

RULES AND REGULATIONS
OF THE ASSOCIATION OF APARTMENT OWNERS OF
HO'OLEI

Welcome to Ho'olei, a condominium residential community. As in any community, the quality of life is often determined by the courtesy and consideration that each member of the community extends to the others. The following rules and regulations are established and designed to ensure maximum enjoyment by all owners and occupants of Ho'olei and to enhance the livability and desirability of Ho'olei.

A. DEFINITIONS. The terms used in these Rules shall have the meanings given below:

“Act” means Chapter 514A, Hawaii Revised Statutes, as the same may be amended from time to time.

“Apartment Deed” means a deed of an apartment from the Developer to an apartment owner, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii

“Apartments” refers to the apartments identified in and created under the Declaration.

“Association” means the Association of Apartment Owners of Ho'olei.

“Board” means the Board of Directors of the Association of Apartment Owners.

“By-Laws” means the By-Laws of the Association, as the same may be amended from time to time.

“Common areas” means all parts of the Project designated in the Declaration as “common elements” but excluding all other areas designated in the Declaration as “limited common elements” such as the covered parking stalls.

“Common elements” means those parts of the Project designated in the Declaration as common elements, including limited common elements.

“Condominium” means Ho'olei, including all apartments and common elements.

“Declaration” means the Declaration of Condominium Property Regime of Ho'olei, as the same may be amended from time to time.

“Developer” means Wailea MF-9 Associates LLC, a Hawaii limited liability company.

“Ho'olei” means the condominium project known as Ho'olei described in the Declaration.

“Limited common elements” means those parts of the Project designated in the Declaration as limited common elements appurtenant to and for the exclusive use of one or more (but less than all) apartments.

“Occupant” means an apartment owner or any other person who occupies or uses an apartment or any part of Ho’olei, including, but not limited to, an apartment owner's family, tenants, invitees and registered guests. Unless the owner is in residence, their rental clients, or guests are limited to one escorted, registered guest each.

“Owner” means any person or entity owning, or persons or entities owning jointly or in common, an apartment and the common interest appertaining thereto, as more fully described in the Declaration. The common area amenities are for the exclusive use of owners in residence and their registered, and or escorted guest. If an owner chooses to rent their unit they may not use the common area amenities for the duration of the rental period.

“Project” means Ho’olei.

“Rules” means these Rules and Regulations, as the same may be amended from time to time.

Other terms not specifically defined which appear as defined terms in the Declaration, shall have the same meaning as in the Declaration.

B. PURPOSE OF THESE RULES. The primary purpose of these Rules is to protect all Occupants from annoyance and nuisance caused by improper use of the apartments or the common elements and also to protect the reputation and desirability of the Project as a whole and the apartments.

C. APPLICATION. All Occupants shall be bound by these Rules. All Occupants shall also be bound by standards of reasonable conduct even if such conduct is not covered by these Rules. The Board of Directors, the managing agent, and the resident manager of the Project shall not be liable for any damage, injury, harm or inconvenience to any person or property caused by any noncompliance with or violation of these Rules by any Occupant.

D. OTHER OBLIGATIONS OF OWNERS. These Rules supplement, but do not change, the obligations of Occupants contained in the Act, the Declaration, the By-Laws or the Apartment Deed, or other applicable rules.

E. RULES PERTAINING TO OCCUPANTS.

1. Use by Owner's Co-Occupants. Subject to the terms of these Rules, the Act, the Declaration, the By-Laws and the Apartment Deed, an Owner may permit occupancy of his apartment by family members, tenants, domestic employees or guests, but such Occupant shall abide by these Rules, and the Owner shall assume responsibility for the conduct of all Occupants. Damage to common elements shall be surveyed by the managing agent or the resident manager and the cost of repair or replacement and any legal fees incurred may be assessed by the Board of Directors against

the person or persons responsible, including, but not limited to, Owners or Occupants, for damages caused directly or indirectly by their guests.

2. Commercial Activities. Except as otherwise provided in the Declaration or the By-Laws, no commercial or business activities shall be carried on in any apartment or in the common elements.

3. Absent Owner. An absent owner, at his expense, shall have an agent, friend or domestic employee conduct periodic inspections of his closed apartment, assuming responsibility for the apartment and the contents therein. Owners shall be responsible for designating a local agent to represent their interest if they will be absent from the apartment for more than thirty (30) days. Such Owners shall file with the resident manager their out-of-town address and telephone number and the address and telephone number of their agent, friend or domestic employee assuming responsibility for the apartment and the contents therein.

