

MAKANA KAI AT WEHILANI - PHASE I

RULES AND REGULATIONS

Revised May 15, 2025

These Rules and Regulations supplement but do not change the obligations of the owners of units in the Makana Kai at Wehilani - Phase I condominium project (the "Project"), and all occupants, tenants and guests thereof, as set forth in the Declaration of Condominium Property Regime of the Project (the "Declaration") and the By-Laws of the Association of Unit Owners of the Project (the "By-Laws"). In the event of any inconsistency, the Declaration and the By-Laws, as the case may be, will prevail.

The primary purpose of these Rules and Regulations is to protect all unit owners and other occupants, tenants and guests from annoyance and nuisance caused by improper use of the Project; and also to protect the reputation and desirability of the Project by providing for the maximum enjoyment, comfort and security thereof or therein.

The Board of Directors (the "Board") of the Association of Unit Owners of the Project (the "Association") shall be responsible for enforcing these Rules and Regulations but such responsibility may be delegated to a managing agent (the "Managing Agent") by the Board. All unit owners and other occupants, tenants and guests shall be bound by these Rules and Regulations and by standards of reasonable conduct whether covered by these Rules and Regulations or not.

The Board shall make such other rules and regulations from time to time or amend the following Rules and Regulations as it deems necessary or desirable.

A. USE.

1. Use of Units. The units shall be occupied and used by the respective owners thereof, their tenants and such owners' and their tenants' families and guests only for residential purposes and in compliance with the restrictions contained in the respective unit deeds.

C. TEMPORARY OCCUPANCY.

1. Use by Owners, Tenants and Guests. Subject to the terms of the By-Laws and such owner's unit deed, a unit owner may lease or rent his unit or make it available to friends, but the person or persons leasing, renting or living in the unit shall abide by the Declaration, the By-Laws, the Declaration of Protective Covenants for Waikoloa Village, and these Rules and Regulations, and the unit owner shall assume responsibility for the occupants' conduct.
2. Conduct of Tenants, Guests and Other Persons. A unit owner shall be responsible for

the conduct of his tenants and such owner's and his tenants' family members and guests. A unit owner shall, upon request of the Board or the Managing Agent, immediately abate and remove, at his or its expense, any structure, thing or condition that may exist with regard to the occupancy or use of his unit by any such person or persons contrary to the intent and meaning of the provisions hereof, or, if a unit owner is unable to control the conduct of any such person or persons to conform with the intent and meaning of the provisions hereof, such owner shall, upon request of the Board or the Managing Agent, immediately remove such person or persons from the premises, without compensation for lost rentals or profits or any other damage resulting therefrom.

D. COMMON AREAS, ENTRANCES AND YARD AREAS.

1. Preservation of Drainage Patterns. Each owner, at such owner's own cost and expense, shall take any and all necessary or appropriate action to preserve and maintain the drainage patterns of his or her Yard Area (as defined in the By-Laws), including without limitation, the following:
 - (a) Keep all swales, ditches, subdrains, solid pipe clean outs and other drainage ways in the Yard Area free of debris, open and in good and operating condition;
 - (b) Divert the water from any eave, gutter or downspout within the Project away from the foundations of the unit and other improvements within the Project and on adjoining properties;
 - (c) Refrain from excessive watering of landscaping near or next to any building foundation or any adjoining property;
 - (d) Maintain the earth in the Project such that it slopes and drains away from the foundation of the unit and other improvements within the Project, including without limitation, filling in any depressions and refraining from creating any depressions, including "planter areas," in the earth near or next to any foundation;
 - (e) Maintain, by sealing and caulking, all joints and any cracks in exterior concrete work within the Project, especially joints or cracks between sidewalks or driveways and building foundations where sidewalks or driveways abut the building and joints and cracks in driveways and sidewalks; and
 - (f) Obtain the advice of qualified design professionals prior to constructing any building or other improvements within the Project.
2. Obstructions, Uses. The sidewalks, passages, stairways, walkways and corridors must not be obstructed or used for any purpose other than ingress and egress.
3. Laundry, Tools, Etc. Textile items, including towels, bedding, bathing apparel and

clothing, brooms, mops, yard tools, rubbish containers, cartons, etc., shall not be placed on passages or in windows or stored openly in the Yard Areas so as to be in view from outside the building or from any other units or common areas; provided, however, that a limited number of rubbish containers, lawn and other yard tools and equipment, all in good repair, may be kept in the Yard Areas so long as no parts of such containers, tools or equipment extend above the top of the fence surrounding the Yard Area.

