

HOUSE RULES FOR KA`IULANI OF PRINCEVILLE

These House Rules have been enacted by the Board of Directors (the "Board") of the Association of Apartment Owners of Ka`iulani of Princeville (the "Association") to protect all apartment owners and occupants from annoyance or nuisance caused by improper conduct or use of the apartments and common elements of the Ka`iulani of Princeville (the "Project"), and to promote harmonious living and maximum enjoyment of the Project.

The responsibility of enforcement of these House Rules shall reside with the Board, but such responsibility may be delegated to the Managing Agent and/or the Resident Manager by the Board. All owners, members of their families, tenants, guests, licensees and invitees shall be bound by these House Rules and by standards of reasonable conduct whether covered by these House Rules or not.

These House Rules supplement, but do not change, the obligations of the apartment owners and all occupants, tenants and their guests as set forth in the Declaration of Condominium Property Regime of Ka`iulani of Princeville (the "Declaration") and the By-Laws of the Association of Apartment Owners of Ka`iulani of Princeville (the "By-Laws") pertaining to the Project. In the event of any inconsistency, the Declaration and By-Laws will prevail, in that order.

The Resident Manager and his/her family have the same privileges, rights of use, and obligations of the Project; and are governed by the same rules as all owners, occupants, tenants, and guests.

SECTION 1. THE APARTMENTS

1. No awning, shades, window guards, towels, swimwear, wiring, radio or telephone antenna or other objects shall be attached to or hung from the exterior of any apartment's balconies, lanais, or windows, or protrude through the walls, windows or roof of any apartment, except as shall have been authorized in writing by the Board, the Managing Agent or the Resident Manager, which approval may be granted or refused in the sole discretion of the Board, the Managing Agent or the Resident Manager.

2. No hurricane, uv filtering, light filtering or darkening, decorative or other film; or any object specifically mentioned in manufacturer documentation which would void the warranty shall be attached to the interior or exterior of any apartment's windows. The apartment owner alone shall be liable for the voiding of window warranties and, at the sole discretion of the Board, the replacement of the windows in such owner's apartment.

3. No notice, advertisement, bill poster, illumination or other sign visible outside of the apartment shall be inscribed or posted on or about the apartment, except as shall have been authorized in writing by the Board, the Managing Agent or the Resident Manager, which authorization may be granted or refused in the sole discretion of the Board, the Managing Agent or the Resident Manager.

4. The repair, maintenance, cleaning and keeping tidy of the interior, windows including the frames (head, sill and jambs), entry, lanai(s), garage, mechanical court(s), courtyard including the painted concrete walls (if any) and niche (if any) of the apartment is the responsibility of the individual apartment owner. The apartment owner alone is responsible for any damage due to neglect, or using products not recommended by the manufacturer causing any warranties to be voided; and at the sole discretion of the Board the replacement of any damaged limited common or common element.

5. Address plates, names and nameplates shall be in the form approved by the Board and located only in the places designated by the Board.

6. All solar, radio, television or other electrical or plumbing or heating equipment of any kind or nature installed or used in each apartment shall fully comply with all rules, regulations, requirements or recommendations of the public authorities having jurisdiction and the apartment owner alone shall be liable for any damage or injury by any solar, radio, television or other electrical equipment; or plumbing equipment, plumbing modifications or plumbing additions, in such owner's apartment and shall conform to the standards and guidelines issued by the Board.

7. All noises from whatever source shall be discriminately controlled in order that other residents of apartments in the Project ("Residents") will not be disturbed or annoyed.

8. Clotheslines or other similar objects shall not be hung in any area visible from any common element.

9. No occupant shall use or permit to be brought into any apartment or common area anything deemed hazardous to life, limb or property, such as gasoline, kerosene, methanol or other combustibles of like nature, or any gunpowder, fireworks or other explosives, except a small volume of gasoline in an appropriate safety container for the use in a recreational craft. No activity shall be engaged in, nor shall any substance be introduced or manufactured within the apartments which may result in a violation of the law or in the increase of premium rates or cancellation of insurance for the Project. Use of Tiki Torches shall be permitted so long as they are a minimum of 15 feet away from any structures, on a metal pole, and are attended by the user at all times while burning. Tiki Torches must be removed from common and limited common areas at the conclusion of their use and must not remain in the common area or limited common area beyond 15 consecutive hours per day.

