

House Rules

RULES AND REGULATIONS OF THE ASSOCIATION OF UNIT OWNERS OF KEAUHOU PLACE (House Rules)

These House Rules have been duly adopted by the Board of Directors (the "Board") of the Association of Unit Owners of Keauhou Place (the "Association") in accordance with Article V, Section 7 of the Bylaws of the Association of Unit Owners of Keauhou Place recorded in the State of Hawaii Bureau of Conveyances (the "Bureau") as Document No. A-55130771A thru A-55130771B, as the same may be amended from time to time (the "Bylaws"). These House Rules are intended to promote harmonious living and maximize enjoyment of Keauhou Place (the "Project") and to protect all occupants of the Residential Units (as such term is defined below) in the Project from annoyance or nuisance caused by improper or unreasonable conduct or use of the Units and of the common areas of the Project by Occupants (as such term is defined herein below). Furthermore, these House Rules are intended to ensure a safe, clean, friendly and cooperative environment for the benefit of all Occupants and to retain value in the property. These House Rules will be enforced under the understanding that Unit Owners purchased into a first class building and want to maintain the level of quality and service set forth in the Declaration of Condominium Property Regime of Keauhou Place recorded in the Bureau as Document No. A-55130770A thru A-55130770B, as the same may be amended from time to time (the "Declaration").

The responsibility for enforcement of these House Rules may be delegated to the Managing Agent or the Resident Manager for the Project (the "Resident Manager") by the Board. All Occupants shall strictly comply with these House Rules and the covenants, conditions, and restrictions, set forth in the Declaration and the Bylaws and shall be bound by standards of reasonable conduct whether or not expressly covered by these House Rules, the Declaration, or the Bylaws. All capitalized terms not defined herein shall have the meaning assigned to them in the Declaration or Bylaws.

These House Rules do not apply to the owners of the Commercial Units and the Commercial Units and their Limited Common Elements. These House Rules also do not apply to the use of the Parking Facility, with the exception of certain Residential Limited Common Elements therein.

Capitalized terms used herein not otherwise defined shall be defined in accordance with the Declaration.

SECTION I. DEFINITIONS

1. The term "Residential Unit" or "Unit" shall mean and include each Residential Unit located within the Project, as designated and described in the Declaration, unless otherwise specifically qualified herein.
2. The term "Premises" shall mean the Keauhou Place condominium project, including the building and all of the Units therein, all of the land thereof, all common areas, and all other improvements, equipment, apparatus, fixtures, and articles placed or installed in or on the land and building.
3. The term "Occupant" or "Occupants" and any pronoun used in place thereof shall mean and include any owner of any Residential Unit in the Project, members of any such owner's family residing in a Residential Unit, and tenants of any Residential Unit.
4. The term "Guest" or "Guests" shall mean and include any guest, licensee, and/or invitee of an Occupant.
5. The term "Recreational Facilities" shall include those facilities offered for use by Occupants and Guests on the Amenity Deck of the Project.

