RULES AND REGULATIONS
OF ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI

Welcome to Luana Waikiki, a resort hotel. As in any community, the quality of life is often determined by the courtesy and consideration that each member of the community extends to the others. The following rules and regulations are established and designed to ensure maximum enjoyment by all owners and occupants of Luana Waikiki and to enhance the livability and desirability of Luana Waikiki.

A. **DEFINITIONS.** Terms used in these Rules and not specially defined have the same meaning or meanings given to them in the Declaration and Bylaws. The terms used in these Rules shall also have the meanings given below:

"**Front Desk**" means the Front Desk Apartment described in the Declaration.

"**Hotel Apartments**" means the dwelling units and lodging units, commonly referred to as hotel rooms or hotel suites. Dwelling units have kitchens and lodging units do not.

"**Occupant**" means an Apartment Owner or any other person who occupies or uses an Apartment or any part of Luana Waikiki, including, but not limited to, an Apartment Owner's family, tenants, invitees, guests and hotel guests.

"**Official Records**" mean the records of the Bureau of Conveyances or Office of the Assistant Registrar of the Land Court of the State of Hawaii in Honolulu, Hawaii.

"**Owner**" means any person or entity owning, or persons or entities owning jointly or in common, an Apartment and the common and limited common elements attached to it, as more fully described in the Declaration. If Time sharing ever exists in the Project "Owner" will specifically include any person or entity owning a Vacation Plan interest in an Apartment.

"**Rules**" means these Rules and Regulations, as amended from time to time.

"**The Project**" means Luana Waikiki condominium project as defined in the Declaration.

"**Apartments**" refers to the Apartments identified in and created under the Declaration.

"**Apartment Deed**" is the recorded document by which an Apartment owner obtained his interest in an Apartment.

B. **PURPOSE OF THESE RULES.** The primary purpose of these Rules is to protect all Occupants from annoyance and nuisance caused by improper use of the Apartments or the common elements and also to protect the reputation and desirability thereof by providing maximum enjoyment of Luana Waikiki.

C. **APPLICATION.** All Occupants shall be bound by these Rules. All Occupants shall also be bound by standards of reasonable conduct even if such conduct is not covered by these Rules. The Board of Directors of Luana Waikiki, the Managing Agent and the resident manager (if any) shall not be liable for any damage, injury, harm or inconvenience to any person or property caused by any noncompliance with or violation of these Rules by any Occupant.

D. **OTHER OBLIGATIONS OF OWNERS.** These Rules supplement, but do not change, the obligations of Owners and Occupants of Luana Waikiki contained in the Act, the Declaration, the Bylaws and the Apartment Deed.

E. RULES FOR OCCUPANTS.

1. Use by Owner's Co-Occupants. Subject to the terms of these Rules, the Act, the Declaration, the Bylaws and the Apartment Deed, an Apartment Owner may permit occupancy of his Apartment by family members, tenants, domestic employees, guests or hotel guests, but each Occupant shall abide by these Rules, and the Apartment Owner shall have responsibility for the conduct of all Occupants. Damages to common elements or common areas shall be surveyed by the Managing Agent or the resident manager and the cost of repair or replacement and any legal fees incurred may be assessed by the Board of Directors against the person or persons responsible, including, but not limited to, Owners or Occupants, for damages caused directly or indirectly by their guests.

2. Absent Owner. An absent Owner, at his expense, shall have an agent, friend or domestic employee conduct periodic inspections of his closed Apartment, assuming responsibility for the Apartment and its contents. Owners shall be responsible for designating a local agent to represent their interest if they will be absent from the Apartment for more than thirty (30) days. Those Owners shall file with the Managing Agent or the resident manager their out-of-town address and telephone number and the address and telephone number of their agent, friend or domestic employee assuming responsibility for the Apartment and its contents.

