

MAKINI AT KINAU
RULES AND REGULATIONS

These RULES AND REGULATIONS represent the house rules for the MAKINI AT KINAU condominium project (the "Project") and supplement but do not change the obligations of the owners of units in the Project and all occupants, tenants and guests thereof, or restrictions, as set forth in the Declaration of Condominium Property Regime of the Project (the "Declaration") and the Bylaws of the Association of Unit Owners of the Project (the "Bylaws"). All owners, occupants, tenants and guests of units in the Project shall comply with these Rules and Regulations, in addition to the Declaration and Bylaws.

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 or not covered by these Rules and Regulations.

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 herein, in the Declaration, and in respective unit deeds.

B. TEMPORARY OCCUPANCY.

1. Use by Owners, Tenants and Guests. Subject to the terms of the Bylaws and such owner's unit deed, a unit owner may lease or rent his unit or make it available from time to time to a reasonable number of friends and relatives or "guests," but the person or persons leasing, renting or living in the unit shall abide by the Declaration, the Bylaws, and these Rules and Regulations, and the unit owner shall assume responsibility for the occupants' conduct. No unit owner shall lease or rent his unit for a period of less than thirty (30) days. Any lease or rental agreement must be in writing and subject to the Declaration, the Bylaws, and these Rules and Regulations.

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.

C. COMMON AREAS, ENTRANCES, UNITS AND LANAIS.

1. Obstructions, Uses. The sidewalks, passages, stairways, elevator, walkways, corridors, public halls, passages, entrance, lobby, driveways or other public spaces within the Project shall not be obstructed or used for any purpose other than ingress and egress. No trash receptacles, bicycles, carriages, shopping carts or similar objects shall be placed or left unattended in the public spaces.

2. Dishwashers, Washing Machines and Dryers. Dishwashers, washing machines, and clothes dryers shall not be installed or operated within the units.

3. Laundry Rooms and Facilities. Laundry rooms shall be available for use only during the hours designated by the Board. Only residents of the Project shall be permitted to use the laundry room and laundry facilities. Residents are required to turn off the lights when leaving the laundry room, to remove all clothing from the washing machine and dryer as soon as the load is completed and shall empty the dryer lint filters after each use of the dryer.

4. Pool and Pool Area. Use of the swimming pool and surrounding pool area (including, but not limited to the restroom and outdoor shower) shall be between the hours of 8:00 A.M. to 6:30 P.M. The pool and pool area shall not be used by anyone under 14 years of age, unless accompanied by and under the supervision at all time by a resident or guardian over 18 years of age. Up to four (4) guests per unit may use the pool area when accompanied by a sponsoring resident who shall be responsible for the conduct of his guests. There is no lifeguard or property manager present at any time and use of the pool is at the risk of the swimmer; the Association is not responsible for injuries or damage sustained by use of the swimming pool. Horseplay, running, pushing, loud or boisterous conduct, floatation devices, consumption of alcoholic beverages, diving and climbing on the wall is prohibited. Any person having an infectious or communicable disease shall be excluded from the pool. Spitting, spouting of water, blowing the nose and urination in the swimming pool are prohibited. Glassware, bottles and other breakables are prohibited in the pool area. Pool users must dry themselves prior to entering the lobby, elevator, or other building areas. Any cleaning or repair fees resulting from water or moisture damage created by pool users in the lobby, elevator or other building areas shall be assessed to the unit owner. Users of the pool and pool area shall abide by pool rules, as set forth by the Board.

5. Fallen or Thrown Objects from Building. No object or material whatsoever shall be thrown, permitted or caused to be thrown or permitted or caused to fall from windows, lanai balconies, etc., including specifically, but without limitation, refuse, cigarettes, matches, or fireworks of any kind. Garments, rugs, mops or other objects shall not be dusted or shaken from windows or lanais.

6. Smoking. No smoking shall be permitted in any common area within the Project, including but not limited to the lobby, restroom, elevator, hallways, stairwells, or pool area. Smoking is permissible only inside units or on lanai balconies.

7. Trash Disposal. Garbage, rubbish and other non-recyclable trash shall be disposed of in the trash chute, receptacles, and areas provided therefor. Dust, floor and powdered waste and trash containing food shall be securely wrapped before being placed in a chute or receptacle. Boxes and larger items are required to be hand-carried to the dumpster. Trash chutes are available for use only during hours designated by the Board. No dirt or other substance shall be swept or thrown into any of the corridors or halls, elevator or any other common area in the building. Unit owners responsible for improper disposal of trash in the trash chute, receptacles or any common area in the building shall be assessed fees determined by the Board.

