

ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION

RULES AND REGULATIONS

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**RULES AND REGULATIONS
RULE I (1)
HOUSE RULES**

1. To maintain the uniform appearance of the exterior of the buildings, any drapes, curtains, lanai furniture, or other items visible from the outside shall be in keeping with the original colors or must be approved by the Board or as delegated to the General Manager.
(See also Rule I (2).)
2. Nameplates, signs, etc., shall be placed only in places and in the form approved by the Board or as delegated to the General Manager.
3. All radio, TV, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules and regulations of the public authorities.
4. No plants shall be cultivated on the lanais.
5. No pets shall be allowed or kept in any part of the project.
6. No occupant shall use or permit to be brought into the building or common area anything deemed hazardous to life, limb, or property, such as gasoline, kerosene, naphthalene, or other combustibles of like nature, restricted-use pesticides, gunpowder, fireworks or other explosives.
7. No owner shall modify any portion of the common area without approval of the Board or as delegated to the General Manager. This includes, but is not limited to, entry bench, door and window hardware, locks, light fixtures, lanais, roofs, structural members, bearing walls, electrical feeds and rough-in plumbing.
8. No owner or guest will utilize any hot water heater or utility closet in the common area for storage.
9. No owner or their agent will deny access to any portion of the structures or other common areas for the purpose of evaluation, repair, and maintenance by those delegated by the Board for such work.
10. Occupants of each Unit shall be registered with the rental agent for that Unit, and the rental agent will make information available to the General Manager upon request in the event the information is required for purposes of the management of the property and the safety of the occupants. Information maintained by the rental agents shall include unit number, name, address and home phone of the occupant and the arrival and departure dates.

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Rule I (1) continued

11. All occupants and agents will show consideration regarding noise level including cell phone use both inside the units and in common areas. 10 p.m. through 8 a.m. shall be deemed quiet hours. Construction work hours will be Monday through Saturday from 8 am to 5 pm only. These hours will be strictly enforced.
12. No skateboarding, roller-skating, or roller blading is allowed anywhere on the property. Bicycling shall be confined to those areas in which it is appropriate for automobiles to operate.
13. Overnight parking on the project is permitted for registered occupants of the property and their guests with no assigned spaces. Employees of the General Manager and other rental agents will park in assigned areas as deemed necessary by the General Manager and the Board.
14. No personal property shall be stored in parking areas without the permission of the General Manager.
15. No vehicles shall be parked in such a way as to restrict access to any entrance or exit.
16. Mobile homes and camper-type vehicles are not permitted on the property.
17. All owners, guests and visitors are required to obey the laws of the County of Kauai, State of Hawaii, and the Federal Government.
18. Hawaii State law [S.B. No. 3262, S.D.1; H.D. 1; C.D.; Repeals Chapter 328K, Hawaii Revised Statutes] prohibits smoking except in designated areas.
19. All sporting activities, including but not limited to kite flying, Frisbees, football, paddle ball, catch, etc., will not jeopardize the safety of guests, owners or employees due to the location of the activity or competitiveness of participants.
20. All existing washers, dryers and other non-standard appliances must be registered with the General Manager. New washer and dryer installations are not allowed. Existing washers and dryers that fail may not be replaced. If any washer/dryer units are determined to be an electrical or plumbing safety hazard, action will be required at that time. Other non-standard appliance installations must be approved in advance by the Board or as delegated to the General Manager.

Adopted August 9, 1997
Modified May 5, 2003
Modified May 4, 2009
Modified May 9, 2011
Modified May 7, 2012

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**RULE # I (2)
UNIFORM APPEARANCE
OF THE EXTERIOR OF THE BUILDINGS
(See Rule I (1) HOUSE RULES (1))**

Door mats

The front entrance of each beachhouse will have the same door mat. Specifications are as follows:
3M Nomad Matting**

Chestnut Brown

36” x 24”

The Maintenance Department will monitor the outside of each unit. If a unit is not in compliance, a standard doormat will be placed outside of the unit and billed to the homeowner at cost.

Lanai furniture

To maintain the uniform appearance of the exterior of the buildings, lanai furniture must be similar in style, appearance, and in a range of colors. Furniture must be kept in reasonable condition. To achieve generally uniform style, material, color, and quality, the following guidelines are established:

Style

All furniture must be resort outdoor style. The recommended combination for main lanai and decks are 4-chairs (dining height), 1-table 36” – 42” round (dining height), 1-tea table 18” – 20”, 2-chaise lounges. For safety, bar height tables and chairs are discouraged. All furniture on each individual lanai must be uniform in color and style.

Material

Acceptable materials include aluminum/stainless framed outdoor furniture, polywood or other material which meets color, style and quality requirements. Chairs backs and seats can be finished with strapped, cross strapped, woven, sling backs, or faux wood. Tables must be similarly framed with acrylic slab, synthetic slab (faux wood) or other material designed specifically for outdoor use.

Color

Frames and fabric colors must be restricted to a range of earth-tone shades from white to brown. Example of acceptable colors are:

Snow C:4 Y:2 M:2 K:0 R: 242 G:242 B:242	Parchment C:2 Y:8 M:2 K:0 R:247 G:245 B:233	Pantone 4635 C:32 Y:85 M:62 K:20 R:151 G:96 B:54	Pantone 4705 C:36 Y:74 M:69 K:30 R:128 G:77 B:50	Coffee C:57 Y:74 M:61 K:57 R:67 G:55 B:41

Lanai furniture in other colors/shades is not allowed. This includes trim, accent colors, umbrellas or any other accessory piece.

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Quality

Regardless of manufactured materials, all chairs/chaise/seats must meet the standards set by the Business and Institutional Furniture Manufacturer's Association. Standards include: back strength functional load; back strength proof load; stability (backward/forward) leg strength; functional load; proof load; and impact strength. A copy of the chair standard is available from the administration office.

Lanai Tile

The lanai tile of each beachhouse will be of similar color. Specifications are as follows: Unicom Stonewave Warm 12x24 with grout #145 Light Smoke by Custom Building Products.**

Any alternative tile and grout or other material selection needs to be pre-approved in writing by General Manager prior to installation.

Entry Bench

Some units may have an entry bench. These benches must be approved in advance by the General Manager and Chair of the Buildings and Grounds Committee. Benches must conform to the "Exterior Bench Plan" dated May 9, 2011, on file with the General Manager

Window Coverings

The visible portion of any window covering must be white or off white.

Door Knobs on Exterior Closets

All exterior closets must use the following door knob:

Kwikset, Signature Series with Juno Knob, Venetian Bronze with Smart Key**

Miscellaneous Decor

No decorations can be hung on the exterior of the building with the exception of association provided room number tile and the "please remove your shoes" tile.

Hanging plants and chimes are prohibited.

Hanging towels or clothing from the lanai railing is prohibited.

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Non Compliance

If a beachhouse is not in compliance with any of the above mentioned rules, the homeowner will be contacted in writing by the General Manager (GM) and procedures to resolve noncompliance issues will commence. The GM will send three letters notifying the homeowner of the non-compliant item(s) and allow thirty days for a response. If after 90 days, the issue has not been resolved, the item(s) may be removed by the GM or fines will be imposed per 514B-104(11). The homeowner may file an appeal with the Board of Directors at any time but no later than 15 days after receipt of third and final notice.