3. Rentals. Owners of Hotel Apartments shall provide the General Manager of the Association with the names of all occupants of their apartments and dates of occupancy on a current basis. Owners or agents who rent, loan or otherwise permit occupancy of their Apartments, shall furnish a copy of these Rules to their Occupants. Owners or agents who rent, loan or otherwise permit occupancy of their Apartments by any Occupant for more than thirty (30) days shall furnish a copy of the Declaration and Bylaws to the Occupant. The Owner shall be responsible for the actions or omissions of his agent and the Occupant of the Apartment.

F. RULES FOR CONDUCT OF OCCUPANTS.

1. Nuisances. No nuisances shall be allowed at Luana Waikiki nor shall any use or practice be allowed which is improper or offensive in the reasonable judgment of the Board, acting directly or through the Managing Agent, or in violation of the Act, the Declaration, the Bylaws, the Apartment Deed or these Rules or which unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of Luana Waikiki by other Occupants.

2. Excessive Noise. All Occupants shall avoid excessive noise of any kind at any time and shall be considerate of other occupants of Luana Waikiki at all times. All Occupants shall maintain quiet between the hours of 10:00 p.m. and 8:00 a.m. daily. It is strongly suggested in accordance with Hawaii custom and to reduce noise that Owners, Occupants and guests remove their shoes when entering Hotel Apartments.

3. Children. Owners, Occupants and guests shall at all times be solely responsible for the conduct and safety of their children.

4. Objectionable Odors. Occupants shall not cause or permit any disturbing or objectionable odors to emanate from their respective Apartments.

5. Flammable Substances and Explosives. Unless the Board gives advance written consent in each and every instance, Occupants shall not use any illumination other than electric lights, or use or permit to be brought onto any portion of Luana Waikiki any flammable oils or fluids such as gasoline, kerosene, naphthalene or benzine, or other explosives or other articles deemed extra hazardous to life, limb or property.

6. Violation of Law. No activity shall be engaged in and no substance introduced into or manufactured within or on any portion of Luana Waikiki which might result in violation of the law.

7. Solicitation. No solicitation or canvassing by Occupants or other persons will be allowed in any portion of Luana Waikiki, including the common elements, at any time, except insofar as such solicitation or

canvassing is carried out by or at the direction of the Developer or the Owner of Apartment L-2, as part of its rights to conduct sales efforts as provided in the Declaration.

8. Throwing Objects from Windows or Lanais. Nothing shall be thrown from windows or lanais, including specifically, without limitation, cigarettes and matches. The throwing of firecrackers from windows and the explosion of any fireworks anywhere on Luana Waikiki, including within any Apartment or appurtenant limited common elements, is prohibited.

9. Trash Disposal. Garbage, rubbish and other trash shall be disposed of only in receptacles and areas provided for the purpose. All trash containing garbage or other materials subject to decay or which would emit offensive odors, etc., must be securely wrapped in a plastic bag before being placed in receptacles. Occupants shall comply with recycling programs (if any) adopted by the Board, including, but not limited to, sorting trash prior to disposal.

10. Objects Visible from Outside The Apartments. Textile items, including towels, bathing apparel and clothing, brooms, mops, cartons, etc., shall not be placed in corridors, on lanais, or in windows so as to be in view from outside an Apartment.

11. Barbecuing. No fires, open flames, hibachis or grills of any kind whatsoever shall be permitted in any portion of an Apartment, including appurtenant lanais, or in any of the common areas except such areas as may be expressly set aside and designated for outdoor cooking (currently on the pool deck). Subject to fire and other code restrictions the large lanais of Apartments 107, 206, 718 and 1114 may be used for barbecues provided they are located at least five (5) feet from any Apartment. The Owners and occupants of those apartments are responsible to comply with all laws with respect to installation and use of barbecues. No outdoor cooking equipment shall be used in any part of the Project except with electrical fire starters (or an auto-ignite mechanism, in the case of gas-fueled cooking equipment), using propane gas only and with adequate provisions to control smoke and flames so as not to cause hazard or annoyance to other Occupants.

