

Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SFE)	B/B	L/D	AS/AT	DESCRIPTION
401	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
402	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
403	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
404	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
406	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
407	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
409	H	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
410	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
411	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
412	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
414	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
415	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
416	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
417	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
418	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
419	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
420	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (HCB)	B/B	L/D	AS/AT	DESCRIPTION
501	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
502	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
503	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
504	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
506	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
507	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
509	I	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
510	J	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
511	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
512	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
514	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
515	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
516	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
517	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
518	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
519	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
520	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SQ. FT.)	B/B	L/D	AS/AT	DESCRIPTION
601	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
602	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
603	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
604	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
606	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
607	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
609	I	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
610	J	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
611	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
612	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
614	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
615	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
616	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
617	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
618	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
619	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
620	M	0.392689%	373	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.

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Unit No	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	L/D	AS/AT	DESCRIPTION
701	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
702	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
703	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
704	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
706	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
707	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
709	P	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
710	Q	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
711	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
712	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
714	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
715	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
718	V	1.185438%	1126	991	2/2	D	AT	Two bedroom accessible unit consisting of a living room with kitchen, bedroom, bathroom, master bedroom with bathroom and dressing room. Note the lanai area is the aggregate area of four Limited Common Element lanais.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	L/D	AS/AT	DESCRIPTION
801	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
802	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
803	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
804	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
806	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
807	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
809	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
810	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
811	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
812	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
814	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
815	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
816	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
817	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
818	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq ft)	B/B	L/D	AS/LAI	DESCRIPTION
901	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
902	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
903	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
904	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
906	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
907	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
909	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
910	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
911	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
912	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
914	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
915	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
916	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
917	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
918	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AT	DESCRIPTION
1001	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1002	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1003	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1004	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1006	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1007	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1009	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1010	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1011	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1012	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1014	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1015	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1016	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
1017	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1018	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AT	DESCRIPTION
1101	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1102	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1103	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1104	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1106	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1107	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1109	P	0.329522%	313	34	0/1	D	AT	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.
1110	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
111	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1114	W	1.008570%	958	1385	2/2	D	-	Two bedroom unit consisting of a vestibule, living room with kitchen, bedroom, bathroom and master bedroom with bathroom. Note the lanai area is the aggregate area of four Limited Common Element lanais.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	L/D	AS/AT	DESCRIPTION
1201	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1202	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1203	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1206	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1209	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1210	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1214	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1215	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	1/2 D	AS/AT	DESCRIPTION
1401	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1402	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1403	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1404	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1406	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1407	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1409	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1410	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1411	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1412	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1414	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1415	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq ft)	B/B	L/B	AS/AT	DESCRIPTION
1501	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1502	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1503	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1504	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1506	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1507	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1509	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1510	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1511	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1512	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1514	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1515	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	T/D	AS/AD	DESCRIPTION
1601	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1602	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1603	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1604	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1606	S	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1607	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1609	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1610	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1611	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1612	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1614	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1615	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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DESCRIPTION OF COMMERCIAL APARTMENTS

Unit No.	Common interest	Net Living Area	DESCRIPTION
L-1	0.925400%	879	A Commercial Apartment with five (5) rooms.
L-2	0.736951%	295	A Commercial Apartment with one (1) room.
L-3	0.722212%	673	A Commercial Apartment with one (1) room.
L-4	2.038195%	621	A Commercial Apartment with four (4) rooms, also called the Front Desk Apartment and containing the front desk.
M-1	4.249047%	4036	A Commercial Apartment with one (1) room.
M-2	4.615417%	4384	A Commercial Apartment with one (1) room. Note: Apartment M-2 contains a disused dumbwaiter which reduces the usable space.
M-3	1.987661%	1888	A Commercial Apartment with one (1) room.
M-4	1.150696%	1093	A Commercial Apartment with one (1) room.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
Page 16 of 18

CALCULATION OF COMMON INTERESTS

Common interests were calculated by taking the net living area of Hotel Apartments, Apartment L-1, and Apartments M-1, M-2, M-3 and M-4 and the weighted net living area of Apartments L-2, L-3 and L-4. The weighting calculation is shown below. This produces an aggregate weighted net living area for the Project of 94,986 square feet.

The common interest of an individual Apartment is calculated by dividing the net living area (or weighted area) of the Apartment by 94,986 and expressing the result as a percentage:

$$\frac{\text{Apartment Area} \times 100}{94,986} = \text{Common Interest \%}$$

	(1)	(2)	(1) x (2)	(3)	(2) x (3)
Unit Type	Area or Weighted Area of Each Apartment:	No. of Units in each Type	Total Area or Weighted Area of Apartments in Type	Common Interest per Apartment in Type	Total Common Interest of Apartments in Type
G	307	15	4605	0.323206%	4.848090%
A, B, H, I, J, K, L, P, Q	313	127	39751	0.329522%	41.849294%
C, D	316	29	9164	0.332681%	9.647749%
N	362	9	3258	0.381109%	3.429981%
E, M	373	6	2238	0.392689%	2.356134%
U	588	15	8820	0.619039%	9.285585%
R, S, T	676	14	9464	0.711684%	9.963576%
V	1126	1	1126	1.185438%	1.185438%
W	958	1	958	1.008570%	1.008570%
Apt L-1	879	1	879	0.925400%	0.925400%
Apt L-2	700	1	700	0.736951%	0.736951%
Apt L-3	686	1	686	0.722212%	0.722212%
Apt L-4	1936	1	1936	2.038195%	2.038195%
Apt M-1	4036	1	4036	4.249047%	4.249047%
Apt M-2	4384	1	4384	4.615417%	4.615417%
Apt M-3	1888	1	1888	1.987661%	1.987661%
Apt M-4	1093	1	1093	*1.150700%*	*1.150700%*
			94986		100.00%

*Rounded up slightly so that aggregate will be 100%.

Note: All areas are approximate and weightings a matter of discretion and the common interests will not change in the event that area differences are discovered or use of weighted areas is changed.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
Page 17 of 18

CALCULATION OF WEIGHTED NET LIVING AREAS

Apartment L-2, L-3 and L-4 have weighted areas for the calculation of common interests. Apartment L-4 the Front Desk has been weighted at 25% of its actual area because of the obligations placed upon the Front Desk Apartment in the Declaration. For the purpose of calculating common interests, the Limited Common Elements appurtenant to Apartments L-2, L-3 and L-4 that will be maintained by the Association were added to the area of the Apartment at a weighted formula. Weighting is based on Developer's opinion of the likely use of the space and its affect on the common expenses. As provided in this Declaration, if a Limited Common Element that affects the common interest of an Apartment is transferred, the corresponding portion of the common interest will be transferred also.

Required or Probable Use.	Space	Sq Ft	Weighting Value	Weighted Sq Ft
Office	L-2	295	1.00	295
Lobby Parking	25 stalls	4,050	0.10	405
	Total L-2	4,345		700
Retail	Apt L-3	673	1.00	673
Storage	Area L-1	128	0.10	13
	Total L-3	801		686
Front Desk	Apt L-4	621	0.25	155
Wskp/Maint Employee Areas	Areas B-1 through B-4 and B-6 through B08	2,869	0.25	717
Makai Utility Rm/floor	Area 1-1	1,395	0.10	140
Mauka Utility Rm/floor	Area 1-2	1,035	0.10	104
Employee Restroom	Area L-2	100	0.10	10
Basement Parking	50 Stalls	8,100	0.10	810
	Total L-4	14,120		1,926

Based on the total weighted square footage of the Project and the weighted square footage of each parking stall, 0.017055% ($16.2/94986 \times 100$) is added to the common interest of an Apartment to which a parking stall is appurtenant. The area of a parking stall for this calculation is based on a typical stall area of approximately 162 square feet.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
Page 18 of 18

EXHIBIT "C"
Listing of Parking Stalls and Intrusions Into Parking Stalls

PARKING STALL SCHEDULE

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
L-1	R		Door to Apartment L-1
L-2	R		
L-3	R		
L-4	R		
L-5	R		
L-6	R		
L-7	R		Fire Hose Cabinet
L-8	R		
L-9	R		Door to Elevator Machine Room
L-10	R		Door to DW storage room
L-11	R		
L-12	R		
L-13	R		
L-14	R		
L-15	R		
L-16	R		
L-17	R		
L-18	R		
L-19	R		
L-20	R		
L-21	R		
L-22	R	H	
L-23	R	H	
L-24	R		
L-25	C		Duct

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
B-1	C		
B-2	C		
B-3	C		Aisleway to storage and stair
B-4	R		
B-5	R		
B-6	R		Air Conditioner
B-7	C		Door to Area B-8
B-8	R		
B-9	R		
B-10	R		
B-11	R		
B-12	R		
B-13	R		
B-14	R		
B-15	R		
B-16	R		
B-17	R		
B-18	R	H	Electrical room doors intrude into access aisle
B-19	R		Door to Electric Transformer Room
B-20	R		Door to Electric Transformer Room
B-21	R		Door to Area B-6
B-22	R		
B-23	R		
B-24	R		
B-25	R		Duct
B-26	R		Duct
B-27	R		Duct
B-28	R		Duct
B-29	R		Duct
B-30	R		
B-31	R		
B-32	R		
B-33	R		
B-34	R		
B-35	R		
B-36	R		Fire extinguisher
B-37	R		
B-38	R		
B-39	R		

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
B-40	R		Mechanical equipment above reduces height to 6'2"
B-41	R		Mechanical equipment above reduces height to 6'2"
B-42	R		Mechanical equipment above reduces height to 6'2"
B-43	R		Mechanical equipment above reduces height to 6'2"
B-44	R		Mechanical equipment above reduces height to 6'2"
B-45	C		Mechanical equipment above reduces height to 6'2" Fire sprinkler valves
B-46	R		Mechanical equipment above reduces height to 6'2"
B-47	R		Mechanical equipment above reduces height to 6'2"
B-48	C		Mechanical equipment above reduces height to 6'2" Utility cage door, fire sprinkler line
B-49	R		Access required to mechanical Equipment above
B-50	R		

EXHIBIT "D"

List of Variances

1. 75/ZBA-108 on October 2, 1975 to construct a wall within rear yard setback.
2. 85/WSD-42 on November 6, 1985 for air conditioning unit.
3. 90/WSD-4 on January 24, 1990 for minor alterations.
4. 90/WSD-32 on October 20, 1990 for minor modifications.
5. 91/VAR-13 on August 6, 1991 for trellis to encroach into front yard setback.
6. 91/WSD on October 4, 1991 for a porte cochere.
7. 94/VAR-54 on December 30, 1994 to allow a utility installation which is not a permitted use.

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

The original of this document was
recorded as follows:

DOCUMENT NO. 3972809

DATE JUN 22 2010 TIME 08:02

TCT

Return by: Mail [] Pickup [X] To:
ANDERSON LAHNE & FUJISAKI LLP
A Limited Liability Law Partnership
Joyce Y. Neeley, Of Counsel (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawai'i 96813 (808) 536-8177

**AMENDMENT TO THE BYLAWS OF
THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI**
(Condominium Map No.1608)

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063 (currently Transfer Certificate of Title Numbers attached hereto); and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 (currently Transfer Certificate of Title Numbers attached hereto) and incorporated therein by reference; and

WHEREAS, Chapter 514B, Hawaii Revised Statutes, provides that the declaration and bylaws of condominium associations may be amended by the vote or written consent of owners holding more than sixty-seven percent (67%) of the common interest; and

WHEREAS, at the March 23, 2010 annual meeting of the Association, owners holding more than sixty-seven percent (67%) of the common interest voted to amend the Bylaws, as hereinafter set forth;

NOW, THEREFORE, the Bylaws of the Association of Apartment Owners of Luana Waikiki are hereby amended as follows:

1. Article 4, §4.2.1 of the Bylaws is amended to read as follows:

4.2.1 The Board shall be composed of seven Directors. No decrease in number of directors shall have the effect of shortening the term of any incumbent director.

In all other respects the Bylaws, as amended, are hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Bylaws amendment was duly adopted at the March 23, 2010 annual meeting of the Association by the vote of owners holding more than sixty-seven percent (67%) of the common interest.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 9 day of JUNE, 2010.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By: Richard J. Zava

TYPE NAME: RICHARD J ZARA

TYPE TITLE: PRESIDENT LUANA AOAO

By: Kevin M. Showe

TYPE NAME: Kevin M. Showe

TYPE TITLE: Vice President

STATE OF HAWAII

)

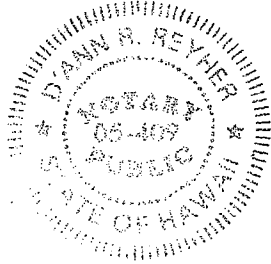
) SS.

CITY AND COUNTY OF HONOLULU

)

On this 9th day of June, 2010, in the 1st Circuit, State of Hawaii, before me personally appeared Richard J. Zava, to me personally known, who being by me duly sworn, did say that he/she is the President of the Association of Apartment Owners of Luana Waikiki, that the foregoing instrument identified or described as Amendment to the Bylaws of the Association of Apartment Owners of Luana Waikiki was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that he/she executed the same as the free act and deed of said Association.

The foregoing instrument is dated 6/9/10 and contained 2 pages at the time of this acknowledgment.



[Signature]

(Signature)

D'Ann R. Reyher

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 7/3/2013

STATE OF HAWAII

)

) SS.

CITY AND COUNTY OF HONOLULU

)

On this 9th day of June, 2010, in the 1st Circuit, State of Hawaii, before me personally appeared Kevin M. Shaw, to me personally known, who being by me duly sworn, did say that he/she is the Vice President of the Association of Apartment Owners of Luana Waikiki, that the foregoing instrument identified or described as Amendment to the Bylaws of the Association of Apartment Owners of Luana Waikiki was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that he/she executed the same as the free act and deed of said Association.

The foregoing instrument is dated 6/9/10 and contained 2 pages at the time of this acknowledgment.



[Signature]

(Signature)

D'Ann R. Reyher

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 7/3/2013

AOAO Luana Waikiki

CM: 1608
 TMK: 1-2-6-006-002
 232 Apts.

TCT Numbers

Unit No.	TCT No.
101	773,121
102	714,757
103	714,758
104	744,197
107	707,465
109	879,732
110	741,541
111	804,882
112	892,334
114	716,439
115	892,333
116	727,950
117	924,092
118	954,602
119	713,169
120	808,755
201	714,520
202	967,691
203	710,722
204	710,881
206	729,861
207	713,332
209	713,394
210	713,393
211	839,549
212	747,168
214	801,171
215	932,416
216	713,573
217	714,284
218	961,295
219	822,506
220	715,546
301	706,129
302	919,186
303	879,977
304	764,697
306	985,190
307	711,837
309	713,390
310	713,572
311	736,735
312	746,294
314	706,492

Unit No.	TCT No.
315	709,573
316	811,117
317	803,453
318	980,526
319	765,316
320	808,756
401	706,127
402	792,711
403	709,575
404	709,894
406	717,511
407	771,062
409	874,848
410	808,726
411	709,020
412	709,576
414	970,833
415	835,749
416	709,578
417	732,909
418	709,579
419	735,457
420	786,547
501	950,639
502	950,640
503	950,641
504	950,642
506	717,512
507	709,580
509	955,610
510	955,590
511	794,784
512	955,591
514	856,160
515	718,236
516	960,554
517	920,506
518	703,938
519	950,647
520	817,322
601	839,756
602	702,208
603	708,051
604	709,022

AOAO Luana Waikiki

CM: 1608
 TMK: 1-2-6-006-002
 232 Apts.

TCT Numbers

Unit No.	TCT No.
----------	---------

606	821,078
607	738,402
609	730,235
610	711,229
611	936,506
612	726,203
614	747,353
615	875,354
616	707,464
617	702,024
618	757,680
619	706,128
620	809,692
701	740,797
702	703,950
703	839,756
704	976,677
706	784,544
707	703,767
709	874,828
710	968,964
711	703,319
712	927,258
714	716,409
715	858,714
716	679,063
717	679,063
718	702,766
801	977,989
802	702,709
803	700,337
804	699,674
806	821,091
807	978,374
809	701,225
810	794,895
811	972,705
812	720,956
814	898,068
815	700,867
816	965,667
817	789,892
818	855,477

Unit No.	TCT No.
----------	---------

901	700,593
902	719,526
903	701,763
904	708,528
906	920,505
907	749,986
909	776,160
910	856,434
911	702,373
912	705,376
914	813,001
915	700,622
916	699,501
917	864,836
918	709,265
1001	697,789
1002	697,365
1003	783,378
1004	699,669
1006	869,055
1007	734,614
1009	811,716
1010	910,569
1011	721,100
1012	720,900
1014	694,852
1015	707,619
1016	706,126
1017	696,408
1018	696,409
1101	772,100
1102	947,370
1103	920,504
1104	891,509
1106	845,579
1107	867,951
1109	856,637
1110	808,301
1111	723,783
1114	773,451
1201	696,238
1202	944,764
1203	983,514

AOAO Luana Waikiki

CM: 1608
 TMK: 1-2-6-006-002
 232 Apts.

TCT Numbers

Unit No.	TCT No.
----------	---------

1204	698,270
1206	962,855
1207	782,348
1209	978,649
1210	911,899
1211	721,874
1212	814,351
1214	699,116
1215	785,826
1401	807,812
1402	725,074
1403	728,965
1404	745,178
1406	725,845
1407	886,328
1409	725,076
1410	854,859
1411	729,796
1412	733,296
1414	724,994
1415	796,603
1501	804,640
1502	710,553
1503	866,616
1504	696,800
1506	829,233
1507	696,178
1509	978,648
1510	798,824
1511	782,417
1512	726,296
1514	939,232
1515	786,691
1601	728,134
1602	724,996
1603	728,751
1604	760,332
1606	729,862
1607	866,617
1609	715,909
1610	710,816
1611	702,330
1612	731,042
1614	703,414
1615	856,577

Unit No.	TCT No.
----------	---------

L1	728,056
L2	728,056
L3	728,056
L4	728,056
M100	728,056
M110	728,056
M150	734,219
M200	728,056
M250	735,837
M300	807,806
M350	735,837
M400	728,056
M500	804,243

4

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

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Return by: Mail [] Pickup [X] To:

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A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

**AMENDMENT TO THE BYLAWS OF
THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI**
(Condominium Map No.1608)

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063; and

WHEREAS, said Declaration, as amended (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 and incorporated therein by reference; and

WHEREAS, Chapter 514B, Hawaii Revised Statutes, provides that the bylaws of condominium associations may be amended by the vote or written consent of owners holding more than sixty-seven percent (67%) of the common interest; and

WHEREAS, by written consent owners holding more than sixty-seven percent (67%) of the common interest have consented to amend the Bylaws, as hereinafter set forth;

NOW, THEREFORE, the Bylaws of the Association of Apartment Owners of Luana Waikiki are hereby amended as follows:

1. A new Section 7.5.4 is added to Article 7 of the Bylaws to read as follows:

7.5.4. All Owners who use the common element central telephone system ("Telephone System") or allow their guests, invitees, employees or others acting on their behalf to do so shall be liable for any fees or charges, including without limitation local and/or long distance charges, incurred in connection with such use of the Telephone System. The unpaid amount of such fees or charges shall constitute a lien against the Owner's interest in his or her Apartment which may be foreclosed in the same manner as provided for liens for unpaid assessments in the Condominium Property Act. In addition, at any time after a default in the payment of any Telephone System fees or charges, the Board may terminate the right to use the Telephone System by any occupant of the delinquent Owner's Apartment until such fees or charges are paid.

In all other respects the Bylaws, as amended, are hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Bylaw amendment was duly adopted by the written consent of owners holding more than sixty-seven percent (67%) of the common interest.

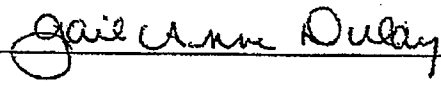
IN WITNESS WHEREOF, the undersigned have executed this instrument this 3rd day of November, 2006.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By:  _____

TYPE NAME: Kevin M. Showe

TYPE TITLE: President

By:  _____

TYPE NAME: Gail Anne Dulay

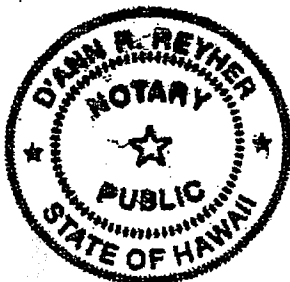
TYPE TITLE: Secretary

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 3rd day of November, 2006, before me personally appeared Kevin M. Showe, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



D'Ann R. Reyher

(Signature)

D'Ann R. Reyher
(Printed or Typed Name)

Notary Public, State of Hawaii

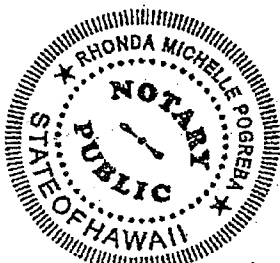
My commission expires: July 3, 2009

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 27th day of October, 2006, before me personally appeared Gail Anne Dulay, to me personally known, who being by me duly sworn, did say that she is the Secretary of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



Rhonda Michelle Pogreba

(Signature)

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: _____

Certified to be a true and correct copy of the document
recorded on 5-3-04 at 9:30 am
in the Office of the Assistant Registrar of the Land Court,
State of Hawaii, as Document No. 3077902

Island Title Corporation

By Smith

Return by Mail () Pickup (☒) To:

Cades, Schutte Law
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813
Attn: Bernice Littman

This document contains 45 pages.

Tax Map Key: (1) 2-6-006:002

**BYLAWS OF THE ASSOCIATION OF
APARTMENT OWNERS OF LUANA WAIKIKI**

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**BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS
OF
LUANA WAIKIKI**

RECITALS:

A. **WAIKIKI TERRACE LLC**, a Hawaii limited liability company (the "Developer"), with mailing address in Hawaii at 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815, is the owner in fee simple of the land described in Exhibit "A" attached to and made a part of these Bylaws (the "Land"); and

B. The Developer intends to convert the Land and the improvements on the Land into a condominium project known as "**LUANA WAIKIKI**" (the "Project") in accordance with plans filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court") as Condominium Map No. _____ (the "Condominium Map"); and

C. The Developer has submitted all of its interest in the Land and all improvements on the Land to a Condominium Property Regime as established by Chapter 514A, Hawaii Revised Statutes, as amended (the "Act"), by Declaration of Condominium Property Regime dated February 27, 2004 recorded in the Land Court concurrently with these Bylaws (the Declaration of Condominium Property Regime, as the same may be amended from time to time, is referred to below as the "Declaration");

BYLAWS:

NOW, THEREFORE, the Developer declares that the Land and all improvements on the Land are and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the Declaration and to the following Bylaws of the Association of Apartment Owners of Luana Waikiki, all of which are declared to be in furtherance of the plan set out in the Declaration and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project. These Bylaws shall constitute covenants running with the Land and shall be binding upon and inure to the benefit of the Developer, its successors and assigns, and all present and future Apartment Owners, mortgagees, tenants, and occupants of the Apartments and any other person who may use any part of the Project.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions. The terms used in these Bylaws shall have the meanings given to them in the Act, except as expressly defined in the Declaration or below:

"Association" means the Association of Apartment Owners of the Project.

"Apartment" means an apartment in the Project as more particularly defined in the Declaration.

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"Apartment Deed" refers to the deed of an Apartment from the Developer to an Apartment Owner recorded in the Land Court or the Bureau.

"Apartment mortgagee" means the holder of a mortgage covering an Apartment in the Project recorded in the Land Court.

"Apartment Owner" means the owner of an Apartment in the Project more particularly defined in the Declaration as "Owner".

"Board" means the Board of Directors of the Association.

"Bylaws" means these Bylaws of the Association of Apartment Owners of Luana Waikiki, as the same may be amended from time to time.

"Commission" means the Real Estate Commission of the State of Hawaii Department of Commerce and Consumer Affairs.

"Common interest" means the percentage of interest in the Common Elements appurtenant to an Apartment.

"Director" means a member of the Board.

"Majority of Apartment Owners" means the Owners of Apartments to which are appurtenant more than fifty percent (50%) of the common interests of the Project, and any other specified percentage of Apartment Owners means the Owners of Apartments to which are appurtenant such specified percentage of the common interests.

"Secretary" means the secretary of the Association whose duties are described in Section 5.5.

"Section" numbers refer to sections or subsections of these Bylaws unless otherwise specified.

"President" means the president of the Association whose duties are described in Section 5.3.

ARTICLE 2 APPLICATION AND ENFORCEMENT

2.1 Administration and Operation. The administration and operation of the Project shall be governed by the Declaration, these Bylaws, the Act and all other applicable laws.

2.2 Personal Application. All present and future Owners, mortgagees, tenants and occupants of Apartments and their guests and employees, and any other person who may use the Project in any manner are subject to these Bylaws, the Declaration, the Rules and Regulations and the Act, as each may be amended from time to time. The acceptance of an Apartment Deed, conveyance, mortgage or similar instrument, or the acquisition of any interest in the Project, or the

entry into or the act of occupancy of an Apartment, shall constitute an agreement that the provisions of these Bylaws, the Declaration, the Rules and Regulations and the Act are accepted, ratified and shall be complied with.

2.3 Compliance with Declaration, Bylaws, Rules and Regulations, etc. Each Apartment Owner, such Apartment Owner's employees, tenants, guests, invitees, and any other persons using the Project shall comply strictly with the covenants, conditions and restrictions set out in the Declaration, these Bylaws and the Rules and Regulations. Each Apartment Owner is fully responsible for ensuring that all employees, tenants, guests, and invitees of the Apartment Owner comply strictly with such covenants, conditions and restrictions, and shall be personally liable for any such non-compliance. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the managing agent or Board on behalf of the Association or, in a proper case, by an aggrieved Apartment Owner.

2.4 Attorneys' Fees and Expenses of Enforcement. All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the Association for:

2.4.1 Collecting any delinquent assessments from any Apartment Owners;

2.4.2 Asserting and/or foreclosing any lien thereon; and

2.4.3 Enforcing any provision of the Declaration, these Bylaws, the Rules and Regulations, the Act or the rules and regulations of the Commission;

against an Apartment Owner, such Apartment Owner's employees, tenants, guests, or invitees, shall be promptly paid on demand by such Apartment Owner to the Association; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by such Apartment Owner as a result of the action of the Association shall be promptly paid on demand to such Apartment Owner by the Association.

2.5 Attorneys' Fees and Expenses of Owner. If any claim by an Owner is substantiated in any action against the Association, any of its officers or the Board to enforce any provision of the Declaration, these Bylaws, the Rules and Regulations or the Act, then all reasonable and necessary expenses, costs and attorneys' fees incurred by such Owner shall be awarded to such Owner; provided that no such award shall be made in any derivative action unless:

2.5.1 The Owner first shall have demanded and allowed reasonable time for the Board to pursue such enforcement; or,

2.5.2 The Owner demonstrates to the satisfaction of the court that a demand for enforcement made to the Board would have been fruitless.

2.6 Conflicts. These Bylaws are set out to comply with the requirements of the Act. In case any of these Bylaws conflict with the Act or the Declaration, the provisions of the Act or the Declaration, as the case may be, shall control.

ARTICLE 3 ASSOCIATION

3.1 Qualifications for Membership. All Apartment Owners of the Project shall constitute the Association. The Owner of any Apartment upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such Apartment ceases for any reason, at which time his membership in the Association shall automatically cease. Notwithstanding anything to the contrary provided in these Bylaws, the Developer shall be entitled to vote and act on all matters as the Association and the Board until such time as the first meeting of the Association. Thereafter, the Developer, as the owner of any unsold Apartments, shall be entitled to vote the interest of each such Apartment.

3.2 First Meeting; Annual Meetings. The first annual meeting of the Association shall be held not later than one hundred eighty (180) days after recordation of the first Apartment conveyance, provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) of the Project is not sold and recorded, at the end of one year after the first Apartment conveyance, an annual meeting shall be called, provided ten percent (10%) of the Apartment Owners so request. Thereafter, the annual meetings of the Association shall be held within three (3) calendar months following the end of the fiscal year selected by the Board, and if the annual meeting date for any year shall not be held or called within said period, then the annual meeting for such year shall be held on the first day of the fourth calendar month following the end of the fiscal year selected by the Board. At such annual meetings, including the first annual meeting, the Board shall be elected by ballot of the Apartment Owners in accordance with Section 4.3 of these Bylaws. The Apartment Owners may transact such other business at such meetings as may properly come before them.

3.3 Place of Meetings. All meetings of the Association shall be held at the address of the Project, or elsewhere within the State of Hawaii convenient to the Apartment Owners as determined by the Board.

3.4 Method of Calling Special Meetings. Except as otherwise provided in these Bylaws, special meetings of the Association shall be held at any time upon the call of the President or of any Director or upon written request signed by at least twenty-five percent (25%) of the Apartment Owners and presented to the Secretary. Upon the receipt of such call or written request, the Secretary shall send written notice of the meeting to all Apartment Owners and the meeting shall be held no earlier than fourteen (14) and no later than sixty (60) days from the receipt of such call or written request, at such time, date, and place as shall be determined by the Board.

3.5 Notice of Meetings. Written notice of all Association meetings, whether annual or special, shall be given to each Apartment Owner at least fourteen (14) days but not more than ninety (90) days prior to the meeting, in any of the following ways: (a) by delivering it personally to the Apartment Owner, or (b) if the Apartment Owner resides in the Project, by leaving it at such Apartment Owner's Apartment in the Project, or (c) by mailing it, postage prepaid, addressed to the Apartment Owner at the address of such Owner as it appears on the

Association's record of ownership. The written notice of meeting shall contain at least: the date, time and place of the meeting, the items on the agenda for the meeting, and a standard proxy form authorized by the Association, if any. Upon notice being given in accordance with the provisions of this Section, the failure of any member of the Association to receive actual notice of any meeting shall not in any way invalidate the meeting or proceedings thereat. The presence of an Apartment Owner or Apartment mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such Owner or Apartment mortgagee unless such Owner or Apartment mortgagee shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

3.6 Quorum. At all meetings of the Association, the presence in person or by proxy of a majority of Apartment Owners shall constitute a quorum, and the acts of a majority of the Apartment Owners present in person or by proxy at any meeting of the Association at which a quorum is present shall be binding upon all Apartment Owners for all purposes, except as otherwise provided in the Declaration or in these Bylaws.

3.7 Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interests assigned to such Apartment pursuant to the Declaration. Votes may be cast in person or by proxy by the Apartment Owners. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the vote for any Apartment owned or controlled by him in such capacity, provided that prior to such meeting he shall first present evidence reasonably satisfactory to the Board that he owns or controls such Apartment in such capacity. The vote for any Apartment owned by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest, the entire vote allocated to such Apartment shall not be counted.

3.8 Proxies and Pledges.

3.8.1 The solicitation of proxies, including without limitation the use of Association funds for solicitation of proxies, and the casting of proxy votes shall be made in compliance with the provisions of the Act, including Section 514A-82(b)(4) of the Act.

3.8.2 A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction shall be a complete reproduction of the entire original proxy.

3.8.3 The authority given by any Apartment Owner to another person to represent him at meetings of the Association shall be by written proxy satisfying the requirements of Section 514A-83.2 of the Act, signed by such Owner and filed with the Secretary within any time limit prescribed by the Act and in any event no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains, and must contain at least: the name of the Association, the date of the meeting of the Association, the printed name and signature of the person or persons giving the proxy, the Apartment or Apartments for which

the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given.

3.8.4 A proxy shall only be valid for the meeting to which the proxy pertains and its adjournments, may designate any person as proxy, and may be limited as the Owner desires and indicates; provided that no proxy shall be irrevocable unless coupled with a financial interest in the applicable Apartment.

3.8.5 The proxy form shall contain a box in which the owner may indicate that the proxy is given: for quorum purposes only; to the individual whose name is printed on a line next to the box; to the Board as a whole and that the vote be made on the basis of the preference of the majority of the Board; or to those directors present at the meeting and the vote to be shared with each Board member receiving an equal percentage. Proxy forms which are not marked shall be considered a choice by the owner that the vote be made on the basis of the preference of the majority of the Board.

3.8.6 Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any Apartment or interest therein, a copy of which is filed with the Board, shall be exercised only until the written release or other termination thereof is filed with the Board. Nothing in this Section 3.8 shall affect the holder of any proxy under a first mortgage of record or under an agreement of sale of any Apartment or interest therein. Any one of two or more persons owning any Apartment may give or revoke a proxy for the entire vote of such Apartment. No proxy may be given by a co-Owner or co-Owners for only a share of an Apartment's vote. Any proxy given by a co-Owner or co-Owners of an Apartment may be exercised to cast the entire vote for such Apartment in the absence of protest by another co-Owner or the holder of a proxy from another co-Owner, and in case of such protest, the entire vote allocated to such Apartment shall not be counted.

3.9 Adjournment of Meetings. Any meeting of the Association may from time to time be adjourned to a time not less than forty-eight (48) hours from the time the original meeting was called as may be determined by a majority of the Apartment Owners present, without any further notice other than the announcement at such meeting. If a quorum is present upon reconvening such adjourned meeting, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

3.10 Order of Business. The order of business at all meetings of the Association shall be generally as follows:

3.10.1 Roll call;

3.10.2 Proof of notice of the meeting;

3.10.3 Reading of minutes of preceding meeting (unless waived by vote of a majority of the Association members present at such meeting);

3.10.4 Reports of officers;

3.10.5 Report of the Board;

3.10.6 Reports of committees;

3.10.7 Election of members of the Board (when so required);

3.10.8 Unfinished business; and

3.10.9 New business.

3.11 Conduct of Association Meetings. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order.

3.12 Registration of Association. The Association shall register with the Commission, as required by the Act and shall pay any registration fees required by the Act.

ARTICLE 4 BOARD OF DIRECTORS

4.1 Powers and Duties. The affairs of the Association, except as otherwise provided by the Act, the Declaration, or these Bylaws, shall be conducted and managed by a Board. If required by the Act, each Director shall owe the Association a fiduciary duty in the performance of the Director's responsibilities, but if permitted by the Act, each Director shall be required to comply with the lesser standard of the business judgment rule applicable to Directors of for profit corporations. Pursuant to Section 6.2 of these Bylaws, the Board may employ a responsible corporate managing agent with such powers and duties of the Board as shall be delegated by the Board.

4.2 Number, Qualification, and Compensation.

4.2.1 The Board shall be composed of nine (9) Directors unless not less than sixty-five per cent (65%) of all Apartment Owners vote by mail ballot, or at a special or annual meeting, to reduce the minimum number of directors.

4.2.2 Each Director shall be an Owner, co-Owner, vendee under an agreement of sale, or an officer of any corporate Owner of an Apartment or, in the case of fiduciary owners, the fiduciary or officers of corporate fiduciaries. The partners in a general partnership and the general partners of a limited partnership shall be deemed to be the Owners of an Apartment for this purpose. In the case of other forms of entity, the entity shall designate a person with management responsibility to be deemed the Owner for purposes of serving on the Board.

4.2.3 There shall be no more than one representative on the Board from any one Apartment unless permitted by the Act.

4.2.4 No resident manager of the Project shall serve on the Board.

4.2.5 No member of the Board shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the course of acting as such Director.

4.3 Method of Electing the Board. Election of Directors shall be by cumulative voting by secret ballot at each annual meeting of the Apartment Owners and any special meeting called for that purpose.

4.4 Term of Office. At the first annual meeting of the Apartment Owners, the term of office of the three (3) members of the Board receiving the greatest number of votes shall be fixed at three (3) years, the term of office of the three (3) members of the Board receiving the third, fourth and fifth greatest numbers of votes shall be fixed at two (2) years, and the term of office of the remaining members of the Board number of votes shall be fixed at one (1) year. After the expiration of the term of office of each of the initial members, each successor member of the Board shall be elected to serve for a term of three (3) years. However, in the event that the Association votes to reduce the number of Directors, the number elected for three, two and one year terms shall be adjusted so that as close as possible to one-third of the Directors shall have terms expiring in any year, for example if there are five (5) Directors on the initial Board, two shall have three year terms, two shall have two year terms and one shall have a one year term. Each member of the Board shall continue to exercise the powers and duties of the office until his successor shall have been elected by the Apartment Owners.

4.5 Removal of Directors. At any regular or special meeting of Apartment Owners, any one or more of the members of the Board may be removed with or without cause by the Apartment Owners and a successor shall then and there be elected for the remainder of the term to fill the vacancy thus created. However, an individual Director shall not be removed (unless the entire Board is removed) if Owners having sufficient votes to elect one Director by cumulative voting present at such meeting vote against his removal. A member of the Board whose removal is proposed by the Apartment Owners shall be given an opportunity to be heard at the meeting. If such removal and replacement is to occur at a special meeting, the call for such meeting shall be by the President or by a petition to the Secretary or managing agent signed by not less than twenty-five percent (25%) of the Apartment Owners as shown in the Association's record of ownership; provided that if the Secretary or managing agent does not send out the notices for the special meeting within fourteen (14) days of receipt of the petition, the petitioners shall have the authority to set the time, date and place for the special meeting and to send out notices for the special meeting in accordance with the requirements for notice contained in these Bylaws. Except as otherwise provided in the Act, such meeting for the removal from office and replacement of Directors shall be scheduled, noticed and conducted in accordance with these Bylaws. In addition, if any Director fails to attend four (4) consecutive meetings of the Board for any reason, the Board, by a vote of a majority of the other members, may remove him and select a replacement to serve his unexpired term.

