

March 2020

# Keauhou Punahele House Rules and Policies

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**Approved by the Keauhou Punahele Board of Directors, March 15, 2020**

## **MISSION STATEMENT OF KEAUHOU PUNAHELE**

The mission of Keauhou Punahele Association of Apartment Owners (referred to as Association) is to provide a pleasant, safe, and quiet community for the enjoyment of all Keauhou Punahele residents through good stewardship of current and future resources.

## **KEAUHOU PUNAHELE HOUSE RULES**

The primary purpose of these House Rules is to protect all occupants of KEAUHOU PUNAHELE from annoyance and nuisance caused by improper use of the apartment complex and to protect the reputation and desirability of the complex by providing maximum enjoyment of the premises. These House Rules may be amended by the action of the Board of Directors of the Association of Apartment Owners, hereinafter referred to as "Board," pursuant to the Bylaws. It is recommended that the rules be reviewed annually by a committee of owners from the Association.

**Owners, who are renting their apartments, and their agents shall ensure that a copy of the House Rules and the Keauhou Punahele Rules and Information sheet are posted prominently within the rental apartment.**

## KEAUHOU PUNAHELE HOUSE RULES

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## **GENERAL PROVISIONS**

1. All owners must provide the Management Company and the Resident Manager with his/her full name(s), mailing address(es), telephone number(s), email address(es), make, model and license number of any car(s) on the premises. All information must be updated whenever the information changes.
2. Subject to the terms of the Bylaws of the Association, an apartment owner may rent or lease his/her apartment or make it available to guests.
  - a. The person(s) leasing, renting, or occupying the apartment shall abide by the House Rules.
  - b. The owner or the agent will notify the Resident Manager in writing, in advance, the names and number of occupants and length of anticipated occupancy of lessees, tenants, or guests.
  - c. Rental shall be for no less than five (5) continuous days per stay.
3. An apartment owner shall comply with the House Rules and shall be responsible for the conduct of all tenants and guests of the apartment. Upon request of the Board or the Resident Manager, the owner will immediately remedy, at owner's expense any violation of House Rules, including if necessary, causing the immediate removal of any offending tenants and guests.
4. No more than two (2) adults may occupy a bedroom of any apartment.
5. Owners who rent or lease their apartment must have a rental agent or representative on island. The owner must report the name, address, telephone number and email address of the agent/representative to the Resident Manager; this information must be provided annually, or when representative information changes.
6. Owners, occupants and employees of the Keauhou Punahale complex have the right to quiet enjoyment of their apartments, surrounding common areas and workplace. That includes the right to be free from actions that are considered harassment, as further explained in Appendix 7.

### **A. COMMON AREAS, ENTRANCES, AND LANAIS**

1. Smoke or fumes, including barbeque or cooking, may not infiltrate the lanai or interior of any apartment that is adjacent or nearby another apartment creating an uncomfortable or unhealthy environment.
2. Smoking is not permitted on any common area, except those designated smoking areas.
3. The sidewalks, passages, stairways, and entryways must not be obstructed.
4. Entryway: Entryways are necessary for emergency access and egress from the apartment. Fire code requires a 36-inch clear area throughout the entire entryway.

Any item that may inhibit the ingress and egress from an apartment shall be removed and kept from the entryways upon written notice from the Board or the Resident Manager.

## 5. Lanai

- a. The following items are defined as appropriate lanai furnishings:
  - Furnishings designed for outdoor living, i.e. tables, chairs, refreshment bar
  - Chaise lounges
  - Propane/electric barbecues
  - Potted plants placed in containers so as to prevent drainage of water or soil
  - Decorative wall hangings
  - Small Statuettes i.e. Owls, Tikis etc.
  - Fire Extinguisher
  - Seasonal outdoor decorations are allowed, but any liability resulting from the use of such lights and/or decorations rests solely with the owner.
- b. The following is a list of items that are deemed inappropriate, including but not limited to:
  - Laundry, towels and swimwear hung on railings or drying racks
  - Freestanding refrigerators that are not an integral part of a refreshment bar
  - Ice chests
  - Cleaning equipment
  - Ladders
  - Hand trucks
  - Exercise equipment, including bikes
  - Storage containers or drying racks
- c. All sports equipment must be stored within an apartment or in areas designated by the Board.
- d. Any inappropriate furniture, plants, or other articles, shall be removed and kept from the lanais upon written request from the Board or Resident Manager.
- e. No objects shall be thrown from any lanai or window of the project, especially fire hazards such as cigarettes and matches.
- f. Beating of rugs or depositing debris over the lanai is prohibited. In cleaning the lanais, occupants shall prevent water from running down the exterior of the building.
- g. No article shall be hung from the exterior of the doors or windows of an apartment.
- h. Bird and/or animal feeders are not permitted.

## 6 Common Areas

- a. The use of fireworks are strictly prohibited.
- b. No sports activities are allowed in the common areas. This includes all grassy areas around the pool or apartments.
- c. Owners and renters are responsible for the actions of all occupants and guests.
- d. No changes in, or additions to the landscaping of the Complex common areas shall be made without the prior written consent of the Board or Resident Manager and must be in compliance with the approved Landscape Plan.

