

To supersede previous issues.

PRINCEVILLE AT HANAIEI RULES

Princeville at Hanalei Community Association (PCA)

Princeville at Hanalei Community Association is a Hawaii non-profit corporation established under a charter and bylaws. Much of Princeville is subject to a master declaration described below and properties covered by the Declaration are subject to assessment and to restrictions “for the purpose of enhancing the value, desirability and attractiveness of the land.” Owners of lots covered by the Declaration are members of the Association.

The Board of Directors of the Association is directed under the Declaration to adopt rules and regulations to be known as the Princeville at Hanalei Rules, governing the use of common area within Princeville, the use of roads and certain other matters, and these Rules have been so adopted. The Board may also amend the Rules from time to time and adopt penalties for infractions or violations of the Declaration, By-Laws or the Rules. There are also separate Community Design Committee Rules, Including Architectural Guidelines and Design Philosophy, and Sign Regulations available.

The terms and conditions set forth in these Rules are binding upon all owners and tenants and guests residing within Princeville. Your cooperation in supporting these Rules will contribute greatly to the protection of the rights and privileges of all.

Please feel free to call (808) 826-6687, write P.O. Box 223277, Princeville, Hawaii 96722, visit 4334 Emmalani Drive next to Prince Albert Park, Princeville, Kauai, Hawaii, or email pcainfo@pcaonline.org the Association’s management office, if you have questions or comments about the Princeville at Hanalei Rules or other Association matters. You may also visit the PCA website <http://www.pcaonline.org> for further information.

I. SPECIAL TERMS

The following special terms used in these Rules shall have the following meanings:

- A. “Association”** shall mean the Princeville at Hanalei Community Association.
- B. “Board”** shall mean the Board of Directors of the Association.
- C. “By-Laws”** shall mean the By-Laws of the Association.

D. “Common Area” shall mean the land and interests which have been or may be conveyed to the Association, including without limitation, such land interests as may now be used for roadways, road right-of-way, walk/jog pathways, parks and greenbelt areas.

E. “Declaration” shall refer to the Declaration of Restrictions, Covenants, and Conditions dated March 1, 1971, recorded in the Bureau of conveyances in the State of Hawaii in Book 7444 page 93, as amended.

F. “Fractional Ownership Plan” shall refer to any fractional ownership plan or agreement, or a similar program, in which use or occupancy of a Residence circulates for periods of sixty days or more among different owners, whether they are tenants in common, stockholders, or members of beneficiaries of a trust.

G. “Fractional Interest Owner” shall refer to any owner or holder of an interest in a Fractional Ownership Plan.

H. “Lot” shall mean all real property as defined in the Declaration.

I. “Owner” shall refer to the owner of a Lot as further described in the Declaration.

J. “Princeville” shall mean the land subject to the Declaration and such further land as may be annexed and/or acquired by PCA. The term “Princeville” is used for convenience only and does not include all of what is commonly known as the Princeville Resort.

K. “Residence” shall refer to single family residential lots as described in the Declaration and not to “Multiple Unit” lots (except to the extent such lots may have been converted to a single family residential lot use) or to “Hotel Use” lots as described in the Declaration.

L. “Rules” shall refer to these Princeville at Hanalei Rules, as they may be amended from time-to-time.

II. APPLICATION OF THESE RULES

Every Owner shall be liable for the penalties for violations of the Declaration and these Rules as prescribed by the Declaration and these Rules. Every Owner shall assure that all occupants of his or her Residence or Lot, and his or her guests and invitees comply with the Declaration and these Rules. The Owner shall be responsible for all penalties for violations of the Declaration and these Rules and damages to the Common Areas caused by such persons.

III. MOTORIZED VEHICLES

The operator (driver) of any motorized vehicle operated on any Princeville road, Common Area or other property within Princeville owned by the Association must be in possession of a valid driver's license when the vehicle is operated. The operation of such vehicle shall at all times be conducted in a safe and prudent manner. The only motorized vehicles that may be so operated are (i) those vehicles registered for operation on the public highways in accordance with Hawaii law, including the Hawaii Highway Safety Act and the ordinances of the County of Kauai, (ii) golf carts (see note on golf cart usage in Princeville on page 11), and (iii) electric/battery-powered wheelchairs, electric-powered carts, and similar and equipment designed for and used by persons with disabilities.

IV. WALK/JOG PATHWAYS

Pedestrians shall have the right-of-way in using all walk/jog pathways. Bicycling in a safe and prudent manner and at limited speeds is permitted on the walk/jog pathways; however, bicyclists must yield at pedestrians at all times and must have appropriate lighting if bicycling in limited light conditions. No motorized vehicles are permitted on the walk/jog pathways except for conveyances such as motorized wheel chairs used by persons with physical disabilities who are dependent on the use of such vehicles for transportation or as may be otherwise required by law. No skateboards are permitted on the walk/jog pathways, on any Princeville road, Common Area or other property owned or controlled by the Association.

