### KAPALUA BAY VILLAS, INC.

#### **HOUSE RULES**

These rules have been adopted to serve as a guide for the consideration of others to create a friendly, pleasant and congenial atmosphere in Kapalua Bay Villas. These House Rules apply not only to owner-residents and their tenants but to their families and guests ("Occupants") and shall be enforced by the Board of Directors ("Board") of Kapalua Bay Villas, Inc. and the General Manager.

The Board has the responsibility to propose such other rules from time to time and to amend the foregoing rules as may be deemed necessary for the safety, care and cleanliness of the premises and for securing the comfort and convenience of all the occupants of Kapalua Bay Villas. Such rules and amendments are effective upon approval by the Board of Directors.

# SECTION A. RULES PERTAINING TO APARTMENTS

A-I. Emergencies: If the immediate services of the police department, the fire department, ambulance or doctor are required, the desired agency or person should be called directly. Any emergency, particularly such emergencies as flooding, fire, theft, etc., should be brought to the attention of the General Manager.

<u>Telephone Numbers</u>
"911" Ambulance, Fire, Police
669-6767 General Manager
669-5633 Kapalua Security

- A 2. Occupancy: The occupancy in a one bedroom apartment shall be limited to a maximum of (4) persons. Occupancy in a two bedroom apartment shall be limited to a maximum of six (6) persons.
- A 3. Occupants: The owner is responsible at all times for the conduct of all occupants. If an owner or owner's designated agent cannot control the conduct of such owner's occupants, such owner or agent shall upon request of the Board or General Manager, immediately remove or have removed such occupant from the apartment, without compensation for lost rentals or any damages therefrom.
- A 4. Animals: No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of Kapalua Bay Villas. Feeding of birds and animals is considered a health hazard and shall not be permitted, nor birdfeeders allowed on the premises.

Notwithstanding anything to the contrary contained in the Declaration, the Bylaws, or these House Rules, certified guide dogs, signal dogs, or other animals upon which handicapped occupants depend for assistance shall be allowed to walk throughout the common elements while on a leash, provided that such animal shall at all times be accompanied by the occupants to whom they belong while present upon the common elements.

If a certified guide dog, signal dog, or other animal depended upon by a handicapped occupant to enable him to use and enjoy the common elements and/or his apartment causes a nuisance or creates an unreasonable disturbance, the owner thereof will be given a reasonable opportunity to rectify the problem by measures which fall short of the removal of the animal from Kapalua Bay Villas. Removal of such an animal 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 Kapalua Bay Villas 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 its continued presence during that time does not constitute an unreasonable imposition upon other occupants.

- A-5. Exterior apartment appearance: Consistent with the investment and tradition of Kapalua Bay Villas, acceptable exterior apartment appearance is the responsibility of the owner as it applies to features inside the apartment or on the balcony or lanai that may be visible from outside the apartment. These externally viewed features must meet the approval of the Board and/or the General Manager and include among other things the condition of such features. Repair, removal or replacement cost is the responsibility of the apartment owners, but will be undertaken by the Board or the General Manager after the owner is notified that such action is being considered for the good of Kapalua Bay Villas.
- A-6. Exterior building limitations: No awnings, shades, venetian blinds, window guards, fans, outside clotheslines or other outside clothes drying or airing facilities, towels, swimwear or electronic equipment antennae shall be attached to or hung from the exterior of any building balconies, lanais or windows, or protrude through the walls, windows or roof thereof, and no notice, advertisement, plaque, bill, poster, illumination or other sign shall be inscribed or posted on or about Kapalua Bay Villas.
- A-7. Entrances: No unsightly material shall be allowed to remain in view at front entrances of apartments. Front door entrance ways must be kept clear at all times. Only door mats are permissible.
- A-8. Apartment Maintenance: The repair and maintenance of apartment interiors, exterior balconies and lanais, tile areas and all doors, windows and screens are the responsibility of the individual owners.

