

Adopted at the Meeting of the BOARD OF DIRECTORS JULY 21, 2009
Revised October 20, 2009
Revised January 11, 2012
Revised November 2016
Revised April 2017
Revised January 2018

WAILEA FAIRWAY VILLAS
RULES AND REGULATIONS

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**WAILEA FAIRWAY VILLAS
RULES AND REGULATIONS
HOUSE RULES**

ADOPTED BY THE BOARD OF DIRECTORS JULY 21, 2009

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1.0 ESTABLISHMENT OF RULES AND REGULATIONS

1.1 Effective Date. The following Rules and Regulations (“these Rules”) are House Rules, authorized by the By-Laws of the Association of Apartment Owners of Wailea Fairway Villas. These Rules were adopted by the Board of Directors on July 21, 2009, and are effective as of that date. Subsequent revisions were adopted and effective on the dates indicated in the Article or Section revised. (Rev’d 1/11/2012, 1/19/2018.)

1.2 Purposes. The primary purposes of these Rules are to provide for the continuing pleasure, enjoyment, comfort and security of the members of the Association, to protect the Owners and other Occupants from annoyance and nuisance caused by improper use of the Project, and to preserve and enhance the value, reputation and desirability of the Project and the individual Apartments.

1.3 Compliance. All persons occupying an Apartment or using the common areas of the Project shall comply strictly with these Rules and with all of the covenants, conditions, and restrictions set forth in the Declarations and By-Laws applicable to the Project.

1.4 Responsibility. The Board is authorized by the By-Laws to adopt and enforce these Rules and is responsible for doing so. The enforcement responsibility has been delegated to the Managing Agent and the Site Manager. All Occupants are bound by these Rules and by standards of reasonable conduct, whether expressly included in these Rules or not.

1.5 Enforcement. These Rules, including the provisions of the Declarations and By-Laws, may be enforced by fines and other actions, as more specifically described in Article 16.0 below. Enforcement of these rules will be transparent. Failure to comply also may be grounds for an action to recover sums due, for damages or injunctive relief, or both, by the Association or, in a proper case, by an Owner. (Rev’d 1-2018)

1.6 Reimbursement. Nothing herein is intended to, or does preclude an Owner from seeking reimbursement from other Occupants of the Apartment for fines or other sums that the Owner is required to pay by reason of the enforcement of these Rules.

1.7 Interpretation. These Rules supplement, expand and interpret, but do not limit the obligations of the Occupants established by the Governing Documents. These Rules also

interpret and limit the rights of the Occupants as provided in the Governing Documents. Whenever possible, those documents shall be construed to give effect both to these Rules and the provisions of those documents, but in the event of an irreconcilable conflict between these Rules and the Declarations or either of them or the By-Laws, the latter shall prevail. In cases of ambiguity or uncertainty, the Rules that address the obligations of Occupants shall be interpreted in the most expansive, reasonable manner, and the Rules that address the rights of the Occupants shall be interpreted in the most restrictive, reasonable manner. When these Rules allow or require action by the Site Manager, that action also may be taken by the Managing Agent or Board of Directors. When these Rules allow or require action by the Managing Agent, that action also may be taken by the Board of Directors

1.8 Notice/Filing. When these Rules require that a writing or written notice be given, filed or submitted, an email and proof of receipt (e.g., by reply email) together will satisfy the requirement. Communications to the Managing Agent or Site Manager shall be addressed as set forth at the end of this document. Communications to the Association or the Board may be sent in care of the Managing Agent. (Rev'd 1/11/2012.).

2.0 DEFINITIONS

2.1 "Apartment" means a condominium unit in the Project. When a sentence includes the words "the Apartment" they shall be deemed to refer to the Apartment owned or leased by the Owner or Tenant identified in the same sentence, if any.

2.2 "Association" means the ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS, an unincorporated association, and any successor corporation established pursuant to the Governing Documents.

2.3 "Board" means the Board of Directors of the Association.

2.4 "By-Laws" means the By-Laws of the Association, as amended from time to time.

2.5 "common area" means the "common elements," as defined in the Declaration including, but not limited to the Recreation Area, the landscaping, parking lots, driveways and walkways.

2.6 "Declaration" means the Declaration of Condominium Property Regime for the Project, as amended from time to time.

2.7 "Declarations" means the Declaration and the Wailea Community Association Declaration of Covenants and Restrictions, as supplemented and amended from time to time.

2.8 "Governing Documents" means the Declarations and By-Laws.

2.9 "guest" means a person temporarily residing in an Apartment or using the common area. (Rev'd 1/11/2012.)

2.10 "immediate family" means the spouse, domestic partner, parents, and minor children and grandchildren of an Owner or Tenant.

2.11 "limited common area" means the limited common elements as defined in the Governing Documents.

2.12 "Managing Agent" means a person or entity qualified to act as Managing Agent, who is engaged by the Board, from time to time, to act as such for the Association.

2.13 "Minor" means a person under the age of eighteen (18) years.

2.14 "Occupant" means any person residing in an Apartment, temporarily or permanently, including the Owner and any Tenant, and the immediate family of either, as well as a guest or invitee of any of them.

2.15 "Owner" means the record owner or owners of an Apartment.

2.16 "pet" means a dog or cat or other common household pet (not otherwise prohibited or restricted by law or the Governing Documents) that is not kept, bred or used for commercial purposes.

2.17 "pool" means the swimming pool and the spa, a part of the Recreation Area, and located in the Project.

2.18 "Project" means WAILEA FAIRWAY VILLAS, a condominium complex, more particularly described in the Declaration.

2.19 "Recreation Area" means the building that houses the fitness center, recreation room and kitchen together with the pool, spa, decking and landscaping within the fence surrounding the pool and area to the rear of the building, excluding, however, the Site Manager's office and storage spaces.

2.20 "Registered Guest" is a guest who has registered with the Site Manager, as permitted or required by these Rules.

2.21 "Registered Occupant" means an Owner or Registered Tenant or Registered Guest. The term also includes the immediate family of an Owner or Registered Tenant.

2.22 "Registered Tenant" is a Tenant or Tenants of an Apartment who have registered with the Site Manager as required by these Rules.

2.23 "Rules" and "these Rules" are synonymous and mean the Rules and Regulations set forth herein, as they may be amended from time to time by the Board.

2.24 "Site Manager" is an employee of the Association, whose responsibility is to manage the day-to-day operations of the Project and to enforce the Rules.

2.25 "State" means the State of Hawaii.

2.26 "Tenant" means a person or persons who leases an Apartment from the Owner under a lease that complies with the Governing Documents and the applicable zoning ordinance.

2.27 “vehicle” and “motor vehicle” are synonymous and mean a motorized vehicle including but not limited to automobiles, pick-up trucks, jeeps, motorcycles, and motor scooters.

3.0 USE AND OCCUPANCY OF APARTMENTS

3.1 Information Form. Each Owner shall submit an Owner Information Form and periodic updates as required by section 20.1 below.

3.2 Number of Occupants. No Owner or Tenant shall allow or permit occupancy of the Apartment to exceed two (2) persons per bedroom. Notwithstanding the foregoing, up to four (4) persons per bedroom may occupy the Apartment if the Owner or Tenant, whichever is then in possession of the Apartment, provides proof satisfactory to the Site Manager that all persons occupying the Apartment are members of his or her immediate family. (See, section 2.10 for definition of “immediate family.”) The Owner or Tenant shall provide the proof and obtain confirmation from the Managing Agent that it is satisfactory **prior to** allowing occupancy to exceed two persons per bedroom.

3.3 Use of the Apartments. Each Apartment shall be occupied and used only by the Owner or Tenant of the Apartment and his or her immediate family and guests. The Apartment shall be used only for permanent or temporary residential purposes in compliance with and subject to the zoning ordinances of the County of Maui, and subject to the Declaration. The Apartment may also be used by employees of the Owner in possession of the Apartment, but only in compliance with sections 3.13 and 6.6 below.
(Rev'd 1/11/2012.)

3.4 Limitations. No Owner, Tenant or other Occupant shall (a) accept compensation from a guest for the use of the Apartment, or (b) operate a rooming house or boarding house by providing, in exchange for compensation, room and/or board to a person who is not a member of the immediate family of the Owner or Tenant.

3.5 Waterbeds. There shall be no waterbeds of any nature in an Apartment without the prior, written approval of the Managing Agent. Any Occupant who wishes to install a water bed must first (a) furnish to the Site Manager (1) written evidence of adequate liability insurance coverage naming the Association of Apartment Owners of Wailea Fairway Villas as an additional insured, and (2) an indemnity and agreement regarding the use of the waterbed, in form satisfactory to the Site Manager; and (b) display to the Site Manager a waterproof tank in which the waterbed will rest.

