

ASSOCIATION OF OWNERS OF KALELE KAI

HOUSE RULES

(June 2018)

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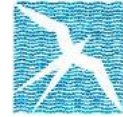
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INTRODUCTION

The following rules and regulations (“House Rules”) have been approved by the Board of Directors (“Board”) of the Association of Owners of Kalele Kai (“Association”) in accordance with the By-Laws of the Association of Owners of Kalele Kai (“By-Laws”) and the covenants, conditions and restrictions set forth in the Declaration of the Condominium Property Regime (“Declaration”). These House Rules are effective April 15, 2015, and supersede any previous House Rules published by the Association.

The House Rules apply to all owners and occupants of Kalele Kai and to all other persons who are on the premises at any time, including agents, employees, guests, licensees, invitees, owners, and tenants.

The purpose of these House Rules is to protect all occupants from annoyance and nuisance caused by improper use of the residential condominium apartments and to protect the condominium’s reputation and desirability by providing maximum peace and enjoyment on the premises.

The Resident Manager provides a copy of the House Rules to each owner and lessee before occupying an apartment. The terms of any written lease between an owner and lessee whether expressly stated therein or not must incorporate and require compliance with these House Rules.

SECTION A: GENERAL

A-1 DISCLAIMER OF LIABILITY REGARDING KEYS & LOCKOUT SERVICE

Keys entrusted by a unit owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to the Board or the Resident Manager, whether for the unit owner’s or occupant’s unit or an automobile, truck or other item of personal property, the acceptance of the key shall be at the sole risk of the unit owner or occupant, and the Board or the Resident Manager shall not be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting there from or connected therewith. This service is offered as a convenience by the Association management to facilitate entry into a unit in case of lockout or emergency, but is not a warranty or guarantee of key availability as there may be situations where those authorized to have access to the keys may not be available after normal office hours or on holidays to provide lock out assistance

A-1.1 Lockout Fees

A lockout fee of \$25.00 will be charged to provide unit access after normal office hours. Normal office hours are from 8:00 AM to 5:00 PM Monday through Friday, excluding holidays. There shall be no lockout fee charged for requests made during normal business hours.

A-2 USE LIMITATION

Nothing shall be allowed, done, or kept in any unit 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.

A-3 COMPLAINTS AND SUGGESTIONS

Complaints and suggestions regarding the Project shall be made in writing to the Board or the Resident Manager. Owners may also submit complaints and suggestions to the Board at its Regular Meetings and at Annual Meetings of the Association as specified in the meeting's agenda.

A-4 FIREWORKS AND FIREARMS

There shall be no use of fireworks of any type permitted at any time in, from, or around any unit or the common or limited common elements except pursuant to prior written permission from the Board. There shall be no use of firearms of any type at any time in, from, or around any unit or the common and limited common elements.

A-5 REGISTRATION

The names and phone numbers of all tenants and business address, and contact phone numbers of all owners and tenants shall be provided to the Resident Manager on a written information and/or registration form approved by the Board. This information shall be updated by the owners and tenants when changes are made.

A-6 RESPONSIBILITY OF OWNERS

All unit owners are at all times personally responsible for the conduct of their family, guests, guests of their family, tenants and all occupants. All owners shall maintain reasonable amounts and types of liability insurance (See Appendix 1) as may be determined by the Board and shall file current written proof of such insurance with the Resident Manager. It is highly recommended that all owners require their tenants to procure their own liability and property insurance coverage.

All occupants are at all times personally responsible for the conduct of their family, guests and guests of their family.

This responsibility extends but is not limited to any damage or destruction to common or limited common elements.

A-7 OBSTRUCTION OF INGRESS AND EGRESS

No persons shall place, store, or maintain on the road or premises any object of any kind to otherwise obstruct transit through any common element, or leave any personal belongings or property of any kind on any of the common elements.

A-8 ENFORCEMENT OF HOUSE RULES

A-8.1 Authority to Enforce House Rules

The Association's Board of Directors shall enforce the House Rules by delegating the responsibility of enforcement to the Resident Manager and the Managing Agent. The Resident Manager and Managing Agent are designated as agents of the Board of Directors for the enforcement of these House Rules.

The violation of any of these House Rules gives the Board or its agent the right to take all necessary steps to abate, enjoin, or remedy such violation by appropriate legal means, including the assessment of fines (See Appendix 2).

A-8.2 Enforcement Costs

In accordance with the Bylaws, the cost of enforcement in connection with any violation(s) of these House Rules, Declaration, By-Laws, and/or any amendments thereto is the obligation of the apartment owner. Additionally, Chapter 514B Hawaii Revised Statutes, provides in part:

- "All costs and expenses, including reasonable attorney's fees, incurred by or on behalf of the Association for:
- "Enforcing any provisions of the Declaration, By-laws, House Rules, and the condominium Property Act;"
- "against an owner or any occupant of an apartment shall be promptly paid on demand to the Association by the apartment owner ..."

A-8.3 Reporting and Handling of Violations

Violations of the House Rules should be reported to the Resident Manager. The Resident Manager will investigate all reported violations on an anonymous basis, whenever possible. It is suggested that minor disagreements should be settled between the individual occupants affected.

A-9 AMENDMENTS TO HOUSE RULES

The Board of Directors reserves the right to amend these House Rules from time to time as it may be deemed necessary in accordance with such authority and procedures specified in the By-Laws.

A-10 USE OF UNITS

A unit 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 units from being rented or leased for residential or living accommodations in accordance with the By-Laws and Declaration.

A-11 STRUCTURAL CHANGES & RENOVATIONS

No structural changes of any type shall be permitted either within or outside a unit without prior consent and written approval of the Board of Directors. Furthermore, all

renovation requests must be submitted in writing to the Board of Directors for approval. Applications are available in the Resident Manager's Office and a licensed and insured contractor must be used. Prior to commencement of any work, all contractors must provide the Resident Manager with a Certificate of Insurance designating the Association as an Additional Insured, and specifying such amounts and types of coverage as may be required by the Board. After approval, material deliveries must be scheduled **one business day** in advance with the Resident Manager. Renovation work may **ONLY** be performed Monday through Friday, 8:00 AM to 4:30 PM. Renovation work can **NOT** be performed on the following holidays. New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Discoverers' Day, Veterans' Day, Thanksgiving and Christmas. Renovations must be scheduled in advance with the Resident Manager's Office. Written specifications and guidelines on specific renovations, as established and modified from time to time by the Board of Directors (i.e. floor covering replacement, lanai wind screens, etc.) are available in the Resident Manager's Office. Any flooring replacement requires soundproofing in compliance with a 65 IIC (Impact Insulation Class) rating or higher is required. Failure to comply with this IIC rating requirement and/or any installed flooring material which unreasonably disturbs the occupants of other units must be removed and/or modified as necessary to not unreasonably disturb the occupants of other units at the installing unit owner's sole expense.

A-12 LANDSCAPING CHANGES

Any proposed changes in landscaping must receive prior consent and written approval of the Board of Directors.

A-13 MAINTENANCE REQUESTS

Owners are required to submit requests regarding maintenance of the common elements to the Resident Manager and not directly to Maintenance Personnel.

A-14 DELIVERIES

Deliveries of any items or objects shall be permitted only between the hours of 8:00 AM to 5:00 PM, Monday through Saturday. All moves and deliveries are to be scheduled 24 hours in advance with the Resident Manager. No Sunday or Holiday deliveries are permitted.

A-15 ASSOCIATION DOCUMENT REQUESTS

Owner Requests to Review and/or Obtain copies of Association documents will be handled in accordance with Hawaii Revised Statutes Sections 514B-154 and 514B-154.5, and to the extent permitted by law, unit owners or owners' authorized agents will be required to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the association, its members, or both.

SECTION B: UNITS

B-1 EXTERIOR SURFACES

No awning, shades, window guards, towels, swimwear, wiring, or other objects shall be attached to or hung from the exterior of any unit's verandas, balconies, lanais, or windows, or protrude through the walls, windows or roof thereof. Objects shall not be placed on or attached to the rail or ledge of the lanai without the prior written consent of the Board of Directors.