12. Moving Furniture, Equipment, Materials, Tools, etc. It is the responsibility of the Owner or Occupant of an Apartment to ensure that adequate provisions are made to protect the common elements from damage caused by moving household goods, large items of furniture (including appliances), tools, equipment or materials used in connection with repair or renovation of an Apartment in or out of the Apartment. Damage to any common elements caused by or in connection with the moving of such items shall be repaired at the direction of the Board, and all costs of such repair shall be paid by the Owner or Occupant of the Apartment to or from which such items were moved. Moving and construction activities shall be limited to Monday through Friday (excluding state or federal holidays) between the hours of 8:00 a.m. and 5:00 p.m. Moving on Saturdays must be pre-arranged and approved with prior permission from the manager. The Owner or Occupant shall take such steps as are necessary to ensure that no other Owners or Occupants are denied the use of any paths, walkways, roadways or other common areas for an unreasonable length of time due to the moving of such items. At least forty-eight (48) hours notice shall be given to use the elevator approved for use as the freight elevator.

13. Notification of Leaks. Owners or Occupants shall immediately notify the Managing Agent of any leaks.

G. RULES ABOUT APARTMENTS AND LIMITED COMMON ELEMENTS.

1. Access to Apartments. Except in the event of an emergency where immediate access is deemed necessary to protect life or limb or significant damage to property, or except as otherwise provided in the Declaration, Bylaws or Act, the Managing Agent and the resident manager are prohibited from giving access to any Apartment without the written permission of its Owner or current Occupant, if any.

2. Assumption of Risks. Each Apartment Owner and Occupant shall assume full responsibility for protecting his Apartment, vehicles, and their contents from theft, vandalism and other loss.

3. Water Facilities. Toilets, sinks, tubs, showers and other water apparatus in the Apartments or common elements shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags, sanitary napkins, diapers or other articles be thrown into them. Garbage disposals may not be installed in lodging unit Apartments. Any damage anywhere resulting from misuse of any toilets, sinks or other water apparatus in an Apartment shall be repaired and paid for by the Owner of the Apartment. Any such damage resulting from misuse of any toilets, sinks or other water apparatus on the common elements shall be repaired at the direction of the Board, and the cost of repair shall be paid by the person(s) responsible for such misuse or the Apartment Owners responsible for their conduct, unless the person(s) responsible for such misuse cannot be identified individually or with a specific Apartment, in which event the cost of repair shall be borne by all Apartment Owners as a common expense.

4. Awnings. No awnings, roll down screens or drapes or other projections shall be attached to the outside walls of any Apartment, lanai or any other portion of Luana Waikiki or the exterior portion of any door or window without the prior written approval of the Board and in compliance with the Declaration and Bylaws.

5. Floor Covering and Screening. As provided in Declaration Section 18.7 Limitation on Alterations to Lanais No Owner may make any alteration to the Limited Common Element lanai appurtenant to his Apartment, including enclosing or screening his lanai or adding any tile or other floor covering, except for the following, with the prior written approval of the Board:

The Owners of Apartments 101 through 104, 107, 109, 110 to 112, 114 to 120, 206, 718 and 1114 may install tile or other hard surface floor coverings; and

The Owners of Apartment 718 and 1114 may enclose or screen a portion of their respective lanais and may install awnings attached to the walls adjacent to their respective lanais.

6. Lanai Furniture, Plants, Etc. Only appropriate furniture and small plants shall be used on lanais and unsightly or disturbing items shall be removed immediately upon the request of the Board, the Managing Agent or the resident manager. Lanais are not to be used for storage purposes of any kind or for the hanging of laundry, clothing, towels, etc. In addition, no bicycles, surfboards, motorcycles, or mopeds, shall be stored on any lanai. Nothing shall be hung from or over lanai or other railings, including towels, laundry, blankets, rugs, lines, wires, banners, signs, etc.

7. No cooking in Lodging Units. The hotel rooms that have no cooking elements are lodging units. By law they are not allowed to have kitchens. No Occupant shall introduce any fixture, appliance or device of any kind for heating or cooking food, including any oven, toaster oven, microwave oven, toaster, rice cooker or hotplate and no heating of food is allowed in any hotel room that is a lodging unit.