4. Rentals. The following is an excerpt from the Declaration:

(a) The residential Apartments may be occupied and used for permanent or temporary residences or as hotel rooms, and for no other purpose. The one (1) commercial Apartment may be use for any commercial or business purpose permitted under the land use and zoning regulations applicable to the Project. An owner who rents his Apartment or allows it to be used as a hotel room shall at all times remain primarily and severally liable to all other apartment owners and to the association for any failure on the part of such owner's tenant(s) or occupant(s) to observe and comply with all provisions of this Declaration, the Bylaws, the rules and regulations and all other applicable laws. In no event shall any Apartment or any interest therein be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time interval ownership" arrangement. The term "time-sharing" as used herein shall mean any plan, program or arrangement which is a "time share plan" as defined by Hawaii Revised Statutes Section 514E-1, as amended or any successor statute. No residential Apartment may be used as a rooming house, for bed and breakfast purposes, or for the carrying on of any business, trade or profession except for rentals or hotel rooms as permitted herein and except for incidental home work which (i) does not involve any outside employees working in the Apartment (ii) is not visible from outside the Apartment (iii) no signs, display or change in the exterior appearance of the Apartment to advertise the commercial activity shall be permitted (iv) no flyer or other advertisement shall be disseminated in any fashion to the general public advertising the Apartment as the location for the commercial activity (v) no goods, materials, supplies or items of any kind shall be delivered either to or from the Apartment other than by the Occupant's of the Apartment (vi) the storage of goods, samples, materials or objects used in connection with the commercial activity shall be stored within the Apartment only with the prior approval of the Board of Directors and (vii) clients, patrons and customers of the commercial activity shall be prohibited from coming to the Project.

F. RULES PERTAINING TO CONDUCT OF OCCUPANTS.

1. Nuisances. No nuisances shall be allowed at Ho'olei nor shall any use or practice be allowed which is improper or offensive in the reasonable judgment of the Board or in violation of the Act, the Declaration, the By-Laws, the Apartment Deed or these Rules or which unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or enjoyment by other Occupants.

2. Excessive Noise. All Occupants shall avoid excessive noise of any kind at any time and shall be considerate of other occupants of the condominium at all times. All Occupants shall maintain quiet between the hours of 10:00 p.m. and 8:00 a.m. daily.

3. Conduct and Safety. Owners, Occupants and guests shall at all times be solely responsible for the conduct and safety of their guests and/or family members while on the Project, and shall ensure that they behave appropriately and in accordance with these Rules. If an Owner is unable to control the conduct of the Owner's employees, contractors, agents, customers, lessees, tenants, visitors or guests to conform with the intent and meaning of the provisions of these Rules, By-Laws and the Declaration, said Owner shall, upon request of the Board or Managing Agent, immediately remove such employees, contractors, agents, customers, lessees, tenants, visitors or guests from the Project premises, without compensation for lost rentals or income, or any other damage resulting therefrom.

4. Objectionable Odors. Occupants shall not cause or permit any disturbing or objectionable odors to emanate from their apartments.

5. Safety. Occupants shall not do anything to jeopardize the safety of their apartment or the Project, and shall exercise suitable caution when using their barbeque grills. No fireworks of any kind shall be permitted to be used or stored anywhere in the Project.

6. Violation of Law. No activity shall be engaged in and no substance introduced into or manufactured within or on any portion of the Project which might result in violation of the law.

7. Activity Affecting Insurance. No activity shall be engaged in and no substance introduced into or manufactured within any portion of the Project which might result in the cancellation of insurance or increase in the insurance rate on the condominium.

8. Solicitation. No solicitation or canvassing by Occupants or other persons will be allowed in any portion of the condominium, including the common elements, at any time. This includes door-to-door solicitation, electioneering, and other such activity. Please report violations immediately to the front desk or any on site management office.

9. Trash Storage and Disposal. Garbage, rubbish and other trash shall be placed in designated Project covered trash cans. All trash containing garbage or other materials subject to decay or which would emit offensive odors, etc., must be securely wrapped according to standards established by the Board before being placed in receptacles. Occupants shall comply with any recycling programs adopted by the Board, including, but not limited to, sorting trash prior to

disposal. Anyone engaging in vacation rental management, such as clean-up activities, must dispose of all trash in the designate central disposal area and not in the carport trash and recycling containers.

10. Objects Visible from Outside the Apartments. Textile items, including towels, bathing apparel and clothing, brooms, mops, cartons, etc., shall not be placed on common or limited common areas such as, front lanais or in windows so as to be in view from outside any apartment.

11. Moving Furniture, Equipment, Materials, Tools, Etc. It is the responsibility of the Owner or Occupant of an apartment to ensure that adequate provisions are made to protect the common elements from damage caused by moving household goods, large items of furniture (including appliances), tools, equipment or materials used in connection with repair or renovation of the apartment. Damage to any common elements caused by or in connection with the moving of such items shall be repaired at the direction of the Board, and all costs of such repair shall be paid by the Owner or Occupant of the apartment to or from which such items were moved. The Owner or Occupant shall take such steps as are necessary to ensure that no other Owners or Occupants are denied the use of any paths, walkways, roadways or other common areas for an unreasonable length of time due to the moving of such items.

12. Proper Attire. Proper attire must be worn whenever entering the common areas. Foot coverings and shirts are required to be worn at all times while in the common areas. Anyone going to and from the Gym, Saunas or pool area must wear a cover-up. Precautions should be taken to prevent water from dripping onto interior surfaces and flooring, including within the Gym or locker rooms that may cause a slippery and dangerous condition.

