

HOUSE RULES AND BOARD POLICES
OF
NANI KAI HALE ASSOCIATION OF APARTMENT OWNERS

Approved by Board of Directors on 7-23-08

AUTHORITY

The full authority and responsibility for adopting, amending, repealing and enforcing these rules reside in the Board of Directors of the Association of Apartment Owners. The Board may delegate the authority and responsibility for enforcing these rules to a Managing Agent or Resident Manger. In accordance with 514A-88 Hawaii Revised Statues, all Owners of NANI KAI HALE, their Agents, employees, guests, lessees, renters and visitors shall be bound by these rules, and by standards of reasonable conduct whether or not covered by these rules or not.

I. GENERAL

THE PURPOSE OF THESE RULES, POLICIES AND REGULATIONS IS TO:

- A. Protect the quality of life for all occupants as well as the desirability and reputation of Nani Kai Hale while providing maximum enjoyment of the complex by everyone;
- B. Provide a reasonable and fair set of standards designed to protect all the owners, occupants (including guests, lessees, and renters) and visitors of Nani Kai Hale; and
- C. Minimize the annoyance and nuisance caused by improper use of the condominium apartments or association property within the complex.

For the purpose of this document, "occupant" shall be defined as any person or persons staying in an apartment overnight. An occupant may be an apartment owner, guest of an owner, or a lessee (long term) or renter (short term) of the owner or the owner's agent. A "visitor" shall be defined as any person or persons on the property or in an apartment and not staying in an apartment overnight. A visitor may be invited onto the property by an apartment owner, an apartment owner's guest, or a lessee (long term) or a renter (short term) of the owner or the owner's agent.

II. OCCUPANCY *changed*

- A. Every Owner, owner's complementary guest and/or rental guest must register in accordance with Hawaii Law and each Owner, Rental Agency or other entity conducting such registration shall submit registration information to the Front Office unless arrangement have been made with the Front Office to accommodate registration of their guest. This registration information must be received within 24 hours of the guests arrival.

Every registration process shall include basic identifying information that is customarily required of registered guest's at any hotel or resort. (For example, names of occupants, permanent address and phone number and the

HOUSE RULES II. OCCUPANCY

This section of the House Rules was amended at the April 22, 2009 Board of Directors meeting and effective immediately.

II. OCCUPANCY

- A. Every Owner, owner's complementary guest and/or rental guest must be registered. The Owner, Rental Agency or other entity conducting such registration shall submit registration information to the Resident Manager. This registration information must be received within 24 hours of the guests' arrival.

Every registration process shall include basic identifying information that is customarily required of registered guest's at any hotel or resort. (For example, names of occupants, permanent address and phone number and the description of all vehicles that will be parked on Nani Kai Hale property (one vehicle maximum per unit), including make, model and license number. The parking permit is to be part of the registration process.

This procedure must be followed unless prior written approval of an alternate procedure is requested and approved by the Board of Directors. All information given to the Resident Manager is determined as confidential in nature and for use only by the Association. Failure to follow these registration procedures will result in a fine, as set by the Board of Directors, being levied on the unit owner. \$50.00 first offense, \$100.00 second offense and \$500.00 on the third and all subsequent offenses.

- B. The Managing Agent or Resident Manager is not allowed to give access to any apartment without the written permission of the owner or authorized agent, for each incidence, except when necessary as covered in the Bylaws.

description of all vehicles that will be parked on Nani Kai Hale property (one vehicle maximum per unit), including make, model and license number. At the time of registration, the guest will be provided with a key to common property areas (if applicable), a parking permit and a simplified copy of these House Rules. Registration cards are available at the Front Office.

This procedure must be followed unless prior written approval of an alternate procedure is requested and approved by the Board of Directors. All information given to the Resident Manager is determined as confidential in nature and for use only by the Association. Failure to follow these registration procedures will result in a fine, as set by the Board of Directors, being levied on the unit owner.

- B. The Managing Agent or Resident Manager is not allowed to give access to any apartment without the written permission of the owner or authorized agent except when necessary as covered in the Bylaws.

III. USE

- A. Occupancy is limited to not more than four (4) persons in a one-bedroom apartment and six (6) persons in a two-bedroom apartment, provided families with children under the age of 18 may apply for reasonable exemptions from this limit.