4.6 Annual Meetings. The Board shall meet at least once a year. Each annual meeting of the Board shall be held at the place of and immediately following each annual meeting of the Association. At such meeting the Board shall elect the officers of the Association for the ensuing year. The first meeting of the first elected Board shall be held at the place of and

immediately following the first annual meeting of the Association as provided in Section 3.2 of these Bylaws.

4.7 Proxy Vote. A Director shall not cast any proxy vote at any Board meeting.

4.8 Conflict of Interest. Unless permitted by law, a Director shall not vote at any Board meeting on any issue in which the Director has a conflict of interest. If there is any disagreement as to whether or not there exists a conflict of interest, the determination of whether a conflict of interest exists as to a particular Director or Directors shall be made by a majority of the non-interested Directors, which determination shall be conclusive and binding on all parties.

4.9 Disclosure of Conflict. A Director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

4.10 Board Meetings. All meetings of the Board shall be conducted in accordance with the most current edition of Robert's Rules of Order. All meetings of the Board, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board may participate in any deliberation or discussion of the Board unless a majority of a quorum of the Board votes otherwise. The Board, with the approval of a majority of a quorum of its members, may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters or litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session.

4.11 Regular Meetings. Regular meetings of the Board may be held at the address of the Project or elsewhere within the State of Hawaii, and at such time as shall be determined from time to time by the Board. Unless the Board determines otherwise, meetings shall be held quarterly; provided, however, that at least two (2) regular meetings, in addition to the annual meeting of the Board, shall be held during each fiscal year. Notice of the time and place for each regular meeting of the Board shall be given to each member of the Board in writing given personally or by telephone, telegraph or facsimile transmission, at least five (5) business days prior to the day named for such meeting.

4.12 Special Meetings. Special meetings of the Board may be called by the President or any one Director on at least three (3) days written notice to each member of the Board, given personally or by telephone, telegraph or facsimile transmission, which notice shall state the time, place and purpose of the meeting.

4.13 Notice of Board Meetings. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or a member of the Board in prominent locations within the Project at least seventy-two (72) hours prior to the meeting or simultaneously with notice to the Board. If posting is not practicable, notice of Board meetings shall be given to the Owners by the resident manager or the Board at least seventy-two (72) hours prior to the meeting in such manner as the Board deems appropriate under the circumstances.

4.14 Waiver of Notice. Any member of the Board may at any time waive notice of any meeting of the Board and such waiver shall be deemed equivalent to the timely receipt of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

4.15 Minutes of Meetings. If required by the Act, the minutes of meetings of the Board shall include the recorded vote of each member of the Board on all motions except motions voted on in executive session.

4.16 Travel Expenses.

4.16.1 Directors shall not expend Association funds for their travel, directors' fees, and per diem, unless the Owners are informed and a majority of the Apartment Owners approve of these expenses.

4.16.2 Members of the Board may expend Association funds, which shall not be deemed to be compensation to the directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as directors; provided that the approved annual operating budget include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State of Hawaii, all other travel expenses incurred under this Section 4.16.2 shall be subject to the requirements of the foregoing Section 4.16.1 of these Bylaws.

4.17 Decisions of Board. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business. The vote or written consent of a majority of Directors present at a meeting at which a quorum of Directors is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. Following such adjournment, at any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

4.18 Vacancies. Vacancies in the Board caused by any reason other than the removal of a member thereof by a vote of the Apartment Owners shall be filled by the vote of a majority of the remaining members at a special meeting of the Board at which a majority of the remaining members are present which is called for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall hold office until the next annual meeting of the Association, at which time a successor Director shall be elected by the Apartment Owners. Any successor Director elected by the Apartment Owners in the foregoing manner shall serve for the remaining unexpired term in respect of which the vacancy occurred.

4.19 Liability and Indemnity of the Board and Officers. The members of the Board and the officers of the Association shall not be liable to the Association or any of the Apartment Owners for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct. The Association may, upon the request of any Director or officer, obtain and maintain, as a common expense, a policy of directors' and officers' liability insurance covering the Directors and officers of the Association, and the Association shall indemnify each Director and officer of the Association against all costs, expenses and liabilities, including judgments, amounts paid in compromise settlements and amounts paid for services of counsel and other related expenses which may be incurred by, or imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted or threatened in which he may be involved as a party or otherwise by reason of his being or having been such Director or officer, or by reason of any past or future action taken, authorized or approved by him or any omission to act as such Director or officer, whether or not he continues to be such Director or officer at the time of the incurring or imposition of such costs, expenses or liabilities, but not including such costs, expenses or liabilities as shall relate to matters as to which he shall in such action, suit or proceeding be finally adjudged to be, or shall be, liable by reason of his gross negligence or willful misconduct toward the Association in the performance of his duties as such Director or officer. The foregoing right of indemnification shall not be exclusive of other rights which any Director or officer may have and shall inure to the benefit of the heirs and personal representatives of each Director and officer.

4.20 Fidelity Bonds. A managing agent employed or retained by the Board shall provide evidence of a fidelity bond in an amount established in the contract with the managing agent, but not less than the minimum amount required by law. In addition, to the extent required by the Act, and if not required by the Act then if reasonably obtainable, the Board shall obtain annually, as a common expense, a fidelity bond or bonds, in an amount not less than the minimum amount required by law, to cover all officers, directors, employees and managing agents of the Association who handle the Association's funds. To the extent reasonably obtainable, the bonds shall: (a) provide that the bonds may not be cancelled or substantially modified (including cancellation for non-payment of premiums) without at least thirty (30) days prior written notice to the Board and all Apartment mortgagees and every other person in interest who shall have in writing requested such notice, and (b) contain a waiver of defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

4.21 Inspection by Directors: Copies of Documents. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. This right of inspection by a Director includes the right to make extracts and copies of documents.

4.22 Telephone Meetings. Any other provision of these Bylaws notwithstanding, and if permitted by applicable law, at any regular or special meeting of the Board at which at least one (1) Board member is physically present, whether held in open or executive session, any member of the Board not physically present may participate in such meeting by telephone for purposes of constituting a quorum and for all other purposes, and the Board may carry on all business within the Board's authority as if all members participating by telephone were

physically present at such meeting. These arrangements will be allowed only if all persons authorized to participate in and actually participating in such meeting (including members of the Association who are not on the Board and who may participate pursuant to Section 514A-83.1(a) of the Act) are at all times during such meeting able to hear and, when appropriate, be heard by all other participants.

ARTICLE 5 OFFICERS

5.1 Election and Term of Office. The officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by and from among the Board. The Board may designate and elect such other officers as in its judgment may be necessary. The officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board.

5.2 Restriction on Qualification. If required by the Act, an Owner shall not act both as an officer of the Association and as an employee of the managing agent employed by the Association, if any.

5.3 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the laws of the State of Hawaii, including, but not limited to, the power to appoint committees from among the Apartment Owners from time to time as he may in his discretion decide to be appropriate to assist in the conduct of the affairs of the Association.

5.4 Vice President. The Vice President shall perform all of the duties and exercise all of the powers and rights of the President provided by these Bylaws or otherwise during the absence or disability of the President, or whenever the office of President is vacant, and shall perform all other duties assigned by the Board.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board. He shall see that all notices are given in accordance with these Bylaws. He shall have charge of such books and records of the Association as the Board may direct. He shall, in general, perform all of the duties incident to the office of Secretary of a corporation organized under the laws of the State of Hawaii. Duties of the Secretary may be delegated to and performed by the managing agent.

5.6 Treasurer. The Treasurer shall keep the financial records and books of account of the Association showing all receipts and disbursements, and shall be responsible for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects of the Association in such depositories as shall be designated by the Board. He shall, in general, perform all of the duties incident to the office of Treasurer of a corporation organized under the laws of the State of Hawaii. Duties of the Treasurer may be delegated to and performed by the managing agent or any outside accounting organization.

5.7 Audits.

5.7.1 The Association shall require an annual audit of the Association's financial accounts and no less than one annual unannounced verification of the Association's cash balance by a public accountant; provided that if the Association at any time consists of less than twenty (20) Owners, the annual audit and the annual unannounced cash balance verification may be waived by a majority vote of all Apartment Owners taken at an Association meeting.

5.7.2 The Board shall make available a copy of the annual audit to each Apartment Owner at least thirty (30) days prior to the annual meeting which follows the end of the fiscal year. The Board shall provide upon all official proxy forms a box wherein the Owner may indicate that the Owner wishes to obtain either a summary of the annual audit report, or an unabridged copy of the annual audit report. The Board shall not be required to submit a summary of the annual audit report or a copy of the annual audit report to the Owner if the proxy form is not marked. If the annual audit has not been completed by that date, the Board shall make available:

(a) An unaudited year end financial statement for the fiscal year to each Apartment Owner at least thirty (30) days prior to the annual meeting; and

(b) The annual audit to all Owners at the annual meeting, or as soon as the audit is completed, whichever occurs later.

If the Association's fiscal year ends less than two (2) months prior to the convening of the annual meeting, the year-to-date unaudited financial statement may cover the period from the beginning of the Association's fiscal year to the end of the month preceding the date on which notice of the annual meeting is mailed.

5.8 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

5.9 Compensation of Officers. No officer shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the course of acting as such officer, and may be compensated for services provided to the Association in another capacity, such as legal or accounting services.

5.10 Agreements, Contracts, Deeds, Checks and Other Instruments. All agreements, contracts, certificates, deeds, leases, checks and other instruments of the Association, including any amendments to these Bylaws, shall be signed by the President and one other officer of the Association, or such other person or persons as may be designated by the Board, provided that no officer, though he may hold more than one office, shall sign any instrument in more than one capacity.

ARTICLE 6 MANAGEMENT

6.1 Management and Operation of the Project. The Board shall at all times manage and operate the Project, including the common elements of the Project, and shall have the powers and duties necessary or proper therefor, and may do all acts and things except such as by law, the Declaration or these Bylaws may not be delegated to the Board by the Apartment Owners. Such powers and duties of the Board shall include, but shall not be limited to, the following:

6.1.1 Operation, care, upkeep, replacement, repair and maintenance of the common elements, and any limited common elements except as otherwise provided in the Declaration and these Bylaws ;

6.1.2 Preparation annually of a budget of the common expenses required for the affairs of the Association (including, without limitation, the operation and maintenance of the Project) and determination of the amounts of monthly and special assessments;

6.1.3 Levy and collection of monthly and special assessments of the common expenses and other charges payable by the Apartment Owners;

6.1.4 Purchasing and maintaining of insurance pursuant to the Declaration and these Bylaws;

6.1.5 Adoption and amendment of the Rules and Regulations, and enforcement of the Rules and Regulations, applicable provisions of the Declaration, these Bylaws and the Act as determined to be appropriate by the Board in its sole discretion;

6.1.6 Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

6.1.7 Rebuilding, repairing and restoring the Project in accordance with the provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty or as a result of eminent domain proceedings;

6.1.8 Procuring legal and accounting services necessary or proper for the administration and operation of the Project or the interpretation, enforcement or implementation of the Declaration, these Bylaws, the Rules and Regulations, the Act, and any other material documents or decisions affecting the Project; provided that the Board shall not institute any legal or arbitration proceedings against the Developer without the prior written approval of at least seventy-five per cent (75%) of the Apartment Owners;

6.1.9 Purchasing, leasing or otherwise procuring any other materials, equipment, supplies, furniture, labor and services, making repairs and structural alterations, and paying all taxes and assessments and other common expenses which the Board is required to procure, make or pay pursuant to the Declaration and these Bylaws or by law or which in its opinion shall be necessary or proper for the operation of the Project or the enforcement of the Declaration or these Bylaws, provided that if any such materials, equipment, supplies, furniture, labor, services,

repairs, structural alterations, insurance, taxes or assessments are required because of the particular actions or negligence of the Owners of a particular Apartment, the cost thereof may be specially assessed to the Owners of such Apartment;

6.1.10 Maintenance and repair of any Apartment and any limited common element, and access for such purpose, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements or any other Apartment and: (a) the Owner or Owners of the Apartment shall have failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to the Owner or Owners or (b) in the case of emergency; provided that the Board may levy a special assessment against such Apartment or the Owners of the Apartments to which the limited common element is appurtenant, for the cost of such maintenance or repair and any attorneys' fees and other expenses incurred in levying and collecting such special assessment;

6.1.11 Payment of any amount necessary to discharge any lien or encumbrance levied against the entire Project or any part thereof which may in the opinion of the Board constitute a lien against the Project or against the common elements rather than merely against the interest therein of particular Owners. If one or more Owners are responsible for the existence of any such lien, they shall be jointly and severally liable for the cost of discharging it and the costs incurred by the Board by reason of such lien;

6.1.12 Appointing a manager or managing agent or both and delegating to them or either of them such of its powers as it deems necessary or appropriate, delegation of which is not otherwise prohibited in these Bylaws or in the Declaration or by law;

6.1.13 Employment, designation, supervision and dismissal of personnel necessary for the maintenance, repair, replacement and restoration of the common elements;

6.1.14 Establishment of such penalties and fines and any interest thereon as it deems appropriate with respect to enforcement of the provisions of the Declaration, these Bylaws and the Rules and Regulations, including penalties and fines and any interest thereon for failure or refusal to pay to the Association on demand all costs, expenses, common expenses and assessments (special or otherwise) required to be paid hereunder; provided such penalties and fines are not inconsistent with applicable laws or the provisions of these Bylaws. No penalty may be imposed under this Section until the Apartment owner accused of any such violation has been afforded the right to have a hearing before the Board or a committee designated by the Board to conduct such hearing, or has waived such right in writing. Each such Apartment owner shall have the right to be heard in person, by submission of a written statement, or through a spokesperson, at any such hearing.

6.1.15 Subject to the affirmative vote or written consent of at least sixty-five percent (65%) of the Apartment Owners, the Board may purchase, lease or otherwise acquire any Apartment in the name of the Board on behalf of all Apartment Owners;

6.1.16 Subject to any approval requirements and spending limitations contained in these Bylaws or in the Declaration, the Board may authorize the borrowing of money to be

used by the Association for the repair, replacement, maintenance, operation, or administration of the common elements of the Project, or the making of any additions, alterations and improvements thereto. The cost of such borrowing, including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to such borrowing, shall be a common expense of the Project; provided that, if required by the Act, Apartment Owners representing at least fifty percent (50%) of the common interest and Apartments give written consent to such borrowing, having been first notified of the purpose and use of the funds;

6.1.17 If the Board so chooses, conducting (or directing another responsible party to conduct) a background check on applicants applying for employment as a security guard or manager or for a position which would allow such employees access to the keys of or entry into the Apartments or access to Association funds, provided such employee applicant signs an authorization to conduct such background check;

6.1.18 Dispose of personalty abandoned in or on the common elements of the Project in any one of the following ways:

- (a) Sell the personalty in a commercially reasonable manner;
- (b) Store such personalty at the expense of its owner;
- (c) Donate such personalty to a charitable organization; or
- (d) Otherwise dispose of such personalty, provided that no such sale, storage, or donation shall occur until sixty (60) days after the Board complies with the following:
 - (i) The Board notifies the Owner in writing of:
 - (1) The identity and location of the personalty; and
 - (2) The Board's intent to so sell, store, donate, or dispose of the personalty. Notification shall be by certified mail, return receipt requested, to the Owner's address as shown by the records of the Association, or to an address designated by the Owner for the purpose of notification; or, if neither of these is available, to the Owner's last known address, if any; or
 - (ii) If the identity or address of the Owner is unknown, the Board shall first advertise the sale, donation, or disposition at least once in a daily newspaper of general circulation within the City and County of Honolulu.

The proceeds of any sale or disposition of personalty as set out above shall, after deduction of any accrued costs of mailing, advertising, storage, and sale, be held for the Owner for thirty (30) days, after which any proceeds not claimed shall become the property of the Association;

6.1.19 Expending Association funds for necessary travel and per diem on behalf of the Board members, subject to Sections 4.16.1 and 4.16.2;

6.1.20 Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds, and preparation of regular financial reports thereof;

6.1.21 Delegation of its powers to committees, agents, officers, representatives and employees; and

6.1.22 Reviewing, on at least a quarterly basis:

- (a) a current reconciliation of the Association's operating accounts;
- (b) a current reconciliation of the Association's reserve accounts;
- (c) the current year's actual reserve revenues and expenses compared to the current year's budget;
- (d) the latest account statements prepared by the financial institution(s) where the Association has its operating and reserve accounts; and
- (e) an income and expense statement for the Association's operating and reserve accounts.

6.2 Employment of Managing Agent.

6.2.1 The Board may (but shall not be required to) employ a responsible managing agent, duly registered with the Commission if required by law, subject at all times to direction by the Board with such powers and duties of the Board as shall be delegated by the Board. The compensation of the manager or managing agent shall be specified by the Board. Notwithstanding the foregoing, the Developer shall have the right to select the initial managing agent for the Project, subject, however, to the provisions of Section 514A-84 of the Act. The managing agent shall at all times comply with all of the requirements of the Act.

6.2.2 Every property management contract between the Board on behalf of the Association and the managing agent shall provide (i) that the managing agent shall not contract for any expenditure of any funds of the Association in excess of an amount set by the Board, without the express approval of the Board (except in cases of emergency requiring prompt action to avoid further loss or involving manifest danger to life or property) (ii) that the managing agent shall not commingle any Association funds with its own funds, (iii) that in the event the contract is amended, renewed or extended, any fidelity bond shall also be amended, if necessary, to cover such amendment, renewal or extension, and (iv) such other terms and conditions as the Board shall determine to be in the best interests of the Association.

6.2.3 The managing agent shall have such powers and duties as may be necessary or proper in connection with (a) supervision of the immediate management and operation of the Project, (b) maintenance, repair, replacement and restoration of the common elements and any additions or alteration thereto, (c) the purchase (or leasing), maintenance and replacement of any equipment, (d) provision for service of all utilities to the building and the

various Apartments, (e) employment, supervision and dismissal of such personnel as it deems necessary for the maintenance and operation of the Project, (f) conclusion of contracts with others for the furnishing of such services as it deems proper for the Project, (g) preparation of a proposed budget and schedule of assessments, (h) collection of all assessments and payment of all bills, (i) purchase of such insurance and fidelity bonds as is contemplated by these Bylaws, (j) custody and control of all Association funds, (k) maintenance of books and records on a cash basis or accrual basis as determined by the Board, and (l) preparation of financial reports and registration of the Association with the Commission. The Board may in its discretion limit any of the powers in these Bylaws granted to the managing agent or grant additional powers to the managing agent.

6.3 Association Funds; Handling and Disbursement.

6.3.1 The funds in the general operating account of the Association shall not be commingled with funds of other activities such as rental operations, nor shall a managing agent commingle any Association funds with the managing agent's own funds.

6.3.2 For purposes of Section 6.3.1, rental operations shall not include the rental or leasing of common elements that are conducted on behalf of the Association.

6.3.3 All funds collected by the Association, or by a managing agent for the Association, shall be deposited or invested as directed by the Board, in accordance with the limitations and requirements set out in the Act (currently Section 514A-97 (c) of the Act).

6.3.4 Records of the deposits and disbursements shall be disclosed to the Real Estate Commission upon request.

6.3.5 All funds collected by the Association shall only be disbursed by employees of the Association under the supervision of the Association's Board of Directors. All funds collected by the managing agent from the Association shall be held in a client trust fund account and shall be disbursed only by the managing agent or the managing agent's employees under the supervision of the Association's Board of Directors.

6.3.6 Unless permitted by the Act, the managing agent or Board of Directors shall not transfer Association funds by telephone between accounts, including but not limited to the general operating account and reserve fund account.

6.3.7 The managing agent shall keep and disburse funds collected on behalf of the Apartment Owners in strict compliance with any agreement made with the Apartment Owners, Chapter 467, Hawaii Revised Statutes, the Act, the rules of the Real Estate Commission, and all other applicable laws and shall be subject to any or all penalties or remedies for mishandling, misappropriation, or embezzling such funds as may be provided in such agreement or by law.

6.4 Renting or Selling of Apartments by Association Employees. An employee of the Association shall not engage in renting or selling Apartments in the Project except for Apartments owned by the Association, unless such activity is approved by an affirmative vote of

at least sixty-five percent (65%) of the Apartment Owners or such lesser percentage as may be permitted by the Act.

6.5 Rules and Regulations. The Developer shall initially adopt, and the Board shall thereafter adopt and amend, such Rules and Regulations as the Developer or the Board, as the case may be, may deem necessary or desirable governing the details of the operation and use of the common elements and certain details of the use of the Apartments, including, without limitation, such operation and use of the Apartments and the limited common elements as may affect the operation and use of the common elements. Such rules shall be binding upon the Apartment Owners, and all invitees, guests, employees and tenants of the Apartment Owners and all occupants of the Apartments, and shall be enforceable by the resident manager and the managing agent on behalf of the Board.

6.6 Abatement and Enjoinment of Violations by Apartment Owners. The violation of any of the Rules and Regulations, the breach of any of these Bylaws or the breach of any provision of the Declaration shall give the Board the rights in addition to any other rights set out in these Bylaws:

6.6.1 To enter (by force, if necessary) the Apartment in which, or as to which, such violation or breach exists and summarily to abate any structure, thing or condition that may exist therein in violation of the Rules and Regulations, these Bylaws, the Declaration or the Act, and the Board shall not thereby be guilty of any trespass or be or become liable for any damage to the Apartment or any common elements caused by such entry, all costs of repairing any such damage being the sole responsibility of the defaulting Owner; provided, however, that notwithstanding the foregoing, the Board shall have such right of entry (forcible or otherwise) only in the instance where such violation or breach threatens an immediate, substantial and undeniable threat to life, limb or property of any person; or

6.6.2 To enjoin, abate or remedy, by appropriate legal proceedings, the continuance of any such breach, and all costs thereof, including reasonable attorneys' fees, shall be paid by the defaulting Apartment Owner on demand.

ARTICLE 7 COMMON EXPENSES

7.1 Common Expenses Defined. Common expenses means and includes all sums designated in the Declaration or in these Bylaws as common expenses, all sums incurred by or on behalf of the Board in the conduct and management of the affairs of the Association pursuant to the Declaration and these Bylaws, such amounts as the Board deems proper to maintain an adequate reserve fund for the operation and maintenance of the Project, including, without limitation, anticipated needs for working capital, capital improvements, and for replacements, repairs and contingencies, and such amounts as the Board deems proper to make up any deficit in the common expense assessments for any prior year. Without limiting the generality of the foregoing, common expenses shall include all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each Apartment and the common interest in the common elements appertaining thereto or the personal property or any

other interest of the Owner), assessments (unless such assessments are levied directly against the individual Owners or their Apartments), insurance (including fire and other casualty and liability insurance), costs of repair, reinstatement, rebuilding and replacement of the common elements, costs of yard and other similar services, wages, accounting and legal fees, management fees, other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, and the cost of all utility services (including water, electricity, gas, garbage disposal, telephone, basic cable television service and any similar services) unless separately billed or metered, in which case the amounts shall be charged to each Apartment and shall be payable by the Owner of such Apartment. The interest of any Apartment Owner in the reserves of the Association may not (except upon the termination of the Condominium Property Regime established by the Declaration) be withdrawn or assigned separately, but shall be deemed to be transferred automatically with each transfer of the Apartment, whether or not mentioned or described expressly in the transfer document.

7.2 Method of Determining and Collecting Common Expenses. Except as otherwise provided in the Declaration or these Bylaws, each Apartment Owner shall be liable for and pay a share of the common expenses in proportion to the common interest appurtenant to his Apartment. Assessments of common expenses shall be payable in monthly installments on the first day of each month, or at such other times as shall be determined by the Board. The Developer shall fix the rate of the assessments of common expenses until such rate shall be redetermined by the Board. The Board shall annually fix the rate of assessments of common expenses and shall notify each Apartment Owner in writing of the amount of the assessments applicable to such Owner's Apartment not less than thirty (30) days in advance of the beginning of such annual assessment period. The Board may from time to time during any year increase the assessment rate or impose a special assessment, provided the Board notifies each Apartment Owner in writing of such increase or special assessment not less than thirty (30) days before the effective date of such increase or assessment. Any portion of an Owner's assessments used or to be used by the Association for capital improvements or any other capital expenditure shall not be treated as income to the Association but shall be treated as a capital contribution by the Owners to the Association and shall be credited by the Association upon its books as paid-in-surplus.

7.3 Payment as Agent. The Board will pay or cause to be paid, on behalf of the Owners, all common expenses. Each Owner, as principal, shall be liable for and pay his share, determined as provided in the Declaration and these Bylaws, of all common expenses; and the Board shall be responsible, as agent for each Owner, only to transmit the payments made by the Owner to third persons to whom such payments must be made by the Owner. The Board may require the managing agent to assist in its duties hereunder. The Board or the managing agent collecting the common expenses shall not be liable for payment of such common expenses as principal but only as the agent of all Owners to transmit said payments to third persons to whom such payments must be made by the Owners.

7.4 Budget and Reserves. Subject to the Act and any further regulations adopted by the Commission:

7.4.1 The Board shall prepare and adopt an annual operating budget and distribute it to the Apartment Owners. At a minimum, the budget shall include the following:

- (a) The estimated revenues and operating expenses of the Association;
- (b) Information as to whether the budget has been prepared on a cash or accrual basis;
- (c) The total replacement reserves of the Association as of the date of the budget;
- (d) The estimated replacement reserves the Association will require to maintain the Project based on a reserve study performed by the Association;
- (e) A general explanation of how the estimated replacement reserves are computed;
- (f) The amount the Association must collect for the fiscal year to fund the estimated replacement reserves; and
- (g) Information as to whether the amount the Association must collect for the fiscal year to fund the estimated replacement reserves was calculated using a per cent funded or cash flow plan. The method or plan shall not circumvent the estimated replacement reserves amount determined by the reserve study pursuant to subsection (d).

7.4.2 As part of the assessment for common expenses, the Association shall assess the Apartment Owners either to fund a minimum of fifty percent (50%) of the estimated replacement reserves, or to fund one hundred percent (100%) of the estimated replacement reserves when using a cash flow plan. For each fiscal year, the Association shall collect the amount assessed to fund the estimated replacement for that fiscal year reserves, as determined by the Association's plan; except that the Commission shall adopt rules to permit an association to fund in increments, over three years, estimated replacement reserves that have been substantially depleted by an emergency.

7.4.3 The Association shall compute the estimated replacement reserves by a formula which is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the Project. The estimated replacement reserves shall include:

- (a) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and
- (b) Separate designated reserves for each part of the Project for which capital expenditures or major maintenance will exceed \$10,000. Parts of the Project for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.

7.4.4 Neither the Association nor any Apartment Owner, director, officer, managing agent, or employee of the Association who makes a good faith effort to calculate the

estimated replacement reserves for the Association shall be liable if the estimate subsequently proves incorrect.

7.4.5 The Board may not exceed its total adopted annual operating budget by more than twenty percent (20%) during the fiscal year to which the budget relates, except in emergency situations. Prior to the imposition or collection of an assessment under this paragraph, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of the assessment.

7.4.6 The requirements of this Section 7.4 shall override any requirements in the Declaration, these Bylaws, or any of the Association's other documents relating to preparation of budgets, calculation of reserve requirements, assessment and funding of reserves, with the exception of:

- (a) any provisions relating to the repair and maintenance of property;
- (b) any requirements in the Declaration, these Bylaws, or any of the Association's other documents which require the Association to collect more than fifty percent (50%) of reserve requirements; or
- (c) any provisions relating to upgrading the common elements, such as additions, improvements, and alterations to the common elements.

7.4.7 Subject to the procedures of Section 514A-94 of the Act and any rules adopted by the Commission, any Apartment Owner may enforce the Board's compliance with this Section 7.4 in the event the Board fails to so comply. In the event the Board has not prepared an annual operating budget and reserve study as required in this Section 7.4, the Board shall have the burden of proving it has complied with this Section 7.4 in any proceeding to enforce such compliance.

7.4.8 As used in this Section 7.4:

"Capital expenditure" means an expense which results from the purchase or replacement of an asset whose life is greater than one year, or the addition of an asset which extends the life of an existing asset for a period greater than one year.

"Emergency situation" means any of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain any part of the property for which the Association is responsible where a threat to personal safety on the Project is discovered;

(c) An extraordinary expense necessary to repair any part of the Project for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget; or

(d) An extraordinary expense necessary to respond to any legal or administrative proceeding brought against the Association that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget.

"Major Maintenance" means an expenditure for maintenance or repair which will result in extending the life of an asset for a period greater than one year.

"Replacement reserves" means funds for the upkeep, repair, or replacement of those parts of the Project including, but not limited to roofs, walls, decks, paving, and equipment, which the Association is obligated to maintain.

7.5 Default in Payment of Assessments. Each monthly (or other periodic) assessment and each special assessment shall be the separate, distinct and personal debt and obligation, as of the date of assessment, of the Owner against whom the same is assessed and, in the case of an Apartment owned by more than one person, shall be the joint and several obligation of such co-Owners. Any assessment not paid within ten (10) days after the due date thereof shall accrue interest at the rate of twelve percent (12%) per annum from such due date until paid and shall be subject to the assessment of such late charge as may be from time to time determined by the Board. All unpaid amounts of such assessments (or any other assessments provided for in the Declaration or these Bylaws) against any Apartment or Apartment Owner shall constitute a lien on such Apartment or such Owner's Apartment prior to all other liens, except only (i) liens for taxes and assessments lawfully imposed by governmental authority against such Apartment (which by law have priority over the Association's lien), and (ii) liens of any bona fide mortgage which was recorded prior to the recording of a notice of a lien by the Association. Such lien for an unpaid assessment may be foreclosed by an action brought by the Association or by its managing agent on behalf of the Association, as provided by the Act in like manner as the foreclosure of a mortgage of real property, provided that at least ten (10) days prior written notice of intention to foreclose such lien shall be mailed by registered mail, postage prepaid, to the Owner of the Apartment to be foreclosed upon. In any such foreclosure, the Apartment Owner shall be required to pay a reasonable rental for the Apartment, and the plaintiff in the foreclosure shall be entitled to the appointment of a receiver to collect the same. Subject to the approval requirements of Section 6.1.15, the Association or the managing agent, acting on behalf of the Association, shall be entitled to bid on such Apartment at the foreclosure sale and to acquire, hold, lease, mortgage and convey such Apartment. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing such assessments.

In the event of a default or defaults in the payment of any such assessment or assessments, and in addition to any other remedies the Board may have, the Board may enforce each such obligation as follows:

7.5.1 By suit or suits at law to enforce such assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special Board meeting, and any such suit may be instituted by the Board or the managing agent (if so authorized by the Board in writing), on behalf of the Association. Any judgment rendered in favor of the Association in any such action shall include reasonable attorneys' fees and costs. Upon the full satisfaction of any such judgment, the Board shall authorize any two (2) members thereof or officers of the Association, acting in the name of the Board and the Association, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

7.5.2 At any time after the occurrence of any such default, the Board or the managing agent may give a notice to the defaulting Apartment Owner stating the date and amount of the delinquency. If the delinquent amount is not paid within ten (10) days after the delivery or mailing of such notice, the Board or the Managing Agent may record a notice of lien against the Apartment of such delinquent Apartment Owner. Any such notice of lien shall be signed and acknowledged by any two (2) or more members of the Board or officers of the Association, the attorney for the Association, or the managing agent. Irrespective of whether or not such a notice of lien is recorded, the Board shall have all remedies provided in these Bylaws, the Declaration and the Act on account of the occurrence of any such default. Each default shall constitute a separate basis for a notice of lien, but a single notice of lien may be filed with respect to more than one default.

A certificate executed and acknowledged or made under penalty of perjury by any two (2) members of the Board or officers of the Association or the managing agent shall be conclusive upon the Association and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any Owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his Apartment (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor and upon payment of a reasonable fee or service charge, in an amount fixed from time to time by the Board. If any notice of lien is filed as aforesaid and thereafter the Board receives payment in full of the amount claimed to be due and owing (including accrued interest, late fees and any costs of enforcement and/or attorneys' fees) then upon demand of the Apartment Owner and payment of a reasonable fee, the Board, acting by any two (2) members of the Board or officers of the Association or the managing Agent, shall execute, acknowledge and deliver to the Owner a release of lien, stating the date of the original notice of lien, the filing date of the notice of lien and that the lien is fully satisfied, released and discharged.

7.5.3 As an alternative to foreclosure proceedings available under this Section and the Act, where an Apartment is owner-occupied, the Association may authorize the managing agent or the Board to terminate the delinquent Apartment's access to the common elements and cease supplying the delinquent Apartment with any and all services normally supplied or paid for by the Association, subject however to all of the notice and other procedural requirements set out in Section 514A-90 of the Act.

7.6 Assessment Disputes.

7.6.1 No Apartment Owner shall withhold any assessment claimed by the Association. An Apartment Owner who disputes the amount of an assessment may request a written statement clearly indicating:

(a) The amount of common expenses included in the assessment, including the due date of each amount claimed;

(b) The amount of any penalty, late fee, lien filing fee, and any other charge included in the assessment;

(c) The amount of attorneys' fees and costs, if any, included in the assessment;

(d) That under Hawaii law, an Apartment Owner has no right to withhold assessments for any reason;

(e) That an Apartment Owner has a right to demand mediation or arbitration to resolve disputes about the amount or validity of an Association's assessment, provided the Apartment Owner immediately pays the assessment in full and keeps assessments current; and

(f) That payment in full of the assessment does not prevent the Apartment Owner from contesting the assessment or receiving a refund of amounts owed.

Nothing in these Bylaws shall limit the rights of an Apartment Owner to the protection of all fair debt collection procedures mandated under federal and state law.

7.6.2 An Apartment Owner who pays the Association the full amount claimed by the Association may file in small claims court or require the Association to mediate to resolve any disputes concerning the amount or validity of the Association's claim. If the Apartment Owner and the Association are unable to resolve the dispute through mediation, either party may file for arbitration under Section 10.6 or part VII of the Act, whichever is applicable, provided that an Apartment Owner may only file for arbitration if all amounts claimed by the Association are paid in full on or before the date of filing. If the Apartment Owner fails to keep all Association assessments current during the arbitration, the Association may ask the arbitrator to temporarily suspend the arbitration proceedings. If the Apartment Owner pays all Association assessments within thirty (30) days of the date of suspension, the Apartment Owner may ask the arbitrator to recommence the arbitration proceedings. If the Apartment Owner fails to pay all Association assessments by the end of the thirty (30) day period, the Association may ask the arbitrator to dismiss the arbitration proceedings. The Apartment Owner shall be entitled to a refund of any amounts paid to the Association which are not owed.

7.7 Waiver. The failure of the Board to insist in any one or more instances upon a strict performance of or compliance with any of the covenants of the Owner hereunder or to exercise any right or option in these Bylaws contained or to serve any notice or to institute any

action or summary proceeding shall not be construed as a waiver or a relinquishment for the future of such covenant, option or right, but such covenant, option or right shall continue and remain in full force and effect. The receipt by the Board of any sum paid by the Owner hereunder, with or without knowledge by the Board of the breach of any covenant hereof, shall not be deemed a waiver of such breach; and no waiver, express or implied, by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board.

7.8 Liability of Acquirer of Title on Foreclosure for Unpaid Common Expenses.

Where the Apartment mortgagee of a mortgage of record or other purchaser of an Apartment obtains title to the Apartment as a result of foreclosure of the mortgage, the acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to the Apartment which became due prior to the acquisition of title to the Apartment by the acquirer. The unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Apartment Owners, including the acquirer, his successors, and assigns except, while permitted by the Act, and in compliance with Section 514A-90 of the Act and the limitations provided in it, the Board may specially assess the amount of the unpaid regular monthly common assessments for common expenses against a person who, in a judicial or non-judicial power of sale foreclosure, purchases a delinquent Apartment. However, a purchaser who holds a mortgage on a delinquent Apartment that was recorded prior to the filing of a notice of lien by the Association and who acquires the delinquent Apartment through a judicial or non-judicial foreclosure proceeding, including purchasing the delinquent Apartment at a foreclosure auction, shall not be obligated to make, nor be liable for, payment of the special assessment provided for under this Section.

7.9 Collection from Tenant.

7.9.1 If the owner of an Apartment rents or leases the Apartment and is in default for thirty (30) days or more in the payment of the Apartment's share of the common expenses, the Board, for as long as the default continues, may demand in writing and receive each month from any tenant or lessee occupying the Apartment ("tenant"), or from the owner's rental agent, if any, an amount sufficient to pay all sums due from the Apartment owner to the Association, including interest, if any, but the amount shall not exceed the tenant's rent due each month. The tenant's payment under this section shall discharge that amount of payment from the tenant's rent obligation, and any contractual provision to the contrary shall be void as a matter of law.

7.9.2 No demand or acceptance of rent from any tenant or rental agent shall be deemed to be a consent to or approval of any rental agreement or lease by the Apartment Owner, or a release or discharge of any of the obligations of the Apartment Owner to the Association remaining unpaid or unperformed, or an acknowledgment of surrender of any rights or duties under the Declaration or these Bylaws.

7.9.3 Prior to taking any action under this section, the Board shall give to the delinquent Apartment Owner written notice of its intent to collect the rent owed. The notice shall:

- (a) Be sent both by first-class and certified mail;
- (b) Set forth the exact amount the Association claims is due and owing by the Apartment Owner; and
- (c) Indicate the intent of the Board to collect such amount from the rent, along with any other amounts that become due and remain unpaid.

The Apartment Owner shall not take any retaliatory action against the tenant for payments made under this Section 7.9.

