also be responsible for any damage resulting from the work and for the expenses of all future maintenance.

17. An Owner shall be subject to a fine (special assessment) for any violation of these conditions.

K. GENERAL HOUSE RULES

1. The Managing Agent is not required to give access to Units or buildings without the written permission of the responsible Owner, Occupant, or their authorized agent.
2. Owners shall file their name, postal and email address(es) and telephone number(s) and signature(s) with the Managing Agent upon purchasing a Unit, and shall furnish the Board and/or the Managing Agent with such other reasonable information as shall be requested from time to time.
3. Owners are responsible for registering all of the Occupants residing in their Units with the Managing Agent prior to said Occupants moving into the Unit. Owners must provide the Managing Agent with a copy of any lease agreement upon registration.
4. All Guests who plan to stay seven (7) days or longer must be registered with the Managing Agent by an Owner or Occupant over the age of eighteen (18).
5. Registration information must be updated as changes occur. The Managing Agent may request updated information from time to time.
6. Owners are ultimately and legally responsible for the conduct of all Occupants and Guests of their Unit(s) and at all times shall ensure that their Occupants' and/or Guests' behavior is neither offensive to any other Occupant or Guest of the Project nor damaging to any portion of the Project. All Owners, Occupants and Guests shall adhere to these House Rules. No illegal activity shall be conducted in the Project. An Owner shall, upon request by the Board or the Managing Agent, immediately abate and remove, at his/her sole cost and expense, any structure, thing, or condition that may exist with regard to the occupancy or use of his/her Unit by any person that is contrary to the intent and meaning of the provisions hereof, or, if an Owner is unable to control the conduct of any Occupant or Guest so that said conduct conforms to the intent and meaning of the provisions hereof, such Owner shall, upon request by the Board or the Managing Agent, immediately remove such person or persons from the Project, without compensation for lost rentals or profits, or any other economic or other damage resulting therefrom. In the event expenses are incurred due to violations of these House Rules by any such person or persons for whom an Owner is responsible, the Owner shall pay for such expenses, including reasonable attorneys' fees and costs.
7. Each Owner or Occupant shall be responsible for the keys to locked entrances to his/her Unit. However, to facilitate the right of access provided by the Declaration and/or Bylaws to the Managing Agent or the Board, each Owner may, but shall not be required to, furnish keys to the Managing Agent. If an Owner desires to furnish keys to the Managing Agent, such Owner shall execute a release and indemnification agreement in a form provided by the Board agreeing that the Owner releases the Managing Agent, the Association, and the Board of and from any and all liability and indemnifies and holds harmless the Managing Agent and the Board from any claims, damages, or liabilities that may be incurred by the Managing Agent or the Board in connection with such keys being furnished to the Managing Agent. The delivery of such keys shall be at the sole risk of such Owner, and the Managing Agent and the Board 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 the Managing Agent and an emergency arises requiring a forcible entry into the Unit, the Owner of the Unit 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 Unit or Common Elements damaged by the forcible entry.

8. Each Owner and Occupant shall assume full responsibility for protecting his/her Unit, automobile(s), and the contents thereof from theft, robbery, pilferage, vandalism and other loss.
9. Toilets, sinks, and other water apparatus in the Units or anywhere on the Project 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 a Unit shall be repaired and paid for by the Owner of such Unit.
10. If the immediate service of the 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 Managing Agent.
11. Solicitation or canvassing will not be allowed in the Project at any time. Provided, however, solicitation of proxies or distribution of materials relating to Association business and functions is permitted. Such permitted solicitation and distribution shall occur at a reasonable time, place, and manner.
12. Golf carts are permitted within the Project and are subject to the same parking and registration rules as other vehicles. Notwithstanding the foregoing, the following is permitted: (a) use of golf carts owned by the Association and operated by Association employees or independent contractors, and (b) golf carts owned and operated by mobility impaired owners/residents of the Project (government issued handicap placard required).
13. No signs of any kind shall be erected within the Project or at the entrance to the Project except with the prior written consent of the Board.
14. Owners who are renting their Units to a third party are not allowed to use the Residents Club.
15. Feeding of non-captive birds on lanais or courtyards or of any animals on any common area is prohibited.
16. Climbing of walls, trees, fences and other Common Elements other than recreational facilities expressly designed for climbing (if any) is prohibited.
17. Use of fireworks of any kind anywhere in the Project is prohibited.
18. No one other than the building staff and the Board, and their representatives, may at any time or for any reason whatsoever enter upon or attempt to enter into any mechanical room, utility room, workshop area, or roof of a building.
19. To promote the quality of air and the health and safety of residents, the Project is designated as a smoke-free area. As such, smoking is not permitted anywhere on the premises, including, without limitation, the Units and the Limited Common Elements appurtenant thereto and all common areas of the Project, including, without limitation, the Residents Club and parking areas; provided that, in the event that a designated smoking area is identified for the Project, any and all smoking activities shall be limited to such designated smoking area. Owners shall inform their Occupants, Guests, and other invitees and licensees of this smoke-free policy. Any deviation from this smoke-free policy by any Owner, Occupant, Guest, or other invitee or licensee shall be a violation of these House Rules and subject to the penalties set forth herein.