4. Throwing Objects from Building. Nothing shall be thrown or permitted to be thrown from windows, etc., including specifically, but without limitation, cigarettes, matches, and fireworks of any kind.
5. Entrances. Nothing shall be allowed to remain in view at front entrances of units except a reasonable number of shoes, slippers or other footwear, etc., as determined by the Board. Freestanding shelves or other containers for footwear may be kept at the entrance, but must be removed or modified by the unit owner at the request of the Board.
6. Trash Disposal. Garbage, rubbish and other trash shall be disposed of only in receptacles and areas provided therefor. Trash containing food shall be securely wrapped before being placed in a receptacle. Green waste from yard work must be disposed of in separate containers or recycled in accordance with applicable laws, ordinances, rules or regulations of the County of Hawaii or any other governmental agency or authority with jurisdiction over the Project.
7. Barbecuing. Outdoor cooking shall be subject to regulation by the Board and shall be permitted only in Yard Areas at least five (5) feet from any structure, or in other designated common barbecue areas, and shall be conducted so as not to be offensive to any neighbor. Fires other than for outdoor cooking in designated areas are not permitted.
8. Aesthetics. No unsightliness within the public view is permitted within the Project. For this purpose, "unsightliness" includes but is not limited to the following: laundry on lines or reels; litter or trash containers except as specially provided; nondecorative gear, equipment, cans, bottles, ladders, trash, boxes, barrels, etc., stored or stowed in or on walks, etc.; or unshaded or improperly shaded lights that create objectionable glare.
9. Supplies or Other Goods. No garbage cans, household or commercial supplies, excess items, or similar articles shall be placed outside any unit area or in a place where they can be seen from outside any unit, except as the Board shall prescribe.
10. Personal Property. No items of personal property, including baby carriages, velocipedes, bicycles, surfboards, packages, boxes or crates shall be left or allowed to stand on any of the common areas, other than within the confines of the unit or within designated storage areas. Articles of any kind left in any of the common areas or common elements, including, without limitation, the Yard Areas or the parking areas, will be removed at the owner's risk and expense at the direction of the Board.

11. Furniture in Yard Areas. Owners may install in their Yard Areas lawn furniture, picnic tables, barbecue grills, children's play equipment (for example, swings, slides, etc.) and other similar recreational furniture and equipment typically used in private residential yards; provided, however, that no basketball hoops shall be installed or placed within the Yard Areas.
12. Waterbeds. There shall be no waterbeds of any nature allowed in any unit without the prior written approval of the Board. All owners and tenants who wish to install a waterbed must first furnish to the Board written evidence of adequate liability insurance coverage naming the Association as insured and must display physically to the Board or Managing Agent a waterproof tank in which the waterbed will rest.
13. Street Trees and other Landscaping. No owner, tenant or guest shall disturb, cut, trim, damage or remove any of the trees located in the landscaped areas adjacent to roadways or parking areas, nor harm, remove, disturb or damage in any way any other plants, shrubs, groundcover or other elements of landscaping on any of the common elements of the Project.
14. Termite Inspections. No less frequently than once each month, (a) the Association, through the Managing Agent, shall cause the exterior of all buildings to be inspected for evidence of termite infestation, and (b) the owner of each unit shall inspect the interior of his unit for such evidence. At least once each year, the Association, through the Managing Agent, shall cause the exterior and interior of each building (including the interiors of the units) to be inspected for termite damage. Each owner shall cooperate with the Association in providing access to his unit for the purpose of such inspections. Any evidence of termite infestation or damage shall be reported immediately to the resident manager (or the Managing Agent, if there is no resident manager).