- **A-9.** Nameplates: Nameplates and names shall be placed only in places and in the form approved by the Board.
- A-10. Electronic/electrical equipment: Electronic or electrical equipment of any kind or nature installed or used in each apartment unit shall fully comply with all rules, regulations, requirements or recommendations of the public authorities having jurisdiction and the apartment owner alone shall be liable for any damage or injury caused by any electronic or electrical equipment in such apartment owner's unit.
- A-11. Noise: All noises from whatever source shall be discriminately controlled in order that other residents of the building shall not be disturbed or annoyed. Quiet shall prevail from 10:00 p.m. to 7:00 a.m.
- A-12 Hazards: No occupant shall use or permit to be brought into any apartment or common areas anything deemed hazardous to life, limb or property, such as gasoline, kerosene, naphthalene, propane or other combustibles of like nature, or any gunpowder, fireworks or other explosives. No activity shall be engaged in and no substance introduced into or manufactured within the apartments which might result in violation of the law or in the cancellation or invalidation of any insurance or increase the insurance rates on the buildings in Kapalua Bay Villas.
- A-13. Deliveries: The Board or General Manager shall not be responsible for packages or other deliveries left at doors of apartments or any other undesignated place on the premises, or for any personal property placed or left in or about the premises.
- A-14. Balconies or lanais: Balconies or lanais may be furnished appropriately with chairs, tables and lounges. Umbrellas are prohibited. Any unsightly or disturbing items shall be removed upon the request of the General Manager.
- A-15. Potted Plants: Only potted plants may be placed on balconies and lanais. The watering and care of plants and the sweeping and mopping of balconies and lanais shall be the responsibility of the apartment owner and shall be accomplished in such a manner as not to create a nuisance to persons residing in adjacent apartments or to persons on the ground floor of the premises. Proper safety precautions must be taken so plants do not fall from the balconies.
- A-16. Dusting and Sweeping: Garments, rugs, mops or other objects shall not be dusted or shaken from windows, balconies or lanais. Dust, rubbish, or litter shall not be swept or thrown from any apartment into any part of the premises. Furthermore, nothing shall be thrown or emptied by occupants or their guests out of windows, doors, balconies or lanais onto any part of the premises.
- A-17. Barbecues: Only barbecues to be used are those located at each of the pools. Barbecue hours are from 8am 10pm.

- A-18. Garbage: Kitchen disposals should be utilized for disposing of soft waste. Garbage placed in refuse dumpsters shall be securely wrapped and tied.
- A-19. Interior apartment construction: Construction or remodeling of any type must be approved by the Board and the General Manager. Owners must request in writing all construction and remodeling changes. Approved procedures are outlined in the Architectural Guidelines. Construction and/or maintenance personnel are permitted to work on the following weekdays/Saturdays/holiday hours:

Weekdays 8:00am - 5:00pm
Saturday 9:00am - 3:00pm
Sunday NO WORK except emergencies
Holidays NO WORK except emergencies

All work on Saturday must be of a quiet nature, e.g., painting, wallpapering, etc., so as not to disturb others. No work shall be permitted on Sunday except for emergency repair. Operation of portable electronic equipment by contractors is permitted only when used with a headset and/or kept at a low volume

HOLIDAYS No work permitted on New Years Day, Easter, Memorial Day, 4th of July, Labor Day, Thanksgiving day, and Christmas day.

A-20. Commercial business: No ongoing business of any type may be conducted in the apartments.

### SECTION B. COMMON AREAS

- B-1. Soliciting: No soliciting of goods and services including all written material, or religious or political activities shall be permitted on the premises.
- B-2. Recreational equipment: Surfboards, windsurfers, bicycles and other related items shall not be left on vehicles or allowed to stand on any part of the premises, including balconies, lanais, landings and entrance areas. All such items shall be stored within the confines of an apartment or any storage area set aside or assigned for such purpose.
- B-3. Recreational limitations: No vehicles or other devices of any nature whatsoever, including but not limited to bicycles, rollerskates, rollerblades, and/or skateboards, shall be ridden, operated, or left standing and/or unattended on walkways or sidewalks or any parts of the premises other than for ingress and egress to and from the roadways and parking areas; provided, however, that vehicles or devices relied upon by handicapped residents to enable them to use and enjoy their apartments and/or common areas may be used by such persons throughout the common areas except upon those portions of the common areas (such as landscaped areas, for example) that would be damaged or injured thereby.

