

**Tropic Sands Apartments, Inc. dba The Kainalu
2801 Coconut Avenue, Honolulu, Hawaii 96815
(808) 923-6790**

(Adopted by the Board of Directors on August 22, 2006)
(Revised January 19, 2016; supersedes any prior revisions)

HOUSE AND GROUND RULES

Preface

These House and Ground Rules ("House Rules"), enacted by the Board of Directors of the Tropic Sands Apartments, Inc. dba The Kainalu (the "Corporation"), pursuant to the authority granted to the Board of Directors in the Occupancy Agreement, as Amended, and the By-Laws, as Amended, supersede all previously distributed rules. Throughout these House Rules the references to "Corporation" and "Kainalu" shall be used interchangeably and shall mean the Corporation doing business as The Kainalu. All shareholders, their family members, temporary occupants, guests and contractors are charged with knowledge of these Rules. The shareholder shall bear the responsibility of ensuring compliance with these rules. Shareholders must provide all temporary occupants or resident guests and contractors with a copy of the House Rules and should emphasize the importance of compliance so that misunderstandings may be avoided. Throughout these House Rules, the reference to "shareholder" and "owner" shall be used interchangeably and both shall mean the current Assignee of record of the Occupancy Agreement for the particular unit.

The Board has instructed the Resident Manager to enforce these Rules in accordance with the Occupancy Agreement Section Q (2) and report to the Board any repeated violation after a warning has been given. Any fine for violation of House Rules by an occupant, guest or shareholder shall be assessed to the shareholder who is the current assignee of the Occupancy Agreement for the pertinent unit. Unless otherwise specifically provided, the shareholder shall be given a written notice for the first violation, a \$25 fine for the second violation and a \$50 fine for the third and each successive violation of the same House Rule. All attorney's fees and costs incurred due to the violation of a House Rule shall also be assessed to the shareholder.

House Rules are provided to insure a comfortable living experience for all concerned and to protect the reputation and desirability of the Kainalu as a residence. When living together in close proximity, every occupant has not only certain rights but also certain obligations to other occupants.

Maintaining a congenial community interest helps maintain and enhance the value of one's investment in the Kainalu. Specific rules cover many problems based on experience with apartment living, but they cannot anticipate every aspect of human behavior or every contingency. Common sense and courtesy should prevail whenever no House Rule seems to cover a situation.

Residents at the Kainalu enjoy the quiet and beauty of life here, and wish to maintain it. Preservation of this life, as well as the building's structural, functional and aesthetic integrity, requires the cooperation and consideration of all.

The Board of Directors may create new House Rules or revise, alter or amend these House Rules as the Board deems appropriate.

1. House and Ground Rules

Revised and approved by the Board of Directors January 19, 2016.

2. Occupancy

- a. An apartment must be occupied and used as a private dwelling by the shareholder and permitted occupants. No trade or business of any kind may be conducted in or from any apartment except that a shareholder or tenant residing in an apartment may conduct such business activity within the apartment so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell; (b) the business conforms to all zoning requirements; (c) the business activity does not involve persons coming on the property who do not reside therein; (d) the business activity does not increase the liability or casualty insurance obligation or premium of the Corporation; and (e) the business activity is consistent with the residential character of the building and does not constitute a nuisance or hazardous or offensive use, as may be determined at the sole discretion of the Board of Directors. Failure to comply promptly and permanently with a ruling of the Board may result in the denial of the right to occupy the apartment by such person or persons, whether owner, tenants or guests, judged by the Board to be responsible.
- b. The Corporation controls the sale, leasing, renting, or loaning of apartments or parking stalls or any part thereof. Approval for each of these acts must first be obtained from the Board of Directors or designee. The Board has the right to require the execution and

delivery of appropriate application forms. Consent to any occupancy of an apartment will not be considered until all necessary forms are properly executed and verified and the potential occupant has met with the Board. Any occupant failing to comply may be evicted. The Board has the right to request and, if necessary, enforce the removal of persons who fail to file, or who file false or incomplete application forms or who violate these rules.