8. Door Locks. Card key door locks are provided for each Hotel Apartment and shall not be removed or altered by any Owner or Occupant.

9. Owners of Hotel Apartments who elect to use the central telephone system or to allow their guests or invitees to do so shall be responsible for any charges incurred in connection with the use of the telephone system in their respective apartments.

H. RULES ABOUT COMMON AREAS.

1. Sidewalks, Passageways, Etc. The sidewalks, driveways, corridors and all other access ways must not be obstructed or used for purposes other than ingress and egress. Items of personal property shall not be left, parked or allowed to stand in any part of the common elements. Items left in violation of these Rules will be removed at the risk and expense of the Owner. Bicycles, mopeds, motorcycles and similar vehicles, and skateboards, scooters, in-line skates and similar recreational equipment shall not be operated on walkways or sidewalks or within the parking areas except for ingress and egress through the parking area and roadways. Bicycles, mopeds, motorcycles and similar vehicles shall be stored only in designated areas.

2. Signs. No Apartment Owner will erect, affix or place any signs, electrical or otherwise, nor post or suffer to be posted any bills or other advertising matter, in front of his Apartment or on the common elements or visible from any point outside of his Apartment except in accordance with the Act, the Declaration, the Bylaws, the Apartment Deed, these Rules, and/or other lawful determinations of the Board. Nothing contained in this paragraph shall limit or affect Developer's right to post signs and conduct sales activities on Luana Waikiki or affect the signage rights of the Apartment Owner of Apartment L-2 or the Front Desk Owner. No contractor or other person or entity performing decorating, remodeling or repair work in an Apartment shall be entitled or permitted to place an informational or promotional sign anywhere on Luana Waikiki.

3. Common Furniture and Equipment. All common furniture and equipment (if any) placed by the Association on the common elements or Resort Elements, is for the safety, comfort and convenience of the respective Apartment Owners and Occupants and, therefore, shall not be altered, extended, removed or transferred to other areas without permission from the Board, the Managing Agent or the resident manager.

4. Radios, etc. No radios, tape decks, compact disc players, stereos, etc., shall be permitted in the common elements except when used with earphones or headsets so as not to be audible to others. Occupants using common elements shall avoid shouting and yelling.

I. SWIMMING POOL AND FITNESS CENTER RULES

1. Who may use the recreational facilities. The swimming pool, fitness center and barbecue facilities can be accessed only by key card. Only apartment occupants (whether owners, tenants or hotel guests) may use these facilities and an occupant may take no more than two outside guests per apartment, who must be accompanied by at least one occupant of the apartment. This limitation does not apply to the Front Desk Owner or Owner of Apartment L-2 when using their reserved rights under the Declaration.

2. Hours of Use.

Hours of use for the recreational facilities are:

- Swimming pool 9:00 a.m. to sunset
- Fitness Center 5:00 a.m. to 9:00 p.m.
- Barbecue Area 9:00 a.m. to 9:00 p.m.

3. Showers. Showers shall be taken before entering the swimming pool. Showers are located in both the men's and women's restrooms.

4. Suntan Oil, Dirt, Etc. All suntan oil, sand, dirt and other materials must be removed before entering the pool.

5. Children.

(a) Children under 14 years of age must be under the poolside supervision of an adult.

(b) Children 16 years of age and older must be under the fitness center supervision of an adult. Children under 15 years of age are not permitted in the fitness center.

6. Horseplay and Prohibited Items. Horseplay, running, screaming, throwing of balls or other objects or other boisterous conduct is not permitted in the pool, the fitness center or the surrounding area. Rafts, surfboards, uncovered styrofoam, boogie boards, toys, fins, hairpins and other items which may cause damage to other swimmers, the pool or the filter system are not allowed.

7. Food; Breakable Containers. No food of any kind is permitted in any part of the pool, the fitness center, or the surrounding area, except in those areas specifically designated for such purposes. No glass containers are allowed in any part of the recreational facilities including the swimming pool, fitness center or barbecue area.