L. EXPENSES OF ENFORCEMENT

Every Owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in enforcing any provision of the Declaration, Bylaws, or these House Rules against such Owner or such Owner's Occupants or Guests.

M. VIOLATIONS OF THE DECLARATIONS, BYLAWS AND/OR HOUSE RULES

1. REPORTING VIOLATIONS AND DAMAGES

(a) All corrective actions regarding and violations of the Declaration, Bylaws, and/or House Rules and damage to the Common Elements will be enforced by the Board and should be reported promptly (in writing if possible) to the Board or the Managing Agent.

(b) Damage to Common Elements shall be surveyed by the Board or the Managing Agent 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 person or persons responsible, including, but not limited to, any Owner for damages caused directly or indirectly by his/her Occupants or Guests.

(c) All persons shall comply with and cooperate with the requests of the Managing Agent with respect to matters of personal conduct in and about the Common Elements.

2. BOARD'S RIGHTS

The violation of any of the Declarations, Bylaws and House Rules shall give the Board, the Managing Agent, or their agents the right to:

(a) ENTER THE UNIT 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 MANAGING AGENT 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, INCLUDING WITHOUT LIMITATION, AS FOLLOWS:

3. PROCESS AND MONETARY FINES FOR VIOLATIONS OF THE DECLARATION, BYLAWS, OR HOUSE RULES

(a) In addition to any other remedy available to the Association by law or equity, a monetary fine (“Fine”), as stated below, may be charged against the responsible Owner for each violation of the Declaration, Bylaws and/or House Rules. This Fine may be deducted from the responsible Owner's maintenance fee payment. Fines duly imposed but unpaid shall constitute a lien on the Owner's Unit that may be foreclosed upon in like manner as a lien for unpaid assessments to collect the unpaid amount. The Association also has the right to pursue any action to recover a money judgment for any unpaid Fines without foreclosing or waiving the lien.

(b) The process and monetary fine for any violation of a provision of the Declaration, Bylaws, and/or House Rules shall be as follows:

(i) First Violation – a first written citation (“Warning Letter”) will be sent to the offending Owner or Occupant, with a copy of said citation being sent to the Owner if the offender is not the Owner.

(ii) Second Violation - if (A) the violation that prompted the issuance of a Warning Letter is not corrected within thirty (30) days from its delivery or mailing, whichever is first in time, or (B) there is a second violation of the same provision of the Declaration, Bylaws or House Rules that prompted the Warning Letter, a second written citation will be sent to the offending Owner or Occupant, with a copy being sent to the Owner if the offender is not the Owner, and a “Second Violation Fine”, as established from time to time by the Board and set forth in Schedule 1 hereto, will be assessed against the Owner.

(iii) Third Violation - if (A) the violation that prompted the issuance of a second written citation is not corrected within thirty (30) days from its delivery or mailing, whichever is first in time, or (B) there is a third violation of the same provision of the Declaration, Bylaws, or House Rules, a third written citation will be sent to the offending Owner or Occupant, with a copy being sent to the Owner if the offender is not the Owner and a “Third Violation Fine”, as established from time to time by the Board and set forth in Schedule 1 hereto, will be assessed against the Owner. For the avoidance of doubt, a Third Violation Fine will be in addition to a previously-assessed Second Violation Fine for the same violation.

(iv) Fourth and Subsequent Violation - if (A) the violation that prompted the issuance of a third written citation is not corrected within thirty (30) days from its delivery or mailing, whichever is first in time, or (B) there is a fourth or subsequent violation of the same provision of the Declaration, Bylaws, or House Rules a written citation for each such violation will be sent to the offending Owner or Occupant, with a copy being sent to the Owner if the offender is not the Owner and a “Fourth and Subsequent Violation Fine”, as established from time to time by the Board and set forth in Schedule 1 hereto, will be assessed against the Owner. For the avoidance of doubt, any Fourth and Subsequent Violation Fine will be in addition to any previously-assessed Fine for the same violation.