7.9.4 The payment of any portion of the Apartment's share of common expenses by the tenant pursuant to a written demand by the Board is a complete defense, to the extent of the amount demanded and paid by the tenant, in an action for nonpayment of rent brought by the Apartment Owner against a tenant. If the Board makes any such demand upon the tenant, the tenant shall not have the right to question the right of the Board to make such demand, but shall be obligated to make such payments to the Board as demanded by the Board except as specifically provided in this Section.

7.9.5 The Board may not demand payment from the tenant pursuant to this Section 7.9 if:

- (a) A commissioner or receiver has been appointed to take charge of the premises pending a mortgage foreclosure;
- (b) A mortgagee is in possession pending a mortgage foreclosure; or
- (c) The tenant is served with a court order directing payment to a third party.

7.9.6 In the event of any conflict between this Section 7.9 and any provision of Chapter 521 HRS, the conflict shall be resolved in favor of this Section; provided that if the tenant is entitled to an offset of rent under Chapter 521, the tenant may deduct the offset from the amount due to the Association, up to the limits stated in Chapter 521. Nothing in this Section precludes the Apartment Owner or tenant from seeking equitable relief from a court of competent jurisdiction or seeking a judicial determination of the amount owed.

7.9.7 Before the Board may take the actions permitted under Section 7.9.1, the Board must adopt a written policy providing for the actions and have the policy approved by such percentage of Apartment Owners as required by the Act.

7.10 Joint and Several Liability of Grantor and Grantee for Unpaid Common Expenses. In a voluntary conveyance the grantee under an Apartment Deed covering an Apartment is jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee is entitled to a statement from the managing agent or Board setting

forth the amount of the unpaid assessments against the grantor, and except as to the amount of subsequently dishonored checks mentioned in such statement as having been received within the 30-day period immediately preceding the date of such statement, the grantee is not liable for, nor is the Apartment conveyed subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set out.

7.11 Waiver of Use of Common Elements: Abandonment; Conveyance to Board. No Apartment Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his Apartment. Any Apartment Owner may, by conveying his Apartment and his common interest to the Board on behalf of all other Apartment Owners, exempt himself from common expenses thereafter accruing.

7.12 Taxes and Assessments. Each Owner of an Apartment shall be obligated to have the real property taxes for such Apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of such real property taxes so determined. The foregoing sentence shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each Apartment and the common interest in the common elements appertaining thereto or the personal property or any other interest of the Owner. Each Owner shall execute such documents and take such actions as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes and assessments. Each Owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire Project or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire Project or any part of the common elements, the Board may pay such taxes or assessments as part of the common expenses. Such assessments by the Board are secured by the lien created by Section 7.5.

7.13 Utility Expenses. The cost of utility services to any Apartment which are separately metered or check metered shall be payable by the Owner of such Apartment, payable directly to the utility company if a separate bill is rendered, or otherwise added to his share of the common expenses. For all utility expenses not separately metered or check metered, the Board shall allocate a share of such utility expenses to each Apartment, based upon the Apartment's appurtenant undivided percentage interest in the common elements.

ARTICLE 8 MAINTENANCE, REPAIR, ALTERATION AND USE

8.1 Maintenance and Repair of Apartments and Limited Common Elements. Except as otherwise provided in these Bylaws or in the Declaration, each Owner of an Apartment shall, at the Owner's expense, keep the Apartment and all limited common elements appurtenant to it in good order, condition and repair and do such repainting and redecorating as may be necessary to maintain the good appearance and condition of the Apartment and limited common elements.

8.2 Maintenance and Repair of Common Elements. Except as otherwise provided in these Bylaws or in the Declaration, all maintenance, repairs and replacements of the common elements shall be made only by or at the direction of the Board and be charged to all the Owners as a common expense; except the costs of maintenance, repairs and replacements necessitated by the negligence, misuse or neglect of an identified Apartment Owner may be charged to such Apartment Owner as a special assessment constituting a lien on such Owner's Apartment in accordance with Section 7.5.

8.3 Certain Limitations with Respect to Apartments. In addition to the limitations provided in the Declaration and with the exception of the Developer, no Apartment Owner shall without the prior written approval of the Board:

8.3.1 Install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment, fixtures, appliances or appurtenances whatsoever on the exterior of any part of the Project or protruding through the walls, windows or roofs, except that this prohibition shall be subject to any law that expressly overrides it.

8.3.2 Install any air-conditioning unit in a Hotel Apartment except only for replacement of the split system air conditioning units in Apartments 1506 and 1606 and through the wall air conditioning units in the other Hotel Apartments with systems or through the wall units as the case may be, that do not use more electricity than the units they replace.

8.3.3 Install any garbage disposal unit in any Hotel Apartment that is a lodging unit.

8.3.4 Apply any substance, material or process to the exterior or interior surfaces of the Apartment's windows which may alter the exterior color, appearance or reflectivity of the windows.

8.4 Alteration of the Project.

8.4.1 Except as otherwise provided in these Bylaws or in the Declaration in connection with certain Apartments and limited common elements, additions, alterations, repairs or improvements to the common elements of the Project may be made only by or at the direction of the Board.

8.4.2 Subject to the provisions of the Declaration and the Act and except as otherwise provided in these Bylaws or in the Declaration in connection with certain Apartments and limited common elements, no Owner may, without the prior written approval of the Board, (i) make any alteration, addition, repair or improvement to his Apartment which may affect the common elements, or change the exterior appearance of the Project, or (ii) make any alteration, addition, repair or improvement to any of the common elements, including common elements within, encompassing or adjacent to his Apartment.

8.4.3 Whenever in the judgment of the Board, the common or limited common elements shall require additions, alterations, repairs or improvements with a total cost of less

than ten (10%) per cent of the total annual budget, exclusive of reserves, the Board may proceed with such additions, alterations, repairs or improvements and shall assess the cost thereof as a common expense, except that the cost of any such work performed on any limited common elements may be charged to the Owners of Apartments to which such limited common elements are appurtenant. Any additions, alterations, repairs or improvements costing in excess of such percentage may be made by the Board only after obtaining approval of a majority of Apartment Owners; except that such approval shall not be required (i) for any repairs or replacements covered by available insurance proceeds held in the name of the Association, or (ii) for any additions, alterations, repairs, replacements or improvements required by law or to insure public health or safety, or (iii) in the event of an emergency threatening immediate and substantial damage to person or property, or (iv) for any additions, alterations, repairs, replacements or improvements anticipated in the Association's budget and for which reserve funds have been allocated in accordance with the requirements of these Bylaws, the Act and all applicable administrative rules relating to budgets and reserves for condominium property regimes. If such approval shall be obtained, the cost thereof shall constitute part of the common expense.

8.5 Use.

8.5.1 Each Apartment in the Project shall be used only for the purposes set out in the Declaration.

8.5.2 All common elements of the Project shall be used only for their respective purposes as designed and as set out in the Declaration, subject to:

(a) The right of the Board, upon the approval of the Owners of at least seventy-five percent (75%) of the common interests or such lesser percentage as may be permitted by the Act, to change the use of the common elements;

(b) The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements which are not actually used by any of the Apartment Owners for an originally intended special purpose, as determined by the Board; provided that unless the approval of the Owners of at least seventy-five percent (75%) of the common interests is obtained or such lesser percentage as may be permitted by the Act, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written notice; or such longer notice as may be permitted by the Act;

(c) The right of the Board to lease or otherwise use for the benefit of the Association those common elements not falling within paragraph (ii) above, upon obtaining (A) the approval of the Owners of at least seventy-five percent (75%) of the common interests, or such lesser percentage as may be permitted by the Act, including all directly affected Owners and all Owners of Apartments to which such limited common elements are appurtenant in the case of limited common elements, and (B) approval of all mortgagees of record on Apartments with respect to which Owner approval is required by (A) above, if such lease or use would be in derogation of the interest of such mortgagees.

8.5.3 No Apartment Owner shall make or permit to be made any noise or vibration by himself or his tenants, employees, guests, or invitees, which will unreasonably annoy or interfere with the rights, comfort or convenience of other Owners or occupants of the Project.

8.5.4 Every Apartment Owner and occupant shall at all times keep his Apartment and the limited common elements appurtenant thereto in a strictly clean and orderly condition and shall observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

8.5.5 No garments, rugs or other objects shall be hung from windows or balconies, or over gates, railings, or landscape walls of the Project. No rugs or other objects shall be dusted or shaken from windows or balconies or cleaned by beating or sweeping on any exterior part of the Project.

8.5.6 No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the disposal facilities provided for such purpose.

8.5.7 Nothing shall be allowed, done or kept in any Apartment or common element of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

8.5.8 No Apartment Owner or occupant shall place, store or maintain on walkways, roadways or other access areas or common elements any furniture, packages or objects of any kind, or otherwise obstruct transit through such walkways, stairways, roadways or other access areas.

8.5.9 No Apartment Owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his Apartment or the Project, nor alter or remove any furniture, furnishings or equipment of the common elements.

8.5.10 No Apartment Owner or occupant shall install any garbage disposal in any Hotel Apartment except that the garbage disposals installed in one-bedroom and two-bedroom apartments may be replaced when necessary by garbage disposals which do not place any greater stress on the plumbing system.

8.5.11 It is intended that the exterior of the Project present a uniform appearance, and to effect that end the Apartment Owners hereby agree:

(a) that the use of lanais or balconies for the open storage of boxes, equipment, supplies and materials or the displaying of signs of any sort or kind whatsoever is discouraged and that the Board, in its sole discretion, may prohibit such use.

(b) that draperies or other window treatments visible from the exterior of Hotel Apartments shall be permitted only in accordance with uniform guidelines adopted by the Board in the Rules and Regulations.

ARTICLE 9 MORTGAGES

9.1 Notice to Apartment Mortgagees. All notices permitted or required to be given to an Apartment Owner pursuant to these Bylaws shall also be given to each Apartment mortgagee of such Apartment Owner if such Apartment mortgagee has delivered to the Board written request for such notices.

9.2 Notice to Board. An Owner who mortgages his interest in an Apartment shall notify the Board of the name and address of his mortgagee and within ten (10) days after the recordation of the same shall provide the Board with the Land Court document number of the mortgage. The Board shall maintain such information in a book entitled "Mortgages of Apartments."

9.3 Mortgage Protection. Notwithstanding any provisions to the contrary contained in these Bylaws:

9.3.1 All taxes, assessments and charges which may become liens prior to a first mortgage of record on an Apartment in the Project under the laws of the State of Hawaii shall relate only to the individual Apartments and not to the Project as a whole.

9.3.2 The Declaration and these Bylaws shall not give an Apartment Owner or any other party priority over any rights of mortgagees of Apartments pursuant to their mortgages in the case of a distribution to Apartment Owners of insurance proceeds or condemnation awards.

9.3.3 No amendment to this Section 9.3 shall affect the rights of any Apartment mortgagee whose mortgage is recorded prior to the recordation of such amendment and who does not consent to it.

9.3.4 Any holder or insurer of a duly filed first mortgage of an Apartment or any interest therein whose interest appears in the record of ownership of (or who has otherwise delivered a written request to) the Association shall be entitled to:

(a) Prior written notice of any proposed amendment to the Declaration or these Bylaws:

(b) Prior written notice of any proposed termination of the Project;

(c) Timely written notice of any actual or threatened condemnation or eminent domain proceeding affecting the Project or any portion thereof;

(d) Written notice of any default of any Apartment Owner which is not cured within sixty (60) days;

(e) Written notice of any significant damage or destruction to the common elements or to an Apartment covered by the first mortgage held or insured by such party;

(f) A copy of all pleadings filed in any lawsuit, administrative proceeding, or other action affecting the Project or any portion thereof, at such party's expense for reproduction costs and at such party's specific written request; and

(g) Prior written notice of any proposal to subdivide, encumber, sell or transfer the common elements or any part thereof; however, that the granting of easements for public or private utilities or for public purposes consistent with the intended use of the common elements of the Project and the relocation of any easements appurtenant to the Project over other lands pursuant to the exercise of any right to relocate such easements by the Owner of such other lands shall not be deemed a transfer within the meaning of this clause.

9.4 Release of Information. The Board may provide any information available to it pertaining to an Apartment or the Project to the first mortgagee of such Apartment and such mortgagee may provide any information to the Board regarding the mortgagor, the mortgagor's loan and the status of such loan.

ARTICLE 10 GENERAL PROVISIONS

10.1 Right of Access. The managing agent and any other person authorized by the Board (or in case of an emergency, authorized by any Apartment Owner) shall have a right of access to any Owner's Apartment for the purpose of making inspections or correcting any condition existing in an Apartment and threatening another Apartment or the common elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in an Apartment or elsewhere in the Project, provided that requests for entry shall be made in advance and any such entry shall be at a time reasonably convenient to the Owner; provided further, however, that in case of an emergency, no prior request for entry need be made and such right to enter shall be deemed granted and effective immediately, whether the Owner is present at the time or not. If the Apartment Owner has elected not to provide keys to the Apartment to the managing agent or resident manager and a forced entry is reasonably required in the event of an emergency, the Apartment Owner shall be solely liable for all costs and expenses arising in connection with such forced entry, including all costs of replacing or repairing any part of the Apartment or the common elements damaged by or in connection with the forced entry.

10.2 Amendment.

10.2.1 Required Percent. These Bylaws may be amended in any respect consistent with law or the Declaration by the affirmative vote of at least sixty-five percent (65%) of all Apartment Owners at any meeting of the Association duly called for such purpose or by the written consent of at least sixty-five percent (65%) of all Apartment Owners, and shall be effective only upon the recording in the Land Court of an instrument setting forth such

amendment duly executed by the authorized officers of the Association; provided that each one of the particulars set out in Section 514A-82 of the Act shall be embodied in these Bylaws always. Any proposed amendment to these Bylaws with the rationale for such proposal may be submitted by the Board or by a volunteer Apartment Owners' committee in accordance with Section 514A-82 (b) (2) (B), and the Association shall comply with the terms of Section 514A-82 (b) (2) (B) with respect to such proposed amendment.

10.2.2 Restatement of Bylaws. Any other provision of these Bylaws notwithstanding, the Board, upon a resolution duly adopted, shall have the authority as set out in the Act to restate these Bylaws from time to time to set out any prior amendments hereto, or to amend these Bylaws as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

10.3 Records; Examination; Disposal.

10.3.1 The managing agent or Board shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. The managing agent or Board shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for common expenses.

10.3.2 All records and the vouchers authorizing the payments and statements shall be kept and maintained at the address of the Project or the office of the managing agent, or elsewhere within the State of Hawaii as determined by the Board, and shall be available for inspection by the Directors, officers, Apartment Owners and Apartment mortgagees.

10.3.3 Any managing agent employed or retained by the Association may dispose of the records of the Association which are more than five (5) years old without liability if the managing agent first provides the Board with written notice of the managing agent's intent to dispose of the records if not retrieved by the Board within sixty (60) days, which notice shall include an itemized list of the records which the managing agent intends to dispose of. However, if the Act is amended to permit the Association to require retention for a longer period, then such period of five (5) years shall be increased to seven (7) years.

10.3.4 No person shall knowingly make any false certificate, entry, or memorandum upon any of the books or records of the managing agent or the Association. No person shall knowingly alter, destroy, mutilate, or conceal any books or records of the managing agent or the Association.

10.4 Availability of Records. The Association shall make other documents, records and other information available to the Apartment Owners and Directors in accordance with the Act, including Section 514A-83.5 and 84.5.

10.5 Animals.

10.5.1 Restrictions on Pets. No dogs, cats, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project.

10.5.2 Guide Dogs, Signal Dogs, Etc. Certified guide dogs, signal dogs, or other animals upon which disabled Owners, occupants or guests depend for assistance 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 certified guide dog, signal dog or other 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 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.

10.5.3 Indemnifications. In no event shall the Board, the Association, the managing agent or the 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.

10.6 Mediation/Arbitration of Certain Disputes. If a dispute arises concerning or involving one or more Apartment Owners and the Association, the Board, the managing agent or other Apartment Owners relating to the interpretation, application or enforcement of the Act or the Declaration, these Bylaws or the Rules and Regulations, the parties involved in such dispute shall first try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association, before resorting to arbitration. Thereafter, at the request of any party, any remaining unresolved controversy shall be submitted to arbitration as provided by Section 514A-121 of the Act. Nothing in this paragraph shall be interpreted to require the arbitration of any dispute which is either exempt from arbitration pursuant to Section 514A-121 of the Act or determined to be unsuitable for arbitration pursuant to Section 514A-122 of the Act.

10.7 Membership List. The resident manager or managing agent or Board shall keep an accurate and current list of members of the Association and their current addresses, the names and addresses of the vendees of any Apartment under an agreement of sale, if any, and the names and addresses of Apartment mortgagees, if any. The list shall be maintained at a place designated by the Board, and a copy shall be available, at cost, to any Apartment Owner, provided the Apartment Owner furnishes to the resident manager or managing agent or Board a duly executed and acknowledged affidavit stating that the list (a) will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to

other Owners with respect to Association matters and (b) shall not be used by such Owner or furnished to anyone else for any other purpose.

Each Owner shall promptly record the Apartment Deed or other conveyance to him of his Apartment, and any mortgage of his interest in his Apartment, and file with the Board, through the managing agent, a copy of the Apartment Deed or other conveyance document, together with a copy of the Land Court certificate of title for the Apartment, showing title vested in the Owner. Each vendor of an Apartment under an agreement of sale shall promptly record the agreement of sale and file a copy of such document with the Board. Each Apartment Owner, vendor, vendee and Apartment mortgagee shall promptly notify the Board of any changes in his or its address.

10.8 Owners May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a nonprofit membership corporation, formed under the laws of the State of Hawaii for the purposes in these Bylaws set out by the Association. The corporation shall be formed upon the written approval of the Developer or all Apartment Owners. The formation of the corporation shall in no way alter the terms, covenants and conditions set out in these Bylaws and these Bylaws shall be adopted by the corporation as the bylaws thereof. The Articles of the corporation shall be subordinated hereto and controlled hereby. Any action taken by the corporation which is in violation of any or all of the terms, covenants or conditions contained in these Bylaws shall be void and of no effect.

10.9 Notices. All notices to the Association shall be either mailed or delivered to the members of the Board at their respective addresses as shown on the membership list, or to such other address as the Board may designate by notice to all Owners and all Apartment mortgagees. All notices to any Owner shall be either mailed or delivered to him at his address as shown on the membership list. All notices to Apartment mortgagees shall be mailed to their respective addresses as shown on the membership list, or to such other addresses as designated by them by notice to the Board. All notices shall be in writing and service of such notice shall be deemed complete upon the earlier of the date of actual delivery or, if mailed, the third day after the date of mailing, except notices of addresses and changes of addresses, which shall be deemed to have been given when received.

10.10 Captions. The captions of these Bylaws are inserted only as a matter of convenience and shall in no way define, limit or prescribe the scope of these Bylaws or the intent of any provision hereof.

10.11 Pronouns. All pronouns used in these Bylaws include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

10.12 Interpretation. The provisions of these Bylaws shall be liberally construed to effectuate the purpose of creating a uniform condominium project whereby the Owners of Apartments shall carry out and pay for the operation and maintenance of the Project as a mutually beneficial and efficient establishment.

10.13 Severability. The provisions of these Bylaws shall be deemed independent and severable, and the invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

10.14 Subject to Law. These Bylaws are subject to the laws of the State of Hawaii, including but not limited to the Act and the Hawaii Administrative Rules, Title 16, Chapter 107.

10.15 Changes in Law. In the event any change in the Act shall result in a conflict or inconsistency between the provisions of these Bylaws and the Act, the provisions of the Act shall prevail.

10.16 Conflict with Declaration. In the event of any conflict or inconsistency between the provisions of these Bylaws and the Declaration, the provisions of the Declaration shall prevail.

IN WITNESS WHEREOF, the Developer has executed this instrument this 27 day of February, 2004.

WAIKIKI TERRACE LLC

By 

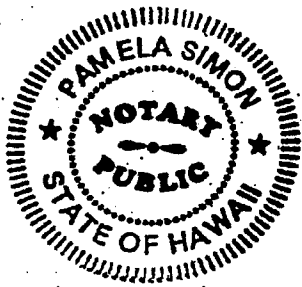
Kevin M. Showe
Its Manager

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 27 day of February, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Pamela Simon

Print Name: PAMELA SIMON

Notary Public, State of Hawaii

My commission expires: 9-13-2007

**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 benzene, 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 ejection of the animal from the Project. Ejection 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

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
(Bureau of Conveyances)

The original of this document was
recorded as follows:

DOCUMENT NO. 3134737
DATE 7-9-04 TIME 2PM

Return by Mail () Pickup (✓) To: 521-9200

BL
CADES SCHUTTE LLP
1000 Bishop Street, 12th Floor
Honolulu, Hawaii 96813

This document contains 4 pages.

Tax Map Key: (1)2-6-006:002

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME
LUANA WAIKIKI**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME OF LUANA WAIKIKI**

This First Amendment To Declaration Of Condominium Property Regime Of Luana Waikiki ("First Amendment") is made as of July 6, 2004 by **WAIKIKI TERRACE LLC**, a Hawaii limited liability company ("Developer"), whose mailing address is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

RECITALS:

A. The Declaration Of Condominium Property Regime of Luana Waikiki (the "Declaration") was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 and noted on Transfer Certificate of Title No. 679,063 together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project").

B. As provided in Section 3.6 Conflicting Descriptions. Should the descriptions and divisions set out in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control.

C. The Developer reserved the right in Section 17.2.3 of the Declaration Amendments Required by Law etc. to amend this Declaration) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by any applicable law.

D. Section 514A-11 (3) Hawaii Revised Statutes imposes the requirement to describe in the Declaration for each Apartment the number of rooms and any other data necessary for its proper identification.

E. By scrivener's error the data on Apartments 709 and 710 as described in Exhibit B to the Declaration conflicts with the depiction of those Apartments on the Condominium Map and such data does not properly identify such Apartments.

NOW THEREFORE, in accordance with its reserved rights to amend the Declaration, the Developer hereby amends page 7 Exhibit B of the Declaration to correct the data necessary for the proper identification of Apartments 709 and 710 to be consistent with the Condominium Map and read as follows:

709	P	0.329522%	313	34	0/1	D	AT	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.
710	Q	0.329522%	313	34	0/1	D	AS	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.

IN WITNESS WHEREOF the Developer has executed this First Amendment.

WAIKIKI TERRACE LLC

By

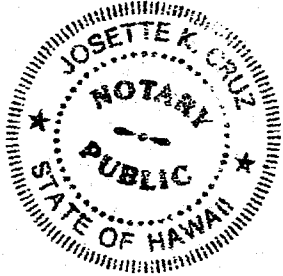

Kevin M. Showe
Its Manager

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 6 day of July, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Josette K Cruz

Print Name: Josette K Cruz

Notary Public, State of Hawaii

My commission expires: 8/26/2008



L-695 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JAN 21, 2005 12:00 PM
Doc No(s) 3221117
on Cert(s) AS LISTED HEREIN



1st CARL T. WATANABE
ASSISTANT REGISTRAR

20 1/2 Z5

DL/4W
①
LC
Return by Mail () Pickup () To:

Cades Schutte
1000 Bishop St. # 1200
Hon. HI 96813

OTC # 242265

Attn: Bernice Littman

This document contains 16 pages.

Tax Map Key: (1) 2-6-006-002

SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME
LUANA WAIKIKI

ImageDB:566989.4

Description: Honolulu, HI Land Court 3221117 Page: 1 of 16
Order: Laura Comment:

**SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME OF LUANA WAIKIKI**

This Second Amendment to Declaration Of Condominium Property Regime Of Luana Waikiki ("Second Amendment") is made as of January 11, 2005, by **NATIONAL HOUSING CORPORATION OF HAWAII, INC.** a Hawaii corporation ("Developer"), whose mailing address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813.

RECITALS:

A. The Declaration Of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 and noted on Transfer Certificate of Title No. 728,056 and the Transfer Certificates of Title listed in Exhibit A attached to this Second Amendment, together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Said Declaration was amended by First Amendment to Declaration of Condominium Property Regime of Luana Waikiki filed as Land Court Document No. 3134737 (as so amended, the "Declaration"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. The original developer, Waikiki Terrace LLC, a Hawaii limited liability company assigned to Developer all the reserved rights of Waikiki Terrace LLC as original developer under the Declaration, pursuant to its rights to assign the same pursuant to Section 19 of the Declaration, by that certain Limited Warranty Commercial Apartment Deed with Covenants; and Assignment of Developer's Rights and Powers of Attorney filed as Land Court Document No. 3207366.

C. Under Section 17.3 of the Declaration, an Owner of a Commercial Apartment can amend the Declaration without the joinder of any other Owner, to consolidate and resubdivide its Commercial Apartments, designate portions of the same as common elements or limited common elements and allocate the common interests appurtenant to such Commercial Apartments amongst the resulting Apartments.

D. Under Section 17.3.5 of the Declaration the Developer has the right to amend the Declaration and Condominium Map without the joinder of any other Owner to reconfigure all or portions of the Mezzanine Apartments as Hotel Apartments; provided that at least 50% of such additional Hotel Apartments are lodging units.

E. Under Section 17.4 the Owners of Apartments to which certain limited common elements are appurtenant can amend the Declaration without the joinder of any other Owner to transfer such limited common elements from one Apartment to another. Under Section 17.4.2 if

ImageDB-566989.4

a Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

F. Under Section 18.3 of the Declaration the Owners of Mezzanine Apartments may enclose them and add windows.

G. Using the foregoing rights the Developer by this Second Amendment consolidates Apartments M-1, M-2, M-3 and M-4, the Mezzanine Apartments, and their appurtenant limited common elements Areas M-1 and M-2, and resubdivides them into six (6) Hotel Apartments M 100 (a dwelling unit), M 110 (a lodging unit), M 200 (a lodging unit), M 300 (a dwelling unit), M 400 (a dwelling unit), and M 500 (a lodging unit) and three (3) Commercial Apartments numbered M 150, M 250 and M 350, shown on the Condominium Map as hereby amended and designates portions of the consolidated Apartments as additional common elements.

NOW THEREFORE, in accordance with its reserved rights to amend the Declaration, the Developer hereby amends the Declaration as follows:

1. Section 4.5 Common Elements is amended as follows:

1.1 In Section 4.5.3 the parenthetical (Not part of M-1) is changed to (Not part of M 100).

1.2 New Sections are added as follows:

4.5.4 The halls serving Apartments M 100, M 110, M 200, M 300 and M 400 and the two utility rooms located in the hallway.

4.5.5 The hall giving access to the common element Pool Equipment/Storage areas and to the back exits of Apartments M 100 and M 200.

2. Section 5.5 Area M-1 and M-2 is deleted.

3. Section 10.2 Hotel Apartments. Is amended to add Apartments M 100, M 110, M 200, M 300, M 400 and M 500 to the Hotel Apartments by changing the first sentence to read:

All Apartments on the first through twelfth floors and fourteenth through sixteenth floors and Apartments M 100, M 110, M 200, M 300, M 400 and M 500 shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO).

4. Exhibit "B" Page 15A of 18 attached to this Second Amendment is added to Exhibit "B" to the Declaration", following Exhibit "B" Page 15 of 18, as an addition to the Description of Hotel Apartments.

5. "Description of Commercial Apartments Exhibit "B" Page 16 of 18 attached to the Declaration is replaced by "Description of Commercial Apartments Exhibit "B" Page 16 of 18 attached to this Second Amendment.

6. The Condominium Map is amended to reflect the consolidation and subdivision as follows:

6.1 Sheet 1 of 27 is replaced by cover sheet dated 12/28/2004 filed ^{thereto} with this Second Amendment; ^{CS} ^{ENT} ^{N.P.}

6.2 Sheet 4 of 27 Mezzanine Floor Plan is replaced by Sheet 4 of 27 Mezzanine Floor Plan dated 01/10/2005, filed ^{thereto} thereto.

6.3 Elevation Sheets 15, 16, 17 and 18 are replaced by Elevation Sheets 15, 16, 17 and 18 dated 01/09/2005 filed with this Second Amendment ^{thereto} ^{thereto} ^{CS} ^{ENT} ^{N.P.}

6.4 An Architect's Certificate is attached ^{thereto} to the amended sheets. ^{CS} ^{ENT} ^{N.P.}

7. The Lobby Parking Elements listed below are transferred from Apartment L-2 to the Apartments listed below and the common interests of such Apartments are adjusted, in accordance with Section 17.4.2 of the Declaration, as reflected on Exhibit "B" Page 15A of 18 and Exhibit "B" Page 16 of 18 attached to this Second Amendment.

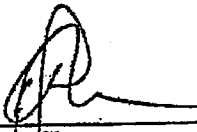
Apartment No.	Parking Stall Numbers
M 100	L-14 and L-15
M 400	L-11 and L-12
M 350	L-8, L-9 and L-10

Except as amended by the First Amendment to Declaration and by this Second Amendment, the Declaration remains unmodified and in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF the Developer has executed this Second Amendment.

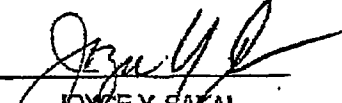
NATIONAL HOUSING CORPORATION OF HAWAII, INC.

By 
Kevin M. Showe
Its Vice President

JOINDER OF MORTGAGEE

First Hawaiian Bank, holder of the mortgage filed as Land Court Document No. 3207367 joins in the foregoing Second Amendment as of the date of the foregoing Second Amendment to consent to it, on the condition that this consent shall not be deemed to consent to any other or further amendment.

FIRST HAWAIIAN BANK

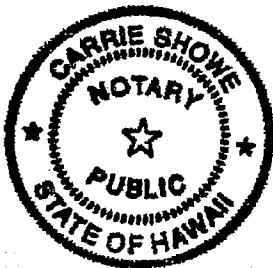
By 
JOYCE Y. SAKAI
Its VICE PRESIDENT

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 14 day of January, 2005, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: _____

Print Name: _____

Notary Public, State of Hawaii

My commission expires: July 18, 2008

ImanageDB:566989.4

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

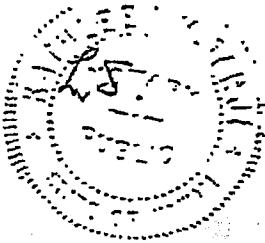
On this 19 day of January, 2005, before me personally appears JOYCE Y. SAKAI to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Kathleen M. Tanji

Print Name: Kathleen M. Tanji

Notary Public, State of Hawaii

My commission expires: 5/13/2008



ImageDB:566989.4

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

The original of this document was
recorded as follows:

DOCUMENT NO. 3618564

DATE JUN 22 2007 TIME 8:02

TCT _____

Return by: Mail ☐ Pickup ☒ To:
NEELEY & ANDERSON LLP
A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawai'i 96813 (808) 536-8177

**AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF LUANA WAIKIKI
(Condominium Map No.1608)**

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063; and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 and incorporated therein by reference; and

WHEREAS, §514B-23, Hawai'i Revised Statutes, provides that: "(a) the declaration, bylaws, condominium map, or other constituent documents of any condominium created before July 1, 2006 may be amended to achieve any result permitted by this chapter, regardless of what applicable law provided before July 1, 2006," and "(b) an amendment to the declaration, bylaws, condominium map or other constituent documents authorized by this section may be adopted by the vote or written consent of a majority of the owners;" and

WHEREAS, at the March 27, 2007 annual meeting of the Association a majority of the owners voted to amend the Declaration to incorporate provisions of Chapter 514B, Hawai'i Revised Statutes, as hereinafter set forth;

NOW, THEREFORE, the Declaration of Luana Waikiki is hereby amended as follows:

1. Paragraph 8 of the Declaration is amended to read as follows:

8. **Other Easements and Rights.** In addition and subject to the easements established in the Limited Common Elements, the Apartments shall also have or be subject to the following easements and rights:

8.1 **Generally.** Each Apartment shall have appurtenant to it non-exclusive easements in the Common Elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such Apartment; in the other Common Elements for use according to their respective purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners; and in all other Apartments and Common Elements for support. Each Owner may use the Common Elements in accordance with the purposes permitted herein, subject to:

8.1.1 The rights of other Owners to use the Common Elements;

8.1.2 Any Owner's exclusive right to use of the Limited Common Elements as provided herein;

8.1.3 The right of the Owners to amend the Declaration to change the permitted uses of the common elements; provided that subject to subsection 514B-140(c), Hawaii Revised Statutes:

(a) Changing common element open spaces or landscaped spaces to other uses shall not require an amendment to the Declaration; and

(b) Minor additions to or alterations of the Common Elements for the benefit of individual Apartments are permitted if the additions or alterations can be accomplished without substantial impact on the interests of other owners in the Common Elements, as reasonably determined by the Board;

8.1.4 Any rights reserved herein to amend the Declaration to change the permitted uses of the Common Elements;

8.1.5 The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that the

Board determines are not actually used by any of the Owners for a purpose permitted in the Declaration. Unless the lease is approved by the Owners of at least sixty-seven per cent of the common interest, the lease shall have a term of no more than five years and may be terminated by the Board or the lessee on no more than sixty days prior written notice; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes; and

8.1.6 The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that the Board determines are actually used by one or more Owners for a purpose permitted in the Declaration. The lease or use shall be approved by the Owners of at least sixty-seven per cent of the common interest, including all directly affected Owners that the Board reasonably determines actually use the common elements, and the Owners' mortgagees; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes.

8.2 Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Apartment or Limited Common Element or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the Common Elements, a valid easement for such encroachment and the maintenance of the encroachment, so long as it continues, shall exist. However, if an encroachment is caused, directly or indirectly, by the intentional act or neglect of any Owner, the Board, in its sole discretion, may demand that such Owner take all necessary steps to remove the encroachment, and the Owner shall be liable for all expenses, costs and fees arising in connection with the removal. In the event the Building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Building, encroachments upon any part of the Common Elements or any Apartment due to the same shall be permitted, and valid easements for such encroachments and the maintenance of the encroachment shall exist for so long as such encroachment exists.

8.3 Repairs and Emergency Repairs. The Association shall have the irrevocable right, to be exercised by the Board, to have access to each Apartment and any Limited Common Elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any Apartment, or at any time for making emergency repairs in the Apartment or Limited Common Elements necessary to prevent damage to the Common Elements or to any other Apartment. This easement shall include an easement for access through Apartment 206 and its lanai to Area 2-1 and an easement for access to every Hotel Apartment for maintenance of the through-the-wall air conditioner and filter

replacement and access to every Apartment for maintenance, repair and replacement of the sprinkler system.

8.4 Designation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Project for any reasonable purpose, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements, or any easements for utilities or for any public purpose.

8.5 Cancellation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include any of the same purposes set out in the preceding Section 8.4 or for the reason that any owner of any such lands adjacent to the Project exercises any right to require the relocation of any such easement.

8.6 Easement Over Basement. The Owners of Apartments to which are appurtenant Limited Common Elements located in the Basement shall have an easement for access to their Limited Common Elements through the driveways serving the Basement. In the event the Front Desk Owner uses a portion of those driveways for valet parking as permitted by this Declaration, the Front Desk Owner shall make arrangements to provide such access at all times.

8.7 Easement Over Lobby Parking Area. The Owner of the Apartment to which Area L-1 is appurtenant shall have an easement for access to Area L-1 the driveways serving the Lobby parking. In the event the Owner of Apartment L-2 uses a portion of those driveways for valet parking as permitted by this Declaration, the Owner of Apartment L-2 shall make arrangements to provide such access at all times.

8.8 Easement Over Mezzanine Apartments. The Association shall have an easement for installation, maintenance, repair and replacement of additional Common Element pipes, wires, cables and conduits in the space immediately below the floor/ceiling slab above each Mezzanine Apartment and Areas M-1 and M-2 to a depth of thirty-six inches to be exercised on the following terms and conditions:

8.8.1 Except in emergency the Association shall give the Owner of the Mezzanine Apartment at least ten (10) days written notice of its entry;

8.8.2 The Association shall proceed diligently with its work and vacate the Mezzanine Apartment in a reasonable time and shall disturb the occupants as little as reasonably practicable;

8.8.3 The Association shall not make any installation that unreasonably interferes with the use or enjoyment of any installation previously made in the Mezzanine Apartment; and

8.8.4 The Association shall repair any damage to the Mezzanine Apartment.

8.9 Easements Required by Law. In the event that access for ingress or egress, or for emergency ingress or egress, over any Limited Common Element is required by law, there shall be an easement for such required ingress and egress over the Limited Common Element.

8.10 Easement for Dumpster. The Association shall have an easement for temporary placement of a dumpster in the area designated as "Taxi Stand-LCE To Front Desk" on the Condominium Map which is part of the Front Desk Elements, when reasonably required in connection with renovation, maintenance, repair or replacement of Common Elements.

8.11 Easement for Kiosk. The Front Desk Owner shall have an easement for placement of a moveable kiosk not exceeding forty (40) square feet in area for use as a bell desk or other lawful purpose in the area shown as "Curbside LCE To Front Desk" on the Condominium Map and the right to move such kiosk from time to time from one portion of such area to another, provided that convenient access to the front entrance of the Building shall always be maintained.

8.12 Easements for Sales Activities. Developer and the Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.13 Easements for Events. The Front Desk Owner and the Owner of Apartment L-2, and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct events in the Common Elements (but not Limited Common Elements) on the Lobby floor and Mezzanine floor. The Front

Desk Owner or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement:

8.14 Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

8.15 Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

8.16 Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 8.16, Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 8.16 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 8.16 to the Association, to be exercised as determined by the Board.