Furthermore, no notice, advertisements, bill posters, illumination or other sign shall be inscribed or posted on or about the unit, although not visible outside of the Project, except as shall have been approved in writing by the Board or the Resident Manager. Such approval may be granted or refused at the sole discretion of the Board or the Resident Manager.

B- 1.1 Window Tinting

Windows may be only tinted using clear tint.

B-2 UNIT MAINTENANCE

The repair and maintenance of the interior of the unit is the responsibility of the individual owner.

B-3 NAMEPLATES

Nameplates or other door signage are not allowed on or around the exterior of unit entrance doors.

B-4 ELECTRICAL EQUIPMENT

All radio, television, or other electrical equipment of any kind or nature installed or used in each unit shall fully comply with all rules, regulations, requirements, or recommendations of the public authorities having jurisdiction. The unit owner alone shall be liable for any damage or injury by any radio, television or other electrical equipment in such owners' unit. Satellite television reception devices may be installed in accordance with current Over the Air Reception Device Rules ("OTARD") adopted by the Federal Communications Commission ("FCC"). A copy of current FCC OTARD Rules may be obtained from the Resident Manager. Although FCC OTARD Rules may permit owners to install satellite television reception devices on certain portions of their unit's lanai, it is recommended owners and/or their retained installer advise the Resident Manager as to the proposed location prior to installation to avoid the possibility of relocation from an impermissible location at the unit owner's sole expense.

B-5 NOISE

No noise is permitted which unreasonably disturbs the quiet and peaceful enjoyment of apartments, limited common elements and common elements by other occupants. Any

noise which unreasonably disturbs other occupants may be reported to the Resident Manager and/or Security at any time. The following hours are to be used as a guideline:

B-5.1 QUIET HOURS

During the following hours, occupants should not produce any noise which can be heard outside of any unit:

Quiet hours shall be as follows:

Sundays through Thursdays: 10:00 PM to 8:00 AM

Fridays, Saturdays, and Holidays: 11:00 PM to 8:00 AM

B-6 EMERGENCY SERVICES

If the immediate services of the ambulance, doctor or fire and police departments are required, it is the responsibility of the occupants of the Project to call such agencies directly. The unified emergency services telephone number on Oahu is 911.

B-7 PACKAGE DELIVERIES AND PERSONAL PROPERTY

The Board and the Resident Manager are not responsible for packages or other deliveries left at the doors of units or other undesignated places on the premises, nor are they responsible for any personal property placed on or left in or about the premises.

B-8 CLOTHESLINES

Clotheslines or other similar objects shall not be hung in any outside area, including the lanais except in accordance with prior written approval obtained from the Board of Directors.

B-9 PLANTS AND LANAI CARE

Potted plants may be placed on verandas, balconies, and lanais. Water drip trays or other suitable containers shall be placed under all flowerpots. The watering and care of plants and the sweeping and mopping of verandas, balconies and lanais shall be the responsibility of the individual unit owner and tenants, and shall be kept in an attractive and aesthetically pleasing manner and condition. The water from the watering of the plants or from the cleaning of the lanai shall not be so excessive that the water runs from the lanai onto any portion of the common elements or other tenants' lanais, apartment and/or any limited common element appurtenant thereto. Plants must be kept pruned and/or positioned so as not to protrude over or extend beyond lanai railings. The Board of Directors shall have the right to order the removal of any plant deemed an invasive species by federal, state and/or local law, and/or which in the Board's reasonable judgment presents an unreasonable risk of harm to persons or property, or constitutes a nuisance.

B-10 HAZARDOUS SUBSTANCES

No occupant shall use or permit to be brought into any unit or common areas anything deemed hazardous to life, limb or property, such as gasoline, kerosene, methanol or other combustibles of similar nature, or any gunpowder, or other explosives. No activity shall

be engaged in, nor shall any substance be introduced or manufactured within the units, which may result in a violation of the law or in the increase of insurance premium rates, or cancellation and/or non-renewal of insurance for the Project.

B-11 BARBECUES

No barbecues or grills of any kind are allowed for use or storage on unit lanais. Open flame cooking is not permitted on lanais. Barbeques are allowed to be used in designated areas only. No Imu pits shall be permitted in the Project.

B-12 DRAPERIES

Drapes shall be appropriately attached to windows or doors and shall be of a neutral tone and color so as not to materially change the uniform exterior appearance of the project.

B-13 PETS

Each unit may have one or two dogs or cats, or a reasonable number of caged or confined household pets, such as birds, fish and turtles kept therein. Owners may allow their Tenants to have pets, provided that the Owners shall be liable for any Tenant violation of these rules. Dogs and cats are required to be registered with the Resident Manager within ten (10) days of pet occupancy.

No dog or cat may exceed 30 pounds in weight at any time. The Resident Manager can require a dog or cat to be weighed by a designated veterinary clinic, the cost of which will be paid by the owner if the pet is determined to be over the weight limit. Pets that exceed 30 pounds shall be removed and may not return to the project until their weight is within the 30 lb. limit.

Use of assistance animals is permitted anywhere at the project by handicapped and/or disabled persons at any time. Any resident requiring an assistance animal whose disability is not readily apparent may request a reasonable accommodation from the Board of Directors in care of the Resident Manager and/or the Managing Agent. If any assistance animal or pet causes a nuisance or unreasonable disturbance or presents a danger to any person, its owner shall be given an opportunity and reasonable amount of time to rectify the problem. If the problem persists, the Board will require the removal of any animal that presents an unreasonable risk of harm to persons or property.

No pets shall be kept or bred for commercial purpose and no livestock, chickens, pigs or farm animals shall be allowed.

It is a violation of these House Rules for any pet to be unescorted or unleashed anywhere outside of an apartment at anytime. Special care should be taken while pets are indoors, meaning the interior common areas of our buildings (hallways, lobby, elevators, stairwells and garages) as well as the outdoor grounds of our Project. The only exception to this leash rule is within the designated Dog Run.

No pets are allowed within the Pool and Cabana area.

Pet owners shall only allow their pets to urinate and defecate outdoors and shall promptly clean up the defecation after their pets. Under no circumstances shall pets be allowed to urinate or defecate inside our buildings. Pet owners must either carry their pet in a cart, in their arms, or hold the pet by a short leash while indoors anywhere on the common elements. In the event of an accident, owners please immediately clean up after their pet, and are responsible for the cost of clean-up and/or damage caused by their pet.

These House Rules shall be enforced and penalties assessed in accordance with the Fee Schedule and Procedure (Appendix 2).

No visiting (unregistered) pets are allowed.

B-14 DUSTING AND SWEEPING

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

B-15 BALCONIES, LANAIS AND VERANDAS

All owners and occupants shall be personally responsible for any damage or injury caused by any items they place on the Balconies, Lanais and Verandas regardless of compliance with any approval process or insurance requirement described herein. Any items, which, in the opinion of the Board are unsightly and/or violate the uniform exterior appearance of the Project shall be removed and kept from the verandas, balconies, and lanais upon request by the Board.

B-15.1 Furnishings

Verandas, balconies, and lanais may be furnished appropriately with typical lanai furniture which is specifically designed, manufactured and marketed for outdoor use. Furniture designed, manufactured and marketed for indoor use is not permitted on lanais. Such furnishings shall be kept in an orderly fashion and maintained in good, clean condition. Ceiling fans are permitted in townhouse lanais only, subject to prior written Board approval.

B-15.2 Storing on Balconies, Lanais or Verandas

Verandas, balconies, and lanais may not be used for storage areas for sports and play equipment, nor surplus cartons, boxes, or any other type of excess belongings except in lanai storage areas specifically designated in the building plans for use as storage.

B-15.3 Other Items: Windscreens

Items designed solely to screen the lanai from wind may be permitted so long as the Windscreens do not alter the uniform external appearance of the Project; are not attached to the ceiling, walls, railings or parapet of the lanai; are movable; are unbreakable; and are securely fastened. Windscreens are limited to resident-owner occupied condominium units; are to be insured for liability by at the sole cost of the unit owner; and have written pre-and post installation review and approval by the Resident Manager. Note: the liability insurance requirement may be satisfied with the proof of insurance filed pursuant to Paragraph A6 of these House Rules, so long as the liability insurance coverage extends to items installed on the lanai.