10. Use of propane barbecue grills shall be permitted subject to fire department regulations and insurance restrictions and requirements. Any other devices subject to approval by Board.

11. Garments, rugs, mops or other objects shall not be dusted or shaken from windows, balconies or lanais. Dust, rubbish, or litter shall not be swept or thrown from

any apartment on to any part of the Project. Furthermore, nothing shall be thrown or emptied by occupants or their guests out of windows, doors, verandas, balconies or lanais into any part of the Project.

12. Balconies, courtyards, front entries, and lanais may be furnished appropriately with typical lanai furniture which includes chairs, lounges, tables, and liquid propane gas grills, which shall be kept in an orderly fashion and maintained in good, clean condition. Balconies and lanais will not be used for storage of sports and play equipment, surplus cartons, boxes, or any other type of excess belongings. Any furniture, plants, or other articles which, in the opinion of the Board, are unsightly, shall be removed and kept from the balconies, courtyards, front entries, and lanais upon request by the Board, the Managing Agent or the Resident Manager.

13. All stored trash and garbage must be stored so that it is not visible from the common areas.

14. Automobiles, boats, canoes, rafts, jet skis, trailers, or other navigable craft and bicycles, motorcycles, mopeds and other transportation vehicles may be parked, stored, maintained or repaired only within the enclosed garage or enclosed storage area.

15. Potted plants may be placed on lanais, courtyards, and walkways leading to the front entries of apartments. Porcelain or other suitable containers shall be placed under all such potted plants. The owners of apartments shall be responsible for the watering and care of plants and for keeping such areas clean and in an attractive, aesthetically pleasing and safe condition. Potted plants shall not be located in such a fashion as to block ingress to or egress from apartments.

16. Drapes, curtains, and blinds shall be appropriately attached to windows or doors and shall be of a subdued tone and color from the exterior.

17. It is the responsibility of the apartment owner to insure that power is turned on in the unit at all times to insure that front porch lights and fire alarm systems are operational.

SECTION 2. COMMON ELEMENTS

1. No soliciting of goods and services, or religious or political activities, nor any business activities such as classes or seminars for fee or free shall be permitted on the common elements of the Project unless approved by the Board.

2. Each apartment owner may use the common elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners.

3. Surfboards, skate boards, roller skates, roller blades, razor scooters, "hover boards", self-balancing scooters, "Segways" or other personal transporters, battery powered riding toys, drones, etc., shall not be left or allowed to stand or used or operated on any part of the common elements of the Project. Tricycles can be used for transportation.

4. No refuse, garbage, or trash of any kind shall be thrown, placed, or kept on any common elements of the Project outside of the disposal facilities provided for such purpose; provided that trash receptacles may be temporarily placed at curbside or in other appropriate locations as designated by the Board for refuse collection by County or private refuse collectors servicing the Project. Trash receptacles placed at curbside must be of a type which has been approved for use by the Board, the Managing Agent or the Resident Manager.

5. Transportation vehicles, including bicycles, mopeds, and motorcycles, shall be operated only on the road; provided that such vehicles shall comply with State and County registration and vehicular requirements for use on public streets and highways. The use of such vehicles is not permitted on the Project property except on paved areas and solely for ingress and egress, except bicycles can be ridden around the Project on roadways. Bicycles, mopeds, and motorcycles must be parked and stored in garages or other enclosed storage areas in accordance with Section 9 below.

6. Boats, canoes, rafts, jet skis or other navigable craft and automobiles, bicycles, motorcycles, mopeds and other transportation vehicles shall not be parked, stored, maintained or repaired on the roadway and other areas designated as common and limited common elements in the Declaration.

7. Any changes to the landscaping of the common elements shall be subject to prior consent and written approval of the Board.

8. The planting and care of foliage in the common elements is within the sole discretion and responsibility of the Board. Owners, occupants and guests shall not be permitted to plant or place shrubs, trees, vines or other types of plants in any of the common elements without prior written permission of the Board. Owners, occupants, and guests shall not be permitted to remove, replace, cut, trim, fertilize, water, or alter in any manner, any of the foliage or landscaping in the common elements.