## B. NOISE MANAGEMENT

1. **QUIET HOURS WILL BE OBSERVED BETWEEN 10:00 p.m. - 8:00 a.m.** Occupants and their guests shall not make or permit any disturbing or excessive noise in any part of the Complex during Quiet Hours.
2. Occupants and their guests shall specifically observe that voices and sounds echo throughout the Complex. Please keep your voice or any sound levels within your apartment.
  - a. Avoid slamming apartment doors.
  - b. Operate the volume of radios, televisions, and stereo sets, telephones, and musical instruments at such levels as to avoid bothering other occupants.
  - c. Keep noise at a minimum when leaving or arriving after 10 p.m. through 8 a.m.
  - d. Be considerate of those below you by keeping noise to a minimum. Running, jumping, or heavy footsteps are very disturbing to neighbors.
3. Repair work and commercial cleaning in an apartment shall not be allowed on Sundays and legal holidays and not before 8:00 a.m. or after 5:00 p.m. Monday through Saturday except in emergencies.
4. Excessive noise at any time shall be reported to the Resident Manager for appropriate action.

## C. PARKING AND PARKING SPACES

1. Each apartment has one assigned parking space as part of the deeded ownership rights.
2. All occupants must restrict vehicle parking to the deeded space assigned to the apartment. The owner or agent is responsible for informing all lessees, tenants or guests of the location of the assigned space. Owners who lease or rent their apartment must provide the assigned parking space to the lessee or renter.
3. Vehicles shall be parked only within the markings of each parking space and in such a manner as to avoid protrusion beyond the confines of the parking space.
4. If an owner allows a vehicle, other than the one recorded in the office Register Book, to be parked in the assigned space the Resident Manager must be informed and provided the vehicle license number.
5. The authorized user of an assigned parking space may call a tow company for removal of an unauthorized vehicle in that space. The operator of the unauthorized vehicle is responsible for towing charges.
6. The Board may designate a limited number of unassigned spaces for lease to owners in good standing. See Appendix 5 for specific policy/procedure details.
7. All unassigned spaces not leased to owners shall be identified as visitor spaces.
  - a. Visitor spaces shall be available for **temporary** parking on a non-reserved basis.
  - b. No overnight parking unless authorized by the Resident Manager, not to exceed one week.
  - c. The Resident Manager has the authority to tow vehicles parked illegally in the visitor spaces.

8. If all visitor spaces are occupied, other parking is available in the gravel area in front of the Complex.
9. No parking space shall be used for any purpose other than the parking of one motor vehicle (e.g. house articles, auto parts, boats, kayaks, or other water-craft of any type, other miscellaneous items shall not be stored or left in any parking space).
10. Parking spaces and parking areas shall not be used for making routine mechanical repairs to vehicles except in emergencies or changing of battery. Racing of vehicle motors of all kinds is prohibited.
11. No vehicle whatsoever shall be parked or left unattended except in a designated parking space. Certain areas are identified by signs as 15-minute loading zones, and are to be used strictly for that purpose.

#### **D. RECREATION AND POOL AREAS**

1. Definitions:
  - a. The recreation area is the entire space enclosed within the pool fence including the pool area, Longhouse (covered area adjacent to the swimming pool) and adjacent grass.
  - b. The pool area is the swimming pool, spa, and the surrounding decking.
2. The following rules apply to the entire recreation area.
  - a. The recreation area may be used only between the hours of 8:00 a.m. and 9:00 p.m. No exceptions.
  - b. For safety the recreational area gates are to remain closed and locked at all times.
  - c. Occupants are responsible for the safety and conduct of their family members and guests. There is no lifeguard on duty in the recreation area. Persons under 14 must be accompanied by an adult occupant.
  - d. Out of consideration for residents, the recreation area is designated a quiet area. Please limit all activities and conversations to sound levels that will not travel beyond the recreation area boundaries.

As a courtesy to others, the use of cell phones at the pool is discouraged. All phone conversations should be brief. Headphones or ear buds must be worn for any music or noise-making device.
  - e. NO glass bottles or glass containers of any kind in the pool area.
  - f. The recreation area is for the exclusive use of occupants and their guests.

Guests who are not in residence may use the recreation area only if accompanied by the occupant who invited them. The number of guests allowed shall not exceed four (4) except with prior approval by the Resident Manager.
  - g. Only furniture provided by the Association shall be used in the recreation area and shall not be removed.
  - h. The following are not allowed in the recreation area: pets, bicycles, scooters, skates, baseballs and bats, golf balls and golfing equipment or any balls.

3. Failure to follow pool/spa and recreation area rules may result in removal and exclusion from the area.
4. For pool safety and sanitation
  - a. NO running, diving, pushing, yelling, repetitive verbal games (e.g. "Marco Polo"), or horseplay of any kind in the pool area.
  - b. To prevent contamination of the swimming pool, infants and toddlers must use swim diapers. The swim diaper must be changed when soiled or at least every two hours.  
  
Any fecal or vomit contamination will result in the pool being closed for 24 hours for cleaning.
  - c. All persons using the pool or spa shall take a cleansing shower before entering the pool or spa.
  - d. Any person having an infectious or communicable disease may not enter the pool or spa. Persons having any open blisters, cuts, etc. may become infected if they enter the pool or spa.
  - e. Spitting, spouting of water, and blowing the nose in the pool/spa is prohibited.
  - f. NO flotation devices for sunning, swim fins or anything that interferes with other swimmers in the pool area. Items such as goggles, snorkels, swim aids or safety flotation devices are allowed.
5. For spa maintenance and safety
  - a. NO one under the age of fourteen is allowed in the spa.
  - b. NO toys or items of any kind allowed in the spa. Just you wearing your swimsuit.
  - c. Manufacturer recommends limiting use to 15 minutes by healthy adults.
  - d. Persons with health problems or pregnant women should check with their physician for recommended use.
  - e. Avoid use while under the influence of alcohol, medications or other substances that may cause drowsiness or affect blood pressure.