Owners desiring to install windscreens must comply with written specifications and guidelines available from the Resident Manager. Non-conforming windscreens must be removed by the unit owner upon demand by the Board of Directors.

B-16 REFUSE

Dust, floor, and powdered waste shall be wrapped in sealed compact packages. All trash must be thoroughly drained and wrapped in paper and all garbage and other refuse shall be securely wrapped, preferably in plastic bags, and securely fastened before taking to trash room and using trash chute.

B-16.1 Large Refuse Items

Large empty cartons, oversized packages, and other items likely to clog the trash chute shall be carried down to the trash containers and not be left in any common areas of the Project.

B-16.2 Recycling

Recyclable items such as aluminum cans, glass, and newspapers may be taken to the main trash room located in each garage and placed in the designated bins. Boxes must be broken down before being placed in cardboard bin.

B-17 BOATS AND OTHER NAVIGABLE CRAFTS AND VEHICLES

Boats, canoes, rafts, jet skis, trailers or other navigable crafts, and other transportation vehicles shall not be left or allowed to stand, stored, maintained, or repaired in the parking stalls. However, minor repairs taking no more than eight (8) total hours are permitted.

B-18 SMOKING

No cigarettes, cigarette butts, pipes, cigars, or other refuse shall be disposed in the common elements. Smoking of tobacco products of any kind, marijuana and/or electronic cigarettes is not permitted in common areas including inside buildings, stairwells, elevators, building lobbies, parking structures or within the pool and spa and BBQ area.

B-19 MOVING IN AND MOVING OUT

All moves must be scheduled with the Manager's Office at least one business day in advance; otherwise a fine of \$50 will be assessed. A \$250 non-refundable move-in charge or a \$150 non-refundable move-out charge is to be paid in advance (only one charge will be assessed). These fees will be waived if the occupant moves between units within the Kalele Kai Project. Additionally, a refundable \$100 damage deposit must be paid in advance of any move. Regardless of these charges, the unit owners shall be responsible for all damages. Nothing is to be moved through the glass doors of the lobbies, and moving shall be scheduled only Monday through Saturday. Move in or Move out can NOT be scheduled on Sundays and the following holidays. New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Discoverers' Day, Veterans' Day, Thanksgiving and Christmas. Moves may begin at 8:00 AM and must be completed by 5:00 PM on the same day. The occupant shall be responsible for removal of all packing materials and boxes. If boxes are flattened, they may be placed in the recycling area in the trash room, however, no cardboard or large items may be placed in the trash chutes.

B-20 RENOVATIONS

Any renovation work that requires a Building Permit must be performed by a licensed contractor and approved in advance by the Resident Manager along with submission of a Certificate of Insurance. Any flooring replacement requires soundproofing to a 65IIC (Impact Insulation Class) rating or better as needed As set forth in A-11 above.

B - 21 UNIT FRONT DOORS

Unit front doors shall not be propped open except for ingress and egress or in connection with the active delivery or removal of furniture and renovation items.

B - 22 DECORATING GUIDELINES

1. Decoration may only be displayed on your unit door and on your lanai between November 15th and January 15th.
2. Wreaths on unit doors: Wreaths may be displayed on your entry door. You must use a wreath-hanger which goes over the top of the door and does not damage the door or the door finish. Please do not use nails, screw-in hooks, tape or other fasteners which may damage the finish of the door. You may not put holes in the door or anywhere around the door or door frame. NO lights or other decorations or door mats or other items are allowed in the Common Element hallways.
3. Holiday lights: Strings of holiday lights may be placed on lanais and may be wound through lanai railings. Lights may not be placed on entry doors. Nothing may be hung or attached to your lanai railing except carefully wound, lightweight string of lights. This is a safety precaution to protect people and property in ht event objects should fall or be blown off of a lanai.
4. Other holiday decorations: Other holiday decorations may be placed on lanais, but they must be safely placed there so they do not present any danger to other people in the event that the wind blows them over or they otherwise fall from the lanai.

B-23 CARE, MAINTENANCE AND INSPECTION OF DRAINS

The discharge into any condominium, townhouse or common element drain of oil, grease, butter, margarine, lard, shortening, coffee grinds, egg shells, flour, rice, pasta, produce stickers, medications, fabric, toys or any other substance which may cause a pipe obstruction is strictly prohibited. To the extent permitted by law and the Association's governing documents, owners of units where the violation originated will be held liable for all expenses incurred by the Association in repairing or replacing any uninsured loss or damage to the common elements caused by a violation of this House Rule. Further, in the event of a claim for damage to a unit or the common elements caused by a violation of this House Rule, in accordance with HRS §514B-143(d), the Board may assess any deductible payable under the Association's insurance policy against the owner(s) who caused the damage or from whose unit(s) the damage or cause of loss originated.

Upon the providing of reasonable prior written notice, owners shall grant the Association access to their units during regular business hours to conduct scheduled periodic inspections of all condominium and townhouse drain lines. Any owner who denies the Association access to their units to conduct scheduled periodic inspections of drain lines shall be in violation of this House Rule. Nothing in this House Rule shall restrict the Association's right to access any unit at any time as may be necessary for making emergency repairs to prevent damage to the common elements or to another unit or units.

SECTION C: COMMON ELEMENTS

C-1 SOLICITATION

No soliciting of goods and services, or religious and political activities shall be permitted on the premises unless approved by the Board.

C-2 RECREATION AND TRANSPORTATION EQUIPMENT

Surfboards, bicycles, skate boards, roller skates, etc., shall not be left or allowed to stand on any part of the premises, other than within the confines of the unit or designated storage area (s).

C-2.1 Bicycles, Skateboards, Roller Blades

Bicycles, skateboards, roller blades, roller skates and other similar equipment shall not be operated or used on any part of the common elements such as, but not limited to, the walkways, pathways, interior road, parking garages, or boat mooring walkways.

C-2.2 Motorized Sports and Transportation Vehicles

Motorized sports and transportation vehicles, including golf carts, mopeds, scooters and motorcycles shall be operated only on the road; if said 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 premises except on paved areas and solely for ingress and egress, except for use by the Association's maintenance staff and/or its retained contractors.

C-2.3 Surfboards, Bicycles, and Other Sport Equipment

All surfboards, bicycles, and other sports equipment that are transported through the building must use the back doors, and the equipment must be properly covered.

C-2.4 Bicycle Registration and Storage Area

All bicycles and mopeds must be registered with Kalele Kai management office and a registration sticker placed on bicycle and/or moped in an easy to read location. Any bicycle or moped without above stickers will be considered abandoned and disposed of. Any bicycle or moped left behind when a resident moves from Kalele Kai will be considered abandoned and disposed of.

Only bicycles are to be parked in bicycle storage areas. No motorcycles, mopeds or scooters shall be parked / stored in bicycle storage area.

Definitions:

Bicycles: State of Hawaii bicycle registration law, two wheeled pedaled vehicles with a wheel diameter of 20 inch or greater require DMV registration. Registration of bicycles with wheel diameter less than 20 inch is optional.

Moped: Two-wheel vehicle 49cc or less engine with or without pedals. Mopeds must be registered with the State of Hawaii and display registration sticker.

Scooters and motorcycles: Two-wheel vehicle with 50cc or greater engine must be licensed by State of Hawaii with license plate displayed

C-3 SPORTS ACTIVITIES

Group sports such as football, baseball, basketball, volleyball, frisbee, or golf shall be prohibited anywhere in or on the common elements.

C-4 LANDSCAPING

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 any other types of plants anywhere in or on the common elements.

C-5 INGRESS AND EGRESS

The grounds, roadways, and other similar common elements shall be used strictly for ingress and egress and not for play. They must be kept free of obstructions at all times.

SECTION D: LIMITED COMMON ELEMENTS

D-1 LIABILITY FOR DAMAGE

The unit owner, at its sole expense, shall be responsible to maintain all limited common elements appurtenant to its unit in a clean, safe and sanitary condition and the unit owner shall be solely responsible for any and all liability arising from said limited common elements.