9. No person shall permanently place, store or maintain on any common element any object of any kind or otherwise obstruct transit through any common elements, or leave unattended any personal belongings on any of the common elements.

10. Residents must obtain authorization from the Resident Manager for all parties or gatherings of 8 or more people at or on the common elements of the Project, which authorization may be granted subject to the Resident's payment of a security

deposit for contingent housekeeping costs incurred as a result of the subject party or gathering. The Resident Manager, in his or her sole discretion, may grant or deny authorization for multiple parties or gatherings to be held at or on the common elements at the same time.

a. Groups of 8-14 persons are required to submit a pool pavilion reservation request form to the Resident Manager to reserve 1 (one) pool pavilion area (Master pavilion, upper activity pool pavilion or lower activity pool pavilion). Request forms must be submitted and approved by the Resident Manager no later than 48 (forty-eight) hours in advance.

b. Gatherings of 15 – 20 persons will require Board authorization to reserve a pool pavilion area with requests to be submitted 1 (one) week in advance. Gatherings of 15 - 20 persons will also require an Association sanctioned monitor present to ensure adherence of House Rules during the course of the party at a cost of \$150 payable at the time of party authorization.

c. Parties and special events, other than Association sanctioned events, of more than 20 persons are not authorized.

A \$250.00 cleaning contingent deposit will also be required for **all** parties due upon the authorization of the event. **All** parties will be limited to those areas specified in the request form, i.e., parties held at the upper activity pool pavilion will be limited to the facilities within the upper activity pool pavilion area and are not to intrude on the comfort or enjoyment of other Residents using other areas of the facility. Parties will only be granted in 4 (four) hour blocks from start to finish. No party shall be authorized to extend past 9:00 pm. The Lap Pool is not an authorized "party pool". The Lap pool is solely for use of those Residents wishing to use the pool for its sole intended purpose.

11. Container offloading on the premises is strictly prohibited without prior written authorization from the Resident Manager or Managing Agent, which authorization may be issued subject to the provision of a bond in favor of the Association, in an amount to be determined by the Board in its sole discretion, to cover damage to the common and limited common elements incurred in connection with the container offloading.

SECTION 3. LIMITED COMMON ELEMENTS

1. The apartment owner, at his or her sole expense, shall be responsible for cleaning and keeping tidy all limited common elements appurtenant to the owner's apartment, e.g., auto court and driveway, and shall incur all liability arising from said limited common elements due to some act or omission of the owner or occupant.

SECTION 4. NOISE AND NUISANCES

1. Contractors will be permitted on the premises Monday through Friday 8:00 a.m. to 5:00 p.m. and Saturday 9:00 a.m. to 5:00 p.m., except in emergencies.

2. Loud and/or disturbing noise that interferes with the rights, comforts, or convenience of others will not be tolerated. Special consideration for quietness shall be followed between the hours of 10:00 p.m. and 8:00 a.m.

3. Excessive noise and/or inappropriate behavior at any time should be reported to the Managing Agent, Resident Manager or security personnel who will take appropriate action.

SECTION 5. RESPONSIBILITY OF APARTMENT OWNERS

1. Each apartment owner is at all times personally responsible for the conduct of the apartment owner's family, guests, guests of the family, tenants and all occupants of the apartment owner's apartment. Each occupant is at all times personally responsible for the conduct of the occupant's family, guests and guests of the family. This responsibility extends, but is not limited, to any damage or destruction to common or limited common areas.

2. Owners are responsible for costs of damages caused by improper disposal of items through the sewage systems; e.g., toys, diapers, feminine hygiene products, plastic wrappers. Owners are responsible for informing family members, guests or renters on the proper use of plumbing and toilet systems.

3. Owners are responsible to pay their Association maintenance fees, and any other fees, charges and/or fines for which owners are responsible for under the Declaration and the By-Laws, no later than the first day of each month. A late fee will be charged on the 15th business day of each month on all delinquent balances. The fee will be \$50 or 1.5% of the TOTAL outstanding delinquent balance, whichever is HIGHER. Late fees may be appealed to the Board as provided in Section 11.2.f below.