#### **E. LONGHOUSE RESERVATIONS**

1. Owners or long-term tenants may reserve the Longhouse for their exclusive use. Use must be by reservation through the Resident Manager at least 48 hours before use. No grills may be used in Longhouse or recreation area and numbers of people may be limited. Reservation does not include exclusive pool use.
2. A clean-up deposit of \$100.00 may be required at the time of the reservation. The deposit will be refunded upon the Resident Manager's verification that all items brought into the area for the function have been removed and the Longhouse has been restored to its original condition.



## **F. APARTMENT MODIFICATION**

1. No structural changes of any type shall be permitted either inside or outside an apartment except in accordance with the Bylaws and Declaration. Written plans must be submitted to and approved by the Board before any modifications are undertaken.
2. The Resident Manager must be notified in advance for any project exceeding four hours in length, or one requiring water shutoff. Work cannot be started without this notification.
3. Dumpsters are not for construction debris. No building or packaging materials may be disposed of in the dumpsters. Owners are responsible for materials being properly disposed of offsite.
4. Lanai shades or screens of specific color and style have been approved by the Board. For further information, view on the website or contact the Resident Manager. Each installation must be separately approved.
5. Draperies, curtains, shades, or other material placed against any window or door and visible from the exterior must be white or off white.
6. No projections shall extend through any door or window opening into any corridor or beyond the exterior face of the building.
7. No radio or TV antenna shall be erected or maintained outside the physical confines of any apartment.
8. All floor replacement plans must be submitted in writing/emailed to the Board either directly or through the Resident Manager and approved by the Board before any construction can begin. (Bylaws -Article V, Sec.3 (h), p.21.) Non-approved construction will be halted and Section L. violations and Fines will be imposed by the Board to the Owner.
  - a. When replacement of floor coverings, including lanai, are undertaken in an apartment on the 2nd or 3rd floor, the floor covering underlayment used shall conform to the Uniform Building Code Impact Insulation Class (IIC) ratings of  $\geq 50$  or the Field Impact Insulation Class (FIIC) rating of  $\geq 45$ . This includes flooring under shower units, laundry areas and kitchen appliances (such as dishwashers and disposals)
  - b. Selected sound abatement materials must be inspected and approved by the Resident Manager prior to flooring installation to ensure compliance with sound abatement rules noted above.
9. Whenever any studded interior adjoining wall between two apartments is opened either for repair or for remodel, that wall must be inspected by the Resident Manager to ensure adequate insulation is maintained for sound reduction between the two apartments.

## **G. APARTMENT MAINTENANCE AND REPAIR**

1. Under the Declaration, the Association through its Board shall be responsible for the repair and maintenance of the exterior surfaces of the buildings and hallways. Owners are responsible for repair and maintenance of sliding glass doors, windows, screens, screen doors, the entry doors and lanai floors.

Any plans for the replacement of windows must be submitted, in writing, to the Board of Directors prior to work commencing to ensure consistency of exterior views. See Appendix 6 Windows and Door Replacement & Repair Policy/Procedure.

2. Where any common element is damaged deliberately or because of the negligence of any occupant or guest or invitee of an occupant, then such occupant shall be responsible for the prompt repair of such elements and the subsequent payment of the cost of any repairs.
3. Requests for exterior repairs and maintenance shall be submitted to the Board through the Resident Manager. The Board shall determine whether the requested repairs or maintenance are the responsibility of the Association or the apartment owner or occupant.
4. Repair and maintenance of the interiors of an apartment are the responsibility of each apartment owner.
5. All apartments and the furnishings and fixtures located therein shall be maintained in such a manner as to prevent damage to other apartments or the common elements. If a problem/leak in one apartment results in damage to another apartment, the causing apartment owner may be liable for the repair and cost to repair the damaged apartment.

#### **H. GENERAL**

1. Dumpsters are for household refuse only. Flatten all boxes or large items. Furniture or large items that cannot be flattened must be taken to the waste transfer station.
2. Furniture placed in common areas by the Board is for use in those specific areas and shall not be moved.
3. The Resident Manager shall not work within the area of any apartment or perform any work for the personal benefit of any occupant.
4. The Resident Manager will not give access to an apartment without written permission of the apartment owner. If the apartment has been foreclosed, permission must come from the new owner with proof of ownership.
5. Neither the Board nor the Resident Manager retains a master key to apartments. Owners must provide a key or the combination for all lockable exterior doors to his/her apartment to the Resident Manager. The Resident Manager will keep the key or combination secured. The Resident Manager or designated agent may use the key/combination for access to perform pest control or in case of an emergency including but not limited to water leaks, fire or medical assistance. If a lock is changed, the apartment owner is required to provide a key/combination for the new lock.
6. Should an emergency (fire, water leak, etc.) occur in an apartment or storage area, where no key/combination has been provided to the Resident Manager, the door may be forced open and the owner will be responsible for its replacement or repair. The owner's account will be billed for the Resident Manager's time @\$100 per hour plus any materials and/or support vendor charges. For non-emergency problems, the owner or occupant will have to contact the individual's agent or a locksmith to gain entry to the apartment.
7. According to the Bylaws and the House Rules, all storage areas are part of the common area. A single storage area is for the two apartments adjacent to the storage area and will only be shared equally by those two apartments. No owner assigned such storage shall assign, rent or lease the storage unit to other persons.

If a short-term renter, or any agent of the owner is found to have access to a storage unit, that apartment owner will immediately lose the privilege to that storage area. A fine will be assessed to the

owner per month until this storage area is cleared out of their property and the key returned to the Resident Manager.