3.6 Children. Each Owner shall be responsible at all times for the conduct of the minor children of all Occupants of the Apartment and shall ensure that the behavior of such children is neither offensive to any Occupant of another Apartment nor damaging to any portion of the common area and shall promptly reimburse the Association for any damage done by such children. In the event an Apartment is leased, the Tenant and Owner shall have joint and several responsibility for minor children of Occupants, as provided in this section 3.6.

3.7 Water Facilities. In order to minimize the possibility and severity of water leaks, overflows and flooding, the Owner or Tenant shall:

3.7.1 If absent for more than ten (10) consecutive days, turn off the water

valve to the Apartment. There is a water shut off valve to each unit, which is to be maintained by the owner. [To avoid wear and possible damage, the Association advises also (a) turning off automatic ice maker and (b) opening the circuit breaker for the hot water heater.]

3.7.2 Not use toilets, sinks, spas and other water apparatus in an Apartment for any purpose other than those for which they were designed, nor throw any sweepings, rubbish, rags or other articles into them.

3.7.3 Repair at the expense of the Owner or Tenant any damage resulting from improper, prohibited or negligent use of any toilets, sinks, spas or other water apparatus in the Apartment or of the sewer system.

3.7.4 Regularly inspect the Apartment for signs of water leakage. This shall include inspecting the water heater and cabinet in which it is located, and the areas beneath sinks and around toilets. If signs of leakage are observed during an inspection or at any other time, it shall be promptly reported to the Site Manager and to the Owner. The Owner shall correct the leak at the earliest, reasonable time. If the leak is severe and might reasonably be expected to cause damage to the Apartment or adjacent Apartments, immediate action shall be taken by the Owner or Tenant and failing action by them, by the Site Manager, to stop the flow of water by shutting a valve or by other appropriate action.

3.7.5 If the Board has adopted a Resolution requiring the installation of devices to detect water leakage, the Owner shall comply and no Occupant shall remove, disable or damage the devices. If the devices are removed, disabled or damaged, the Owner and Tenant shall inform the Site Manger immediately upon discovery.

3.8 Monthly Inspections of Unoccupied Apartments. Each Owner or Tenant in possession shall have an agent (e.g., a real estate professional, a friend or a maid) inspect the Apartment at least monthly when the Owner or Tenant is absent for more than thirty (30) consecutive days. The inspection shall include searching for signs of water leakage as required in section 3.7.4 above. The Agent shall be directed to report water leakage and any other observation that might require prompt action to the Site Manager, as well as the Owner or Tenant who requested him or her to perform the inspection.

3.9 Appointment of Local Agent; Contact Information. If their principal residence is outside the State of Hawaii or if they will be absent form the Apartment for more than ten (10) consecutive days, each Owner and Tenant shall designate a local agent to represent their interests and provide the agent with keys to the Apartment. Before leaving the State, each Owner and Tenant shall file with the Site Manager a writing containing one or more ways to contact the Owner or Tenant while absent from the State (e.g., an address, telephone number, email address), and the name and telephone number of the local agent and an expected date of return. When the Owner or Tenant returns, he or she shall notify the Site Manager.

3.10 Keys. To facilitate the right of access provided by the Governing Documents to the Association and its agents, including its Managing Agent, each Owner and Tenant shall furnish the Site Manager with keys to all locked entrances to the Apartment owned or leased by the Owner or Tenant and shall promptly furnish new keys when and if such locks are supplemented or changed. No entrance to an Apartment shall be barred by a sliding bolt or other device that renders access by such keys difficult or impossible. If any key or keys are

entrusted by an Occupant or its agent, servant, employee or guest to an employee of the Association except pursuant to the provisions of this paragraph, whether for such Apartment or an automobile or other item or personal property, the delivery of the key shall be at the sole risk of such Occupant and neither the Association nor the Board nor any employee or agent of the Association shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. Each Occupant shall assume full responsibility for protecting the Apartment and the contents thereof from theft, robbery, pilferage, vandalism, and other loss.

3.11 Conduct of Tenants, Guests and Other Persons. The Owner shall be responsible for the conduct of all Occupants of the Apartment, and the guests and invitees of the Owner or other Occupant. The Tenant shall be jointly and severally responsible for the conduct of such persons. The Owner and/or Tenant shall, upon written direction by the Site Manager, immediately abate and terminate, at such Owner's or Tenant's expense, any offending situation, occurrence or condition that, in the opinion of the Managing Agent, violates these Rules and that arises out of or is related to the occupancy or use of the Apartment or common area. If the Owner or Tenant is unable to control the conduct of any person for whom such Owner or Tenant is responsible, or to obtain compliance with the intent and meaning of these Rules, such Owner or Tenant shall, upon written direction of the Managing Agent, immediately remove from the Project the person or persons responsible for the violation, without compensation for lost rentals or profits or any other damage resulting from such action.

3.12 Maintenance. The Owner shall maintain the Apartment in good and sanitary condition, free of water leakage, insects, vermin and mold and any other condition that might create reasonable concern that it would spread to or otherwise damage or affect adjacent Apartments. The Owner shall regularly inspect the interior of the Apartment and clean and repair it as necessary to comply.

3.13 Corporations/Partnerships. If the Owner is not a natural person (e.g., a corporation, limited liability company or partnership) the entity shall designate in writing a primary Occupant who shall be an owner or employee of the entity. During the period designated, the primary Occupant shall have the rights and obligations of an Owner as established by the Governing Documents and these Rules. The designation shall be for a period of not less than six months, during which the Apartment may be occupied only by the primary Occupant, his or her immediate family and guests. (See, section 6.6.) (Rev'd 1/11/2012.)

4.0 HOMEOWNER'S INSURANCE

4.1 Each Owner shall maintain homeowner's insurance for the Apartment. The Board of Directors shall establish the required coverage by Resolution adopted from time to time. The current Resolution is available from the Site Manager or on the Association's website. (See end of document for address.) (Rev'd 1/11/2012.)

4.2 Each Owner shall file with the Site Manager, the cover page of the policy for the Apartment that satisfies the requirements of section 4.1. Each time the policy is renewed, the Owner shall file a copy of the current cover page.

4.3 If, at any time, a current cover page is not on file with the Site Manager, the Site Manager may notify the Owner in writing and fine the Owner an amount not to exceed \$100 per month for the administrative cost of doing so. If the Owner does not file the cover page within thirty (30) days of the mailing of the notice, the Association may purchase the insurance and charge the Owner the cost thereof plus an amount not more than five percent (5%) of the premium, as determined from time to time by the Board, for administration.

5.0 LEASES

5.1 Lease of Apartment. An Owner may lease the entire Apartment for a term of not less than six months provided (a) the Tenant agrees in writing to, and does comply with the Governing Documents and these Rules, and (b) a signed, complete Tenant Registration Form required by section 20.2 below is submitted to the Site Manager *prior to* the Tenant taking possession of the Apartment. The Owner shall provide the Tenant with the Tenant Registration Form, including said agreement, approved by the Association and required to comply with these Rules. The Owner shall provide a copy of these Rules to the Tenant and shall expressly inform the Tenant in a separate writing of the actions required of the Tenant by sections 3.7 - 3.10, inclusive.

(Rev'd 10-20-09)

5.2 Minimum Six-Month Term of Lease. No Owner shall lease the Apartment for an initial term that is less than six months. Neither the lease nor any oral or written side agreement between the Owner and the Tenant shall allow termination prior to the end of the initial six-month term or shall otherwise be designed to avoid the prohibition against rentals for a lesser term contained in the Governing Documents, these Rules and the applicable zoning ordinance. The lease shall provide that (a) the Tenant has no right to sublease or assign the Apartment or any part of it; (b) at the end of the initial six-month term, the lease may be extended for an additional stated term or on a month to month basis, provided (i) the Tenant has not assigned the lease or sublet the Apartment, (ii) the Tenant remains in possession of the Apartment and resides in it, and (iii) the Tenant has not repetitively violated these Rules.

5.3 Evasion of Six Month Requirement. No Owner shall create or arrange, or attempt to create or arrange any timeshare or fractional ownership of the Apartment or attempt to do so or to evade in any way the objective of the Governing Documents and these Rules to limit occupancy of the Apartments to Owners and Tenants for terms of not less than six months. No Owner or Tenant shall advertise or solicit others to rent the Apartment as a vacation or short-term (i.e. less than six months) rental or otherwise in violation of these Rules. No Owner or Tenant shall rent, lease, assign or sublease any room or space within the Apartment. No Owner or Tenant shall accept compensation for the use of the Apartment except from a Tenant under the terms of a lease that complies with the Governing Documents and these Rules. If an Owner or Tenant violates this by accepting compensation, it shall pay to the Association upon demand a fine of \$300.00 per day of use by the party paying the compensation.