- c. Owners may lease their apartments for a period of not less than six months. Applications for approval of such leases shall be submitted to the Board on forms for this purpose, obtained from the Resident Manager.
- d. All guests expected to stay in an apartment overnight or longer are to be registered with Resident Manager.
- e. If the Resident Manager does not have a key and emergency entrance is necessary, the shareholder will be billed for all locksmith costs and any attendant costs related to gaining entry.
- f. Keys may be left with the Resident Manager for the convenience of residents only by completing the necessary forms (available in the office) releasing the Resident Manager, Board of Directors and the Corporation from liability.

3. Maintenance and Repair

- a. No signs, symbols, advertisement, or lettering may be inscribed on, projected from, or exposed on or at any window, lanai, or other part of the premises.
- b. All plumbing, electrical equipment and fixtures are to be kept in good repair. It is recommended that the washer, dryer or dishwasher not be operated unattended and that all electrical appliances not required during vacancy be disconnected.
- c. The exterior of the apartment must be kept in good repair and in clean and sanitary condition including all windows and glass and wooden louvers. Any apartment not kept in such condition within ten days after written notice from the Board to the shareholder is subject to the Corporation's right to proceed with any required repairs and/or cleaning with the cost to be paid by the responsible shareholder.

- d. Rubber hose and hose connections to a washing machine should be replaced every 5 years with a metal-sheathed type. Old hoses and connections cannot withstand the pressure of the water system. They may burst and the flooding could be disastrous. It is recommended that water to the dishwasher and clothing washer be turned off during long periods of apartment vacancy.
- e. Maintenance and repair of a non-emergency nature requiring the entrance of a contractor/workman to the building must be conducted between the hours of 8 am and 4 pm on weekdays, excluding holidays.
- f. Plant matter and soil are not to be washed down drains.
- g. Care must be taken to protect the plumbing system of the building. It shall be a violation of House Rules to purposefully or accidentally dispose of items into the plumbing system with the potential for clogging drains. Such items include, but are not limited to soil, sand, dental floss, oil, grease, dirt from plant care, and fibrous materials.

4. Renovation/Remodeling

The Kainalu is an 8-story reinforced concrete building constructed of flat plate roof and floor slabs supported on concrete columns and walls. The load capacity of the pile-supported foundation is unknown and is unable to be determined. Therefore it is critical that excess weight not be added to any unit.

- a. Shareholders must obtain Board approval for renovations/remodeling to a unit and must comply with all governmental building codes and the regulations of the Kainalu.
- b. *Owner's Agreement to Remodel or Repair Apartment* and *Contractor's Agreement to Remodel or Repair Apartment* must be completed, signed, and submitted, along with detailed plans showing the proposed changes, to the Board through the Resident Manager. No work can begin prior to Board approval.
- c. Renovation/Remodeling Plans may be submitted by the Kainalu Board of Directors to a Board selected consultant for approval and ongoing observation for compliance with approved plans at the shareholder's expense.

- d. There shall be no modifications that impact common plumbing or electrical systems, impose into common areas, require openings in weight bearing walls, ceilings or floors, require the use of a jack hammer, or introduce further diversity in the appearance of the building.
- e. Proposed replacement of window treatments and apartment doors must be submitted for Board approval and be consistent with standards set by the Board (available from Resident Manager) in order to establish and maintain a desirable and consistent exterior appearance.
- f. Existing tile, if any, may be removed, a sealer applied, and new stone or ceramic tile of a thickness not exceeding 3/8" set in a thin-set application may be installed with Board approval. The Board may require that a sound proof barrier be included in the installation.
- g. Air conditioning unit installation or replacement requires the Board's prior approval and requires payment of the monthly fee as established by the Board of Directors. Air conditioning units must not extend or discharge in any manner into common areas nor be visible on the lanai area of the apartment. If there is excess noise or an unsightly condition, the Board may require the repair or removal of the unit at shareholder expense.
- h. No deviation from approved plans for any reason is permitted without prior express Board consent. If a deviation is made necessary by an official notice of building or zoning code violation, conditions discovered during construction that could not be reasonably anticipated, or other compelling reasons, the Board will consider which among any realistic options should receive consent. All change orders must be submitted for Board approval.
- i. Absent prior Board consent, the Board, in its sole discretion, may require any deviation discovered as the project progresses, or at any time following its completion, to be corrected or removed at the shareholder's sole expense.
- j. Contractors/workmen may enter the building between the hours of 8 am and 4 pm weekdays, excluding holidays and Board determined moratoriums. All work must stop each day in time for workmen to clean-up common areas and exit the building by 4 pm.