E. PARKING AREAS.

1. Reserved Stalls. Each owner and his tenants, invitees and guests shall park only in the parking stall or stalls assigned to such owner's unit or in stalls designated as parking for the use of all owners.
2. Visitor Stalls. May be used for guest parking to a maximum of twelve (12) consecutive hours. Residents are not allowed to park in visitor parking.
3. Method of Parking. Automobiles shall be centered in parking stalls so as to prevent crowding of adjacent stalls and/or blocking of passages.
4. Violations. Violators of parking regulations shall have their cars towed away at their own risk and expense. If the violator is a tenant, invitee or guest of any owner, the owner shall be responsible for payment of the towing charge.
5. Repairs. Extensive repairs of a motor vehicle or other equipment, or any repairs of a motor vehicle or other equipment which could cause damage, defacement or soiling of the area, shall not be permitted in any parking stall, driveway or other areas of the common elements of the Project.

6. Speeding. Vehicles shall not be driven at speeds in excess of fifteen (15) miles per hour on any driveway or in the parking areas of the Project. Drivers are expected to observe traffic and directional signals for the safety of all.
7. Other Use Prohibited. The parking areas shall not be used for recreational or storage purposes. Bicycles, tricycles, skateboards and the like shall not be ridden thereon. Ball playing is prohibited within the parking areas. Trailers, boats or abandoned vehicles of any type shall not be parked or stored in the parking areas. Recreational equipment, such as basketball hoops, shall not be placed or stored in the parking areas.
8. Responsibility for Damage. Damage to cars and other objects or to the common elements shall be the responsibility of the person causing the damage.
9. Cleaning of Parking Stalls. Each owner shall be responsible for cleaning debris and stains from the parking stalls assigned to his unit, regardless of the source of the debris or stains.

F. NOISE AND NUISANCES.

1. No nuisance shall be allowed in the units or the common elements, nor shall any use or practice be allowed which is improper or offensive in the reasonable opinion of the Board or in violation of the By-Laws or these Rules and Regulations or which unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the units and/or the common elements by other owners or occupants.
2. Residents and other occupants of the units shall avoid unreasonably excessive noise of any kind at any time and shall not cause or permit any unreasonably disturbing noise or objectionable odors to emanate from their units.
3. Radios, TV's, Hi-Fi's, etc., in the units must be played at reduced volume after 10:00 p.m. and before 8:00 a.m.
4. Excessive noise at any time should be reported to the Managing Agent who will take appropriate action.

G. HARASSMENT POLICY

The Board of Directors wish to ensure that Makana Kai at Wehilani is maintained as an environment that is safe and free of harassment and that all Members and Residents of the Association maintain a high standard of ethical conduct while residing within Makana Kai at Wehilani. Persons living within a homeowners community have the right to quiet enjoyment of their homes and the surrounding common areas. That includes the right to be free from actions that constitute harassment.

HRS 711-1106 defines harassment as:

- (1) A person commits the offense of harassment if, with intent to harass, annoy, or alarm any other person, that person:

- (a) Strikes, shoves, kicks, or otherwise touches another person in an offensive manner or subjects the other person to offensive physical contact.
- (b) Insults, taunts, or challenges another person in a manner likely to provoke an immediate violent response or that would cause the other person to reasonably believe that the actor intends to cause bodily injury to the recipient or another or damage to the property of the recipient or another;
- (c) Repeatedly makes telephone calls, facsimile transmissions, or any form of electronic communication as defined in section 711-1111(2), including electronic mail transmissions, without purpose of legitimate communication;
- (d) Repeatedly makes a communication anonymously or at an extremely inconvenient hour;
- (e) Repeatedly makes communications, after being advised by the person to whom the communication is directed that further communication is unwelcome; or
- (f) Makes a communication using offensively coarse language that would cause the recipient to reasonably believe that the actor intends to cause bodily injury to the recipient or another or damage to the property of the recipient or another.

It is the policy of the Association to create and maintain an environment free from all forms of discrimination and conduct that can be considered harassing, illegal, coercive, or disruptive, including sexual harassment.

All Persons shall not in any way harass, threaten, or otherwise attempt to intimidate any other Persons, directors of the Board, Residents, Guests, Invitees, HOA Management Staff, and/or Board Authorized 3rd-party Contractors.

All Persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others. Conduct that is considered uncivil or uncourteous includes but is not limited to, a person being visibly intoxicated, or engages in rudeness, personal attacks, insults, name-calling, or uses derogatory language towards another, or engages in aggressive behavior towards another, or engages in behavior that tends to cause embarrassment or discomfort to others. Use of loud, profane, indecent or abusive language is prohibited. This includes "Harassing" Use of Electronic Communications. For purposes of this policy, "Electronic Communications" include emails, text messages, instant messages, use of the internet, and use of any social media, including but not limited to Facebook, Instagram, and/or Snapchat.

Any Member or Resident who is found to be in violation of this policy will be subject to appropriate remedial action. Such remedial action shall include all remedies available at law or in equity, and may include, but not be limited to, injunctive relief being sought against him/her, fines, requiring all further communications from the Member or Resident to be in writing. Such remedial action shall be at the sole discretion of the Board of Directors. The cost of enforcing this policy, whether or not suit is filed, including but not limited to, reasonable attorneys fees, court costs, out of pocket expenses, costs of investigation, and other expenses related to the enforcement, together with interest thereon from the date the costs are expended, constitute a lien on the Lot owned by the Member against whom action is taken, and shall also be the personal obligation of the Member.

Owners and occupants who believe they are being harassed and are unable to resolve the problem with their neighbors should call the local police department's non-emergency phone number (808)326-4646 and file a complaint.

H. BUILDING MODIFICATIONS.

1. Except as permitted by the Declaration or the By-Laws, no structural change of any type shall be permitted either within or without a unit without prior written approval and consent of the Board.
2. Except as otherwise provided herein, no signs, signals or lettering shall be inscribed or exposed on the exterior of any unit (other than the unit number), nor shall anything be projected out of any window.
3. Except as otherwise provided herein, no projections shall extend through any door or window opening into any walkway or corridor or beyond the exterior face of the building.
4. Every owner from time to time and at all times shall perform promptly all repair, maintenance and alteration work within his unit, the omission of which would adversely affect any common element or any other unit, and shall be responsible for all loss and damage caused by his failure to do so.
5. All repairs of doors, sliding glass doors (if any), windows, window fixtures, and all internal installations within each unit such as water, electricity, gas (if any), telephone, sanitation, lights, and all other fixtures and accessories belonging to such unit, including interior decorated or finished surfaces of all walls, partitions, floors, ceilings and roofs of such unit, shall be at the owner's expense.
6. Except as otherwise provided herein, no projections shall be attached to the outside walls of any building or the exterior of any door without the prior consent in writing of the Board.

I. SECURITY CAMERA POLICY

1. Homeowners are permitted to install security cameras, such as Ring cameras, on their property for the purpose of enhancing personal security of only their property if they have requested permission and have been approved by the Board of Directors.
2. Cameras are to record visual and not audio. Audio features may be used for communication purposes while camera is in active use, however, audio is not permitted to be recorded nor stored. Surveillance will not be utilized to monitor neighboring activity or compliance with house rules. Cameras should not be utilized to see beyond the owners limited common elements.
3. All security cameras must comply with these rules as well as any applicable county, state, or federal laws.
4. Cameras may be installed on the exterior of the property on door trim or beams over the entrance but not in a manner that penetrates any of the siding material. The cameras must be positioned in a way that limits the surveillance to the homeowner's property only and not survey the common element areas. It is completely forbidden that any video recording monitor areas of the common elements.

5. Cameras should not be directed at public streets, or parking areas, common elements, neighboring properties, or areas outside of the individual homeowner's property. Cameras should only observe areas within the owner's limited common elements, such as, the inside of their fenced yard area or the stoop of their entrance door.
6. No cameras should be installed in locations that could impede or obstruct the aesthetic appearance of the community. Installation is not permitted to penetrate the exterior siding of any building.
7. Cameras may be mounted on a door frame or eaves of the home, provided they do not create safety hazards or damage any community property.
8. The camera's position must respect the architectural integrity of the structure and should not be excessively obtrusive.
9. No cameras are permitted to be installed in common areas unless explicitly authorized by the Board of Directors.
10. Homeowners must ensure that their cameras do not infringe on the privacy of neighboring properties or individuals and violations are subject to fines or the BOD has the discretion to require removal of the camera.
11. Cameras are not permitted to be directed to capture footage of private space such as neighboring backyards, windows, or any areas that are not within the homeowner's direct property.
12. Homeowners are encouraged to use software settings to limit or restrict the camera's range if necessary.
13. Homeowners should manage camera data (videos, images) in a secure manner and in accordance with applicable privacy laws.
14. Footage should not be retained for longer than is reasonably necessary and should be secured from unauthorized access.
15. The Board of Directors may request the removal of any footage or camera that violates privacy expectations or community standards.
16. Homeowners are responsible for maintaining their cameras, including ensuring they are functioning properly and kept in good operating condition.
17. Any damage caused by the camera installation or maintenance, including damages to the exterior walls or other surfaces, is the homeowner's responsibility to repair.
18. If a camera installation is found to be in violation of these rules, the homeowner will be notified in writing and may be required to relocate or remove the camera at their expense.