Board Policy: The Board has determined the level of association dues to include sewer water and refuse pickup and accordingly occupancy levels greater than indicated above could produce an unfair and inappropriate burden on association resources. Nothing in this section shall be construed as conflicting with state law on occupancy and any owner may petition the board to permit an exception to this section.

- B. No animals whatsoever (including dogs, cats and any other animals commonly accepted as household pets) shall be allowed or kept in any part of the complex by occupants (owner, lessee, renter or guests) or their visitors. Notwithstanding any other provision herein, this prohibition does not apply to animals needed by disabled occupants and visitors, for example but not limited to certified seeing-eye dogs, certified signal dogs, and certified service dogs.
- C. Pursuant to the Association Documents an apartment shall be used only as a permanent or temporary residence and shall not be used for business or other purposes.
- D. Absolutely no climbing is allowed on the exterior of any of the buildings including, but not limited to areas beyond the lanai railing. No climbing is

permitted on the trees, fencing and gates, or the landscape boulders on the project.

- E. Waterbeds are not allowed at the project, without prior written approval of the Board of Directors.
- F. Hot water heaters and water shutoff valves must be turned off in apartments that will be unoccupied for more than thirty days. The Resident Manager should be notified if an apartment will be unoccupied for more than 30 days.

IV. COMMON AREAS, ENTRANCES, LANAIS AND WINDOWS

- A. No apartment owner, lessee, renter or guest shall place, store or maintain in the halls, stairways, walkways, parking lots, grounds or other common element any furniture, packages, chairs, floats, plants, bicycles, or objects of any kind which may obstruct or impede transit through such common elements.
- B. Pursuant to the Association Bylaws, no apartment owner, lessee, renter or guest shall decorate or landscape any entrance, hallway, planting areas, or lanai, except in accordance with standards established by the Board of Directors or specific plans approved in writing by the Board.
- C. No textile items, including towels, bathing apparel, clothing and laundry, nor any brooms, mops, cartons, or similar objects shall be placed on lanais or in passageways or in windows so as to be in view from outside the building or from other apartments; nor shall lanais be used for storage purposes of boxes, containers, bicycles, surfboards, etc.
- D. Skates, scooters, roller blades, skateboards or similar devices are not permitted to be used on the property. The use of bicycles, motorbikes or motorcycles is not permitted except for ingress and egress. Ball playing or Frisbee playing is not permitted in the parking areas.
- E. No objects shall be thrown from lanais, windows and entrances. Cigarettes and matches are especially a fire hazard.
- F. Trash and garbage should be placed in plastic or paper bags, tied and deposited in the trash bins between the hours of 8:00 a.m. and 10:00 p.m.
- G. Barbeques provided at the recreation area may be used during normal swimming pool hours. Lights in the barbeque areas are on a preset shut-off, set with the pool hours. Barbequing on lanais or elsewhere on the premises is not permitted.

- H. No commercial or charitable solicitation, advertising or canvassing will be allowed in the complex at any time.
- I. Furniture placed in any common area is for use in the specific area and shall not be moved from that area. Furniture may not be placed in the pool or on ledges within the pool.
- J. Curtains, drapes, blinds or shutters shall be white or lined with white material so as to create a uniform appearance.
- K. Activities on the lawns that may cause damage to the landscaping or common elements or create a disturbance are prohibited. Damages caused to any of the common elements by the unit Owner and/or Renter/Occupant are the responsibility of the unit Owner and are subject to monetary fines to cover the operation loss and repairs. All fines or repair expenses will be charged to the unit Owner and if not paid will become a lien on the unit.
- L. Feeding of birds, cats, dogs and other animals wandering on the project is prohibited.
- M. No fireworks or combustible or hazardous substances, except substances usually accepted for household use, are allowed on the project.
- N. Smoking. As per the Hawaii Smoking Law, smoking is prohibited within twenty feet of any entrance, exit, windows that opens and ventilation intakes or enclosed or partially enclosed areas. Signage is placed in areas where this rule applies.