The Association assumes no liability for items stored in the storage areas. Those sharing a storage area should be courteous to the other user and keep the storage area clean and free of debris. Storage of dirty recyclables or hazardous materials is not allowed in that area.

8. Office equipment and supplies in the Resident Manager office are for Keauhou Punahele business only. There is no private use available for the equipment or supplies.
9. Every two years (On all “even numbered years” starting in 2016) maintenance and cleaning of Dryer Vents is mandatory for all apartments. Owners may choose to have this cleaning out-sourced to a contractor to perform this task and show the invoice to the Resident Manager, or clean the dryer vent themselves and have the Resident Manager check the job upon completion. Note – the Resident Manager has tools to accomplish this task for those who wish to perform the job themselves.

#### **I. PETS**

1. Household pet(s) may be kept by an occupant if previously authorized in writing by the Board. The pet(s) shall be confined to the owner’s apartment and shall not be kept, bred or used therein for any commercial purpose. The pet(s) must be neutered, have veterinary certified appropriate vaccinations up to date at all times, and weigh less than 40 pounds.
2. Pet owners shall keep their pets off all common areas except in the most direct transport of the pet between the owner’s apartment and the street or a vehicle. The pet must be on a leash. Common area lawns and landscaping are not to be used for pet elimination needs. The pet owner will immediately clean up feces or other waste expelled by the pet. Violation of this rule will be considered a nuisance and subject to pet(s) removal from the Complex.
3. The owner of any apartment in which a pet is kept shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from having a pet(s) in the Complex.
4. If a pet(s) causes an unreasonable disturbance or a pet(s) becomes a nuisance to any other occupant of the Complex, the pet(s) shall be promptly removed from the property upon written notice given by the Board. The apartment owner may be subject to fines.
5. No livestock, poultry, rabbits, or other animals whatsoever shall be allowed or kept in any part of the Complex except as above.

#### **J. THE VIOLATION OF ANY HOUSE RULES ADOPTED BY THE KEAUHOU PUNAHELE AOA SHALL GIVE THE BOARD OR ITS AGENT THE RIGHT TO:**

1. Enter the apartment in which, or as to which such violations or breach exists and to summarily stop and remove at the expense of the defaulting apartment owner, any structure, thing or condition that may exist contrary to the intent and meaning of the provisions of this document.
2. Enjoin, abate, or remedy by appropriate legal proceedings, at law in equity, at the continuance of any such breach, and all costs thereof, including attorney's fees, shall be borne by the defaulting apartment owner.

## **K. FINES AND PENALTIES: ENFORCEMENT AND PROCEDURES**

1. Only the Board may authorize fines for violations of the Declarations, Bylaws, and House Rules.
2. The Board may delegate the full authority and responsibility of enforcing these rules to the Resident Manager. The Resident Manager or Board will notify an occupant of violation of the rules. A violation may result in a courtesy notice posted on the apartment door. The Resident Manager will document all violations and/or notices and responses to the Board.
3. Owner complaints of violations must be in writing, with specifics, and sent to the Resident Manager.
4. The Board, in its discretion and pursuant to Article IV, Section 1(l) of the By-laws of the Association, is authorized to establish penalties and fines, for enforcement of provisions of the Declaration, Bylaws and the House Rules. Enforcement may include provision for reasonable costs and attorney's fees, for the violation by any occupant, tenant, or employees of the occupant, and all other persons using the Complex. Upon the affirmative vote or written consent of a majority of all of the Board, such penalties and fines shall be enforceable by the Board or Management Company, as a special assessment. Such a remedy shall not be deemed exclusive, and the Board shall have such other remedies as provided in the Declaration, Bylaws, House Rules, or applicable law.
5. Whenever practical, written notice will be given to the owner prior to assessment of fines with a time frame to comply. Situations that are deemed hazardous may result in immediate action by the Board and/or the Resident Manager.
6. Assessment of a fine does not relieve the owner and/or tenant from the obligation to comply with the Declarations, Bylaws, House Rules and applicable laws. Assessment of a fine does not waive any other remedies for the Association.
7. Repeated violations will result in fines as designated below.
  - a. Violation of pool rules (Second Violation): \$100.00 and loss of pool privileges for 90 days. Dangerous or disruptive activity in the pool or recreation area may result in immediate loss of pool privileges.
  - b. Lanais and entryways, inappropriate storage of personal property: \$25.00 per day.
  - c. Any activity upon the premises that unreasonably disrupts or impairs the privacy and quiet enjoyment of any resident: \$50.00 per day.
  - d. Violation of House Rules vehicle or parking regulations: \$50.00 per violation.
  - e. Improper disposal and/or spillage of rubbish: \$50.00 per violation.
  - f. Violation of common area no smoking policy: \$50.00 per violation.
  - g. Violations of House Rules involving pets: \$50.00 per violation.
  - h. Violations of building modifications, maintenance or repair either by owner or contractor: \$100.00 per day for violations that continue after notification.
  - i. Violations of exceeding the maximum number of adult tenants for each apartment: \$100.00 per day.