D-2 BOAT MOORINGS

The respective owner of the condominium unit to which the boat mooring area is an appurtenant limited common element shall maintain all boat mooring areas in a clean, safe and sanitary condition. The unit owner shall maintain such boat mooring area at its sole expense and the unit owner is solely responsible for all liability arising from sail boat mooring area. Dock boxes are permitted on boat mooring areas provided approval is obtained from the Marina Association and standard specifications and guidelines are followed.

D-3 BOAT MOORING MODIFICATIONS

Any request seeking modification, relocation, and/or removal of boat moorings must be presented to the Board of Directors in writing for its consideration in advance of any proposed work being undertaken. The Board will respond in writing to all request made pursuant to this section.

D-4 FINGER PIER REMOVAL

If mooring modification involves the removal of one or more finger piers, the pier(s) must be retained and secured in a location and orientation as instructed in writing by the Board of Directors.

D-5 MISSING FINGER PIERS

If moorings are missing finger piers for any reason, they must be replaced prior to or at the time the boat mooring owner removes the existing boat and it is not replaced by a boat within twelve (12) months of the original boat's removal. Prior to the expiration of this deadline, the owner may make a written request to the Board for a reasonable extension thereof. The Board's decision in response to a request for extension shall be in writing and a timely request for an extension shall not be unreasonably denied by the Board.

D-6 MODIFIED BOAT MOORING

(a) When a modified boat mooring has one or more finger piers attached in a parallel orientation to the common walkway, upon sale of the modified boat mooring, the new owner will have up to twelve (12) months from the transfer date to dock a boat in the

mooring. Extensions of this deadline may be sought in accordance with the procedures set forth in Section D-5 above.

(b) If the new owner chooses not to dock a boat in the mooring, the owner must reconfigure the mooring by returning all existing finger pier(s) into a perpendicular orientation to the common walkway. Failure of the owner to return the moorings back to their original perpendicular orientation to the common walkway, the Association shall have the right to perform such reorientation at the owner's sole expense.

D-7 KALELE KAI MOORING USE

Kalele Kai moorings are for private use only – no commercial boats or commercial ventures are permitted.

D-8 FINGER PIERS & SUPPORT TRIANGLES

Maintenance and replacement of finger piers and support triangles is the responsibility of the boat mooring owners. If proper maintenance is not performed by the owner, the Association has the right to perform the maintenance and assess the owner for all costs incurred to perform such maintenance. The Resident Manager will verify compliance with these requirements.

- Triangles are to be made of marine grade plywood or Starboard in accordance with the specs provided by Bellingham Marine Industries.
- Triangles tie frames are to be in accordance with the specs provided by Bellingham Marine Industries.
- Triangles are to be stenciled the letter "B" followed by the dock number. Screws used to fasten the triangle to the bracket are to be stainless steel.

D-9 BOATS

When tied to the dock, boats must comply with Kalele Kai Boat Owners Guidelines adopted by the Board of Directors:

- When tied to the docks boat owners should lower all antennas and fishing outriggers.
- Bikini tops that must be lowered for passage under the bridge must be lowered when the boat is tied to the dock.
- Boats that are for use in the bay only and cannot pass under the bridge to the channel are not permitted

- The same noise restrictions and time limits for parties on the Kalele Kai property apply to boats.
- Boats canvas should be tight and maintained in good repair.
- Dock lines should not be frayed and properly coiled on the dock.
- Towels and other loose gear should be below decks.
- All boats shall be registered with the Kalele Kai Management Office, the Hawaii Kai Marina Association and have a State of Hawaii number.
- Electrical hookups must be via a certified marine plug and cord. See the Resident Manager for sample specifications.

D-10 Living aboard a boat while moored at Kalele Kai is not allowed

D-11 Kayaks, Paddleboard and Surfboard Storage & Use

- For the purpose of the section, watercraft is defined as a surfboard, a paddleboard or a kayak. Only watercraft and accessories may be stored on the Kalele Kai Marina walkway.
- The Association is not liable for loss of or damage to any watercraft including accessories or personal property from any cause whatsoever. Residents are responsible for the security of their stored watercraft and are duly informed that theft or watercraft from the marina has occurred multiple times in the past. Only a licensed to be granted hereby and the resident as licensee assume all such risks. No Association employee can alter this denial of liability either orally or otherwise.
- The Kalele Kai Management Office will, upon a first come/first serve basis and pending availability, register and grant a license to store a watercraft(s) for one year beginning the first day of each February. Annual registration must be renewed during January for the coming year. Watercraft stored without a current license shall be considered abandoned and disposed of according to Hawaii State law.
- Kalele Kai owners must comply with Unit Owner Insurance requirements addendum to House Rules. Kalele Kai renters are required to provide the Association with a current Certificate of Insurance evidencing renter's insurance in force for coverage including but not limited to liability and for loss of all stored anywhere on the common elements.

- Residents must show proof of a current Hawaii Kai Marina Community Association registration if required, prior to being allowed to register and store their watercraft on the Kalele Kai Marina walkway and annually upon renewal.
- Subject to availability, a residential unit may have more than one storage space; but if residents of another unit are waiting for a storage space, the resident's extra storage space will not be renewed.
- If a resident fails to store a watercraft in their storage space for thirty (30) consecutive days or more, their license shall be forfeited and the space shall become available to other residents as may be reasonably necessary to promote safety and/or an efficient use of space.
- The Association will provide maintenance of the watercraft stands and tie down straps. No modifications of an existing watercraft stand or tie down straps shall be made without prior written authorization of the resident manager.
- The Kalele Kai Marina walkway is 5 feet 1 inch (61 inches) wide. Without exception, residents must store all their watercraft within the first twenty (20) inches of marina walkway closest to the marina rock wall and must leave 41 inches of walkway available and unobstructed for pedestrian use.
- All sharp objects such as but not limited to a skeg or a paddle, shall be turned away from the pedestrian walkway toward the rock wall.
- No watercraft shall be stored where any portion or part thereof extends into an adjoining space depriving another resident of sufficient space to store their watercraft. Storage spaces were designed to be twelve feet (12') wide, but some space may have additional space available on either end. The resident manager will determine which space are assigned to residents and may reassign spaces as may be reasonably necessary to promote safety and/or an efficient use of space.
- No watercraft or accessories shall exceed 36 inches high when stored upon the Kalele Kai marina walkway.
- Watercraft shall not be stored on top of one other.
- All watercraft must be launched and retrieved from Kalele Kai boat slips B7 and B8, except dock owners may use their boat slip. Dock owners who agree in writing to indemnify and defend the Association from any and all liability claims related thereto may permit other residents to use their boat dock. Written indemnity agreements described in this paragraph must be on file with the Resident Manager.

- All residents using watercraft must sign a Kalele Kai Kayak, Paddleboard and Surfboard Storage & Use Agreement which may be obtained from the Resident Manager's Office. Visitors using watercraft must be accompanied at all times by a resident who has signed a Kalele Kai Kayak, Paddleboard and Surfboard Storage & Use Agreement.

SECTION E: VEHICLES

E-1 REGISTRATION

All automobiles (other than temporary rental cars) used by occupants (or non-occupant owners using their parking stalls) shall be registered with the Resident Manager. The Resident Manager shall provide a decal that is to be prominently displayed either on the front windshield or on the back of the rearview mirror. It shall be the responsibility of the occupant or non-occupant owner to update this registration and obtain necessary decals when other cars are used. Unregistered (cars without decals) and illegally parked cars may be towed away at the owner's expense. All vehicles must have current registration with the City and County of Honolulu or other out of state registration.

E-2 DAMAGE LIABILITY

Damage to cars and other objects or to common areas shall be the responsibility of the person causing the damage.

E-3 VEHICLE REPAIRS

No major repairs or exchange of automotive fluids to any automobile or any transportation vehicles shall be permitted on any common element or parking stall.

E-4 CONDUCT

Owners of motor vehicles are required to operate them within the Project so as not to constitute a noise nuisance. No racing of motors, etc., is permitted.

E-5 WASH AREA

Occupants may not wash automobiles or motorcycles on any common element (except in the designed car wash areas), the roadway areas nor use the roadway for recreation. In order to prevent soap runoffs and damage to the surrounding foliage, only vegetation safe biodegradable soap may be used in the car wash area. Car wash area users are responsible for any soap runoff plant damage. Wash area is for occupants only.