SECTION 6. BUILDING MODIFICATIONS

1. No signs, signals, lettering or decorative items shall be attached or exposed on any part of the building, lanais or the exterior door of any apartment, except for a sign indicating the apartment number as provided in the original construction, without the prior approval by the Board. Reasonable holiday decorations are exempt from this rule as long as they are affixed in a temporary manner.

2. No projections shall extend through any door or window opening into any walkway or corridor, off any lanai or beyond the exterior face of the buildings.

3. Every apartment owner shall perform promptly all repair, maintenance and alteration work within his apartment, and clean and keep tidy and inform the Resident Manager, the Managing Agent or the Board of any repairs needed to any limited common elements appurtenant to his apartment, the omission of which would adversely affect any common element or any other apartment, and shall be responsible for all loss and damage caused by his failure to do so.

4. Except as permitted under the Declaration, no apartment owner or occupant shall without the written approval of the Board install any wiring or plumbing for solar panels, electrical or telephone installations, television antenna, machines, or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows, or roof of the Apartment; provided, however, that antennae covered by the FCC Antenna Rule (47 C.F.R. Part 1, Subpart S, Section 1.400 et seq.) and solar panels as permitted under Federal Regulations may be installed in accordance such standards and/or guidelines as the Board may establish from time to time. Approval of the Board which authorizes any modification may be issued subject to the provision of a bond in favor of the Association, in an amount to be determined by the Board in its sole discretion, to cover damage to the common and limited common elements incurred in connection with the installation of any items.

5. No awnings or other projections shall be attached to the lanais or outside walls of the buildings or the exterior of any door without the prior written consent of the Board.

6. No coatings of any kind shall be applied to any windows as this voids the warranty. Under no circumstances is any film to be placed on any window in the unit either on the interior or the exterior. Owners are advised that such films void the warranty provided by the window manufacturer, and that should any such films be applied, the owner would become responsible to the Association for the full replacement cost of the window units involved, and that the owner would also be responsible for future expense caused to the Association for the warranty being cancelled due to their actions.

7. All proposed modifications to any part of a building's exterior (roofs, doors, walls, lanais, etc.) or to any interior load bearing wall or penetration through apartment common or fire walls, or to any electrical wiring or plumbing systems must be submitted in writing and in a manner suitable to the Architectural Review Committee and the Board in their sole discretion for approval by the Board. The submittal shall include a copy of the proposals from the licensed contractors performing the work and the County permits required for such work. Only after review/acceptance by the Architectural Review Committee may the work proceed in accordance with these House Rules. Failure to do so will result in sanctions and fines on the apartment owner pursuant to Section 11 below. It should be noted that the Association only maintains property insurance in accordance with the as-built plans and specifications, therefore any and all modifications on a unit should be insured by the owner.

8. Details for proposed renovations and modifications need to follow the Ka'iulani Apartment Renovation Guidelines document and submit the Application for Renovation Form in Appendix A.

SECTION 7. POOL

1. The pool and the surroundings areas are for the exclusive use of Residents and their guests between the hours determined and posted from time to time by the Board. Quiet hours are from 10:00 p.m. to 8:00 a.m. All guests not residing in an apartment must be accompanied by a Resident at all times.

The total number of guests the Residents of an apartment may bring to the pool on any occasion may not exceed 4 (four), except as otherwise approved in advance by the Resident Manager.

2. Parents and/or guardians shall be responsible for the safety and conduct of their children at the pool and pool area. All persons under the age of 14 shall be accompanied at all times while at the pool and pool area by a person over the age of 21.

3. All persons must take a shower before entering the pool or spa and before reentering the pool or spa after using the toilet. All suntan oil, bobbie pins, hair pins, and other such material shall be removed before entering the pool. All persons using oils, etc., shall protect the furniture and the deck area.

4. There shall be no nude bathers of any age in the pool. Any person with an incontinent condition shall wear rubber pants when using the pool. Infants and toddlers must wear swim diapers.

5. Persons with a disease or other conditions generally accepted by the medical community as being transmitted through casual contact are not allowed in the pool. Persons having open blisters, cuts, etc. are advised not to use the pool or spa.