- j. Violations of any rule or regulation that constitute a threat to personal safety or that involves damage to common area or the property of others: \$100.00 per violation.
  - k. Any activity that requires police intervention: \$100.00 per violation.
  - l. Smoke entering a lanai or apartment (Second Violation): \$100.00 per violation.
  - m. Failure to provide notice of tenant/guest occupancy prior to arrival: \$50.00 per violation.
  - n. Violation of storage area rules and failure to vacate the storage area: \$50.00 per month.
8. Fines shall be administered pursuant to Appendix 4.
9. Assessment of fines will be in writing and sent by US Postal Service Certified Mail Return Receipt to the owner of record, and email if available, and to agent, if any. Unpaid fines and penalties shall constitute a lien against the apartment, which could result in foreclosure by the Board. All legal costs made in the attempt to collect a fine or penalty will be charged back to the owner.
10. Owners shall have 30 days to appeal the fine from the date of the notice of the fine to the owner and/or agent, if any, by giving the Board a written request for a hearing on the fine. The hearing request may include any testimony or other documentation that may support the owner's position including any documentation of intent to comply. The Board will acknowledge receipt of the request and notify the owner of the hearing date and time. The appeal hearing will normally be the next scheduled Board Meeting. An appeal of a fine may only be requested to the Board one time for each violation, no further appeals will be considered.

**APPENDIX 1: Kayaks - Agreement and Release of Liability**

1. In consideration of being allowed to store kayaks in the Keauhou Punahale common area referred to as the 'garden area' I \_\_\_\_\_ do hereby waive, release and forever discharge the Association, its directors, agents, employees, representatives, successors and assigns, administrators, executors, and all others from any and all responsibilities or liability resulting in personal injury, death, theft of kayak, and damage of kayak. I do also hereby release all of those mentioned and any others acting upon their behalf from any responsibility or liability for any personal injury, death, theft or damage to the kayak including those caused by the negligent act or omission of any of those mentioned or others acting on their behalf or in any way arising out of or connected with my participation in any way of being allowed to store my kayak in the garden area.
2. I understand that the storage of kayaks cannot interfere with the daily operation around the pump house or servicing accessibility to the pump house and HELCO equipment areas.
3. I understand that I must contact the Keauhou Punahale Resident Manager prior to placing a kayak in the garden area. It is at the sole discretion of the Resident Manger to decide where the storage will be allowed. I understand all liability waivers must be signed before I will be allowed to store a kayak. I understand that my kayak will have to be identified by ownership name and contact phone number and apartment number on the kayak.
4. I understand that I will not be allowed to use the service road for either ingress or egress of kayak transporting to and from.
5. I understand that this kayak storage is on a temporary use basis. The current Board or any future Board has the right to revoke this temporary use permit through a majority vote as defined in the By-Laws of Keauhou Punahale Association. At that time, this kayak storage could be revoked or modified and any unused rental storage fees will be reimbursed to the owner.
6. I understand there is no parking in the fire lane of Building E to load or unload kayaks. Kayaks must be walked to and from assigned parking spots for transport.
7. I understand that the fee for storage will be \$50.00 per year and payable on the first of every calendar year. There will be no proration for any partial year rental. If there is any unpaid storage after 3 months from the first of the year, and owner has been notified, the Board has the right to confiscate the kayak and to advertise to sell the kayak to any interested party to recover rental cost and other expenses.

**If you have read, understand and agree to the above, sign your name as indicated below.**

\_\_\_\_\_, \_\_\_\_\_  
(Print your name(s) above)

Date: \_\_\_\_\_

Signature \_\_\_\_\_

## **APPENDIX 2: HO6 Homeowner's Insurance Policy Recommendation**

The Insurance Policy as carried by the Keauhou Punahale AOA under the Condominium Master Policy is not adequate coverage for the current owner's apartment, nor damage that may be caused to another apartment. This master policy covers only the original construction configuration and its replacement cost. This policy does not cover any upgrades from the original construction finishes, i.e. adding a tile floor or granite counter tops. It does not adequately cover any peril such as water damage or any other event. Furthermore, the master policy has a \$15,000 deductible, for water damage, before any claim amount is paid out to the owner. It is required that every apartment owner obtain a Supplemental Insurance Homeowner's Policy through an Insurance Agent of your choice. ***HRS 514B-143(g) authorizes requiring an HO-6 policy and a Keauhou Punahale Resolution dated December 5, 2009, required owners to obtain an HO-6 policy.***

Terms of adequate insurance:

- \* Dwelling (upgrades & AOA deductible) \$15,000 Minimum  
Note: This item necessitates an estimate of the upgrades to your apartment over the original construction value. Example: If tile has been added in your living room, the Keauhou Punahale AOA policy will not cover this upgrade. Your supplemental individual homeowner's insurance will take care of this item. In most instances, the minimum \$15,000 would not be adequate coverage.
  
- \* Liability \$300,000
  
- \* Contents: Optional  
Note: Contents/personal property are not covered by the Keauhou Punahale AOA policy. Owners should assess the replacement value of their furniture, fixtures and clothing, etc. to determine their individual adequate coverage.
  
- \* Loss Assessment \$ 15,000  
Note: Some insurance companies do not offer this coverage. In short, this is coverage when a common element incurs insurable damage and the replacement cost is higher than the insurance coverage. The Association has the right to make a Special Assessment to the owners to cover the addition cost of replacement.

### **Appendix 3: INSURANCE CLAIMS POLICY**

#### **Purpose:**

This policy clarifies operational procedures, establishes action to be taken in the event of property damage in a building and describes insurance considerations by owners for claim(s).

#### **Background:**

The Association contracts for several types of insurance coverage. Of particular importance is the policy used most of the time for claim(s) arising from damage to property. The deductible for this policy is \$15,000 per occurrence for water damage and \$5,000 for other damage.

The Board is concerned over the increased frequency of water claims. The Board has adopted a water damage policy mandating action after water damage and specifying conditions for possible insurance claims payments.