13. No Skateboards, etc. Skateboards, scooter, bicycles or rollerblades are not allowed in any of the common areas.

14. No Smoking. Smoking is not allowed in any interior or exterior common areas.

15. Plants. Unless growing in the ground within a Common Element or Limited Common Element of the Project, all plants shall be placed in containers so as to prevent the dripping of water or soil onto other Apartments or the Common Elements. All exterior visible plants or decorative pots are to be approved by the Board.

16. No Throwing of Items. Nothing shall be thrown from windows or lanais, especially cigarettes and matches.

17. No Horseplay. Running horseplay, loud noises or activities, drunken or lewd behavior is prohibited.

18. Additional Rules. Additional rules may be posted in recreational areas of the Project, such as at the Gym, Sauna, or pool, from time to time by the Association, Managing Agent or resident manager, and Owners and Occupants must conform therewith.

G. RULES PERTAINING TO APARTMENTS AND LIMITED COMMON ELEMENTS.

1. Keys. Each Owner and Occupant shall be responsible for the keys to locked entrances to his apartment and the cost of replacing lost keys. 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 Occupant desires to furnish keys to the managing agent or the resident manager, such Owner or Occupant shall execute a release and indemnification agreement in a form prepared by the Board agreeing that the Owner or the Occupant releases the managing agent, the resident manager and the Board of 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 Occupant, and the managing agent, the resident manager, the Board or 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 Occupant elects not to furnish keys to the managing agent or the resident manager and an emergency arises requiring a forcible entry into the apartment, the Owner or Occupant of the apartment 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 apartment or common elements damaged by the forcible entry. Each owner will receive 10 new key to start. Additional keys are available at a cost of \$25 each. Damaged or non-functional keys will be replaced at no charge. The number of any lost key must be reported to the Residence Manager as soon as possible.

2. Access to Apartments. Except in the event of an emergency where immediate access is deemed necessary to protect life or limb or significant damage to property, the managing agent and the resident manager are prohibited from giving access to any apartment without the written permission of its Owner.

3. Assumption of Risks. Each Owner and Occupant shall assume full responsibility for protecting his apartment, automobile(s), and the contents thereof from theft, robbery, pilferage, vandalism and other loss.

4. Water Facilities. Toilets, sinks, and other water apparatus in the apartment or common elements 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 an apartment shall be repaired and paid for by the Owner of such apartment. Any such damage resulting from misuse of any toilets, sinks or other water apparatus on the common elements 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 Owners as a common expense.

5. Nameplates. No signs, nameplates, doorknockers or similar features and equipment shall be hung, installed, or attached to the door or entry area to the Apartment, which can be seen from any common area except as may be approved by the Board.

6. Window Tinting. No window tinting or other treatment to exterior windows may be applied without the prior written approval of the Board. The Board may grant or withhold its approval based upon its judgment as to the effect such application may have on the condominium's exterior appearance. Provided, however, Occupants may install drapes or other interior window coverings without prior Board approval if the color of the drapes or other interior window coverings to be installed when viewed from the exterior of the building is in the spectrum of the color white or brown.

7. Awnings. No awnings, roll down screens or drapes or other projections shall be attached to the outside walls of any apartment or lanai or any portion of the condominium or the exterior portion of any door or window without the prior written approval of the Board.

8. Projections. No projections shall extend through any door or window opening beyond the exterior face of any portion of any apartment.

9. Lanais. Each Owner shall be responsible for the care and maintenance of the lanai, except for the finished surfaces of railings, supporting columns, any painted floor surfaces, building exteriors and the exterior of lanai enclosures, all of which shall be painted and maintained by the Board as a common expense as part of a standard program of regular exterior maintenance in order to maintain a uniform and attractive exterior appearance of all buildings; subject to Section 5.4 of the Declaration.

10. Furniture, Plants, Etc. Only appropriate furniture and small plants as determined in the Board's sole discretion shall be used on lanais and unsightly items shall be removed immediately upon the request of the Board, the managing agent, or the resident manager. Lanais are not to be used for storage purposes of any kind or for the hanging of laundry, clothing, towels, etc. Without limiting the immediately preceding sentence, no bicycles, surfboards, motorcycles, or mopeds, shall be stored on any lanai. Nothing shall be hung from or over lanai railings, walls, ceilings or gates, including but not limited to, artwork, towels, laundry, blankets, rugs, lines, wires, banners, signs, etc. No waterbeds, hot tubs/jacuzzis may be located or installed in Apartments.

H. RULES PERTAINING TO COMMON AREAS.

1. Passageways, Etc. The driveways, roadways, passage ways and all other access ways must not be obstructed or used for purposes other than ingress and egress. Items of personal property shall not be left, parked or allowed to stand in any part of the common areas so as to interfere with ingress and egress. Items left in violation of these Rules will be removed at the risk and expense of the Owner. Bicycles, skateboards, mopeds, motorcycles and similar vehicles shall not be operated on walkways or within the parking areas except for ingress and egress through the parking area and roadways.