E-6 STORAGE

No personal items such as, but not limited to, lumber, furniture, boxes, crates or recreational equipment shall be stored in any parking stall.

E-7 SPEED LIMIT

Vehicles shall travel at speeds no greater than the posted speed limits. Drivers must observe all traffic and directional signs for the safety of all.

E-8 PARKING STALLS

All vehicles shall be parked in their assigned parking stall. Bicycles may be parked in the assigned stall, so long as no part of any vehicle extends past the parking stall limits. No vehicle owned by an occupant or non-occupant owner shall be parked on the roadway of the Project. Parking stalls may not be used by or rented to non-occupants who are not owners.

E-8.1 Guest Parking Stalls

All guest vehicles shall be parked only in designated guest parking stalls and their vehicles registered at designated registration areas (at the front of each building). Overnight guest parking, between the hours of 12:00 am to 6:00 am, shall be permitted when registered and a pass obtained at the Resident Manager's office. Parking in the non-handicap stalls at buildings 2 and 3 are limited to a one hour time limit with no overnight parking between the hours of 12:00 am to 6:00 am.

E-8.2 Handicap Parking Stall Assignment

In accordance with Section 5(i) of the Declaration, the Board can temporarily assign use of handicap parking stalls 38, 87c, 101 and 138c. These aforementioned parking stalls can be temporality assigned on a "first come, first serve basis". Terms and conditions of temporarily reassignment of handicap parking stall are stated on HANDICAP PARKING STALLS AGREEMENT AND CONDITIONS USE. Copy of reassignment agreement can be requested at the Kalele Kai Management office.

SECTION F: ELECTRIC VEHICLE CHARGING SYSTEM

Background:

This Electric Vehicle Charging System Installation Policy is adopted by the Board of Directors in conformance with Hawaii Revised Statutes, (HRS), Chapter 196, governing installation of electric vehicle charging systems.

ELECTRICAL VEHICLE CHARGING SYSTEM

Electrical vehicle charging systems may be installed only in accordance with the following restrictions:

F-1 CHARGING SYSTEM APPLICATION

Any owner proposing to install an electric vehicle charging system shall provide the Board of Directors with written notice requesting consent prior to installation. The request shall include: (a) written compliance with the Board's design specifications for the installation of the system, including dimensions and other specifications; (b) the name of the licensed contractor to install the system; (c) a copy of the licensed contractor's insurance certificate, naming the Association as an additional insured; (d) within fourteen days of approval of the system by the Board of Directors, provide a Certificate of

Insurance naming the Association as an Additional Insured on the homeowner's insurance policy: (e) the owner, prior to installation, shall also provide the Association with copy of any applicable governmental permit and must comply with the building codes in effect at the time of installation: (f) the applicant/owner must connect from a circuit that is on the unit's electric meter. No common power may be used for the individual chargers: (g) Charger approved is subject to the overall capacity of the building's electrical supply, as verified by Hawaii Electric Company, and/or its successor, as may be applicable.

F-2 CHARGING SYSTEM RESPONSIBILITIES

The owner or each successive owner of the parking stall on which or near where the system is placed shall be responsible for any cost for damages to the system, common elements, limited common elements, and any adjacent units, arising or resulting from the installation, maintenance, repair, removal, or replacement of the system. The repair, maintenance, removal, and replacement responsibilities shall be assumed by each successive owner until the electric vehicle charging system has been removed from the common elements or limited common elements. The owner and each successive owner shall at all times have and maintain a policy of insurance covering the obligations of the owner under this paragraph and shall name the Association as an Additional Insured under the policy, and shall not less than annually provide the Association a current Certificate of Insurance evidencing the existence of such insurance coverage; and

F-3 REMOVAL FOR ASSOCIATION REPAIRS

The owner and any successive owner of the parking stall on which or near where the system is placed shall be responsible for removing the electric charging system if reasonably necessary or convenient for the repair, maintenance, or replacement of the common elements or limited common elements.

F-4 OWNER MAINTENANCE

Owners shall not permit their electric vehicle charging system to fall into disrepair or to become a safety hazard.

F-5 COMMON AREA DAMAGE

Installation shall be performed in such a manner that it does not damage the common area or improvements of other owners, or void any warranties of the Association or other owners.

F-6 TENANT APPLICATION REQUEST

Any tenant wishing to install an electric vehicle charging system must seek permission through the homeowner/landlord.

SECTION G: POOL AND CLUB HOUSE

G-1 HOURS OF USE

The pool, the Club House (Cabana) and the surrounding areas are for the exclusive use of occupants and their guests.

G-1.1 Pool Hours

Pool hours are as follows:

Sunday through Thursdays: 8:00 AM to 10:00 PM
Fridays, Saturdays & Holidays: 8:00 AM to 11:00 PM

G-1.2 Club House (Cabana) Hours

Monday through Sundays: Any five (5) hour increment between 10:00 AM to 10:00 PM.

All users must clean the Club House and remove all trash and personal items by stated end time. Only one (1) event per week for any one unit. No standing reservations are permitted. Use of the Cabana for private parties is limited to no more than 25 persons. A refundable cleaning deposit of \$100 is required upon making the reservation at the Resident Manager's Office, but the unit owner shall be responsible for the cost in excess of the deposit of any additional cleaning or repair that may be required.

G-2 POOL RULES AND REGULATIONS

- Street clothes and diapers are not allowed in the pool or Jacuzzi.
- All suntan oil, bobby pins, hairpins, and other such material shall be removed and all persons shall shower before entering the pool or Jacuzzi.
- Eating, drinking and smoking are not allowed in the pool or Jacuzzi area.
- Only drinking of water in non-breakable containers (plastic) is allowed in pool and Jacuzzi areas.
- All persons using suntan lotions and oils, etc. shall protect the furniture and the deck area with towels.

G-3 LIMITATIONS AND LIABILITY

All persons using the pool and Jacuzzi do so at their own risk. In accordance with the Federal Fair Housing Act and Amendment thereto, the Association does not limit or restrict use of the pool or Jacuzzi by families with children, however, parents and guardians of minor children are advised the U.S. Centers for Disease Control (CDC) urges recreational facility operators to "...exclude children less than 5 years of age from using hot tubs." Parents and guardians are strongly urged to consider this warning from the CDC before allowing use of the Jacuzzi by their minor children. The pool is for use only by those able to swim. Only persons who are able to swim or are directly supervised by competent swimmers are permitted to enter the pool. .

G-4 CONDUCT

Horseplay, running, diving, screaming, or other boisterous conduct is not permitted in the pool area. Loud games, such as Marco Polo are prohibited.

G-5 GLASSWARE

Glass or other breakable containers shall not be brought into the pool area.

G-6 PERSONAL BELONGINGS

All Personal belongings such as towels, sunglasses, books, etc., shall be removed upon leaving the pool area.

G-7 NOISE

Headsets must be used with radios, audio and video equipment while in the pool area. No amplified music is allowed in the pool area at any time.

G-8 ATTIRE

Swimming is not allowed in other than proper swimming apparel specifically designed, manufactured and marketed to be worn while in pools and/or engaged in recreational water activities.

G-9 NO LIFEGUARD ON DUTY

Residents and their guests use the swimming pool at their own risk. No lifeguard is on duty. The Board or Resident Manager reserves the right to require a lifeguard for large pool parties, to be paid for by host owner or occupant.

G-10 EQUIPMENT

Scuba equipment, inner tubes, swimming fins, toys, or other equipment shall not be allowed in the pool. However, non-swimmers using the pool under the direct supervision of a competent swimmer may use personal flotation devices..

G-11 HEALTH REQUIREMENTS

All persons known to be or suspected of being afflicted with an infectious disease, suffering from a cough, cold, sores, open wounds, or wearing bands or bandages, shall not be allowed in the pool or Jacuzzi.

G-12 SANITATION REQUIREMENTS

Spitting, spouting of water, or blowing the nose, urinating in the swimming pool is strictly prohibited. No person subject to involuntary natural bodily functions is permitted to use the pool or Jacuzzi without effective swim diaper protection.