6. No pets shall be permitted in the pool area.

7. Spitting, spouting of water, blowing the nose or discharging bodily wastes in the pool or spa is strictly prohibited.

8. In the event of a fecal or vomitus discharge the pool and spa shall be closed immediately and all bathers shall leave the area until it is cleaned and disinfected.

9. NO SMOKING shall be permitted in the pool or pool area, or in any of the common areas surrounding the pool. This restriction applies to all uncovered and covered common areas, all bathrooms and showers, and all walkways and parking areas leading to and adjacent to the pool.

10. Running, excessive noise, jumping off wall into the pool, and "horseplay" are not permitted in the pool and adjacent areas. No diving is allowed.

11. Radios and all other audio and visual devices are not permitted at pool unless earphones are used.

12. Glassware and other breakable items are not permitted in the pool or on the pool deck. Drinks may be taken to pool provided unbreakable containers are used.

13. Proper swim wear must be worn by all persons swimming in the pool. No cut-offs or street clothes will be permitted in the pool.

14. Scuba equipment, inflatable mats and inner tubes, boogie boards or similar items shall not be permitted in the pool or adjacent area. However, small children may use small tubes, water wings, or similar devices for safety purposes, if accompanied in the pool by a person over the age of 21.

15. No wheeled vehicles or devices of any kind whatsoever will be permitted in the pool area; provided, however, that (a) wheeled vehicles or devices relied upon by handicapped persons for mobility, and (b) baby carriages or strollers for infant children when accompanied by their parent(s) or guardian, are exempted from this House Rule.

16. All persons of any age using the pool, whether owners, Residents or guests, are expected to know and abide by the pool rules. Any person who disobeys pool rules may be prohibited from using the pool and/or may be assessed fines at the discretion of the Resident Manager, Managing Agent or Board.

17. No classes of any kind, whether for fee or free, shall be conducted in the pool or around the pool area, or in any common area at any time

18. Children under the age of 5 years are not permitted in the spa.

SECTION 8. PETS

1. No livestock, poultry, rabbits or other animals whatsoever, including but not limited to pests as defined in HRS §150A-2 or animals prohibited from importation under HRS §§141-2, 150A-5 or 150A-6, shall be allowed or kept in any part of the Project except that one (1) dog not to exceed 40 pounds in weight OR one (1) other household pet as allowed by the Board may be kept in an apartment, but shall not be kept, bred, or used therein for any commercial, profit making, or money generating purposes, nor allowed on any common elements except in transit when carried or on leash. Any authorized pet may be kept in an apartment on the following terms and conditions:

a. All pets must be registered with the Board through the Resident Manager. This registration will include, at a minimum, the apartment owner(s) and

tenant(s) owning or having custody of a pet contact information; a description of the pet including its breed, weight, color, etc.; the pet's name; insurance information; and emergency contact information in the event that the pet owner cannot be reached.

b. The apartment owner(s) and tenant(s) of an apartment with a pet shall indemnify and hold harmless the Board, Managing Agent and Resident Manager from and against any and all claims, liabilities, or damages arising out of the presence of such pet in the apartment and the Project. The apartment owner(s) and tenant(s) owning or having custody of a dog must obtain a liability insurance policy with reasonable coverage and include the Association and the Board as additional insureds and provide a certificate of such insurance to the Resident Manager, or Managing Agent, or the Board.

c. The apartment owner(s) agrees in writing to allow the apartment owner's tenant(s) to keep a pet in the apartment.

d. The apartment owner(s) and tenant(s) owning or having custody of a pet must diligently and promptly pick up and dispose of any solid waste discharged by the pet on any walkway, open area or other part of the common elements. No pet is to be allowed to defecate close to any apartment lanai.

e. The apartment owner(s) and tenant(s) owning or having custody of a pet agrees that during any pet owner's extended absence the pet will either be boarded or will have a pet sitter responsible for their pet's care. The pet sitter's 24 hour contact information will be given to the Resident Manager prior to the pet owner's absence.

f. Failure to register a pet, provide emergency or extended absence contact information, or provide the required indemnity shall be grounds for the Board to order that the pet be permanently removed from the apartment and Project upon notice given by the Board, Managing Agent or Resident Manager.