- k. Contractors/workmen must sign in with the Resident Manager when they are working in the building.
- l. Workers must keep the apartment door closed while working to limit noise and dirt exposure for residents.
- m. Major renovation projects may be limited during any time period, considering the complexity and/or duration of the project and any other activities that may be occurring in the building at that time. A project commencement and completion date will be required before demolition or construction begins. The shareholder responsible for any project that extends beyond 6 months may be required to cease work on the project or may be subject to a \$200 per day assessment until the project is completed. Further, in order to ensure the timely progress of construction and not delay the start of construction by other shareholders, a cessation of work for more than 20 consecutive working days may, at the discretion of the Board of Directors, result in a daily fine of \$200 which shall be a joint and several liability of both the shareholder and his contractor.
- n. All work must be suspended from December 18 through January 2nd.
- o. All building material and debris must be moved to and from the apartment by way of the basement using the Makai elevator and must not exceed the maximum load limit. Permission to use the elevator must be requested from the Resident Manager in time for the installation of protective padding.
- p. Anything that could damage the elevator must be moved in or out using the outside stairways.
- q. Walkways between the elevator and apartment must be covered during construction hours and left clean when workmen exit at 4 pm.
- r. The shareholder is responsible for any damage to common areas and systems or adjacent apartments during construction. When responsibility for damage cannot be determined the cost will be shared by all shareholders who have workers/contractors in the building at the time.
- s. No building materials or debris can be left in walkways or parking stalls.

- t. The expense of any repair or clean-up required by Kainalu employees will be charged to the responsible shareholder.
- u. It is the shareholder's responsibility to ensure that work proceeds in a timely manner and in accordance with the Board approved plan. The Resident Manager, Board Members and Board selected consultant will observe construction to insure compliance with the approved plan on an ongoing basis. Any consultant expense will be the responsibility of the owner.
- v. A \$1,000 security deposit is required prior to commencing work. The cost of any repairs or cleanup not taken care of by the contractor or shareholder will be deducted from the deposit. If there is no repair or clean-up required the full amount will be returned upon completion of the job.
- w. The Board's approval for the shareholder to proceed with construction is conditional subject to actual construction being in conformity with Kainalu House Rules. Although construction drawings submitted by the shareholder are carefully reviewed by the Kainalu's technical consultants, the effect of details such as: wiring, piping, placement of fixtures, etc. only become apparent during construction supervision. In the event that during construction a situation is found which will result in a violation of House Rules, the Board reserves the right to issue a 'Stop Work Order' until the situation is rectified to the satisfaction of the Board.
- x. Renovations previously approved and completed are not to be considered precedent setting. All requests for remodeling/renovation will be considered based upon current House Rules and conditions at the Kainalu. Decisions of the Board are final.

5. Noise Control

- a. In consideration of the rights, comforts and convenience of all, apartment occupants and their guests are to observe the quiet hours and at all times avoid excessive noises. Shareholders are responsible for their occupants, guests and contracted workers.
- b. Quiet hours are from 10:00 pm until 8:00 am on Sundays through Thursdays, and from 11:00 p.m. until 8:00 am on Fridays and Saturdays. Quiet hours for State and Federal holidays and the preceding day are the same as for Friday and Saturday.