5.4 Occupancy. The lease shall expressly include the limits on occupancy at least as restrictive as set forth in section 3.2 above. Notwithstanding anything to the contrary contained in these Rules, occupancy of an Apartment that is leased shall not exceed that which is allowed by the terms of the lease.

5.5 Copy of Lease. Upon request of the Board, the Owner or Tenant shall provide the Association a copy of the lease.

5.6 Tenant's Rights and Obligations. While the Tenant is in possession under the terms of the lease, all acts required of the Owner by these Rules shall be performed by the Tenant and all rights to the use of the common area, under these Rules, may be exercised only by the Tenant and not by the Owner, except as otherwise expressly provided in these Rules. During the term of the lease, liability for failure to comply with these Rules, including fines and assessments, shall be the joint and several responsibility of the Owner and the Tenant. The lease may provide an allocation of liability between the Owner and its Tenant for failure to comply with these Rules, including fines and assessments, but any such allocation shall not purport to excuse the Owner from joint liability for fines or damages as provided herein and shall not bind the Association, which may choose to assess and collect fines and damages from either or both. (See also, section 9.4.)

6.0 GUESTS -- TEMPORARY OCCUPANCY

6.1 Guests. Owners and Tenants may have guests, subject to these Rules.

6.2 Guests may use the common areas, subject to these Rules, including but not limited to the restrictions contained in sections 8.2 and 8.5 (Recreation Area); sections 9.3, 9.7 and 20.5 (parking); and section 20.3 (Guest Registration).

6.3 Owners/Tenants Absent. Except as provided below, the Owner or Tenant shall be present whenever a guest is in the Apartment overnight. Owners and Tenants may allow guests to use the Apartment in their absence, subject to the provisions of section 6.5 below, and provided (a) each adult guest agrees to, and does comply with the Governing Documents and these Rules, (b) each guest registers within twenty-four (24) hours of arrival, (c) no compensation is paid to the Owner or Tenant by the guest, or for the benefit of the guest; and (d) there is not a relationship between the Owner and Tenant that would result in the use of the Apartment being construed to be a taxable fringe benefit under the laws or regulations pertaining to federal income taxes.

6.4 Registration. Each guest whose stay in the Project exceeds ten (10) days or who is present overnight when the Owner or Tenant is absent must register with the Site Manager as provided in section 20.3. Other guests may register to facilitate their use of the Recreation Area and parking lots, but are not required to do so.

6.5 Limitations. In no event may the presence of a guest cause the occupancy of the Apartment to exceed the maximum established by section 3.2 above. No Owner, Tenant or other Occupant shall accept compensation from a guest for the use of the Apartment. Each guest shall comply with the Governing Documents and these Rules.

6.6 Employees. When the Owner is present, employees (including domestic servants) of the Owner may reside in the Apartment as guests, on the same applicable to guests. Employees of the Owner may reside in the Apartment in the Owner's absence, but only after (a) the Owner has provided proof of employment satisfactory to the Site Manager, and (b)

the employee has registered with the Site Manager in the same manner as a Registered Guest. (See, section 3.13.)

7.0 COMMON AREAS, ENTRANCES AND LANAIS

7.1 Obstruction; Uses. The sidewalks, passages, lobbies, stairways, walkways and corridors of the Project shall not be obstructed or used for any purpose other than ingress and egress. No one shall ride or store bicycles, tricycles, skates, skateboards, roller blades or scooters on the common area, including sidewalks and parking areas. Notwithstanding the foregoing, bicycles may be stored in racks provided for them as provided in section 7.11 below and may be ridden on the parking lots and driveways in transit to the public streets.

7.2 Lanais - Care and Maintenance. Each Owner shall care for and maintain in neat, clean and sanitary condition all lanais that are included in the Apartment. Except as permitted in this Article 7.0, an Owner shall not decorate the walls or ceilings of a lanai without prior, written approval of the Board. It is intended that the exterior of all buildings shall present a uniform appearance and to affect that end, Owners shall not paint any portion of any building, including walls and ceilings of the lanais; provided, the Board may paint or require the Owner to paint the walls and/or ceilings of the lanai and regulate the type and color of paint to be used. (Rev'd 1/11/2012)

7.3 Lanai - Furniture, Plants, etc. Only appropriate "Lanai Style Furniture" and planters may be placed on lanais. Beach chairs and beach umbrellas are not permitted. Planters shall not exceed a reasonable number and size. Emergency access and privacy shall be maintained. Lanai umbrellas must be solid neutral earth tone colors. Any nonconforming item shall be removed upon written direction of the Site Manager. Lanai and adjacent common areas shall not be used for storage of any item. Reasonable holiday decorations may be displayed from lanai during holidays. Decorations shall not extend beyond the lanai or onto the common area, including adjacent landscaping. No other banners or decorations are permitted. (Rev'd 1/11/2012; 1-2018)

7.4 Plants. All plants shall be placed in containers to prevent the dripping of water or soil onto other Apartments, lanais or the common areas. Plants shall not extend beyond the lanai onto the common area or neighboring lanais. (Rev'd 1/11/2012.)

7.5 Windows - Lanai Doors. No blankets, sheets, beach mats, or like objects shall be visible in the windows of the Apartments. Only window and lanai door treatments may be used in the Apartments (e.g., shades, blinds, curtains, drapes, etc.). Window treatments shall be a neutral color that blends with the exterior color of the building. Up to two small stickers, no larger than 4 x 4 inches, may be permitted on windows and/or lanai sliding glass doors. (Rev'd 1/11/2012, 1-2018)

7.6 No Littering. Nothing shall be thrown or permitted to be thrown from lanais, windows or other facades of the buildings. No one shall litter or dispose of any debris, trash etc. in the common areas except in the designated waste disposal areas. Cigarettes and matches, specifically, are fire hazards and unsightly litter and shall not be disposed of except in proper ashtrays. (Rev'd 1/11/2012.)

7.7 Entrances.

7.7.1 General. Nothing shall be affixed to the doors of the Apartments or the walls of the entryways, except seasonal holiday wreaths and tiles no larger than 36 square inches may be affixed to doors. No front entrance carpet or floor covering allowed, except for welcome mats. (Rev'd 1-2018)

7.7.2 Three-bedroom Apartments. A reasonable number of footwear may be left at the door of any Apartment. An Owner of a three-bedroom Apartment may place one bench in the entranceway to the Apartment, but only if it does not impede access to the Apartment and conforms to the State Fire Code, measures no more than approximately 50" by 32", is made of metal or wood, and is a neutral color. (Rev'd 1-2018)

7.7.3 Two-bedroom Apartments. A reasonable number of footwear may be left at the door of any Apartment. An Owner of a two-bedroom Apartment may place one small stool approximately 2 ft 6 inches tall by 1 ft 7 inches wide in the entranceway to the Apartment, but only if it does not impede access to the Apartment and conforms to the State Fire Code, is made of metal or wood, and is a neutral color. (Rev'd 1-2018)

7.8 Trash Disposal. Garbage, rubbish and other trash shall be disposed of only in dumpsters or other receptacles and areas provided by the Association for that purpose. Trash containing food shall be securely wrapped before being placed in a receptacle. Please refer to Recycling Guidelines on our website. Cardboard, glass, newspaper, and plastic bottles are recycled on property. Owners doing interior work and/or remodeling and their contractors shall dispose of refuse off-Project, at their sole expense, and not use the common area trash disposal areas or receptacles. All contracts for such work shall include provisions to implement this section 7.9.

7.9 Supplies or Other Goods. No garbage cans, household or commercial supplies, excess items, or similar articles shall be placed, left, stored or abandoned outside any Apartment or in the common area.

7.10 Personal Property. No items of personal property, including baby carriages, bicycles, surfboards, paddleboards, pool noodles, flotation devices, towels, bathing apparel and clothing, brooms, mops, ice chests, boxes or crates shall be left or allowed to stand in the common area, in windows, or on any lanai, so as to be in view from the outside except as provided in this section. Such items may be stored only within an Apartment. Articles of any kind left in the common area in violation of this section may be removed by the Site Manager at the owner's risk and expense. Bicycles may be parked in the racks provided in the parking lots if they are registered. (See section 9.1 below.) If the Association provides a rack for storage of kayaks, paddle boards, etc. Owners and Tenants may use it only after paying the required fee and entering into a written agreement with the Association in accordance with policies adopted by the Board from time to time. (Rev'd 1/11/2012; 1-2018.)

7.11 Garbage Disposal. Kitchen garbage disposals shall be utilized for soft food waste only. All other wastes, including grease, shall be placed in a designated refuse area.