8.17 Power of Attorney. To the extent that the joinder or consent of any Owner may be required in order to confirm, effectuate or exercise any easements or rights granted or reserved to Developer, or to validate any act or thing done in accordance with such easements, rights and reservations of Developer, such joinder

or consent may be executed and given by Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Owner. Each Owner, by acquiring or accepting the ownership of an Apartment or any other interest in the Project or any Apartment (i) appoints Developer as such Owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such Owner shall, promptly upon Developer's request and for no further consideration, execute, acknowledge and deliver to Developer such instruments as Developer may reasonably require to evidence or confirm such joinder or consent.

8.18 Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

2. Paragraph 17.1 of the Declaration is amended to read as follows:

17.1. Amendments Generally. Except as otherwise provided in this Declaration or in the Act, this Declaration (and the Condominium Map) may be amended only by approval of the Owners of Apartments in the Project to which are appurtenant at least sixty-seven percent (67%) of the common interests, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall be effective upon recordation in the Land Court.

In all other respects the Declaration, as amended, is hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Declaration amendment was duly adopted at the March 27, 2007 annual meeting of the Association by the vote of a majority of the owners.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 14th day of June, 2007.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By:  _____

TYPE NAME: Kevin M. Showe

TYPE TITLE: President

By: _____

TYPE NAME: _____

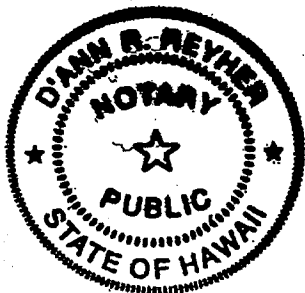
TYPE TITLE: _____

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 14th day of June, 2007, before me personally appeared Kevin M. Showe, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



D'Ann R. Reyher

(Signature)

D'Ann R. Reyher

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 1/3/2009

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this ____ day of _____, 2007, before me personally appeared _____, to me personally known, who being by me duly sworn, did say that _____ is the _____ of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

(Signature)

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: _____



L-642 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JAN 10, 2006 08:02 AM
Doc No(s) 3377077
on Cert(s) 728,056



20 1/1 Z1

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by Mail () Pickup () To:

The John R. Worth Living Trust
P. O. Box 9034
Kailua-Kona, HI 96745

ITC Escrow Number: 0107301117
ITC Title Number: 301117

This document contains 9 pages.

Tax Map Key: (1) 2-6-006:002

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENT OF MORTGAGE
(Parking Stall L-25 transferred to Apartment 1114)**

hmanageDB:622163.1

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENTS OF MORTGAGES**

Lobby Parking Elements including Parking Stall No(s).	L-25
Transferee's Apartment No.	1114
Transferee's Transfer Certificate of Title No.	773,451
Document No. of Transferee's Mortgage	Not Applicable
Common Interest of Transferee's Apartment upon transfer	1.025625%
Common Interest of Apartment L-2 upon transfer	0.549346%

This Amendment to Declaration of Condominium Property Regime of Luana Waikiki to Transfer Parking Stalls, Covenants and Amendments of Mortgages ("Amendment") is made as of October 21, 2005 by NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813 ("Transferor"), and JOHN R. WORTH, as Trustee of The John R. Worth Living Trust dated August 4, 2005, as amended, with powers to sell, lease, mortgage or otherwise deal with and dispose of property of the trust estate, with address at P. O. Box 9034, Kailua-Kona, Hawaii 96745 ("Transferee"), and

FIRST HAWAIIAN BANK, a Hawaii corporation with address at 999 Bishop Street, Honolulu, Hawaii 96813 ("Transferor's Lender"),

RECITALS:

A. The Declaration of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 (as amended the "Declaration") together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (as amended the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. Section 17.4.2 of the Declaration provides:

The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element

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from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

C. Transferor is the Owner of Apartment L-2 covered by Transfer Certificate of Title No. 728,056, to which are appurtenant the Lobby Parking Elements listed above, and Transferor's Lender is the holder of a mortgage on Apartment L-2 filed as Land Court Document No. 3207367 and noted on said Transfer Certificate of Title (as amended "Transferor's Mortgage").

D. Transferee is the Owner of Transferee's Apartment covered by the Transfer Certificate of Title listed above and Transferee's Lender is the holder of Transferee's Mortgage listed above on Transferee's Apartment and noted on said Transfer Certificate of Title.

D. Transferor and Transferee desire to transfer the Lobby Parking Element(s) listed above from Apartment L-2 to Transferee's Apartment.

NOW THEREFORE:

1. In accordance with Section 17.4.2 of the Declaration, Transferor and Transferee hereby amend the Declaration as follows:

1.1 The Lobby Parking Elements listed above, including the parking stall listed above, are transferred from Apartment L-2 to Transferee's Apartment.

1.2 The Common Interests appurtenant to Apartment L-2 and Transferee's Apartment are adjusted by reduction of the Common Interest appurtenant to Apartment L-2 and by increase in the Common Interest appurtenant to Transferee's Apartment, as listed above.

2. Transferor's Lender consents to the amendment of the Declaration and Transferor and Transferor's Lender hereby amend Transferor's Mortgage to delete the Lobby Parking Elements listed above and to amend the common interest described in Transferor's Mortgage as appurtenant to Apartment L-2 and in all other respects, the terms of Transferor's Mortgage are unaffected and remain in full force and effect.

3. Transferee's Lender consents to the amendment of the Declaration and Transferee and Transferee's Lender hereby amend Transferee's Mortgage to add to the mortgaged property the Lobby Parking Elements listed above and to amend the Common Interest, described in Transferor's Mortgage as appurtenant to Transferee's Apartment L-2, and in all other respects, the terms of Transferee's Mortgage are unaffected and remain in full force and effect.

4. AND THE TRANSFEE HEREBY ACKNOWLEDGES AND AGREES THAT THE LOBBY PARKING ELEMENTS AND INTEREST IN THE COMMON ELEMENTS OF THE PROJECT TRANSFERRED BY THIS AMENDMENT, ARE BEING CONVEYED BY THE TRANSFEROR TO THE TRANSFEE STRICTLY IN "AS IS" CONDITION, WITH ALL

PHYSICAL DEFECTS, BOTH LATENT AND PATENT. NO PERSON ACTING ON BEHALF OF THE TRANSFEROR IS AUTHORIZED TO MAKE, AND BY SIGNING THIS AMENDMENT THE TRANSFEREE AGREES THAT THE TRANSFEROR HAS NOT MADE, AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR PROMISES OF ANY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, CONCERNING OR WITH RESPECT TO: (A) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE LOBBY PARKING ELEMENTS OR OTHER COMMON ELEMENTS OF THE PROJECT; (B) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE LOBBY PARKING ELEMENTS OR OTHER COMMON ELEMENTS OF THE PROJECT; (C) ANY ARCHAEOLOGICAL SITES, REMAINS OR ARTIFACTS ON THE LAND; (D) THE PROJECT'S COMPLIANCE WITH LAWS, ORDINANCES OR REGULATIONS; (E) THE QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE PROJECT; (F) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROJECT; (G) THE CONFORMITY OF THE LOBBY PARKING ELEMENTS, COMMON ELEMENTS OR PROJECT TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS OR SPECIAL PERMITS; (H) THE FACT THAT ALL OR A PORTION OF THE PROJECT MAY BE LOCATED ON OR NEAR A TSUNAMI INUNDATION AREA; (I) THE ABILITY OF THE PROJECT TO WITHSTAND EARTHQUAKE OR HURRICANE DAMAGE; (J) THE EXISTENCE OF TERMITES OR OTHER PESTS OR TERMITE DAMAGE; (K) THE LOCATION OF THE SHORELINE IN ACCORDANCE WITH THE LAWS OF THE STATE OF HAWAII; OR (L) ANY OTHER MATTER CONCERNING THE PROJECT.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this instrument.

**NATIONAL HOUSING
CORPORATION OF HAWAII, INC.**

By _____
Kevin M. Showe
Its Vice President

Transferor

John R. Worth

Trustee as aforesaid

Transferee

FIRST HAWAIIAN BANK

By June T. Hirayama
June T. Hirayama
Its Vice President

Transferor's Lender

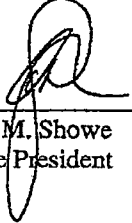
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IN WITNESS WHEREOF the parties have executed this instrument.

**NATIONAL HOUSING
CORPORATION OF HAWAII, INC.**

THE JOHN R. WORTH LIVING TRUST

By _____
Kevin M. Showe
Its Vice President

Transferor

By _____
JOHN R. WORTH
Trustee aforesaid

Transferee

FIRST HAWAIIAN BANK

By _____
Its

Transferor's Lender

Transferee's Lender

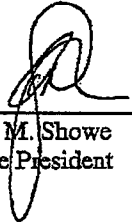
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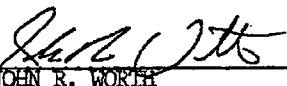
IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

THE JOHN R. WORTH LIVING TRUST

By 
Kevin M. Showe
Its Vice President

Transferor

By 
JOHN R. WORTH
Trustee aforesaid

Transferee

FIRST HAWAIIAN BANK

By _____

Its

Transferor's Lender

Transferee's Lender

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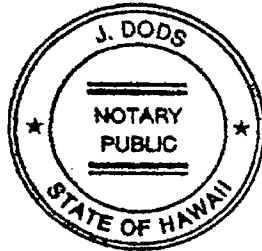
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STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
)
) SS:

On this 16 day of DEC, 2005, before me personally appeared June T. Hirayama to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: J. Dods

Print Name: J. Dods

Notary Public, State of Hawaii

My commission expires: 2/3/2006

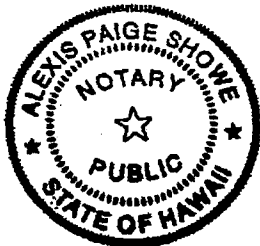
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STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS:

On this 21 day of OCTOBER, 2005, before me personally appeared JOHN R. WORTH, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Alexis Paige Showe

Print Name: Alexis Paige Showe

Notary Public, State of Hawaii

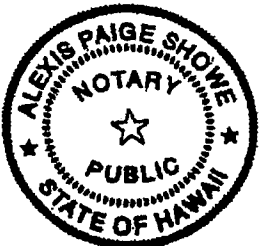
My commission expires: 7-3-2009

STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS:

On this 21 day of OCTOBER, 2005, before me personally appeared KEVIN M. SHOWE, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Alexis Paige Showe

Print Name: Alexis Paige Showe

Notary Public, State of Hawaii

My commission expires: 7-3-2009

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L-181 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
MAY 31, 2005 08:01 AM

Doc No(s) 3274395
on Cert(s) 728,056



20 1/6 Z4

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by Mail ☒ Pickup () To:

NATIONAL HOUSING CORP OF HAWAII
55 MERCHANT ST., #1400
HONOLULU, HI 96813

ITC ESCROW # 244322-01
ITC TITLE # 244322

This document contains 74 pages.

Tax Map Key: (1) 2-6-006:002

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI TO TRANSFER PARKING STALL, COVENANTS AND
AMENDMENT OF MORTGAGE
(Parking Stall L-16 transferred to Apartment M 300)**

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**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENTS OF MORTGAGES**

Lobby Parking Element including Parking Stall No(s).	L-16
Transferor's Apartment No.	M 300
Transferee's Transfer Certificate of Title No.	728,056
Common Interest of Transferor's Apartment upon transfer	0.77355%
Common Interest of Apartment L-2 upon transfer	0.583456%

This Amendment to Declaration of Condominium Property Regime of Luana Waikiki to Transfer Parking Stalls, Covenants and Amendments of Mortgages ("Amendment") is made as of May __, 2005 by NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813, as owner of Apartment L-2 ("Transferor"), and NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813, as owner of Apartment M 300 ("Transferee"), and

FIRST HAWAIIAN BANK, a Hawaii corporation with address at 999 Bishop Street, Honolulu, Hawaii 96813 ("Lender").

RECITALS:

A. The Declaration of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 (as amended the "Declaration") together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (as amended the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. Section 17.4.2 of the Declaration provides:

The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement

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Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

C. Transferor is the Owner of Apartment L-2 covered by Transfer Certificate of Title No. 728,056, to which are appurtenant the Lobby Parking Elements listed above, and Lender is the holder of a mortgage on Apartment L-2 filed as Land Court Document No. 3207367 and noted on said Transfer Certificate of Title (as amended "the Mortgage").

D. Transferee is the Owner of Transferee's Apartment covered by the Transfer Certificate of Title listed above and Lender is the holder of the Mortgage on Transferee's Apartment and noted on said Transfer Certificate of Title.

D. Transferor and Transferee desire to transfer the Lobby Parking Element(s) listed above from Apartment L-2 to Transferee's Apartment.

NOW THEREFORE:

1. In accordance with Section 17.4.2 of the Declaration, Transferor and Transferee hereby amend the Declaration as follows:

1.1 The Lobby Parking Elements listed above, including the parking stall listed above, are transferred from Apartment L-2 to Transferee's Apartment.

1.2 The Common Interests appurtenant to Apartment L-2 and Transferee's Apartment are adjusted by reduction of the Common Interest appurtenant to Apartment L-2 and by increase in the Common Interest appurtenant to Transferee's Apartment, as listed above.

2. Lender consents to the amendment of the Declaration and Transferor, Transferee and Lender hereby amend the Mortgage to (a) delete the Lobby Parking Elements listed above and to amend the common interest described in the Mortgage as appurtenant to Apartment L-2, and (b) to add the Lobby Parking Elements listed above and to amend the common interest described in the Mortgage as appurtenant to Transferee's Apartment; and in all other respects, the terms of the Mortgage are unaffected and remain in full force and effect.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signature page follows]


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2


IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

By 
Kevin M. Showe
Its Vice President

Transferor

By 
Kevin M. Showe
Its Vice President

Transferee

FIRST HAWAIIAN BANK

By _____

Its

Lender

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3

IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

By _____
Kevin M. Showe
Its Vice President

Transferor

By _____
Kevin M. Showe
Its Vice President

Transferee

FIRST HAWAIIAN BANK

By *Cheryl Shimabukuro*
Its **CHERYL SHIMABUKURO**
Vice President

Lender

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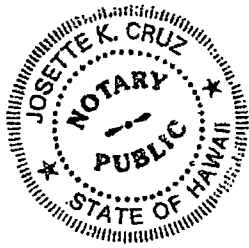
3

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
)
)
SS:

On this 20th day of May, 2005, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Josette K. Cruz

Print Name: Josette K. Cruz

Notary Public, State of Hawaii

My commission expires: 3/26/2009

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STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 25 day of May, 2005, before me personally appeared CHERYL SHIMABUKURO, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: *Lynette Y. Toyota*

Print Name: LYNETTE Y. TOYOTA

Notary Public, State of Hawaii

My commission expires: 10-7-06

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Certified to be a true and correct copy of the document
recorded on 3-3-84 at 9:30 am,
in the Office of the Assistant Registrar of the Land Court,
State of Hawaii, as Document No. 3047901

Island Title Corporation

By Ematto

Return by Mail () Pickup (x) To:

Cades, Schutte Law
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813
Attn: Bernice Littman

This document contains 69 pages.

Tax Map Key: (1) 2-6-006:002

**DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI**

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RECITALS.

A. WAIKIKI TERRACE LLC, a Hawaii limited liability company ("Developer"), whose mailing address is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815, is the owner in fee simple of the land described in Exhibit "A" (the "Land"); and

B. Developer intends to convert the Land and the improvements on the Land into a condominium project known as "LUANA WAIKIKI" as more specifically described in this Declaration in accordance with plans incorporated in this Declaration by reference and filed in the Office of the Assistant Registrar of the State of Hawaii as Condominium Map No. ____ (the "Condominium Map").

NOW, THEREFORE, in order to create a condominium project consisting of the Land and all improvements now or later placed on the Land (the "Project"), Developer submits its interest in the Land and improvements to the Condominium Property Regime, established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and in furtherance of creating the Project makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and declares that the Land and all improvements now or later placed on the Land are held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to the declarations, restrictions and conditions set out in this Declaration and in the Bylaws of the Association of Apartment Owners of Luana Waikiki recorded concurrently with this Declaration as they may be amended from time to time, which declarations, restrictions and conditions shall constitute covenants running with the Land, and shall be binding on and inure to the benefit of Developer, its successors and assigns, and all present and future owners, mortgagees, tenants and occupants of all or any part of the Project and any other person who may use any part of the Project.

1. Definitions. The following terms shall have the meanings set out below:

"Act" means Chapter 514A, Hawaii Revised Statutes, as amended.

"Apartment" refers to the Apartments described in Section 3.

"Association" means the Association of Apartment Owners of the Project.

"Basement Parking Element" is defined in Section 5.6

"Board" means the Board of Directors of the Association.

"Building" is defined in Section 2.

"Bylaws" means the Bylaws of the Association of Apartment Owners of Luana Waikiki, recorded in the Land Court concurrently with this Declaration, as the same may be amended from time to time.

"City" means the City and County of Honolulu.

"Common Elements" are described in Section 4.

"Common Expenses" are the expenses of operating the Common Elements of the Project and other expenses of the Association, as more specifically described in the Bylaws.

"Commercial Apartments" are the Apartments designated for commercial use in Section 10, being Apartments L-1, L-2, L-3 and L-4 located on the Lobby floor and M-1, M-2, M-3 and M-4 located on the Mezzanine floor.

"Declaration" means this Declaration of Condominium Property Regime of Luana Waikiki, as the same may be amended from time to time.

"direct administration" of a Limited Common Element is defined in Section 6.3.

"Exhibit" means an Exhibit attached to and made a part of this Declaration unless otherwise specified.

"Developer" means Waikiki Terrace LLC, a Hawaii limited liability company, and its successors and assigns to the extent provided in Section 18.

"Front Desk Apartment" means Apartment L-4, being the Commercial Apartment that includes the hotel front desk.

"Front Desk Elements" means the Limited Common Elements appurtenant only to the Front Desk Apartment and described in Section 5.2.

"Front Desk Owner" means the Owner of the Front Desk Apartment.

"Hotel Apartments" means the Apartments designated for hotel use in Section 10.2.

"Hotel Owners" means the Owners of the Hotel Apartments.

"include" or "including" means without limitation unless otherwise specified.

"Land Court" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

"Limited Common Elements" are described in Section 5.

"Limited Common Expenses" are defined in Section 6.2

"Lobby Parking Element" is defined in Section 5.7

"LUO" means the City's Land Use Ordinance, Chapter 21 of the Revised Ordinances of Honolulu.

"Mezzanine Apartments" means Apartments on the Mezzanine floor which is shown on the Condominium Map.

"Mortgagee of an Apartment" or "Apartment mortgagee" means the holder of a mortgage encumbering the fee title to, or any recorded leasehold interest in, an Apartment.

"Owner" means a Person owning an Apartment and the common interest appertaining to that Apartment, severally or as a cotenant, to the extent of the interest so owned; provided that to such extent and for such purposes, including the exercise of voting rights, as shall be provided by the terms of any lease recorded in the Land Court, a lessee or sublessee of an Apartment shall be deemed to be the Owner of such Apartment to the extent provided in such lease. The vendee of an Apartment under a recorded Agreement of Sale shall have the rights of an Owner, including the right to vote; provided that the vendor may retain the right to vote on matters substantially affecting the vendor's interest in the Apartment as provided in Section 514A-83 of the Act. Where an Owner is a corporation, trust, limited liability company or partnership, the method for designating the natural person who shall act as and for the Owner is as set out in the Bylaws. In the event that any interest in an Apartment is transferred to a trustee under a land title-holding trust under which substantially all powers of management, operation and control of the Apartment remain vested in the trust beneficiary or beneficiaries, the beneficiary or beneficiaries of any such trust shall be deemed to be the Owner or Owners of the Apartment to the extent of their interest in the trust except insofar as the trustee notifies the Association otherwise in writing. A transferee of the beneficial interest in any such trust shall have all of the rights and duties of an Owner when notice of such transfer is given to the Association by the trustee. Unless and until such notice is given, the Association shall not be required to recognize the transferee for any purposes, and the transferor may continue to be recognized by the Association as the Owner and shall have all of the rights and obligations of ownership.

"person" means a natural person or a corporation, partnership, limited liability company, limited liability partnership or other legal person.

"record," "recorded" or "recordation" means to record or to be recorded in the Land Court.

"Rules and Regulations" means the rules and regulations adopted in accordance with the Bylaws, as the same may be amended from time to time, governing the details of the operation and use of the Project, and certain details regarding the use of the Apartments.

"Sell-Out Date" means the date on which all of the Apartments in the Project have been conveyed to persons other than Developer or Developer's mortgage lender or the last time-share interest (if any) in the Project has been transferred.

"Section" numbers refer to sections or subsections of this Declaration unless otherwise specified.

2. General Description of the Project. The Project has one (1) building, with a Basement, Lobby floor, Mezzanine floor and fifteen additional stories numbered first through sixteenth (there is no thirteen floor) and contains two hundred and twenty-five (225) Apartments and Common Elements as described in this Declaration, constructed principally of concrete, hollow tile and steel (the "Building"). There are seventy-five (75) parking stalls in the Basement and on the Lobby floor. The Project contains a swimming pool and other recreational facilities.

3. The Apartments.

3.1 Number of Apartments. This Declaration establishes two hundred twenty-five (225) freehold estates in the Apartments, each individual Apartment comprising one (1) separate freehold estate. The Apartments are described in Exhibit "B". The Apartment numbers, approximate net living areas (exclusive of lanais) and approximate lanai areas are shown in Exhibit "B". The common interests appurtenant to the Apartments are also shown in Exhibit "B".

3.2 Numbering of Apartments. The numbers of Apartments in the Lobby have the prefix "L" and in the Mezzanine the prefix "M." Each Apartment on the first through ninth floors has the floor number as the first digit of a three digit Apartment number and each Apartment on the tenth through twelfth and fourteenth through sixteenth floors has the floor number as the first two digits of a four digit Apartment number.

3.3 Area, Layout and Types of Apartments. The approximate areas set out in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The areas set out in Exhibit "B" are not exact but are approximations based on the floor plans of each type of Apartment. The type of each Hotel Apartment is listed in Exhibit "B" and is based on the area and layout of the Apartment.

3.4 Access to Apartments. Each Apartment has immediate access through the corridors and grounds of the Project to a public street.

3.5 Limits of Apartments.

3.5.1 Except as provided in Section 3.5.2, 3.5.3 and 3.5.4, each Apartment shall be deemed to include: (i) the space that is bounded by the undecorated surfaces of its perimeter walls, floors and ceilings, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iv) any doors and door frames, windows and window frames along the perimeters, (v) all fixtures originally installed in the Apartment and their replacements including through the wall air conditioners or split system air conditioners in Hotel Apartments. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the

undecorated or unfinished surfaces of the floors and ceilings surrounding each Apartment, and (c) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment which are utilized for or serve more than one Apartment, the same being considered Common Elements.

3.5.2 The exterior decorated or finished surface of the front door of each Hotel Apartment and the electronic locking mechanism of the front door shall be Common Elements to maintain uniformity but access to card keys to open the front door of the Apartment shall be controlled as provided in Section 10.3.2.

3.5.3 Apartments L-1, L-2, L-3 and L-4 on the Lobby floor shall extend to the exterior surface of the wall, window or other separation from the Lobby or, in the case of Apartment L-3 the Building entrance. Where there is no wall or window, the boundary of the Apartment shall be an imaginary plane extending from the floor to the ceiling at the outer boundary of the Apartment as shown on the Condominium Map.

3.5.4 Where a Mezzanine Apartment is bounded by a Common Element half wall, that boundary shall extend to the interior decorated or finished surface of the half wall and along an imaginary plane extending vertically to the underside of the floor/ceiling slab above. The ceiling boundary of a Mezzanine Apartment shall be the underside of the floor/ceiling slab above.

3.6 Conflicting Descriptions. Should the descriptions and divisions set out in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the Buildings and is not intended and shall not be considered to contain or make any other representation or warranty.

4. Common Elements. One (1) freehold estate is established by this Declaration in all other parts of the Project, which are Common Elements ("Common Elements"). The Common Elements include:

4.1 The Land, in fee simple;

4.2 The Limited Common Elements described in Section 5 below;

4.3 In the Basement, the spaces shown on the Condominium Map as Utility & Storage, CATV, Electrical Room, room marked Elec. Transformers, Storage, Mechanical, Sump, two spaces marked Util. and the space adjacent to parking stall 49 including the generator;

4.4 On the Lobby floor, the spaces shown on the Condominium Map as:

4.4.1 Mechanical Equipment, two spaces marked Util, two spaces marked Mech. the space marked Dumpster Storage and the Trash Room;

4.4.2 The Terrace;

4.4.3 The Lobby and Lobby Entry;

4.4.4 The Porte Cochere at the entrance to the Project, the Driveways into and out of the Project and the steps and ramp leading into the Building or the Terrace;

4.5 On the Mezzanine floor, the spaces shown on the Condominium Map as:

4.5.1 Lobby-M;

4.5.2 The bathrooms and the spaces marked Jant off Lobby-M;

4.5.3 Pool Equipment, Storage (Not part of M-1);

4.6 On the first floor:

4.6.1 The swimming pool, pool deck and open deck including the barbecue area;

4.6.2 The men's restroom, women's restroom and accessible unisex restroom,

(a) The laundry; and

(b) The fitness center.

4.7 On the second floor Area 2-1 shown on the Condominium Map, for the placement of a portion of the split air conditioning system for the fitness center and laundry, together with the conduits through the floor and the ceiling below linking the system to the fitness center and laundry.

4.8 The hallways and elevator lobbies on the first floor through the twelfth floor and the fourteenth floor through the sixteenth floor;

4.9 The three full-sized elevators and one service elevator shown on the Condominium Map.

4.10 The two stairways leading from the basement to the sixteenth floor, one of which goes to the roof, the two stairways leading from the Lobby floor to the Mezzanine floor and the stairway from the Terrace to the Pool Equipment and Storage Room (4.5.3).

4.11 Whether or not shown on the Condominium Map:

4.11.1 All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, exterior stairs and stairways, pumps, ducts, pipes, wires, conduits, and other utility or service lines located outside of the Apartments and which are utilized for or serve more than one Apartment, and generally all equipment, apparatus, installations and personal property existing for common use in the Building or located on the Land;

4.11.2 All pipes, wires, ducts, conduits and other utility or service lines running through an Apartment which are utilized by or serve more than one Apartment; and

4.11.3 All antennas, conduits, chases, cables, wires, and other television signal distribution system equipment and telecommunications equipment located outside of the Apartments or running through an Apartment and which are utilized for or serve more than one Apartment. As used herein, "television signal distribution system equipment" and "telecommunications equipment" shall be construed in their broadest possible senses in order to encompass all present and future forms of communications technology, but excluding all property of Time Warner Entertainment Company, L.P dba Oceanic Time Warner Cable ("Oceanic") under unrecorded Oceanic Cablevision Standard Bulk Cable Service Agreement dated February 4, 2004 concerning the Project, being the "Cable System" defined in that agreement as "cables, wires, converters, fiber optic cables, coaxial cables, coaxial extension(s), matching transformer(s), amplifier(s), splitters, lock boxes, and/or any duplicate part(s), extra(s), mechanism(s) and device(s) relating thereto, or used in connection therewith, installed or to be installed within or delivered to [the Project] by Oceanic."

4.11.4 The central telephone system including the console currently located in the Front Desk Apartment.

4.11.5 All landscaping, fences, gates, retaining walls, mailboxes, trash areas, maintenance structures and facilities and accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within the Buildings and serving more than one Apartment;

4.11.6 The sprinkler system and central fire alarm system; and

4.11.7 All other improvements on the Land which are not part of any Apartment.

Descriptive phrases for Common Element spaces such as "Trash Room" are not intended to restrict the uses to which the Common Element may be put but only serve to identify the location of the Common Element.

5. Limited Common Elements. Certain of the Common Elements are set aside and reserved for the exclusive use of certain of the Apartments, and such Apartments shall have appurtenant to them exclusive easements for the use of their Limited Common Elements as follows:

5.1 Elements for Each Apartment. Each Apartment shall have appurtenant to it as Limited Common Elements all pipes, wires, ducts, conduits, and other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

5.2 Front Desk Elements

5.2.1 The following Limited Common elements are called Front Desk Elements and are appurtenant to and for the exclusive use of the Front Desk Apartment:

(a) Areas B-1, B-2, B-3, B-4, B-6, B-7 and B-8 in the Basement shown on the Condominium Map;

(b) The Utility Room Area T-1 and T-2 on each the first through twelfth and fourteenth through sixteenth floors shown on the Condominium Map and any laundry chutes and trash chutes within or adjacent to the Utility Rooms;

(c) The signage areas shown as "Sign LCE to Front Desk" on the fascia above the Porte Cochere at the front entrance of the Building and on the pillar adjacent to the front entrance as shown on the Condominium Map; and

(d) The area marked "Taxi Stand - LCE to Front Desk" as shown on the Condominium Map.

5.2.2 The signage areas shall include the decorated or finished surfaces of the signage areas or, if none, the undecorated or unfinished surfaces and a block of airspace projecting twelve inches from the surface in which the Owner of the Front Desk Apartment may install signage, together with the right to penetrate the surface of the signage areas for the purpose of attaching signage, provided that the structural integrity of the Building shall not be compromised.

5.3 Area B-5 Area B-5 in the Basement shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-2.

5.4 Area L-1 Area L-1 on the Lobby floor shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-3.

5.5 Areas M-1 and M-2

5.5.1 The bathrooms shown as Area M-1 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-1 and M-2;

5.5.2 The bathrooms shown as Area M-2 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-2 and M-3;

5.6 Basement Floor Parking Stalls and Driveways.

5.6.1 Parking stalls 1 through 50 in the Basement, shown on the Condominium Map and listed on Exhibit "C" are appurtenant to and for the exclusive use of the Front Desk Apartment. Exhibit "C" shows which stalls are compact and numbers the parking stalls with the prefix B for Basement.

5.6.2 Parking stall B-18 includes its adjacent access aisle.

5.6.3 Each parking stall in the Basement shall include the surface of the Basement floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet

and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as listed on Exhibit "C" have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

5.6.4 The driveway ramp leading to and from the Basement, makai of the Building line shown on the Condominium Map, the driveways within the Basement and the markings delineating the parking stalls in the Basement are Limited Common Elements appurtenant to the Apartment or Apartments to which the parking stalls in the Basement are appurtenant.

5.6.5 The Front Desk Owner may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Front Desk Owner from the parking stall of any other Owner. If any portion of the Basement driveway is adjacent only to parking stalls of the Front Desk Owner and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall, then the Front Desk Owner may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Front Desk Owner may not obstruct access by the Owner or occupant of Apartment L-2 to Area B-5 and shall provide access for the Association to the Common Elements as needed or as required by law.

5.6.6 A "Basement Parking Element" is a parking stall in the Basement together with an undivided 0.02 interest in the Limited Common Elements described in Section 5.6.4 and any interest in an access aisle appurtenant to that parking stall.

5.7 Lobby Floor Parking Stalls and Driveways.

5.7.1 Parking stalls 1 through 25 on the Lobby floor shown on the Condominium Map and listed on Exhibit "C" are appurtenant to and for the exclusive use of Apartment L-2. Exhibit "C" shows which stalls are compact and numbers the parking stalls with the prefix L for Lobby floor.

5.7.2 Parking stalls L-22 and L-23 each includes a one-half interest in their common access aisle.

5.7.3 Each parking stall shall include the surface of the Lobby floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as shown on Exhibit "C" have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

5.7.4 The driveway ramp leading to and from the Lobby parking areas, makai of the Building line shown on the Condominium Map, the driveways within the Lobby parking areas and the markings delineating the parking stalls shall be Limited Common Elements appurtenant to the Apartment or Apartments to which the Lobby parking stalls are appurtenant.

5.7.5 The Owner of Apartment L-2 may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Owner of Apartment L-2 from the parking stall of any other Owner. If any portion of the driveway is adjacent only to parking stalls of the Owner of Apartment L-2 and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall the Owner of Apartment L-2 may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Owner of Apartment L-2 may not obstruct access by the Owner of Apartment L-3 to Area L-1 and shall provide access for the Association to the Common Elements as needed or as required by law.

5.7.6 A "Lobby Parking Element" is a parking stall in the Lobby together with an undivided 0.04 interest in the Limited Common Elements described in Section 5.7.4 and any interest in an access aisle appurtenant to that parking stall.

5.8 Lanais. Each lanai shown on the Condominium Map as leading off a Hotel Apartment is a Limited Common Element for the exclusive use of that Apartment, except as provided in this Section 5.8. The approximate aggregate area of the lanai or lanais appurtenant to each Hotel Apartment is listed in Exhibit "B".

5.8.1 Common Element downspouts each tie in to a Common Element drain on the lanai of certain Apartments, including Apartment 206 and certain Apartments on the First floor.

5.8.2 The large lanai for Apartment 718 has an area shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Element.

5.8.3 The large lanai for Apartment 1114 has two areas each shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Elements.

5.8.4 No lanai may be screened or enclosed or have any floor covering except as permitted by Section 18.8.

5.8.5 Lanai railings, walls dividing one lanai from another and lanai slabs, except for the top surface of the slab, are Common Elements and not Limited Common Elements.

5.9 Mailboxes. Mailboxes in the location shown on the Condominium Map on the Lobby floor shall each be a Limited Common Element appurtenant to the Apartment with the same number as the mailbox.

5.10 What Limited Common Element Rooms Include. Limited Common Elements that are rooms or sets of rooms surrounded by walls, shall not include any portion of any Apartment or any portion of any Common Elements described in Section 4.1 or Section 4.11

except for pipes or other conduits serving only the respective Limited Common Elements. They shall not include the undecorated or unfinished walls, floors and ceilings surrounding the Limited Common Elements except that Area M-1 and M-2 shall include their surrounding non load bearing walls to the boundary of the adjacent apartments and shall extend to the underside of the floor/ceiling slab above, subject to the Association's easement described in Section 8.8. They shall include all the walls and partitions which are not load-bearing within such spaces or rooms, or between Limited Common Element spaces or rooms that are appurtenant to the same Apartment or Apartments, all doors within or opening into such spaces or rooms (except that where a door is between the Limited Common Element and an Apartment the door will be part of the Apartment), all windows and perimeter glass, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures and all equipment contained in such spaces and any replacements.

6. Common Expenses and Costs and Expenses Relating to Limited Common Elements. All provisions of the Bylaws relating to Common Expenses and Limited Common Expenses, and the rights and remedies of the Association in connection with them are incorporated into this Declaration by reference.

6.1 Allocation. Each Owner shall be liable for a proportionate share of all the Common Expenses. The method of determining and collecting Common Expenses shall be as set out in the Bylaws.

6.2 Liability. Each Owner is liable for all costs and expenses, including costs for maintenance, repair, replacement, additions and improvements to and landscaping of, any of the Limited Common Elements of the Project appurtenant to such Owner's Apartment ("Limited Common Expenses"). Because of the difficulty of allocating costs and expenses between Limited Common Expenses and Common Expenses, the methods by which the Limited Common Expenses will be charged to those Apartments is (a) by the allocation to those Apartments of an additional Common Interest as described in Exhibit "B" and (b) for certain Limited Common Elements (Hotel Apartment lanais and Areas M-1 and M-2) by requiring the Owners of those Limited Common Elements to provide direct administration.

6.3 Direct Administration of Certain Limited Common Elements.

6.3.1 At the election of the Owner of any Commercial Apartment, with at least thirty (30) days written notice to the Association, such Owner may undertake directly to maintain, repair and replace ("direct administration") all or a portion of the Limited Common Elements appurtenant only to that Commercial Apartment. Such Owner may change such election from time to time on at least thirty (30) days written notice to the Association. An Owner of a Commercial Apartment shall continue to pay Common Expenses in accordance with its Common Interest and shall not receive any reduction because of electing direct administration.

6.3.2 In the event that the Front Desk Owner has elected direct administration of the Basement Parking Elements and transfers a Basement Parking Element to another Apartment and all Owners of Basement Parking Elements stalls agree in writing to continue direct

administration of the Basement Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall provide maintenance, repair and replacement of the Basement Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Basement Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit "B" or transferred to his Apartment together with the Basement Parking Element.

6.3.3 In the event that the Owner of Apartment L-2 transfers any Lobby Parking Element to another Apartment and all Owners of Lobby Parking Elements stalls agree in writing to continue direct maintenance, repair and replacement of the Lobby Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall take over maintenance, repair and replacement of the Lobby Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Lobby Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit "B" or transferred to his Apartment together with the Lobby Parking Element.

6.3.4 The Owners of Hotel Apartments shall clean and perform routine maintenance and repair of their individual lanais but any major maintenance and repair, that if performed inadequately would adversely affect the structural integrity or external appearance of the Project shall be performed by the Association and charged as a Common Expense on the grounds that the work protects the entire Project.

6.3.5 The Owners of Apartments to which Area M-1 is appurtenant shall jointly provide direct administration of Area M-1 and the Owners of Apartments to which Area M-2 is appurtenant shall jointly provide direct administration of Area M-2. Direct administration of Area M-1 and Area M-2 is not elective.

6.3.6 During any period of direct administration, if the Association holds any reserves for the affected Limited Common Elements, the Association shall make such reserves available to the Owner of the Apartment or Apartments to which such Limited Common Elements are appurtenant, for the purposes for which they have been reserved.