SECTION II. THE UNITS

1. Unit Owners are responsible for registering all of the Occupants residing in their Units with the Managing Agent, prior to their moving into the building. Registration of Occupants shall include 1) filling out a Resident Registration Card to include: full name, telephone numbers, and emergency contact; 2) signing the House Rules Acknowledgment and Agreement statement for all Occupants over the age of eighteen (18); 3) providing the name, address, and telephone number of the rental agent, if applicable. All Guests who plan to stay seven (7) days or longer must be registered with the Managing Agent by an Occupant over the age of eighteen (18).
2. Unit 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 building nor damaging to any portion of the common elements. All Occupants and Guests shall adhere to these House Rules. No illegal activity shall be conducted on the Premises.
3. Each Occupant shall at all times keep his/her Unit in good order and condition and observe and perform to all laws, ordinances, rules, and regulations applicable to the use of the Project and his/her Unit now or hereafter made by any governmental authority or the Board.
4. Each Owner shall, or if the Owner is not the Occupant, the Owner shall have his/her Occupant, maintain his/her Unit's air conditioning system pursuant to the manufacturer's instructions and/or recommendations, including changing filters as needed to maximize efficiency.
5. No Occupant or Guest shall make or suffer any strip or waste or unlawful, improper, or offensive use of a Unit.
6. No clothes, towels, garments, rugs, or other objects shall be hung on clotheslines or from the lanai railings or walls, doorways, windows, or facades of the Units in such a manner as to be in view of persons outside the building. No shoes, flip-flops, slippers, sandals, dry cleaning, or other objects shall be allowed to remain in the front entrance or hallway of any Unit.
7. Lanais and front entrances or hallways of Units shall not be used for storage of any items whatsoever.
8. No rugs, draperies, or other objects shall be dusted, beaten, or shaken from the windows or on the lanais, stairways, and hallways of the Project. When watering lanai plants or cleaning the lanai, the Occupant shall not cause or otherwise allow water to drain out of the weep hole of the lanai. Dust, rubbish or litter shall not be swept or thrown from any Unit into the hallways or any exterior part of the Project.
9. Nothing shall be allowed, done, or kept in any Unit or common area 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.
10. Open houses shall be permitted in the Unit, provided that the Owner makes prior arrangements with the Managing Agent and provides specific times and locations of the open house. Attendees shall be accompanied by the listing agent or Unit Owner in the elevator and hallways of the Project.
11. 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, (a) any loudspeaker recessed mounted in the ceiling must include a metal back can and (b) the metal back can of any

loudspeaker must not be in direct contact with the concrete slab. Recessed mounted loudspeakers may be supported by the gypsum board ceiling or the metal framing for the ceiling.

12. Some Units may have engineered wood flooring installed in a portion of each Unit. Wood flooring has special maintenance, care, and upkeep requirements as compared to carpeting which will need to be complied with by each of the Owners in the Project in order to maximize the enjoyment and useful life of the originally installed engineered wood flooring in the Unit. The failure to comply with these special maintenance, care and upkeep requirements will result in additional costs to the Owner and detract from the Owner's enjoyment of the Unit. The potential sound transmission through an engineered wood floor when compared to carpeting is greater, and each Owner by accepting the Deed to a Unit will thereby be deemed to acknowledge and accept that this condition may result in greater noise being heard from the units above and adjacent to the Owner's Unit. Owner shall try to minimize and soften the level of sound transmission through the engineered wood floor of each Unit.
13. The original flooring installed by the Developer may not be replaced with hard and/or heavy surface floor coverings, including, but not limited to, tile, marble, wood or the like, may not be installed in any part of a Residential Unit without the prior approval of the Board. Furthermore, the Owner must ensure that a sound control underlayment system which meets a Sound Transmission Coefficient (STC) acoustic standard of 35 or better or 41 or better if a Residential Unit is located on the side of the Tower adjacent to Rail Transit Lot, which system must be approved by the Association. The installation of the foregoing insulation materials shall be performed in a manner that provides proper mechanical isolation of the flooring materials from any rigid part of the Tower, whether of the concrete subfloor (vertical transmission) or adjacent walls and fittings (horizontal transmission) and must be installed prior to the Unit being occupied. The Association may require a structural or acoustical engineer to review certain proposed improvements, with such review to be at the Owner's sole expense. Owners will be held strictly liable for violations of these restrictions and for all damages resulting therefrom and the Association has the right to require immediate removal of the violations.

SECTION III. COMMON AREAS

1. No Occupant or Guest shall place, store, or maintain on walkways, roadways, grounds, or other common areas any furniture, packages, or objects of any kind or otherwise obstruct transit through such common areas.
2. Except as otherwise specifically provided in these House Rules, eating, drinking, or smoking is not permitted in any common area of the Project including, without limitation, lobbies, hallways, elevators, corridors, stairwells, and waiting areas.
3. No recreational activities shall be permitted in any portion of the Project except in those areas expressly designated for such activities.
4. No 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.
5. When moving furniture or other large objects in or out of a Unit or through the common areas, Occupants must reserve a date and time with the Resident Manager, who will schedule the use of one of the loading area, stalls, and/or elevators at such times and in such manner as will cause the least inconvenience and disruption to others. Moving hours are from 8:00 a.m. through 4:30 p.m. on Mondays through Saturdays.