2. Signs. No Owner will erect, affix or place any signs, electrical or otherwise, nor post or suffer to be posted any bills or other advertising matter, in front of or on the common elements or visible from any point outside of his apartment except in accordance with the Act, the

Declaration, the By-Laws, the Apartment Deed, these Rules and lawful determinations of the Board. Provided, however, the owner of the commercial Apartment, without the necessity of securing prior board or owner approval, shall be entitled to display signs or place any other thing in or upon any doors, windows, walls or other portions of the commercial Apartment or Project Building U provided such sign(s) or other things are reasonably associated with the commercial activity being conducted within the commercial Apartment. Nothing contained in this paragraph shall limit or affect the Developer's right to post signs and conduct sales activities on the Project. No contractor or other person or entity performing decorating, remodeling or repair work in an apartment shall be entitled or permitted to place any informational or promotional sign anywhere on the Project.

3. Common Furniture and Equipment. All common furniture and equipment (if any) placed by the Association on the common areas is for the safety, comfort and convenience of all Owners and Occupants and, therefore, shall not be altered, extended or removed or transferred to other areas without permission from the Board, the managing agent or the resident manager.

4. Gym and Saunas. The Gym, (Project Building W) and the Saunas, with the attached men's and women's bathrooms (Project Building X) are limited common elements for the exclusive use and control of the commercial Apartment Owner, however, the commercial Apartment Owner has agreed to permit the use of Building W and X by Owners and Occupants upon the following conditions and rules, which cannot be modified without the prior written approval of the commercial Apartment Owner:

- a. The Gym is for the exclusive use of Owners and Occupants. Proper attire in the Gym is required.
- b. There is a 30-minute time limitation on the use of any exercise equipment if someone is waiting.
- c. For safety reasons, Occupants must be at least eighteen (18) years of age to use the Gym without an adult or legal guardian present. It is recommended that children not use the Gym, including the weight-lifting equipment.
- d. No guest of an Owner or Occupant is permitted to bring more than one other guest at a time.
- e. The Gym will be open between the hours of 5:30 a.m. to 9:00 p.m. daily.
- f. No radios or other electronic equipment are permitted unless used with headphones.
- g. Glass or other breakable containers shall not be brought into the Gym or Sauna area.

h. Violators of the above Gym and Sauna rules will be asked to leave the Gym and/or Saunas immediately.

5. Pool.

a. The pool and the surrounding areas, (but not the massage areas), are for the exclusive use of Owners and Occupants between the limited hours of 6:00 a.m. to 9:00 p.m.; provided, however that between the hours of 6:00 a.m. to 8:00 a.m. the pool shall be used only for lap swimming and between the hours of 7:00 a.m. to 9:00 a.m. will be reserved for pool maintenance and cleaning.

b. Children under the age of nine (9) will not be allowed in the pool area unless accompanied by an adult responsible for their children or wards and shall not permit them to enter the pool area regardless of age, if they are not a competent swimmer, unless a responsible adult accompanies them at all times.

c. "Horseplay", running, screaming or other boisterous conduct is not permitted in the pool area, nor any splashing of water other than that accompanying normal swimming. No water toys shall be used in or about the pool area and floatation devices, snorkel/scuba gear or any similar items are not allowed in the pool. (Water wings are permitted for infants.) Screaming children must be controlled by parents or they will be prohibited from using the pool.

d. No Occupants under the age of twelve (12) shall be permitted to have guests in the pool area unless such guests are under the supervision of a parent or occupant/guardian of the minor resident.

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

f. Owners, Occupants, and their guests shall use the swimming pool and jacuzzi at their own risk. The Association is not liable, and does not assume any liability whatsoever, for injury, property damage or any kind of loss arising in connection with the use of the pool, jacuzzi or Gym facilities. **The pool, jacuzzi and Gym areas have no lifeguard or other personnel on duty.**

g. Due to the limited area, no owner or guest may reserve chaise lounges for any length of time. Pool furniture is not to be removed from the pool area except as permitted by the Board.

h. Use of the pool or jacuzzi by children not yet bathroom trained or by any incontinent person is prohibited.

i. All persons known to be or suspected of being afflicted with an infectious disease, suffering from a cough, cold or sores or wearing bands or bandages, shall be excluded from bathing in the pool or the jacuzzi.

j. Spitting, spouting of water, blowing the nose in the swimming pool or jacuzzi is prohibited.

k. Inflatable items, sun-mats, surfboards, styrofoam floats, “boogie boards,” or other large objects of this nature will not be permitted. Only flotation devises for small children (i.e. water wings) shall be permitted.

l. No person is to enter the pool or spa after application of any tanning or sunscreen preparation without first taking a shower. Please do not use suntan oil and enter the pool or spa without rinsing off first.