** If the named products are no longer available, the General Manager will identify a replacement item.

Adopted May 5, 2008
Reformatted May 4, 2009
Modified May 9, 2011
Modified May 7, 2012
Modified May 16, 2016
Modified May 7, 2018

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RULE # I (3) UPGRADING UNITS

From time to time Homeowners wish to make improvements to their units. The Association's policy is to encourage upgrades to enhance owner and guest enjoyment. Because some changes may impact the common elements, and any change may have implications with respect to building structural issues and/or other units in the building, it is the responsibility of the unit owner to seek approval through the office of the General Manager with a "scope of work request". In some cases, the unit owner will be directed to seek Board approval. The General Manager shall provide a list of all improvement requests to the Board at their next regularly scheduled meeting for information, noting those which require Board approval.

All upgrades/renovations must be approved in advance by the General Manager.

Upgrades that traditionally have been initiated through the rental company homeowner liaison may continue in that manner, so long as the rental company liaison promptly obtains the General Manager's approval of the scope of work request. Approval of scope of work requests shall be made within the General Manager guidelines.

If a unit owner is not in compliance with this rule, the unit owner may be contacted by the General Manager, and the owner shall be financially responsible for any problems resulting from non-compliance.

A. All improvement requests, whether performed by Project employees or outside contractors:
1. A Homeowner must submit to the General Manager or rental company homeowner liaison a scope of work request noting all changes to the unit so that a determination may be made as to whether the plan will impact the common elements and/or have structural implications. A concept drawing shall be included where appropriate.

2. Unit owners who apply for or perform upgrades must waive any claim against the Association, or its insurers, for non-standard upgrades.

3. All units must comply with Hawaii Building Code so that all units located on the second or third floor may not use tile in any living or sleeping area. Acceptable flooring in sleeping and living areas must meet a minimum of IIC 50 sound insulation class to minimize noise. This may be accomplished with a heavy duty carpet and padding or other type flooring with sufficient insulating pad (except tile). Hard surface flooring, including tile may be used in the kitchen, hallway and bathroom. This shall apply to all new installations effective immediately. Existing installations that do not meet these standards may not be replaced with same type flooring but must meet the current standards for noise.

B. Unit modification involving change to a common element:

1. A copy of the building permit from the County shall be filed with the General Manager. Whatever drawings and forms are filed for the purpose of obtaining the building permit shall be deposited with the General Manager prior to the commencement of work.

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2. At the conclusion of work, an inspection shall be performed by the General Manager on behalf of the Association and Board prior to the unit being re-opened for occupancy. The inspection is to confirm the scope of work.

C. Installation of washer/dryer units is not allowed.

D. Interior renovation requirements for work performed by outside contractors:

1. All local and state building codes must be met.

2. Safety standards, including but not limited to containment of hazardous materials will be strictly maintained and enforced.

3. All electrical and plumbing work will be completed by licensed and insured contractors only.

4. Modification of any portion of the common area is not allowed without prior approval. This includes, but is not limited to, exterior door and window hardware, locks, exterior light fixtures, lanais, roofs. Modification of any structural members, bearing walls, electrical feeds, rough-in plumbing, etc. requires approval by the Board or as delegated to the General Manager [see House Rule I (1), paragraph #7].

5. Construction work hours will be Monday through Saturday from 8 a.m. to 5 p.m. only. These hours will be strictly enforced.

6. Contractors shall be required to provide evidence of insurance coverage for workers' compensation insurance, auto and general liability insurance with a limit of not less than \$1,000,000 naming the Association and the General Manager as additional insureds.

Introduction & Part A, B & C Adopted May 2, 1998

Part D. Adopted October 1996

Modified May 4, 2009

Modified May 7, 2012

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**RULE # I (4)
USE OF COMMON ELEMENTS: FACILITIES**

The common elements of the property include several facilities which can be used for several purposes. The Board of Directors adopts the following rules with respect to the utilization of the facilities of the Association:

- A) The Association facilities shall first be used for the operations and management of Kiahuna Plantation as shall be determined to be necessary by the General Manager.
- B) To the extent the Association has facilities which are not necessary for the operation and management of Kiahuna Plantation they shall be offered for the use of rental agents at an appropriate rate.
- C) Priority to lease shall be given to the rental company with the greatest number of units in its rental program.
- D) Next priority to lease shall be given to the rental company with the second largest units in their rental program, and so on (assuming comparable rents).
- E) When more than one company leases space in the same building, the terms and conditions made within the same time period shall be nearly equivalent as possible, subject to amortization of any tenant improvements.

Leases for a single structure shall be dependent on use and location.

Adopted May 2, 1998
Reformatted May 4, 2009

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**RULE # I (5)
ASSOCIATION CLOSETS**

The common elements of the property include a number of individual closets located outside of units. Because the number of these closets is insufficient to provide each unit with its own closet and because closets are being used by Homeowners without any legal claim and without necessarily being in proximity to the homeowners unit, the Board of Directors adopts the following rules with respect to such closets:

1. All Association closets presently in use by Homeowners shall remain in such Homeowner's use until sale of the owner beachhouse;
2. Upon sale of a beachhouse, any Association closet that was in use by the selling Homeowner will be returned to the General Manager; and
3. The General Manager, to the extent the closet is not needed for the maintenance of the property, not including housekeeping, will then assign use of the closet to a Homeowner.

Assignment will depend upon location of Association closet and previous requests for usage of closet by Homeowners. Priority will be given to units in close proximity to the Association closet, as well as to Homeowners who do not have use of an Association Closet.

Closets previously included in recorded deeds are not subject to this rule. Closets where there is access only through a unit are excluded from this rule.

Adopted May 2, 1998
Reformatted May 4, 2009

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**RULE #1 (6)
SIGNS ON PROPERTY**

Signs on Kiahuna property will be designed and placed to provide required information while maintaining a pleasing and consistent appearance.

General

1. Signs of any type can only be placed with the permission of the General Manager and consistent with this Board rule.
2. Approval of sign placement shall be based upon necessity, appearance and location with the purpose of maintaining a pleasant, uncluttered and pleasing appearance on the property as a whole and shall not be arbitrary or capricious.
3. The primary style of signs will be a dark brown wood or wood-look panel with raised white letters and raised white border.
4. “No Smoking” signs will be designed and located to be in compliance with State laws.
5. “Vehicle towing” signs will be designed and located to be in compliance with County and State laws.

Specific Types of Signs

1. Building number signs will be a uniform size and mounted with double posts.
2. Traffic or small directional signs may be mounted with a single post.
3. Plantation Gardens may replace existing signs as needed; changes and additional signs must be approved by the General Manager and consistent with this Board rule.
4. The Beach Hut lessee may replace existing signs as needed; changes and additional signs must be approved by the General Manager and consistent with this Board rule.

Open House Signs

1. When an open house is held in a unit, a real estate agent may place open house signs in two locations only, in agreement with the General Manager. Signs may only be in place between 9 am and 5 pm. Signs must be removed at 5 pm.

Adopted May 4, 2010

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RULE #1 (7) MOISTURE AND WATER LEAKS

The condominium project has experienced a number of occurrences where water leaks, spills or other moisture events within one beach house have given rise to mold in that beach house, in the common elements and in other beach houses within the building. Mold most frequently occurs as the result of moisture from water leaks and similar events. Mold can be a hazardous material and its presence may pose a health risk to owners, guests and personnel. As a result of this, the Board of Directors had determined it is necessary to adopt a house rule to respond to these situations.