8. Pets. With the exception of registered guide or signal dogs assisting occupants with significant disabilities, no pets (including, but not limited to dogs, cats, birds, livestock, or any other animal) shall be permitted within the Project. Aquarium fish shall be permitted. One aquarium per unit shall be allowed, which shall not exceed a 10-gallon capacity. Damages caused by pets, livestock, birds, poultry, reptiles or insects of any kind and costs incurred by the Association, to include attorneys' fees and costs, in the removal of a pet or pets from the Project or incurred by the Association in cleanup after such pets may be levied against such pets' Owner as an individual assessment. In no case shall any animal prohibited by any applicable law be allowed anywhere on the Project.

9. Entrances. No object of any kind shall be placed at unit entrances, or in hallways, laundry rooms, trash rooms or stairways, which prohibition includes, but is not limited to the following:

- (a) Storage receptacles;
- (b) Shoes, slippers or other footwear;
- (c) Trash receptacles or trash bags;
- (d) Toys, baby carriages, large boxes, or furniture of any kind.

10. Barbecues and Barbecuing. Barbecuing or any other outdoor cooking shall not be permitted anywhere within in the Project, except within designated common barbecue areas, if any. Outdoor cooking shall not be permitted on any unit's lanai. Barbecues, hibachis or other such devices of a similar nature, which use charcoal, propane gas or a similar combustible fuel shall not be kept, stored or used within the units or lanai areas.

11. 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, unshaded or improperly shaded lights that create objectionable glare, and any other similar unaesthetic or cluttering object.

12. 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.

13. Personal Property. No items of personal property, including but not limited to baby carriages, 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 parking areas, will be removed at the owner's risk and expense at the direction of the Board and disposed of in accordance with Section 514B-139 of the Hawaii Revised Statutes.

14. Bicycles and Motorcycles. No bicycle, velocipedes, moped or motorcycles are to be stored on lanais, corridors or hallways, under stairways, or in any other area except as designated. A limit of one such bicycle, velocipedes, moped or motorcycle onsite per unit shall be permitted in the designated area, if any. Bicycles must be registered with the association and may be stored on a first-come first-serve basis in the designated Bicycle storage area for an annual fee as determined by the Board. Bicycles may not be locked to any part of a building other than the authorized bicycle storage area.

15. Lanais. No objects of any kind shall be set or hung on lanai balcony railings. Textile, maintenance, and storage items, including towels, bedding, swimwear and clothing, brooms, mops, boxes, yard tools, rubbish containers, items that are hazardous or may create a hazardous condition, and items that otherwise present an unsightly appearance to neighbors or passerbys shall not be placed on passages, in windows, or stored openly on the lanai so as to be in view from outside the building or from any other units or common areas. Clotheslines or similar objects shall not be strung on lanai balconies. No grills of any kind shall be allowed for the purpose of grilling on any lanai balcony (see Section C.10). Radio or television aerials, antennas, dishes or cables shall not be installed on the lanai or exterior walls of the unit. Potted plants may be placed on lanais, provided that porcelain or other suitable containers are placed under all flower pots. The watering and care of plants shall be the responsibility of the owner and shall be kept in an attractive and aesthetically pleasing manner and condition. Proper safety precautions must be taken to prevent plants and other objects from falling or being blown from the lanais.

16. Air Conditioning Guidelines. Indoor air conditioning systems are strictly prohibited within the units or Project, including but not limited to portable air conditioning systems. Window outdoor air conditioning systems are permitted only in strict compliance with the Air Conditioning Guidelines, a copy of which is available from the Managing Agent. The installation must be completed by a professionally licensed company or individual. Such Guidelines set forth the type, registration, installation, operation, maintenance, and removal of air conditioning units and charges relating thereto and will be enforced by the Board.

17. Roll-up Aluminum Shades. Roll-up aluminum shades are permitted only in strict compliance with the Lanai Shading Guidelines, a copy of which is available from the Managing Agent. Such shades shall be the roll-up type and shall be approved by the Board. Upon approval, the shades shall be installed at the outer most perimeters of the lanais (interior of

the railings), with certain design restrictions. The installation must be completed by a professionally licensed company or individual. Pull down shades of any other type of material besides aluminum are strictly prohibited from being installed on the lanais.