(v) The Association also reserves the right to take appropriate legal action to preclude the continuance of the violation(s) and the Owner shall pay for any expenses incurred, including attorneys' fees and costs.

(c) All assessments are due and payable on the first day of every month. Any assessment not paid within fifteen (15) days after its due date shall be subject to (i) a “Late Fee” and (ii) an “Interest Charge”, each as established from time to time by the Board and set forth in Schedule 1 hereto. In addition to any Late Fee and Interest Charge, the Owner shall pay a “Processing Fee”, as established from time to time by the Board and set forth in Schedule 1 hereto, for any returned checks or rejected ACH payments plus any collection expenses incurred by the Association, including attorneys' fees and costs.

(d) After twelve (12) months, a paid fine shall be removed from an Owner's or Occupant's record and shall not be used in calculating subsequent violations.

(e) The Managing Agent and its staff, as agents for the Board, are authorized to issue written citations and levy fines.

(f) Appeal from Citations and Fines. Any person fined and/or cited (“appellant”) may appeal from the fine and/or citation imposed by the Board or Managing Agent as follows:

(i) Notice of Appeal. By delivering to the Managing Agent, within twenty (20) days after the date of delivery or mailing to the appellant, whichever is first in time, of written notice of such fine and/or citation, a written notice of appellant's appeal and the reason(s) therefor. The filing of a notice of appeal shall not halt the accrual of any ongoing fine imposed for the violation, which is the subject of the appeal. However, the Board may waive or rescind all or part of such fine for good cause at the time of the hearing of such appeal.

(ii) Time for Hearing Appeal. All appeals shall be heard by the Board either by email, conference call, or at a physical meeting of the Board within ninety (90) days after the notice of appeal has been delivered to the Managing Agent.

(iii) Procedure. A statement of the facts on which the fine or citation was based shall be furnished to the appellant at least (10) days before the hearing. Each appeal will be handled on a case-by-case basis. If a physical meeting is required or requested by the appellant, the appellant and witnesses on the appellant's behalf, if any, may present appellant's defense and supporting evidence. The Board may ask other persons to attend and present testimony, and the Board may consider all relevant testimony, evidence, and information related to the violation.

(iv) Disposition of Appeal. The directors of the Board may not act unless a quorum is present. The Board shall vote as to whether the fine, the amount thereof, and/or citation shall be affirmed. If a majority of the directors of the Board present vote in the affirmative, the fine and/or citation shall be upheld and continue in full force and effect. If less than a majority of those directors of the Board present vote in the affirmative, then the fine and/or citation shall thereby be rescinded.

N. AMENDMENTS

Except to the extent expressly proscribed or limited by the Declaration, the Bylaws or these House Rules, the Board, through a majority vote, reserves the right to make such other rules or to amend these House Rules from time to time by action of the Board as it deems appropriate to promote the safety, care, and cleanliness of the Project and to ensure the comfort and convenience of all Owners, Occupants, and Guests, so long as such rules are not inconsistent with any applicable laws, ordinances, codes, rules or regulations applicable to the Project and/or its management or operation.

During the Developer Control Period, Developer may amend these House Rules in any manner without the joinder, consent, or approval of any other party.

O. COMPLIANCE WITH PROJECT DOCUMENTS

Notwithstanding anything herein to the contrary, these House Rules shall be subject to the Declaration and the Bylaws (the “Project Documents”), and in the event of any conflict between these House Rules and the Project Documents, the Project Documents shall govern and the Board shall make such changes to these House Rules as necessary from time to time to comply with the Project Documents.

SCHEDULE 1
TO
AMENDED AND RESTATED RULES AND REGULATIONS
OF THE ASSOCIATION OF UNIT OWNERS OF MAKALI'I AT WAILEA

FINE AND FEE SCHEDULE

1. Monetary Fines for violations of the Declaration, Bylaws, or House Rules:
 - First Violation Warning Letter
 - Second Violation Fine \$100 fine
 - Third Violation Fine \$200 fine
 - Fourth & Subsequent Violations Fine \$300 fine each
2. Transient Fine \$5,000 fine for any violation of transient accommodation restrictions
3. Dog Registration Fee \$50 annually, not prorated
4. Late Assessment Fees and Charges:
 - Late Fee \$50 per month for each month a payment is late
 - Interest Charge 12% per annum on all past due amounts beginning on the sixteenth (16th) day of the month such amount is due until such amount paid in full
 - Processing Fee \$35 for each event