V. RECREATION AREAS

- A. Rules for the use of these recreational facilities must be read and observed. Rules for use of the swimming pool are posted in the fenced pool areas. Occupants (owners, owner's guests, lessees or renters) shall be responsible for the safety and well being of themselves, their family members, and their visitors who use the recreation areas and for ensuring that all rules for those facilities are obeyed. The occupant (owners, owner's guests, lessees or renter), their family members or visitors found in those areas shall be presumed to be there with the full knowledge and consent of the occupant. Apartment owners are financially responsible for any damages or destruction caused by themselves, their guests, their lessees, their renters and their visitors. An occupant or an occupant's family member must accompany an occupant's visitor.
- B. The pool recreation areas are open between the hours of 9:00 a.m. and 9:00 p.m., except Saturday until 10:00 p.m., for use by owners, lessees, renters, owner's guests and their visitors. All pool policies are age neutral and apply

to all persons equally. NO LIFEGUARD IS ON DUTY AT THE POOL. Occupants (owners, owner's guests, lessees or renters) must ensure that family members and visitors who are non-swimmers or weak swimmers are accompanied at all times in the pool area by someone who can ensure their safety. In particular, unless the child is a competent swimmer, a child under the age of 12 should be accompanied by an adult when using the pool. A child's parent or guardian shall be responsible for determining if the child is a competent swimmer.

Board Policy: The Board finds that an adult member of an occupant's party is the appropriate person to determine if a child under the age of 12 or any other member of their party who are non-swimmers or weak swimmers can safely use the pool.

- C. All persons must wear apparel specifically designed for swimming when using the pool. Persons who are incontinent or not toilet-trained shall only use the pool while wearing swimwear designed to prevent spillage of urine and other waste into the pool. Inflatable items (except for lifesaving devices), plastic floats, swim fins and pool toys are not permitted in the pool. Use of masks, goggles and snorkels are allowed in the pool. Radios, instruments, or sound equipment shall not be played in the pool area unless used with headphones. Playing games in the pool area that are noisy and/or disruptive to nearby occupants is not allowed.
- D. Any additional equipment, e.g., chairs, tables, etc. to be brought on property must be approved by the Resident Manager. No glass or breakable containers are allowed in the swimming pool or recreational area.
- E. All Nani Kai Hale House Rules are in effect during events held in the BBQ and pool area, including the hours of usage.
- F. Any music played in the BBQ area, whether live or recorded, must be approved by the Resident Manager and must not be disturbing to other occupants and their visitors.

VI. PARKING AREA AND SPEED LIMIT

- A. Any owner has the right to use their "deeded" parking space if they choose. This space will be temporarily delineated with a portable "RESERVED" sign. No signage will be posted on parking blocks fronting stalls. The owner must file with the Resident Manager a parking registration form containing the make, model and license number of his/her vehicle used on the property. Upon submitting the form, the owner will receive one permanent-parking sticker from the Resident Manager for the owner's vehicle. All vehicles must have a valid parking pass or sticker displayed on their windshield. All overnight commercial vehicles must be parked across the entrance road.

- B. A temporary-parking permit issued by the Resident Manager is required for all other vehicles parked on the property overnight and the permit must be displayed clearly in the windshield of the vehicle. Arrangements for parking an additional vehicle on the property must be made with the Resident Manager. Any owner who has more than one vehicle on property must make arrangements with the Resident Manager. If parking problems arise the owner will be asked to remove the extra vehicle.
- C. Non-authorized vehicles, including boats, trailers and bicycles are subject to removal from the property. The Resident Manager shall place a notice on the vehicle windshield to notify the owner of impending removal. If the owner fails to contact the Resident Manager within 24 hours of notice, said vehicle will be subject to removal from the property, at the expense of the vehicle's owner.
- D. No car may be parked or left unattended in any driveway or other area designated as a no parking area. Vehicles of any kind left in these areas are subject to immediate removal from the property.
- E. At no time may any space be used for the washing of vehicles other than the spaces designated for washing vehicles. Cleaning and polishing of vehicles may be done only at car wash areas or at the owner's assigned parking space. The area used shall be left clean.
- F. Repairs or maintenance of a motor vehicle, boat, or any other equipment shall not be permitted on the project. Hazardous waste, e.g., motor oil, coolant, etc., must not be disposed of anywhere on the property.
- G. The Nani Kai Hale AOA reserves the right to remove any derelict or junk auto from any parking space on the property. The Resident Manager shall place a notice on the vehicle windshield to notify the owner of impending removal. If the owner fails to contact the Resident Manager within 14 days of notice, said vehicle will be subject to removal from the property, at the expense of the vehicle's owner.