19. Failure to comply with these rules can result in fines or other enforcement actions as determined by the Board of Directors.

J. EMPLOYEES OF THE ASSOCIATION.

1. The maintenance employees will use every effort to police the grounds effectively. Nevertheless, these employees are not available on a 24-hour daily basis, and much of their work must be devoted to maintenance and repair, etc. Accordingly, and in the common interest, every owner, occupant or guest is to do his part and to use his influence on all members of his household to do their part towards abating unsightliness within the Project to the fullest practicable extent.
2. No maintenance employee shall be asked by an owner, occupant, tenant or guest to leave the common elements or to perform any tasks.
3. Cleaning of individually owned units, including all windows, is a responsibility of the respective owners, occupants, tenants or guests.

K. HAZARDS.

1. The common elements (other than specifically designated recreational areas, if any) shall not be used for recreational activities of any kind. Parents or legal guardians are responsible for the appropriate supervision of minors at all times.
2. Unless the Board gives advance written consent in each and every instance, occupants shall not use any illumination other than electric lights, or use or permit to be brought into the buildings any flammable oils or fluids such as gasoline, kerosene, naphtha or benzine, or other explosives or other articles deemed extra hazardous to life, limb or property.
3. No activity shall be engaged in and no substance introduced into or manufactured within the buildings which might result in violation of the law or in the cancellation of the insurance or increase in the insurance rate on the buildings.
4. No fireworks of any kind shall be ignited or used anywhere in the Project at any time.

L. GENERAL RULES AND REGULATIONS.

1. The Managing Agent is not required to give access to units or buildings; provided, however, that as provided in and subject to the provisions of the By-Laws, the Managing Agent shall give each mortgagee of a unit or any interest therein and its agents access through the common elements for the purpose of passage to any unit on which such mortgagee holds a mortgage.

2. Owners, tenants and other occupants shall file their name, address and telephone number and signature with the Managing Agent upon purchasing and/or taking occupancy of a unit, and shall furnish the Board and/or the Managing Agent with such other reasonable information as shall be requested from time to time.
3. Each owner and tenant shall be responsible for the keys to locked entrances to his unit. However, to facilitate the right of access provided by the By-Laws to the Managing Agent, the resident manager or the Board, each owner may, but shall not be required to, furnish keys to the Managing Agent or the resident manager. If an owner or tenant desires to furnish keys to the Managing Agent or the resident manager, such owner or tenant shall execute a release and indemnification agreement in a form provided by the Board agreeing that the owner or tenant releases the Managing Agent, the resident manager and the Board of and from any and all liability and indemnifies and holds harmless the Managing Agent, the resident manager and the Board from any claims, damages or liabilities that may be incurred by the Managing Agent, the resident manager or the Board in connection with such keys being furnished to the Managing Agent or the resident manager. The delivery of such keys shall be at the sole risk of such owner or tenant, and the Managing Agent, the resident manager, and the Board of the Association shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. If an owner or tenant elects not to furnish keys to the Managing Agent or the resident manager and an emergency arises requiring a forcible entry into the unit, the owner or tenant of the unit shall be solely liable for all costs and expenses arising in connection with such forcible entry, including all costs of replacement or repair to any part of the unit or common elements damaged by the forcible entry.
4. Each owner and tenant shall assume full responsibility for protecting his unit, automobile(s), and the contents thereof from theft, robbery, pilferage, vandalism and other loss.
5. Fire extinguishers for the buildings in the Project are located within individual units and must be inspected by the Fire Department on a periodic basis. Each owner and tenant shall cooperate with the Managing Agent, the resident manager and the Board in making the fire extinguisher located within their unit available to the Fire Department for its inspection.
6. Toilets, sinks, and other water apparatus in the units or anywhere on the Project shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags, sanitary napkins, diapers or other articles be thrown into them. Any damage anywhere resulting from misuse of any toilets, sinks or other water apparatus in a unit shall be repaired and paid by the owner of such unit. Any such damage resulting from misuse of any toilets, sinks or other water apparatus on the common elements (if any) shall be repaired at the direction of the Board, and the cost of repair shall be paid by the person(s) responsible for such misuse unless the person(s) responsible cannot be identified, in which event the cost of repair shall be borne by all units owners as a common expense.
7. Each owner shall observe and perform these Rules and Regulations and ensure that his tenants and such owner's and his tenants' family members and guests also observe and