Leaks

It is important to immediately address any leaks or standing moisture as it will quickly find its way through the ceilings, walls and floors and cause damage to surrounding units and common elements and create an environment in which mold can grow. Each owner and their rental agent have a duty to report immediately to the AOBO's Managing Agent the presence of leaks or standing moisture within their beach house. Upon the discovery of the presence of moisture or a leak within a unit, the owner and owner's rental agent will be immediately notified by the managing agent. Once the Association is notified of the presence of a leak or standing moisture within a beach house, it will conduct tests to determine the source of the leak or standing moisture, its severity, and whether it has penetrated or has occurred within the common elements, or penetrated or occurred within another beach house. Testing may include, without limitation, moisture level measurements and testing for the presence and source of leaks.

Periodic inspection

In addition, the Association may periodically inspect and conduct tests within beach houses for the presence of moisture and water leaks as it deems necessary or prudent. Inspections by the Association will be coordinated by the Managing Agent with notice to the beach house owner and such owner's rental agent and will be conducted without inconvenience to guests, where practicable. The Association will pay for the costs associated with performing these periodic moisture level inspections.

Repairs and remediation

The Managing Agent will arrange for the repair of the leak, the removal of the standing moisture and will undertake remediation by qualified and trained personnel. Once the source of the moisture is eliminated, the affected area must be dried completely to prevent the growth of mold. Depending upon its severity, this could involve a variety of methods, including removal of drywall, application of fans or heaters, and/or removal of carpet. A unit may need to be taken out of service to ensure the proper repairs.

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Expenses related to repair and remediation

If the source of the water leak is determined to have originated within an owner's unit, all expenses incurred by the Association in repairing the water leaks, removing standing moisture, and remediation, including but not limited to, costs associated with the use of certain equipment and the labor costs associated therewith, will be at that unit owner's expense and shall be reimbursed by the owner upon billing from Managing Agent as provided for in the applicable Hawaii Revised Statutes (HRS) sections 514B-104(11), 514B-144(d), 514B-145, and 514B-146 and any other relevant statutes. Owners are responsible for all costs associated with repairing common elements damaged as a result of owners' water leak and may be responsible for costs associated with other beach houses damaged as a result of leaks or moisture originating within their beach house. The Association will pay for the costs of the initial inspections.

Report to owners and rental agent

The results of all inspections, including any leaks, repairs and damages will be documented by the Managing Agent and provided to the affected owner, the owner's rental agent, and the AOBO.

Adopted May 8, 2015

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RULE # I (8) SERVICE ANIMALS (See Rule I (1) HOUSE RULES (5))

Pursuant to the Amended and Completely Restated By-laws of the Association of Beachhouse Owners of Kiahuna Plantation (Phases II, III-A, III-B, IV-A, and V), Article VI (Obligations of Beachhouse Owners), Section 3.L, “Except as permitted by Hawaii Revised Statutes 347, no dog, cats, other household pets, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project.”

In conjunction with the requirements of the Americans With Disabilities Act, HRS § 347-13(b) provides the “[e]very person who is blind, deaf, visually handicapped, or otherwise disabled shall have the right to be accompanied by a service dog, especially trained for the purpose of assisting the person in [places of public accommodation] without being required to pay an extra charge for the service dog; provided that the person shall be liable for any damage done to the premises or facilities by the service dog. No service dog shall be considered dangerous merely because it is unmuzzled.”

This House Rule is intended to implement rules regarding service animals at the Project.

Registration of service animals

1. All guests and owners must inform the managing agent / property manager that he or she intends to bring and keep a service animal at the property during his or her stay.

2. Upon arrival, the guest must register the service animal with security. The registration will require, among other things, that the guest provide and certify the following information:

- a. The service animal belongs to the guest/owner
- b. The service animal is required because of a disability;
- c. What work or task the service animal has been trained to perform;
- d. What unit the service animal will be staying in;
- e. Duration of the service animal’s stay; and
- f. Emergency contact information in the event the service animal is lost / found or if an incident occurs in connection with said service animal.

General rules

1. Service animals must be under control at all times. Service animals must be **harnessed, leashed, or tethered, unless these devices interfere with the service animal’s work or the individual’s disability prevents using these devices.**

2. Owners/guests must clean up after their service animals and will be responsible for any and all damage caused by their service animals. A minimum clean up charge of One Hundred Dollars (\$100) will be assessed for each incident where animal droppings are removed by project staff.

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3. Owners/guests will be responsible for any and all damage caused by their service animals and will reimburse the Association for any repairs done by the Association due to damage caused by their service animals. The Association may also charge the owner/guest an administrative fee equal to ten percent (10%) of the repair costs.

Exclusion of service animals

1. Any service animal that bites, growls, lunges at, or otherwise displays aggressive behavior toward any person at the project will be immediately removed from the property.

2. Any service animal that becomes a nuisance shall be immediately removed. Examples of nuisance include, but are not limited to, excessive barking, or by the owner/guests' failure or refusal to clean up after the service animal.

3. Owners/guests shall be responsible for any and all costs associated with the removal of the service animal.

Adopted May 16, 2016

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RULE #I (9)

PARKING AND VEHICLE REQUIREMENTS

1. Parking on the property is for vehicles in current and regular use. Regular and current use is defined as use within a period of less than 14 days.
2. Overnight parking on the project is permitted for registered occupants of the property and their guests. There are no assigned spaces for occupants or guests. Employees of the General Manager and other rental agents will park in assigned areas as deemed necessary by the General Manager and Board.*
3. All motorized vehicles must be registered and bear a viewable temporary or permanent parking permit.
4. Parking is available on a first come basis (unassigned) with a maximum of two vehicles per apartment.
5. All vehicles must be street legal (current registration and safety inspection) and be in good operating condition. Space limitations do not allow storage of unused vehicles.
6. Mobile homes and camper-type vehicles are not permitted on the property.*
7. Parking of large commercial vehicles is not allowed (defined by license plates, dual axles, wide or long beds, equipped with protruding or back-up signal devices etc.) as parking space sizes are necessarily designed for passenger vehicles. Exceptions to this rule will be allowed for deliveries, or vehicles used by contractors for renovations or other day work. All contractor work must be reviewed and on-file in advance of the commencement of work (see renovation guidelines).
8. Cars are not to be left unattended at the lobby entrance, driveways, loading zones, and/or maintenance/fire zone designated areas.* Violations will result in prompt towing after proper notice (At the owner's expense). Major repair of motor vehicles, cycles, or personal property is not permitted in parking spaces or stalls.
9. Motor vehicle operators are asked to minimize speed and noise levels during arrivals and departures. No recreational on-site use is permitted.
10. Any non-complying property will be considered as abandoned and may be discarded as such. Tire changing and any unobtrusive minor repairs excepted. Parking stalls are not to be used for personal property storage of any kind.*
11. Washing of any vehicle (automobile, motorcycle, etc) is prohibited.
12. Vehicles may not be stored on property without a storage-parking permit. Storage is defined as no use for a period of 14 days or more.

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13. Owners/tenants, whose principal place of residence is Kiahuna Plantation, who require additional time for storage of a vehicle during extended travel, can apply for a storage-parking permit at the Security Office. This will extend the period of time a vehicle may remain on the property unused.
14. No storage-parking permit will be issued to any unit owner/tenant during a period when the unit will be occupied.
15. Motor vehicles improperly stored will be subject to removal at the owners/operator's expense.