#### **Duties in event of Loss or Damage:**

1. Owner/Resident Manager are to take all reasonable steps to protect the apartment from further damage by a covered cause of loss. If feasible, owners should set the damaged property aside and in the best possible order for examination and keep a record of expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
2. Owner and/or Resident Manager notify police if a law may have been broken.
3. Owner and/or Resident Manager will notify and work with Management Company (Hawaiiana Management 808-930-3218) to give Keauhou Punahale AOA Master Insurer prompt notice of loss or damage. Include a description of the property involved. Owner must file an insurance claim with your own homeowner's policy.
4. As soon as possible, give each insurer (homeowners & Keauhou Punahale AOA Master) a claim damage description of how, when and where the loss or damage occurred. This should be done by owners, if onsite, and/or in cooperation with Resident Manager/Management Company.
5. At Keauhou Punahale AOA Master Insurer request, give complete inventories of the damaged and undamaged property. Include quantities, cost, values, and amount of loss claimed. Submit inventory of personal property to individual homeowner's policy.
6. As often as may be reasonably required, Owners need to permit inspections by all insurers of property causing loss or damage and examine books and/or records. Also, permit insurer to take samples of damaged and undamaged property for inspection, testing and analysis, and permit insurer to make copies from books and/or records.
7. Owners will send insurer signed, sworn proof of loss containing the information we request to investigate the claim. This must be done within 60 days after insurer's request. Insurer will supply necessary forms. Owners may work through Management Company to submit information to Keauhou Punahale AOA Master Insurer.
8. Cooperate with insurer in the investigation or settlement of the claim.



### **Insurance Considerations.**

Because the damage to personal property is **not** covered under the Association insurance, owners should include all personal items under their own personal property insurance policies with appropriate and affordable deductibles.

1. **Water damage claims** – The KEAUHOU PUNAHELE **AOAO MASTER** insurance policy will usually cover damage, above the deductible, to apartment ceiling (s), wall(s) and floor(s) (except for replacements more costly than the original finishes, i.e. “upgrades”). If a water damage claim(s) is “not covered” by the KEAUHOU PUNAHELE **AOAO MASTER** insurance policy, the Association has no responsibility for paying the claim.
2. **Common Elements** – All areas and structures of the Complex buildings not part of an apartment are considered “common” and are covered by the Association insurance policies. “Vertical” drainpipes are common elements, which the Association is responsible to repair and maintain; “Feeder” drainpipes, toilets, showers/tubs, kitchen sinks, water supply pipes, hoses and connections within an apartment “are not” common elements. **Maintenance of these items and conduit are the responsibility of the apartment owner(s).**
3. Where a damage claim is attributable to the malfunction of personally owned fixtures or appliances, or from abuse, neglect, or negligence by the resident, the Apartment owner may be responsible for payment of the insurance deductible of \$15,000 or actual costs if less.
4. **Keauhou Punahele AOA Claim Payment** - Keauhou Punahele AOA insurance adjuster shall assess claim damage as quickly as possible. They shall also review owner(s) estimates for repair prior to issuing a check to the Association. This check amount is minus deductible and any applicable depreciation. The Association shall require apartment repairs be 100% complete prior to issuing any checks to owner(s).

The Management Company has approval by the Board to pay any clean up vendors who submit an invoice not reimbursed by apartment owner(s). This amount will be deducted from any insurance payable to said owner(s) or owner(s) insurance company.

**Owners shall be responsible for reimbursing their homeowners company any insurance overpayments.**

### **Water Claims:**

1. If at all possible, determine cause of water damage & stop the cause of the claim. Shut off the water.
2. The owner must call the Resident Manager immediately and advise of the situation to shut down outside water supply as necessary. The owner and Resident Manager will check for damage to apartments below and on the side of your apartment.
3. The Resident Manager has a list of licensed vendors, i.e., plumber(s)/contractor(s), many of whom have previously worked in the apartment buildings with satisfactory results. These vendors have agreed to provide a report of their action(s) taken and necessary details to determine the cause(s) of the problem. This does not imply any warranty or guarantee of future results.
4. Owner(s) and/or Resident Manger call in and/or authorize a plumber to repair the pipe or appliance that leaked.
5. Owner(s) and/or Resident Manger call in and/or authorize the appropriate people to clean up i.e. extractors to dry out carpet, etc.

6. Owners call your homeowners insurance carrier and report the claim. Homeowners shall be responsible for any necessary apartment reconstruction and/or repairs. Your insurance adjuster may recommend repair company(s) for you to use.
7. Resident Manager shall, as soon as possible, send an incident report to the Management Company. Management Company shall be responsible for filing a claim with Keauhou Punahale AOAO insurance.

**Fire:**

1. Leave the apartment and close your door – do not lock your door.
2. Sound the fire alarm.
3. Call 911. Give them specific details especially the apartment number.
4. Instantly report to the Resident Manager.

**Liability Claim:**

1. Call 911, if necessary, to provide medical attention or Police Assistance.
2. Report the incident to the Resident Manager.
3. Get the names and phone numbers of the injured person(s).
4. Get the names and phone numbers of any witnesses.
5. Call your homeowners carrier and report the claim.
6. Resident Manager will send an incident report to the Management Company.

#### **Appendix 4: Keauhou Punahale AOA Collection and Delinquent Assessment Policy**

Timely payment of maintenance fees and special assessments is of critical importance to the Keauhou Punahale AOA (referred to as the Association). Your Board takes very seriously its obligation under the Association's governing documents, and HRS §514B and as amended by Act 195 (18) to enforce the members' obligation to pay assessments. The failure of any owner to pay monthly fees/assessments when due creates a cash flow problem for the Association and causes those owners who make timely payments to bear a disproportionate share of the Association's financial obligations.