6. Movers shall not pack or unpack containers or furniture in hallways. Packing or unpacking shall be done inside the Unit or in the ground level loading area and/or stall(s). The moving company shall remove packing materials from the Premises.
7. Extensive repairs of personal property shall not be permitted on the Premises.
8. Keyless access devices are required to enter the building from the parking garage. Occupants shall not allow strangers to enter the elevator behind them and shall not allow Guests to take keyless devices for access. Occupants shall accompany Guests at all times.
9. No 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 and/or decorative water features (if any) that are part of the common elements, including limited 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 and/or decorative water features (if any). No climbing or playing in any of the landscaping and/or decorative water features is permitted.

SECTION IV. TRASH DISPOSAL

1. No refuse, garbage, or trash of any kind shall be thrown, left, placed or kept in any hallway, stairwell, lobby, elevator, service area, or any other common area of the Project other than the trash containers, chutes or receptacles and/or recycle bins provided in the designated trash rooms within the Project.
2. All refuse, garbage and/or trash is to be completely bagged in a plastic bag, bound, and deposited in the designated trash container(s) or receptacle(s) on each floor. If the trash container(s) or receptacle(s) is/are full, the Resident Manager should be immediately contacted for assistance. All items suitable for recycling shall be placed in the designated recycle bin(s) on each floor. All cardboard cartons must be flattened before placement in the bin(s). If the bin(s) is/are full, the Resident Manager should be immediately contacted for assistance. Trash containers or receptacles on the floors are for household refuse, garbage and/or trash only. Any large or bulky items shall be hauled away by the Occupant upon coordinating with the Resident Manager.

SECTION V. PETS

1. No livestock, poultry, or other animals whatsoever shall be allowed or kept in any part of the Project, except that dogs, cats, or other typical household pets ("pet"), such as guinea pigs, rabbits, fishes, or birds may be kept by Occupants in their respective Units subject to the conditions and restrictions contained herein, but shall not be kept, bred, or used therein for any commercial purpose.
 - (A) Except for fish, no more than two (2) pets shall be allowed per Unit.
 - (B) No pet may exceed fifty (50) lbs. in weight. No infant or juvenile pet of a type or breed which, when fully grown, is likely to exceed fifty (50) lbs. in weight, may be kept in the Project.
 - (C) No animal defined as a "pest" under Hawaii Revised Statutes ("H.R.S.") §150A-2, or prohibited from importation under H.R.S. § 141-2, § 150A-5, or § 150A-6, may be kept in the Project.
 - (D) Every Occupant keeping a pet or pets shall register each pet with the Resident Manager, who shall maintain a register of all pets kept in the Project.