*These rules already exist in Rule #I (1) House Rules

Adopted May 7, 2018

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**RULE# II (1)
DELINQUENT MAINTENANCE FEES AND
OTHER AMOUNTS DUE THE ASSOCIATION**

The Hawaii Revised Code, the Declaration and By-Laws of Kiahuna Plantation Resort provide the Association, its Board and Management the power to adopt and amend budgets for revenues, expenditures, and reserves, and to collect assessments for common expenses, including utilities, from unit owners. The principal source of funds of this Association is the monthly Homeowner [hereinafter “unit owner”] assessment for the operating budget and the reserve fund. In addition, from time to time, the Association may undertake to provide other services or spend money for the benefit of unit owners. The timely receipt of amounts due from unit owners for Association fees or other charges is necessary for the financial health and stability of the Association and as a matter of equity with respect to all other unit owners. Unit owner dues are established annually with the budget adoption and are payable on a monthly basis. Although not a usual practice, from time to time it may become necessary for the Board, at a special or regular meeting, to make additional interim assessments with 30-day written notice.

The Board of Directors of the Association hereby adopts the following rule with respect to the payment of Association fees and other charges.

1. Unit owner maintenance fees are due in advance and payable on the first day of the month. [By-laws, Article VI, Section 1] Charges for utilities, land lease audit fees, key charges for offsite rental agents, and reimbursements for homeowner repairs and maintenance costs may be included with this billing and shall be payable on the first day of the month. It is the responsibility of the unit owner to ensure that payments are timely made. Payments may be made by EFT (electronic financial transfer) or by individual check, and by other means which may be made available by action of the Board.

2. Other amounts for utilities or other charges that are separately billed are due on the first of the month subsequent to their date of billing by the Association, or within 15 days, whichever is greater.

3. An amount due is in default and a late charge of \$50.00 will be assessed to unit owners whose payments have not been received by close of business Hawaii Standard Time on the 15th day of the month of the due date thereof; except that payment with respect to bills addressed to an APO box or to a foreign country will not be subject to a late charge if received by the 25th day of the month. If the 15th or 25th day falls on a Sunday or holiday, the required date of receipt will be the next business day subsequent to the 15th or 25th. A Late Fee shall be assessed to unit owners for every subsequent month in which any balance or partial balance, including fees, fines, interest, and collection costs including attorney fees, remains unpaid.

4. Interest of not more than 18 percent (18%) per annum will be charged on all delinquent amounts as of the beginning of the second month any sums are in default, and for each month subsequent thereto until all past due amounts have been paid. The interest rate per annum may be reviewed and/or reset annually by the Board.

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5. All payments received by the Association, regardless of the amount paid, are applied first to due and unpaid charges, oldest coming first, in this order: utilities charges, land lease audit fees, key charges for offsite rental agents, reimbursements for homeowner repairs and maintenance costs, fines, late charges, interest and costs of collection, special assessments, and then to the oldest assessment balance until such time as all maintenance fee assessment balances are paid, unless otherwise specified by written agreement between the owner and the Board.

6. Failure to pay late fees, legal fees, fines, interest and other collection costs may result in the deduction of such charges from future common expense payments, so long as a delinquency continues to exist. Late fees may be imposed against any future common expense payment that is less than the full amount owed because of the deduction from the payment of unpaid late fees, legal fees, fines, and interest.

7. If the unit owner participates in a rental program, and amounts in default remain due and payable a second month, the General Manager on behalf of the Board will collect such amount from the rent receipts due the owner, along with any other amounts that subsequently become due and remain unpaid, by (1) a Demand letter to the rental agent and (2) notice by both first-class and certified mail to the delinquent unit owner pursuant to Hawaii Revised Statute 514B – 145, together with a copy of the Demand letter sent to the rental agent.

8. The Association shall charge a “returned check charge” of thirty-five dollars (\$35.00) for all checks returned as “non-negotiable,” “insufficient funds” or any other reason. A charge of thirty-five dollars (\$35.00) shall be charged for any EFT transmission that is refused by the owner-designated financial institution.

9. The Association may recover all reasonable costs incurred in collecting any delinquent assessment, including reasonable attorney’s fees

10. All sums assessed by the Association for the share of the common expenses chargeable to any unit that are unpaid shall constitute a lien on the unit with priority over all other liens (except for government imposed tax liens or prior recorded mortgage of record liens) and may be subject to foreclosure procedures set forth under the Hawaii Revised Statutes. Authorization to file such a lien shall be made by the Board and may be delegated to one or more officers of the Board.

11. Foreclosure procedures may be instituted, pursuant to the provisions of Hawaii Revised Statutes 514B-146, by the Board on behalf of the Association, in like manner as a mortgage of real property.

12. Where a unit is owner-occupied, the General Manager is authorized by the Association, on behalf of the Board, to terminate the delinquent unit’s access to the common elements and cease supplying said unit with any and all services normally supplied or paid for by the Association. This restriction may apply in conjunction with, or as an alternative to foreclosure proceedings, subject to sixty (60) days’ written notice to the unit owner and to the unit’s first mortgagee regarding the nonpayment of the unit’s share of the common expenses. Any terminated services and privileges shall be restored upon payment in full of all delinquent assessments.

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13. When a unit owner self-rents his/her unit, thus making days unavailable to any agent, the unit shall be considered “owner occupied” and subject to section 12, above. If the Association knows of any person or organization acting as the owner’s agent for collection of rent monies, both the owner and the agent will be subject to a Demand for rental monies owing.

14. Payments are due regardless of personal exigencies that may arise; unit owners or their representatives are responsible for contacting the General Manager in instances when alternate payment arrangements need to be made. Payments also are due under circumstances of property damage sustained by the resort, and payments may have to be increased or decreased by Emergency action of the Board in connection with such a circumstance.

15. Under Hawaii law, a unit owner has no right to withhold assessments for any reason. (HRS 146 (c) (4).

(a) A unit owner may not avoid late charges and other penalties set forth in this rule by repeatedly going in and out of default. Nor may the Association informally deduct from rental receipts upon unit owner request. The Association and the Rental Agent are two separate entities with separate accounts and responsibilities. The Board, on behalf of the Association, may levy a penalty fine up to the amount of a full month’s assessment against a unit owner who repeatedly is in default.

(b) A unit owner who disputes the amounts billed as due and payable, including late fees, legal fees, fines, interest or collection costs, and disputes any rental receipts withheld, may appeal to the Board for review and an opportunity to be heard. Upon proper written notice to the Board, the Board shall hear the unit owner at its next regularly scheduled meeting. This does not permit the unit owner in the interim to withhold payment of amounts billed.

(c) The Board may, for good cause based upon the Board’s sole discretion, agree to a written and signed payment plan which permits structured payment of the delinquent assessment(s) late charges, fines, interest and collection costs.

(d) Unless the Board agrees to a structured payment plan, as in section 15 (c) above, all amounts due pursuant to this rule, and all other monthly fees and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.

(e) Provided that the fines disputed have been paid, and if the unit owner is not satisfied with the results of a Board hearing, the unit owner shall have the right to initiate a small claims court action or a dispute resolution process as provided under the Hawaii Revised Statutes.

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RULES AND REGULATIONS**

16. **Notice** to a unit owner regarding default shall be made as follows:

(a) Upon the **first month**'s default, a billing shall be sent to the unit owner by First Class mail for the amount past due, including the late fee, with notice that a second month's default will incur interest charges and additional late fees for any amounts remaining unpaid. Such notice will also advise the unit owner that amounts due and payable will be collected from rental receipts through the rental agent if not received by close of business on the 15th day of the second month (or 25th day for foreign countries) or any subsequent months in which any sum due remains unpaid. [See also Section 16(b), below.]