7.12 Barbecuing/Fires. Outdoor cooking shall be conducted so as not to be offensive to any neighbor. Fires other than for outdoor cooking are not permitted. No fires or open flames

shall be permitted in or on any Apartment, lanai or elsewhere in the Project, other than a contained gas or electric barbeque while attended and in use for cooking purposes. Barbequing is not allowed on sidewalks, against stucco lanai walls, in the parking areas or other common areas, except in the barbeques provided in the Recreation Area.

7.13 Fireworks. No fireworks shall be stored or set off in any part of the Project.

7.14 Common Area Furniture. Any furniture of the Association placed in a common area shall be used only in those specific areas and shall not be removed or moved to other locations. Except as may be expressly allowed by these Rules, furniture not owned by the Association shall not be placed in a common area. (Rev'd 1/11/2012.)

7.15 Aesthetics. No unsightliness in the public view is permitted within the Project. For this purpose, "unsightliness" includes, but is not limited to the following: laundry, including that on lines or reels; litter or trash containers except as provided by the Association; inappropriate, broken or damaged furniture or dead plants on lanais of any Apartment; non-decorative gear, equipment, cans, bottles, ladders, trash, boxes, barrels or similar items stored or stowed in or on walls, lanais, entrances, stairways, corridors or other common areas; unshaded or inadequately shaded lights that create objectionable glare; automobiles with substantial body damage; and ill-fitting, torn or damaged vehicle covers. (Rev'd 1/11/2012; 1-2018)

7.16 Posting Notices. No notice, advertisement or handbill shall be posted in the common area without prior approval of the Site Manager.

7.17 No child or other person shall play on walkways or stairways, or in corridors or parking areas.

7.18 No food, objects or materials of any kind shall be thrown or placed in the waterways, drainage swales, fire access easements, landscaping or any other common area.

7.19 No persons other than authorized maintenance personnel shall be permitted in the waterways or landscaped areas of the Project (except for lawns and designated pathways).

8.0 POOL AND RECREATION AREA

As used in these Rules, "pool" means the swimming pool and the spa; and, "Recreation Area" means the building that houses the fitness center, recreation room and kitchen together with the pool, spa, decking and landscaping within the fence surrounding the pool area, as more specifically defined in sections 2.17 and 2.19.

General Rules for Recreation Area:

8.1 All persons using the Recreation Area shall comply with all posted rules and warning signs.

8.2 Registered Occupants (see definition in section 2.21) and their immediate families who reside in the Apartment, temporarily or permanently, may use the Recreation Area when open. Guests, who have not registered, also may use the Recreation Area, but only when

accompanied by the Registered Occupant who is their host, and who shall be present at all times when the guests are in the Recreation Area.

(Rev'd 1/11/2012)

8.3 The Recreation Area is open from 8:00 a.m. to 10:00 p.m., except when closed by the Site Manager. No one (other than employees and authorized representatives or contractors of the Association) shall enter the pool or spa or other part of the Recreation Area when closed, including between the hours of 10:00 p.m. and 8:00 a.m. No one shall climb the fence or gate to gain entry to the Recreation Area.

8.4 Persons under the age of thirteen (13) years shall not enter or use the Recreational Area except when accompanied by an adult Registered Occupant. Minors (i.e., persons under the age of eighteen (18) years) shall not use the Fitness Center except a minor who is at least sixteen (16) years old may use the Center when accompanied and supervised by an adult Registered Occupant.

8.5 A Registered Occupant or an Owner whose Apartment is leased may bring up to ten (10) persons, **including registered occupants and owners** to the Recreation Area without an advance reservation. Reservations are required for larger groups, as detailed below in section 8.26. (Rev'd 4-17)

Rules for Use of Pool, Spa and Recreation Area:

8.6 When in the pool or spa, Children under the age of thirteen (13) years shall be under the immediate supervision of an adult at all times.

8.7 Showers shall be taken before entering the pool. (Rev'd 1-2018)

8.8 Persons having open sores, wounds or communicable diseases are not allowed in the pool.

8.9 Headphones required when listening to music. No speakers or amplification permitted. (Added 1/19/2018)

8.10 All persons shall wear proper swimwear while in the pool. Infants and toddlers must wear swim diapers in the pool; regular diapers are not allowed. Children wearing regular or swim diapers are not allowed in the hot tub. (Rev'd 1-2018)

8.11 Spitting or blowing one's nose in the pool or adjacent area is not allowed.

8.12 No diving, splashing, running, or excessive horseplay are permitted in the Recreation Area, including the pool, deck, and recreation building. (Rev'd 1-2018)

8.13 Food, boogie boards, surf boards, diving equipment, large flotation devices or similar items are not permitted in the pool. Noodles and small flotation devices are permitted. (Rev'd 1-2018)

8.14 Skateboards, rollerblades and bicycles are not permitted in the Recreation Area.

8.15 Glass and other breakable material are not permitted in the pool, on the deck or anywhere else in the Recreation Area, except in the kitchen.

8.16 The introduction of sand, rock or other foreign matter in the pool is prohibited. (Rev'd 1-2018)

8.17 All persons shall comply with the requests of the Site Manager or other employee or representative of the Association in respect to matters of personal conduct in and about the pool area.

8.18 No pets or other animals except for Certified Guide or Service Dog/Animals are allowed in the Recreation Area.

8.19 Bathers must dry themselves before entering the bathrooms, fitness center or kitchen.

8.20 Intoxicated persons are not permitted to use the pool or Recreation Area.

8.21 No smoking is permitted within the Recreation Area. (See also, Article 21 below.)

8.22 Extend the right of way to swimmers who are exercising.

8.23 Do not remove cushions from chairs or lounge chairs.

8.24 The Site Manager, staff, or a board member may direct any person violating these Rules to leave the pool or Recreation Area and the person shall immediately comply. (Rev'd 1-2018)

8.26 RESERVATIONS

8.26.1 An Owner (including, for purposes of this section 8.26 only, an Owner whose Apartment is leased) or a Registered Tenant may bring up to eighteen (18) persons to the Recreation Area, but only with a reservation. Only an Owner or a Registered Tenant may make a reservation. The host Owner or Registered Tenant shall be present at all times when the guests are in the Recreation Area. (Rev'd 4-17)

8.26.2 The reservation may include the exclusive use of the kitchen and/or recreation room, but shall not include the exclusive use of any other facilities within the Recreation Area (e.g., the pool, spa, barbecues, barbecue area furniture, deck furniture, and deck).

The Association Board or Social Chair may reserve all or part of the Recreation Area for any event that is open to all Owners, in which case the number of attendees is not limited by these Rules and the charges for reservation and use of the Recreation Area shall not apply.

8.26.3 Reservations shall be made no less than forty-eight (48) hours in advance. Reservations shall be accepted on a first-come, first-served basis. Reservations will not be accepted for the Fourth of July, Christmas, Thanksgiving, Easter, New Years Eve or New Years Day. Rev'd 4-17)

Owners and/or Registered Tenants are limited to twelve (12) reservations per unit, per year. Each reservation shall not exceed a period of four (4) hours and shall conclude by 8:00 PM at the latest. Only one reservation will be permitted Monday through Thursday, and only one reservation will be permitted each weekend (Friday, Saturday and Sunday). (Rev'd 4-17)

8.26.4 Owners and Tenants shall be responsible for their immediate family and guests and shall ensure that they comply with (1) these Rules, (2) additional rules that may be posted from time to time in the Recreation Area, (3) the directions and requests of the Site Manager and other representatives of the Association (4) the guidelines for clean up after the event. At the request of the Site Manager or other representative of the Association, guests shall provide identification and sign a register or form agreeing to comply with the Rules applicable to use of the Recreation Area. If the guest refuses to comply with the request, the Site Manager or other representative of the Association may direct the guest or any Occupant in the party to leave the Recreation Area and/or all common areas and the guest shall immediately comply. If necessary, the Site Manager or other representative of the Association may direct the entire party, including Occupants and guests to leave, if one of the party refuses to leave or if multiple persons are violating these Rules.

8.26.5 To secure a reservation of the kitchen, recreation room, and/or associated tables and chairs, the Owner or Registered Tenant shall make the required payment and complete and sign the Reservation Form.

8.26.6 Charges. The amounts of the deposit (Reservation Fee, Administrative Fee and Cleaning Fee) shall be established, from time to time, by Resolution of the Board.

8.26.7 The Board shall establish a cleaning deposit to be paid at the time a reservation of the kitchen or recreation room is made. The Board shall establish the requirements for full or partial refund of the deposit, if any.

8.26.8 Any damage or charges for cleaning or as a result of complaints will be assessed to the Owner or Registered Tenant who made the reservation. If assessed to a Registered Tenant, the Owner shall be jointly and severally liable for the assessment.