2. Notwithstanding any provision to the contrary contained herein (as identified below) dogs specially trained to assist disabled individuals (hereinafter collectively referred to as "service dogs") or animals required by a physician in writing necessary for emotional support shall be permitted at the Project subject to the following restrictions:
 - (A) Such service dogs and emotional support animals shall not be kept, bred, or used at the Project for any commercial purpose;
 - (B) Such service dogs or emotional support animals shall be permitted on the common elements (including but not limited to the Recreational Facilities) provided the animal is on a leash.
3. Any pet or service dog or emotional support animal causing a nuisance or unreasonable disturbance to any Occupant or Guest, or that is involved in contact with any Occupant, Guest, or other pet in which injury occurs, shall be permanently removed from the Project promptly upon notice given by the Board or the Resident Manager; provided, however, that any such notice given with respect to a service dog or emotional support animal shall provide that before such animal must be removed, its owner shall have a reasonable time to acquire a replacement animal unless the Board determines that such animal poses an imminent serious threat of physical harm to other Occupants or Guests. A tenant of a Unit Owner must obtain the written consent of the Unit Owner to keep a pet or pets in the Unit. Notwithstanding such consent, a tenant may keep only those types of pets which may be kept pursuant to these House Rules. Any Occupant who keeps a pet or pets pursuant to these House Rules may, upon the death of the pet, replace the pet with another and continue to do so for as long as the Occupant continues to reside in the Unit or another Unit in the Project subject to these same House Rules. The Board may from time to time promulgate such rules and regulations regarding the continued keeping of pets, service dogs and emotional support animals as the circumstances may require or the Board may deem advisable.
4. Each owner of a pet and the owner of the Unit in which such pet is kept shall indemnify and hold the Association and the Board harmless from and against any and all claims, liabilities, or damages arising out of the presence of such pet in the Unit and the Project.
7. Except when in transit, pets (other than specially trained animals) shall not be allowed on any common area. Any pet (other than a service dog or emotional support animal) in transit through the common areas must be carried whenever practicable or on a leash which keeps the pet within three feet (3') of its handler's feet. Pets shall not be allowed to come into contact with persons other than the handlers thereof, or other pets, except as permitted by such persons or the owners of the other pet(s).
8. Any damage to the Project caused by a pet shall be the full responsibility of the owner of the pet and the owner of the Unit in which the pet is kept and the costs of repair or replacement shall be specially assessed to such person(s).
9. Owners of pets shall be responsible for immediately picking up and cleaning up after their pets. Pet waste and trash (sand, litter paper, etc.) shall be wrapped and disposed of with extra care.
10. Owners of dogs, including said dogs and emotional support animals, shall be assessed a special annual fee of \$25.00 per dog to defray the additional costs incurred by the Association in properly cleaning and maintaining the common elements of the Project.

SECTION VI. NOISE

1. Occupants and Guests shall exercise care in the use of musical instruments, radios, televisions, stereos, amplifiers, etc. that may disturb other Occupants and Guests.

2. Occupants and Guests shall maintain quiet between 10:00 p.m. and 7:00 a.m. on weekdays (Sunday through Thursday nights) and midnight to 8:00 a.m. on weekends (Friday and Saturday nights).

SECTION VII. BUILDING MODIFICATIONS

1. No structural changes of any type by an Occupant shall be permitted within the common areas except as permitted by, and in accordance with, the provisions of the Declaration and Bylaws.
2. 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 of any Unit, without the prior approval of the Board.
3. No Occupant shall, without the prior written approval of the Board, install any wiring for electrical or telephone installations, television 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, except an antennae installed in accordance with any policy governing such antennas established by the Board or in accordance with any restrictions and/or instructions pertaining to such antennas provided by the Board.
4. No 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 may be established by the Board from time to time.
5. An Occupant 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.

SECTION VIII. INTERIOR UNIT MODIFICATIONS / CONSTRUCTION WORK

1. Interior Unit Modifications. No alterations, modifications or changes to a Unit shall be made or permitted except as permitted by, and in accordance with, the provisions of the Declaration and Bylaws.
2. Hours of Work: Construction activity related to interior alterations, modifications or changes to any Unit shall be allowed only on Monday through Saturday (excluding state and/or federal holidays) between the hours of 8:00 a.m. to 5:00 p.m.
3. Construction Parking. Due to the lack of available on-site parking, all contractors or laborers engaged in the construction of the interior improvements to a Unit are to be notified that off-site parking will be required unless such contractor arranges through the Resident Manager for on-site parking in certain designated stalls or areas. If on-site parking is provided and any contractors, their workers or subcontractors park in stalls or areas which were not specifically cleared through the Resident Manager, such vehicles shall be subject to being towed at the expense of such contractor, worker or subcontractor. Contractors may also arrange through the Resident Manager for temporary parking to load and/or unload materials and/or equipment. Any on-site parking by contractors shall be subject to the Parking Facility Rules, as may be amended from time to time.
4. Common Area Cleanup. It shall be a requirement of the work that all hallways and other common areas of the Project are cleaned of construction debris and other rubbish on a daily basis by any person or persons working on a Unit. No accumulation of trash or other debris from the

construction activity within a Unit shall be allowed or permitted to remain in the hallways or other common areas of the Project.