8. Risk. Occupants and guests shall use the swimming pool and the fitness center at their own risk. To use the fitness center users (or the parents or guardians of minors) must sign a waiver form. NO LIFEGUARD OR TRAINER IS PROVIDED.

9. Equipment. Equipment in the fitness center shall be used for its intended purpose and in accordance with any posted instructions.

10. Animals Not Allowed. No animals pets are allowed in the pool or fitness center or the surrounding area, except service animals while assisting persons with disabilities.

11. Swimming or Work Out Attire. Occupants and guests must wear appropriate swimming or work out attire and must dry off before leaving the pool and fitness room area prior to leaving the recreational area.

12. Removal of Personal Belongings. All personal belongings such as towels, bags, sunglasses, books, etc., shall be removed upon leaving the pool area or fitness center.

J. RULES ABOUT PARKING AREAS.

1. Uses of Parking Spaces. Parking spaces are all appurtenant to the Front Desk and Apartment L-2 and the Front Desk Owner and Owner of Apartment L-2 shall jointly or for their respective parking areas, promulgate rules for the parking spaces so long as that shall remain the case. If parking spaces are assigned to other Apartments then the following rules shall apply to the parking spaces appurtenant to those other Apartments.

(a) They shall be used only for parking vehicles and for no other purposes.

(b) No boats, boat trailers or other trailers shall be parked in any parking space or area without the prior written approval of the resident manager, the Managing Agent or the Board.

2. Space Reserved. No Apartment Owner or Occupant may use any parking space at any time that is not assigned to such Apartment without prior permission of the Owner or Occupant who has the right to use such parking space.

3. Loading Areas, Roadways and Driveways. No cars may be parked or left unattended at any loading areas, or in Luana Waikiki's driveways except that the Front Desk Owner or Owner of Apartment L-2 may do so within their own respective areas as provided in the Declaration.

4. Workers and Deliveries. When workers are performing work on an Apartment or if any Occupant orders deliveries of any kind, the Occupant shall advise such workers or delivery persons to use his assigned parking space (if any) or to make arrangements with the Front Desk Owner or Owner of Apartment L-2 or their parking operator(s), unless other arrangements have been made in advance and approved by the Front Desk Owner.

5. Guest Parking. There are no guest parking spaces and parking arrangements must be made with the Front Desk Owner, Owner of Apartment L-2 or their parking operator(s).

6. Parking Space Maintenance; Storage. Owners are responsible for the cleanliness of their respective covered and uncovered parking spaces, including the removal of any grease buildup. No personal items, such as lumber, furniture or crates shall be stored or left in the parking spaces.

7. Speeding. No vehicle shall exceed the posted speed limits while in Luana Waikiki. Racing of engines or tire squealing will not be permitted on any portion of Luana Waikiki. Caution is advised at all times while driving on Luana Waikiki because of pedestrians.

8. Violations. Violators of these Rules regulating parking shall have their vehicles towed away at their own expense. If the violator is an Occupant of any particular Apartment, the Owner thereof shall be held responsible for payment of the towing charge. Otherwise, the registered owner of the towed vehicle shall be responsible for payment of such charge.

K. RULES ABOUT THE GUEST LAUNDRY.

1. Hours of Use. The guest laundry may be used by Occupants and their guests only between the hours of 7:00 a.m. and 9:00 p.m.

2. No overloading. Machines shall be used in accordance with the instructions posted. Machines must not be overloaded.

3. Empty Pockets. Users must be careful to check pockets and see that no coins, paper or other unsuitable objects are introduced into the machines.

4. Keep Clean. Users should show courtesy to others and remove their laundry promptly and leave the laundry clean and neat.

L. RULES ABOUT ANIMALS.

1. Restrictions on Pets. Except as provided in Section L-2 below, no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project. In no case shall any animal prohibited by the Act or any other applicable law be allowed anywhere on the Project. Except as otherwise provided in Section L.2 below, no pets shall be allowed on the common elements.