VII. NOISE

- A. All occupants are requested to be considerate of your neighbors. Quiet hours are from 10:00 p.m. to 8:00 a.m. During quiet hours, radios, TV's, stereos, CD players, tape recorders, etc. shall be played at reduced volume. Do not run washer, dryer, dishwasher, garbage disposals, or vacuum cleaner before 8:00 a.m. or after 10:00 p.m.

- B. No workers shall be allowed in the buildings before 8:00 a.m. or after 7:00 p.m. except in emergency cases.
- C. After 10:00 p.m. all persons using corridors, stairways, sidewalks and driveways within the complex shall keep noise to a minimum.
- D. Excessive and/or disturbing noise of any kind at any time should be reported to the Resident Manager or security personnel who will take appropriate action.
- E. Any vehicle of an owner, lessee or renter that creates a noise nuisance shall be served with a citation from the Association or Resident Manager to be fixed or removed within two business days of the initial complaint. If the situation isn't remedied to the satisfaction of the Resident Manager following the second day, the vehicle shall be removed from the project at the expense of the vehicle's owner.

VIII. OWNERSHIP

- A. In accordance with the Bylaws owners upon close of escrow, shall file with Association Managing Agent evidence of their title or interest in an apartment and their current addresses.
- B. Subject to the terms of the apartment owner's deed and the Bylaws of the Association, an apartment owner may lease or rent his/her apartment to other persons, or make it available to family or friends. The person(s) leasing, renting or otherwise occupying the apartment shall abide by the Bylaws of the Association and these rules.
- C. Pursuant to Hawaii Statutes (HRS 21-43f), any owner who rents their apartment and resides off island must engage the services of an agent on island that has the authority to assist their guests and make emergency repairs. In such circumstances, the owner shall file with the Resident Manager the telephone number and the telephone number of his agent or representative on Maui.
- D. If an owner living on Maui uses the services of an authorized rental agent, the name of the agent must be filed with the Resident Manager.
- E. An absentee owner or an owner, who is a resident of Maui but will be off island for more than thirty (30) days, should, at their expense and risk, have an agent or representative conduct periodic inspections of a closed apartment for plumbing and appliance malfunctions assuming responsibility for the contents thereof. The Resident Manager must be notified of this agent or representative's name, address and phone number.

- F. All owners at Nani Kai Hale will be required to obtain and maintain a level of insurance above the minimum amount set by the Board of Directors. The minimum amount has been set at \$500,000. Owner will be required to submit proof of insurance annually to the Property Management company on record.

IX. BUILDING MODIFICATIONS

- A. No structural changes of any type shall be permitted either within or without an apartment, or lanai without prior written approval of the Board of Directors. Approval for reasonable alterations or additions that are necessary for disabled residents will be extended.
- B. No awnings, shades, jalousies, windbreaks or other device shall be erected or placed on the lanai so as to be visible from the exterior.
- C. No signs, signals or lettering shall be inscribed or displayed on any part of any building or structure except on the bulletin boards as approved by the Board of Directors; nor shall anything be projected from any window or from any lanai. No object shall project or extend through any door or window opening into any corridor or beyond the exterior face of a building.
- D. An owner may not erect or maintain a radio or TV antenna or a small satellite dish on the exterior walls of the building or outside the physical confines of an apartment except for the property, which is owned by or for the exclusive use of the owner.
- E. Lanai railings may not be removed, changed in any form, or replaced with Plexiglas.
- F. Any exterior maintenance required should be reported to the Resident Manager immediately.