7. Percentage of Undivided Interest in Common Elements. Each Apartment shall have appurtenant to it an undivided percentage interest in the Common Elements of the Project and in all common profits and expenses of the Project, and for all other purposes, including voting. The respective undivided percentage interests appurtenant to the Apartments are as shown on Exhibit "B". All references in this Declaration or in the Bylaws to the vote or consent of a specified percentage of the Owners shall mean the Owners of Apartments to which are appurtenant that percentage of the Common Interests. The Common Interests are computed based upon the formula explained in Exhibit "B".

8. Other Easements and Rights. In addition and subject to the easements established in the Limited Common Elements, the Apartments shall also have or be subject to the following easements and rights:

8.1 Generally. Each Apartment shall have appurtenant to it non-exclusive easements in the Common Elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such Apartment; in the other Common Elements for use according to their respective purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners; and in all other Apartments and Common Elements for support.

8.2 Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Apartment or Limited Common Element or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the Common Elements, a valid easement for such encroachment and the maintenance of the encroachment, so long as it continues, shall exist. However, if an encroachment is caused, directly or indirectly, by the intentional act or neglect of any Owner, the Board, in its sole discretion, may demand that such Owner take all necessary steps to remove the encroachment, and the Owner shall be liable for all expenses, costs and fees arising in connection with the removal. In the event the Building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Building, encroachments upon any part of the Common Elements or any Apartment due to the same shall be permitted, and valid easements for such encroachments and the maintenance of the encroachment shall exist for so long as such encroachment exists.

8.3 Repairs and Emergency Repairs. The Association shall have the irrevocable right, to be exercised by the Board, to have access to each Apartment and any Limited Common Elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any Apartment, or at any time for making emergency repairs in the Apartment or Limited Common Elements necessary to prevent damage to the Common Elements or to any other Apartment. This easement shall include an easement for access through Apartment 206 and its lanai to Area 2-1 and an easement for access to every Hotel Apartment for maintenance of the through-the-wall air conditioner and filter replacement and access to every Apartment for maintenance, repair and replacement of the sprinkler system.

8.4 Designation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Project for any reasonable purpose, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements, or any easements for utilities or for any public purpose.

8.5 Cancellation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include any of the same purposes set out in the preceding Section 8.4 or for the reason that any owner of any

such lands adjacent to the Project exercises any right to require the relocation of any such easement.

8.6 Easement Over Basement. The Owners of Apartments to which are appurtenant Limited Common Elements located in the Basement shall have an easement for access to their Limited Common Elements through the driveways serving the Basement. In the event the Front Desk Owner uses a portion of those driveways for valet parking as permitted by this Declaration, the Front Desk Owner shall make arrangements to provide such access at all times.

8.7 Easement Over Lobby Parking Area. The Owner of the Apartment to which Area L-1 is appurtenant shall have an easement for access to Area L-1 the driveways serving the Lobby parking. In the event the Owner of Apartment L-2 uses a portion of those driveways for valet parking as permitted by this Declaration, the Owner of Apartment L-2 shall make arrangements to provide such access at all times.

8.8 Easement Over Mezzanine Apartments. The Association shall have an easement for installation, maintenance, repair and replacement of additional Common Element pipes, wires, cables and conduits in the space immediately below the floor/ceiling slab above each Mezzanine Apartment and Areas M-1 and M-2 to a depth of thirty-six inches to be exercised on the following terms and conditions:

8.8.1 Except in emergency the Association shall give the Owner of the Mezzanine Apartment at least ten (10) days written notice of its entry;

8.8.2 The Association shall proceed diligently with its work and vacate the Mezzanine Apartment in a reasonable time and shall disturb the occupants as little as reasonably practicable;

8.8.3 The Association shall not make any installation that unreasonably interferes with the use or enjoyment of any installation previously made in the Mezzanine Apartment; and

8.8.4 The Association shall repair any damage to the Mezzanine Apartment.

8.9 Easements Required by Law. In the event that access for ingress or egress, or for emergency ingress or egress, over any Limited Common Element is required by law, there shall be an easement for such required ingress and egress over the Limited Common Element.

8.10 Easement for Dumpster. The Association shall have an easement for temporary placement of a dumpster in the area designated as "Taxi Stand-LCE To Front Desk" on the Condominium Map which is part of the Front Desk Elements, when reasonably required in connection with renovation, maintenance, repair or replacement of Common Elements.

8.11 Easement for Kiosk. The Front Desk Owner shall have an easement for placement of a moveable kiosk not exceeding forty (40) square feet in area for use as a bell desk or other lawful purpose in the area shown as "Curbside LCE To Front Desk" on the

Condominium Map and the right to move such kiosk from time to time from one portion of such area to another, provided that convenient access to the front entrance of the Building shall always be maintained.

8.12 Easements for Sales Activities. Developer and the Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.13 Easements for Events. The Front Desk Owner and the Owner of Apartment L-2, and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct events in the Common Elements (but not Limited Common Elements) on the Lobby floor and Mezzanine floor. The Front Desk Owner or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.14 Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

8.15 Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

8.16 Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 8.16, Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health,

safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 8.16 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 8.16 to the Association, to be exercised as determined by the Board.

8.17 Power of Attorney. To the extent that the joinder or consent of any Owner may be required in order to confirm, effectuate or exercise any easements or rights granted or reserved to Developer, or to validate any act or thing done in accordance with such easements, rights and reservations of Developer, such joinder or consent may be executed and given by Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Owner. Each Owner, by acquiring or accepting the ownership of an Apartment or any other interest in the Project or any Apartment (i) appoints Developer as such Owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such Owner shall, promptly upon Developer's request and for no further consideration, execute, acknowledge and deliver to Developer such instruments as Developer may reasonably require to evidence or confirm such joinder or consent.

8.18 Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

9. Alteration and Transfer of Interests. Except as otherwise provided in this Declaration, the undivided interest in the Common Elements and other easements appurtenant to each Apartment shall have a permanent character, and shall not be altered without the consent of all of the Owners affected, expressed in an amendment to this Declaration duly recorded in the Land Court, which amendment shall contain the consent to it by the holders of any first mortgage on such Apartments as shown in the Association's record of ownership, or who shall have given the Board notice of their interest through the Secretary of the Association or the managing agent (if any), and shall not be separated from the Apartment to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such Apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. Except as otherwise provided in this Declaration, the Common Elements and each Apartment shall remain undivided, and no right shall exist to partition or divide any portion of the Common Elements or any Apartment except as provided in the Act and as otherwise expressly provided in this Declaration. This Declaration and the Condominium Property Regime created by this Declaration cannot be terminated except in accordance with the Act and the provisions of this Declaration and the Bylaws.

10. Purposes and Uses. The Project is currently located in the Waikiki Special District and in the Resort-Commercial Precinct. The current zoning for the Project does not permit hotel use and the hotel is operated, to the best of Developer's knowledge, as a nonconforming hotel use.

The LUO as currently in effect defines a hotel, dwelling unit, lodging unit and kitchen in Sec. 21-10.1 as follows:

"Hotel" means a building or group of buildings containing lodging and/or dwelling units in which 50 percent or more of the units are lodging units. A hotel includes a lobby, clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests.

"Dwelling unit" means a room or rooms connected together, constituting an independent housekeeping unit for a family and containing a single kitchen. Two or more essentially separate structures, except for a token connection, such as a covered walkway or a trellis, do not constitute a single dwelling unit. Unless specifically permitted in use regulations, a dwelling unit shall not include a unit used for time sharing or a transient vacation unit as defined in [the LUO].

"Lodging unit" means a room or rooms connected together, constituting an independent living unit for a family which does not contain any kitchen. Unless specifically permitted in use regulations, "lodging unit" shall not include a unit used for time sharing or a transient vacation unit as defined in this chapter.

"Kitchen" means a kitchen facility for a housekeeping unit that exists when there is, on the premises of the housekeeping unit, an item from all three of the following categories:

- (1) Fixtures, appliances or devices for heating or cooking food;
- (2) Fixtures, appliances or devices for washing utensils used for dining and food preparation and/or for washing and preparing food;
- (3) Fixtures, appliances or devices for refrigeration of food.

If the Project were to fail to meet any part of the definition of a hotel under the LUO, its current use as a hotel would become unlawful and Developer makes no representations as to whether any other use would be lawful given the age of the Building, limited parking and any other relevant factors. Therefore, a primary purpose of this Section 10 is to continue the status of the Project as a nonconforming hotel use. The Project and each of the Apartments are intended for and shall be restricted to the following purposes and uses:

10.1 Generally. Each Apartment shall be occupied and used only for the uses permitted in the applicable sections of this Section 10. An Owner may rent his Apartment to any third party for any period by applicable zoning and any rules promulgated under the zoning, provided that the rental agreement is in writing. The Owner shall provide each rental tenant with a copy of the Rules and Regulations and shall make a copy of the Declaration and Bylaws, as amended, available for the tenant's review. An Owner who rents his Apartment shall at all times

remain primarily and severally liable to all other Owners and to the Association for any failure on the part of such Owner's tenant(s) to observe and comply with all provisions of this Declaration, the Bylaws, the Rules and Regulations, and all other applicable laws.

10.2 Hotel Apartments. All Apartments on the first through twelfth floors and fourteenth through sixteenth floors shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO). No Owner or occupant of a lodging unit shall place or maintain in the Apartment 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. No Owner or occupant of any Apartment in the Project shall do anything that will increase the number of dwelling units in the Project or decrease the number of lodging units. Because of the importance of maintaining the required ratio of lodging units to dwelling units, in the event that any Owner or occupant of a lodging unit breaches this use restriction and does not cure the breach within twenty-four (24) hours after notice from the Board to do so, the Board shall have a right of access to the lodging unit to remove the offending fixture, appliance or device and by accepting a deed to the lodging unit Apartment or taking occupancy of the Apartment, all Owners and occupants waive any claim for trespass or otherwise in connection with such entry or removal. Any advertisement or listing of any lodging unit for a period of more than thirty (30) days shall specify that the lodging unit is a lodging unit and contains no kitchen. Any rental agreement for a lodging unit shall contain a copy of this Section 10.2 and shall require the tenant to comply with it.

10.3 Front Desk Apartment.

10.3.1 The Front Desk Apartment shall at all times include a clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests. The remainder of the Front Desk Apartment may be used for any commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

10.3.2 The Front Desk operator shall at all times arrange for the issuance of card keys for the front doors of all Hotel Apartments to control access to the Apartments and shall issue such card keys to Hotel Owners.

(a) A Hotel Owner may elect:

(i) to take custody of the card keys for his Hotel Apartment in which case the Front Desk operator shall be relieved of responsibility; or

(ii) may elect to leave the card keys in the custody of the Front Desk operator with instructions to issue the card keys to the Hotel Owner's tenants or hotel guests; but in that event the Hotel Owner shall:

(1) Execute an indemnity agreement in a form provided by the Front Desk operator relieving the Front Desk operator and its employees and agents of liability in connection with the card keys except for gross negligence or willful misconduct;

(2) Provide the Front Desk operator in writing from time to time the names and addresses of the persons to whom the card keys are to be issued and the dates for which they are to be issued; and

(3) Pay a reasonable fee to the Front Desk operator for this service.

(b) As used in this Section 10.3.2 "Front Desk operator" means the Front Desk Owner or such tenant or agent of the Front Desk Owner to whom the Front Desk Owner delegates its duties under this Section 10.3.2.

(c) Card keys shall also be provided to the Association for access to the Hotel Apartments and any Limited Common Elements accessed by card keys when such access is permitted by this Declaration, the Bylaws or the Act.

(d) The Front Desk operator may charge a reasonable fee to Hotel Owners for issuance of card keys and replacement of lost card keys.

10.4 Other Commercial Apartments. The other Commercial Apartments may be used for any retail or other commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

10.5 TIME-SHARING PERMITTED BY THIS DECLARATION.

TO THE EXTENT PERMITTED BY LAW, ANY APARTMENT OR ANY INTEREST IN THE APARTMENT MAY BE SOLD, TRANSFERRED, CONVEYED, LEASED, OCCUPIED RENTED OR USED FOR OR IN CONNECTION WITH ANY TIME-SHARING PURPOSE OR UNDER ANY TIME-SHARING PLAN, ARRANGEMENT OR PROGRAM, INCLUDING ANY SO-CALLED "VACATION LICENSE," "TRAVEL CLUB MEMBERSHIP" OR "TIME INTERVAL OWNERSHIP" ARRANGEMENT. THE TERM "TIME-SHARING" AS USED IN THIS DECLARATION SHALL BE DEEMED TO INCLUDE, BUT IS NOT LIMITED TO, ANY PLAN, PROGRAM OR ARRANGEMENT UNDER WHICH THE RIGHT TO USE, OCCUPY, OWN OR POSSESS AN APARTMENT OR APARTMENTS IN THE PROJECT ROTATES AMONG VARIOUS PERSONS ON A PERIODICALLY RECURRING BASIS ACCORDING TO A FIXED OR FLOATING INTERVAL OR PERIOD OF TIME, WHETHER BY WAY OF DEED, LEASE, ASSOCIATION OR CLUB MEMBERSHIP, LICENSE, RENTAL OR USE AGREEMENT, COTENANCY AGREEMENT, PARTNERSHIP OR OTHERWISE. IF REQUIRED BY LAW, ANY SUCH USE SHALL BE REGISTERED UNDER CHAPTER 514E, HAWAII REVISED STATUTES, AS AMENDED. ANY APARTMENT MAY BE USED FOR TRANSIENT VACATION RENTAL PURPOSES. THIS SECTION 10.5 DOES NOT SUPERSEDE ANY APPLICABLE ZONING REQUIREMENTS, HOWEVER, AND TIME SHARING MAY NOT CURRENTLY BE PERMITTED BY THE ZONING FOR THE PROPERTY.

10.6 Safety and Soundness. No Owner will suffer anything to be done or kept in an Apartment or elsewhere in the Project which would jeopardize the soundness of the Project, or

which will interfere with or unreasonably disturb the rights of other Owners, or which will increase the rate of the hazard insurance on the Project or the contents of the Project, or which will reduce the value of the Project.

10.7 Signs etc. The Owner of any Apartment will not, without the prior written consent of the Board, display any sign or place any other thing in or upon any doors, windows, walls or other portions of the Apartment or the Common Elements so as to be visible from the exterior. This restriction shall not apply to:

10.7.1 signs displayed by Developer or the Owner of Apartment L-2 for sales purposes with respect to their easements under Section 8.10;

10.7.2 signs installed by the Front Desk Owner within its Limited Common Element described in Section 5.2.1(c); or

10.7.3 signs identifying the business of a Commercial Apartment, provided that the Board may establish sign design guidelines in the Rules and Regulations.

10.8 Use of Common Elements. Except as otherwise provided in section 514A-13 of the Act and in the Bylaws, the Common Elements shall be used only for the purposes for which they are designed and intended.

11. Exemptions for Persons with Disabilities. No matter what else this Declaration, the Bylaws or the Rules and Regulations say, Owners with disabilities shall be allowed reasonable exemptions from this Declaration, the Bylaws and the Rules and Regulations, when necessary and as appropriate to enable them to use and enjoy their Apartments and/or the Common Elements, provided that any Owner with a disability desiring such an exemption shall make such request, in writing, to the Board. That request shall set out, with specificity and in detail, the nature of the request and the reason that the requesting party needs to be granted such an exemption. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days after the Board's receipt of it, or within forty-five (45) days after the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur.

12. Service of Process. Outrigger Hotels Hawaii with address at 2375 Kuhio Avenue Honolulu, Hawai'i 96815 is designated as the agent to receive service of process until such time as the Board and officers of the Association are elected, at which time and afterwards process may be served upon any officer of the Association.

13. Administration of Project. The administration of the Project shall be governed by the Act; this Declaration, the Bylaws, the Rules and Regulations, the Apartment Deed conveying to each Owner his interest in his Apartment, and all other applicable federal, state and local laws, rules and regulations. Each Owner shall comply strictly with this Declaration, the Bylaws, the Rules and Regulations, the Apartment Deed and all applicable laws. Owners acting for any purposes in connection with the Common Elements for the government, operation or

administration of the Project and in accordance with the Declaration, the Rules and Regulations and the Bylaws, shall be deemed to be acting as the Association, and specifically but without limitation the Association shall:

13.1.1 Make, build, maintain and repair all fences, drains, roads, curbs and sidewalks which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Common Elements or any part of them;

13.1.2 Keep all Common Elements in a clean and orderly condition, and observe and perform all laws, ordinances, rules and regulations now or later made by any governmental authority for the time being applicable to the Common Elements or the use of them;

13.1.3 Well and substantially repair, maintain, amend, and keep all Common Elements (including Limited Common Elements to be maintained by Association) with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided in this Declaration or in the Bylaws;

13.1.4 Not at any time make or suffer any strip or waste or unlawful or improper or offensive use of the Common Elements; and

13.1.5 Observe and perform all of the limitations, restrictions, covenants and conditions to be observed and performed under this Declaration, the Bylaws, the Rules and Regulations, and applicable law.

14. Insurance.

14.1 Commercial Property Insurance. The Board, on behalf of the Association, shall at all times keep the Common Elements of the Project and, whether or not part of the Common Elements, all exterior and interior walls, floors and ceilings, in accordance with the condominium as-built plans and specifications, insured against loss, destruction and damage by all perils of direct physical damage by a commercial property insurance policy or policies written on the Insurance Service Office (commonly referred to as "ISO") condominium association coverage special form or equivalent, or such broader forms of protection as the Board of Directors of the Association shall determine, with an amount of coverage equal to 100% of the replacement cost of such Buildings and improvements of the Project and including the following endorsements: (1) replacement cost coverage, (2) agreed amount, and (3) building ordinance coverage insuring against contingent liability from the operation of federal, state or county laws, statutes, ordinances or regulations concerning the improvements or structures on or about the land; demolition of such improvements or structures and increased cost of construction of such improvements or structures, all such coverage being with such deductibles as the Board shall deem appropriate; and additionally the Board may cause to be purchased a difference-in-conditions policy to include flood, earthquake, backup of sewers, broad collapse coverage, and building ordinance coverage with deductible amounts and a limit of liability determined to be prudent by the Board. If the Project is located in an identified flood hazard area as now or later designated by the United States Department of Housing and Urban Development, the Association shall also procure flood insurance required under the provisions of the Flood

Disaster Protection Act. The Association shall purchase the insurance required under this Section 14.1 from an insurance company permitted by Hawaii law to write insurance on properties located in the State of Hawaii (whether as an admitted insurance company or otherwise) and having a rating by Best's Insurance Reports of Class A-VI or better, in the name of the Association for the benefit of all Owners and their mortgagees according to the loss or damage to their respective Apartments and appurtenant common interest and payable in case of loss in excess of an amount equal to two thirds of one per cent (0.666%) of the total amount of coverage (\$200,000.00 as of the date of this Declaration), to such bank or trust company authorized to do business in the State of Hawaii as the Board may designate, as trustee (the "Insurance Trustee"), for the custody and disposition as in this Declaration provided of all proceeds of such insurance, without prejudice to the right of each Owner to insure his Apartment for his own benefit. Subject to the provisions of Section 15.2, in every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the Building in a good and substantial manner according to the original plans and elevations of the Buildings or such modified plans conforming to laws and ordinances then in effect as shall be first approved as in this Declaration provided, and the Association at its common expense shall make up any deficiency (including deductible amounts) in such insurance proceeds. All premiums on the policy or policies required under this Section 14.1 shall be borne by the Owners of the Apartments in proportion to their respective common interests. Every such policy of insurance shall, unless unobtainable:

14.1.1 Provide that the liability of the insurer under the policy shall be primary and shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by or for any Owner;

14.1.2 Contain no provision relieving the insurer from liability for loss occurring while the hazard to any Building is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any Owner or any other persons under either of them;

14.1.3 Provide that such policy and the coverage under the policy may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice to the Association as named insured at the address shown on the policy declaration, to every mortgagee of an Apartment who shall have requested such notice of the insurer and to every other person in interest who shall have requested such notice of the insurer;;

14.1.4 Contain a waiver by the insurer of any right of subrogation to any right of the Board or any of the Owners against any of them or any other persons under them;

14.1.5 Contain a provision waiving any right of the insurer to repair, rebuild or replace if a decision is made in accordance with this Declaration or the Bylaws not to reinstate, rebuild, or restore the damaged or destroyed improvements;

14.1.6 Require the insurance carrier, or the insurance agent if permitted by the Act, at the inception of the policy and on each anniversary date of the policy, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits of the policy, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy of the summary to each Owner;

14.1.7 Contain a standard mortgage clause on ISO commercial property form which shall, unless unobtainable:

(a) Name the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board and to the insurer and provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Apartment of the Project, in their respective order and preference, whether or not named in the policy;

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or the Owners or any persons under them; and

(c) Provide that, without affecting any protection afforded by such mortgage clause, any proceeds payable under such policy shall be payable to the Insurance Trustee for the Owners and their mortgagees as their respective interests may appear.

14.2 Liability Insurance. The Board, on behalf of the Association, shall also effect and maintain at all times, to the extent reasonably available, commercial general liability insurance, including coverage for premises/operations, independent contractors, contractual liability, personal injury, employees as additional insureds, and broad form property damage, covering all Owners with respect to the Project, in an insurance company authorized to do business in Hawaii, with combined single limits of liability for bodily injury and property damage of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate or such higher limits, and with such umbrella coverage in addition to such general liability insurance, as the Board may from time to time establish with due regard to the prevailing prudent business practice in the State of Hawaii as reasonably adequate for the protection of the Association, the Board, all Owners, the managing agent and employees of the Association, without prejudice to the right of any of the Owners to maintain additional liability insurance for their respective Apartments and Limited Common Elements. All premiums on the policy or policies required under this Section 14.2 shall be borne by the Owners of the Apartments in proportion to their common interests. Each such policy, unless unobtainable, shall:

14.2.1 Contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in any Building, whether within the control or knowledge of the Board, or because of any breach of warranty or condition caused by any Owner or by any act or neglect of the Owner or tenant of an Apartment;

14.2.2 Provide that the policy and its coverage may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at

least thirty (30) days' prior written notice to the Board, all Owners and their mortgagees, and every other person in interest who shall have requested such notice of the insurer;

14.2.3. Contain a waiver by the insurer of any subrogation to any right of the Board, the managing agent or any Owner against any of them or any other person under their control; and

14.2.4. Contain a "severability of interest" clause precluding the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

14.3 Liability Insurance for Members of the Board and Officers of the Association. The Board, on behalf of the Association at its common expense, may effect and maintain liability insurance covering members of the Board and officers of the Association with minimum coverage in such amounts as shall be determined by the Board and including employee practices liability coverage. Any such insurance policy shall require the insurance carrier, or the insurance agent if permitted by the Act, at the inception of the policy and on each anniversary date of the policy, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits of the policy, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy of the summary to each Owner.

14.4 Review of Insurance Program. The Board shall review not less frequently than annually the adequacy of its entire insurance program and shall report in writing its conclusions and action taken on such review to the Owner of each Apartment and to the holder of any mortgage on any Apartment who shall have requested a copy of such report. At the request of any mortgagee of any interest in any Apartment, the Board shall furnish to such mortgagee a copy of the property and liability policies referred to in this Section 14.

14.5 Waivers of Subrogation. To the extent that any loss, damage or destruction to the Building or any Common Elements is covered by insurance procured by the Board, the Board shall have no claim or cause of action for such loss, damage or destruction against any Owner. To the extent that any loss, damage or destruction to the property of any Owner or tenant is covered by insurance procured by such Owner or tenant, such Owner shall have no claim or cause of action for such loss, damage or destruction against the Board, the managing agent, any resident manager, any other Owner or the Association. All policies of insurance referred to in this Section 14 shall contain appropriate waivers of subrogation by the insurers.

14.6 Substitute Coverage. Any insurance coverage specified in this Section 14 shall be subject to availability with responsible insurance companies authorized to do business in the State of Hawaii. Where such coverage is not available, or is not available at a reasonable cost, then the Board shall substitute such other insurance coverage as is acceptable to institutional lenders for apartments in projects similar in construction, location and use.

15. Insured Casualty and Uninsured Casualty.

15.1 Insured Casualty.

15.1.1 Collection of Insurance Proceeds. In the event of any damage to all or any portion of the Project by fire or other casualty which is insured against, the Board shall take all reasonable steps necessary to collect the insurance proceeds and, if required deposit the same with the Insurance Trustee at the earliest practicable date and, except as otherwise provided in this Declaration, to cause all rebuilding or repairing work to be undertaken and completed as provided below as promptly as may be reasonably possible in the circumstances.

15.1.2 Insured Casualty to Single Apartment and Limited Common Elements. If any portion of the Project is damaged by fire or other casualty which is insured against and such damage is limited to a single Apartment and/or the Limited Common Elements appurtenant to it, all of the insurance proceeds shall be used by the Insurance Trustee for payment of the contractor to rebuild or repair such Apartment and/or Limited Common Elements (including all items covered by such insurance) in accordance with the original plans and specifications, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board and any mortgagee of record of any interest in the Apartment or Limited Common Elements so damaged. The Board shall determine whether to employ the contractor to rebuild or repair such Apartment and/or Limited Common Elements or to permit the Owner to do so on such conditions as the Board may determine.

15.1.3 Other Insured Casualty. If any insured-against damage to the Project should occur other than the damage described in Section 15.1.2, the Board shall contract to repair or rebuild the damaged portions of the Project (including paint, floor coverings, fixtures, and any mechanical, electrical and air conditioning equipment in the Project which are deemed to be Common Elements as provided in this Declaration), in accordance with the original plans and specifications, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board, and the mortgagee of record of any interest in an Apartment directly affected. In the event said modified plans and modifications eliminate any Apartment or its appurtenant Limited Common Elements and such Apartment or Limited Common Elements are not reconstructed, the Insurance Trustee shall pay the Owner of said Apartment and any mortgagee of record of any interest in said Apartment, as their interests may appear, the portion of said insurance proceeds allocable to said Apartment and Limited Common Elements (less the proportionate share of said Apartment in the cost of debris removal) and shall disburse the balance of the insurance proceeds as in this Declaration provided for the disbursement of insurance proceeds.

15.1.4 Insufficient Insurance Proceeds. The insurance proceeds shall be paid by the Insurance Trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the terms of this Section 15. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding, then the Board shall levy, as soon as reasonably possible following the determination of the amount of

such insufficiency, a special assessment (i) with respect to the repairing and/or rebuilding of the Common Elements, exclusive of Limited Common Elements, against the Owners of all Apartments, except for Apartments being eliminated from the Project, in proportion to their common interests, (ii) with respect to the repairing and/or rebuilding of an Apartment, against the Owner of such Apartment, and (iii) with respect to the repairing and/or rebuilding of any Limited Common Element, against the Owners of all Apartments to which such Limited Common Element is appurtenant. In the case of Limited Common Elements appurtenant to more than one Apartment, each such Apartment's share of the special assessment shall be determined by dividing the common interest appurtenant to such Apartment by the aggregate common interests appurtenant to all Apartments to which the Limited Common Element is appurtenant, and multiplying the resulting percentage by the total amount of the special assessment for the Limited Common Element. All of the foregoing special assessments shall be secured by the lien created under Section 7.5 of the Bylaws.

15.1.5 Disbursement of Insurance Proceeds. The cost of the work (as estimated by the Board) shall be paid out from time to time or at the direction of the Board as the work progresses, but subject to the following conditions:

(a) An architect, engineer, construction manager or other qualified person designated by the Board (who may be employees of the Board) shall oversee the work;

(b) Each request for payment shall be made on seven (7) days' prior notice to the Insurance Trustee and shall be accompanied by a certificate to be made by such architect or engineer stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services and materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the Insurance Trustee, the sum requested does not exceed the value of the work done to the date of such certificate;

(c) Each request shall be accompanied by waivers of liens satisfactory to the Insurance Trustee, covering that part of the work for which payment or reimbursement is being requested, and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Insurance Trustee, that there has not been filed with respect to the premises any mechanics' or other lien or instrument for the retention of title with respect to any part of the work not discharged of record;

(d) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal;

(e) The fees and expenses of the Insurance Trustee as determined by the Board and the Insurance Trustee shall be paid by the Association as a common expense, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Insurance Trustee; and

(f) Such other conditions not inconsistent with the foregoing as the Insurance Trustee may reasonably request.

15.1.6 Excess Insurance Proceeds. Upon completion of the work and payment in full for the work, any remaining proceeds of insurance then or later in the hands of the Board or of the Insurance Trustee shall be paid or credited (i) for proceeds attributable to the Common Elements exclusive of the Limited Common Elements, to the Owners of all the Apartments and the holders of any mortgage on the Apartments, as their interests may appear, in proportion to their common interests, or (ii) for proceeds attributable to an Apartment and the Limited Common Elements appurtenant to such Apartment, to the Owner of such Apartment and the holder of each mortgage on such Apartment, as their interests may appear.

15.1.7 Release of Claims. To the extent that any loss, damage or destruction to any portion of the Project or other property is covered by (or, under Section 14.1, should have been covered by) insurance procured by the Board, the Association, Owners and Board shall have no claim or cause of action for such loss, damage or destruction against any Owner (other than for any special assessment levied in accordance with Section 15.1.4, Developer, the Board or any officer of the Association. To the extent that any loss, damage or destruction to an Apartment, Limited Common Elements appurtenant to the Apartment or any other property of an Owner is covered by insurance procured by such Owner, such Owner shall have no claim or cause of action for such loss, damage or destruction against the Association, Board, any officer of the Association, the managing agent, Developer, or any other Owner or any person claiming under any of them.

15.2 Uninsured Casualty; Partial Restoration and Determination against Restoration.

15.2.1 Uninsured Casualty. In case at any time or times any improvements of the Project shall be substantially damaged or destroyed by any casualty not insured against, such improvements shall be rebuilt, repaired or restored unless Owners owning eighty percent (80%) or more of the Apartments in number and owning Apartments to which are appurtenant eighty percent (80%) of the common interests vote to the contrary. Any such approved rebuilding, repair or restoration shall be completed diligently by the Association. The cost of all such approved rebuilding, repair or restoration shall be borne (i) by the Association as a common expense with respect to any Common Elements, exclusive of Limited Common Elements, and (ii) with respect to any Limited Common Elements, by the Owner(s) of the Apartment(s) to which such Limited Common Elements are appurtenant. The Owners shall be solely responsible for any restoration of their respective Apartments so damaged or destroyed. Such rebuilding, repair or restoration shall be performed in accordance with the original plans and specifications or such other plans and specifications first approved by the Board, and the mortgagees of record of any interest in an Apartment directly affected. Unless such restoration is undertaken within a reasonable time after such casualty, the Association, at its common expense, shall remove all remains of improvements so damaged or destroyed and restore the site of the improvements to good orderly condition and even grade.

15.2.2 Partial Restoration. Restoration of the Project with less than all of the Apartments after casualty or condemnation may be undertaken by the Association only in accordance with an amendment to this Declaration, duly adopted by the affirmative vote of not less than eighty percent (80%) of the Owners, including at least eighty percent (80%) of the Owners of Apartments that will not be restored, and by all holders of mortgages encumbering the Apartments that will not be restored, by (i) removing the Project from the condominium property regime established by this Declaration, (ii) reconstituting all of the remaining Apartments and Common Elements to be restored as a new condominium property regime, and (iii) providing for payment to the Owner of each Apartment not to be restored and such Owner's mortgagee, if any, as their interests may appear, the then fair market value of such Apartment, less such Apartment's proportionate share of the cost of debris removal. If the Board and the Owner of a removed Apartment are unable to agree upon such fair market value within one hundred eighty (180) days after such damage or destruction has occurred, then such fair market value shall be determined by arbitration in accordance with the provisions of Section 23.

15.2.3 Determination Against Restoration. Except as otherwise provided in Sections 15.2.1 and 15.2.2, in the event of an insured casualty or the condemnation of any part or all of the Project, the Project shall be repaired, rebuilt and restored as provided in Section 15.1 in the case of an insured casualty, and as provided in Section 16, in the case of condemnation, unless, within ninety (90) days after such casualty or condemnation has occurred, it is determined not to repair, rebuild and restore by the affirmative vote of at least eighty percent (80%) of the Owners including at least eighty percent (80%) of the Owners who suffered damage to or condemnation of their Apartments.

16. Condemnation.

16.1 Condemnation Trustee. In case at any time or times the Project or any part of the Project shall be taken or condemned by any authority having the power of eminent domain, or shall be sold to such authority under threat of condemnation, all compensation and damages for or on account of any Common Elements of the Project shall be payable to such bank or trust company (the "Condemnation Trustee") authorized to do business in Hawaii as the Board shall designate as trustee for all Owners and mortgagees according to the loss or damage to their respective Apartments and appurtenant common interests.

16.2 Allocation of Condemnation Proceeds. In the event all or any of the Apartments are taken and there is no final judicial determination of the amount of condemnation proceeds allocable to each Apartment so taken, the amount of the condemnation proceeds allocable to each Apartment (including the Apartment's appurtenant interest in the Common Elements) shall be determined by a real estate appraiser ("appraiser") who shall be a member of the American Institute of Real Estate Appraisers or any successor organization, and who shall have acted on behalf of the Owners in the condemnation proceedings; or, if no such appraiser shall have acted on behalf of the Owners or if more than one appraiser shall have acted on behalf of the Owners, then an appraiser with such qualifications shall be selected by the Board to determine the amount of condemnation proceeds allocable to each Apartment.

16.3 Condemnation of Entire Project. If the entire Project is taken, the Condemnation Trustee shall pay each Owner and mortgagee, as their interests may appear, the portion of the condemnation proceeds determined in the above manner.

16.4 Partial Taking.

16.4.1 In the event of a partial taking of the Project in which (i) any Apartment is physically eliminated, or (ii) a portion of the Apartment is eliminated and the remaining portion cannot be repaired or rebuilt in a manner satisfactory to the Owner of the Apartment, then such Apartment shall be removed from the Project and the Condemnation Trustee shall disburse to the Owner and any mortgagee of such Apartment, as their interests may appear, in full satisfaction of their interests in the Apartment, including the common interest appurtenant to that Apartment, the portion of the proceeds of such award allocable to such eliminated or removed Apartment after deducting the proportionate share of such Apartment in the cost of debris removal, and the Owners shall amend this Declaration to reflect the removal of said apartment(s) and to adjust the common interests appurtenant to the remaining Apartments by assigning to each remaining Apartment an equal percentage interest (or fraction) so that the aggregate percentage interests of all remaining Apartments equals 100%. In the event that an assignment of equal percentage interests to each Apartment is not possible or will not equal 100% in the aggregate, minor adjustment(s) to the percentage interest(s) appurtenant to one or more Apartments shall be equitably made so that the aggregate common interest equals 100%.

16.4.2 In the event of any partial taking of any of the Common Elements of the Project, the Board shall arrange for any necessary repair and restoration of the improvements remaining after the taking in accordance with the design immediately prior to such condemnation or, if repair and restoration in accordance with such design are not permissible under applicable laws and regulations then in force, in accordance with such modified plan as shall be first approved by the Board, and the mortgagee of record of each Apartment in the Project remaining after such taking. If the sums held by the Condemnation Trustee are insufficient to pay the cost of such repair and restoration, the Board shall pay such excess as a common expense, and if necessary shall levy a special assessment against the Owners.

16.4.3 If the sums received as a result of a partial condemnation exceed the total of any amounts payable to the Owner and mortgagee of a removed Apartment and the amount of costs for debris removal and for repair and restoration of the remaining buildings and improvements, such excess shall be divided among the Owners including the Owners of any eliminated Apartments in accordance with their interest in the Common Elements prior to the condemnation.

16.4.4 Unless restoration or replacement is undertaken within a reasonable time after such taking, condemnation or sale, the Association at its common expense shall remove all remains of such improvements on the remaining land and restore the site of the improvements to good orderly condition and even grade.

17. Amendment.

17.1 Amendments Generally. Except as otherwise expressly provided in this Declaration or in the Act, this Declaration (and the Condominium Map) may be amended only by the affirmative vote or written consent of the Owners of Apartments in the Project to which are appurtenant at least seventy-five percent (75%) of the common interests, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall be effective upon recordation in the Land Court.

17.2 Amendments by Developer.

17.2.1 Before First Conveyance. At any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment to a person other than Developer, Developer may amend this Declaration (including all Exhibits), the Bylaws and the Condominium Map in any manner, without the consent or joinder of any Apartment purchaser or any other party.

17.2.2 As Built Amendment. Notwithstanding the lease, sale or conveyance of any of the Apartments, Developer may amend this Declaration (and when applicable, any Exhibits to this Declaration) and the Condominium Map to file the "as-built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans previously filed fully and accurately depict the layout, location, Apartment numbers, and the dimensions of the Apartments as built, or (ii) so long as the plans filed with the verified statement involve only minor changes to the layout, location, or dimensions of the Apartments as built or any change in the Apartment number.

17.2.3 Amendments Required by Law etc. No matter what else this Declaration says, until the Sell-Out Date, Developer shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development and the Veterans Administration. However, no amendment which would change the common interest appurtenant to an Apartment or materially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment and Developer cannot use its power of attorney under Section 19.1 to grant itself that consent.

17.2.4 Amendments With Respect to Apartment 107. Apartment 107 has a Limited Common Element shown as Open Deck on the Condominium Map which lies over a portion of Apartment M-2. In the event that Developer determines in its sole discretion that such Open Deck is required for the installation of equipment for Apartment M-2, Developer may amend the Declaration to transfer the Open Deck from Apartment 107 to Apartment M-2 or any Apartment then existing that lies under the Open Deck. By accepting an Apartment deed of

Apartment 107 any Owner of Apartment 107 consents to the amendments described in this Section 17.2.4 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same. Developer may include a limited power of attorney in favor of Developer to grant such consent in any deed from Developer of Apartment 107.