- c. Residents must be considerate of neighbors at all times by preventing noise in the lanai area of the apartment which carries and is very disturbing to other residents of the building. Under no circumstances are musical instruments, stereos, or other noise producing equipment to be located in the lanai area.
- d. Noise of any kind determined by Board members or Resident Manager to be of sufficient volume and duration so as to disturb other residents is prohibited. The ruling of our Manager or a Board member regarding noise violations is to be accepted as final by all residents.
- e. The volume of radios, TVs, stereos, musical instruments and other audio equipment, must be kept low at all times.
- f. Loitering in the hallways, stairways, elevators, parking areas, driveways, ramps, or any other common areas is not permitted.
- g. Use of the elevators during quiet hours may disturb all "A" apartment occupants. Early risers should be as quiet as possible in hallways and elevators. The same applies to those returning at night or when saying goodnight to guests.
- h. When closing apartment doors, hold carefully to keep from slamming, especially in strong winds that often prevail.
- i. The use of any noisy equipment after 10:00 pm is not permitted.

6. Parking and Parking Stalls

- a. Parking stalls are assigned to specific units and are to be used only by the shareholder of that unit or other residents or temporary visitors with shareholder permission.
- b. Parking stalls are not to be used for any purpose other than storage of an automobile, except that mopeds or motorcycles may be permitted with specific Board approval if they do not encroach on space beyond the assigned parking space and do not produce excessive noise.
- c. Cars are to be parked properly within the assigned spaces and not cause inconvenience to others or obstruct entrances, exits or passageways in the parking areas.

- d. The Resident Manager must be furnished with the license number and make of the car authorized to occupy a specific parking stall on a temporary or permanent basis. The Resident Manager will make periodic inspections to ensure there are no unauthorized vehicles parked on the property.
- e. Any vehicle parked in violation of these rules will be towed away at the owner's expense.
- f. Mechanical work on cars, except that of a minor or emergency nature, is prohibited on Kainalu property.
- g. The owner to whom the parking space is assigned is responsible for any clean-up required because of dripping oil or other malfunction of the parked vehicle. If the Corporation finds it necessary to arrange clean-up of the space, the owner will be held liable for the cost, with a \$35 minimum charge per incident. An owner who fails to correct the problem causing the need for clean-up will be required to remove the vehicle from the Kainalu parking area.
- h. Parking outside on ground beyond the Mauka boundary marking is absolutely forbidden. The perpetual easement must be kept open. The 10-foot easement is for access to 2801-A and 2801-B Coconut Avenue. Service, utility, fire and emergency trucks must not be impeded. Tropic Sands Apartments, Inc. denies all responsibility and requires you to act accordingly.

7. Lanais

- a. Nothing is ever to be hung from lanai railings.
- b. Nothing is ever to be shaken, thrown or swept from lanais, windows or the common area walkways.
- c. Only appropriate furniture and container plants are allowed to remain on lanais. Noisy, unsightly or excessively heavy items such as hot tubs, recreational equipment, musical instruments or stereos are not to be located on the lanai area of any apartment.
- d. Water must not be allowed to drip over the side of the lanai during cleaning and/or when watering plants. Potted plants must be placed on waterproof saucers.

- e. Shades, where used on lanais, must be secured at all times to prevent banging against the railings.
- f. Birds must not be fed from lanais (inside or outside apartments).

8. Trash and Garbage

The following guidelines must be adhered to in order to prevent problems related to clogged chutes and drains, odors, insects and rodents, and noise disturbance:

- a. All garbage and trash (food scraps and/or dry trash) dropped down the chute must be in securely tied, strong plastic bags, small enough to freely travel the chute.
- b. Bottles and cans must be rinsed, placed in plastic bags, and deposited in the marked containers in the trash rooms for recycling.
- c. Grease and oil must be disposed of in strong, leak-proof containers and placed in trash room. **DO NOT POUR DOWN SINKS OR TOILETS!**
- d. Newspapers, magazines, cartons and other packing materials are to be placed in the trash room in the appropriate location.
- e. Trash disposal must not take place during quiet hours (10:00 pm until 8:00 am on Sundays through Thursdays, and from 11:00 p.m. until 8:00 am on Fridays and Saturdays).