The following are the Association's assessment and collection practices and policies:

Maintenance fees, special assessments, late charges, fines, interest, collection costs, and any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied.

1. **Due Date:** Regular monthly maintenance fees are due and payable on the first day of each month. It is the owner of record's responsibility to pay each assessment in full every month regardless *of whether* a statement is received. All *other assessments*, including but not limited to special assessments, are due and payable on the date specified by the Board in the notice imposing such an assessment.
2. **Application of payments:** Unless the owner and the Association enter into an agreement providing for payments being applied in a different manner, any payments made shall be first applied to common assessments owed. Only after the common assessments owed are paid in full shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees.
3. **Late fees:** If an owner fails to pay monthly fees or fines within ten (10) days after the due date, then the owner is considered delinquent and shall pay an additional assessment of \$10.00 for each such failure. (Third Restated Bylaws, Keauhou Punahale. Article V, Section 6: pg. 24. 7/24/2002)
4. **Interest:** Interest shall be imposed on all delinquent assessments, late charges, and reasonable costs of collection at the annual percentage rate of 1% per month, commencing from the assessment due date. (Third Restated Bylaws, Keauhou Punahale. Article V, Section 6: pg. 24. 7/24/2002)
5. **Collection:** If an assessment is not received within fifteen (15) days after the assessment becomes delinquent, the Association or its assigned agent or attorney may send a pre-lien letter to the owner by certified and first class mail, to the owner's mailing address and each mortgagee of such apartment, if such mortgagee has furnished its name and address to the Board, advising of the delinquent status of the account, impending collection action, 60-days' notice of the possibility of discontinuing service or denying access to common elements, and demand for rent from renter or lessee, as appropriate. The owner will be charged a fee for the pre-lien letter (Third Restated Bylaws, Keauhou Punahale. Article V, Section 6: pg. 24. 7/24/2002; HRS §514B)

If an owner, in default for a period of thirty (30) days or more, rents or leases his/her apartment, the Board may, at its option, demand and receive from any renter or lessee, agent or other designated representative of the owner managing or occupying the apartment, the rent due or becoming due sufficient to pay all sums owed, including interest, late fees, special assessments and legal fees. Acceptance of rent shall not be deemed a release or discharge of any of the obligations of the owner or surrender of rights or duties. Should the board demand such payment the renter or lessee shall not have the right to question the Board's request and be obligated to make payment to the Board unless a receiver has been appointed to take charge, pending foreclosure. (HRS §514B; Third Restated Bylaws, Keauhou Punahale. 7/24/2002. Article V-Sec1, pg 18.)

Failure of the owner to respond by payment of the lien within 30 days may result in Association authorizing attorney to proceed with judicial or non-judicial foreclosure. (Declaration 12/2000; sect 12a, pgs 5-6)

6. Liability for Collection Fees and Costs: If an owner fails to pay the amounts set forth in the pre-lien letter within ten (10) days of date of that letter, the Association may authorize the attorney to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees against the owner's property. The owner will be charged for the fees and costs of preparing and recording the lien.
7. Enforcement: No less than thirty (30) days following recordation of the notice of lien and with 30 days prior written notice of intent to foreclose having been given to all persons having any interest in the subject property, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure. Nothing in this collection policy limits the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association including the collection of rent, as appropriate. (Declaration 12/2000; sect 12a, pgs 5-6)

The Association or its Management Company may terminate any delinquent apartment's access to the common elements and areas, and cease supplying any services normally supplied or paid for by the Association when occupied by the owner. Prior sixty (60) day written notice to the delinquent owner and first mortgage holder must be given before discontinuing service or denying access to common elements. These elements would include, but not be limited to storage, cable, visitor or leased parking, pool and spa access. (HRS §514B.146 (e))

8. Disputes: After payment of all common assessments, an owner who disputes the amount of any late charge or other charge, may request a written statement from the Association of the amounts owing and the categories of expenses being claimed (i.e. late fees, fines, penalties, etc.). Mediation or arbitration is available to apartment owners regarding disputes over financial claims made by the Association; however, the condominium law provides that an apartment owner must pay all common assessment amounts claimed by an Association **prior** to attempting mediation or arbitration or filing in small claims court. (HRS §514B-146(d); Third Restated Bylaws, Keauhou Punahale. Article V, Section 1- (b): pg 19. 7/24/2002)

If the owner demands mediation in compliance with Hawaii Revised Statutes § 514B-146(d) within the 30-day timeframe, the Association may not proceed with collection of the disputed charges other than common expenses assessments, until the Association has participated in mediation. The mediation must be completed within 60 days of the owner's request for mediation. If the parties are not able to resolve the matter through mediation, or the mediation is not completed within 60 days, the Association may proceed with collection of the disputed charges.  
(HRS §514B as amended by Act 195 (18) and 1/18/19 Board Resolution)

9. Inspection: An owner is entitled to inspect the Association's accounting, books, and records.
10. Payment Plan Requests: Any owner may make a formal request to the Board for a payment plan. An owner may also request to meet with the Board to discuss a payment plan. Each request is handled on a case-by case basis. The Board is under no obligation to grant payment plan requests.
11. Paid in Full: Prior to recordation of the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.
12. Fines and Penalties: A schedule of the Association's fines and penalties imposed for violation of its House Rules is available within the house rules document.

13. Remaining Debt Collection: Should the above measures not succeed in eliminating all delinquent amounts; additional efforts may be taken to recover amounts owed. Those measures may include filing of a complaint to recover amounts owed, judicial or non-judicial foreclosure and/or turning the matter over to a collections agency.