17.2.5 Conversion of Certain Limited Common Elements Into Apartments. The Developer may, without the consent of any other party except the Apartment Owner of the Commercial Apartment to which the Limited Common Element is appurtenant and any mortgagee of such Apartment, amend this Declaration to convert any portion of the Limited Common Elements appurtenant to Commercial Apartments, which are described in the section of Exhibit B entitled Calculation of Weighted Net Living Areas, into an Apartment, with a Common Interest calculated as provided in such section, and to reduce the Common Interest of the Commercial Apartment to which the Limited Common Element was appurtenant by the same amount.

17.3 Subdivision And Consolidation Of Commercial Apartments.

17.3.1 Subdivision.

(a) The Owner of a Commercial Apartment can amend the Declaration and Condominium Map without the joinder of any other Owner to do any or all of the following:

(i) Subdivide the Apartment to create two or more Apartments;

(ii) Designate which Limited Common Elements of the subdivided Apartment will be appurtenant to the Apartments resulting from the subdivision;

(iii) Change parts of the existing Apartment to Common Elements or to Limited Common Elements appurtenant to one or more of the Apartments resulting from the subdivision; and

(iv) Change parts of the Limited Common Elements appurtenant only to the subdivided Apartment into parts of one or more of the Apartments resulting from the subdivision.

(b) If the subdivided Apartment is the Front Desk Apartment, the Owner must designate which resulting Apartment must comply with Section 10.3 and provide front desk service and key card service.

(c) The common interest that was appurtenant to the subdivided Apartment will be divided among the Apartments resulting from the subdivision according to the ratio of their net living areas. The total of the common interests for the newly created Apartments must be equal to the common interest of the subdivided Apartment.

17.3.2 Consolidation.

(a) The Owner of two or more Commercial Apartments can amend the Declaration and Condominium Map without the joinder of any other Owner to do any or all of the following

(i) Consolidate the apartments into a single Apartment; and

(ii) Make any Common Element walls between the Apartments part of the Apartment or its Limited Common Elements. This does not apply, however, to load-bearing walls.

(b) The common interest of the newly created Apartment will be equal to the sum of the common interests of the Apartments being consolidated.

17.3.3 Consolidation and Resubdivision. The Owner of two or more Commercial Apartments can amend the Declaration and Condominium Map without the joinder of any other Owner to consolidate and resubdivide the Apartments in a single amendment using the rights provided in Section 17.3.1 and Section 17.3.2.

17.3.4 Subdivision etc. by Developer. It is the intention of Developer in connection with the offer for sale of the Commercial Apartments to enter into sales contracts for the sale of Commercial Apartments that are configured differently from the Commercial Apartments shown on the Condominium Map filed together with this Declaration and to exercise its rights under this Section 17.3. and Section 17.4 to reconfigure the Commercial Apartments and their appurtenant Limited Common Elements from time to time to facilitate the sale of Commercial Apartments.

17.3.5. Additional Rights of Developer Concerning Mezzanine Apartments. The Developer reserves the following additional rights with respect to the Mezzanine Apartments:

(a) To amend the Declaration and Condominium Map without the joinder of any other Owner to reconfigure all or portions of the Mezzanine Apartments as Hotel Apartments. If Developer exercises this right at least fifty percent (50%) of the Hotel Apartments on the Mezzanine floor must be lodging units to preserve the status of the Project as a nonconforming hotel;

(b) In its amendments to the Declaration the Developer may restrict the use of the Hotel Apartments on the Mezzanine floor to Hotel Use, as dwelling or lodging units as the case may be, or may permit the Hotel Apartments on the Mezzanine floor to be used for any lawful purpose, but the Hotel Apartments on the Mezzanine floor shall always be restricted so that no Hotel Apartment that is a dwelling unit may be converted into more than one dwelling unit and no Hotel Apartment that is a lodging unit may be converted to another use if that will cause the number of lodging units on the Mezzanine floor to be less than fifty percent (50%) of the Hotel Apartments on the Mezzanine floor.

17.3.6 Board Approval. Any Commercial Apartment Owner, except Developer, shall require the consent of the Board, which may be withheld in the Board's sole discretion, to an amendment consolidating or subdividing or both.

17.4 Change of Ownership of Limited Common Elements.

17.4.1 The Owners of any two Commercial Apartments may amend this Declaration to transfer any portion of the Limited Common Elements appurtenant to one of the Commercial Apartments to the other Commercial Apartment, without the joinder of any other person except the mortgagees of the Commercial Apartments. If the Commercial Apartment from which the Limited Common Element is transferred has a portion of its Common Interest based on the area of the transferred Limited Common Element as described in Exhibit "B" that portion of the Common Interest shall also be transferred to the Apartment to which the Limited Common Element is transferred.

17.4.2 The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

17.5 Restatement. No matter what else this Declaration says, the Board, by a duly adopted resolution, shall have the authority as set out in the Act to restate this Declaration from time to time to set out any prior amendments to this Declaration, or to amend this Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

17.6 Developer Consent to Amendments. No matter what else this Declaration may say, neither Section 18 nor any other provision granting or reserving rights to Developer or the Owner of any Commercial Apartment may be amended without the prior written consent and joinder of Developer or such Owner, as the case may be.

Each and every party holding or acquiring an interest in the Project, by joining in the Declaration or by such acquisition, consents to the amendments described in this Section and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same.

18. Alterations to the Project.

18.1 Within an Apartment. Any alterations or additions within an Apartment or a Limited Common Element appurtenant to an Apartment, which do not affect the structural integrity of the Building or the soundness or safety of the Project, or reduce the value of the Project or impair any easement, shall require only the approvals provided in Section 18.4.

18.2 Adjacent Apartments. An Owner owning two or more Apartments, which Apartments are separated only by Common Elements which are walls or doors, may alter or

remove all or portions of the intervening walls or doors if the Owner satisfies the following conditions:

18.2.1 The Owner obtains the prior written approval of the Board, which may be withheld in the Board's sole discretion;

18.2.2 The structural integrity of the Building or the soundness and safety of the Project are not affected, the value of the Project is not reduced, and no easement or hereditament of the Project is impaired;

18.2.3 The remainder of the Common Element is restored to a finish substantially comparable to the finish of that Common Element prior to the work; and

18.2.4 On the termination of the common ownership of such adjacent Apartments, if the intervening walls or door shall have been altered or removed in accordance with this Section 18.2 each of the Owners of such Apartments shall be obligated to restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

If the adjacent Apartments remain in common ownership, the owner of the adjacent Apartments which have been altered or removed in accordance with this Section 18.2 may, at any time, restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

18.3 Enclosing Mezzanine Apartments and Adding Windows.

18.3.1 Certain Mezzanine Apartments adjacent to the main staircase are bounded by a Common Element half wall enclosing the staircase topped by flat tiling. The Owner of the Mezzanine Apartment may remove the flat tiling and extend the Common Element wall to the ceiling provided that the wall extension has the same finish as the remainder of the Common Element wall and the structural integrity of the Common Element wall and the Building is preserved.

18.3.2 Certain Mezzanine Apartments are enclosed along the exterior of the building only by Common Element half walls or railings. The Owner of such a Mezzanine Apartment may enclose the Apartment by extending the Common Element walls vertically and by installing windows at the locations shown on the Condominium Map as reserved for additional windows provided that the wall extension has the same finish as the remainder of the Common Element wall and the structural integrity of the Common Element Wall is preserved. Upon completion the boundaries of such Mezzanine Apartment shall be as described in Section 3.5.1.

18.3.3 The Owner of a Mezzanine Apartment may install windows in the exterior walls shown on the Condominium Map as reserved for additional windows provided that the structural integrity of the Common Element wall and the Building is preserved.

If the Owner is not Developer, then Developer's prior written approval of the plans for any alterations under this Section 18 will be required until the Sell-Out Date.

18.4 Additional Consents. Improvements in accordance with Sections 18.1, Section 18.2 and Section 18.3 may be undertaken without an amendment to the Declaration or the filing of a complete set of floor plans of the Project as so altered. Such improvements, including their plans, which shall be prepared by a licensed architect, shall require the written approval of only, the holders of liens affecting such Apartments (if the lien holders require such approval), the Board, and all other Apartment owners directly affected (as conclusively determined by the Board). Apartment owners shall be determined to be directly affected only if such improvements are visible from such Owners' Apartments or increase the transmission of sound or heat to such owners' Apartments or decrease the transmission of light, all as determined by the Board.

18.5 PROTECTION OF HOTEL STATUS. NO MATTER WHAT ELSE THIS DECLARATION SAYS, NO ALTERATION WILL BE PERMITTED THAT WILL REDUCE THE NUMBER OF LODGING UNITS IN THE PROJECT OR INCREASE THE NUMBER OF DWELLING UNITS AS DEFINED IN THE LUO EXCEPT THAT DEVELOPER MAY CONVERT ALL OR PORTIONS OF COMMERCIAL APARTMENTS IN THE MEZZANINE TO EQUAL NUMBERS OF DWELLING AND LODGING UNITS AS PROVIDED IN SECTION 17.3.5.

18.6 Front Desk Apartment. The Front Desk Owner may from time to time install, maintain, move or rearrange the reception desk, nonloadbearing partitions, and other nonstructural improvements within the Front Desk Apartment and the Front Desk Elements and such improvements shall not be considered an alteration or addition to the Front Desk Apartment or the Front Desk Elements, but if the Front Desk Owner is not Developer, then Developer's prior written approval of the plans will be required until the Sell-Out Date.

18.7 Other Commercial Apartments. Any other Commercial Owner may from time to time install, maintain, move or rearrange nonloadbearing partitions and other nonstructural improvements within the Commercial Apartment and such improvements shall not be considered an alteration or addition to the Commercial Apartment, but if the Commercial Owner is not Developer, then Developer's approval of the plans will be required until the Sell-Out Date.

18.8 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 carpet, tile or other floor covering, except for the following, with the prior written approval of the Board:

18.8.1 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

18.8.2 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.

18.9 Developer's Alteration Rights. Developer reserves the right to make any alterations to any Apartment owned by Developer or any Limited Common Element appurtenant only to Apartments owned by Developer, including any alterations permitted by this Section 18 without the consent of the Board or any other Owner.

18.10 Compliance with Law. All alterations made to any portion of the Project shall be made in compliance with applicable laws and any person making such alterations shall obtain and keep in effect all necessary permits.

19. Provisions Concerning Developer's Rights.

19.1 Power of Attorney. Developer shall have the absolute right, notwithstanding the lease, sale or conveyance of any Apartment, and without being required to obtain the consent or joinder of any Owner, lien holder or other persons, to exercise any and all rights reserved to Developer in this Declaration and to execute, record and/or file easements, amendments and any and all other instruments necessary or appropriate for the purpose of exercising Developer's rights. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Owners and lien holders. Each and every party acquiring an interest in any Apartment, the Project or the Land covered by this Declaration, by such acquisition, consents to the exercise of any of Developer's rights and to the recordation of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints Developer his or her attorney-in-fact with full power of substitution to execute such documents and do such other things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

19.2 Assignment of Developer's Rights. Developer may assign or mortgage or grant a security interest in whole or in part with respect to any rights reserved to Developer in this Declaration by a recorded instrument specifically assigning or mortgaging or granting a security interest in such rights, in connection with the conveyance or mortgaging of one or more Apartments in the Project, but such rights shall be held by only one person or entity at any time unless the assignment specifically provides otherwise.

20. Security. Neither Developer nor the Association shall be considered in any way an insurer or guarantor of security within the Project and each Owner agrees not to hold Developer or the Association liable for any loss or damage such Owner or anyone else may suffer by reason of a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. Each Owner assumes all risk of injury, loss or damage that may arise due to a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. By acquiring an interest in an Apartment in the Project, each Owner acknowledges and agrees that neither Developer nor the Association has made any representations or warranties, either express or implied, about any security measures at the Project and such Owner has not relied upon any such representations or warranties.

21. Developer's Declarations. The Building is an existing structure being converted by this Declaration to condominium status. As required by Section 514A-11 (13) of the Act, Developer

makes the following declarations. These declarations are made to the best of Developer's knowledge and based on statements in that certain letter dated June 3, 2003 from Eric G. Crispin AIA Director of Planning and Permitting of the City and County of Honolulu:

21.1 The Project is in compliance with all zoning and building ordinances and codes, and all other permitting requirements;

21.2 The variances listed on Exhibit "D" have been granted from the applicable ordinances or codes to achieve such compliance;

21.3 As a result of the adoption or amendment of certain ordinances or codes, the Project presently contains legal non-conforming uses and structures as described in said letter.

22. Invalidity. The invalidity of any provision in this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions shall continue in full force and effect as if such invalid provision had never been included in this Declaration.

23. Captions. The head notes or captions of each section are for convenience only and shall not be construed as enlarging, restricting, modifying or otherwise affecting their meaning or context.

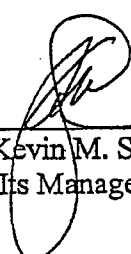
24. Pronouns All pronouns that are used in this Declaration shall include all other numbers and genders, as the context or their antecedents may require.

25. Changes in Law. In the event any change in the Act shall result in a conflict or inconsistency between the provisions of this Declaration and the Act, the provisions of the Act shall prevail.

Developer has executed this Declaration as of the 27 day of February, 2004.

WAIKIKI TERRACE LLC

By


Kevin M. Showe
Its Manager

STATE OF HAWAII)

) SS:

CITY AND COUNTY OF HONOLULU)

On this 21 day of February, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Pamela Simon

Print Name: PAMELA SIMON

Notary Public, State of Hawaii

My commission expires: 9-13-2007

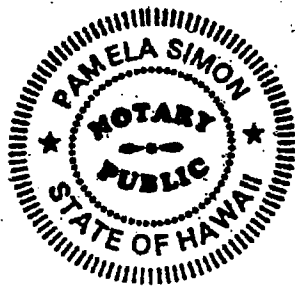


EXHIBIT "A"

All of that certain parcel of land situate on Kalakaua Avenue, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT A, area 26,164 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 762 of Mary Ellen Loncke;

Being land(s) described in Transfer Certificate of Title No. 679,063 issued to WAIKIKI TERRACE LLC, a Hawaii limited liability company.

Being the premises acquired by Deed from Max Holdings, Inc. a Hawaii corporation to Waikiki Terrace LLC dated December 29, 2003 and filed as Land Court Document No. 3048594.

Subject to:

1. Real Property Taxes not yet due and payable.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Sidewalk and Landscape Maintenance Assessment along Kalakaua Avenue, District No. 100, Lot No. 3.
4. A 10-foot road widening setback line, as shown on the Waikiki-Diamond Head Planning Area Map, prepared by City and County Department of Transportation Services.

EXHIBIT "B"

Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

A. DESCRIPTION OF HOTEL APARTMENTS

Unit No	Unit Type	Common Interest	Net Living Area	Lanai Area	B/B	D/D	AS/AT	DESCRIPTION
101	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
102	B	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
103	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
104	G	0.323206%	307	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
107	U	0.619039%	588	510	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom Note: This Apartment has a Limited Common Element lanai and open deck with aggregate area of 510 s.f. See Section 17.2.4 for further information concerning open deck.
109	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
110	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
111	C	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
112	D	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
114	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
115	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
116	F	0.381109%	362	583	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
117	A	0.329522%	313	54	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
118	B	0.329522%	313	71	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
119	B	0.329522%	313	33	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
120	E	0.392689%	373	201	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

D or L refer to Dwelling Unit or Lodging Unit. B/B refers to number of separate bedrooms and bathrooms. AS or AT refer to Accessible Shower or Accessible Tub. Lanais are Limited Common Elements not part of the Apartments.

ALL AREAS ARE APPROXIMATE

Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SQ FT)	B/E	L/D	AS/AT	DESCRIPTION
201	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
202	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room -- with wetbar and bathroom.
203	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
206	S	0.711684%	676	624	1/1	D		One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
209	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
210	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
214	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
215	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
216	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
217	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
218	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
219	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
220	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
Page 2 of 18

Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/A	DESCRIPTION
301	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
302	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
303	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
304	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
306	T	0.711684%	676	70	1/1	D	AT	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
307	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
309	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
310	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
311	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
312	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
314	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
315	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
316	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
317	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
318	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
319	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
320	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
Page 3 of 18

Document Receipt

Acceptance Date: 5 July 2013

Property Address: 2045 Kalakaua Ave, Luana Waikiki #607, Honolulu, Hawaii 96815

Seller: Tom and Tracy Tran

Buyer: Rosemary Blaney

M-1	Homeowner/Condominium/Subdivision/Pud Organizations	
1	<input checked="" type="checkbox"/>	Minutes of at least the last three (3) Board of Directors Meetings 26-Jun-2012, 23-Oct-2012, 22-Jan-2013
2	<input checked="" type="checkbox"/>	By-laws and Amendments 3-Mar-2004 By Laws, Amendments: 13-Nov-2006, 22-Jun-2010
3	<input checked="" type="checkbox"/>	Latest Financial Statements 31-May-2013
4	<input checked="" type="checkbox"/>	House Rules and Regulations
5	<input checked="" type="checkbox"/>	Declaration and Amendments 3-Mar-2004 Declaration, Amendments: 9-July-2004, 21-Jan-2005, 22-Jun-2007, 10-Jan-2006, 31-May-2005, 3-Mar-2004
6	<input checked="" type="checkbox"/>	Minutes of the last Annual Meeting 26-Mar-2013
7	<input checked="" type="checkbox"/>	Articles of Incorporation

Buyer – Acknowledges receipt of documents.
Examination period governed by Purchase Contract

Buyer – Acknowledges receipt of documents.
Examination period governed by Purchase Contract

LUANA WAIKIKI – AOA
Financial Highlights
May 31, 2013

Key Financial Data:

The year-to-date operating surplus totaled \$73,758 in comparison to the budgeted operating YTD deficit of \$935 is a year-to-date favorable variance of \$74,693. The cumulative operating surplus is \$49,010.

The Association has \$219,189.82 in the Operating Bank Accounts and \$1,290,575.43 in the Reserve Bank Accounts.

Year to Date Large Favorable Variances from Budget (sum of below: \$88,690)

- Salaries & Wages Admin: \$9,367
- Payroll Tax and Benefits: \$7,649
- Payroll Recoveries: \$14,830
- Electricity: \$42,655
- Gas: \$6,794
- Building: \$5,248
- Grounds & Landscaping: \$2,147
-

Year to Date Large Unfavorable Variance from Budget (sum of below: \$8,646)

- Sewer: \$3,782
- Legal Fees: \$4,864

Maintenance Fees Delinquency:

As of May 31, 2013, the total delinquency is \$2,683. Our bad debt allowance is \$3,200.00.

Current Investment as of May 31, 2013

Maturity Date	Amount	Type	APR	Bank
N/A	468,341.02	Government portfolio	Market	UBS–RMA Govt. Portfolio
07/19/16	240,000.00	60 months	1.25%	UBS–Gibraltar B&T
11/04/13	240,000.00	24 months	1.15%	UBS–Americian Express
N/A	161.33	Savings	0.30%	HCFCU Business Regular
N/A	246,664.94	Bus. Super Inv.	0.20%	HCFCU Business Super
N/A	95,408.14	Savings	0.35%	Pacific Rim Bank Savings
Total Cash	1,290,575.43			

Regular Reserve Account:

- Fund Balance as of May 31, 2013 is \$1,326,080.47
- YTD Reserve Expenses as of May 31, 2013 is \$11,186

OUTRIGGER ENTERPRISES GROUP

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ALW - Detail Balance Sheet (Operating)

Page -

1

Detail Balance Sheet

As of May 31, 2013

Description	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
AOAO LUANA WAIKIKI, INC.					
ASSETS					
CURRENT ASSETS					
CASH-OPERATIONS	219,189.82	150,073.32	57,804.69	69,116.50	161,385.13
TOTAL CASH & CASH EQUIVALENT	219,189.82	150,073.32	57,804.69	69,116.50	161,385.13
CERTIFICATES OF DEPOSIT					
TOTAL CERTIFICATES OF DEPOSIT					
INVESTMENT SECURITIES					
TOTAL INVESTMENT SECURITIES					
HOTEL & OTHER RECEIVABLES					
RECEIVABLES CITY LEDGER	27,365.74-	26,445.23-		920.51-	27,365.74-
RECEIVABLES OTHERS	2,683.11	428.51	1,054.40	2,254.60	1,628.71
PROPERTY REIMBURSEMENTS	35,194.68-	30,906.62-	39,047.39-	4,288.06-	3,852.71
ALLOW FOR DOUBTFUL ACCT	3,200.00-	3,200.00-	3,200.00-		
TOTAL HOTEL & OTHER RECEIVABLES	63,077.31-	60,123.34-	41,192.99-	2,953.97-	21,884.32-
PREPAID EXPENSES & OTHER					
PREPAID EXPENSES	142,975.26	79,443.04	87,844.30	63,532.22	55,130.96
TOTAL PREPAID EXPENSES & OTHER	142,975.26	79,443.04	87,844.30	63,532.22	55,130.96
TOTAL CURRENT ASSETS	299,087.77	169,393.02	104,456.00	129,694.75	194,631.77
NON CURRENT ASSETS					
NOTES REC, NON CURRENT					
TOTAL NOTES REC, NON CURRENT					
RESTRICTED CASH					
TOTAL RESTRICTED CASH					
PROPERTY & EQUIPMENT					
FF&E	19,254.78	19,254.78	19,254.78		
TOTAL FIXED ASSETS	19,254.78	19,254.78	19,254.78		
ACCUM DPRN FF&E	19,254.78-	19,254.78-	19,254.78-		
TOTAL ACCUMULATED DEPRECIATION	19,254.78-	19,254.78-	19,254.78-		
TOTAL PROPERTY & EQUIPMENT					
PROPERTY HELD FOR SALE					
TOTAL PROPERTY HELD FOR SALE					

OUTRIGGER ENTERPRISES GROUP
ALW - Detail Balance Sheet (Operating)

Detail Balance Sheet
As of May 31, 2013

Description	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
DEFERRED TAXES					
TOTAL DEFERRED TAXES					
OTHER ASSETS					
TOTAL OTHER ASSETS					
OTHER NON-CURRENT ASSETS					
TOTAL OTHER NON-CURRENT ASSETS					
INVESTMENTS					
TOTAL INVESTMENTS					
DUE FROM AFFILIATES					
TOTAL DUE FROM AFFILIATES					
TOTAL NON CURRENT ASSETS					
TOTAL ASSETS	299,087.77	169,393.02	104,456.00	129,694.75	194,631.77

Detail Balance Sheet
As of May 31, 2013

Description	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
LIABILITIES & EQUITY					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
ACCOUNTS PAYABLE	138,030.75	79,941.75	55,254.19	58,089.00	82,776.56
TOTAL ACCOUNTS PAYABLE	138,030.75	79,941.75	55,254.19	58,089.00	82,776.56
ACCRUED LIABILITIES					
ACCRUED TAXES	209.70	193.68	224.36	16.02	14.66-
ACCRUED ENERGY/UTILITIES	43,790.55	40,150.93	37,916.73	3,639.62	5,873.82
ACCRUED EXPENSES	16,730.00	25,333.00-	12,382.02	42,063.00	4,347.98
HOTEL CLEARING			19,426.63		19,426.63-
TOTAL ACCRUED LIABILITIES	60,730.25	15,011.61	69,949.74	45,718.64	9,219.49-
ACCRUED INCOME TAXES					
TOTAL ACCRUED INCOME TAXES					
LONG-TERM DEBT CURRENT					
TOTAL LONG-TERM DEBT CURRENT					
TOTAL CURRENT LIABILITIES	198,761.00	94,953.36	125,203.93	103,807.64	73,557.07
NON CURRENT LIABILITIES					
LONG TERM DEBT NON CURRENT					
TOTAL LONG TERM DEBT NON CURRENT					
OTHER LIABILITIES					
SECURITY DEPOSIT	4,000.00	4,000.00	4,000.00		
INTERCOMPANY PAYABLE DUE	47,317.20	31,773.68		15,543.52	47,317.20
TOTAL OTHER LIABILITIES	51,317.20	35,773.68	4,000.00	15,543.52	47,317.20
TOTAL NON CURRENT LIABILITIES	51,317.20	35,773.68	4,000.00	15,543.52	47,317.20
EQUITY					
RETAINED EARNING (PY)	24,747.93-	24,747.93-	48,243.18		72,991.11-
CY EARNING	73,757.50	63,413.91	72,991.11-	10,343.59	146,748.61
ASSN FUND BALANCE					
TOTAL ASSN FUND BALANCE					
TOTAL EQUITY	49,009.57	38,665.98	24,747.93-	10,343.59	73,757.50
TOTAL LIABILITIES & EQUITY	299,087.77	169,393.02	104,456.00	129,694.75	194,631.77

P&L STATEMENT

For the Five Months Ending May 31, 2013

MTD ACTUAL	% OF REVENUE	MTD BUDGET	% OF REVENUE	MTD LAST YEAR	% OF REVENUE	YTD ACTUAL	% OF REVENUE	YTD BUDGET	% OF REVENUE	YTD LAST YEAR	% OF REVENUE
REVENUE											
148,558	97.7	148,558	97.6	137,421	97.1	742,788	97.8	742,790	97.7	687,103	97.6
8	.0	28	.0	26	.0	80	.0	140	.0	192	.0
2,408	1.6	2,408	1.6	2,094	1.5	10,785	1.4	10,784	1.4	10,471	1.5
1,048	.7	1,174	.8	2,022	1.4	5,507	.7	5,870	.8	6,214	.9
100	.1	100	.1	11	.0	650	.1	500	.1	361	.1
152,122	100.0	152,268	100.0	141,574	100.0	759,810	100.0	760,084	100.0	704,340	100.0
PAYROLL EXPENSES:											
3,167	2.1	4,987	3.3	5,153	3.6	15,834	2.1	25,201	3.3	25,929	3.7
334	.2	384	.3	357	.3	1,747	.2	1,940	.3	82-	.0
1,112	.7	2,658	1.7	2,373	1.7	5,697	.7	13,346	1.8	12,953	1.8
509	.3	207	.1	165	.1	848	.1	769	.1	659	.1
20,998	13.8	23,847	15.7	23,306	16.5	101,328	13.3	116,158	15.3	109,381	15.5
26,119	17.2	32,083	21.1	31,353	22.1	125,454	16.5	157,414	20.7	148,840	21.1
38,979	25.6	37,343	24.5	39,310	27.8	191,718	25.2	188,424	24.8	200,791	28.5
UTILITIES:											
53,521	35.2	52,673	34.6	48,946	34.6	237,055	31.2	279,710	36.8	238,288	33.8
6,623	4.4	8,672	5.7	9,864	7.0	36,295	4.8	43,089	5.7	42,934	6.1
9,106	6.0	9,285	6.1	5,280	3.7	53,923	7.1	50,141	6.6	42,229	6.0
2,573	1.7	3,224	2.1	1,644	1.2	17,318	2.3	17,408	2.3	14,936	2.1
4,858	3.2	4,959	3.3	4,745	3.4	24,289	3.2	24,795	3.3	23,723	3.4
76,681	50.4	78,813	51.8	70,478	49.8	368,881	48.5	415,143	54.6	362,110	51.4
141,779	93.2	148,239	97.4	141,141	99.7	686,053	90.3	760,981	100.1	711,741	101.1
10,344	6.8	4,029	2.6	433	.3	73,758	9.7	897-	.1-	7,401-	1.1-
0	.0	0	.0	173	.1	0	.0	38	.0	864	.1
10,344	6.8	4,029	2.6	260	.2	73,758	9.7	935-	.1-	8,265-	1.2-

AOAO LUANA WAIKIKI (CO723)

P&L STATEMENT

For the Five Months Ending May 31, 2013

MTD ACTUAL	% OF REVENUE	MTD BUDGET	% OF REVENUE	MTD LAST YEAR	% OF REVENUE	YTD ACTUAL	% OF REVENUE	YTD BUDGET	% OF REVENUE	YTD LAST YEAR	% OF REVENUE
OPERATING EXPENSE-											
ADMINISTRATIVE EXPENSE											
668	.4	394	.3	411	.3	3,130	.4	2,820	.4	2,095	.3
DIRECTORS EXPENSE											
0	.0	0	.0	835	.6	327	.0	0	.0	881	.1
0	.0	0	.0	0	.0	0	.0	85	.0	93	.0
1,625	1.1	0	.0	0	.0	1,625	.2	950	.1	0	.0
20	.0	0	.0	0	.0	22	.0	0	.0	0	.0
0	.0	83	.1	0	.0	0	.0	415	.1	0	.0
29	.0	104	.1	18	.0	838	.1	520	.1	789	.1
PROFESSIONAL FEES											
1,994	1.3	1,994	1.3	1,994	1.4	9,970	1.3	9,970	1.3	9,970	1.4
116	.1	209	.1	0	.0	5,909	.8	1,045	.1	1,154	.2
506	.3	506	.3	497	.4	2,530	.3	2,530	.3	4,687	.7
210	.1	252	.2	268	.2	1,063	.1	1,200	.2	1,206	.2
45	.0	23	.0	57	.0	201	.0	115	.0	148	.0
TRAVEL MEALS & ENTERTAINMENT											
0	.0	0	.0	33	.0	0	.0	0	.0	33	.0
5,212	3.4	3,565	2.3	4,113	2.9	25,615	3.4	19,650	2.6	21,056	3.0
TOTAL ADMINISTRATIVE											
MAINTENANCE EXPENSES:											
487	.3	1,400	.9	1,762	1.2	1,752	.2	7,000	.9	22,248	3.2
0	.0	250	.2	0	.0	2,663	.4	1,250	.2	186	.0
91	.1	100	.1	0	.0	652	.1	500	.1	135	.0
0	.0	0	.0	0	.0	225	.0	0	.0	35	.0
2,827	1.9	3,005	2.0	2,040	1.4	13,931	1.8	15,025	2.0	11,760	1.7
83	.1	0	.0	0	.0	964	.1	0	.0	0	.0
799	.5	1,167	.8	799	.6	3,688	.5	5,835	.8	7,847	1.1
195	.1	195	.1	195	.1	1,306	.2	975	.1	975	.1
0	.0	125	.1	0	.0	564	.1	625	.1	0	.0
473	.3	400	.3	296	.2	3,211	.4	2,000	.3	1,516	.2
1,224	.8	233	.2	160	.1	1,962	.3	1,165	.2	1,159	.2
43	.0	167	.1	76	.1	416	.1	835	.1	1,592	.2
179	.1	125	.1	594	.4	1,143	.2	625	.1	749	.1
0	.0	588	.4	572	.4	2,917	.4	2,940	.4	2,860	.4

P&L STATEMENT

For the Five Months Ending May 31, 2013

MTD ACTUAL	% OF REVENUE	MTD BUDGET	% OF REVENUE	MTD LAST YEAR	% OF REVENUE	DESCRIPTION	YTD ACTUAL	% OF REVENUE	YTD BUDGET	% OF REVENUE	YTD LAST YEAR	% OF REVENUE
1,581	1.0	1,732	1.1	1,518	1.1	REFUSE REMOVAL	7,906	1.0	8,660	1.1	8,660	1.2
4,060	2.7	4,091	2.7	3,956	2.8	SECURITY SERVICES	20,629	2.7	20,455	2.7	19,639	2.8
321	.2	200	.1	3,013	2.1	SWIMMING POOL MAINT	1,084	.1	1,000	.1	3,585	.5
12,363	8.1	13,778	9.0	14,981	10.6	TOTAL MAINTENANCE	65,013	8.6	68,890	9.1	82,945	11.8
OTHER EXPENSES:												
16,658	11.0	15,142	9.9	15,533	11.0	INSURANCE-PROPERTY	77,379	10.2	75,710	10.0	73,233	10.4
4,239	2.8	4,351	2.9	4,317	3.0	MANAGEMENT FEES	21,194	2.8	21,755	2.9	21,731	3.1
110	.1	110	.1	0	.0	MISC OTHER EXPENSE	563	.1	550	.1	0	.0
397	.3	397	.3	365	.3	TAXES	1,956	.3	1,869	.2	1,825	.3
21,404	14.1	20,000	13.1	20,216	14.3	TOTAL OTHER EXPENSE	101,091	13.3	99,884	13.1	96,789	13.7
38,979	25.6	37,343	24.5	39,310	27.8	TOTAL OPERATING EXPENSE	191,718	25.2	188,424	24.8	200,791	28.5
NON-CASH ITEMS:												
0	.0	0	.0	173	.1	DEPRN & AMORT	0	.0	38	.0	864	.1
0	.0	0	.0	173	.1	TOTAL NON-CASH ITEMS	0	.0	38	.0	864	.1

ALW - Detail Balance Sheet (Reserve)

Detail Balance Sheet

As of May 31, 2013

Description	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
AOAO LUANA WAIKIKI, INC.					
ASSETS					
CURRENT ASSETS					
CASH-OPERATIONS	342,234.41	357,746.35	536,145.12	15,511.94-	193,910.71-
TOTAL CASH & CASH EQUIVALENT	342,234.41	357,746.35	536,145.12	15,511.94-	193,910.71-
CERTIFICATES OF DEPOSIT					
TOTAL CERTIFICATES OF DEPOSIT					
INVESTMENT SECURITIES					
MARKETABLE SECURITIES	948,341.02	931,168.76	720,000.00	17,172.26	228,341.02
TOTAL INVESTMENT SECURITIES	948,341.02	931,168.76	720,000.00	17,172.26	228,341.02
HOTEL & OTHER RECEIVABLES					
PROPERTY REIMBURSEMENTS	35,194.68	30,906.62	314.16-	4,288.06	35,508.84
INTEREST RECEIVABLE	310.36	1,436.36	955.41	1,126.00-	645.05-
TOTAL HOTEL & OTHER RECEIVABLES	35,505.04	32,342.98	641.25	3,162.06	34,863.79
PREPAID EXPENSES & OTHER					
TOTAL PREPAID EXPENSES & OTHER					
TOTAL CURRENT ASSETS	1,326,080.47	1,321,258.09	1,256,786.37	4,822.38	69,294.10
NON CURRENT ASSETS					
NOTES REC, NON CURRENT					
TOTAL NOTES REC, NON CURRENT					
RESTRICTED CASH					
TOTAL RESTRICTED CASH					
PROPERTY & EQUIPMENT					
LEASED EQUIPMENT	97,795.80	97,795.80	97,795.80		
TOTAL FIXED ASSETS	97,795.80	97,795.80	97,795.80		
ACCUM DPRN FF&E	97,795.80-	97,795.80-	97,795.80-		
TOTAL ACCUMULATED DEPRECIATION	97,795.80-	97,795.80-	97,795.80-		
TOTAL PROPERTY & EQUIPMENT					
PROPERTY HELD FOR SALE					
TOTAL PROPERTY HELD FOR SALE					
DEFERRED TAXES					
TOTAL DEFERRED TAXES					

Detail Balance Sheet
As of May 31, 2013

Description	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
OTHER ASSETS					
TOTAL OTHER ASSETS					
OTHER NON-CURRENT ASSETS					
TOTAL OTHER NON-CURRENT ASSETS					
INVESTMENTS					
TOTAL INVESTMENTS					
DUE FROM AFFILIATES					
TOTAL DUE FROM AFFILIATES					
TOTAL NON CURRENT ASSETS					
TOTAL ASSETS	1,326,080.47	1,321,258.09	1,256,786.37	4,822.38	69,294.10

Detail Balance Sheet
As of May 31, 2013

Description	Current Balance	Prior Month Balance	Prior Year End Balance	Current Month Net Change	Current Year Net Change
LIABILITIES & EQUITY					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE					
TOTAL ACCOUNTS PAYABLE					
ACCRUED LIABILITIES					
TOTAL ACCRUED LIABILITIES					
ACCRUED INCOME TAXES					
TOTAL ACCRUED INCOME TAXES					
LONG-TERM DEBT CURRENT					
TOTAL LONG-TERM DEBT CURRENT					
TOTAL CURRENT LIABILITIES					
NON CURRENT LIABILITIES					
LONG TERM DEBT NON CURRENT					
TOTAL LONG TERM DEBT NON CURRENT					
OTHER LIABILITIES					
TOTAL OTHER LIABILITIES					
TOTAL NON CURRENT LIABILITIES					
EQUITY					
RETAINED EARNING (PY)	1,256,786.37	1,256,786.37	1,126,475.04		130,311.33
CY EARNING	69,294.10	64,471.72	130,311.33	4,822.38	61,017.23-
ASSN FUND BALANCE					
TOTAL ASSN FUND BALANCE					
TOTAL EQUITY	1,326,080.47	1,321,258.09	1,256,786.37	4,822.38	69,294.10
TOTAL LIABILITIES & EQUITY	1,326,080.47	1,321,258.09	1,256,786.37	4,822.38	69,294.10

AOAO LUANA WAIKIKI, INC.
P&L TREND STATEMENT
For the 5 Months Period Ending May 31, 2013

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ACTUAL	YTD BUDGET
REVENUE														
INTEREST INCOME	581	460	462	540	509								2,553	
OTHER OPERATING INCOME	367	43	11	-147	-26								248	
REPLACEMENT RESERVE	15,500	15,500	15,500	15,500	15,500								77,500	186,000
OTHER FEES	43	41	45	24	25								179	
TOTAL REVENUE	16,491	16,044	16,018	15,917	16,008								80,480	186,000
RESERVE EXPENSES														
ASPHALT RESEAL/STRIP & BBQ GRILLS														9,476
FIRE EXTINGUISHERS														2,200
POOL - MAIN FURNITURE					11,186								11,186	9,500
ROOFING -														9,846
TOTAL RESERVE EXPENSES					11,186								11,186	31,022
NET PROFIT/LOSS	16,491	16,044	16,018	15,917	4,822								69,294	154,978

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 benzene, 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

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation

of

**THE ASSOCIATION OF APARTMENT
OWNERS OF LUANA WAIKIKI**

ARTICLES OF INCORPORATION

FILED 12/17/2003 02:25 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

CADES SCHUTTE
A Limited Liability Law Partnership LLP
Bernice Littman
1000 Bishop Street, Suite 1100
Honolulu, Hawaii 96813

IMANAGEDB:510132.1

12/18/200320020

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation

of

THE ASSOCIATION OF APARTMENT
OWNERS OF LUANA WAIKIKI

ARTICLES OF INCORPORATION

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, hereby executes the following articles of incorporation:

ARTICLE I

Corporate Name

The name of this Corporation is THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI.