8.26.9 No paid, outside vendors, including caterers, bartenders, waiters and entertainers, shall be allowed.

8.27 ELECTRONIC KEYS (FOBS) for the RECREATION AREA (added 1/11/2012)

8.27.1 Management will issue two electronic keys to the Recreation Area (Fobs) for each Apartment at no cost to the Owner. The Owner shall report lost Fobs to the Site Manager. Owners shall pay a fee, set from time to time by the Board, for replacement fobs.

8.27.2 Only occupants of the unit who have registered with the Site Manager may use a Fob. Fobs shall not be given or loaned to, or used by friends, relatives or other unregistered guests.

8.27.3 Unregistered guests may not use Fobs and must be accompanied

by a Registered Occupant (“host”) when they are in the Recreation Area. Registered Guests may use the Recreation Area without their host being present and may use a Fob to gain entry. (See, section 8.2.)

8.27.4 If an unauthorized person possesses or uses a Fob, the Fob may be deactivated and/or confiscated by the Site Manager, who also may levy a fine. The Association also may deactivate and/or confiscate Fobs for repeat violations of the Rules applicable to use of the Recreation Area, or when the privileges of an Owner (or Tenant) of the related unit to use the common areas have been terminated or suspended for non-payment of amounts due the Association. If a Fob is deactivated and/or confiscated, it will be reactivated and/or returned only upon application to the Site Manager *in person* by the Owner (or the Owner’s authorized Tenant or Rental Agent) and payment of all outstanding fines and other amounts due the Association

9.0 PARKING

9.1 Permits Required. No vehicle or bicycle shall be parked overnight in the parking lots of the Project unless registered with the Association as provided in this Article 9.0 and section 20.5 below or otherwise permitted by this Article. (Rev’d 1/11/2012)

9.2 Keys. No vehicle shall be parked in the same location for more than seventy-two (72) hours unless the Site Manager has been provided with keys necessary to access and operate the vehicle. **If keys are not provided, permission to park is conditioned on the owner or some other person identified in the Registration Form being readily available to move the car or to shut-off alarms, etc.** If the person identified does not respond within 24-hours to a written request to move the vehicle that is posted on the car or does not shut-off an alarm within one (1) hour, or if a car is parked for more than seventy-two (72) hours in violation of this Rule, permission to park the vehicle shall be deemed revoked automatically and the Association may have the car towed from the Project at the expense of the persons or persons described in section 9.17.

9.3 Maximum Number of Vehicles. The Owner and other Occupants of an Apartment together shall not park more than the permitted number of vehicles in the parking lots of the Project. The permitted number of vehicles shall be equal to the number of bedrooms in the Apartment. (Rev’d 4-17)

9.4 Assigned Parking Stall. The Governing Documents assign one or two parking stalls appurtenant to each Apartment. No vehicle shall be parked in an assigned stall except a vehicle registered by the Owner of the Apartment to which the stall belongs or, if the Apartment has been leased, by the Registered Tenant. Notwithstanding the foregoing, the Owner of the space (or the Registered Tenant), by written authorization filed with the Site Manager, may allow another Registered Occupant to use the assigned space. The authorization shall expire on the earlier of (a) the date set out in the authorization, (b) the conveyance by the authorizing Owner of the Apartment to which the space is assigned or the termination of the leasehold of the authorizing Registered Tenant, or (c) written notice delivered to the Site Manager by the authorizing Owner or Registered Tenant, terminating the authorization previously delivered to the Site Manager. In the event of a dispute about such authorization, the Site Manager may resolve the matter by informing the parties in writing that the space shall be used only by the

Owner or Registered Tenant of the Apartment to which the space is assigned and all Occupants shall comply with that decision. Notwithstanding the foregoing, the space assigned to an Apartment shall be presumed to be leased to any Registered Tenant of the Apartment, absent a writing to the contrary, signed by the Owner and the Tenant, and filed with the Site Manager. If the Owner of a leased Apartment wishes to store a vehicle on the Project, the vehicle shall count towards the maximum number of vehicles allowed for the Apartment, and the Owner shall first obtain permission from the Site Manager and shall comply with any conditions imposed by the Manager (e.g., parking in a specified stall, covering the vehicle, providing keys to the Manager or local agent, etc.). Assigned stalls must be used before stalls that are not marked reserved. (See also, section 5.6.) (Rev'd 1-2018)

9.5 Handicapped Stalls. No one shall park a vehicle in the spaces marked for handicapped use except a vehicle of an Occupant or guest that is displaying a valid Handicap permit.

9.6 Common Guest Stalls. Unassigned stalls may be used by any Occupant or guest on a first-come, first-served basis; provided (a) that overnight parking is not allowed unless the vehicle has been registered, and (b) that one or more stalls may be designated for the exclusive use of the Site Manager, the Managing Agent or other employee or contractor of the Association or for non-parking use for the benefit of the Association. Permits must be displayed or the vehicle will conclusively be presumed to be unregistered. **Overnight parking in guest stalls requires registration. Assigned stalls must be used before stalls that are not marked reserved.** (Rev'd 1-2018)

9.7 Condition of Vehicles. No Occupant or other person shall park a vehicle on the Project that is not in good operating condition or without current vehicle license and safety stickers displayed. For example, vehicles that are leaking oil or have extensive body damage are not in good operating condition and shall not be parked on the Project. Owners shall be assessed for repair or clean up required for their parking spot as a result of leaking oil.

9.8 Commercial Signs and Logos Not Allowed. No Occupant or other person shall park on the Project a vehicle with commercial signs or logos unless (a) the vehicle is being used as provided below in section 9.9 or in an emergency, OR (b) the vehicle is registered with the Site Manager and the logo is covered while on the Project in accordance with conditions imposed at the time of registration. (Rev'd 1/11/2012.)

9.9 No Trucks or RVs; Exception for Workmen & Deliveries. No RVs or trucks rated at more than one-ton may be brought onto or parked in the Project, except (a) as permitted in writing by the Site Manager or (b) trucks used by workmen as provided in this section 9.9. When workmen are performing work in the Project or making deliveries to an Apartment, they may park their vehicles in a guest parking stall or, if not practical, on the roadway immediately adjacent to the building in which the work or delivery is occurring. All workmen shall comply with the Governing Documents and the prescribed work hours. Work shall not commence prior to 8:00 a.m. and may not continue after 5:00 p.m. daily. Power tools cannot be used before 9am or after 4pm. No work may be performed on weekends or holidays. Occupants ordering such work or deliveries shall advise the workmen or delivery persons of this Rule.

9.10 Method of Parking. Vehicles shall be centered in parking stalls so as to allow reasonable access to vehicles in adjacent stalls and to passages. All vehicles must be within a striped parking stall and not extend into another stall or the main drive area of the parking lot. Bicycles shall be parked only in the spaces provided for them. If the Association has provided designated parking areas for motor scooters, motor scooters shall be parked only in the designated areas. No vehicle shall be parked on the Project other than in a marked stall, except for delivery vehicles or moving vans that are too large to park in a stall, which may park in the roadway during normal business hours so long as there is sufficient space for other vehicles to pass and only for the minimum time required to deliver the goods. The Site Manager may, in his discretion, grant permission for oversize vehicles necessary for ongoing construction in the common area or individual Apartments subject to conditions he deems desirable or necessary to protect the Project and the interests of the Owners generally. (Rev'd 1/11/2012)

9.11 No Impeding Access. No vehicle shall be parked in a manner or place that impedes or prevents ready access to any entrance to, or exit from the Project by another vehicle. No vehicle or bicycle shall be left unattended or parked in driveways, roadways or other areas other than the designated parking stalls. (Rev'd 1/11/2012)

9.12 Violations. Violators of parking regulations may be fined pursuant to Article 16.0 below or the Association may have the vehicle that creates the violation towed away at the expense of the registered owner or Occupant using the vehicle. If the violator is a guest or an Occupant in an Apartment, the Owner of the Apartment shall be responsible for payment of the fine and/or towing charge. For the first violation, a notice shall be placed on the windshield of the unregistered vehicle or personally delivered to the driver. If the identity of the Occupant who is responsible for the vehicle or whose guest is responsible is known, a courtesy copy of the notice also may be delivered to the Occupant's apartment. Subsequent violations will result in fines or towing.

9.13 Washing Cars. No cars shall be washed or cleaned in the common areas, except areas designated for that purpose. Soap must be biodegradable. Occupants using a designated area shall clean the area thoroughly before leaving. These activities are not permitted anywhere on the Project from dusk until 8:00 a.m. (Rev'd 4-17)

9.14 Repairs. Extensive or non-emergency repairs (e.g., changing engine fluids, tune-ups, etc.) of motor vehicles, boats, or other equipment are not permitted in the common area, including parking stalls, driveways and roadways.