18. Door Guidelines. The size, scale, and proportions of all corridor doors should be maintained to be consistent in shape, size and hardware throughout the building. It is the sole responsibility of the resident to upkeep unit doors and the Association will not supply paint or hardware for purposes of door maintenance or upkeep. Paint color is limited to a color match of Sherwin Williams color E38 SW7027 “Well-Bred Brown” with a satin finish. Hardware must be finished in an “Oil Rubbed Bronze” style. Deadbolts must be circular in style. New door openings, exterior designs, and lights are prohibited on all unit doors. Screened doors are prohibited.

19. Painting of Balconies, Other Limited Common Elements and Common Elements. Limited Common Elements are those part of the Common Elements that are limited and reserved for the exclusive use of the Owner of a particular unit. Residents are permitted to repaint non-external facing surfaces within the limited common elements (balcony, railing, etc.) of their respective condominium unit. The Association will not supply paint for this purpose. It is understood that no individual has permission to paint any trim in the common elements (entryways, stairways, etc.). Also, no individual is permitted to paint the exterior siding in any way. Any work resulting from clean up of spilled paint or damage to another condominium unit or to the general property of the Association will be addressed by the Board of Directors and billed to the owner of the unit.

20. Windows and Sliding Glass Doors. No objects of any kind are to be placed on or affixed to the windows or doors where they are visible from the exterior of the building, including but not limited to fabrics, paper, towels, wearing apparel, posters, flags, signs, stickers, decals and tinfoil. Exterior facing windows shall be of the jalousie type. Tinting of windows must have at least a .4 or less shading coefficient, and be black or gray in color.. All window and sliding glass door coverings facing the exterior of the building, including drapes, blinds, treatments and shades must be white, off white or light beige in color.

21. Fire Doors. Fire doors shall be kept closed at all times.

22. Roof. No person shall be permitted access to the roof of the Building, except with the prior written consent of the Board.

23. Waterbeds. There shall be no waterbeds of any nature allowed in any unit.

24. Landscaping. No owner, tenant or guest shall disturb, cut, trim, damage or remove any of the trees located in the landscaped areas adjacent to or within the 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.

25. Termite Inspections. No less frequently than once each month, (a) the Association, through the Managing Agent, shall cause the exterior of the building to be visually 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 the 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 Managing Agent.

26. Moves and Large Deliveries. Moves in or out and large deliveries shall take place only on such days and times and in accordance with such rules and regulations as are prescribed by the Board.

27. Littering in the Common Area. Littering in the common area is prohibited. Residents or guests found littering in the common area will be subject to a fine as prescribed by the Board.

D. 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. Invitees or guests shall park on the street, in stalls designated for their hosts, and during the hours prescribed by the Board. Owners, tenants, invitees and guests shall not park in any area that may be designated for loading unless actually loading or unloading.

2. Method of Parking. Automobiles shall be centered in parking stalls so as to prevent crowding of adjacent stalls and/or blocking of passages.

3. Parking Gate and Spikes. Residents, their visitors and guests are prohibited from tampering with or disabling the parking gate and spikes. Damage to the spikes and parking gate equipment will be charged to the responsible party.

4. Violations. All vehicles must be properly licensed and registered with the Association. 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. Owners may rent their assigned stalls only to other occupants in the building and shall be responsible for their tenant's compliance with these rules.

5. Repairs. No repairs of motor vehicles or other equipment shall be permitted in any parking stall, driveway or other area of the common elements of the Project, except for emergency actions necessary to cause a motor vehicle to be removed to an automobile repair shop.

6. Speeding. Vehicles shall not be driven at speeds in excess of five (5) 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, roller and in-line skates and the like shall not be ridden thereon. Ball playing is prohibited within the parking areas. Trailers, boats, kayaks 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. Loading zone parking time is restricted to active loading and unloading of items.

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. In no way shall the Association be responsible for any such damage, including but not limited to damage from spikes at the entrance to the driveway.

9. Car Washing. No car washing shall be permitted in any parking stall, driveway or other area of the common elements of the Project, except within areas designated for car washing, if any.

10. Cleaning of Parking Stalls. Each owner shall be responsible for cleaning oil and debris and stains from the parking stalls assigned to his unit, regardless of the source of the debris or stains.