G - 13 NUMBER OF POOL GUESTS

Six (6) guests at a time, per apartment, may utilize the pool and adjacent area. This ensures that all residents are able to comfortably use the pool and area at any given time.

SECTION H: DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KALELE KAI

H-1 COMPLIANCE

Notwithstanding anything herein to the contrary, these House Rules shall be subject to the Declaration of Condominium Property Regime of Kalele Kai and its Amendments (“Declaration”) and Bylaws of the Association of Owners of Kalele Kai (Bylaws”), and in the event of any conflict between these House Rules and the Declaration and Bylaws, the Declaration and Bylaws shall govern and the Board shall make such changes to these House Rules from time to time as may be necessary to comply with the Declaration and Bylaws, and any Amendments thereto.

Each occupant and owner is responsible for abiding by all House Rules and governing documents established for the Association of Owners of Kalele Kai. Owners are ultimately responsible for any and all violation(s) of these House Rules by their tenants, occupants, guests, and/or contractors, as well as any fines assessed in connection therewith.

UNIT OWNER INSURANCE REQUIREMENTS ADDENDUM
(Approved by the Association at the Annual Meeting of March 15, 2008)

In accordance with Hawaii Revised Statutes §514B-143(g), the Board of Directors has been authorized to require owners obtain insurance coverage for their respective units. Effective June 1, 2008, all owners are required to have obtained insurance providing the following minimum coverage types and limits:

Property Coverage	Limits Required
<i>Improvements and Betterments:</i> Alterations, appliances, fixtures, and improvements (any upgrade that is permanently part of unit including flooring, carpet, wall covering, custom cabinetry, and countertops)	Total replacement cost of all owned improvements & betterments to the unit, Not less than \$25,000
<i>Personal Property:</i> Contents (furnishings, clothing, etc.) within the unit that are not improvements and betterments as defined above	Total replacement cost of all owned personal contents within the unit, but not less than \$35,000
<i>Loss of Use:</i> For those units occupied by unit owner as a primary residence, any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living or the fair rental value of the premises where you reside less any expenses that do not continue while the premises is not fit to live in. Usually, this is the monthly going rate for rents, multiplied by the number of months, you seek protection for	Not less than \$15,000
<i>Valuation</i>	Replacement Cost
<i>Insured Perils</i>	Special Form
<i>Liability Coverage</i>	Not less than \$300,000
<i>Loss Assessment Deductible</i>	Not less than Association Policy Deductible

Not later than June 1, 2008, all unit owners must provide to the Association of Owners of Kalele Kai (“Association”) a Certificate of Insurance evidencing the coverage specified herein has been obtained. Not later than ten (10) days following the cancellation, expiration, and/or renewal of any insurance policy identified on a Certificate of Insurance, owners must provide to the Association a current Certificate of Insurance indicating renewal and/or replacement coverage has been obtained.

All new owners must provide a Certificate of Insurance to the Association evidencing compliance with this Addendum not later than ten (10) days following closing of the sale of their unit.

Owners are advised they should provide a copy of this Addendum to their insurance agent and/or insurance company and request that Certificates of Insurance be sent to:

Association of Owners of Kalele Kai
c/o Associa Hawaii
737 Bishop Street, Ste 3100
Honolulu, Hawaii 96813

If after notice, should any owner not produce to the Association a Certificate of Insurance evidencing compliance with this Addendum, at its option, the Association may purchase the required insurance coverage and assess the reasonable premium cost back to the unit owner. **However, in no event is the Association or Board liable to any person either with regard to the failure of a unit owner to purchase insurance or a decision by the Board not to purchase the insurance for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverage obtained.**

Owners who do not purchase insurance required herein possibly expose themselves to potential substantial personal liability for damage claims which might otherwise be covered by insurance.

Kalele Kai Fine Schedule and Procedures

(Approved by the Association at the Annual Meeting of March 15, 2008)

In accordance with Hawaii Revised Statutes 514B-104(a)(11) and Section 6.6(a) of the Bylaws of the Association of Owners of Kalele Kai, owners have approved the following procedures, specific fines and penalties to become effective April 1, 2008:

- (1) A written statement of the alleged violations shall be provided to any Owner against whom such charges are made, and such written statement shall provide a date on which the charges shall be heard;
- (2) No proceedings under this section shall be brought against any Owner unless such owner shall have received a written statement of charges at least thirty (30) days prior to that hearing;
- (3) No proceeding shall be brought against any Owner more than sixty (60) days after such owner is provided a written statement of charges;
- (4) The Board shall appoint a panel of three (3) capable persons, one of whom shall be designated a chairperson any or all panel members who may or may not be Owners, and who shall hear the charges and evaluate the evidence of the alleged violation;
- (5) At such hearing the Owner so charged shall have the right to present oral and written evidence and to confront and cross-examine adverse witnesses;
- (6) The panel shall deliver to the Owner so charged within seven (7) days after the hearing a written decision which specifies the fines or penalties levied, if any, and the reasons thereof; and
- (7) The decision of the panel shall be binding upon the Owner so charged and shall not be appealable except as otherwise provided for in any applicable provision of HRS, Chapter 514B.

If an Owner completely corrects and/or remedies an alleged violation prior to the hearing date, the Board shall discontinue the proceedings.

- (8) The Owner has a right to initiate a dispute resolution process providing all assessed fines are paid in full.
- (9) Owners shall be liable for their own fines and fines assessed against their tenants, guests, family members, agents, or employees.

(10) A fine must be paid to the Association within thirty (30) calendar days.

If a fine is not paid within the applicable period cited above, the fine shall be deemed a special assessment chargeable against the Owner's apartment. Additionally, the Owner shall be assessed a late fee of \$25.00 for each month the fine remains unpaid. Additionally, reasonable attorneys' fees and expenses will be assessed in accordance with HRS 514B-157(a) (3), should any House Rule violation be referred to the Association's attorney for enforcement.

Schedule of Fines. Fines will be assessed against anyone violating the Declarations, Bylaws, or House Rules.

- a) For violations that detract from the appearance of the project or interfere with orderly operations:
 - First offense: violation will be logged and a warning citation issued
 - Second offense: citation issued and \$50.00 fine
 - Third offense: citation issued and \$100.00 fine
 - Fourth and subsequent offense: citation issued and \$150 fine

- b) For violations that unreasonably interfere with the rights, comfort, or convenience of other residents, guests and/or owners:
 - First offense: violation will be logged and a warning citation issued
 - Second offense: citation issued and \$50.00 fine
 - Third offense: citation issued and \$100.00 fine
 - Fourth and subsequent offense: citation issued and a \$200.00 fine

- c) For violations that constitute a threat to the personal safety or lives of other residents or involve destruction or damage to the common elements, a citation and a fine of \$200.00 will be issued. No warning citation will be issued for these serious offenses, and/or they may immediately be referred to the Association's attorney for institution of legal proceedings, as deemed appropriate by the Board.

DELINQUENCY COLLECTION POLICY OF KALELE KAI
(Approved by the Association at the Annual Meeting of March 15, 2008)

On this date, in accordance with Hawaii Revised Statutes (“HRS”) Sections 514B-145 and 514B-146(e), the Board of Directors of the Association of Owners of KALELE KAI ("Association"), hereby adopts this Delinquency Collection Policy (hereinafter referred to as "Policy"), which shall become effective immediately upon the obtaining of either the approval of a majority of those owners present at an annual or special meeting, or the obtaining of the written consent of a majority of all owners approving this Policy.

In order to facilitate the collection of delinquent maintenance fees and assessments, the Board of Directors shall, as it may determine to be necessary, implement any or all of the following procedures against any unit owner who is more than thirty (30) days delinquent on payment of any monthly maintenance fees for common expenses:

1. Collection of Rents from Tenants or Rental Agents. The Board of Directors, or legal counsel for the Association, and/or the Property Manager, acting at the direction of the Board of Directors, shall make demand in writing and receive each month from any tenant occupying the unit, or rental agent renting the unit, an amount sufficient to pay all sums due from the unit owner to the Association, including interest, if any, but the amount shall not exceed the tenant=s rent due each month. Prior to the taking of this action, the Board of Directors shall give to the delinquent unit owner written notice of its intent to collect the rent owed. Such notice shall: (1) Be sent by both first-class and certified mail; (2) Set forth the exact amount the association claims is due and owing by the unit owner; and (3) Indicate the intent of the Board of Directors to collect from the rent such amounts that become due and remain unpaid. However, the Board of Directors shall not demand payment from the tenant pursuant to this section if: (1) A commissioner or receiver has been appointed to take charge of the premises pending a mortgage foreclosure; (2) A mortgagee is in possession pending a mortgage foreclosure; or (3) The tenant is served with a court order directing payment to a third party.