The General Manager or her/his staff may make a courtesy call to the unit owner to identify any error or misunderstanding that may have occurred. In such case, the General Manager is authorized to waive the late fee charged an owner for the first month's default if in their judgment that is appropriate. Generally such waiver shall not be given to the same owner more than once in any two year period.

(b) Upon the **second month's default**--at close of business on the 15th day of the month (or 25th day for foreign countries), a notice pursuant to the Hawaii Revised Statutes, the By-Laws of the Association, and this Rule, shall be sent to the unit owner by both First Class and Certified Mail for all amounts due and payable. Such notice shall detail the amounts remaining due and unpaid, including late fees, fines and interest, and shall state the intent of the Association to immediately withhold such amounts from rental receipts otherwise due the unit owner from the rental agent until all amounts, along with any other amounts that become due and remain unpaid, are paid in full.

(c) All above-referenced notices will be mailed to the unit owner at the last mailing address provided in writing to the Association by such unit owner.

(d) The mailing address (for regular or overnight mail payments) for all sums due the Association is: Kiahuna Plantation Resort, The Administration Office, 2253 Poipu Road, Koloa, Kauai, Hawaii 96756.

(e) The mailing address for requests for a Board Hearing should be addressed to the President of the Association Board of the Kiahuna Plantation Resort, 2253 Poipu Road, Koloa, Kauai, Hawaii 96756.

Adopted: May 5, 2001
Amended: Nov. 10, 2007
Revised: May 5, 2008
Revised: May 16, 2016

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

**RULE# II (2)
CONTRIBUTION TO COMMUNITY ACTIVITIES**

The Homeowners of Kiahuna Plantation, in recognition of their obligation to be active participants in the community of Poipu Beach, the town of Koloa, and the Island of Kauai and to provide support for worthwhile community activities of a non-political nature adopt the following procedures to facilitate the participation of the Association of Beachhouse Owners of Kiahuna Plantation as a collective group.

A. Contribution will be made only to those groups and activities that benefit the community of Poipu Beach, the town of Koloa and the Island of Kauai and its full-time inhabitants. Preference is to be given to groups and inhabitants located in the vicinity of Poipu Beach, the town of Koloa, the south shore of the island of Kauai and the Island of Kauai in that order. No contributions shall be made that directly benefit a member or family of the employees of the Association other than as a member of the community.

B. Requests for support shall be made on behalf of community groups and shall be directed to the General Manager of the property. Requests should include a statement describing the membership of the group, the geographic area which the group represents, and the use to which any funds contributed will be put.

C. The General Manager must provide recommendations as to requests and the level of support to be provided. A record of all approved requests shall be available to any Homeowner upon request and will be announced to the Homeowners at the Annual Meeting and reflected in the minutes of such meeting.

D. The following levels of approval shall be required:

1) Contributions of up to \$500 to one group or activity during the course of a calendar year shall require the approval of the President of the Association;

2) Contribution of more than \$500 and up to \$1,500 to one group or activity during the course of a calendar year shall require the approval of the President and the Chair of the Finance Committee;

3) Contribution of more than \$1,500 to one group or activity during the course of a calendar year shall require approval of the Board of Directors.

E. No contribution shall be made that violates any legal restriction of the State of Hawaii or the tax laws of the United States on contributions made by a not-for-profit association such as the Association of Beachhouse Owners of Kiahuna Plantation

F. The total contributions for any year shall not be in excess of the amount budgeted for such contributions in the annual budget for the year, except as approved by a unanimous vote of the Board of Directors in the case of a major natural disaster.

Adopted April 29, 2000
Reformatted May 4, 2009

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

RULE# II (3)

HOMEOWNER RECOGNITION AND MEMORIALS AT KIAHUNA PLANTATION

Kiahuna Plantation is a special place in the hearts of its Homeowners. The number of Homeowners who have unselfishly given of their time and efforts to preserve the unique charm of Kiahuna Plantation is so large as to make the recognition of all such Homeowners individually impractical.

The Board of Directors in recognition of this fact adopts the following rule to recognize significant events in the history of Kiahuna Plantation and the individuals who are collectively associated with those events:

- A. Nominations of an event worthy of recognition may be made to the Board of Directors by any Homeowner, including a Director. Any nomination shall include a description of the significance of the event and the individuals who were associated with such event.
- B. An event to be recognized must be approved by the Board of Directors
- C. Recognition shall be in the form of an appropriate certificate to be approximately 8 inches by 11 inches. The certificate shall contain a short description of the event and the individuals who significantly participated in the event. Such description and listing of individuals to be approved by the Board of Directors.
- D. The certificates shall be displayed in the main guest reception on the property.
- E. Duplicates of the certificates shall be prepared and presented to each of the individuals, or their families if the individual is deceased.
- F. The existing memorial plaques affixed to the twin bridges shall be maintained but no further plaques shall be placed on the bridges in the future.

Adopted February 6, 1999
Reformatted May 4, 2009

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
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**RULE# II (4)
HOMEOWNER'S INSURANCE**

As provided for in Section 514B-143(g) of the Hawaiian Revised Statutes each owner is required to obtain and maintain, at the owner's sole cost and expense, a policy, or policies, of condominium owner's insurance for property damage and general liability.

The amount of insurance set by the Association shall, at a minimum, include:

1. Coverage for property damage due to a named hurricane.
2. Coverage not less than \$25,000 for dwelling damage (typically Coverage A) (including any deductible to be paid under the Association's policy).
3. Coverage not less than \$25,000 for Personal Property (typically Coverage C).
4. Coverage not less than \$35,000 for Loss of Use (typically Coverage D).
5. At least \$20,000 in Loss Assessment coverage.
6. At least \$300,000 for general liability.

The coverages listed above are typically covered by insurance carriers in policies commonly referred to as "HO-6" policies. Any policy or combination of homeowner insurance policies that provides for the specified coverages will be considered compliant with this rule, whether the policy is titled "HO-6" or not.

The policy or policies of insurance required pursuant to this rule shall be written with an insurance company that is licensed to do business in the State of Hawaii and be written as primary insurance, separate and apart from any insurance coverage that the Association may carry.

Each owner shall deposit with the Association proof of such current insurance such as certificates of insurance issued by the owner's insurance carrier, insurance agent or insurance broker certifying that the owner has in effect all insurance required pursuant to this rule. If a unit owner fails to provide proof of the insurance required by this Rule, or fails to maintain such insurance, then the Association may, but will not have the obligation to, purchase the insurance coverage and charge the premium cost, or costs, to the unit owner.

The Association may, but is not required to, contact the insurance carrier, agent or broker, or to otherwise verify that the coverage required by this rule has been maintained.

The adequacy of the minimum insurance coverage hereby required may be subject to review by the Board from time to time. If it appears in such review that the amount of insurance is inadequate, the Board may increase the minimum insurance required by amending this Rule after providing not less than three (3) months' advance notice to the owners.

Adopted May 3, 2018

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RULES AND REGULATIONS**

**RULE# II (5)
FINES ENFORCEMENT POLICY**

In an effort to encourage compliance with Project Documents and to provide owners an opportunity to correct violations and to provide the AOBO with legal recourse in the event of willful failures to correct violations, The Board of Directors has adopted the following schedule of fines for any violation of the Declaration, By-Laws, House Rules or other governing documents affecting the Condominium Property Regime of Kiahuna Plantation (Phases II, III-A, III-B, IV-A and V) (collectively, the “Project Documents”). These fines will be effective **June 1, 2019**, and may be imposed against any apartment owner for any violation by an owner, an owner’s tenant, family member, guest, agent, and/or employee, for violations of any of the Project Documents after that date.