V. PARKING

A. Parking on Streets and Right-Of-Ways (shoulders)

The Declaration provides that "No automobile, truck, boat, trailer or other vehicle shall be parked on any street or road or any part of the right-of-way of any street or road in Princeville at Hanalei at any time." In certain circumstances, strict enforcement of this provision may not be consistent with the general intent of the Declaration. These special circumstances include:

1. Emergency vehicle parking related to the emergency;
2. Parking of vehicles used by repair and maintenance provides during the time of such services; and
3. Parking for private parties and meetings when sufficient space is not available in the Owner's driveway or off-road parking areas. Vehicles for private parties and

meetings should be parked in an orderly fashion a safe distance off of the pavement on the road shoulder. If the party or meeting is held after dark, Princeville Patrol [826-6181] should be notified. Overnight parking is not allowed under any circumstances.

B. Residence Parking

Vehicles, whether or not motorized, including but not limited to boats and trailers, shall be parked only in the garage, carport or driveway serving the Residence, or in such other areas as have been approved by the Community Design Committee.

Vehicles with commercial signage on their exteriors, vehicles designed for commercial purposes, tractors, and commercial trailers (either with or without wheels), shall be parked only in enclosed garages. If a garage cannot accommodate such a commercial vehicle, it shall not be parked at the Residence.

Vehicles which are either inoperable or do not have current operating licenses or registrations shall not be permitted except within enclosed garages. Vehicles that become inoperable while within the Common Area or visible from the Common Area and located at a Residence must be removed within forty-eight (48) hours.

C. Multiple Unit Lots and Hotel Use Lots Parking

The applicable restrictions on parking in Rule V.A above apply to Hotel Use Lots and Multiple Unit Lots, as well as Single Family Residential Lots, but only to the extent that the streets and rights-of-way are owned by the Association. Hotel and Multiple Unit Lot employees, visitors and guests may be subject to further parking rules imposed by the management or other governing body of the Hotel or Multiple Unit Lots.

VI. COMMERCIAL ACTIVITIES/HOME BUSINESSES

A. Residences

No trade or business may be conducted in the Common Area or on any Lot; however, an Owner or occupant residing in a Residence may conduct limited business activity so long as:

1. The existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residence, is consistent with the residential character of Princeville, and does not constitute a nuisance, or a hazard or offensive use, or threaten the security or safety of other residents of Princeville; and
2. The business activity conforms to all zoning requirements.

The terms "business" and "trade," as used in this provision, shall have their ordinary, generally accepted meanings. They shall include, but not be limited to, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. The construction, leasing or rental of an entire Residence shall not be considered a trade or business within the meaning of this Rule.

B. Multiple Unit Lots and Hotel Use Lots

Any business or other activity on Multiple Unit Lots or Hotel Use Lots must not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Princeville, as may be determined in the discretion of the Board. Business activity on Multiple Unit Lots must also comply with Article III, Section 1.b. of the Declaration and any business activity on Hotel Use Lots must comply with Article III, Section 1.c. of the Declaration.

VII. LEASING AND RENTAL RESTRICTIONS

A. Residences

Each Owner shall be responsible for ensuring that all occupants of the Residence comply with the Declaration, By-Laws and these Rules. Owners shall be responsible for all violations thereof and damages to the Common Area caused by such persons.

No Residence shall be used as a hotel, boarding house, bed and breakfast or similar establishment. The renting of single rooms, "lock-outs", or "guest quarters" is prohibited. The renting of an entire Residence is permitted.

For emergency purposes, notice of any rental of sixty days or more shall be given to the Association management office by the Owner, or his or her rental manager, within ten (10) days of execution of the rental. Such notice to include names, mailing address and telephone numbers of the tenants.

In the case of rentals for less than sixty days, the Owner shall furnish the name, mailing address and telephone numbers of the rental agent, if any.

The Owner must make available to the tenants copies of the Declaration, By-Laws, and these Rules.

B. Multiple Unit Lots

Each Multiple Unit Lot Owner or condominium association, time share association or other owner association should be responsible for ensuring that visitors, guests and employees of the Multiple Unit Lot comply with the Declaration, By-Laws and these Rules. Owners shall be responsible for all violations thereof and damages to the Common Area caused by such persons.

The name, telephone number and address of a responsible representative of the property manager or rental manager, if any, designated to handle Association matters shall be furnished to the Association management office and changes in such designation shall be confirmed in writing.