2. Judicial and/or Non-Judicial Foreclosure Proceedings. In addition to the recording of a Notice of Lien, and/or the filing of a non-foreclosure collection lawsuit, the Board may institute judicial and/or non-judicial foreclosure proceedings in accordance with HRS Chapter 514B-146(a) and/or HRS Chapter 667;

3. Discontinue Common Services and Access to Common Elements. In conjunction with, or as an alternative to institution of judicial and/or non-judicial foreclosure proceedings, where a unit is owner-occupied, the Board of Directors, after sixty (60) days= written notice to the unit owner and to the unit=s first mortgagee of the nonpayment of the unit=s share of common expenses, may terminate the delinquent unit=s access to the common elements and cease supplying a delinquent unit with any and all services normally supplied or paid for by the Association. Any terminated services and privileges shall be restored upon payment of all delinquent assessments. Prior to the termination of services by the Association pursuant to the provision, the Property Manager shall take reasonable steps to ascertain whether an invalid or medically dependent individual resides in any such unit, and should it be determined that such an individual resides in the unit, electricity and water will not be discontinued. This Policy

shall be uniformly applied to all unit owners, and shall be administered by the Property Manager and/or legal counsel for the Association, under the supervision and direction of the Board of Directors.

Upon the approval of this Policy by the Association in accordance with the procedures set forth herein, this Policy shall immediately become effective. Following approval by the Association, a copy shall be posted prominently at the project known as KALELE KAI. Another copy of this Policy shall be maintained by the Property Manager with the project governing documents to be made available for inspection in accordance with Hawaii law.

INSURANCE DEDUCTIBLE POLICY

1. In the event a claim is made under the Association's insurance policy(s) for damage to a unit or the common elements caused solely by a defect in a common element, the Association shall be responsible for paying the deductible amount as a common expense. In the event the value of such a claim is less than the deductible amount, the Association shall be responsible for paying the claim as a common expense.

Example: A unit sustains water damage from a burst common element pipe in the walls.

Notwithstanding the above, in the event the Association's insurance policy(s) do not cover improvements and betterments to the units installed by unit owners, the Association shall not be responsible for paying the deductible amount (or the value of a claim if it is less than the deductible amount) in the event a claim is made for damage to unit improvements and betterments. For purposes of this paragraph, "improvements and betterments" as defined in Section 514B-143(b) means "all decorating fixtures, and furnishings installed or added to and located within the boundaries of the unit, including electrical fixtures, appliances, air conditioning and heating equipment, water heaters, or built-in cabinets installed by unit owners."

2. In the event a claim is made by a unit owner under the Association's insurance policy(s) for damage to the owner's unit, other units, or the common elements, which damage is caused by the unit owner or other occupants or guests of the owner's unit, or from whose unit the damage or cause of loss originated, the said unit owner shall be responsible for paying the deductible amount. In the event the value of such a claim is less than the deductible amount, the said unit owner shall be responsible for paying the claim as a personal expense. Alternatively, said unit owner should check his/her individual homeowner's policy for coverage for the claim, if any.

Examples: A unit's toilet leaks or washing machine hose burst causing water damage to adjacent units or to the common elements. A unit owner or occupant negligently or deliberately allows the bathroom to overflow causing water damage to adjacent units or to the common elements.

3. In the event the Board of Directors intends on assessing the deductible amount to a unit owner who caused the damage or from whose unit the damage or cause of loss originated (#2 above), written notice shall be given to the unit owner and an opportunity to be heard. Hearings shall usually be held at the next scheduled Board meeting following the written notice.
4. Depending upon the circumstances, the Board reserves the right to require the unit owners of the affected units to pay the deductible amount. In that event, the notice and hearing requirements set forth in #3 above shall apply.

5. All unit owners are encouraged to review their individual homeowner's insurance policies (HO-6) to ensure that their policies include loss assessment coverage with sufficient limits of coverage to cover the deductible amount.
6. This Insurance Deductible Policy applies to all owners, whether or not they reside in the unit.

ASSESSMENT PAYMENT RESOLUTION

WHEREAS the Board of Directors of the Kalele Kai Association is charged with the responsibility of collecting assessments for common expenses from association members pursuant to the Hawaii Revised Statutes, Chapter 514B and the Governing Documents of the Association, and

WHEREAS from time to time association members become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS the Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue; and

WHEREAS the Board has retained the Association's collection attorneys for their experience in representing community associations in collections matters; and

WHEREAS the Board has directed the Association's collection attorneys to represent the Association on the terms outlined in this resolution, unless specifically advised otherwise;

NOW, THEREFORE,

BE IT RESOLVED that the Association's collection attorneys shall pursue all collection matters which the Board, acting through the Management Agent, may from time to time refer to them and to provide any collection advice and counsel which the Board may from time to time require; and

BE IT FURTHER RESOLVED that there is hereby levied against any account which is not paid in full as of the FIFTEENTH (15TH) day of each month, a late fee in the amount of FIVE PERCENT (5%), the Managing Agent is authorized and directed to charge to and collect from any delinquent association member who is delinquent for any amount over \$100.00; and

BE IT FURTHER RESOLVED that the Managing Agent is directed to send any Association member who is more than thirty (30) days delinquent in the payment of regular or special Assessments, a written notice (hereinafter referred to as the "First Notice"), and that if the account is not paid in full within thirty (30) days of this First Notice, the Managing Agent will send a second written notice (hereinafter referred to as the "Final Notice"), and if the account is not paid in full within 30 days of this Final Notice, the matter will be turned over to the Association's attorney for collection and the Association member will be liable for payment of

all charges imposed by the Association's attorneys to cover fees and costs which are charged to the Association; and

BE IT FURTHER RESOLVED that the Managing Agent is directed to refer any account which remains delinquent for thirty (30) days after the "Final Notice" to the Association's attorney for collection; and

BE IT FURTHER RESOLVED that the Managing Agent is directed to consult with the Association's collection attorneys and turn over for collection immediately any account where the owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure or a lien against the unit; and

BE IT FURTHER RESOLVED that when the collection attorney is directed to send to any Association member who is delinquent in the payment of Assessments, a written notice (hereinafter referred to as the "Demand Letter") that, if the account is not paid in full within thirty (30) days, a Notice of Lien will be recorded; and

BE IT FURTHER RESOLVED that the Managing Agent is directed to execute a Notice of Lien against the delinquent unit as described in the letter to the Association member; and

BE IT FURTHER RESOLVED that the following policies shall apply to all delinquent accounts turned over to the Association's collection attorneys for collection:

1. All contacts with a delinquent Association member shall be handled through the Association's collection attorneys. Neither the Managing Agent nor any Association officer or director shall discuss the collection of the account directly with an Association member after it has been turned over to the Association's collection attorneys unless one of the Association's collection attorneys is present or has consented to the contact.
2. All sums collected on a delinquent account shall be remitted to the Association in care of the Association's collection attorneys until the account has been brought current.
3. When any account is turned over to the Association's collection attorneys for collection, the account shall be so marked by the Managing Agent and no quotations on the account shall be released to any party including the owner or an escrow, except with the consent of the Association's collection attorney. All legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit and owner and shall be collectable as provided in the Governing Documents.
4. The Association's collection attorneys shall give notice to the delinquent Association member that, if the delinquent account is not brought current within the time stated, or a satisfactory agreement has not been reached to accomplish this, foreclosure proceedings may be commenced.