9.15 Other Use Prohibited. Trailers, RV's, trucks rated at more than one-ton, boats, vehicles without a current license and safety sticker, abandoned vehicles, vehicles not registered as required by section 20.5 below, and personal property shall not be parked or stored in the parking lots or common areas. Notwithstanding the foregoing, unregistered vehicles may be parked in stalls not marked reserved by Occupants and their guests and invitees (a) from 8:00 a.m. to 10:00 p.m. (Rev'd 1-2018)

9.16 Observance of Signs. All drivers of vehicles in the Project shall observe and comply with all traffic and parking control signs in the Project. (Rev'd 1/11/2012)

9.17 Responsibility for Damage, Fines, Towing Charges, etc. Damage to cars and other objects or to the common area, fines, towing charges and similar charges and costs shall be the responsibility of the person causing the damage or violation. If the owner of the vehicle is

an Occupant or the guest of an Occupant, the Owner of the Apartment in which the Occupant resides or the guest is visiting shall be jointly and severally liable for the fines and expenses of towing and shall pay such upon demand.

9.18 Repair and Reconstruction of Parking Lots. Parking in all or any portion of the parking lots or individual stalls may be prohibited, and permission to park revoked temporarily to facilitate repair or reconstruction of the pavement, striping of lines or in times of emergency. All drivers shall obey “no parking” signs posted on the property for such purposes. Vehicles parked in a manner prohibited by such signs may be towed at the owner’s expense. (Rev’d 1/11/2012)

10.0 NOISE AND NUISANCE

10.1 No nuisance shall be allowed in the Project nor shall any use or practice be allowed that is improper, unlawful or offensive or that violates the Governing Documents or these Rules or that unreasonably interferes with, or is an unreasonable annoyance to the peaceful possession or proper use of the Project by the Occupants.

10.2 Occupants and their contractors and employees shall avoid, to the greatest extent practicable, unreasonable or excessive noise of any kind at any time and shall not cause or permit any unreasonable or excessive noise or objectionable odors to emanate from their Apartments that unreasonably interfere with the rights, comforts and conveniences of Occupants. Owners are allowed to use power tools on weekends, only between the hours of 9 am-4pm. (Rev’d 1-2018)

10.3 No paid workers, including carpet cleaners, are allowed in any building before 8:00 a.m. or after 5:00 p.m. or on weekends and Holidays, (Fourth of July, Christmas, Thanksgiving, Easter, New Years Eve or New Years Day), except in case of emergency. No loud machines shall be used before 9:00 AM or after 4:00 PM.

10.4 After 10:00 p.m. and before 8:00 a.m. each Occupant (a) shall make every reasonable and practicable effort to prevent noise that can be heard outside of the Apartment, (b) shall play radios, TV's, stereos, etc., at reduced volume and only within the confines of the Apartment, (c) shall not use vacuum cleaners, washing machines, dryers, or dishwashers. (Rev’d 1-2018)

10.5 Occupants or guests who arrive at or depart an Apartment or the Project between 10:00 p.m. and 8:00 a.m. shall minimize noise to the greatest practicable extent.

10.6 The use of profane or abusive language, or abusive behavior is not allowed within the Project. Any person using such language or exhibiting such behavior shall leave the common areas when directed by the Site Manager, Wailea Security, Wailea Golf Security, the police or other representative of the Association.

10.7 Nuisance noise from a dog is defined as barking, yelping or whining for more than 10 minutes in any 1-hour period. (Added 1/19/2018)

11.0 ANIMALS; PETS

11.1 No Animals, Except as Permitted. Except as permitted by the Governing Documents and these Rules, no pets, livestock, poultry, rabbits, reptiles or other animals are allowed within the Apartments or common areas of the Project.

11.2 No Feeding of Animals. No person shall at anytime or for any purpose, either from their unit or anywhere on the Project, feed or cause to be fed any type of wildlife, including birds, and stray or feral cats and dogs.

11.3 Pets Allowed. Guests or Occupants, other than Owners and Registered Tenants, shall not bring pets into the Project. An Owner or a Registered Tenant may keep, and allow the members of their immediate family to keep, up to two (2) pets per Apartment, but only if (a) he or she has complied with section 11.4 below, (b) the pet is licensed as required by law, (c) the pet has received all inoculations required by law and/or the Association, (d) the pet has not attacked or injured a human or another pet, (e) the owner of the pet and the Owner or Registered Tenant agree in writing to (i) indemnify the Association from and against all claims, judgments and liabilities for personal injury or property damage caused by the pet, and (ii) to comply with any conditions imposed, and (f) the Site Manager has approved the pet.

11.4 Registration. The Owner or Tenant who wishes to keep the pet shall deliver to the Site Manager a completed and signed Pet Registration Form as required by section 20.4 below.

11.5 Approval by Site Manager. Upon satisfaction of the requirements of section 11.3 above, the Site Manager may approve the pet or approve the pet subject to conditions (e.g., use of a muzzle; limited duration of approval, etc.). If the approval is subject to conditions, violation of any condition shall be a violation of these Rules and, at the discretion of the Site Manager, cause for revocation of the approval.

11.6 Limitations. Pets shall not be kept, bred or used for any commercial purpose. No pet is allowed on any common area except when (1) in transit, (2) carried, or (3) on leash. No pet, except a service animal, is allowed in the Recreation Area.

11.7 Pet Waste. Occupants who own a pet shall immediately dispose of all fecal matter of their pet in a proper, legal and sanitary manner. The Occupant shall bag all fecal matter and deposit it in a dumpster or dispose of it in another manner satisfactory to the Site Manager and shall not place it in storm drains. (Rev'd 1-2018)

11.8 Removal of Pets from Project. The Site Manager may, by written notice, order the permanent removal from the Project of any pet (a) if the pet causes a nuisance or unreasonable disturbance to any Occupant that continues after delivery of notice to the owner of the pet and/or the Owner or Tenant of the Apartment in which the pet is kept (see 10.7), or (b) if a condition of approval, imposed as provided in section 11.5 above, has been violated, or (c) if any of the requirements and conditions of section 11.3 above are not continuously satisfied. (Rev'd 1-2018)

12.0 BUILDING MODIFICATIONS

12.1 Except as permitted by the Declaration and By-Laws, no structural change of any type is permitted either to the interior or exterior of an Apartment. An Owner seeking to make such change shall submit to the Site Manager a written application for approval, which will be processed according to policies and procedures adopted by the Board, from time to time. Section 19.03 of the Declaration provides, in part, as follows:

Nonmaterial Structural Additions. The owner of an apartment may make nonmaterial structural additions to the common elements, including, without limitation, additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of the apartment. Such alterations shall require only the written approval thereof, including the apartment owner's plans therefore, by the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the County of Maui if such agencies so require, by the Board (which approval by the Board shall not be unreasonably or arbitrarily withheld), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board) and such alterations may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered.

"Nonmaterial structural additions to the common elements," as used in this subparagraph, means a structural addition to the common elements which does not jeopardize the soundness or safety of the property, reduce the value thereof, impair any easement or hereditament, detract from the use or enjoyment of any part of the property, or directly affect any non-consenting owner.

Section 8 of the By-laws provides, in part, as follows:

Certain Work Prohibited. No Owner shall do any work which could jeopardize the soundness or safety of the Project or any Apartment, reduce the value thereof, or impair any easement or hereditament, nor may any Owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75.%) of the Owners, together with the consent of all Owners whose Apartments or limited common elements appurtenant thereto are directly affected, being first obtained; provided that nonmaterial structural additions to the common elements, including, without limitation, the installation of solar energy devices, or additions to or alterations of an Apartment made within such Apartment or within a limited common element appurtenant to and for the exclusive use of the apartment shall require approval only by the Board and such percentage, number, or group of Owners as may be required by the Declaration or the By-Laws. "Nonmaterial structural additions to the common elements," as used in this section, means a structural addition to the common elements which does not jeopardize the soundness or safety of the Project or any Apartment, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any non-consenting owner of the use or enjoyment of any part of property, or directly affect any non-consenting owner. For purposes of this section, "solar energy device" means any new identifiable facility, equipment, apparatus, or the like which makes use of solar energy for heating,

cooling, or reducing the use of other types of energy dependent upon fossil fuel for its generation; provided that if the equipment sold cannot be used as a solar device without its incorporation with other equipment, it must be installed in place and ready to be made operational in order to qualify as a “solar energy device.”

12.2 Conversion of Carpeted Areas. The existing carpeted areas in second story, two-bedroom Apartments shall not be changed to hard surfaces (e.g., tile, wood) without the written approval of the Site Manager and compliance with standards designed to dampen sound adopted by the Board from time to time.

12.3 No signs, signals or lettering shall be inscribed or exposed on any part of the buildings or the exterior door of any Apartment (other than the standard sign showing the Apartment number and tiles as permitted by section 7.8.1), nor shall anything be projected out of any window or off any lanai.