Notwithstanding the foregoing, owners, occupants, and guests may keep service animals upon which a person depends upon for assistance within the Project and shall be allowed to walk such animals throughout the common elements while on a leash; provided that such animals shall at all times be accompanied by the individual to whom such animal belongs while present upon the common elements.

If any pet or service animal causes a nuisance, unreasonable disturbance or presents a danger to any person within the Project, the owner shall be given an opportunity to rectify the problem. If the animal continues to cause a nuisance, unreasonable disturbance or danger to any person within the Project, upon written notice from the Board, the Managing Agent or the Resident Manager, the pet or animal, including service animals, must be permanently and promptly removed from the Project.

2. Any damage to any apartment building, grounds, flooring, or walls, caused by a pet will be the full responsibility of the owner/occupant of the apartment maintaining a pet in the apartment and the costs of repair or replacement shall be specially assessed to the owner of such apartment.

3. Owners are responsible for picking up after their pets. Pet trash (sand, litter paper, etc.) must be wrapped with extra care.

SECTION 9. VEHICLES AND VEHICLE PARKING

1. No Repairs on Common Elements. No repairs to automobile or any transportation vehicles shall be permitted on any common elements, except in the event of an emergency.

2. No Unreasonable Disturbance Due to Operation of Vehicles. Owners of all motor vehicles are required to operate such vehicles within the Project in a reasonable fashion so as not to constitute a noise nuisance to other occupants.

3. Washing of Vehicles. Residents may wash automobiles and motorcycles only on the driveway to their respective apartments. In order to prevent soap runoffs and damage to the surrounding foliage, detergent soap may not be used under any circumstances.

4. Traffic Regulations and Vehicle Registration. Vehicles shall travel at speeds no greater than the posted speed limit. Drivers shall observe traffic and directional signs. All residents are required to register their vehicles with the Resident Manager.

5. Parking. No vehicles may be parked along the main roadways, except as provided in Section 9.7 below. Residents of any one apartment may not bring more than two (2) vehicles on the Project at any one time. Residents shall park their motor vehicles, watercraft, and trailers only in the garage attached to their respective apartment. No vehicle that does not fit wholly within the garage shall be parked in such garage. Residents shall not park or allow to be parked any vehicles in the driveway or auto court of any apartment except while loading, unloading or washing the vehicle. Vehicle's must not be left standing unattended when they are in the driveway for washing. A guest residing in an apartment must park in the apartment's garage if it is not fully occupied by motor vehicles, trailers or water craft.

6. Garage Doors. Garage doors shall be fully closed at all times except as necessary to permit ingress and egress of vehicles.

7. Guest Parking Stalls. Guests may park vehicles in designated guest parking stalls for not more than twelve (12) hours per day and not more than three (3)

consecutive days without prior approval of the Resident Manager. Guests may park overnight in designated guest parking stalls only upon written authorization from the Resident Manager. Parking permits will be issued for a maximum of 2 weeks for an apartment with at least 30 day separation between permits. Designated guest stalls may not be utilized for any activity except parking of guest vehicles. Residents may park in a designated guest stall only upon written authorization of the Resident Manager. No vehicle that does not fit wholly within a guest parking stall shall be parked in such parking stall. "Stacking" of vehicles one behind another in guest stalls is not permitted.

8. Enforcement Provisions. Violations of traffic and parking rules may result in towing of the violating vehicle at the vehicle owner's expense or in the imposition of fines. Fines will be assessed after the first violation, which will result in a warning, and will be imposed at the following schedule: \$100.00 for second violation; \$200.00 for third violation; and \$500.00 for successive violations. No warning or notice shall be given prior to a fine being imposed for repeated violation of the same rule. Fines must be paid within thirty (30) days of assessment to the Association. Any fine may be appealed to the Board as provided in Section 11.2.f below.

SECTION 10. GENERAL

1. Nothing shall be allowed, done or kept in any apartment or common area of the Project which would cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.

2. There shall be no shooting or use of fireworks of any type at any time in, from or around any apartment or the common and limited common elements except by special permission in writing from the Board. There shall be no shooting or use of firearms of any type at any time in, from or around any apartment or the common and limited common elements.

3. The names, phone numbers, and email address(es) of all resident owners, and the names, residence or business address, email address(es) and phone numbers of all non-resident owners shall be provided to the Resident Manager. This information shall be updated on an annual basis.