- **B-4.** Moving: Moving of large items shall be coordinated through the General Manager. Any damage to any common areas caused by moving of furniture or other personal effects shall be repaired at the expense of the resident causing such damage.
- B-5. Use of grounds, etc.: The grounds, walkways, roadways and other similar common areas shall be used strictly for ingress and egress from the parking and apartment building areas, and must be at all times kept free of obstructions.
- **B-6.** Protection of common area property: Furniture, furnishings and equipment of the common areas have been provided for the safety, comfort and convenience of all residents and guests. These shall not be altered, removed or transferred to other areas without permission from the General Manager.
- B-7 Golf shoes: Golf shoes with cleats are prohibited on the stairs, bridges, or in the apartments.
- B-8. Responsibility for damage: Each apartment owner or tenant shall be held personally responsible for any damage or destruction to any common or limited common area used by himself, his family, his guest, or any other occupants of his apartment. State law (Section 577-3, Hawaii Revised Statutes) renders parents liable for all property damage or personal injury tortuously caused by their children.
- B-9. Realtors: Real estate brokers and salespersons are permitted to have no more than two signs, located on the sides of their vehicle denoting the name of their real estate company while conducting open house at Kapalua Bay Villas. In the event the same office (company) is having multiple open houses, they are permitted to have company signs on two vehicles at separate locations.

NO FOR SALE, LEASE OR RENT SIGNS ARE PERMITTED AT KAPALUA BAY VILLAS.

ENTRY DOOR KEYS ARE NOT TO BE LEFT ANYWHERE ON PROPERTY, I.E., UNDER DOORMATS, TOP OF LIGHT FIXTURES, ETC. ALL REALTORS/RENTAL AGENTS MUST MAKE PROVISIONS TO HAND DELIVER ENTRY DOOR KEYS. MANAGEMENT WILL CONFISCATE ALL KEYS LEFT OUTSIDE OF ANY UNIT.

### SECTION C. GENERAL

C-I. Registration: Each occupant of any apartment is required to register with the General Manager and said person is also required to register their vehicles if they have any on the premises. If arrival occurs after office hours, on weekend or holidays,

registration should be done on the first working day after arrival. Owners or their local agent shall notify The Bay Villa office of guest arrival and departure times.

- C-2. Keys: If any key or keys are entrusted by an apartment owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to the General Manager, whether for such apartment owner's or occupant's apartment unit or an automobile, truck or other item of personal property, the acceptance of the key shall be at the sole risk of such apartment owner or occupant. The Board and/or the General Manager shall not be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.
- C-3. Apartment entrance locks: The General Manager shall retain two (2) keys to each unit. If the lock to any apartment is to be changed the General Manager shall be notified, and the new lock shall be of a type that can be opened by the General Manager's master keys and two (2) new keys shall be given to the office. The installation of any additional locks are prohibited.
- C-4. Building limitations: Nothing shall be allowed, done or kept in any apartment unit or common area of Kapalua Bay Villas which would overload or impair the floors, walls or roofs thereof, block access to any mechanical devices or installations that may require maintenance, or cause the cancellation or invalidation of any insurance or increase the insurance rates on the buildings in Kapalua Bay Villas, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.
- C-5. Fireworks and firearms: There shall be NO shooting of fireworks or firearms or any type at any time, in, from or around any building or the common areas of Kapalua Bay Villas.
- C-6. Amenity restrictions: Use of tennis courts, and swimming pools and surrounding areas are for the exclusive use of residents and guests.
- C-7. Complaints and suggestions: Complaints and suggestions regarding Kapalua Bay Villas shall be made in writing to the Board or the General Manager.
- C-8. Handicapped residents: Notwithstanding anything to the contrary contained in the Declaration, the Bylaws, and/or these House Rules, handicapped residents shall: 1) be permitted to make reasonable modifications to their apartments and/or the common elements, at their expense, if such modifications are necessary to enable them to use and enjoy their apartments and/or the common elements, as the case may be, and 2) be allowed reasonable exemptions from the Declaration, the Bylaws, and/or these House Rules or when necessary, to enable them to use and enjoy their apartments and/or the common elements, provided that any owner desiring to make such modifications or desiring such an exemption shall so request, in writing. That request shall set forth, with specificity, and in detail, the nature of the request and the reason that the requesting party needs to make such modification or to be granted such an exemption.