9. Storage

- a. Only occupants and the Corporation may store articles in the storage areas of the building.
- b. Nothing is to be stored in other than designated storage areas of the building.
- c. Storage rooms must be locked at all time.
- d. Storage of large items such as furniture cannot be accommodated in the building storage areas.
- e. All stored items must be labeled with the owner's name and unit number and confined to the assigned space in the storage room.

- f. Owners must confine stored items to the unit's assigned space in the storage room. Owners are responsible for assuring that items do not infringe upon the space of others, impede access by storing bulky items on the floor, or cause the room to look disorderly or dirty. Anything spilled on the floor (such as sand from beach chairs) is to be cleaned up immediately.
- g. No flammable, toxic, illegal, or otherwise hazardous substances are to be placed in storage rooms.
- h. Items remaining in storage after tenants or shareholders have terminated their lease of ownership will be disposed of as refuse without liability to the Corporation. Items of value will be donated to a charitable organization after a 15-day notice has been sent to the owner's last known address.
- i. Registration for storage for bicycles, surfboards, kayaks, etc., is required through the Resident Manager. All items must be labeled with the unit number and registered annually. Each unit is limited to the storage of one bicycle and one surfboard per resident. Kayak storage is limited to one per unit. Additional items may be stored if space is available at a cost determined annually by the Board of Directors. Recreational items not registered and labeled will be removed and donated to charity in December of each year.

10. Reasonable Accommodation/Service and Assistance Animals

- a. Hawaii law (Chapter 515-3(11), Hawaii Revised Statutes) and the federal Fair Housing Act (42 U.S.C. §§ 3601-3619) require housing providers to make reasonable accommodations in rules, policies, practices, or services when such accommodations are necessary to afford a person with a disability an equal opportunity to use and enjoy a dwelling. A requested accommodation is necessary if it is related to the person's disability and ameliorates the effects of a disability to allow the person equal use and enjoyment of the dwelling.

A person with a disability may request the use of an assistance animal as a reasonable accommodation. Such an accommodation may involve making an exception to a "no pets" or "no animals" rule.

- b. Notwithstanding any provision to the contrary contained herein, occupants may keep guide dogs, signal dogs, and other service animals upon which they depend for assistance, including therapeutic and comfort animals. This exception shall also apply to guide dogs, signal dogs, or other service animals depended upon by disabled guests of occupants.
- c. All animals approved for disabled occupants by the Board must be registered with the resident manager, by (1) listing the animal and its name on the registration form under "Names of Person(s) Occupying the Apartment"; (2) completing a separate form to register the animal and providing a picture of the animal; and (3) signing an acknowledgment that the animal owners have received and read the Kainalu Animal Policy and will take full responsibility for the animal. All animals must be licensed and have identification tags. The Board may require a veterinarian's certificate confirming that the animal has all necessary vaccinations.
- d. Animals must be kept in the apartments and will only be allowed in the common areas of the project when in transit to and from the apartment unless required to assist the disabled occupant in the common area. While in the common areas, all animals must be on a short leash, in a cage or transporter, or carried by someone who can control the animal. No animal shall be permitted to be tied or chained in the common areas. Whenever possible, the animal should not occupy an elevator or other enclosed space while others are present. Any accompanied animal should use elevator no. 2 (left elevator in lobby when facing both elevator doors). Owners of assistance animals may want to identify their animal as an assistance animal but this is not required.
- e. The animal may reside in the animal owner's apartment so long as the animal owner is an occupant of the apartment.
- f. No new or additional animals of any kind are authorized, including any replacement animals without first obtaining prior written approval from the Board.
- g. The animal owner shall be responsible for any actions of the animal which cause injuries to persons or their animals or damages to property. The animal owner must have a liability policy of at least \$250,000.00 and name the owners, Corporation and its Board as additional insureds. The policy must cover any loss, damage or injury caused by the animal, and the animal owner must indemnify, hold harmless and defend the owners, Corporation and its Board