m. Misuse of the pool and patio furniture will not be tolerated. This also applies to life preserves, life-saving hooks and related pool equipment. These items are for safety purposes, not for recreation. Pool furniture, tables, umbrellas and other accessories shall not be removed from the pool deck area.

n. No barbecue, hibachi or other cooking apparatus, other than those barbecue facilities provided by the Association, shall be used within the pool area. Please make sure to turn-off the gas valves if not in use, and keep these areas clean.

o. No pets are allowed in the pool and spa areas at any time, except that visually impaired persons, hearing impaired persons and physically impaired persons shall be allowed to keep certified seeing-eye dogs, certified signal dogs and certified service dogs, respectively, with them at the pool area while utilizing such facilities.

p. No radios or other electronic equipment are permitted unless used with headphones.

q. The Board of Directors reserves the right to deny use of the pools or jacuzzis to anyone at any time.

r. Anyone using the swimming pool area is forbidden from climbing on or around the rock formations.

6. Trellis Area/Kitchen Facilities. The Trellis area/kitchen facilities, (“Trellis area”) located adjacent to the commercial Apartment U-1 are limited common elements for the exclusive use and control of the commercial Apartment Owner, however, the commercial Apartment Owner has agreed to permit the use of the Trellis area upon the following conditions and rules, which cannot be modified without the prior written approval of the commercial Apartment Owner:

a. If not otherwise being used by the commercial Apartment owner or its employees or agents, the Trellis area may be reserved by an Occupant upon the approval of the commercial Apartment owner for a personal social function of up to 12 people at which the Occupant will be present. Provided, however, there shall be no more than one reservation of the Trellis area per apartment per month. The commercial Apartment owner must approve reservations by an Occupant for use by or on behalf of a community association, organization or group for a non-commercial use. Reservations will not be accepted for major holidays. Reservations must include a guest list for security and valet parking arrangements of your guests. No gathering may create noise or music that exceeds 65 decibels. There shall be no broker's opens or open houses allowed without the permission of the Developer. All activities must end at 10:00 p.m. sharp. Please begin cleaning up at least 30 minutes earlier.

b. At least one week in advance, the Owner or group reserving the Trellis area shall make a \$250.00 refundable cleaning and repair deposit with the commercial Apartment owner. The deposit will be refunded 24 hours after the reservation date or the following workday and after inspection by the commercial Apartment owner's representative.

c. Immediately following the function:

(i) All furniture will be rearranged according to a diagram supplied by the commercial Apartment owner;

(ii) All food and beverages shall be removed and the Trellis area cleaned;

(iii) Tables and countertops will be wiped and cleaned;

(iv) The Trellis area floors will be swept;

(v) All debris shall be removed from the Project premises;

(vi) Any decorations will be removed;

(vii) Any rental equipment (tables, chairs, etc.) will be stacked and placed out of the way immediately following the function and removed from the Project premises the following morning.

I. RULES PERTAINING TO PARKING AREAS.

1. Uses of Carports/Parking Spaces; Registration of Vehicles. The carports/parking spaces shall be used only for parking vehicles and for no other purposes. No storage

of personal or other items is permitted in the carport/parking spaces. No boats, boat trailers or other trailers or oversized vehicles such as RV's or trucks larger than pickups shall be parked in any carport/parking space or area. Prior to using any carport/parking space, Occupants shall register with the managing agent or the resident manager, the make and the license number of all vehicles that will be parked in a carport/parking space. No more than two vehicles per Apartment shall be registered and permitted to park at the Project. The number of parking stalls required by an Occupant of an Owner's Apartment other than the Owner, must first be satisfied by the Owner allowing the Occupant to use the Owner's garage and assigned carport and the Owner must remove the Owner's vehicle(s) from the Project if the number of vehicles required by the Occupant prevents the Owner from parking the Owner's vehicle in the Owner's garage or assigned carports. At the option of the Board, each Owner or Occupant registering a vehicle shall place a parking pass or decal on or within the vehicle as furnished by the Association. All vehicles operating on the Ho'olei property shall be insured, licensed, and registered with the County of Maui. The Board of Directors may grant a waiver for service vehicles that are shown to be insured.

2. Roadways and Driveways. No cars may be parked or left unattended on any of the Project's roadways or driveways, provided that the shoulders of the roads may be used for overflow guest parking. The roadways and driveways of the Project must not be obstructed or used for any purpose other than ingress and egress. Obstructions, equipment, materials, pallets or other loading gear or machinery shall not be left in any parking area or common element so as to interfere with the normal flow of traffic or so as to create a nuisance to other Owners or Occupants. No cars, trucks or other vehicles may be parked or left unattended at any loading areas or in the driveways.

3. Workers and Deliveries. When workers are performing work on an apartment or if any Occupant orders deliveries of any kind, the Occupant shall advise such workers or delivery persons to use his assigned parking space or park in a designated loading area, if any, unless other arrangements have been made in advance and approved by the resident manager or managing agent.