For emergency purposes, notice of any rental of sixty days or more shall be given to the Association management office by the Owner, or his or her rental manager, within ten (10) days of execution of the rental. Such notice to include names, mailing address and telephone numbers of the tenants.

In the case of rentals for less than sixty days, the Owner shall furnish the name, mailing address and telephone numbers of the rental agent, if any.

The Owner must make available to the tenants copies of the Declaration, By-laws, and these Rules.

C. Hotel Use Lots

The Owner of each Hotel Use Lot shall be responsible for ensuring that visitors, guests and employees of the Hotel comply with the Declaration, the By-Laws and these Rules and shall be responsible for all violations thereof and damages to the Common Area caused by such persons. The name, telephone number and address of a responsible representative of the Hotel management designated to handle Association matters shall be furnished to the Association management office and changes in such designation shall be confirmed in writing.

D. Fractional Ownership Plans

In the case of any Fractional Ownership Plan, the Fractional Interest Owners must hire or appoint a manager for the payment of common assessments, maintenance of the Lot, maintenance of insurance, payment of real property taxes and other property management functions. The manager must be located in the County of Kauai and must be licensed as real estate broker or salesperson or a Fractional Interest Owner. The manager must give annual notice to the Association management office of the Fractional Ownership Plan, the number, names and addresses of Fractional Interest Owners, including the names, mailing addresses and telephone numbers of the manager and the designated person who is authorized to vote for the Fractional Interest Owners under such Fractional Ownership Plan. The vote, in person or by

proxy, of the designated person will be deemed to be exercised on behalf of all of the Fractional Interest Owners, unless the Association is given written notice that less than a majority of the Fractional Interest Owners agree on how the vote should be cast. In such event, the vote of such designated person will not be counted unless the majority of Fractional Interest Owners, voting in person or by proxy, agree and confirm in writing how the vote should be cast. The manager must also file with the Association management office copies of fractional ownership documents providing for the operation of the Fractional Ownership Plan and any changes made to such plan.

Time sharing, as defined under Hawaii law, is currently prohibited in single-family residences on Kauai.

VIII. SINGLE FAMILY RESIDENTIAL HOUSE NUMBERS

All single family residences shall have readily seen house number (address) identification in accordance with the requirement of the County of Kauai. The house numbers shall be of a contrasting color from the background on which they are placed and shall be at least three (3") inches in height. The numbers shall be securely affixed in a permanent manner and shall not be readily effaceable.

IX. PETS

All pets will be kept in adherence to the laws of the State of Hawaii and County of Kauai, and the Declaration. Pet owners are required to pick up and dispose of their pet(s) feces in a sanitary manner. The Kauai Police Department and/or the State Department of Health may be notified if violations are observed. No owner shall permit any dog, cat, or other animal, whether or not the pet is licensed, to become a stray.

X. NUISANCE NOISE

The Declaration provides that "No noxious or offensive activity shall be carried on upon any land in Princeville at Hanalei, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood." Noise sources which may constitute an annoyance/nuisance include, but are not limited to: boisterous activities, incessant dog barking, musical instruments, audio equipment, televisions, unmuffled or inadequately muffled motor vehicles, public address systems, spa/pool activity.

A reasonable interpretation of the Declaration would allow for moderate noise from construction and yard maintenance activities, as well as from emergency generators. Reasonable noise shall be allowed between the hours of 7 a.m. to 6 p.m. Monday through Friday; 9 a.m. to 5 p.m. on Saturdays; and 10 a.m. to 5 p.m. on Sundays and Holidays. For the purposes of this rule Holidays are: New Year's Day, Memorial Day, King Kamehameha Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. If any of these holidays falls on a Saturday or Sunday then the rule regarding work on Holidays will apply to the day that these Holidays are observed.

XI. PENALTIES

Penalties for infractions for certain of these Rules pursuant to the authority set forth in Article IX of the By-Laws of the Association have been established. Citations for such infractions shall be issued by Association staff acting under the direction of the Board. Such citations shall be in writing describing the violation and the penalty applicable and shall be delivered either in person or by mail. A copy of the citation shall be delivered to the Owner and to the Property Manager, if known. A copy shall, if applicable, be delivered to any person or persons charged with the violation. If delivery is by mail to the Owner, it shall be deemed complete twenty-four (24) hours after deposit in the United States mail, postage prepaid, addressed to the Owner at his or her address on file with the Association. If there is more than one Owner, delivery of the citation to any one Owner shall be effective delivery to all Owners. Warnings as to infractions may also be issued.

