

EXHIBIT E

Rules & Regulations

Section 1. General.

The Project shall be used only for residential, recreational, and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by Declarant to assist in the sale of property described in Exhibits A and/or B, offices for any property manager retained by the Association, or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declarations.

Section 2. Prohibited Activities.

The following activities are prohibited within the Project unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) Parking any vehicles on public or private streets or thoroughfares, or parking commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other water craft;, trailers, stored vehicles or inoperable vehicles in places other than enclosed garages; provided, construction, service, and delivery vehicles shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area.;

(b) The keeping of any animals which, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots is prohibited and such animal or animals shall be removed upon request of the Board. If the Owner fails to honor such request, the Board may remove the animal. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the Dwelling. Pets shall be registered, licensed, and inoculated as required by law;

(c) Any activity which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Lots;

(d) Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

(e) Pursuing hobbies or other activities which tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Lot;

(f) Any noxious or offensive activity which, in the reasonable determination of the Board, tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Lots.

(g) Outside burning of trash, leaves, debris, or other materials, except during the normal course of constructing a Dwelling on a Lot;

(h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots, except alarm devices used exclusively for security purposes;

(i) Use and discharge of firecrackers and other fireworks;

(j) Dumping grass clippings, leaves, or other debris; petroleum products; fertilizers; or other potentially hazardous or toxic substances, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff. Declarant may dump and bury rocks and trees removed from a building site on such building site;

(k) Accumulating rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers;

(l) Obstructing or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent;

(m) Subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Lots which it owns;

(n) Use of any Lot for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Lots which it owns;

(o) Discharging firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;

(p) On-site storage of gasoline, heating oil, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and operation of landscaping equipment, maintenance vehicles, generators, and similar equipment. This provision shall not apply to any natural gas/propane tank authorized pursuant to Article V.

(q) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the business activity conforms to all zoning requirements for the Project; (iii) the business activity does not involve door-to-door solicitation of residents of the Project; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Project which is noticeably greater than that which is typical of Lots in which no business activity is being conducted, and (v) the business activity is consistent with the

residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Notwithstanding the foregoing, the leasing of a Lot shall not be considered a business or trade within the meaning of this subsection (q). For purposes of this section, "leasing" is defined as regular, exclusive occupancy of a Lot by any Person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in writing. The Board may require a minimum lease term. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration and By-Laws.

This subsection (q) shall not apply to any activity conducted by Declarant with respect to Declarant's development and sale of the Project or its use of any Lots which it owns within Project, including the operation of a timeshare or similar program;

(r) Killing wildlife within the Project, except for activities authorized by the Association or the Public Access Plan and in circumstances posing an imminent threat to the safety of Persons using the Project;

(s) Any activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Project or which use excessive amounts of water.

(t) Converting any carport or garage to finished space for use as an apartment or other integral part of the living area on any Lot without prior approval pursuant to Article V;

(u) Operating motorized vehicles on pathways or trails maintained by the Association;

(v) Constructing, erecting, placing, or modifying any thing, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article V of the Declaration. This shall include, without limitation, signs, basketball hoops, swing sets, and similar sports and play equipment; clotheslines; garbage cans; woodpiles; above-ground swimming pools; docks, piers and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind.

Standard TV antennas and satellite dishes which are twenty four (24) inches in diameter or less shall be permitted at the Project. Such over-the-air reception devices shall comply with all

Design Guidelines and other applicable provisions pertaining to the location and manner of installation; provided, such provisions do not unreasonably increase the costs of installation or unreasonably delay the installation of such devices. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Project, should any master system or systems be utilized by the Association and require such exterior apparatus; and

(w) Constructing any "ohana" dwelling, as defined in the Hawaii County Code, on the Lot.

Section 3. Prohibited Conditions.

The following shall be prohibited at the Project:

(a) Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Project; and

(b) Structures, equipment, or other items on the exterior portions of a Lot which have become rusty, dilapidated, or otherwise fallen into disrepair.