ARTICLE II

Corporate Purposes and Powers

Section 2.1. Purposes. The Corporation is organized to operate and manage the condominium property regime to be known as "Luana Waikiki" located in Honolulu, Hawaii all in compliance with Chapters 514A and 414D, Hawaii Revised Statutes (or any future corresponding provisions), in accordance with the declaration creating the condominium property regime (the "Declaration") and the bylaws, and for no other purpose.

Section 2.2. Restrictions. The Corporation is a nonprofit corporation and shall not authorize or issue any shares of stock. No dividend shall be paid and no part of the income or profit of the Corporation shall be distributed to the members, directors or officers of the Corporation. No loans shall be made by the Corporation to its directors or officers. The Corporation may, however, pay compensation in a reasonable amount to its members, directors, or officers for services rendered.

ARTICLE III

Initial Offices and Agent

Section 3.1 Initial Principal Office. The mailing address of the initial principal office of the Corporation is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

Section 3.2 Initial Registered Agent and Initial Registered Office. The name of the Corporation's initial registered agent and the street address of the initial registered office of the Corporation is Outrigger Hotels Hawaii, 2375 Kuhio Avenue, Honolulu, Hawaii 96815.

#4112L5

ARTICLE IV

Incorporator

The name and address of the incorporator is Kevin M. Showe, 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

ARTICLE V

Membership

Membership in the Corporation may be held by all persons who have the qualifications of membership specified in the bylaws and Declaration. Members of the Corporation shall be admitted or expelled in the manner provided by the bylaws.

ARTICLE VI

Directors and Officers

Section 6.1 Limitation of Liability of Directors. Without limiting any other protections to which the directors may be entitled, the directors of the Corporation shall not be personally liable to the Corporation for monetary damages for the breach of any of the director's duties to the Corporation, unless such elimination of personal liability is prohibited by law.

Section 6.2 Indemnification of Directors, Officers, Employees and Agents. The Corporation shall indemnify or advance funds for reasonable expenses of directors, officers, employees and agents, incurred in any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal, to the fullest extent provided by law.

ARTICLE VII

Bylaws

The initial bylaws of the Corporation shall be the bylaws of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI which shall be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii together with the Declaration upon the creation of the Luana Waikiki condominium property regime. The bylaws may be altered, amended or repealed, and new bylaws may be adopted by the members, as prescribed in the bylaws and Chapter 514A, Hawaii Revised Statutes (or any future corresponding provisions).

ARTICLE VIII

Corporate Dissolution; Distribution of Assets

If the Corporation shall be dissolved, all assets of the Corporation, after payment of liabilities, shall be distributed in accordance with law as determined by the board of directors.

12/18/200320020

I certify under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the above statements and that the same are true and correct to the best of my knowledge.

Witness my hand this 17th day of December, 2003.



Incorporator

12/18/2003 20020

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LUANA WAIKIKI AOA
Tuesday, June 26, 2012 10:00 a.m. Mezzanine Floor Offices**

Owners' Forum No owners were present.

I. Call to Order

Board Vice President Rick Zara called the meeting to order at 10:03 a.m. on the above date.

II. Establishment of a Quorum

Chair Zara advised there was a quorum of the Board with Board members present being D'Ann Reyher, Treasurer, and Directors Larry Baldwin, Kevin Showe and Joe Ficocello. Gail Dulay, President, was available for the majority of the meeting via teleconference.

Directors Howard Schneider was excused.

Also present were the following individuals from Outrigger Hotels Hawaii: Pamela Cabrera, Luana General Manager, Teri Orton, Vice President of the Marketing for the Condominium Division, and Susan Taraya, Condominium AOA Services Manager.

III. Approval of Minutes

Following a request by the Chair for approval of the minutes for the Board of Directors Meeting of January 24, 2012 and the Annual Meeting of March 27, 2012, the minutes were approved as presented by unanimous consent.

IV. Treasurer's Report

(a) Financials

The Board reviewed the financials presented year-to-date as of April 30, 2012.

The financials were accepted subject to audit.

(b) Delinquencies

A brief report was given on delinquencies, with no units over 30 days delinquent.

(c) Investment options

The decision was made to consider only short-term investment options with the upcoming projects under review.

V. General Manager's Report

General Manager Pam Cabrera provided a verbal report on the property. The items of discussion are covered in the unfinished and new business sections of the agenda.

VI. Committee Reports

No formal reports were given.

VII. Unfinished Business

- (a) Ratify email motions - none
- (b) Emergency generator and emergency hallway lighting - The only part of this project left to be completed is testing the phone system.
- (c) Lighting proposal - This topic was tabled for the next meeting.
- (d) Pool gate - This was tabled due to expense, but will remain on agenda.
- (e) ADA - the managing agent was instructed to obtain the opinion of the Association attorney before the Board contemplates adopting policies and procedures.

VIII. New Business

- (a) Owners Survey - no action to be taken.
- (b) Changes to documents re: energy, doors - tabled for further legal review.
- (c) Recommendations of budget, staffing and reserves - a committee including Directors Showe and Zara will review the recommendations before the next meeting.
- (d) Owner Requests - no requests were presented for consideration.

IX. 2012 Meeting Dates

BOD Meeting October 23, 2012

X. Executive Session – no executive session was held.

XI. Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 11:20 a.m.

APPROVED BY BOD AS SUBMITTED 2012_10_23

Susan Taraya
Recording Secretary

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LUANA WAIKIKI AOA**

Tuesday, October 23, 2012 10:00 a.m. Mezzanine Floor Offices

Owners' Forum No concerns were presented. The owners were thanked for their attendance and participation.

I. Call to Order

Board President Gail Dulay called the meeting to order at 10:12 a.m. on the above date.

II. Establishment of a Quorum

Chair Dulay advised there was a quorum of the Board with Board members present being Rick Zara, Vice President, D'Ann Reyher, Treasurer, Howard Schneider, Secretary, and Directors Larry Baldwin and Joe Ficocello. Director Kevin Showe was available for the majority of the meeting via teleconference.

Also present were the following individuals from Outrigger Hotels Hawaii: Pamela Cabrera, Luana General Manager, Bruce Schneider Vice President of the Marketing for the Condominium Division, Gary Tachino, Assistant Controller, and Susan Taraya, Condominium AOA Services Manager.

Invited guests were Sue Savio from Insurance Associates and Dave Bennett from Greenstar. The guests gave their respective presentations at the beginning of the meeting and their topics were then addressed by the board in accordance with the agenda after the guests were dismissed.

III. Approval of Minutes

Following a request by the Chair for approval of the minutes for the Board of Directors Meeting of June 26, 2012, the minutes were approved as presented by unanimous consent.

IV. Treasurer's Report

(a) Financials

The Board reviewed the financials presented year-to-date as of August 31, 2012.

The financials were accepted subject to audit.

(b) Delinquencies

A brief report was given on delinquencies, with no units over 30 days delinquent.

(c) Investment options

The decision was made to hold off on long-term investments out of consideration of upcoming projects.

V. General Manager's Report

General Manager Pam Cabrera provided a verbal report on the property. The items of discussion are covered in the unfinished and new business sections of the agenda.

VI. Committee Reports

No formal reports were given.

VII. Unfinished Business

(a) Ratify email motions

A motion was made by Director Zara to ratify the email motion approving the substitution of two antennas with a style already in use as requested by Verizon. The motion was unanimously approved.

(b) Lighting proposal - This topic was tabled but will remain on the agenda.

(c) Pool gate - This topic was tabled but will remain on agenda.

(d) Changes to documents re: energy, doors - This topic was tabled in anticipation of additional information from the Association's attorney.

(e) ADA - This topic was tabled in anticipation of additional information from the Association's attorney.

VIII. New Business

(a) Insurance

A motion was made by Director Ficocello to approve the insurance proposal as submitted by Insurance Associates. The motion was unanimously approved.

(b) Greenstar

A motion was made by Director Ficocello to approve an expenditure not to exceed \$1,000 from the operating funds to set up a test room with the energy-saving systems proposed by Greenstar. The motion was unanimously approved.

(c) Proposed improvements - doors, dividers and lanais

Proposals were reviewed and the staff was directed to obtain additional bids.

(d) Budget

The proposed budget had been reviewed by the budget committee. The board was advised of the addition of the Human Resource Allocation line item.

A motion was made by Director Ficocello to approve the 2013 budget as revised with an increase of 9.73% over 2012. The motion was unanimously approved.

(e) Owners Requests

A motion was made by Director Showe to allow the Ville de Coco Spa to set up a massage chair in the common areas of the Mezzanine level for complimentary mini-massages on a four-month trial basis. The Spa must add the Association as an additional insured on their liability policy and the location is at the discretion of the property manager. The motion was unanimously approved.

IX. 2013 Meeting Dates

BOD Meeting	January 22, 2013
Annual Meeting	March 26, 2013
BOD Meeting	June 25, 2013
BOD Meeting	October 22, 2013

X. Executive Session – no executive session was held.

XI. Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 12:27 p.m.

APPROVED BY BOD AS SUBMITTED 2013_01_22

Susan Taraya
Recording Secretary

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LUANA WAIKIKI AOA**

Tuesday, January 22, 2013 10:00 a.m. Mezzanine Floor Offices

Owners' Forum No concerns were presented. The owners were thanked for their attendance and participation.

I. Call to Order

Board President Gail Dulay called the meeting to order at 10:00 a.m. on the above date.

II. Establishment of a Quorum

Chair Dulay advised there was a quorum of the Board with Board members present being Rick Zara, Vice President, D'Ann Reyher, Treasurer, and Directors Kevin Showe, Larry Baldwin and Joe Ficocello. Director Howard Schneider was excused.

Also present were the following individuals from Outrigger Hotels Hawaii: Pamela Cabrera, Luana General Manager, Bruce Schneider Vice President of the Condominium Division, and Susan Taraya, Condominium AOA Services Manager.

III. Approval of Minutes

Following a request by the Chair for approval of the minutes for the Board of Directors Meeting of October 23, 2012, the minutes were approved as presented by unanimous consent.

IV. Treasurer's Report

(a) Financials

The Board reviewed the financials presented year-to-date as of November 30, 2012.

The financials were accepted subject to audit.

(b) Delinquencies

A brief report was given on delinquencies, with no units over 30 days delinquent. It was reported that one unit was in foreclosure by the lender.

V. General Manager's Report

General Manager Pam Cabrera provided a written report on the property which is on file in the general manager's office..

Permission was granted by general consensus to allow Ville De Coco to continue offering free sample massages in the common elements of the mezzanine floor subject to the discretion of the board.

A motion was made by Director Zara to allow the property staff to replace tattered and worn pool cabana chairs, final approval to be provided by the design committee, with the charges to be paid from the replacement reserve funds.

The property staff was directed to get a bid from Seal Masters to repair blisters in the walkway finish, look for bicycle storage options and to investigate garage lockers.

VI. Committee Reports

No formal reports were given.

VII. Unfinished Business

- (a) Ratify email motions

No email motions were considered between meetings.

- (b) Lighting proposal - This topic was tabled but will remain on the agenda.
- (c) Pool gate - This topic was tabled but will remain on the agenda.
- (d) Changes to documents re: energy, doors - This topic was reserved for executive session to review attorney-client information.
- (e) ADA - This topic was tabled in anticipation of additional information from the Association's attorney.
- (f) Greenstar - This topic was tabled but will remain on the agenda.
- (g) Proposed improvements - doors, dividers and lanais - This topic was tabled but will remain on the agenda.

VIII. New Business

- (a) Owner Requests

All owner requests were addressed in the Manager's Report.

IX. 2013 Meeting Dates

Annual Meeting	March 26, 2013
BOD Meeting	June 25, 2013
BOD Meeting	October 22, 2013

X. Executive Session

Executive session was held to discuss attorney-client privileged information. The decision was made to present two amendments to the documents for a vote by the ownership. The proposed amendments to the documents were regarding maintenance, repair, alteration and use for energy conservation and maintenance of entry doors and lanais. Both proposed amendments are on file in the general manager's office.

XI. Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 11:07 a.m.

Susan Taraya
Recording Secretary

**MINUTES OF THE ANNUAL MEETING OF THE
ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI
March 26, 2013
Luana Waikiki Mezzanine Floor**

I. Establishment of Quorum/Proof of Notice of Meeting.

The Annual Meeting of the Association of Apartment Owners of Luana Waikiki was called to order on Tuesday, March 26, 2013 at 10:00 a.m. on the Mezzanine Floor of the Project by Chair Gail Dulay. Pursuant to Article 3, Section 3.6 of the bylaws, a quorum was established with 60.768285% of the common interest represented in person or by proxy. In accordance with Article 3, Section 3.5 of the bylaws, it was confirmed that notice was sent to all owners of record on February 13, 2013.

II. Roll Call/Introductions.

Chair Gail Dulay welcomed owners and introduced various members and guests, as follows:

Gail Dulay, President and Chair
Rick Zara, Vice President
D'Ann Reyher, Treasurer
Larry Baldwin, Director
Kevin Showe, Director
Joe Ficocello, Director

Bruce Schneider, Outrigger Vice President of the Condo Collection
Pamela Cabrera, Luana General Manager
Susan Taraya, Outrigger AOA Services Manager

III. Conduct of Business.

The Chair advised that the meeting would be conducted in accordance with *Hawaii Revised Statutes*, §514B-121, using the most recent edition of *Robert's Rules of Order Newly Revised* in addition to the Association Meeting Rules which had been handed out at check in and which were previously adopted as permanent and standing Association rules.

IV. Minutes of Annual Meeting.

The Chair advised that in accordance with *Hawaii Revised Statutes* §514B-122, the Board is authorized by the members to approve the meeting minutes of annual meetings. The Board approved the minutes of the 2012 annual meeting as presented at the June 26, 2012 board meeting. There being no objections, the minutes of the Annual Meeting of 2012 were approved as submitted.

V. Reports of Officers.

Chair Dulay gave the president's report. A copy is on file with the managing agent.

VI. Auditor's Report.

The Auditor's Report for 2012 was in progress and will be mailed to owners that requested it once it is available.

VII. Election of Directors.

8. Election of Directors - The Chair advised that there were two positions on the board expiring, to include Kevin Showe and Rick Zara.

The chair requested two volunteers to serve as tellers for any votes taken in the meeting.

Owners nominated in advance and from the floor included Kevin Showe, Steve Winter and Hugh Showe. The Chair asked for additional nominations. There being no further nominations, nominations were closed by general consensus.

The Chair advised that pursuant to Article 3, Section 3.7 and Article 4, Section 4.3 of the bylaws, election of directors would be by percentage of common interest, by secret ballot and using cumulative voting. The Chair recognized the managing agent to explain the balloting procedure.

After the ballots were collected, the Chair confirmed that all who wished to vote had done so.

The results were as follows:

Hugh Showe	51.755335%	three-year term
Steve Winter	32.269094%	three-year term
Kevin Showe	21.061505%	

The Chair congratulated the new Board members and thanked the tellers for their assistance.

VIII. Unfinished Business.

None.

IX. New Business.

Resolution on Assessments. The following resolution was presented to the members and explained:

RESOLVED by the owners of Luana Waikiki that any excess member assessments not used by the Association in the current year shall be applied against the year 2014 assessments as provided by IRS Revenue Ruling 70-604.

As there were no objections to the resolution, it was adopted.

The Chair opened the floor for any business requiring a motion. No motions were put forth by the ownership.

X. Adjournment.

There being no further business to come before the members requiring a motion, the meeting was adjourned at 11:05 a.m.

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE
ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI
March 27, 2012
Luana Waikiki Mezzanine Floor**

1. Election of Officers. Following the annual meeting of the AOA of Luana Waikiki, the new Board met to elect its officers for the 2013/2014 term. After a short discussion, the officers were nominated and appointed unanimously as follows:

President, Gail Dulay
Vice President, Larry Baldwin
Secretary, Howard Schneider
Treasurer, D'Ann Reyher

2. Adjournment. There being no further business to come before the Board at this time, the meeting was adjourned.

Respectfully submitted

APPROVED BY THE BOD AS SUBMITTED 2013_06_25

Susan Taraya, Recording Secretary
Outrigger Hotels Hawaii
Managing Agent

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation

of

**THE ASSOCIATION OF APARTMENT
OWNERS OF LUANA WAIKIKI**

ARTICLES OF INCORPORATION

FILED 12/17/2003 02:25 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

CADES SCHUTTE
A Limited Liability Law Partnership LLP
Bernice Littman
1000 Bishop Street, Suite 1100
Honolulu, Hawaii 96813

IMANAGEDB:510132.1

12/18/200320020

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation

of

THE ASSOCIATION OF APARTMENT
OWNERS OF LUANA WAIKIKI

ARTICLES OF INCORPORATION

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, hereby executes the following articles of incorporation:

ARTICLE I

Corporate Name

The name of this Corporation is THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI.

ARTICLE II

Corporate Purposes and Powers

Section 2.1. Purposes. The Corporation is organized to operate and manage the condominium property regime to be known as "Luana Waikiki" located in Honolulu, Hawaii all in compliance with Chapters 514A and 414D, Hawaii Revised Statutes (or any future corresponding provisions), in accordance with the declaration creating the condominium property regime (the "Declaration") and the bylaws, and for no other purpose.

Section 2.2. Restrictions. The Corporation is a nonprofit corporation and shall not authorize or issue any shares of stock. No dividend shall be paid and no part of the income or profit of the Corporation shall be distributed to the members, directors or officers of the Corporation. No loans shall be made by the Corporation to its directors or officers. The Corporation may, however, pay compensation in a reasonable amount to its members, directors, or officers for services rendered.

ARTICLE III

Initial Offices and Agent

Section 3.1 Initial Principal Office. The mailing address of the initial principal office of the Corporation is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

Section 3.2 Initial Registered Agent and Initial Registered Office. The name of the Corporation's initial registered agent and the street address of the initial registered office of the Corporation is Outrigger Hotels Hawaii, 2375 Kuhio Avenue, Honolulu, Hawaii 96815.

#4112L5

ARTICLE IV

Incorporator

The name and address of the incorporator is Kevin M. Showe, 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

ARTICLE V

Membership

Membership in the Corporation may be held by all persons who have the qualifications of membership specified in the bylaws and Declaration. Members of the Corporation shall be admitted or expelled in the manner provided by the bylaws.

ARTICLE VI

Directors and Officers

Section 6.1 Limitation of Liability of Directors. Without limiting any other protections to which the directors may be entitled, the directors of the Corporation shall not be personally liable to the Corporation for monetary damages for the breach of any of the director's duties to the Corporation, unless such elimination of personal liability is prohibited by law.

Section 6.2 Indemnification of Directors, Officers, Employees and Agents. The Corporation shall indemnify or advance funds for reasonable expenses of directors, officers, employees and agents, incurred in any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal, to the fullest extent provided by law.

ARTICLE VII

Bylaws

The initial bylaws of the Corporation shall be the bylaws of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI which shall be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii together with the Declaration upon the creation of the Luana Waikiki condominium property regime. The bylaws may be altered, amended or repealed, and new bylaws may be adopted by the members, as prescribed in the bylaws and Chapter 514A, Hawaii Revised Statutes (or any future corresponding provisions).

ARTICLE VIII

Corporate Dissolution; Distribution of Assets

If the Corporation shall be dissolved, all assets of the Corporation, after payment of liabilities, shall be distributed in accordance with law as determined by the board of directors.

12/18/200320020

I certify under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the above statements and that the same are true and correct to the best of my knowledge.

Witness my hand this 17th day of December, 2003.



Incorporator

12/18/2003 20020

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
(Bureau of Conveyances)

The original of this document was
recorded as follows:

DOCUMENT NO. 3134737
DATE 7-9-04 TIME 2PM

Return by Mail () Pickup (✓) To: 521-9200

BL
CADES SCHUTTE LLP
1000 Bishop Street, 12th Floor
Honolulu, Hawaii 96813

This document contains 4 pages.

Tax Map Key: (1)2-6-006:002

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME
LUANA WAIKIKI**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME OF LUANA WAIKIKI**

This First Amendment To Declaration Of Condominium Property Regime Of Luana Waikiki ("First Amendment") is made as of July 6, 2004 by **WAIKIKI TERRACE LLC**, a Hawaii limited liability company ("Developer"), whose mailing address is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

RECITALS:

A. The Declaration Of Condominium Property Regime of Luana Waikiki (the "Declaration") was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 and noted on Transfer Certificate of Title No. 679,063 together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project").

B. As provided in Section 3.6 Conflicting Descriptions. Should the descriptions and divisions set out in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control.

C. The Developer reserved the right in Section 17.2.3 of the Declaration Amendments Required by Law etc. to amend this Declaration) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by any applicable law.

D. Section 514A-11 (3) Hawaii Revised Statutes imposes the requirement to describe in the Declaration for each Apartment the number of rooms and any other data necessary for its proper identification.

E. By scrivener's error the data on Apartments 709 and 710 as described in Exhibit B to the Declaration conflicts with the depiction of those Apartments on the Condominium Map and such data does not properly identify such Apartments.

NOW THEREFORE, in accordance with its reserved rights to amend the Declaration, the Developer hereby amends page 7 Exhibit B of the Declaration to correct the data necessary for the proper identification of Apartments 709 and 710 to be consistent with the Condominium Map and read as follows:

709	P	0.329522%	313	34	0/1	D	AT	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.
710	Q	0.329522%	313	34	0/1	D	AS	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.

IN WITNESS WHEREOF the Developer has executed this First Amendment.

WAIKIKI TERRACE LLC

By

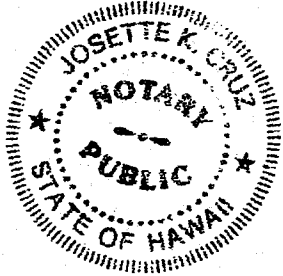

Kevin M. Showe
Its Manager

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 6 day of July, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Josette K Cruz

Print Name: Josette K Cruz

Notary Public, State of Hawaii

My commission expires: 8/26/2008



L-695 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JAN 21, 2005 12:00 PM
Doc No(s) 3221117
on Cert(s) AS LISTED HEREIN



1st CARL T. WATANABE
ASSISTANT REGISTRAR

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DL/4W
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LC
Return by Mail () Pickup () To:

Cades Schutte
1000 Bishop St. # 1200
Hon. HI 96813

OTC # 242265

Attn: Bernice Littman

This document contains 16 pages.

Tax Map Key: (1) 2-6-006-002

SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME
LUANA WAIKIKI

ImageDB:566989.4

Description: Honolulu, HI Land Court 3221117 Page: 1 of 16
Order: laura Comment:

**SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME OF LUANA WAIKIKI**

This Second Amendment to Declaration Of Condominium Property Regime Of Luana Waikiki ("Second Amendment") is made as of January 11, 2005, by **NATIONAL HOUSING CORPORATION OF HAWAII, INC.** a Hawaii corporation ("Developer"), whose mailing address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813.

RECITALS:

A. The Declaration Of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 and noted on Transfer Certificate of Title No. 728,056 and the Transfer Certificates of Title listed in Exhibit A attached to this Second Amendment, together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Said Declaration was amended by First Amendment to Declaration of Condominium Property Regime of Luana Waikiki filed as Land Court Document No. 3134737 (as so amended, the "Declaration"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. The original developer, Waikiki Terrace LLC, a Hawaii limited liability company assigned to Developer all the reserved rights of Waikiki Terrace LLC as original developer under the Declaration, pursuant to its rights to assign the same pursuant to Section 19 of the Declaration, by that certain Limited Warranty Commercial Apartment Deed with Covenants; and Assignment of Developer's Rights and Powers of Attorney filed as Land Court Document No. 3207366.

C. Under Section 17.3 of the Declaration, an Owner of a Commercial Apartment can amend the Declaration without the joinder of any other Owner, to consolidate and resubdivide its Commercial Apartments, designate portions of the same as common elements or limited common elements and allocate the common interests appurtenant to such Commercial Apartments amongst the resulting Apartments.

D. Under Section 17.3.5 of the Declaration the Developer has the right to amend the Declaration and Condominium Map without the joinder of any other Owner to reconfigure all or portions of the Mezzanine Apartments as Hotel Apartments; provided that at least 50% of such additional Hotel Apartments are lodging units.

E. Under Section 17.4 the Owners of Apartments to which certain limited common elements are appurtenant can amend the Declaration without the joinder of any other Owner to transfer such limited common elements from one Apartment to another. Under Section 17.4.2 if

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a Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

F. Under Section 18.3 of the Declaration the Owners of Mezzanine Apartments may enclose them and add windows.

G. Using the foregoing rights the Developer by this Second Amendment consolidates Apartments M-1, M-2, M-3 and M-4, the Mezzanine Apartments, and their appurtenant limited common elements Areas M-1 and M-2, and resubdivides them into six (6) Hotel Apartments M 100 (a dwelling unit), M 110 (a lodging unit), M 200 (a lodging unit), M 300 (a dwelling unit), M 400 (a dwelling unit), and M 500 (a lodging unit) and three (3) Commercial Apartments numbered M 150, M 250 and M 350, shown on the Condominium Map as hereby amended and designates portions of the consolidated Apartments as additional common elements.

NOW THEREFORE, in accordance with its reserved rights to amend the Declaration, the Developer hereby amends the Declaration as follows:

1. Section 4.5 Common Elements is amended as follows:

1.1 In Section 4.5.3 the parenthetical (Not part of M-1) is changed to (Not part of M 100).

1.2 New Sections are added as follows:

4.5.4 The halls serving Apartments M 100, M 110, M 200, M 300 and M 400 and the two utility rooms located in the hallway.

4.5.5 The hall giving access to the common element Pool Equipment/Storage areas and to the back exits of Apartments M 100 and M 200.

2. Section 5.5 Area M-1 and M-2 is deleted.

3. Section 10.2 Hotel Apartments. Is amended to add Apartments M 100, M 110, M 200, M 300, M 400 and M 500 to the Hotel Apartments by changing the first sentence to read:

All Apartments on the first through twelfth floors and fourteenth through sixteenth floors and Apartments M 100, M 110, M 200, M 300, M 400 and M 500 shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO).

4. Exhibit "B" Page 15A of 18 attached to this Second Amendment is added to Exhibit "B" to the Declaration", following Exhibit "B" Page 15 of 18, as an addition to the Description of Hotel Apartments.

5. "Description of Commercial Apartments Exhibit "B" Page 16 of 18 attached to the Declaration is replaced by "Description of Commercial Apartments Exhibit "B" Page 16 of 18 attached to this Second Amendment.

6. The Condominium Map is amended to reflect the consolidation and subdivision as follows:

6.1 Sheet 1 of 27 is replaced by cover sheet dated 12/28/2004 filed ^{thereto} with this Second Amendment; ^{CS} ^{ENT} ^{N.P.}

6.2 Sheet 4 of 27 Mezzanine Floor Plan is replaced by Sheet 4 of 27 Mezzanine Floor Plan dated 01/10/2005, filed ^{thereto} thereto.

6.3 Elevation Sheets 15, 16, 17 and 18 are replaced by Elevation Sheets 15, 16, 17 and 18 dated 01/09/2005 filed with this Second Amendment ^{thereto} ^{thereto} ^{CS} ^{ENT} ^{N.P.}

6.4 An Architect's Certificate is attached ^{thereto} to the amended sheets. ^{CS} ^{ENT} ^{N.P.}

7. The Lobby Parking Elements listed below are transferred from Apartment L-2 to the Apartments listed below and the common interests of such Apartments are adjusted, in accordance with Section 17.4.2 of the Declaration, as reflected on Exhibit "B" Page 15A of 18 and Exhibit "B" Page 16 of 18 attached to this Second Amendment.

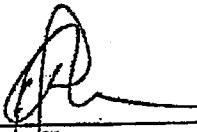
Apartment No.	Parking Stall Numbers
M 100	L-14 and L-15
M 400	L-11 and L-12
M 350	L-8, L-9 and L-10

Except as amended by the First Amendment to Declaration and by this Second Amendment, the Declaration remains unmodified and in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF the Developer has executed this Second Amendment.

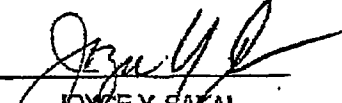
NATIONAL HOUSING CORPORATION OF HAWAII, INC.

By 
Kevin M. Showe
Its Vice President

JOINDER OF MORTGAGEE

First Hawaiian Bank, holder of the mortgage filed as Land Court Document No. 3207367 joins in the foregoing Second Amendment as of the date of the foregoing Second Amendment to consent to it, on the condition that this consent shall not be deemed to consent to any other or further amendment.

FIRST HAWAIIAN BANK

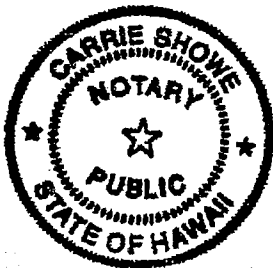
By 
JOYCE Y. SAKAI
Its VICE PRESIDENT

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 14 day of January, 2005, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: _____

Print Name: _____

Notary Public, State of Hawaii

My commission expires: July 18, 2008

ImanageDB:566989.4

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

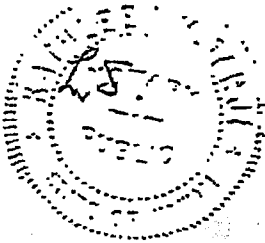
On this 19 day of January, 2005, before me personally appears JOYCE Y. SAKAI to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Kathleen M. Tanji

Print Name: Kathleen M. Tanji

Notary Public, State of Hawaii

My commission expires: 5/13/2008



ImageDB:566989.4

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

The original of this document was
recorded as follows:

DOCUMENT NO. 3618564

DATE JUN 22 2007 TIME 8:02

TCT _____

Return by: Mail ☐ Pickup ☒ To:
NEELEY & ANDERSON LLP
A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawai'i 96813 (808) 536-8177

**AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF LUANA WAIKIKI
(Condominium Map No.1608)**

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063; and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 and incorporated therein by reference; and

WHEREAS, §514B-23, Hawai'i Revised Statutes, provides that: "(a) the declaration, bylaws, condominium map, or other constituent documents of any condominium created before July 1, 2006 may be amended to achieve any result permitted by this chapter, regardless of what applicable law provided before July 1, 2006," and "(b) an amendment to the declaration, bylaws, condominium map or other constituent documents authorized by this section may be adopted by the vote or written consent of a majority of the owners;" and

WHEREAS, at the March 27, 2007 annual meeting of the Association a majority of the owners voted to amend the Declaration to incorporate provisions of Chapter 514B, Hawai'i Revised Statutes, as hereinafter set forth;

NOW, THEREFORE, the Declaration of Luana Waikiki is hereby amended as follows:

1. Paragraph 8 of the Declaration is amended to read as follows:

8. **Other Easements and Rights.** In addition and subject to the easements established in the Limited Common Elements, the Apartments shall also have or be subject to the following easements and rights:

8.1 **Generally.** Each Apartment shall have appurtenant to it non-exclusive easements in the Common Elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such Apartment; in the other Common Elements for use according to their respective purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners; and in all other Apartments and Common Elements for support. Each Owner may use the Common Elements in accordance with the purposes permitted herein, subject to:

8.1.1 The rights of other Owners to use the Common Elements;

8.1.2 Any Owner's exclusive right to use of the Limited Common Elements as provided herein;

8.1.3 The right of the Owners to amend the Declaration to change the permitted uses of the common elements; provided that subject to subsection 514B-140(c), Hawaii Revised Statutes:

(a) Changing common element open spaces or landscaped spaces to other uses shall not require an amendment to the Declaration; and

(b) Minor additions to or alterations of the Common Elements for the benefit of individual Apartments are permitted if the additions or alterations can be accomplished without substantial impact on the interests of other owners in the Common Elements, as reasonably determined by the Board;

8.1.4 Any rights reserved herein to amend the Declaration to change the permitted uses of the Common Elements;

8.1.5 The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that the

Board determines are not actually used by any of the Owners for a purpose permitted in the Declaration. Unless the lease is approved by the Owners of at least sixty-seven per cent of the common interest, the lease shall have a term of no more than five years and may be terminated by the Board or the lessee on no more than sixty days prior written notice; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes; and

8.1.6 The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that the Board determines are actually used by one or more Owners for a purpose permitted in the Declaration. The lease or use shall be approved by the Owners of at least sixty-seven per cent of the common interest, including all directly affected Owners that the Board reasonably determines actually use the common elements, and the Owners' mortgagees; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes.

8.2 Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Apartment or Limited Common Element or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the Common Elements, a valid easement for such encroachment and the maintenance of the encroachment, so long as it continues, shall exist. However, if an encroachment is caused, directly or indirectly, by the intentional act or neglect of any Owner, the Board, in its sole discretion, may demand that such Owner take all necessary steps to remove the encroachment, and the Owner shall be liable for all expenses, costs and fees arising in connection with the removal. In the event the Building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Building, encroachments upon any part of the Common Elements or any Apartment due to the same shall be permitted, and valid easements for such encroachments and the maintenance of the encroachment shall exist for so long as such encroachment exists.

8.3 Repairs and Emergency Repairs. The Association shall have the irrevocable right, to be exercised by the Board, to have access to each Apartment and any Limited Common Elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any Apartment, or at any time for making emergency repairs in the Apartment or Limited Common Elements necessary to prevent damage to the Common Elements or to any other Apartment. This easement shall include an easement for access through Apartment 206 and its lanai to Area 2-1 and an easement for access to every Hotel Apartment for maintenance of the through-the-wall air conditioner and filter

replacement and access to every Apartment for maintenance, repair and replacement of the sprinkler system.

8.4 Designation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Project for any reasonable purpose, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements, or any easements for utilities or for any public purpose.

8.5 Cancellation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include any of the same purposes set out in the preceding Section 8.4 or for the reason that any owner of any such lands adjacent to the Project exercises any right to require the relocation of any such easement.

8.6 Easement Over Basement. The Owners of Apartments to which are appurtenant Limited Common Elements located in the Basement shall have an easement for access to their Limited Common Elements through the driveways serving the Basement. In the event the Front Desk Owner uses a portion of those driveways for valet parking as permitted by this Declaration, the Front Desk Owner shall make arrangements to provide such access at all times.

8.7 Easement Over Lobby Parking Area. The Owner of the Apartment to which Area L-1 is appurtenant shall have an easement for access to Area L-1 the driveways serving the Lobby parking. In the event the Owner of Apartment L-2 uses a portion of those driveways for valet parking as permitted by this Declaration, the Owner of Apartment L-2 shall make arrangements to provide such access at all times.

8.8 Easement Over Mezzanine Apartments. The Association shall have an easement for installation, maintenance, repair and replacement of additional Common Element pipes, wires, cables and conduits in the space immediately below the floor/ceiling slab above each Mezzanine Apartment and Areas M-1 and M-2 to a depth of thirty-six inches to be exercised on the following terms and conditions:

8.8.1 Except in emergency the Association shall give the Owner of the Mezzanine Apartment at least ten (10) days written notice of its entry;

8.8.2 The Association shall proceed diligently with its work and vacate the Mezzanine Apartment in a reasonable time and shall disturb the occupants as little as reasonably practicable;

8.8.3 The Association shall not make any installation that unreasonably interferes with the use or enjoyment of any installation previously made in the Mezzanine Apartment; and

8.8.4 The Association shall repair any damage to the Mezzanine Apartment.

8.9 Easements Required by Law. In the event that access for ingress or egress, or for emergency ingress or egress, over any Limited Common Element is required by law, there shall be an easement for such required ingress and egress over the Limited Common Element.

8.10 Easement for Dumpster. The Association shall have an easement for temporary placement of a dumpster in the area designated as "Taxi Stand-LCE To Front Desk" on the Condominium Map which is part of the Front Desk Elements, when reasonably required in connection with renovation, maintenance, repair or replacement of Common Elements.

8.11 Easement for Kiosk. The Front Desk Owner shall have an easement for placement of a moveable kiosk not exceeding forty (40) square feet in area for use as a bell desk or other lawful purpose in the area shown as "Curbside LCE To Front Desk" on the Condominium Map and the right to move such kiosk from time to time from one portion of such area to another, provided that convenient access to the front entrance of the Building shall always be maintained.

8.12 Easements for Sales Activities. Developer and the Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.13 Easements for Events. The Front Desk Owner and the Owner of Apartment L-2, and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct events in the Common Elements (but not Limited Common Elements) on the Lobby floor and Mezzanine floor. The Front

Desk Owner or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement:

8.14 Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

8.15 Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

8.16 Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 8.16, Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 8.16 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 8.16 to the Association, to be exercised as determined by the Board.