from any liability, damages, judgments, or expenses (including reasonable attorney's fees), incurred or resulting from the actions of the animal by signing the Indemnity Agreement attached as Exhibit "A" to these House and Ground Rules.

- h. No animal shall be permitted to remain unattended on an outside area of the apartment, including the lanais. No animal shall be left in the apartment unattended for an unreasonable time. The Corporation's employees or agents may enter the animal owner's apartment if there is reasonable cause to believe an emergency situation exists with respect to the animal. Examples of an emergency situation include abuse, abandonment, or any prolonged disturbance. If it becomes necessary for the animal to be put out for board, any and all costs incurred will be the sole responsibility of the animal owner.
- i. No animal shall be permitted to create an unsanitary condition, including fleas or tick infestations, either in the animal owner's apartment or on the common areas. The animal owner must pick up and dispose of animal waste in a sanitary manner and ensure that any animal waste is securely wrapped. If the owner fails to do so and the Corporation's employees must act, the animal owner will be billed for the employee's time. If fumigation for flea or tick infestations becomes necessary because of an animal, the animal owner will be billed for the cost of the fumigation.
- j. If the animal owner is not in residence in the apartment and project due to travel or other reasons, the animal will not be allowed to remain at the project in the animal owner's absence. The Board's assumption will be that the animal should and will be with the animal owner at all times.
- k. The animal is not permitted to relieve itself anywhere on the Corporation property, even if the animal waste is picked up and disposed of. If any of the Corporation's trash containers are utilized to dispose of animal waste, such waste must be double bagged and tied shut.
- l. No animals shall be kept, bred or used at the Corporation for any commercial purpose.
- m. Owners/tenants are responsible for the animals of their visitors.
- n. No animal shall be allowed to become an animal nuisance or create any unreasonable disturbance.

- o. Under Sec. 7-2-2 of the Revised Ordinances of the City and County of Honolulu ("ROH") and for the purposes of this Section 10, the term "animal nuisance" is defined herein as any animal which:
 - (1) Makes noise continuously and/or incessantly for a period of 10 minutes or intermittently for 1/2 hour or more to the disturbance of any person at any time of day or night regardless of whether the animal is physically situated in or upon private property.
 - (2) Barks, whines, howls, crows, cries or makes any other unreasonable noise. Noise is unreasonable if considering the nature and the circumstances surrounding the animal nuisance, including the nature of the location and the time of the day or night, it interferes with reasonable individual or group activities such as, but not limited to, communication, work, rest, recreation or sleep (Sec. 7-2-4(c) ROH); or
 - (3) Bites or stings a person.
- p. Any owner, resident, or managing agent personnel, observing an infraction of any of these policies shall report such infraction to the resident manager. The resident manager shall keep a record of such reported infractions and shall speak with the animal owner in an effort to secure voluntary compliance or to come to some resolution satisfactory to both parties.
- q. If the complaint is not satisfied voluntarily or a satisfactory resolution cannot be reached, the complaint shall be put in writing, signed by the resident manager and complaining party and presented to the Board.
- r. If the Board is in agreement with such complaints, the animal owner will receive written notice of the violation.
- s. If upon the second violation the problem is still unresolved, arrangements will be made for a hearing where the animal owner and complaining party will have an opportunity to be heard. (At the Board's discretion, immediate arrangements for a hearing may be made if the nature of the complaint involves personal injury or the imminent threat thereof.) The Board may require the permanent removal of any animal, if such animal is determined by the Board to be an animal nuisance or a danger to the project and its residents.