12.4 Nothing shall project or extend through any door or window opening into any walkway or corridor or beyond the exterior face of the building.

12.5 In the event that an Owner, after securing and complying with all approval requirements, installs an air conditioning unit on a ground floor lanai area or on the ground adjacent to an Apartment, the Owner shall reimburse the Association for the cost and installation of plantings necessary, in the opinion of the Managing Agent, to effectively screen from view the air conditioning unit.

12.6 Every Owner (a) shall perform promptly all repair, maintenance and alteration work within such Apartment, or any limited common area appurtenant to the Apartment, the omission of which would adversely affect the common area or any other Apartment, and (b) shall be liable for, and pay all loss and damage caused by, the failure to do so.

12.7 All repairs of internal installations within an Apartment (e.g., water, light, gas, power, sewage, telephone, air conditioning, sanitation, doors, windows, screens, lamps and all other fixtures and accessories, including interior walls and partitions and the inner decorated or finished surfaces of the perimeter walls, floors, and ceilings of such Apartment) shall be at the expense of the Owner.

12.8 No Occupant shall install any wiring or other device for electricity, telephone, television, computers, machines, or other equipment or appurtenances on the exterior of, or protruding through walls, windows or roof of any building within the Project.

12.9 No Occupant shall do or permit any act in any Apartment or common area that will overload or impair the floors, walls or roofs of any building, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance maintained by or for the Board or the Association, nor shall any Occupant cause any noxious or offensive activity or nuisance to be made or suffered thereon.

12.10 No awnings or other projections shall be attached to any lanai or outside wall of any building or the exterior of any door. No garland or lights may be hung from the lanai ceiling or walls. (revised 1/19/2018)

12.11 No Occupant shall dust or shake any rug or other object from a lanai or window in the Project nor shall such items be cleaned by beating or sweeping in or on any hallway, walkway or other exterior part of the Project.

12.12 No private radio, television or other outdoor antenna will be erected or installed on or anywhere within the Project. Satellite dishes may not be installed. Except as permitted by the Governing Documents, no alteration or addition to an Apartment or to the common area may be made.

12.13 Permitted Alterations of Units and Lanais. The Board of Directors has adopted policies pertaining to Lanai Storage Cabinets (permitting installations on lanais of certain two-bedroom units that do not have air-conditioning), Privacy Partitions, Lanai Shades, and Repairs and Improvement (construction within units) and all Owners and other Occupants shall comply with those policies as they may be amended from time to time. Copies of the policies are available on the Association's website (see end of document for address) and from the Site Manager. (Added 1/11/2012, revised 1/19/2018.)

13.0 EMPLOYEES OF THE ASSOCIATION

13.1 Employees of the Association and its contractors are not available on a 24-hour, 7-day basis, and much of their work time must be devoted to maintenance, upkeep and repair of the common areas. Accordingly, and in the common interest, every Occupant should do his or her part to abate unsightliness within the Project to the fullest practical extent.

13.2 No Occupant shall give instructions to employees of the Association and its contractors; instead, requests and suggestions shall be directed to the Site Manager for his consideration and action.

13.3 Employees and contractors of the Association and its contractors are under the sole direction of the Managing Agent and Site Manager. **During the prescribed hours of work no Occupant shall divert, or attempt to divert them to the private business or employment of the Occupant.**

13.4 Cleaning and maintenance of each Apartment, and limited common area appurtenant thereto, including entries, lanais, and windows, is the responsibility of the Owner or, if leased, of the Owner and Tenant of the Apartment. The Association and its employees and contractors are not responsible for such work.

14.0 HAZARDS

14.1 The parking areas and other common areas (other than specifically designated recreational areas) shall not be used for recreational activities of any kind. Occupants shall at all times appropriately supervise minor Occupants and guests and their activities in Apartments and common areas, including the pool and Recreation Area.

14.2 No Occupant shall use any illumination other than electric lights, or use or permit to be brought into the buildings any flammable oils or fluids such as gasoline, kerosene, naphtha or benzene, or other explosive or other articles deemed extra hazardous to life, limb or property.

14.3 No Occupant shall engage in any activity or introduce or manufacture any substance within the buildings that might result in violation of the law or in the cancellation of the insurance or increase in the premiums of insurance policies of the Association.

14.4 Speeding is not permitted within the Project. All residents and guests shall obey any speed limits and other traffic regulations promulgated by the Board.

14.5 All residents and guests shall remain outside of any fenced, posted, or otherwise designated construction or hazardous area, and all other areas in which construction or other work is being performed.

15.0 GENERAL RULES AND REGULATIONS

15.1 No solicitation or canvassing is allowed in the Project, including the buildings and common areas.

15.2 The Site Manager is not required to give access to Apartments without the written permission of the Owner, or responsible tenant or other occupant; provided, however, that as provided in and subject to the provisions of the Governing Documents, (a) the Site Manager shall give each mortgagee of an Apartment or any interest therein and its agents access through the common area to any Apartment on which such mortgagee holds a mortgage, and (b) the Managing Agent may provide access to Apartments, to appropriate parties for maintenance and repair, and in any case of emergency.

15.3 Each Owner shall observe, perform and obey these Rules and shall ensure that the Owner's Tenants and their respective family members, domestic servants, employees, contractors, invitees and guests also observe, perform and obey these Rules and comply with the Governing Documents. Each Owner is responsible for the observance of these Rules and all provisions of the Governing Documents by each Occupant of the Apartment and by each guest and invitee. In the event any such person or persons for whom an Owner is responsible incurs expenses due to violations of these Rules, the Owner shall pay for such expenses, including reasonable attorneys' fees, upon written demand by the Managing Agent.

16.0 VIOLATIONS; FINES & OTHER REMEDIES; APPEALS

If any person violates any of these Rules, the Association, acting through its Managing Agent and Site Manager, is authorized to:

16.1 Enter the Apartment in which, or as to which, such violation or breach exists and summarily abate and remove, at the joint and several expense of the Occupant violating the Rule and the Owner of the Apartment occupied by the Occupant, any structure, thing, or condition that may exist therein contrary to the intent and meaning of these Rules and such entry shall not be deemed to be a trespass.

16.2 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 attorneys' fees, shall be borne jointly and severally by the defaulting Owner and the Occupant violating the Rule.

16.3 Impose fines jointly and severally upon Owners, Tenants, and employees of an Owner, and any Occupant, guest, invitee or other person using or coming upon the Project or

any part thereof for any purpose whatsoever, for violations of the Declaration, the By-Laws, or these Rules. The Site Manager may impose the aforementioned fines only in accordance with a schedule of fines in Article 17.0 below.

16.4 Appeal. Any person on whom a fine is imposed may appeal as follows:

16.4.1 Notice of Appeal. By filing with the Managing Agent, within thirty (30) days after receiving notice of such fine, a written notice of the appeal and the reasons therefor. The filing of a notice of appeal shall not halt the accrual of any ongoing fines imposed for the violation, which is the subject of the appeal. However, the Board of Directors may waive or rescind all or part of the fine at the time of the hearing of such appeal.

16.4.2 Time for Hearing Appeal. All appeals shall be heard at a meeting of the Board of Directors within ninety (90) days after the notice of appeal has been filed with the Managing Agent.

16.4.3 Procedure. The cause of the fine shall be reported in writing at such meeting by the Site Manager or Managing Agent, including a statement of the facts upon which the fine was based, a copy of which shall be furnished to the appellant at least ten (10) days before the meeting, at which time a copy thereof shall also be filed with or by the Managing Agent. The appellant may then present his or her defenses in writing, to which the Board or its designee may reply orally. The appellant or any Owner or other person on the appellant's behalf may then respond, and the Board or its designee may again speak in support of the fine imposed. No further discussion, except as are allowed by the Board, in its reasonable discretion, shall be allowed.

16.4.4 Disposition on Appeal. The Board of Directors shall vote to sustain, overrule or modify the fine. If a majority of the Directors present vote to sustain or modify the fine, the amount determined by the Board shall be remitted by the appellant in full to the Managing Agent within seven (7) days of the date that the appellant is notified of the decision of the Board of Directors. If the amount is not paid by the due date, a late fee of \$50 or 10% of the amount, whichever is greater shall be assessed and interest, at the rate of one percent (1%) per month shall be assessed, accruing monthly beginning with the first calendar month following the due date.

17.0 SCHEDULE OF FINES AND CHARGES

17.1 Fines, General. Except as otherwise provided in these Rules, fines for violation of these Rules shall be imposed as follows:

17.1.1 First Violation. A written notice of the first violation of a Rule shall be given, which may, at the discretion of management, include a grace period during which the violation must be corrected. All communication shall be given to the both owner and the occupant. The grace period shall not exceed ten (10) days without authorization by the President or Vice-President of the Association.