1. AMOUNT OF FINES.

- A. **First Offense.** Verbal notification with written documentation of the violation.
 - B. **Second Offense.** A fine in the amount of One Hundred Dollars (\$100) may be assessed against the offender if the violation is not corrected within thirty (30) days of notification of the First Offense or a plan for correction of the violation has not been presented to, and accepted by, the AOBO within seven (7) days thereafter.
 - C. **Third Offense.** An additional fine in the amount of Two Hundred Fifty Dollars (\$250) may be assessed against the offender if the violation is not corrected within sixty (60) days of the original notification or fourteen (14) days after the correction plan has been presented to and accepted by the AOBO without corrections.
 - D. **Fourth and Subsequent Offenses.** An additional fine in the amount of Five Hundred Dollars (\$500) may be assessed against the offender if the violation is not corrected within ninety (90) days of notification of the First Offense or thirty (30) days after the correction plan has been presented to and accepted by the AOBO without corrections. A daily fine of One Hundred Dollars (\$100) will be assessed against the offender thereafter until the violation is corrected and/or a plan of correction has been presented, accepted by the AOBO and correction has been implemented.
- 2. CITATIONS.** Each citation issued will note the date of the offense and briefly describe the nature of the violation. Copies of citations issued against an owner’s tenant, guest, family member, agent, and/or employee will also be sent to the owner. Mailing the citation to the address of the owner at the address on file with the Association and email on file with the Association shall constitute notice of the citation. Citations will be issued by the AOBO Board and/or the Legal Committee of the AOBO.

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- 3. PAYMENT OF FINES AND LIABILITY.** Unless appealed as permitted below, a fine must be paid to the Association no later than the date that is thirty (30) days after the date of the assessment as described above. All fines for violations of the Project Documents will be levied against the owner of the responsible beachhouse. If the owner fails to pay or appeal a fine within thirty (30) days after the date of the assessment, then the fine will be deemed a common expense chargeable against the owner's beachhouse. The Association may file a lien against the owner's beachhouse for any unpaid fines and may collect the unpaid fines pursuant to the Declaration for collection of delinquent assessments. The owner will also be assessed a late fee of Twenty Five Dollars (\$25) for each month the fines remain unpaid.
- 4. APPEAL OF FINES.** Any citation or fine may be appealed by the owner within thirty (30) days of the date of the citation. The owner may appeal to the Board by mailing or delivering written notice of appeal to the Board in the care of the Managing agent.

If an appeal is made to the Board, the notice of appeal must contain a copy of the citation, a statement of the facts of the offense, the reason for appeal, the names and addresses of any witnesses, and copies of any proposed exhibits. The owner, tenant, or other offender may appear at a Board meeting to provide additional information or the Board may ask the owner, tenant, or other offender to appear.

The Board may reduce, suspend, or cancel any citation or fine after consideration of the appeal. The Board will mail or deliver a written decision to the person making the appeal within thirty (30) days of the receipt of the notice of appeal; provided, however that if the owner, tenant, or offender appears at a Board meeting, the decision will be mailed or delivered within thirty (30) days after the Board meeting.

Pending an appeal to the Board, the owner need not pay a fine and no lien shall be imposed on an owner's beachhouse and no late fees shall accrue.

The decision of the Board of Directors may be appealed to a mediator or arbitrator, as provided by the Hawaii Condominium Property Act (HRS Section 514B-161 (Mediation) and 514B-162 (Arbitration)), but all fines must be paid in full pending such further appeal.

Adopted May 6, 2019

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

**RULE# III (1)
INSURANCE REQUIREMENTS FOR RENTAL AGENTS**

The Homeowners of Kiahuna Plantation have individually contracted with various parties to act as their agent with respect to the rental of their individual units. Operation of a rental program on the resort creates an exposure of risk loss to the Association and other individual Homeowners, as a result of the conduct of a rental agent or the renters which the agent places in the units. In order to protect the assets of the Association and the individual Homeowners from loss, the Board of Directors adopts the following rules with respect to insurance coverage which Homeowners shall require of their rental agents:

All Homeowners shall require that any rental agent which they employ with respect to their unit at Kiahuna Plantation shall maintain proper insurance coverage with respect to their activities. Each rental agent shall be required to provide the Association with proof of coverage at least sufficient to conform to industry practice in the State of Hawaii.

Homeowners shall be allowed 45 days to obtain compliance by current rental agents. Any Homeowner seeking to retain a rental agent not currently operating at Kiahuna Plantation shall have that agent provide proof of coverage prior to commencing operation. Any owner acting as their own agent and doing direct rentals will need to obtain liability insurance coverage and submit a copy to the Association prior to initiating any direct rentals.

Adopted May 2, 1998
Modified May 4, 2009

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RULES AND REGULATIONS**

**~~RULE# III (2)~~
GUEST AMENITIES**

~~The Kiahuna Plantation Condominium Project (Phase II through V collectively the “Project” or “AOBOKP”) was originally constructed with the intent of being a first class resort condominium project with full access to a combined tennis and swimming pool facility.~~

~~In order to maintain the Project’s status as a first class condominium project, the Directors of the AOBOKP have adopted a rule requiring that all apartments being offered for rent under any rental program must provide access to a tennis and swimming pool facility comparable to the Kiahuna Tennis & Swimming Club located across Poipu Road from the Project for use by owners, guests and tenants.~~

Adopted February 9, 2002
Reformatted May 4, 2009
Rescinded May 5, 2014

ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION RULES AND REGULATIONS

RULE# III (3) THE ASSOCIATION'S SECURITY SYSTEMS

The AOBOKP has established a uniform keyed entry system for all beachhouses which allows it to provide security and emergency services, and allow for entry into a beachhouse in order to prevent damages to other beachhouses. For example, a water leak in a beachhouse could cause damage to surrounding beachhouses. In addition, the Association provides, at common expense, various maintenance services to all beachhouses such as pest control and screen cleaning and repair. These services also require access to the beachhouses.

This key system is the only one the Association will allow so we can maintain our ability to efficiently and effectively perform our responsibilities to all owners. Having multiple key systems will impair the Association's ability to perform its functions.

The key system is controlled by software and encoders which imprint a code on a key at the time the key is made. The encoders are operated by the on-site rental agents as part of their service to their program participants. The life of the key is limited at the time it is made. If a new key or keys are made at any time a new code is entered and the existing keys will no longer function. The software does allow for a master key to be created which is not disabled when new keys are made. The master key is limited as to the beachhouses to which it applies.

As an additional part of the Associations security system the association's phone system has an automatic notification feature which allows for emergency messages to be sent to each beachhouse if the need arises.

All guests are required to be registered with the Association's Security Department with their dates of occupancy so the Association's security staff can make sure there is no unauthorized occupancy of beachhouses and so Security will have information to notify the rental agent in the event of an emergency involving an occupant of a beachhouse.

The following is the AOBOKP's rules/policy regarding rentals. It applies to all rental agents operating at Kiahuna. On-site rental agents (currently Outrigger and Castle) are those who have an office and front desk on the grounds of Kiahuna located within Phases 1-5. Off-site rental agents are those that have an office located off Kiahuna property. Their office is located elsewhere on Kauai. An owner rental agent is an owner who acts as his/her own agent. He/she may have a full service rental program or it may be composed of independent contractors/service personnel hired and supervised by the owner-agent.