- t. If so determined, the animal owner will have fifteen (15) days to remove the animal from the premises. The Board also has the authority to assess and collect amounts necessary to repair or replace damaged areas or objects.
- u. In the event of a conflict between the terms of the Articles of Incorporation of Tropic Sands Apartments, Inc., the Kainalu Animal Policy, its By-Laws, Occupancy Agreement and these House and Ground Rules concerning service and assistance animals, these House and Ground Rules shall control.

11. Miscellaneous

- a. No occupant, or occupant's guest, is permitted to use or bring on to Kainalu property, anything illegal or deemed hazardous to life, limb or property. (Examples include: gasoline, kerosene, naphthalene or other combustible products; fireworks, gunpowder or other explosives.)
- b. The gate to the beach must be locked at all times to avoid trespassing. A key to the gate is provided to each occupant, and others approved by the Board. Friends of occupants may not be provided with duplicate keys.
- c. The outside beach shower and footbath are to be used for sand removal before entering the building. Please protect our hallways and elevators, and prevent accidents by drying off before entering the building.
- d. Grocery carts are for the exclusive use of residents and are to be immediately returned to the basement after use. Carts are never to be left in hallways or elevators.
- e. Occupants must notify the Resident Manager when the apartment is going to be unoccupied, provide a forwarding address, and provide the names and contact numbers for any person retaining keys to the apartment.
- f. Door-to-door soliciting is not permitted on the Kainalu property.
- g. Furniture and other bulky items are to be moved in the ocean side elevator only. The Resident Manager must be notified in sufficient time for installation of elevator padding.

- h. Apartment lights and electrical equipment should be turned off when not in use.
- i. Furniture, surfboards, bicycles, or any other personal property may not be left in walkways or stairways. Walkways and stairways must be kept clear in case of fire or other emergency.
- j. Bicycles, surfboards, and kayaks may not be taken to apartments in elevators or through the lobby or the lobby beach access door.
- k. Deliveries, moving in or out, and repairs must be scheduled only between the hours of 8 am and 4 pm, Monday through Fridays, excluding holidays.
- l. A bulletin board is provided for shareholder/tenant use with permission of the Resident Manager. Notices are not to be posted in other locations.

12. Fines

Any fine for violation of a House Rule by an occupant, guest or shareholder shall be assessed to the shareholder who is the current assignee of the Occupancy Agreement for the pertinent unit. Unless otherwise specifically provided, the shareholder shall be given a written notice for the first violation, a \$25 fine for the second violation and a \$50 fine for the third and each successive violation of the same House Rule. All attorney's fees and costs incurred due to the violation of a House Rule shall also be assessed to the shareholder.

13. Bullying and Harassment

Bullying and harassment of any Kainalu staff or employee (i) by another staff member or employee, or (ii) by any shareholder, tenant or guest of a shareholder, are strictly prohibited. For purposes of this Rule 13:

Bullying and harassment includes any inappropriate conduct or comment by a person towards any Kainalu staff or employee that the person knew or reasonably ought to have known would cause that staff or employee to be humiliated or intimidated. Bullying and harassment also includes acts by another that prevent any Kainalu staff or employee from completing his or her assigned work in a timely manner. Examples of conduct or comments that might constitute bullying and harassment include verbal aggression or

insults, calling someone derogatory names, vandalizing personal belongings and spreading malicious rumors.

Reports of bullying and harassment should be delivered to the Board of Directors. The Board will investigate every report of bullying and harassment. If the Board determines that the evidence supports the allegations in the report, the Board will send written notice to the offender demanding that the offending acts cease and desist permanently. If the same offender is subsequently reported to be bullying and harassing the same or another victim and the allegations in the report are supported by the evidence, the Board may levy a fine against the offender in the amount of \$500.00, which fine will create a lien upon the share or shares of stock owned by the offender (if the offender is a shareholder). If the same offender is found to have bullied and harassed another or the same staff or employee a third time, the Board may levy a further fine in the amount of \$1000.00 if the offender is a shareholder; or the Board may seek the affirmative vote of 2/3 of the holders of the outstanding capital stock of the Corporation to declare the shareholder's conduct to be "objectionable" as defined in Section 5.A(5) of the Amended Occupancy Agreement. If a 2/3 vote is obtained, the Corporation may terminate the shareholder's Amended Occupancy Agreement and expel the shareholder from the premises, all in accordance with Section 5.A(5) of the Amended Occupancy Agreement.