2. Guide Dogs, Signal Dogs, Etc. Guide dogs, signal dogs, or other service animals upon which disabled Owners, Occupants or guests depend for assistance with their disabilities shall be permitted to be kept by such Owners, Occupants and guests in their Apartments and shall be allowed to walk throughout the common elements while on a leash, provided that such animals shall at all times be accompanied by their owners while present upon the common elements. If such a guide dog, signal dog or other service animal causes a nuisance or unreasonable disturbance or poses a threat to the health or safety of any Owner, Occupant or guest, the owner thereof will be given an opportunity to rectify the problem by measures which fall short of ejectment of the animal from the Project. Ejectment will be required only if the Board of Directors reasonably determines that less drastic alternatives have been unsuccessful. If such an animal is ejected, it will nonetheless be allowed to remain at the Project for a reasonable period of time while the owner thereof attempts to find a suitable replacement animal, provided that the problem is controlled to a sufficient degree that the continued presence of the animal during that time does not constitute an unreasonable imposition upon, or threat to the safety or health of, other Owners, Occupants or guests.

3. Indemnifications. In no event shall the Board, the Association, the Managing Agent or resident manager be or be deemed to be liable for any loss, damage or injury to persons or property caused by or arising in connection with any Owner's, Occupant's or guest's guide dog, signal dog or other service animal. By acquiring an interest in an Apartment in the Project, each Owner agrees to indemnify, defend and hold harmless the Board, the Association, the Managing Agent and the resident manager against any claim or action at law or in equity arising out of or in any way relating to such Owner's or such Owner's Occupant's or guest's guide dog, signal dog or other service animal.

M. EMPLOYEES OF THE ASSOCIATION OR MANAGING AGENT.

1. Work of Maintenance Employees. The maintenance employees of the Association are not available on a 24-hour daily basis, and much of their work time must be devoted to maintenance and repair, etc. Accordingly, and in the common interest, every Occupant is to do his part and to use his influence on all members of his household to do their part towards abating unsightliness on Luana Waikiki to the fullest practicable extent.

2. Use of Maintenance Employees. Maintenance employees of the Association or Managing Agent are under the sole direction of the Managing Agent, the resident manager and the Board, and they shall in no case be diverted to the private business or employment of any Occupant at any time.

N. RIGHTS RESERVED BY DEVELOPER. Nothing contained in these Rules shall limit or affect the rights given to Developer or the Front Desk Owner in the Declaration, the Bylaws or any other documents pertaining to Luana Waikiki, including, but not limited to, Developer's right to conduct sales activities and to post signs on Luana Waikiki and the Front Desk Owner's and Owner of Apartment L-2's right to post certain signs and hold certain events.

O. VIOLATIONS OF THESE RULES.

The Violation of these Rules Shall Give the Board of Directors, Its Agents or Employees the Right To:

1. ENTER THE APARTMENT OR THE COMMON ELEMENTS IN WHICH, OR AS TO WHICH, SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE EXPENSE OF THE DEFAULTING APARTMENT OWNER, ANY STRUCTURE, THING OR CONDITION THAT MAY EXIST THEREIN IN VIOLATION OF THESE RULES, AND THE BOARD AND ITS AGENTS SHALL NOT THEREBY BE GUILTY OF ANY TRESPASS; OR

2. ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY SUCH BREACH, AND ALL COSTS THEREOF, INCLUDING REASONABLE ATTORNEYS' FEES, SHALL BE BORNE BY THE DEFAULTING APARTMENT OWNER.

P. AMENDMENT OF THESE RULES. These Rules may be amended by the vote of a majority of those Directors present at a duly called meeting at which a quorum of Directors is present or as otherwise provided in the Bylaws, and shall become effective when published to all Apartment Owners.

Q. PRONOUNS. All pronouns used in these Rules include the male, female and neuter genders and include singular and plural numbers, as the case may be.

The Board of Directors of the Association hereby adopts the foregoing amendments to the Rules and Regulations of the Association of Apartment Owners of Luana Waikiki as of September 13, 2004