4. No Business Use or Short Term Rentals: An apartment shall be used only for family living accommodations and shall not be used for business or any other purposes; provided, however, this provision shall not affect such apartments from being rented or leased for residential or living accommodations in accordance with the Declaration and By-Laws. Apartment owners shall not advertise the rental of apartments on a daily rental rate or otherwise imply that tenants may use or occupy apartments for less than thirty (30) consecutive days in contradiction to the

requirements of Article VI of the By-Laws. The practice of soliciting a tenant using a thirty (30) day rental agreement with a side understanding between owner and tenant that the tenant will only use the apartment for a short term rental (i.e. Any period less than thirty (30) consecutive days) is deemed to be a sham and a violation of the requirements of the By-Laws. The requirement of the By-Laws for a lease or sublease for a period of not less than thirty (30) consecutive days shall be interpreted to mean a bona fide lease wherein both owner and tenant have a good faith legitimate purpose and understanding that the tenant shall use the apartment for a minimum of a thirty (30) day rental period. In the event that an apartment owner fails to comply with these House Rules by entering into a lease or sublease for less than a bona-fide thirty (30) consecutive day period, each day under thirty (30) consecutive days of such lease or sublease shall be considered a SEPARATE violation for purposes of imposing sanctions and fines on the apartment owner pursuant to Section 11 below.

5. Long Term Rental (more than 30 days) Agent Requirement. Hawaii's Residential Landlord-Tenant Code [Hawaii Revised Statutes (HRS) §521-43(f)] requires that "[a]ny owner or landlord who resides outside the State or on another island from where the rental unit is located shall designate on the written rental agreement an agent residing on the same island where the unit is located to act in the owner's or landlord's behalf." Ka'iulani of Princeville requires the contact name, phone number, email and address of any Absentee Landlord's agent. This information is required for the Resident Manager's sole use in case of notification or emergency related to the activities on the project site or issues related to an individual residence occupied by a tenant-resident. For the same reasons, similar tenant contact information must also be provided to the Resident Manager prior to the tenant occupying the residence.

6. Transient Accommodations (more than 30 days, but less than 180 days) Local Contact Requirement. Hawaii law requires operators of transient accommodations (such as owners who lease their units for less than 180 days) to designate a local contact on the same island where the transient accommodation is located. Hawaii law also requires such owners to furnish the contact information of the owner's local contact to the Association, with any changes updated within 60 days.

Owners who rent or lease their unit must submit a copy of the lease to the Resident Manager. This information will be used to verify that the lease is in accordance with these House Rules and will be kept on file to allow the Association to comply with Hawaii law. Lease copies must be received by the Resident Manager prior to the tenant's move-in date. For every day of non-compliance, a fine of not less than \$100 a day will be levied, and further action may be taken at the Board's sole discretion.

7. No Time-sharing and/or Fractional Ownership Arrangements: Time-Sharing and Fractional Ownership Arrangements are Prohibited. The apartments, or any interest therein, shall not be the subject of or sold, transferred, conveyed, leased, occupied, rented or used at any time under a time share plan (as defined in Chapter 514E, Hawaii Revised Statutes ("HRS"), as amended) or similar arrangement or program, whether covered by Chapter 514E, HRS or not, including, but not limited to,

any so-called “fractional ownership” or “interval ownership” arrangement or program. This restriction shall be read broadly, and, among other things, shall encompass any type of plan, program or entity (for example, a corporation or limited liability company) in which the use, occupancy or possession of the apartment circulates among various persons. Any apartment owner or owners found by the Board to have violated this prohibition against time-sharing and fractional ownership arrangements shall be subject to fines and sanctions in accordance with these House Rules.

SECTION 11. VIOLATIONS OF THESE RULES

1. Reporting Violations and Damages

a. All violations of these House Rules and damages to the common elements should be reported promptly to the Board, the Managing Agent or the Resident Manager.

b. The Managing Agent and/or the Resident Manager, at the direction of the Board, shall survey damages to the common elements, and the Board, at its sole discretion, may assess the apartment owner(s) whose tenants, employees, family members, contractors, domestic servants or guests directly or indirectly caused such damages, or the apartment owner's/owners' tenants, employees, family members, domestic servants or guests who directly or indirectly caused such damages for the cost of repair or replacement and any legal fees incurred in connection therewith.