An Owner shall, on request, be entitled to a hearing to contest any citation. Such request shall be in writing and delivered to the Board within thirty (30) days of the citation date. Unless such request is made, the violation claimed shall be deemed found and the applicable penalty assessed.

The hearing shall be held before a Committee appointed by the Board and authorized to determine the claimed infraction(s). An Owner shall be entitled to appeal an adverse decision by the Committee to the Board.

An Owner shall be entitled to not less than (10) days notice of a hearing, to be represented by counsel at each such hearing, to call witnesses and to contact any party asserting the violation. The decision by the Committee or the Board shall be in writing, and if adverse to the Owner, shall contain findings which identify the violation, its date and duration and the name(s) of the violation(s).

The Board's right to enforce provisions of these Rules, the By-Laws or the Declaration for which no specific penalty has been established, shall not be deemed in any manner limited or restricted by the establishment of the following penalties:

A. Per Offense:

Warning first offense, \$25 second offense, \$50 third offense, \$100 each subsequent offense.

Motorized Vehicles – Rule III

Walk/Jog Pathways – Rule IV

Parking – Rule V

Single Family Residential House Numbers – Rule VIII

Pets – Rule IX

Nuisance Noise – Rule X

Specific Declaration Violations – Rule II

1. Photoelectric Cell Light (Article III, Section 2.f. (3) of the Declaration),
2. Laundry Facilities (Article III, Section 2.f. (7) of the Declaration),
3. Structural Maintenance (Article III, Section 2.f. (10) of the Declaration),
4. Landscape Controls (Article III, Section 2.g. of the Declaration),
5. Refuse Disposal (Article III, Section 2.h. of the Declaration),
6. Nuisances (Article III, Section 2.k. of the Declaration), and
7. Signs (Article III, Section 2.l of the Declaration). In lieu of the sign penalty, a \$25 pick-up fee may be charged for real estate and other signs picked up.

B. Per Day/Week Offense:

Commercial Activities/Home Businesses – Rule VI of these Rules governing the regulation of commercial activities and home businesses: Warning first offense, \$25 per day second offense, \$50 per day third offense, \$100 per day each subsequent offense.

Leasing and Rental Restrictions – Rule VII of these Rules governing the regulation of leasing and rental restrictions of single rooms, “lock-outs” or “guest quarters”:
Warning first offense, \$25 per day second offense, \$50 per day third offense, \$100 per day each subsequent offense.

Leasing and Rental Restrictions – Rule VII of these Rules governing the regulation of notice for leasing and rental restrictions of the entire Residences: Warning first offense, \$25 per week each subsequent offense.

The Committee or the Board is each empowered in its discretion to waive or reduce the prescribed penalty in any instance it deems such action advisable.

A continuing penalty described in paragraph B above shall not commence until the citation for the infraction has been delivered to the Owner. Any such citation shall include a cease and desist demand; if the infraction continues for a period of sixty (60) days after the citation delivery, a new infraction shall be deemed to have occurred.

Any Owner issued a citation for infraction of these rules, six months after final resolution of the citation will be considered as not having had previous citations, in other words, the first, second, third, and subsequent offence sequence will start at the first offense level after the six months period has lapsed.

Final resolution shall be considered to occur when all penalty amounts or liens are paid, or in cases where a hearing is held, after the owner receives the decision in writing and pays any applicable penalty. In cases of warning offences the six-month time will start when the warning citation is issued to the owner.

Golf Cart Usage in Princeville.

A prior PHCA Board successfully got the Kauai County Council to pass a Resolution giving KPD the ability to enforce all traffic violations on certain roads in Princeville. The roads in Princeville are private and prior to the passage of this resolution the KPD was not enforcing County traffic regulations in Princeville. The Resolution can be viewed on our website www.pcaonline.org.

A recent incident involving a golf cart being driven on our roads resulted in the driver receiving a citation from the KPD. Golf carts are not street legal vehicles according to County traffic regulations. This incident brought to light the fact that there is a conflict between the Resolution and the PHCA Rules which allow golf cart use on Princeville roads. In addition, in the past there was an issue as to how broadly the County interprets the applicability of this Resolution – PHCA was trying to get the KPD to enforce parking violations around the Queen’s Bath area and at that time the County opined that the Resolution did not cover this action.

The PHCA General Manager is setting up a meeting with KPD and the County to try and resolve these issues without jeopardizing the enforcement of other traffic regulations in Princeville. In the interim, PHCA asks those residents who use golf carts to drive on the grassy road shoulders instead of the roads as much as possible. Please also note that the Resolution only covers certain roads and does not cover areas outside Phase I of Princeville, e.g. the shopping center, library, etc.

If you have any questions please call the PHCA office at 826-6687.