The Board of Directors shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within sixty (60) days of the Board's receipt thereof.

C-9. Employees: Employees of Kapalua Bay Villas are under the direction of the General Manager and during the prescribed hours of work they shall in no case be diverted to the private business or employment of any occupant. No occupant has any right or power to request or order any employee of the Association to do or refrain from doing anything. Only the Board or its designees have such rights.

## SECTION D. PARKING

- **D-I.** Property damage: Damage to vehicles and other objects or common areas shall be the responsibility of the persons causing the damage.
- **D-2.** Repairs: No major repairs of any type including repairs to vehicles shall be permitted on the premises.
- D-3. Parking areas: All vehicles shall park in designated unassigned parking areas ONLY. A subsequent violation may result in having the vehicle towed away at the Owner's expense.
- **D-4.** Washing vehicles: Residents may not hose wash vehicles or any personal property whatsoever in the parking area, nor use such areas for recreation. Vehicles may be hose-washed only in designated areas.
- **D-5**. Storage restrictions: Storage of non-vehicular or personal items such as lumber, furniture or crates shall not be permitted in any parking areas, without the prior written consent of the General Manager.
- **D-6.** Speed restrictions: Vehicles shall not travel at a speed greater than 10 miles per hour. Drivers are expected to observe traffic and directional signs for the safety of all.
- D-7. Vehicle condition/storage: All vehicles are to be in good operating condition and in current registration in the State of Hawaii. Vehicle storage in the parking areas for more than two weeks is prohibited without permission from the General Manager.
- **D-8.** Number of vehicles: Vehicles shall be limited to a maximum of two (2) per apartment unit.
- D-9. Commercial vehicles: Trucks, vans, pick-up trucks, or any vehicle bearing commercial insignias, or names, will not be permitted to park in any common parking area, unless such vehicle is temporarily parked for the purpose of repairing or maintaining

residences or facilities on the premises. Vehicles will be towed away at the owners expense.

**D-10**. Vehicle definition: As used herein, the term vehicle shall mean automobiles, trucks (3/4 ton maximum), motorcycles, motorbikes, mopeds, and any other motorized transportation devices.

#### SECTION E. POOL AREA

- E-l. Pool hours: The pool and the surrounding areas are for the exclusive use of occupants between the hours of 8:00 A.M. and 9:00 P.M.
  - E-2. Use: Occupants shall use the swimming pool at their own risk.
- E-3. Children: Parents and/or guardians are responsible for the safety and conduct of their children and are expected to utilize reasonable judgment in determining whether their children may safely utilize the pool and pool area without adult supervision.
- **E-4.** Swimming apparel: Swimming and sun bathing is not allowed in other than proper swimming apparel.
- E-5. Pool and pool furniture damage All suntan oil, bobbie pins, hairpins and other such material shall be removed before entering the pool. All persons using oils, etc., should protect the furniture and the deck area.
- E-6. Electronic equipment: Operation of battery operated, portable electronic equipment in the pool area is permitted only when used with a headset and kept at a volume so as not to disturb others.
- E-7. Conduct: "Horseplay," running, screaming or other boisterous conduct is not permitted in the pool area.
- E-8. Glass: Glass or other breakable containers shall not be brought into the pool area.
- E-9. Personal items: All personal items such as towels, sunglasses, books, etc., shall be removed from the pool area upon leaving.
- E-10. Board of Health Requirements: Any persons known to be or suspected of being afflicted with an infectious disease, suffering from colds, open sores or wearing bandages, shall be excluded from bathing in the pool. Spitting, spouting of water, or blowing the nose in the swimming pool shall be prohibited.
- E-11: Anyone violating the above rules may be asked by the General Manager to leave the pool or adjacent areas.