comply with the Declaration, the By-Laws, and these Rules and Regulations. Owners will be responsible for their tenants' and such owners' and their tenants' family members' and guests' observance of all Rules and Regulations as set forth herein. In the event expenses are incurred due to violations of these Rules and Regulations by any such person or persons for whom an owner is responsible, the owner shall pay for such expenses, including reasonable attorneys' fees.

8. If the immediate service of the Police Department, the Fire Department, the Paramedics, an Ambulance or Doctor is required, the desired agency or person should be called directly. Any emergency, particularly such emergencies as flooding, fire and theft, should be brought to the immediate attention of the Managing Agent.

M. VIOLATIONS OF THESE RULES.

1. Reporting Violations and Damages.

(a) All corrective actions regarding violations of the Rules and Regulations and damages to the common elements will be enforced by the Board and should be reported promptly to the Board or the Managing Agent.

(b) Damages to common elements shall be surveyed by the Board or the Managing Agent at the direction of the Board and the cost of repair or replacement and any legal fees incurred may be assessed by the Board against the person or persons responsible, including, but not limited to, any owner for damages caused directly or indirectly by his tenants or such owner's or his tenants' family members or guests.

2. The Violation of Any of These Rules and Regulations Shall Give the Board, the Managing Agent or Their Agents the Right to:

(a) ENTER THE UNIT IN WHICH, OR AS TO WHICH, SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE RISK AND EXPENSE OF THE DEFAULTING OWNER (WHETHER OR NOT CAUSED BY THE OWNER OR BY ANY PERSON FOR WHOSE CONDUCT THE OWNER MAY BE RESPONSIBLE), ANY STRUCTURE, THING OR CONDITION THAT MAY EXIST THEREIN CONTRARY TO THE INTENT AND MEANING OF THE PROVISIONS HEREOF, AND THE BOARD OR THE MANAGING AGENT SHALL NOT THEREBY BE DEEMED GUILTY IN ANY MANNER OF TRESPASS; AND/OR

(b) TO ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY SUCH BREACH, AND ALL COSTS THEREOF, INCLUDING ATTORNEYS' FEES, SHALL BE BORNE BY THE DEFAULTING OWNER (WHETHER OR NOT CAUSED BY THE OWNER OR BY ANY PERSON FOR WHOSE CONDUCT THE OWNER MAY BE RESPONSIBLE).

N. AMENDMENTS.

These Rules and Regulations may be amended only by a majority of the Board at a duly called meeting of the Board of Directors; provided, however, that prior to the first meeting of the Association and the election of the initial Board of Directors, Castle & Cooke Waikoloa, LLC, a Hawaii limited liability company, the developer of the Project, shall have the right, from time to time, to amend these Rules and Regulations.

The foregoing Rules and Regulations are hereby adopted.

Makana Kai at Wehilani AOA

FINE ENFORCEMENT POLICY

Effective:

On May 15, 2025, the Board of Directors adopted the following schedule of fines for any violation of the Association's CC&R's, By-Laws or House Rules. These fines were adopted by the Board under its authority stated in Article IX, Section 2 of the Declaration, and HRS §514B-104, which resolution the Board has determined to be necessary and proper for the peace, health, comfort, safety and in the best interests of the members of the Association. These fines shall be imposed against the owner. Owners will be responsible for their own actions and the actions of their tenants, family members, guests, agents, employee's, or anyone else using the property whom violates any project documents.