5. Trash Removal. The use of any of the trash containers or receptacles of the Project for disposal of construction trash or debris is strictly prohibited. The Unit Owner and/or contractor shall arrange for removal of all such construction debris and other trash from the Premises without use of the Project's trash containers or receptacles. If this rule is violated, the Association reserves the right to charge the Unit Owner for the cost of removal of any such construction trash or debris and/or to bar the offending contractor from entering onto the Premises until satisfactory arrangements are made to remove such construction trash and debris and reasonable assurances are provided to the Association that such violation will not re-occur.
6. Use of Specified Elevator Only. The contractor and all laborers engaged in the construction of the interior improvements to a Unit are to be notified by the Unit Owner that they may only use the elevator specifically set aside for use by contractors and laborers and that use of any other elevator in the Project is prohibited for these purposes. If the contractor and/or laborers use any other elevator, the Unit Owner shall be responsible for any and all damages and/or clean-up costs which may be caused or incurred by the Association as result of such improper use, and the Association and/or Resident Manager shall have the right to bar the offending contractor from entering onto the Premises until satisfactory arrangements are made for payment and repair of any damages and/or the removal of the construction trash and debris and reasonable assurances are provided to the Association that such violation will not re-occur.

SECTION IX. GENERAL

1. Occupants shall at all times keep the storage rooms (i.e., bike and general storage rooms) in good order and condition and observe and perform to all laws, ordinances, rules, and regulations applicable to the use of the Project and the storage rooms now or hereafter made by any governmental authority or the Board.
2. No Occupant or Guest shall make or suffer any strip or waste or unlawful, improper, or offensive use of a storage room.
3. Nothing shall be allowed, done, or kept in any storage room that would overload or impair the structure of the storage room.
4. No Occupant shall use or permit to be brought into or stored in the building or common areas, including, without limitation, the storage rooms, any inflammable or combustible substances such as gasoline, kerosene, gunpowder, fireworks, or other explosives or anything deemed highly dangerous or hazardous to life, limb, or property.
5. Unit Owners shall observe and adhere to these House Rules and ensure that all Occupants and Guests adhere to these House Rules. Unit Owners are responsible at all times for the reasonable conduct and decorum of their family members, tenants, guests, licensees, and invitees on the Premises.
6. Damage to the buildings or common areas by any Occupant or Guest shall be the responsibility of the Unit Owner who, or whose Occupant or Guest, caused said damage and such damage shall be repaired at the expense of the responsible Unit Owner.
7. Surfboards and bicycles are not permitted in the interior of the Tower. All surfboards and bicycles must be registered with the Resident Manager's office and stored in designated storage areas in the parking garage.
8. Waterbeds of any nature are prohibited in the Project.

9. Feeding of non-captive birds on lanais or of any animals on any common area is prohibited.
10. Climbing of walls, trees, fences and other common elements other than the Recreational Facilities expressly designed for climbing is prohibited.
11. Use of fireworks of any kind anywhere on the Premises is prohibited.
12. Cooking, including, but not limited to, the use of hibachis, barbeque grills, open-fire grills, charcoal grills, and propane grills, on the lanai of any Unit, under any structural overhang, and within ten (10) feet of any structure, is prohibited.
13. 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 the building.
14. Notwithstanding any provision to the contrary contained in these House Rules, Unit Owners are ultimately and legally responsible for the conduct of their Occupant(s) and Guest(s) and for their use of the Recreational Facilities and common areas of the Project, and at all times shall ensure that their Occupants' and/or Guests' behavior is neither offensive to any other Occupant or Guest of the building nor damaging to any portion of the common elements.
15. Flammable objects, including, but not limited to, furniture that is not fire-retardant, are prohibited on the lanais.