### SECTION F. PENALTIES

F-1. All owners, tenants, and other persons using or coming upon Kapalua Bay Villas property or any part thereof for any purpose whatsoever must comply strictly with all of the provisions of the Declaration of Horizontal Property Regime, By-Laws, and House Rules of Kapalua Bay Villas as amended and restated, and will be subject to the following fines for any infractions.

#### SCHEDULE OF FINES

A. Any violation that constitutes a threat to the personal safety of any person, or that results in property damage

\$100.00 per incident

B. Any violation that unreasonably disturbs any person at Kapalua Bay Villas

\$50.00 per incident

C. Any violation of the Guidelines for Architectural Modifications

\$100.00 per incident (commencing on the date that the responsible person receives written notice of such violation)

D. Any other violation

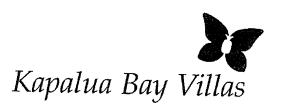
\$25.00 per incident

Each day that a violation continues shall be deemed to constitute a separate incident for the purpose of this fine schedule. For instance, if a violation which is subject to a \$100.00 fine continues over a period of ten (10) days, the fine for that violation will amount to \$1000.00.

# SECTION G. COMPLIANCE WITH KAPALUA RESORT ASSOCIATION

G-1. Notwithstanding anything herein to the contrary, these House Rules shall be subject to the rules and regulations of the Kapalua Resort Association and in the event of any conflict between these House Rules and the Rules and Regulations of KRA, the Rules and Regulations of KRA shall govern and the Board shall make such changes to these House Rules from time to time to comply with the Rules and Regulations of KRA.

Kapalua/HOURUL.DOC/12/20/95 Revised 2/24/99



#### House Rules Change

#### C-2 Management Access:

The General Manager shall have access to an apartment, and/or shall permit emergency personnel to gain access to an apartment, at any time in the event of an emergency in the General Manager's discretion. The General Manager and any emergency personnel shall be held harmless by the owner of the respective apartment from any liability resulting from such access during an emergency. Otherwise, the Board, through the General Manager, shall have the right to access the apartment during reasonable hours as may be appropriate for the operation of the Project, i.e., routine maintenance repairs or procedures, pest control, smoke alarm inspections, etc. The General Manager shall not provide access to the apartment to anyone, and no keys will be given out to anyone, except to the apartment owner, for any reason i.e. cable man, maintenance personnel, etc.

## C-3 APARTMENT ENTRANCE LOCKS AND MANAGEMENT ACCESS:

The locks for each apartment shall be installed and maintained at the expense of the owner of that apartment because locks and the doors on which they are installed are part of the apartment. The exterior appearance of such locks shall be consistent with lock systems approved by the Board. The General Manager shall be furnished with a means of obtaining access to each apartment. If the apartment owner has installed a Board-approved keyless entry system, the General Manager shall be provided with ten (10) access codes or such other means of access as shall be required by the Board. If the apartment has only key locks, the General Manager shall be furnished with and shall retain two (2) keys to the primary front exterior door of such apartment. If the access codes are changed or the key lock is changed to another key lock or to a key lock system approved by the Board, the apartment owner shall notify the General Manager of the change and shall furnish the new access codes or two (2) keys for the new lock, as the case may be. Except as to the foregoing, if any key(s) is entrusted by an apartment owner or occupant or by any member of his family or by his agent, servant, employee, licensee or visitor to the General Manager, whether for such apartment owner's or occupant's apartment or an automobile, truck or other item of personal property, the acceptance of the key shall be at the sole risk of such apartment owner or occupant. The Board and/or the General Manager shall not be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

Revised 11/18/08