E. 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 Bylaws 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, guests, or 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. Residents, guests, or other occupants of the units shall not make any disturbing noises or sounds that will interfere with the rights, comforts or convenience of other occupants of the building.

3. Radios, televisions, stereos, boom boxes, DVD players, cd players, and other such equipment shall not be operated in such a manner as to disturb or annoy other occupants of the building. Such equipment shall be played at reduced volume before 9:00 A.M. and after 10:00 P.M. and shall fully comply with all rules, regulations, requirements or recommendations of the public authorities having jurisdiction.

4. Work resulting in excessive noise shall be done between the hours of 8:00 A.M. and 6:00 P.M. and shall fully comply with all rules, regulations, requirements or recommendations of the public authorities having jurisdiction.

5. Excessive noise at any time should be reported to the Managing Agent who will take appropriate action.

F. BUILDING MODIFICATIONS.

1. Except as permitted by the Declaration or the Bylaws, no structural change of any kind shall be permitted within a unit without prior written approval and consent of the Board.

2. No alterations of any kind shall be permitted outside a unit or on any portion of the lanai balcony or overhang unless otherwise noted herein.

3. 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.

4. 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.

5. 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.

6. All repairs of doors, sliding glass doors, 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 walls and partitions and the inner decorated or finished surfaces of the perimeter walls, floors and ceilings and roofs of such unit, shall be at the owner's expense.

7. 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.

G. 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. No flammable oils or fluids such as gasoline, kerosene, naphtha or benzine, or other explosives, cleaning solvents, other combustibles or other articles deemed hazardous to life, limb or property shall be stored or permitted anywhere within the Project.

3. Occupants shall not use any illumination other than electric lights.

4. No activity shall be engaged in and no substance introduced into or manufactured within the building which might result in violation of the law or in the cancellation of the insurance or increase in the insurance rate on the building.

5. No fireworks of any kind shall be ignited or used anywhere in the Project at any time.

H. GENERAL RULES AND REGULATIONS.

1. The Managing Agent is not required to give access to units or building; provided, however, that as provided in and subject to the provisions of the Bylaws, 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 immediately upon purchasing and/or taking occupancy of a unit, and shall furnish the Board and/or the Managing Agent with updated information immediately when available and 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 Bylaws to the Managing Agent, the resident manager, if any, 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, the Board, and the Association of and from any and all liability and indemnifies and holds harmless the Managing Agent, the resident manager, the Board, and the Association 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 and shall hold harmless the Association from any such loss.

5. Fire hoses for the building in the Project are located in the hallways on each floor and will be inspected by the Fire Department on a periodic basis.

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. If any such damage resulting from misuse of any toilets, sinks or other water apparatus on the common elements must be repaired

at the direction of the Board, 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 Bylaws, 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 Honolulu Police Department, the Fire Department, the Paramedics, an Ambulance or Doctor is required, the desired agency or person should be called directly by the owner requiring service. Any emergency, particularly such emergencies as flooding, fire and theft, should be brought to the immediate attention of the Managing Agent.

I. 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) ; AND/OR

(c) TO IMPOSE UPON THE UNIT OWNER REASONABLE FINES FOR VIOLATIONS OF THESE RULES AND REGULATIONS, WHETHER OR NOT CAUSED BY THE OWNER OR BY ANY PERSON FOR WHOSE CONDUCT THE OWNER MAY BE RESPONSIBLE.

J. DISTRIBUTION OF FEE ASSESSMENTS FROM FINES.

Payments received by Owners shall be applied to the Owner's account in the following manner:

- (a) Attorney's fees and costs incurred by the Association and for which the Owner is responsible.
- (b) Interest, which has accrued on all unpaid amounts, if any;
- (c) Fines, late charges, or other monetary charges or penalties levied by the Association pursuant to the Association declaration of covenants or its rules;
- (d) Past-due special assessments;
- (e) Past-due assessments;
- (f) Current special assessments; and
- (g) Current assessments.

K. TERMS AND HEADINGS.

All pronouns used herein shall include the male, female and neuter genders and shall include the singular or plural numbers, as the case may be. Headings and titles of sections or provisions contained herein are for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions herein.

L. 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, Avalon Makini 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 as may be deemed necessary or desirable for the safety, care and cleanliness of the Project and for securing the comfort and convenience of all the occupants of the Project.