SECTION X. RECREATIONAL FACILITIES

1. The Recreational Facilities may be used between the hours of 5:00 a.m. and 11:00 p.m. daily.
2. Swimming is permitted only in appropriate bathing attire. Nude sunbathing and swimming are prohibited.
3. There will be no lifeguard at the swimming pool. Therefore, anyone using the swimming 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 at all Recreational Facilities and common areas.
4. Showering before entering the swimming pool is required. All suntan oil, dirt, and other such materials must be removed before entering the swimming pool. Persons having open sores or wounds or communicable diseases are not allowed in the swimming pool or jetted spa. Spitting, urinating, and blowing one's nose in the swimming pool or jetted spa are strictly prohibited. Running, jumping off walls and horseplay are not permitted in the Recreational Facilities. Splashing of water other than that accompanying normal swimming is not permitted.
5. No glass items of any kind or similar breakable items shall be permitted in the swimming pool, fitness room, or adjacent areas. The introduction of sand, rock or other foreign matter in the swimming pool or jetted spa is strictly prohibited and will result in immediate eviction therefrom.
6. The Amenity Deck or portions thereof may be reserved for private parties upon written request to the Resident Manager. The decision to allow the reservation of such areas for private parties shall be subject to guidelines adopted by the Board from time to time and shall be implemented by the Resident Manager. The Board may opt to charge a location fee for large scale (30+ people encompassing all or part of the Amenity Deck) for private events. The guidelines shall be for the purpose of reasonably regulating, restricting and/or limiting the use of these areas for private parties. For all functions involving more than six (6) persons, a reservation shall be

required. A written request form is available in the Resident Manager's offices. The written request must be provided to the Resident Manager no less than one (1) business day prior to the scheduled function date.

7. All persons shall comply with the requests of the Resident Manager with respect to matters of personal conduct in and about the Recreational Facilities. The employees of the Resident Manager and/or security personnel are authorized to require any person using any of the Recreational Facilities to identify himself or herself by name and Unit number and, if a Guest, to give the name and Unit number of the host Occupant and to confirm, if required, the physical presence of the Occupant acting as host.
8. No animals (except for specially trained animals as defined above) are allowed in or around the Recreational Facilities.
9. Intoxicated persons are not permitted to use the Amenity Deck or the Recreational Facilities thereon.
10. Swimmers must dry themselves before leaving the swimming pool area.
11. Children under twelve (12) years of age must be supervised by a responsible adult when using the swimming pool. Infants and toddlers two (2) years and under are required to wear a swim diaper. If there is a related feces accident in the pool or spa, the pool or spa needs to be drained, treated and refilled at the expense of the responsible Occupant whose child or Guest caused the accident.
12. All persons using any of the Recreational Facilities are required to exercise due care to preserve the functionality and appearance of said facilities. All trash and personal belongings must be removed after use of any Recreational Facility. The chairs or umbrellas, if any, on the recreation deck should be returned to their original positions/locations to ensure a neat and orderly appearance. All Occupants acknowledge and agree that the Resident Manager may issue rules governing the use of the Recreational Facilities which are not inconsistent with these House Rules.
13. Eating, drinking of beverages (including alcoholic beverages in moderation), and picnicking may be allowed in designated areas on the Amenity Deck. The use of hibachis, barbeques grills, and other open-fire cooking equipment is strictly prohibited in all areas except the barbeque area (if any).
14. Anyone violating these rules may be asked by the Resident Manager or a security officer for the Project to leave the area.
15. For safety and privacy reasons, children under the age of fourteen (14) are not permitted to use the fitness room or the amenities and equipment located therein without adult supervision.

SECTION XI. INTERACTION WITH COMMERCIAL AREAS

Occupants and Guests shall not solicit patrons of the Commercial Units, the Commercial Units' individual Limited Common Elements, or the Commercial Limited Common Elements.

SECTION XII. EXPENSES OF ENFORCEMENT

Every Occupant, or Unit Owner if the Occupant is not a Unit Owner and refuses to comply with this provision, 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 provisions of the Declaration, Bylaws, or these House Rules against such Occupant or Occupant's Guest.