4. Guest Parking. The 62, unassigned parking stalls located throughout the Project shall be used by Owners and their guests and tenants on a "first come, first served" basis. Vehicles shall only be parked in marked parking stalls and shall not be parked anywhere else on the Project. No unassigned parking stall may be used by the same vehicle for longer than twenty-four hours without approval by the managing agent.

5. Repairs. No repairs of vehicles or other equipment shall be permitted in the parking spaces, except that minor repairs shall be permitted where such repairs are necessary to get a motor vehicle in operating condition sufficient to remove such vehicle from the Project.

6. Parking Space Maintenance; Storage. No personal items, such as lumber, furniture, crates, bicycles or surfboards, shall be stored or left in the parking spaces.

7. Speeding. No vehicle shall exceed the posted speed limits while on the Project. Racing of engines or tire squealing will not be permitted on any portion of the Project. Caution is advised at all times while driving on the Project because of pedestrians.

8. Correct Parking Stall. No vehicle shall be parked in a garage, carport or other parking stall unless permitted to do so under the provisions of these Rules, By-Laws or the Declaration. Occupants may not use another Apartment's carport(s) without permission of the Owner of such carport(s). Owners must park in their assigned carport(s).

9. Violations. Violators of these Rules regulating parking shall have their vehicles towed away at their own expense. If the violator is an Occupant of any particular apartment, the Owner thereof shall be held responsible for payment of the towing charge. Otherwise, the registered owner of the towed vehicle shall be responsible for payment of such charge.

J. RULES PERTAINING TO ANIMALS.

No Animals.

1. No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project, except tropical fish kept in an aquarium.

2. Notwithstanding the provisions of subparagraph 1, certified guide dogs or other service animals upon which disabled Owners or Occupants depend for assistance shall be permitted to be kept by such Owners or Occupants in their Apartments and shall be allowed to walk throughout the common areas while on a leash, provided that such animals shall at all times be accompanied by their owners while present upon the common areas. If such a certified guide dog or other animal causes a nuisance or unreasonable disturbance or poses a threat to the health or safety of any Owner, Occupant or guest, the owner thereof will be given an opportunity to rectify the problem by measures which fall short of ejectment of the animal from the condominium. Ejectment will be required only if the Board reasonably determines that less drastic alternatives have been unsuccessful. If such an animal is ejected, it will nonetheless be allowed to remain at the Project for a reasonable period of time while the owner thereof attempts to find a suitable replacement animal, provided that the problem is controlled to a sufficient degree that the continued presence of the animal during that time does not constitute an unreasonable imposition upon, or threat to the safety or health of, other Owners, Occupants or guests.

3. In no event shall the Board, the Association, the managing agent or the resident manager be or deemed to be liable for any loss, damage or injury to person(s) or property caused by or arising in connection with any service animal being kept by any Occupant pursuant to subparagraph 2. Every Occupant who keeps a service animal pursuant to subparagraph 2 agrees to indemnify, defend and hold harmless the Board, the Association, the managing agent and the resident manager against any claim or action at law or in equity arising out of or in any way relating to the Occupant's keeping a service animal pursuant to subparagraphs.

4. By-Laws Provisions. The provisions of this Section J. are set forth in full in the By-Laws and may not be amended without amending the By-Laws under Section 10.2 thereof.

K. EMPLOYEES OF THE ASSOCIATION.

1. Work of Maintenance Employees. The maintenance employees of the Association are not available on a 24-hour daily basis, and much of their work time must be devoted to maintenance and repair of the common elements. Accordingly, and in the common interest, every Owner and Occupant is to do his part and to use his influence on all members of his household to do their part towards abating unsightliness at the Project to the fullest practicable extent.

2. Use of Maintenance Employees. Maintenance employees of the Association are under the sole direction of the managing agent, the resident manager and the Board, and they shall in no case be diverted to the private business or employment of any Occupant at any time. Without limiting the matters set forth in this paragraph K.2, no Occupant shall make any arrangements with any maintenance employee of the Association to remain or return to the Project to do work after such employee's scheduled hours.

L. RIGHTS RESERVED BY DEVELOPER. Nothing contained in these Rules shall limit or affect the rights reserved by the Developer in the Declaration, the By-Laws or any other documents pertaining to the condominium, including, but not limited to, the Developer's right to conduct sales activities at and to post signs on the condominium.

M. OWNER STORAGE AREAS.

1. Prohibited Items; Owner's Risk. The Project has provided assigned owner storage. Under no circumstances shall flammable or explosive items be placed in any assigned storage locker. The Association is not responsible for any loss or damage to items placed in these assigned personal storage areas. Storage in these lockers is strictly at the Owner's sole risk. Gas-powered machines, firearms, fuel tanks, explosives and/or flammable materials are prohibited, and shall not be stored inside the assigned storage lockers. No flammable, combustible or explosive fluid, material, chemical or substance of any kind shall be stored in any assigned storage area.

N. REDECORATION OR ALTERATION.

Owners are encouraged to maintain the condition and the design of their Apartments. Please review the Association documents concerning contemplated improvements, which may require approvals. Please follow the steps as outlined therein. Please see the following subsection 1. with respect to contractors, material and related services providers.