XI. NON-DISCRIMINATION BOARD POLICY

Pursuant to Hawaii Revised Statutes Chapter 515, Title VIII of the Civil Rights Acts of 1968 as amended by the Fair Housing Amendments of 1988, and our non-discrimination policy, The Nani Kai Hale Association of Apartment Owners does not discriminate on the basis or race, sex, color, religion, marital status, familial status, ancestry, disability, age or HIV (human immunodeficiency virus infection) in housing or real estate transactions. It is our policy to extend to all individuals the full and equal enjoyment of the advantages, facilities, privileges and services consistent with Hawaii Revised Statutes chapter 515 and the Federal Fair Housing Laws. When providing services and facilities or enforcing the rules at the Nani

Kai Hale Condominium, the Association will not allow discrimination, except as permitted by law. In particular, the Association will not treat any person unequally:

- In granting or withholding any approval or consent required under the Association's rules.
- In enforcing requirements of the Association rules about occupancy of the apartments.
- In connection with requests of disabled occupants or visitors of the project to have certified guide dogs, signal dogs, or other animals required because of the occupant's or visitor's disability; except that if the animals become a nuisance to others they will not be permitted at the project and will have to be removed.
- In processing requests of disabled occupants to: (i) make reasonable modifications to an apartment or the common areas at their own expense; and (ii) have reasonable exemptions from requirements of the association rules, to enable those occupants to have full use and enjoyment of the project.

The Board will suspend any requirement of the Association rules, which if enforced, could result in unlawful discrimination.

XII. VIOLATION

- A. **FIRST ACTION:** Owners of apartment or owner's lessee, renter or guest will be notified of specific violation(s) and requested to take immediate action. Such action can involve immediate removal from premises of occupants for causing and/or participating in severe disturbances (fights, drugs, etc.) or damaging common property or apartments.
- B. **SECOND ACTION:** Owner or owner's lessee, renter or guest will receive a second request to cease the noncompliance immediately. A fee of \$100 will be assessed and will be payable by the owner or the owner's lessee, renter or guest upon receiving notice.
- C. **THIRD ACTION:** If the violation is not corrected within a time permitted by the Association, a \$500 fine will be assessed plus \$50 per day for each day thereafter until the violation is corrected up to a maximum fine of \$1,000. Fees will be payable by the owner or the owner's lessee, renter or guest.
- D. If payment is not paid within 30 days, a lien will be filed against the apartment and collection proceedings action may be taken.
- E. Procedures for appeals to contest any fine, penalty or disciplinary actions are on file at the Manager's office.

NANI KAI HALE HOUSE RULES
APPEALS PROCEDURE

Any person against whom fines, penalties, suspension of privileges, or other disciplinary action except for eviction from the property for cause or a paring violation (hereinafter "Penalty") shall be assessed for violation of the Association's Declaration, Bylaws, or House Rules, and may contest such penalty by the following procedure:

1. Within ten (10) days after receipt of written notice of the penalty, the Appellant shall give written notice to the Board of Directors or to the Managing Agent of Appellant's request to contest the penalty, and shall state the facts and reasons why the penalty should not be imposed. If, for any reason beyond his control, Appellant is unable to give said notice, the time to submit written notice may be extended in the discretion of the Appeals Committee. If timely written notice of appeal is not given or extended, the penalty shall be final and collectible by the Association.
2. The initial appeal shall be heard and decided by majority vote of a three (3) person Appeals Committee appointed by the President or Vice-President of the Association. All Committee appointees shall be Association owners. The Committee shall designate one of the three members as Chairperson. The hearing shall be informal, held at Nani Kai Hale, and governed by the rules of the American Arbitration Association. If the Appellant is a lessee, renter or a guest, the Owner or the Owner's agent shall be required to be present at the hearing. Appellant may, but need not be represented by an attorney.
3. If appellant does not agree with the Appeals Committee's decision, Appellant may further appeal to a three member Grievance Committee composed of three members of the Board of Directors appointed by the President or Vice-President. Appellant shall file written appeal to the Grievance Committee by written notice to the Board of Directors or the Managing Agent within ten (10) days after receipt of the Appeals Committee's written decision. Appellant shall pay a filing fee of \$100, which shall be refunded to Appellant if his appeal is successful, or retained by the Association if his appeal is unsuccessful, which shall be in addition to the initial fine or disciplinary action assessed against Appellant. If Appellant shall fail to timely appeal to the Grievance committee, or if the Grievance Committee sustains the decision of the Appeals Committee, the Grievance Committee's decision shall be final and binding on the Association and Appellant, in which event Association may take all legal action required to enforce the disciplinary action or collect the fine and/or record a lien on Appellant's apartment in Nani Kai Hale, or on

the owner of the apartment occupied by Appellant if he is a lessee, renter or guest.