The on-site rental agents have a system set up to deal with keys for entry into the units and parking passes. They also have a software system set up for ease of telephone call accounting. Both on-site rental agents have encoders with which they can make keys for their guests. The Association will provide keys for off-site rental agents and owner-agents for a charge. See **Rule III (4)**.

Adopted May 7, 2012

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RULES AND REGULATIONS**

**RULE# III (4)
REQUIREMENTS FOR RENTAL OF BEACHHOUSES**

1. **Keys.** The Association will provide a key to the owner of an owner-occupied beachhouse. The Association is not in the rental business and has no responsibility to provide keys to guests or service personnel.

As an accommodation to owners-rental agents and to off-site rental agents, the Association will prepare a set of twenty (20) keys. The keys will be programmed to be active for six (6) months. The keys will be available at the Association office for the owner-rental agent or an off-site rental agent to pick up. There will be a charge of \$250. This charge will apply each time a new set of keys has to be made. Making new keys will render all the existing keys inoperable.

The Association strongly recommends that any owner-rental agent or off-site rental agent who cannot account for all keys issued to them arising, for example, from an occupant losing a key or failing to return the key, have a new set of keys made.

Any owner-rental agent or off-site rental agent requesting a set of keys is solely responsible for providing keys for access to the beachhouse for either occupants or service personnel. Keys may not be left at or around the beachhouse, for example, under a mat, in a plant or bush, or in a lock box. The Association is not responsible for providing, and will not provide, entry into a beachhouse for personnel, other than Association personnel, servicing a beachhouse. Security will provide access to an occupant who has left a key within a unit. Access will normally be provided only once during a stay. Association security cannot be used as an alternative to having a properly encoded key. Repeated requests for entry into a unit will create a presumption that keys have been lost and new keys need to be made.

The Association is not responsible, and shall not be liable, for any loss, theft, or damage to the personal property of any guest occupying a beachhouse.

2. **Parking Passes.** The Association will, at the time keys are provided, also provide the owner-rental agent or the off-site rental agent with thirty (30) parking passes. To be valid the parking pass must set forth the beginning and ending date for which the pass is in effect. These dates shall not be for a greater period of time than the dates that the guest will occupy the beachhouse. A parking pass must also be used by service personnel who will be performing duties at Kiahuna. The parking passes can be picked up at the Administrative Office. This pass shall only be valid for the date and time that the service is performed. These passes shall not be given out for open ended or long term parking at Kiahuna.

3. **Beach Towels.** The Association instituted a trial beach towel control system for the Beach Hut. Under the system, at check-in, the occupant of a beachhouse will obtain one card for each occupant/guest registered in the unit. (Although this is subject to rental agent discretion, we hope that the rental agents will honor our request that only one card per occupant is given out.). The card is to be exchanged for a beach towel. The card is to be returned to the guest when the beach towel is returned. There is no limit on the frequency that a guest can obtain beach towels. The limit is that only one towel will be given out at a time. At the end of the stay, the guest will return the

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card(s) to their rental agent. Initially no charge would be involved. After a trial period a charge (not yet determined but probably established by reference to the cost of towels) may be placed on the rental agent for additional cards they might need. For the on-site rental agent, the Association issued 4 cards for each one-bedroom unit and 6 for each two bedroom unit. For owner-rental agents who mail keys to guests, 20 cards were issued. Off-site rental agents with an office at which guests receive unit keys received the same number of towel cards as on-site rental agents. (4 for each one bedroom unit in their rental program and 6 for each two bedroom unit.)

4. **Notification.** AOBOKP Security must be provided with reasonable notification to the security office, one week preferred, any time a beachhouse is to be occupied, whether pursuant to a rental or not, or when service, other than housekeeping, is to be provided to a beachhouse. Notification will include the names and number of occupants and the period of occupancy, a home address and home phone number and cell phone number, if available.

With respect to service personnel, notification shall include the name of the entity and individual(s) that will be providing services, the services to be provided, a copy of their license to do business in the State of Hawaii, proof of 1million dollar liability insurance and workman's compensation insurance for all employees, the date and time of expected service and contact numbers on the island of Kauai. On-site presence is limited to those required to perform the service. The date and time of housekeeping service does not need to be specified for each entry but services must be provided during normal working hours and in a manner so as to minimize disturbing other guests. All personnel performing maintenance functions must follow house rules regarding working hours and noise disturbance.

5. **Phones.** All beachhouses must have an Association phone. The Association has minimal charges for local and long distance calls which it passes along to the rental programs. On-site rental programs charge their guests for telephone use and are responsible for payment of the minimal charge to the Association. Any beachhouse owner who is an owner-agent or uses an off-site rental agent should clarify the call accounting with the Association as to how the call accounting system will function. The beachhouse owner is ultimately responsible for any charges arising from the use of the Association phone. **Rule I (1) 3.**

6. **Safes.** All beachhouses must have an Association safe. The Association provides safes and their keys to all units and is responsible for maintenance of the safe. There is a \$25 charge for key replacement. On-site rental agents pay this amount to the Association when one of their guests loses a key. Any beachhouse owner who is an owner-agent or uses an off-site rental agent should clarify the payment of lost safe key charges to the Association. The beach house owner is ultimately responsible for any charges arising from lost safe keys.

Such charges shall be subject to the Association's Rules on Delinquent Amounts **Rule II (1).**

ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION RULES AND REGULATIONS

7. **Association Rules.** Occupants of any beachhouse remain subject to all Association rules. **Rule I (1).**

8. **Damages.** Damages to the common elements or any Association property, including the Association phones and safes, by an occupant of a beachhouse, rental program personnel, or individual, other than an Association employee providing service to a beachhouse, are the ultimate responsibility of the beachhouse owner. It is important for each owner to clarify how their rental program deals with responsibility regarding occupant and personnel caused damages and payment for damages.

Such charges shall be subject to the Association's Rules on Delinquent Amounts **Rule II (1).**

9. **Insurance.** All rental agents serving Kiahuna Plantation (on-site; off-site; owner-agents) must carry a commercial liability policy insuring the agent against risks of bodily injury and/or property damage, innkeeper's legal liability, personal and advertising injury and products, and completed operations, arising out of the rental program. Such insurance shall be a combined single limit policy in amounts of not less than ONE MILLION DOLLARS per occurrence. Homeowners of Kiahuna Plantation and the AOBOKP shall be named as additional insured under their rental agent's liability policy. All homeowners should clarify that their agents or service personnel have proof of liability insurance in the amount of \$1,000,000. The agents and service personnel must also carry worker's compensation insurance. Service personnel or rental agent personnel who will be driving on property must carry \$1 million of liability and \$1 million of auto insurance. Homeowners of Kiahuna Plantation and the AOBOKP must be named as an additional insured on the liability policies. Proof of insurance may be requested from the owner or rental agents by the Association. **Rule III (1)**

10. **Swim and Tennis.** All beachhouses offered for rent must provide access to a tennis and swimming pool facility comparable to the Kiahuna Tennis & Swim Club. Homeowners may be requested to provide the AOBOKP with proof that any required dues are current. **Rule III (2)**

10. **Service Vehicles.** Anyone providing service to a beachhouse shall comply with the AOBOKP rules regarding the use of service vehicles on the property and sidewalks. **Rule IV (1).**

11. **Beach Services.** Use of beach services amenities provided, including but not limited to towels and chairs, shall be restricted to use on the beach or lawn and should not be used in the beachhouses or off property.