The mailing address for overnight payment of assessments is:

Hawaiiana Management  
74-5620 Palani Rd # B,  
Kailua-Kona, HI 96740

**Updated to comply with HRS 514B Act 195(18)**

**APPENDIX 5: KEAUHOU PUNAHELE CONDOMINIUM LEASED PARKING POLICY AND PROCEDURE**

1. Leased parking terms are from January 1, to December 31, and must be renewed every year, up to a maximum of three (3) full calendar years (January to December). Any party wishing to renew their lease for the following year, must notify the resident manager no later than December 1st, prior to the coming lease year. After 3 years, current lease holders will be rotated to the bottom of the waiting list.
2. If an owner begins to lease a parking space after January 31<sup>st</sup> of a year, such party's first full year, of the three-year lease shall begin January of the following year.
3. Leased spaces are limited to one space per owner regardless of the number of apartments owned.
4. Resident Manager shall maintain a list of all leased parking spaces and a waiting list of any owners wanting to lease a space. Leased spaces are limited, and are available on a "first come, first serve" basis. Keauhou Punahele residents wishing to lease a space, must sign up with the Resident Manager, and if no spaces are available, will be placed on the waiting list. Non-owner residents may make a request for a leased space, in writing, through the apartment owner.
5. Subleasing of this space is prohibited.
6. Annual lease rate for a parking space is \$1,000.00 per year, due by December 15th of the current lease year. Checks shall be presented to the Resident Manager and written to Keauhou Punahele with notation on the check "parking space lease" for tracking purposes. Failure to submit payment by the due date, may result in reassignment of the space and/or the vehicle being removed at the owner's expense.

If a space is first acquired after January 31<sup>st</sup>, the first \$1,000 lease payment will be prorated for the remainder of that year.

7. During the third week of December, the Resident Manager will notify owners on the waiting list about upcoming spaces available, if any. Individuals will have 10 days to respond, in writing, if they wish to lease a space for the coming year.

An owner at the top of the waiting list my refuse to accept the next available parking space, the next owner on the waiting list will be offered the available space, the refusing owner does not lose their place in the order of priority on the waiting list.

8. In order for any applicant to be considered for a leased parking space, they must be in "in good standing" current with all maintenance, or other fees at the time of application.
9. The Board is responsible for review of wait list and approval of leases to residents.

## Appendix 6: Window & Door Repair/Replacement Policy & Procedure

A standard replacement window and door has been established in an attempt to maintain a consistent appearance within the Complex over time. All replacement window frames and screens must be dark bronze to match the complex's window color and screen color.

- A. Replacement Window:  
Milgard Window - description: Thermal Break Aluminum, 1120, DV, RO 120" x 36", UF: 041, SGC: 0.32, VLT: 0.59.  
Clear Opening W: 27 7/8" H: 33 1/2" SQ: 6.48: No Fin (block frame); Vertical Vents: One Quarter; Custom Vertical Vent Sets: 30"; Exterior Finish: Bronze Anodized (Black); Interior Finish: Bronze Anodized (Black); Glazing: Dual Glazed (Insulated Glass); Outer Glass Lite Option: SunCoat Low-E; Inner Glass Lite Option: Clear; Glass Thick 1: 3/32", Glass Thick 2: 3/32", Spacer Type: EdgeGard; Screen: Standard with Fiberglass mesh; CPD: MIL-A-127-06987-00001
- B. The standard for replacement of apartment entry door is the Simpson Flush solid-core wood door, fire-rated at 90 minutes. Door to be stained similar to original wood color and finished with polyurethane, or other waterproof sealant on all six sides of the door. Automatic door closure device and unit identification, as existing, shall also be installed on any replacement door.
- C. Window and/or Door replacement or refinishing is apartment owner's expense.

### Procedure:

1. Any owner who desires to replace either window or door shall notify, in writing, the Board through the Resident Manager.
2. Changes in the rough openings are not allowed.
3. Owners shall be responsible to comply with any building codes and/or permits involved.
4. Installation shall be done in a manner to prevent any damage to common element exterior finishes. Owners are responsible for repair and restoration of any damage to common elements during installation, to their original condition or better.
5. Should any common element exterior wall be found cracked or damaged prior to installation, the owner shall notify the Resident Manager to inspect and communicate in writing to the Board and Management Company.
6. The Resident Manager shall inspect all installations to ensure protection of common elements and compliance with policy & procedure.
7. The Board may consider "or equal" alternatives to the windows and doors specified above, on a case by case basis.

## **Appendix 7: No Harassment Policy**

Owners, occupants and employees of the Keauhou Punahale complex have the right to quiet enjoyment of their apartments, surrounding common areas and workplace. That includes the right to be free from actions that are considered harassment.

Federal government workplace regulations and Hawaii Administrative Rules state that the AOA has an affirmative duty to maintain a work environment free of harassment and discrimination for all our employees and contractors.

Owners and occupants who believe they are being harassed and are unable to resolve the problem with the harasser should call the local police department's non-emergency phone number 808-326-4646 to file a complaint. If there is a threat of bodily harm call 911.

Hawaii Revised Statutes, section 604-10.5:

"Harassment" means:

- (1) Physical harm, bodily injury, assault, or the threat of imminent physical harm, bodily injury, or assault; or
- (2) An intentional or knowing course of conduct directed at an individual that seriously alarms or disturbs or continually bothers the individual and serves no legitimate purpose; provided that such course of conduct would cause a reasonable person to suffer emotional distress.

"Course of conduct" means:

A pattern of conduct composed of a series of acts over any period of time evidencing a continuity of purpose.