If the offender is a staff member or employee, the Board may terminate the offender's employment.

If the offender is a tenant or guest of a shareholder, the Corporation shall have the same remedies as if the shareholder were the offender. In addition, the Board may demand that the tenant or guest vacate the premises.

All costs and expenses (including attorney's fees) incurred by the Corporation in pursuing its remedies against an offending shareholder (or a shareholder's tenant or guest) shall be assessed against the shareholder and shall become a lien upon the share or shares of stock owned by the shareholder.

I (we) agree to conform to the House and Ground Rules of the Kainalu as set forth above, in the spirit as well as to the letter, and further agree that on unspecified matters or problems which may arise but are not specified above to use a practical and common sense approach to what should be done, taking into account the rights and feelings of all occupants of the Kainalu.

Tropic Sands Apartments, Inc., dba The Kainalu
House and Ground Rules
(Adopted by the Board of Directors on August 22, 2006)
(Effective January 19, 2016)

The Board of Directors may create new House Rules or revise, alter or amend these House Rules as the Board deems appropriate.

Unit No. _____

Signature _____
Its

Date _____

Signature _____
Its

Date _____

Signature _____
Its

Date _____

INDEMNITY AGREEMENT
(SERVICE OR ASSISTANCE ANIMAL)

The undersigned Owner/Tenant/Guest of Unit _____ ("Unit") of The Tropic Sands Apartments, Inc. dba "The Kainalu" has requested that the Board of Directors of The Kainalu ("Board") make a reasonable accommodation to permit his/her service, comfort, therapeutic or assistance animal (collectively "Service or Assistance Animal") to remain in the Unit and to walk through the common areas of The Kainalu (the Unit and common areas of The Kainalu are herein collectively referred to as the "Property") while the undersigned occupies the Unit.

As a condition for the Board to permit the Service or Assistance Animal to remain on the Property, the undersigned is required to be responsible, financially or otherwise, for all personal injury and/or property damage caused by the Service or Assistance Animal, and to enter into the following agreement:

The undersigned hereby agrees to hold The Kainalu and the Board, its agents, representatives, directors, officers and employees (collectively the "Board") harmless, defend and indemnify the Kainalu Board from and against any and all claims, losses, liabilities, expenses, costs, fees, causes of action, judgments and demands for personal injury and/or property damage, including reasonable attorneys' fees, which may be brought against the Kainalu or Board arising out of the undersigned's Service or Assistance Animal being on the Property.

The undersigned further agrees that he/she shall be financially responsible for any personal injury or property damage caused by the Service or Assistance Animal to any owner, occupant, guest, employee of The Kainalu or any member of the public.

The provisions of this Agreement will be construed and enforced in accordance with the laws of the State of Hawaii.

The undersigned hereby submits to the jurisdiction and venue of the First Circuit Court of the State of Hawaii, and the United States District Court for the District of Hawai'i for all purposes relating to this Agreement, and waives the right to assert that such courts are located in an inconvenient forum. The undersigned agrees to subject herself to the power and authority of such courts on all matters relating to this Agreement.

Signature of Animal Owner
Print Name: _____
Date: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, 20__, before me personally appeared _____, to me known to be the person described in and who executed this 2-page INDEMNITY AGREEMENT (Service or Assistance Animal), dated _____/ undated at the time of notarization, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: _____

Print Name: _____

Notary Public, State of _____

My commission expires: _____