1. Contractors/Subcontractors.

a. Two (2) complete sets of plans (blueprints) must be submitted to the Board for approval at least thirty (30) days in advance of the work to be done. The plans must be prepared by a Hawaii licensed engineer or architect, showing any changes to the Apartment's structure as well as changes in plumbing, electrical or mechanical systems. All technical and engineering or architectural matters are the Owner's responsibility; the Association does not offer any technical advice nor warrant the suitability of the proposed improvements. In addition, the

submittal must have samples of the flooring. When plans are approved, one set of plans will be returned to the Owner and the other set will be kept in the Association's files.

b. Review fees will be assessed if the scope of work requires the review by an architect or engineer hired by the Association, and additional charges may be incurred.

c. After approval of plans, building permits (if applicable) must be obtained from the County of Maui. Copies of the permits must be submitted to the Association prior to the start of construction and posted in the Apartment during the construction.

d. The Association requires a damage/performance deposit of two thousand dollars (\$2,000.00) paid in the form of a cashier's check, payable to the Association. The Association will hold this check until work is completed and inspected. Any damage to common areas, or fines for non-compliance will be deducted from this deposit. If costs to the Association exceed the deposit amount, the Owner will be assessed for the difference. The Owner is responsible to notify the Association that the approved work is completed and to request the Association's inspection of it. If the Owner fully complies with Association rules and regulations and there is no damage to the common areas, the deposit will be fully refunded within fifteen (15) days of inspection by the Association.

e. All Association approvals for work must be in writing. Work that begins without written Association approval is done at Owner's risk, and is subject to fines, alteration and/or removal. All Association approved work must be completed within one (1) year of the original approval date, unless otherwise extended in writing by the Board.

f. If your submittal has been disapproved, it can be resubmitted for review if changes are made so that it conforms to Association architectural guidelines, if any. If you feel the plans do conform to the guidelines, you may request reconsideration by the Board.

g. Any damage caused to common areas or adjacent Apartments by the improvement is the Owner's responsibility. Any damage must be reported immediately to the Association along with a schedule of repairs. If the damage is not repaired in a timely manner, the Association will make the repairs and charge the Owner. The Owner will be held liable for the actions of his/her contractors and/or workmen.

h. The Association will inspect the work to insure compliance with approved plans before releasing any damage/performance deposits. The Owner agrees to allow the inspection.

i. All work must be done inside the Apartment. Workmen cannot set up equipment in lobbies or garages. Equipment and materials cannot be stored overnight in lobbies (storage in garages may be arranged). Everything must be stored inside the Apartment or taken off-site each evening.

j. All trash and debris related to construction must be carried off-site on a daily basis by your contractors. There will be a two hundred dollar (\$200.00) fine per violation.

k. Working hours are limited to Monday through Friday, 8:00 a.m. to 5:00 p.m. There will be a one hundred dollar (\$100.00) per hour fine if work continues past 5:00 p.m. No work is allowed on Saturday or Sunday or on the following holidays: Christmas Day, New Year's Day, Labor Day, Memorial Day, Thanksgiving, Fourth of July, Passover, Rosh Hashanah, Yom Kippur, Easter or Chanukah. Alterations and all other work on Apartments must be done after Easter and before Thanksgiving, unless the Board, in its discretion, permits work to occur on other days. A violation of this restriction may subject the violator and/or Owner to a fine of one thousand dollar (\$1,000.00) per day.

l. Contractors may have to park vehicles off the premises if arrangements cannot be made on the premises. Double-parking or obstructing of driveways or walkways will not be permitted.

m. Owners agree to hold the Association harmless against liability for (a) injury to, death of, or damage to the property of third persons to the extent caused by the Owner, general contractor, designer or any of their agents or employees, and (b) liens on the common expense fund or any Association property arising out of or resulting from the work.

n. Workers are not allowed to bring their pets on site and will be denied entry if they have a pet with them. Workers are also prohibited from creating nuisance noise unrelated to the construction work. Workers are also prohibited from eating meals or taking breaks on the grounds in the common areas. Such violations will be subject to a one hundred dollar (\$100.00) fine per violation.

o. The Owner may select any general contractor he chooses or act as the general contractor himself and hire sub-contractors. All third-party contractors and sub-contractors must be licensed in the State of Hawaii and must have adequate worker's compensation insurance, general liability and property damage insurance. Certificates of insurance for all required coverage must be presented to the Managing Agent, and no work will be allowed until the certificates are submitted. The Association and the Managing Agent must be named as additional insureds on the certificates of insurance.

p. The Association has the right to stop any work that is in violation of these regulations, creating a fire or safety hazard, or interfering with activities in common areas.

q. Contractors must use their own equipment. No equipment or tools that are the property of Association, are to be used at any time.

r. Work and preparation must be done in order to contain dust, dirt, noise and paint fumes. Failure to keep the door closed will result in a one hundred dollar (\$100.00) fine per occurrence. Prior arrangements shall be made in order to cover and protect smoke detectors located in the common area corridors adjacent to the Apartment.

s. If the Association is forced to employ an attorney to ensure compliance or collect fines, the Owner shall be liable for those attorneys' fees and any related expenses in addition to all fines and/or other costs to the Association.

t. All workers must wear shoes, pants or shorts, and shirts, at all times.

u. All workers must check in with the security guard upon arriving and leaving.

v. No workers may use power from the common areas of the Project.

w. All loading and unloading from vehicles must be directed through the entrance as instructed by the security guard or other management personnel.