2. In connection with the violation of any of these House Rules, the Board, the Managing Agent and the Resident Manager and their respective agents shall have the right to:

a. Enter the apartment in which, or as to which, such violations or breach exists and to summarily abate and remove, at the expense of the defaulting apartment owner (whether or not caused by the apartment owner or by any person for whose conduct the apartment 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, the Managing Agent and the Resident Manager shall not thereby be deemed guilty in any manner of trespass; and or

b. 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 apartment owner (whether or not caused by the apartment owner or by any person for whose conduct the apartment owner shall be responsible).

c. Levy a fine for continued violations of these House Rules at its discretion, after appropriate verbal and written notice to the apartment owner upon the first violation. Such fines shall be a minimum \$100 but shall not exceed \$500 per violation. No warning or notice shall be given prior to a fine being imposed for repeated violation of the same rule.

d. Short term rental fines: The fine for advertising or soliciting the rental, lease, or sublease of the unit with a daily rate is at the discretion of the Board and shall not exceed \$500 per violation. And EACH DAY, under the requirement of thirty (30) consecutive days of such lease or sublease, shall be considerate a SEPARATE violation for purposes of imposing a sanction or fine. The fine for each day less than the minimum thirty day rental period is at the discretion of the Board, and shall be no more than \$500 per day. This document constitutes the first notice that rentals of less than thirty (30) consecutive days are not allowed.

e. Fines must be paid within thirty (30) days of assessment to the Association. Any fine may be appealed to the Board as provided in Section 11.2.f below.

f. Appeal Procedure. A person penalized as provided in these House Rules (herein called the "offender") may appeal a fine or late fee (collectively, "penalty"), imposed by the Board, the Managing Agent, or the Resident Manager, as follows:

(i) Notice of Appeal. The offender may appeal such penalty within thirty (30) days after receiving notice thereof, by filing with the Secretary of the Association a written notice of his/her appeal and the reasons therefore. The filing of a notice of appeal shall not halt the accrual of any ongoing penalties imposed for the violation which is the subject of the appeal. However, the Board may waive or rescind all or part of the penalties at the time of the hearing of such appeal.

(ii) Time for Hearing Appeal. All appeals shall be heard at a meeting of the Board within ninety (90) days after the notice of appeal has been filed with the Secretary.

(iii) Procedure. The cause of the penalty shall be reported in writing by the Board, the Managing Agent, or the Resident Manager at such meeting, with a statement of the facts on which the penalty was based, a copy of which shall be furnished to the appellant at least ten (10) days before the meeting, at which time a copy thereof shall also be filed with the Secretary. The appellant shall then present his/her defense in writing, to which the Board or its designee may reply orally. The appellant or any one owner or other person on his/her behalf may then respond, and the Board or its designee may again speak in support of the penalty imposed. Thereafter, no further discussion, except among the Board itself, shall be allowed.

(iv) Disposition of Appeal. The Board shall vote as to whether the penalty shall be affirmed. If a majority of those present vote in the affirmative, the

penalty shall stand and shall be remitted by the offender in full, within seven (7) days of the date of such meeting. If less than a majority of those present vote in the affirmative, then the penalty shall thereby be rescinded.

SECTION 12. COMPLIANCE WITH THE DECLARATION AND BY-LAWS

1. Notwithstanding anything herein to the contrary, these House Rules shall be subject to the Declaration and By-Laws, and in the event of any conflict between these House Rules and the Declaration and By-Laws, the Declaration and By-Laws shall govern and the Board shall make such changes to these House Rules from time to time to comply with the Declaration and By-Laws.

SECTION 13. AMENDMENT OF HOUSE RULES

1. The Board reserves the right from time to time to modify, amend, supplement, add to and change these House Rules by action of a majority of the Board of Directors at any duly called meeting of the Board as the Board may deem needful for the safety, care, attractiveness, maintenance and cleanliness of the Project and for securing the comfort and convenience of all of the owners and occupants of Ka`iulani of Princeville.

APPENDIX A: "Ka'iulani Apartment Renovations Guidelines" document and "Application for Renovation Form"