17.1.2 Second Violation. A fine of not more than fifty dollars (\$50) may be imposed for a second violation of the same Rule.

17.1.3 Third and Subsequent Violations. A fine of not more than two hundred, fifty dollars (\$250) may be imposed for the third violation of the same Rule and for each subsequent violation.

17.1.4 Each Day. Each day that a violation continues or recurs is a separate violation of the Rules.

17.1.5 Example. Owner or Occupant violates Rule prohibiting wall hangings on lanais. Management provides written notification of violation and gives Owner or Occupant two days to comply or be fined. On day 3, Owner has not complied and Management imposes a fine of not more than \$50. On day 4, Owner or Occupant still has not complied and Management imposes a fine of not more than \$250. On day 5, Owner or Occupant still has not complied and Management imposes an additional fine of not more than \$250. The amounts of the fines are added to the Owner's monthly assessment and if not paid by the due date are subject to late charges and interest. Payments made are credited first against the fines and any balance is applied to the monthly assessment in accordance with the policy adopted by the Board. Unpaid assessments ultimately become a lien on title to the Owner's unit.

17.2 Fines for Violation of Specific Rules. The following fines will be imposed when the violation occurs. No written notice or grace period is required:

17.2.1 Re: Shutting Off Water. If an Owner or Occupant violates Rule 3.7.1, a fine of \$500 shall be imposed. If a failure to shut off the water results in leakage that damages the common area or another Apartment, the fine shall be \$1,000 plus payment of the amount of damages that is subject to the deductible provided in the Association's master insurance policy. The purpose of the fine is to partially compensate the Association for the administrative burden of dealing with the damage and resulting claims. (Rev'd 1/11/2012)

17.2.2 Re: Information/Registration Forms. If an Owner or Occupant fails to file a form or to update a form as required by Article 20.0, a fine of \$150/month shall be imposed until an updated form is filed with the Association.

17.2.3 Re: Keys. If an Owner or Occupant fails to provide keys as required by Rule 3.9 or 3.10, a fine of \$25 shall be imposed and the Owner or Occupant shall be notified that s/he is required to provide the keys by a specified date, not less than twenty (20) days after notice, after which a fine of \$50 per day shall be imposed until the keys are received. If it is necessary to enter the Apartment and keys have not been provided as required by Rule 3.10, the Association shall have no responsibility for damage to locks, doors, jams, or other items reasonably sustained to gain entry. If a locksmith is used, a fine equal to the charges of the locksmith plus 25% shall be imposed in addition to any fine otherwise imposed for violation of these Rules.

17.2.4 Re: Insurance. If an Owner or Occupant fails to file the required proof of insurance, a fine not to exceed \$100 per month shall be imposed. (See Article 4.0.)

17.2.5 Re: Number of Occupants. If an Owner or Occupant violates Rule 3.2, a fine of \$500 shall be imposed and additional fines of not less than \$300 per day and not more than \$500 per day shall be imposed for each day thereafter until compliance with the Rule is achieved.

17.2.6 Re: Minimum Term of Lease. (a). If an Owner violates Rule 5.2, a fine shall be imposed in the amount of \$1,000 plus \$300 per day for the term of any lease or rental agreement that violates the Rule. (b). If an Owner violates Rule 5.3, a fine of \$500 shall be imposed and if the violation continues a similar fine may be imposed for each day until compliance is achieved. (c). The foregoing notwithstanding, if the violation is the acceptance of compensation prohibited by Rule 5.3, the fine shall be \$200 per day as provided in that Rule.

17.3 Joint and Several Liability for Fines. Owners shall be jointly and severally liable for fines imposed on their immediate family, Occupants and their immediate families, for the guests and invitees of any of them. Nothing herein precludes an Owner from requiring that his or her Occupant reimburse the Owner for payment of fines imposed on them, but such shall not reduce or eliminate the Owner's responsibility to the Association for payment of such fines or affect the Association's right to assess such fines against the Owner.

18.0 SEVERABILITY; NO FOR-PROFIT BUSINESS

18.1 In case any provision of these Rules shall be held invalid, such invalidity shall not render invalid any other provision hereof that can be given effect.

18.2 Nothing in these Rules shall be deemed or construed to authorize the Association or Board to conduct or engage in any active business for profit on behalf of any or all of the Owners.

19.0 AUTHORITY

19.1 Any act that is to be performed or that may be performed by the Site Manager under these Rules may be performed by the Managing Agent or the Board. Any act that is to be performed or that may be performed by the Managing Agent under these Rules may be performed by the Board. In an emergency and in lieu of action by the Board, an officer of the Association and one other director may perform any such act.

19.2 The Site Manager shall perform the duties and have the powers and authority of the General Manager as set forth in the Governing Documents.

19.3 In the absence of the Site Manager, the Maintenance Technician shall have the powers and duties of the Site Manager under these Rules, however, he shall consult with the Managing Agent, whenever practical, before taking action.

20.0 REGISTRATION AND OTHER INFORMATION REQUIRED

20.1 Owner Information. Each Owner shall submit to the Site Manager a fully completed, current and signed Owner Information Form within ten (10) days of recordation of the deed or other conveyance transferring title to the Owner, whichever is later. Each Owner shall file the name, address and phone number of each person occupying such Owner's

Apartment with the Managing Agent or Site Manager upon purchasing and/or taking occupancy of an Apartment, and shall furnish the Board and/or the Managing Agent with such other reasonable information as shall be requested from time to time. Each Owner shall inform the Site Manager of each change to the information shown by submitting an updated form within ten (10) days of the change. (Rev'd 1/11/2012.) (See Article 3.1.)

20.2 Tenant Registration. Each Tenant shall register with the Association by submitting to the Site Manager a fully completed and signed Tenant Registration Form **prior to taking possession of the Apartment**. Each Tenant shall inform the Site Manager of each change to the information shown by submitting an updated form within ten (10) days of the change. Each Owner shall include in the lease of the Apartment a provision requiring the Tenant to register as provided in this section 20.2 and to comply with the Governing Documents and these Rules, as amended from time to time. (Rev'd 1/11/2012.) (See Article 5.1.)

20.3 Guest Registration. Each adult Guest who plans to stay or does stay in the Apartment more than ten (10) consecutive days when the owner is present shall submit to the Site Manager a fully completed and signed Guest Registration Form, that includes a promise to comply with the Governing Documents and these Rules. A Guest staying for less than ten (10) days, when the owner is present may register with the Association, but is not required to do so. (See Article 6.4.)

20.4 Pet Registration. An Owner or Registered Tenant seeking permission to keep a pet on the Project, as allowed by section 11.3, shall submit to the Site Manager a fully completed and signed Pet Registration Form that includes statements or other evidence of compliance with section 11.3 including the required indemnity and other agreements. (Rev'd 10-20-09) (See Article 11.3.)

20.5 Vehicle Registration. Owners and Tenants shall complete and file with the Site Manager prior to or concurrently with the commencement of any occupancy of an Apartment, a form containing the name of the registered owner, automobile model, color, make and license number of each vehicle, operated by an Occupant of the Apartment that will use the Project parking lot. Parking decals may be issued and if they are, the decal must be affixed to the left side of the bumper and displayed when parked in the Project overnight. Guests shall similarly file and display a temporary permit (hang tag) if their vehicle will be parked overnight for two (2) or more consecutive nights. Owners or other Occupants wishing to store bicycles in the parking lot racks shall register the bicycles with the Site Manager, and obtain and display on the bicycle a parking decal. (Rev'd 1/11/2012.) (See Article 9.0.)

20.6 Forms. The Information and Registration Forms referenced in this Article 20 shall be in a format approved by the Board, from time to time, shall be furnished upon request made to the Site Manager or Managing Agent and may be available on the Association's website. (See below for address.) (Rev'd 1/11/2012.)

21.0 SMOKING (ADDED 1/11/2012)

21.1 State Law. Pursuant to Hawaii law smoking is prohibited in the Recreation Area, as it is deemed to be a public place.

21.2 Limited Common Elements. Pursuant to the Bylaws of the Association smoking is prohibited on the lanais of all Apartments.

21.3 Smoking Prohibited in Common Areas. Smoking is prohibited in the Common Elements (including landscaping and parking lots) within twenty (20) feet of any building.

THE BOARD OF DIRECTORS ADOPTED THE FORGOING RULES AND REGULATIONS OF THE ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS ON JULY 21ST, 2009, AND REVISED THEM ON OCTOBER 20, 2009, JANUARY 11TH, 2012 AND in NOVEMBER 2016, and in APRIL 2017 and in JANUARY 2018.

CONTACT INFORMATION

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