O. SALES AND REAL ESTATE BROKER/AGENT RULES.

1. Procedure. In the event that an Owner offers an Apartment for sale, the Owner shall notify the Association that Owner is selling the Apartment. Owner shall instruct broker/agent to contact the Association for a copy of these Broker/Agent Rules (such form may be faxed directly to the on-site property management office or given to the guard or other personnel at the front desk).

2. Sign In. Listing Broker/agent must sign in and sign out with the security guard, leaving the broker's/agent's business card and driver's license.

3. Broker/Host. Listing Broker/agent must accompany Cooperating Brokers/agents and their clients to the Project, as cooperating Brokers/agents or clients are not allowed in the Project without the Listing Broker/agent present. If not represented by a Broker/agent, the Owner must accompany prospective buyers.

4. No Loitering. Listing Broker/agent is not to loiter in the lobby or wander through the Project's common areas. Broker's/agent's sole purpose shall be to show a specific Apartment at the Project.

5. Escrow. Owner or Listing Broker/agent shall notify the Association when Apartments are in escrow.

6. Listing Book. Broker/agent listings are to be placed in a listing book at the security desk.

7. Open House. There shall be no open houses or lock boxes. No open house signs, flags or banners shall be displayed on any Apartment and/or in the common areas of the Project, other than as may be conducted in the Business Apartment.

P. VIOLATIONS OF THESE RULES.

The Violation of These Rules Shall Give the Board of Directors, Its Agents or Employees the Right To:

1. ENTER THE APARTMENT OR THE COMMON ELEMENTS IN WHICH, OR AS TO WHICH, SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE EXPENSE OF THE DEFAULTING APARTMENT OWNER AND/OR OCCUPANT, ANY STRUCTURE, THING OR CONDITION THAT MAY EXIST THEREIN IN VIOLATION OF THESE RULES, AND THE BOARD AND ITS AGENTS SHALL NOT THEREBY BE GUILTY OF TRESPASS; OR

2. 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 REASONABLE ATTORNEYS' FEES, SHALL BE BORNE BY THE DEFAULTING APARTMENT OWNER.

3. THE VIOLATION OF ANY OF THE CONDOMINIUM DOCUMENTS OR THE VIOLATION OF THE ACT BY A TENANT OR OCCUPANT OTHER THAN AN OWNER, SHALL GIVE THE BOARD THE RIGHT IN ADDITION TO ANY OTHER RIGHTS OR REMEDIES PROVIDED BY LAW, THE DECLARATION OR THESE BYLAWS, TO INITIATE AND PROSECUTE TO CONCLUSION A LEGAL ACTION TO TERMINATE ANY LEASE, RENTAL AGREEMENT OR OTHER OCCUPANCY RIGHT OF SUCH TENANT OR OCCUPANT AND/OR TO OBTAIN A COURT ORDER DIRECTING SUCH TENANT OR OCCUPANT IMMEDIATELY TO PERMANENTLY VACATE SUCH APARTMENT AND TO REFRAIN FROM RE-ENTERING THE PROJECT WITHOUT JOINING THE OWNER AS A PARTY, AND IN SUCH EVENT, THE ASSOCIATION SHALL HAVE NO LIABILITY TO THE OWNER FOR LOST RENTALS OR ANY OTHER CONSEQUENCE OF SUCH TERMINATION OR REMOVAL.

Q. AMENDMENT OF THESE RULES. Prior to the election of the first Board of Directors, the Developer may amend these Rules in any manner without the joinder, consent or approval of any other party. Except as otherwise provided in these Rules or the Bylaws, upon election of the first Board of Directors and at all times thereafter, these Rules may be amended by the vote of a majority of those Directors present at a duly called meeting at which a quorum of Directors is present, and shall become effective when published to all Apartment Owners; provided, however, that these Rules shall not be in conflict with the Declaration or Bylaws, and in the event of any conflict, the Declaration and/or Bylaws shall control.

R. PRONOUNS. All pronouns used in these Rules include the male, female and neuter genders and include singular and plural numbers, as the case may be.

The Developer, acting as the initial Association of Apartment Owners, hereby adopts the foregoing Rules and Regulations as the Rules and Regulations of the Association of Apartment Owners of Ho'olei, this _____ day of _____, 20__.

WAILEA MF-9 ASSOCIATES LLC.

By _____
Martin W. Quill
It's Manager Member