SECTION XIII. MONETARY FINES FOR DECLARATION, BYLAWS, OR HOUSE RULES VIOLATIONS

1. In addition to any other remedy available to the Association by law or equity, a monetary fine, as stated below, may be charged against the responsible Unit Owner for each violation of the Declaration, Bylaws, and/or House Rules. This fine will be deducted from the responsible Unit Owner's maintenance fee payment as stated in the priority of payment schedule. 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.
2. The fine for any violation shall be as follows:
 - (A) First Step - written citation to the offending Occupant, with a copy of said citation being sent to the Unit Owner if the offender is not the Unit Owner.
 - (B) Second Step - written citation to the offending Occupant, with a copy being sent to the Unit Owner if the offender is not the Unit Owner. A fine of fifty dollars (\$50.00) (per violation) will be assessed against the Unit Owner if the violation that prompted the first written citation is not corrected within thirty (30) days from the delivery or mailing, whichever is first in time, of the first written citation, if there is a second violation of the same provision of the Declaration, Bylaws, or House Rules, or if there is a subsequent violation of a different provision of the Declaration, Bylaws, or House Rules.
 - (B) Third Step - written citation to the offending Occupant, with a copy being sent to the Unit Owner if the offender is not the Unit Owner. A fine of one hundred dollars (\$100.00) (per violation) will be assessed against the Unit Owner if the violation that prompted the second written citation is not corrected within thirty (30) days from the delivery or mailing, whichever is first in time, of the second written citation, if there is a third violation of the same provision of the Declaration, Bylaws, or House Rules, or if there is a subsequent violation of a different provision of the Declaration, Bylaws, or House Rules.
 - (D) Fourth Step – written citation (sent Certified and Regular Mail) to the offending Occupant, with a copy being sent Certified and Regular Mail to the Unit Owner if the offender is not the Unit Owner. A fine of two hundred dollars (\$200.00) (per violation) will be assessed against the Unit Owner if the violation that prompted the third written citation is not corrected within thirty (30) days from the delivery or mailing, whichever is first in time, of the third written citation, if there is a fourth violation of the same provision of the Declaration, Bylaws, or House Rules, or if there is a subsequent violation of a different provision of the Declaration, Bylaws, or House Rules. The Association also reserves the right to take appropriate legal action to preclude the continuance of the violation(s).
3. Any assessment not paid within fifteen (15) days after the due date shall be subject to a late charge as may from time to time be established by the Board.
4. After twelve (12) months, a paid fine shall be removed from an Occupant's record and shall not be used in calculating subsequent violations.
5. The Managing Agent, the Resident Manager and their staff, as agents for the Board, are authorized to issue written citations and levy fines.

6. Appeal from Citations and Fines. Any person fined and/or cited ("appellant") may appeal from the fine and/or citation imposed by the Board, the Managing Agent, or the Resident Manager as follows:
- (A) 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.
 - (B) 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.
 - (C) 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.
 - (D) 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.

SECTION XIV. AMENDMENT OF HOUSE RULES

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 Occupants and Guests, so long as such rules are not inconsistent with any applicable laws, ordinances, codes, rules or regulations applicable to the Property and/or its management or operation. During the Developer Control Period, the Developer may amend these House Rules in any manner without the joinder, consent, or approval of any other party.

SECTION XV. COMPLIANCE WITH PROJECT DOCUMENTS; NONAPPLICABILITY TO DEVELOPER

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.

CERTIFICATE OF ADOPTION

The Developer, acting for and on behalf of the initial Board, hereby adopts the foregoing as the House Rules for and on behalf of the Association of Unit Owners of Keauhou Place, this _____ day of _____, 201__.

**ASSOCIATION OF UNIT OWNERS OF KEAUHOU PLACE,
a Hawaii nonprofit corporation**

By Keauhou Lane, LP, a Hawaii limited partnership

By SCD Keauhou, LLC,
a Hawaii limited liability company
Its General Partner

By _____
Stanford Carr
Its Manager