5. To the extent that the Association's collection attorneys, in their discretion, consider it to be appropriate in the circumstances, they are authorized to enter into an installment payment plan; provided, however, that any payment plan which provides for a down payment of less than the greater of one third (1/3) of the delinquent balance or twice the current monthly assessment, or monthly payments of less than twice the current assessment amount, or a duration in excess of twelve (12) months shall require the approval of the Board.
6. Where, at the expiration of the period specified in the Association's attorneys' demand letter, an account remains delinquent and without a payment plan embodied in a signed agreement or in the event of a default under the terms of either agreement, the Association's collection attorneys are authorized to take such further action as they believe to be in the best interest of the Association, including but not limited to:
 - a. Filing suit against the delinquent homeowner for money due; or
 - b. Instituting an action for foreclosure of the Association's lien; or
 - c. Filing a proof of claim in bankruptcy; and

BE IT FURTHER RESOLVED that outstanding and unpaid fees will be, henceforth, applied in the following manner of priority:

1. Legal fees and costs
2. Late fees and interest on delinquent payments
3. Fines and penalties
4. Insufficient fund charges
5. Special assessments
6. Miscellaneous charges
7. Maintenance fees

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to all current owners at their last known address.

Kayak, Paddleboard, and Surfboard Storage and Use Agreement

Name: _____ Unit No: _____ Phone: _____

Make: _____ Model: _____ Color: _____

Brief Description: _____

Marina Registration: (1) _____ (2) _____

Rack No: _____ Locked: Yes / No (Circle one)

AO Kalele Kai House Rules:
Kayaks, Paddleboards, and Surfboards

(1) For the purpose of this section, watercraft is defined as a surfboard, a paddleboard, or a kayak. Only watercraft and accessories may be stored on the Kalele Kai Marina walkway.

(2) AO Kalele Kai (“Association”) is not liable for loss of or damage to any watercraft including accessories or personal property from any cause whatsoever. Residents are responsible for the security of their stored watercraft and are duly informed that theft or watercraft from the marina has occurred multiple times in the past. Only a licensed to be granted hereby and the resident as licensee assume all such risks. No Association employee can alter this denial of liability either orally or otherwise.

(3) Kalele Kai owners must comply with Unit Owner Insurance Requirements Addendum to House Rules effective June 1, 2008, and any amendments thereto, Kalele Kai renters are required to provide the Resident Manager’s Office with a current Certificate of Insurance for Renter’s Insurance including but not limited to liability and for loss of all items stored anywhere on the common elements.

(4) Residents must show proof of a current Hawaii Kai Marina Community Association registration if required, prior to being allowed to register and store their watercraft on the Kalele Kai Marina walkway, and annually upon renewal.

(5) The Kalele Kai Resident Manager’s Office will, upon a first come/first serve basis and pending availability, register and grant a license to store a watercraft(s) for one year beginning the first day of each February. Annual registration must be renewed during January for the

coming year. Watercraft stored without a current license shall be considered abandoned and disposed of according to Hawaii State law.

(6) Subject to availability, a residential unit may have more than one storage space; but if residents of another unit are waiting for a storage space, the resident's extra storage space will not be renewed.

(7) If a resident fails to store a watercraft in their storage space for thirty (30) consecutive days or more, their license shall be forfeited and the space shall become available to other residents as may be reasonably necessary to promote safety and/or an efficient use of space.

(8) The Association will provide maintenance of the watercraft stands and tie down straps. No modifications of an existing watercraft stand or tie down straps shall be made without prior written authorization of the resident manager.

(9) The Kalele Kai Marina walkway is 5 feet 1 inch (61 inches) wide. Without exception, residents must store all their watercraft within the first twenty (20) inches of marina walkway closest to the marina rock wall and must leave 41 inches of walkway available and unobstructed for pedestrian use.

(10) All sharp objects such as but not limited to a skeg or a paddle, shall be turned away from the pedestrian walkway toward the rock wall.

(11) No watercraft shall be stored where any portion or part thereof extends into an adjoining space depriving another resident of sufficient space to store their watercraft. Storage spaces were designed to be twelve feet (12') wide, but some space may have additional space available on either end. The Resident Manager will determine which space are assigned to residents and may reassign spaces as may be reasonably necessary to promote safety and/or an efficient use of space.

(12) No watercraft or accessories shall exceed 36 inches high when stored upon the Kalele Kai marina walkway.

(13) Watercraft shall not be stored on top of one other.

(14) All watercraft must be launched and retrieved from Kalele Kai boat slips B7 and B8, except dock owners may use their boat slip. Dock owners who agree in writing to indemnify and defend the Association from any and all liability claims related thereto may permit other residents to use their boat dock. Written indemnity agreements described in this paragraph must be on file with the Resident Manager.

(15) All residents using watercraft must sign this agreement. Visitors using watercraft must be accompanied at all times by a resident who has signed this agreement.

By my signature below, I acknowledge I have read and will comply with the above rules; and hold harmless, defend and indemnify the Association of Owners of Kalele Kai, its Board of Directors, management, staff, and/or employees from any claim and/or cause of action relating to and/or arising from my use of the marina walkway for storage, launching, and/or retrieval of watercraft.

**Printed Name of
Watercraft User**

**Signature of
Watercraft User**

Date

**Printed Name of
Watercraft User**

**Signature of
Watercraft User**

Date

**Printed Name of
Watercraft User**

**Signature of
Watercraft User**

Date

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF OWNERS OF KALELE KAI REGARDING REPAIR OF BOAT MOORINGS

WHEREAS, upon consultation with a qualified expert, the Board has determined the Project's waterfront harbor assembly is currently not in a good, safe and clean condition and in need of extensive renovation and repairs;

WHEREAS, the Board has also been advised by the Association's Insurance Agent the Project's waterfront harbor assembly is currently not in an insurable condition;

WHEREAS the Board desires to take reasonable and appropriate action as necessary to return the waterfront harbor assembly to a good, safe, clean and insurable condition;

WHEREAS, the Board has obtained a report and bid from Bellingham Marine to renovate and repair the Project's entire waterfront harbor assembly, including all of the individual boat moorings designated in the Declaration as limited common elements;

WHEREAS, a qualified consultant has recommended systemic repair and renovation by the manufacturer of the Project's entire waterfront harbor assembly over partial repair of selected components thereof;

WHEREAS, Paragraph 5(b) of the Declaration of Condominium Property Regime of Kalele Kai provides owners of units to which a boat mooring is appurtenant, at such owner's sole expense, maintain and repair the boat mooring in good, safe and clean condition; provided, that if owner fails to maintain and/or repair the boat mooring in good, safe and clean condition, the Association may arrange for the maintenance and/or repair work to be performed and the actual cost of such work plus a reasonable administrative fee as may be levied by the Board shall be charged to the owner so long as the Association (i) has provided the owner with written notice of the maintenance and/or repair work, the estimated cost of such work and the estimated administrative fee for arranging for such work on behalf of the owner, and (ii) the owner fails to notify the Association in writing within seven (7) days of owner's receipt of the Association's notice that owner has made arrangements for such maintenance and/or repair work to be performed, the person or persons who will perform such work, and the date such work will begin;

WHEREAS, the Board has advised and/or will advise all affected unit owners in order to maintain their unit's respective appurtenant boat moorings in a good, safe and clean condition, they must be brought into compliance with the original manufacturer's specifications as determined by Bellingham Marine;

WHEREAS, owners who fail to notify the Association's within seven (7) days of receipt of written notice that owner has made arrangements for such maintenance and/or repair work to be

performed as necessary to bring such boat moorings into good, safe and clean condition in compliance with the original manufacturer's specifications, the person or persons who will perform such work, and the date such work will begin, insofar as the Contract awarded to Bellingham Marine by the Board provides for renovation and repair of individual boat moorings, affected unit owners will be assessed a pro-rata share of costs incurred to renovate and repair the respective individual boat mooring appurtenant to their unit;

WHEREAS owners who choose to perform their own work, and/or retain a licensed contractor to perform such work, must present written verification to the Association from Bellingham Marine their individual boat mooring(s) are brought into a good, safe and clean condition in compliance with the original manufacturer's specifications.

IT SO RESOLVED by the Board of Directors on this 25th day of August, 2011, and that a copy of this Resolution be attached to the Minutes of the Board Meeting where so adopted.