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12. **Agent Contracts.** All rental agents operating at Kiahuna shall provide AOBOKP with a sample copy of their contract with any agent. All homeowners shall have a contract with their rental agent. The Rental Agency Management Contract should include, at a minimum, that the agent

- a. is currently in, and will operate in, compliance with all federal, state and county laws
- b. carries appropriate levels of liability, workers' compensation, and other insurance
- c. provides interior maintenance services in compliance with AOBOKP rules and state and federal rules
- d. will comply with AOBOKP rules
- e. will honor AOBOKP requests for distributions if owner is delinquent to AOBOKP
- f. shall hire and supervise all personnel and employees, or independent contractors necessary for the operation of a rental program.

Adopted May 7, 2012

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**RULE# IV (1)
ELECTRIC CART USE, INCLUDING SIMILAR VEHICLES**

Because of inconvenience to guests, detraction from the physical beauty of the property, serious damage caused to landscaping and sprinklers, and noise and general disruption, the Board of Directors of the Association adopt the following rules regarding the use of carts at Kiahuna Plantation

General Rules

- A. Roadways, and not sidewalks, are to be used to travel around the property. Sidewalks are for guests and are not cart paths.
- B. Except in emergencies carts are not to be parked directly in front of a unit. This interferes with guest access and may also hinder emergency situations.
- C. Load/Unload must be limited to articles that cannot be easily carried (linen, wheelchairs, etc.). Sidewalks may be utilized for the purpose of loading and unloading. The maximum time allowed for loading or unloading will be ten minutes. Immediately after unloading carts must be moved and parked in a proper location away from buildings and sidewalks.

Rental Departments (Housekeeping, Bell Services, Keiki Club, etc.) will be expected to strictly adhere to the ten minute load/unload policy.

Association Departments (Security, Grounds, Exterior Maintenance), if the circumstances require, will not be restricted to a load/unload time limit.

Interior Maintenance will not be restricted to a ten minute rule if special types or quantities of tools, equipment or supplies are required to service a unit.

Adopted May 2, 1998
Modified May 4, 2009

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

**RULE# V (1)
APPOINTMENT OF EX-OFFICIO
MEMBER OF THE BOARD**

Because the affairs of the Association are frequently complex and the practices and policies of the Association are founded in long standing relationships and are the result of circumstances of which recently elected members of the Board may be unaware, the Board of Directors adopts the following rule with respect to the appointment of an Ex-Officio member of the Board of Directors:

The immediate past President, not currently serving on the Board, shall be appointed as a non-voting Ex-Officio of the Board, provided that individual is willing to serve in this capacity.

Where the immediate past President is unavailable to serve as Ex-Officio for whatsoever reason, then the President (subject to Board approval) or the Board of Directors may choose another former member of the Board whose valuable experience can contribute the most to the Board as a non-voting Ex-Officio member of the Board of Directors.

Adopted May 2, 1998
Reformatted May 4, 2009

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

**RULE# V (2)
EXPENSE REIMBURSEMENT FOR BOARD MEMBERS**

Individual Homeowners as members of the Board of Directors, members of various Committees of the Association, and in their individual capacity incur expenses traveling to meetings of the Association, or its Committees, and in performing other functions for the Association. In recognition that all such activities are offered and performed without compensation adopts the following rules with respect to the reimbursement of travel and other expenses:

BOARD OF DIRECTORS AND EX OFFICIO MEMBER

All members of the Board of Directors, including an Ex Officio Member, shall be entitled to recover the following expenses for travel to meetings of the Association Board, other than meetings held in connection with the annual meeting and meetings held on Kauai:

Round trip airfare at economy rates and one checked bag,

Actual cost for meals (not including alcohol),

Designated hotel room (or equivalent) when overnight stay is required,

IRS mileage reimbursement rate for those driving personal cars to meetings,

Transportation expense to and from airport/meeting locations, and

Parking fees at airports and meeting locations

All members of the Board of Directors, including an Ex Officio member, shall be entitled to recover the following expenses for travel to annual meetings and meetings held on Kauai:

Transportation expense to/from home and originating airport,

Round-trip airfare at economy rates for continuing or outgoing members and one checked bag,

A flat \$150.00 for incidentals,

If an overnight stay on Oahu, or another city is required for air travel, moderate rate hotel room for one night will be reimbursed.

Automobile / transportation expenses on Kauai are not reimbursable.

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

OTHER EXPENSES

Members of the Board of Directors, with approval of the Board, may be reimbursed for actual and reasonable expenses for telephone, postage, shipping, copying and office supplies incurred on behalf of the Association.

PROCEDURES FOR CLAIMING

Within 6 months of the meeting, Board Members shall send expense reports directly to the General Manager of the property for approval and payment and subsequent review by the Treasurer. Receipts for expenses, other than automobile travel, must be attached.

Adopted May 2, 1998
Amended November 15, 2003
Amended May 17, 2007
Modified May 4, 2009
Modified May 9, 2010

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

**RULE# V (3)
EXPENSE REIMBURSEMENT FOR COMMITTEE MEMBERS**

All members of a Committee of the Association shall be entitled to recover, to the extent authorized by the Board of Directors, the following expenses for attending Committee Meetings other than those held in conjunction with the Annual Meeting of the Association.

Round trip airfare at economy rates,

Actual cost for meals (not including alcohol),

Designated hotel room (or equivalent) when overnight stay is required,

IRS mileage reimbursement for those driving personal cars to meetings,

Transportation expense to and from airport/meeting locations, and

Parking fees at airports and meeting locations

OTHER EXPENSES

Committee members shall be allowed to recover actual and reasonable expenses for telephone, postage, shipping, copying and office supplies incurred on behalf of the Association.

PROCEDURES FOR CLAIMING

Members of committees shall submit expense reports to the President of the Association for approval. If expenses are approved they will be forwarded to the General Manager for payment. If the President does not approve the expenses or if they are extraordinary they shall be submitted to the Board for approval. Receipts for expenses, other than automobile travel must be attached.

Adopted May 2, 1998
Amended November 15, 2003
Amended May 17, 2007
Modified May 4, 2009

**ASSOCIATION OF BEACHHOUSE OWNERS OF KIAHUNA PLANTATION
RULES AND REGULATIONS**

**RULE# V (4)
NEGOTIATING AND EXECUTING SIGNIFICANT CONTRACTS**

The power to make or extend significant contracts and leases, incur liabilities, or renegotiate land leases (together hereinafter referred to as “Significant Contracts”) must be expressly approved by a vote of a majority of the Board prior to any Board officer executing such a Significant Contract.

The term “Significant Contracts” is defined as:

- i) Contracts, agreements, or extensions of such contracts or agreements committing the Association in any fiscal year to expenditures in excess of \$100,000 or anticipated to generate revenues in excess of \$100,000.
- ii) Management Agreements
- iii) Land Lease renegotiations

The President, subject to the approval of the Board, will nominate members, including at least one member of the Board, to form a negotiating team to represent the Association in negotiations.

The negotiating team shall provide verbal or written updates to all Board members on the status of negotiations within ten days following meetings with the contracting parties, drafting and/or presentation of preliminary contract or lease terms, and after any significant events in the negotiation process.

Adopted May 3, 2018