1. AMOUNT OF FINES.

A. First Offense-

A written citation [courtesy notice] explaining the violation to the property owner.

B. Second Offense-

A written citation and a \$50.00 fine assessed to the property owner. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation, will be chargeable to the Owner, and would, together with the fine itself, become a lien against the Owner's property.

C. Third Offense-

A written citation and a \$100.00 fine assessed to the property owner. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation, will be chargeable to the Owner, and would, together with the fine itself, become a lien against the Owner's property.

D. Fourth and Subsequent Offenses-A written citation and a \$200.00 fine assessed for each subsequent offense sent to the property owner. Any costs of enforcement, including attorney's fees incurred by the Association to rectify a violation, will be chargeable to the Owner, and would, together with the fine itself, become a lien against the Owner's property.

E. Continuing Violations-Per diem fines may be assessed for one continuing violation. The per diem fine will be assessed at a maximum of \$100 dollars per day until the violation is remedied. Any costs of enforcement, including attorneys fees incurred by the Association to rectify a violation, will be chargeable to the Owner, and would, together with the fine itself, become a lien against the Owner's property. A "continuing violation" means a transient activity or condition which continues to exist after notice thereof is given to an owner and is not remedied as required by such notice, and the determination by the Board of Directors is final as to such violating owner, subject to appeal as called for in Section 3 of this Expenses of Enforcement Policy.

2. CITATIONS.

Each citation issued shall briefly describe the nature of the violation. Copies of citations issued to the property owner [who is responsible for themselves, their tenants, guests, family members, agent, or employees] will be kept on file with the records of the Association.

3. PAYMENT OF FINES AND LIABILITY.

Unless appealed as permitted below, a fine must be paid to the Association within thirty (30) days of the citation and assessment of the fine.

A. Owners shall be liable for their own fines and for the fines assessed against their tenants, guests, family members, agents, or employees. If the owner fails to pay or appeal a fine within thirty (30) days after the fines are assessed against the owner or against their tenants, guests, family members, agents, or employees, the fine shall be deemed a common expense chargeable against the owners' unit. The Association may file a lien against the owner's unit for the unpaid fines and may collect the unpaid fines under the procedures of the CC&R's.

4. APPEAL OF FINES. *(Any fine may be appealed as provided in this subsection)*

- Owners shall be given full opportunity to present to the Board any facts, which may bear on the propriety and/or amount of fine, and to present such evidence as may be necessary to support that position. Owners may request re-consideration of an appeal ONLY where information not available at the time of the original appeal becomes known. Such request for re-consideration must be sent in writing to the

Managing Agent no later than ten (10) days after the Board disposes of the original appeal.

- Within thirty (30) days of the date of a fine, an owner shall have the right to appeal to the Board of Directors by mailing or delivering written notice of appeal to the Managing Agent.
- The Board of Directors will acknowledge receipt of appeal, review, and present a decision to the owner within (60) days.
- The Board may reduce or rescind any citation or fine after consideration of the appeal.

An fine may only be appealed to the Board of Directors one-time. No future consideration will be allowed except for allowable requests for reconsideration as described above.

Only after all appeals have been exhausted, an Owner may apply for mediation pursuant to HRS 514B-161 for any allowable dispute regarding the enforcement of the CC&R's, but such request for mediation must (a) be made within thirty (30) days after the Board has taken final action on any violation and (b) such request for mediation will not stay the enforcement of the fine(s) and assessment of costs and fees, and a Notice of Lien maybe filed by the Association immediately after the final appeal has been determined by the Board.

5. MISCELLANEOUS. This schedule of fines shall be sent to all current owners of record of Makana Kai at Wehilani AOA and should be kept with the owners Association Documents. The Board reserves the right to establish a new schedule of fines at any time.

NOTHING CONTAINED IN THIS RESOLUTION SHALL BE INTERPRETED TO PREVENT OR DELAY THE BOARD OR THE MANAGING AGENT FROM ENJOINING, ABATING, REMOVING OR REMEDYING ANY VIOLATION OR BREACH WHICH MAY IMPAIR OR IN ANY WAY AFFECT THE VALUE OR SAFETY OF THE PROPERTY OR THE USE, ENJOYMENT, SAFETY OR HEALTH OF ANY OWNER.