8.17 Power of Attorney. To the extent that the joinder or consent of any Owner may be required in order to confirm, effectuate or exercise any easements or rights granted or reserved to Developer, or to validate any act or thing done in accordance with such easements, rights and reservations of Developer, such joinder

or consent may be executed and given by Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Owner. Each Owner, by acquiring or accepting the ownership of an Apartment or any other interest in the Project or any Apartment (i) appoints Developer as such Owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such Owner shall, promptly upon Developer's request and for no further consideration, execute, acknowledge and deliver to Developer such instruments as Developer may reasonably require to evidence or confirm such joinder or consent.

8.18 Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

2. Paragraph 17.1 of the Declaration is amended to read as follows:

17.1. Amendments Generally. Except as otherwise provided in this Declaration or in the Act, this Declaration (and the Condominium Map) may be amended only by approval of the Owners of Apartments in the Project to which are appurtenant at least sixty-seven percent (67%) of the common interests, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall be effective upon recordation in the Land Court.

In all other respects the Declaration, as amended, is hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Declaration amendment was duly adopted at the March 27, 2007 annual meeting of the Association by the vote of a majority of the owners.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 14th day of June, 2007.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By:  _____

TYPE NAME: Kevin M. Showe

TYPE TITLE: President

By: _____

TYPE NAME: _____

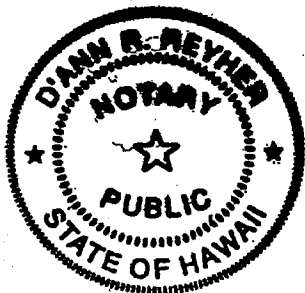
TYPE TITLE: _____

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 14th day of June, 2007, before me personally appeared Kevin M. Showe, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



D'Ann R. Reyher

(Signature)

D'Ann R. Reyher

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 1/3/2009

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this ____ day of _____, 2007, before me personally appeared _____, to me personally known, who being by me duly sworn, did say that _____ is the _____ of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

(Signature)

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: _____



L-642 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JAN 10, 2006 08:02 AM
Doc No(s) 3377077
on Cert(s) 728,056



20 1/1 Z1

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by Mail () Pickup () To:

The John R. Worth Living Trust
P. O. Box 9034
Kailua-Kona, HI 96745

ITC Escrow Number: 0107301117
ITC Title Number: 301117

This document contains 9 pages.

Tax Map Key: (1) 2-6-006:002

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENT OF MORTGAGE
(Parking Stall L-25 transferred to Apartment 1114)**

hmanageDB:622163.1

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENTS OF MORTGAGES**

Lobby Parking Elements including Parking Stall No(s).	L-25
Transferee's Apartment No.	1114
Transferee's Transfer Certificate of Title No.	773,451
Document No. of Transferee's Mortgage	Not Applicable
Common Interest of Transferee's Apartment upon transfer	1.025625%
Common Interest of Apartment L-2 upon transfer	0.549346%

This Amendment to Declaration of Condominium Property Regime of Luana Waikiki to Transfer Parking Stalls, Covenants and Amendments of Mortgages ("Amendment") is made as of October 21, 2005 by NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813 ("Transferor"), and JOHN R. WORTH, as Trustee of The John R. Worth Living Trust dated August 4, 2005, as amended, with powers to sell, lease, mortgage or otherwise deal with and dispose of property of the trust estate, with address at P. O. Box 9034, Kailua-Kona, Hawaii 96745 ("Transferee"), and

FIRST HAWAIIAN BANK, a Hawaii corporation with address at 999 Bishop Street, Honolulu, Hawaii 96813 ("Transferor's Lender"),

RECITALS:

A. The Declaration of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 (as amended the "Declaration") together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (as amended the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. Section 17.4.2 of the Declaration provides:

The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element

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from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

C. Transferor is the Owner of Apartment L-2 covered by Transfer Certificate of Title No. 728,056, to which are appurtenant the Lobby Parking Elements listed above, and Transferor's Lender is the holder of a mortgage on Apartment L-2 filed as Land Court Document No. 3207367 and noted on said Transfer Certificate of Title (as amended "Transferor's Mortgage").

D. Transferee is the Owner of Transferee's Apartment covered by the Transfer Certificate of Title listed above and Transferee's Lender is the holder of Transferee's Mortgage listed above on Transferee's Apartment and noted on said Transfer Certificate of Title.

D. Transferor and Transferee desire to transfer the Lobby Parking Element(s) listed above from Apartment L-2 to Transferee's Apartment.

NOW THEREFORE:

1. In accordance with Section 17.4.2 of the Declaration, Transferor and Transferee hereby amend the Declaration as follows:

1.1 The Lobby Parking Elements listed above, including the parking stall listed above, are transferred from Apartment L-2 to Transferee's Apartment.

1.2 The Common Interests appurtenant to Apartment L-2 and Transferee's Apartment are adjusted by reduction of the Common Interest appurtenant to Apartment L-2 and by increase in the Common Interest appurtenant to Transferee's Apartment, as listed above.

2. Transferor's Lender consents to the amendment of the Declaration and Transferor and Transferor's Lender hereby amend Transferor's Mortgage to delete the Lobby Parking Elements listed above and to amend the common interest described in Transferor's Mortgage as appurtenant to Apartment L-2 and in all other respects, the terms of Transferor's Mortgage are unaffected and remain in full force and effect.

3. Transferee's Lender consents to the amendment of the Declaration and Transferee and Transferee's Lender hereby amend Transferee's Mortgage to add to the mortgaged property the Lobby Parking Elements listed above and to amend the Common Interest, described in Transferor's Mortgage as appurtenant to Transferee's Apartment L-2, and in all other respects, the terms of Transferee's Mortgage are unaffected and remain in full force and effect.

4. AND THE TRANSFEE HEREBY ACKNOWLEDGES AND AGREES THAT THE LOBBY PARKING ELEMENTS AND INTEREST IN THE COMMON ELEMENTS OF THE PROJECT TRANSFERRED BY THIS AMENDMENT, ARE BEING CONVEYED BY THE TRANSFEROR TO THE TRANSFEE STRICTLY IN "AS IS" CONDITION, WITH ALL

PHYSICAL DEFECTS, BOTH LATENT AND PATENT. NO PERSON ACTING ON BEHALF OF THE TRANSFEROR IS AUTHORIZED TO MAKE, AND BY SIGNING THIS AMENDMENT THE TRANSFEREE AGREES THAT THE TRANSFEROR HAS NOT MADE, AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR PROMISES OF ANY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, CONCERNING OR WITH RESPECT TO: (A) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE LOBBY PARKING ELEMENTS OR OTHER COMMON ELEMENTS OF THE PROJECT; (B) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE LOBBY PARKING ELEMENTS OR OTHER COMMON ELEMENTS OF THE PROJECT; (C) ANY ARCHAEOLOGICAL SITES, REMAINS OR ARTIFACTS ON THE LAND; (D) THE PROJECT'S COMPLIANCE WITH LAWS, ORDINANCES OR REGULATIONS; (E) THE QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE PROJECT; (F) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROJECT; (G) THE CONFORMITY OF THE LOBBY PARKING ELEMENTS, COMMON ELEMENTS OR PROJECT TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS OR SPECIAL PERMITS; (H) THE FACT THAT ALL OR A PORTION OF THE PROJECT MAY BE LOCATED ON OR NEAR A TSUNAMI INUNDATION AREA; (I) THE ABILITY OF THE PROJECT TO WITHSTAND EARTHQUAKE OR HURRICANE DAMAGE; (J) THE EXISTENCE OF TERMITES OR OTHER PESTS OR TERMITE DAMAGE; (K) THE LOCATION OF THE SHORELINE IN ACCORDANCE WITH THE LAWS OF THE STATE OF HAWAII; OR (L) ANY OTHER MATTER CONCERNING THE PROJECT.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this instrument.

**NATIONAL HOUSING
CORPORATION OF HAWAII, INC.**

By _____
Kevin M. Showe
Its Vice President

Transferor

John R. Worth
Trustee as aforesaid

Transferee

FIRST HAWAIIAN BANK

By June T. Hirayama
June T. Hirayama
Its Vice President
Transferor's Lender

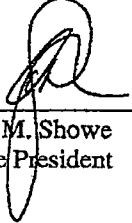
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IN WITNESS WHEREOF the parties have executed this instrument.

**NATIONAL HOUSING
CORPORATION OF HAWAII, INC.**

THE JOHN R. WORTH LIVING TRUST

By _____
Kevin M. Showe
Its Vice President

Transferor

By _____
JOHN R. WORTH
Trustee aforesaid

Transferee

FIRST HAWAIIAN BANK

By _____
Its

Transferor's Lender

Transferee's Lender

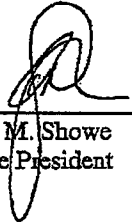
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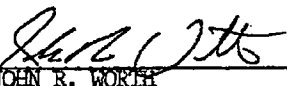
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Its Vice President

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Transferee

FIRST HAWAIIAN BANK

By _____

Its

Transferor's Lender

Transferee's Lender

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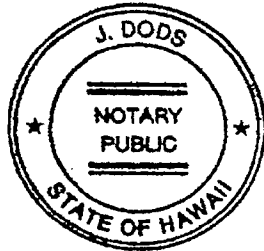
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STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
)
) SS:

On this 16 day of DEC 2005, before me personally appeared June T. Hirayama to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: J. Dods

Print Name: J. Dods

Notary Public, State of Hawaii

My commission expires: 2/3/2006

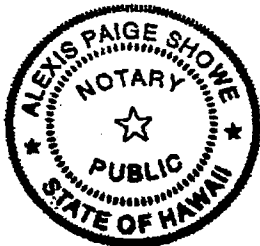
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STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS:

On this 21 day of OCTOBER, 2005, before me personally appeared JOHN R. WORTH, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Alexis Paige Showe

Print Name: Alexis Paige Showe

Notary Public, State of Hawaii

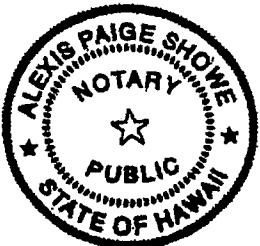
My commission expires: 7-3-2009

STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS:

On this 21 day of OCTOBER, 2005, before me personally appeared KEVIN M. SHOWE, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Alexis Paige Showe

Print Name: Alexis Paige Showe

Notary Public, State of Hawaii

My commission expires: 7-3-2009

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L-181 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
MAY 31, 2005 08:01 AM

Doc No(s) 3274395
on Cert(s) 728,056



20 1/6 Z4

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by Mail ☒ Pickup () To:

NATIONAL HOUSING CORP OF HAWAII
55 MERCHANT ST., #1400
HONOLULU, HI 96813

ITC ESCROW #

ITC TITLE #

This document contains 74 pages.

Tax Map Key: (1) 2-6-006:002

AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI TO TRANSFER PARKING STALL, COVENANTS AND
AMENDMENT OF MORTGAGE
(Parking Stall L-16 transferred to Apartment M 300)

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**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENTS OF MORTGAGES**

Lobby Parking Elements including Parking Stall No(s).	L-16
Transferor's Apartment No.	M 300
Transferee's Transfer Certificate of Title No.	728,056
Common Interest of Transferor's Apartment upon transfer	0.77355%
Common Interest of Apartment L-2 upon transfer	0.583456%

This Amendment to Declaration of Condominium Property Regime of Luana Waikiki to Transfer Parking Stalls, Covenants and Amendments of Mortgages ("Amendment") is made as of May __, 2005 by NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813, as owner of Apartment L-2 ("Transferor"), and NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813, as owner of Apartment M 300 ("Transferee"), and

FIRST HAWAIIAN BANK, a Hawaii corporation with address at 999 Bishop Street, Honolulu, Hawaii 96813 ("Lender").

RECITALS:

A. The Declaration of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 (as amended the "Declaration") together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (as amended the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. Section 17.4.2 of the Declaration provides:

The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement

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Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

C. Transferor is the Owner of Apartment L-2 covered by Transfer Certificate of Title No. 728,056, to which are appurtenant the Lobby Parking Elements listed above, and Lender is the holder of a mortgage on Apartment L-2 filed as Land Court Document No. 3207367 and noted on said Transfer Certificate of Title (as amended "the Mortgage").

D. Transferee is the Owner of Transferee's Apartment covered by the Transfer Certificate of Title listed above and Lender is the holder of the Mortgage on Transferee's Apartment and noted on said Transfer Certificate of Title.

D. Transferor and Transferee desire to transfer the Lobby Parking Element(s) listed above from Apartment L-2 to Transferee's Apartment.

NOW THEREFORE:

1. In accordance with Section 17.4.2 of the Declaration, Transferor and Transferee hereby amend the Declaration as follows:

1.1 The Lobby Parking Elements listed above, including the parking stall listed above, are transferred from Apartment L-2 to Transferee's Apartment.

1.2 The Common Interests appurtenant to Apartment L-2 and Transferee's Apartment are adjusted by reduction of the Common Interest appurtenant to Apartment L-2 and by increase in the Common Interest appurtenant to Transferee's Apartment, as listed above.

2. Lender consents to the amendment of the Declaration and Transferor, Transferee and Lender hereby amend the Mortgage to (a) delete the Lobby Parking Elements listed above and to amend the common interest described in the Mortgage as appurtenant to Apartment L-2, and (b) to add the Lobby Parking Elements listed above and to amend the common interest described in the Mortgage as appurtenant to Transferee's Apartment; and in all other respects, the terms of the Mortgage are unaffected and remain in full force and effect.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signature page follows]


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IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

By 
Kevin M. Showe
Its Vice President

Transferor

By 
Kevin M. Showe
Its Vice President

Transferee

FIRST HAWAIIAN BANK

By _____

Its

Lender

ImangeDB:590975.1

3

IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

By _____
Kevin M. Showe
Its Vice President

Transferor

By _____
Kevin M. Showe
Its Vice President

Transferee

FIRST HAWAIIAN BANK

By *Cheryl Shimabukuro*
Its **CHERYL SHIMABUKURO**
Vice President

Lender

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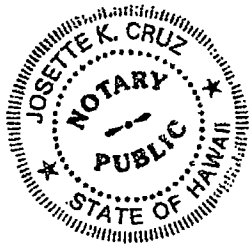
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STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
)
)
SS:

On this 20th day of May, 2005, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Josette K. Cruz

Print Name: Josette K. Cruz

Notary Public, State of Hawaii

My commission expires: 3/26/2009

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STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 25 day of May, 2005, before me personally appeared CHERYL SHIMABUKURO, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: *Lynette Y. Toyota*

Print Name: LYNETTE Y. TOYOTA

Notary Public, State of Hawaii

My commission expires: 10-7-06

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Certified to be a true and correct copy of the document
recorded on 3-3-84 at 9:30 am,
in the Office of the Assistant Registrar of the Land Court,
State of Hawaii, as Document No. 3047901

Island Title Corporation

By Ematto

Return by Mail () Pickup (x) To:

Cades, Schutte Law
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813
Attn: Bernice Littman

This document contains 69 pages.

Tax Map Key: (1) 2-6-006:002

**DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI**

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RECITALS.

A. WAIKIKI TERRACE LLC, a Hawaii limited liability company ("Developer"), whose mailing address is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815, is the owner in fee simple of the land described in Exhibit "A" (the "Land"); and

B. Developer intends to convert the Land and the improvements on the Land into a condominium project known as "LUANA WAIKIKI" as more specifically described in this Declaration in accordance with plans incorporated in this Declaration by reference and filed in the Office of the Assistant Registrar of the State of Hawaii as Condominium Map No. ____ (the "Condominium Map").

NOW, THEREFORE, in order to create a condominium project consisting of the Land and all improvements now or later placed on the Land (the "Project"), Developer submits its interest in the Land and improvements to the Condominium Property Regime, established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and in furtherance of creating the Project makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and declares that the Land and all improvements now or later placed on the Land are held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to the declarations, restrictions and conditions set out in this Declaration and in the Bylaws of the Association of Apartment Owners of Luana Waikiki recorded concurrently with this Declaration as they may be amended from time to time, which declarations, restrictions and conditions shall constitute covenants running with the Land, and shall be binding on and inure to the benefit of Developer, its successors and assigns, and all present and future owners, mortgagees, tenants and occupants of all or any part of the Project and any other person who may use any part of the Project.

1. Definitions. The following terms shall have the meanings set out below:

"Act" means Chapter 514A, Hawaii Revised Statutes, as amended.

"Apartment" refers to the Apartments described in Section 3.

"Association" means the Association of Apartment Owners of the Project.

"Basement Parking Element" is defined in Section 5.6

"Board" means the Board of Directors of the Association.

"Building" is defined in Section 2.

"Bylaws" means the Bylaws of the Association of Apartment Owners of Luana Waikiki, recorded in the Land Court concurrently with this Declaration, as the same may be amended from time to time.

"City" means the City and County of Honolulu.

"Common Elements" are described in Section 4.

"Common Expenses" are the expenses of operating the Common Elements of the Project and other expenses of the Association, as more specifically described in the Bylaws.

"Commercial Apartments" are the Apartments designated for commercial use in Section 10, being Apartments L-1, L-2, L-3 and L-4 located on the Lobby floor and M-1, M-2, M-3 and M-4 located on the Mezzanine floor.

"Declaration" means this Declaration of Condominium Property Regime of Luana Waikiki, as the same may be amended from time to time.

"direct administration" of a Limited Common Element is defined in Section 6.3.

"Exhibit" means an Exhibit attached to and made a part of this Declaration unless otherwise specified.

"Developer" means Waikiki Terrace LLC, a Hawaii limited liability company, and its successors and assigns to the extent provided in Section 18.

"Front Desk Apartment" means Apartment L-4, being the Commercial Apartment that includes the hotel front desk.

"Front Desk Elements" means the Limited Common Elements appurtenant only to the Front Desk Apartment and described in Section 5.2.

"Front Desk Owner" means the Owner of the Front Desk Apartment.

"Hotel Apartments" means the Apartments designated for hotel use in Section 10.2.

"Hotel Owners" means the Owners of the Hotel Apartments.

"include" or "including" means without limitation unless otherwise specified.

"Land Court" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

"Limited Common Elements" are described in Section 5.

"Limited Common Expenses" are defined in Section 6.2

"Lobby Parking Element" is defined in Section 5.7

"LUO" means the City's Land Use Ordinance, Chapter 21 of the Revised Ordinances of Honolulu.

"Mezzanine Apartments" means Apartments on the Mezzanine floor which is shown on the Condominium Map.

"Mortgagee of an Apartment" or "Apartment mortgagee" means the holder of a mortgage encumbering the fee title to, or any recorded leasehold interest in, an Apartment.

"Owner" means a Person owning an Apartment and the common interest appertaining to that Apartment, severally or as a cotenant, to the extent of the interest so owned; provided that to such extent and for such purposes, including the exercise of voting rights, as shall be provided by the terms of any lease recorded in the Land Court, a lessee or sublessee of an Apartment shall be deemed to be the Owner of such Apartment to the extent provided in such lease. The vendee of an Apartment under a recorded Agreement of Sale shall have the rights of an Owner, including the right to vote; provided that the vendor may retain the right to vote on matters substantially affecting the vendor's interest in the Apartment as provided in Section 514A-83 of the Act. Where an Owner is a corporation, trust, limited liability company or partnership, the method for designating the natural person who shall act as and for the Owner is as set out in the Bylaws. In the event that any interest in an Apartment is transferred to a trustee under a land title-holding trust under which substantially all powers of management, operation and control of the Apartment remain vested in the trust beneficiary or beneficiaries, the beneficiary or beneficiaries of any such trust shall be deemed to be the Owner or Owners of the Apartment to the extent of their interest in the trust except insofar as the trustee notifies the Association otherwise in writing. A transferee of the beneficial interest in any such trust shall have all of the rights and duties of an Owner when notice of such transfer is given to the Association by the trustee. Unless and until such notice is given, the Association shall not be required to recognize the transferee for any purposes, and the transferor may continue to be recognized by the Association as the Owner and shall have all of the rights and obligations of ownership.

"person" means a natural person or a corporation, partnership, limited liability company, limited liability partnership or other legal person.

"record," "recorded" or "recordation" means to record or to be recorded in the Land Court.

"Rules and Regulations" means the rules and regulations adopted in accordance with the Bylaws, as the same may be amended from time to time, governing the details of the operation and use of the Project, and certain details regarding the use of the Apartments.

"Sell-Out Date" means the date on which all of the Apartments in the Project have been conveyed to persons other than Developer or Developer's mortgage lender or the last time-share interest (if any) in the Project has been transferred.

"Section" numbers refer to sections or subsections of this Declaration unless otherwise specified.

2. General Description of the Project. The Project has one (1) building, with a Basement, Lobby floor, Mezzanine floor and fifteen additional stories numbered first through sixteenth (there is no thirteen floor) and contains two hundred and twenty-five (225) Apartments and Common Elements as described in this Declaration, constructed principally of concrete, hollow tile and steel (the "Building"). There are seventy-five (75) parking stalls in the Basement and on the Lobby floor. The Project contains a swimming pool and other recreational facilities.

3. The Apartments.

3.1 Number of Apartments. This Declaration establishes two hundred twenty-five (225) freehold estates in the Apartments, each individual Apartment comprising one (1) separate freehold estate. The Apartments are described in Exhibit "B". The Apartment numbers, approximate net living areas (exclusive of lanais) and approximate lanai areas are shown in Exhibit "B". The common interests appurtenant to the Apartments are also shown in Exhibit "B".

3.2 Numbering of Apartments. The numbers of Apartments in the Lobby have the prefix "L" and in the Mezzanine the prefix "M." Each Apartment on the first through ninth floors has the floor number as the first digit of a three digit Apartment number and each Apartment on the tenth through twelfth and fourteenth through sixteenth floors has the floor number as the first two digits of a four digit Apartment number.

3.3 Area, Layout and Types of Apartments. The approximate areas set out in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The areas set out in Exhibit "B" are not exact but are approximations based on the floor plans of each type of Apartment. The type of each Hotel Apartment is listed in Exhibit "B" and is based on the area and layout of the Apartment.

3.4 Access to Apartments. Each Apartment has immediate access through the corridors and grounds of the Project to a public street.

3.5 Limits of Apartments.

3.5.1 Except as provided in Section 3.5.2, 3.5.3 and 3.5.4, each Apartment shall be deemed to include: (i) the space that is bounded by the undecorated surfaces of its perimeter walls, floors and ceilings, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iv) any doors and door frames, windows and window frames along the perimeters, (v) all fixtures originally installed in the Apartment and their replacements including through the wall air conditioners or split system air conditioners in Hotel Apartments. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the

undecorated or unfinished surfaces of the floors and ceilings surrounding each Apartment, and (c) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment which are utilized for or serve more than one Apartment, the same being considered Common Elements.

3.5.2 The exterior decorated or finished surface of the front door of each Hotel Apartment and the electronic locking mechanism of the front door shall be Common Elements to maintain uniformity but access to card keys to open the front door of the Apartment shall be controlled as provided in Section 10.3.2.

3.5.3 Apartments L-1, L-2, L-3 and L-4 on the Lobby floor shall extend to the exterior surface of the wall, window or other separation from the Lobby or, in the case of Apartment L-3 the Building entrance. Where there is no wall or window, the boundary of the Apartment shall be an imaginary plane extending from the floor to the ceiling at the outer boundary of the Apartment as shown on the Condominium Map.

3.5.4 Where a Mezzanine Apartment is bounded by a Common Element half wall, that boundary shall extend to the interior decorated or finished surface of the half wall and along an imaginary plane extending vertically to the underside of the floor/ceiling slab above. The ceiling boundary of a Mezzanine Apartment shall be the underside of the floor/ceiling slab above.

3.6 Conflicting Descriptions. Should the descriptions and divisions set out in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the Buildings and is not intended and shall not be considered to contain or make any other representation or warranty.

4. Common Elements. One (1) freehold estate is established by this Declaration in all other parts of the Project, which are Common Elements ("Common Elements"). The Common Elements include:

4.1 The Land, in fee simple;

4.2 The Limited Common Elements described in Section 5 below;

4.3 In the Basement, the spaces shown on the Condominium Map as Utility & Storage, CATV, Electrical Room, room marked Elec. Transformers, Storage, Mechanical, Sump, two spaces marked Util. and the space adjacent to parking stall 49 including the generator;

4.4 On the Lobby floor, the spaces shown on the Condominium Map as:

4.4.1 Mechanical Equipment, two spaces marked Util, two spaces marked Mech. the space marked Dumpster Storage and the Trash Room;

4.4.2 The Terrace;

4.4.3 The Lobby and Lobby Entry;

4.4.4 The Porte Cochere at the entrance to the Project, the Driveways into and out of the Project and the steps and ramp leading into the Building or the Terrace;

4.5 On the Mezzanine floor, the spaces shown on the Condominium Map as:

4.5.1 Lobby-M;

4.5.2 The bathrooms and the spaces marked Jant off Lobby-M;

4.5.3 Pool Equipment, Storage (Not part of M-1);

4.6 On the first floor:

4.6.1 The swimming pool, pool deck and open deck including the barbecue area;

4.6.2 The men's restroom, women's restroom and accessible unisex restroom,

(a) The laundry; and

(b) The fitness center.

4.7 On the second floor Area 2-1 shown on the Condominium Map, for the placement of a portion of the split air conditioning system for the fitness center and laundry, together with the conduits through the floor and the ceiling below linking the system to the fitness center and laundry.

4.8 The hallways and elevator lobbies on the first floor through the twelfth floor and the fourteenth floor through the sixteenth floor;

4.9 The three full-sized elevators and one service elevator shown on the Condominium Map.

4.10 The two stairways leading from the basement to the sixteenth floor, one of which goes to the roof, the two stairways leading from the Lobby floor to the Mezzanine floor and the stairway from the Terrace to the Pool Equipment and Storage Room (4.5.3).

4.11 Whether or not shown on the Condominium Map:

4.11.1 All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, exterior stairs and stairways, pumps, ducts, pipes, wires, conduits, and other utility or service lines located outside of the Apartments and which are utilized for or serve more than one Apartment, and generally all equipment, apparatus, installations and personal property existing for common use in the Building or located on the Land;

4.11.2 All pipes, wires, ducts, conduits and other utility or service lines running through an Apartment which are utilized by or serve more than one Apartment; and

4.11.3 All antennas, conduits, chases, cables, wires, and other television signal distribution system equipment and telecommunications equipment located outside of the Apartments or running through an Apartment and which are utilized for or serve more than one Apartment. As used herein, "television signal distribution system equipment" and "telecommunications equipment" shall be construed in their broadest possible senses in order to encompass all present and future forms of communications technology, but excluding all property of Time Warner Entertainment Company, L.P dba Oceanic Time Warner Cable ("Oceanic") under unrecorded Oceanic Cablevision Standard Bulk Cable Service Agreement dated February 4, 2004 concerning the Project, being the "Cable System" defined in that agreement as "cables, wires, converters, fiber optic cables, coaxial cables, coaxial extension(s), matching transformer(s), amplifier(s), splitters, lock boxes, and/or any duplicate part(s), extra(s), mechanism(s) and device(s) relating thereto, or used in connection therewith, installed or to be installed within or delivered to [the Project] by Oceanic."

4.11.4 The central telephone system including the console currently located in the Front Desk Apartment.

4.11.5 All landscaping, fences, gates, retaining walls, mailboxes, trash areas, maintenance structures and facilities and accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within the Buildings and serving more than one Apartment;

4.11.6 The sprinkler system and central fire alarm system; and

4.11.7 All other improvements on the Land which are not part of any Apartment.

Descriptive phrases for Common Element spaces such as "Trash Room" are not intended to restrict the uses to which the Common Element may be put but only serve to identify the location of the Common Element.

5. Limited Common Elements. Certain of the Common Elements are set aside and reserved for the exclusive use of certain of the Apartments, and such Apartments shall have appurtenant to them exclusive easements for the use of their Limited Common Elements as follows:

5.1 Elements for Each Apartment. Each Apartment shall have appurtenant to it as Limited Common Elements all pipes, wires, ducts, conduits, and other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

5.2 Front Desk Elements

5.2.1 The following Limited Common elements are called Front Desk Elements and are appurtenant to and for the exclusive use of the Front Desk Apartment:

(a) Areas B-1, B-2, B-3, B-4, B-6, B-7 and B-8 in the Basement shown on the Condominium Map;

(b) The Utility Room Area T-1 and T-2 on each the first through twelfth and fourteenth through sixteenth floors shown on the Condominium Map and any laundry chutes and trash chutes within or adjacent to the Utility Rooms;

(c) The signage areas shown as "Sign LCE to Front Desk" on the fascia above the Porte Cochere at the front entrance of the Building and on the pillar adjacent to the front entrance as shown on the Condominium Map; and

(d) The area marked "Taxi Stand - LCE to Front Desk" as shown on the Condominium Map.

5.2.2 The signage areas shall include the decorated or finished surfaces of the signage areas or, if none, the undecorated or unfinished surfaces and a block of airspace projecting twelve inches from the surface in which the Owner of the Front Desk Apartment may install signage, together with the right to penetrate the surface of the signage areas for the purpose of attaching signage, provided that the structural integrity of the Building shall not be compromised.

5.3 Area B-5 Area B-5 in the Basement shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-2.

5.4 Area L-1 Area L-1 on the Lobby floor shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-3.

5.5 Areas M-1 and M-2

5.5.1 The bathrooms shown as Area M-1 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-1 and M-2;

5.5.2 The bathrooms shown as Area M-2 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-2 and M-3;

5.6 Basement Floor Parking Stalls and Driveways.

5.6.1 Parking stalls 1 through 50 in the Basement, shown on the Condominium Map and listed on Exhibit "C" are appurtenant to and for the exclusive use of the Front Desk Apartment. Exhibit "C" shows which stalls are compact and numbers the parking stalls with the prefix B for Basement.

5.6.2 Parking stall B-18 includes its adjacent access aisle.

5.6.3 Each parking stall in the Basement shall include the surface of the Basement floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet

and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as listed on Exhibit "C" have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

5.6.4 The driveway ramp leading to and from the Basement, makai of the Building line shown on the Condominium Map, the driveways within the Basement and the markings delineating the parking stalls in the Basement are Limited Common Elements appurtenant to the Apartment or Apartments to which the parking stalls in the Basement are appurtenant.

5.6.5 The Front Desk Owner may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Front Desk Owner from the parking stall of any other Owner. If any portion of the Basement driveway is adjacent only to parking stalls of the Front Desk Owner and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall, then the Front Desk Owner may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Front Desk Owner may not obstruct access by the Owner or occupant of Apartment L-2 to Area B-5 and shall provide access for the Association to the Common Elements as needed or as required by law.

5.6.6 A "Basement Parking Element" is a parking stall in the Basement together with an undivided 0.02 interest in the Limited Common Elements described in Section 5.6.4 and any interest in an access aisle appurtenant to that parking stall.

5.7 Lobby Floor Parking Stalls and Driveways.

5.7.1 Parking stalls 1 through 25 on the Lobby floor shown on the Condominium Map and listed on Exhibit "C" are appurtenant to and for the exclusive use of Apartment L-2. Exhibit "C" shows which stalls are compact and numbers the parking stalls with the prefix L for Lobby floor.

5.7.2 Parking stalls L-22 and L-23 each includes a one-half interest in their common access aisle.

5.7.3 Each parking stall shall include the surface of the Lobby floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as shown on Exhibit "C" have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

5.7.4 The driveway ramp leading to and from the Lobby parking areas, makai of the Building line shown on the Condominium Map, the driveways within the Lobby parking areas and the markings delineating the parking stalls shall be Limited Common Elements appurtenant to the Apartment or Apartments to which the Lobby parking stalls are appurtenant.

5.7.5 The Owner of Apartment L-2 may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Owner of Apartment L-2 from the parking stall of any other Owner. If any portion of the driveway is adjacent only to parking stalls of the Owner of Apartment L-2 and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall the Owner of Apartment L-2 may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Owner of Apartment L-2 may not obstruct access by the Owner of Apartment L-3 to Area L-1 and shall provide access for the Association to the Common Elements as needed or as required by law.

5.7.6 A "Lobby Parking Element" is a parking stall in the Lobby together with an undivided 0.04 interest in the Limited Common Elements described in Section 5.7.4 and any interest in an access aisle appurtenant to that parking stall.

5.8 Lanais. Each lanai shown on the Condominium Map as leading off a Hotel Apartment is a Limited Common Element for the exclusive use of that Apartment, except as provided in this Section 5.8. The approximate aggregate area of the lanai or lanais appurtenant to each Hotel Apartment is listed in Exhibit "B".

5.8.1 Common Element downspouts each tie in to a Common Element drain on the lanai of certain Apartments, including Apartment 206 and certain Apartments on the First floor.

5.8.2 The large lanai for Apartment 718 has an area shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Element.

5.8.3 The large lanai for Apartment 1114 has two areas each shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Elements.

5.8.4 No lanai may be screened or enclosed or have any floor covering except as permitted by Section 18.8.

5.8.5 Lanai railings, walls dividing one lanai from another and lanai slabs, except for the top surface of the slab, are Common Elements and not Limited Common Elements.

5.9 Mailboxes. Mailboxes in the location shown on the Condominium Map on the Lobby floor shall each be a Limited Common Element appurtenant to the Apartment with the same number as the mailbox.

5.10 What Limited Common Element Rooms Include. Limited Common Elements that are rooms or sets of rooms surrounded by walls, shall not include any portion of any Apartment or any portion of any Common Elements described in Section 4.1 or Section 4.11

except for pipes or other conduits serving only the respective Limited Common Elements. They shall not include the undecorated or unfinished walls, floors and ceilings surrounding the Limited Common Elements except that Area M-1 and M-2 shall include their surrounding non load bearing walls to the boundary of the adjacent apartments and shall extend to the underside of the floor/ceiling slab above, subject to the Association's easement described in Section 8.8. They shall include all the walls and partitions which are not load-bearing within such spaces or rooms, or between Limited Common Element spaces or rooms that are appurtenant to the same Apartment or Apartments, all doors within or opening into such spaces or rooms (except that where a door is between the Limited Common Element and an Apartment the door will be part of the Apartment), all windows and perimeter glass, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures and all equipment contained in such spaces and any replacements.

6. Common Expenses and Costs and Expenses Relating to Limited Common Elements. All provisions of the Bylaws relating to Common Expenses and Limited Common Expenses, and the rights and remedies of the Association in connection with them are incorporated into this Declaration by reference.

6.1 Allocation. Each Owner shall be liable for a proportionate share of all the Common Expenses. The method of determining and collecting Common Expenses shall be as set out in the Bylaws.

6.2 Liability. Each Owner is liable for all costs and expenses, including costs for maintenance, repair, replacement, additions and improvements to and landscaping of, any of the Limited Common Elements of the Project appurtenant to such Owner's Apartment ("Limited Common Expenses"). Because of the difficulty of allocating costs and expenses between Limited Common Expenses and Common Expenses, the methods by which the Limited Common Expenses will be charged to those Apartments is (a) by the allocation to those Apartments of an additional Common Interest as described in Exhibit "B" and (b) for certain Limited Common Elements (Hotel Apartment lanais and Areas M-1 and M-2) by requiring the Owners of those Limited Common Elements to provide direct administration.

6.3 Direct Administration of Certain Limited Common Elements.

6.3.1 At the election of the Owner of any Commercial Apartment, with at least thirty (30) days written notice to the Association, such Owner may undertake directly to maintain, repair and replace ("direct administration") all or a portion of the Limited Common Elements appurtenant only to that Commercial Apartment. Such Owner may change such election from time to time on at least thirty (30) days written notice to the Association. An Owner of a Commercial Apartment shall continue to pay Common Expenses in accordance with its Common Interest and shall not receive any reduction because of electing direct administration.

6.3.2 In the event that the Front Desk Owner has elected direct administration of the Basement Parking Elements and transfers a Basement Parking Element to another Apartment and all Owners of Basement Parking Elements stalls agree in writing to continue direct

administration of the Basement Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall provide maintenance, repair and replacement of the Basement Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Basement Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit "B" or transferred to his Apartment together with the Basement Parking Element.

6.3.3 In the event that the Owner of Apartment L-2 transfers any Lobby Parking Element to another Apartment and all Owners of Lobby Parking Elements stalls agree in writing to continue direct maintenance, repair and replacement of the Lobby Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall take over maintenance, repair and replacement of the Lobby Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Lobby Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit "B" or transferred to his Apartment together with the Lobby Parking Element.

6.3.4 The Owners of Hotel Apartments shall clean and perform routine maintenance and repair of their individual lanais but any major maintenance and repair, that if performed inadequately would adversely affect the structural integrity or external appearance of the Project shall be performed by the Association and charged as a Common Expense on the grounds that the work protects the entire Project.

6.3.5 The Owners of Apartments to which Area M-1 is appurtenant shall jointly provide direct administration of Area M-1 and the Owners of Apartments to which Area M-2 is appurtenant shall jointly provide direct administration of Area M-2. Direct administration of Area M-1 and Area M-2 is not elective.

6.3.6 During any period of direct administration, if the Association holds any reserves for the affected Limited Common Elements, the Association shall make such reserves available to the Owner of the Apartment or Apartments to which such Limited Common Elements are appurtenant, for the purposes for which they have been reserved.

7. Percentage of Undivided Interest in Common Elements. Each Apartment shall have appurtenant to it an undivided percentage interest in the Common Elements of the Project and in all common profits and expenses of the Project, and for all other purposes, including voting. The respective undivided percentage interests appurtenant to the Apartments are as shown on Exhibit "B". All references in this Declaration or in the Bylaws to the vote or consent of a specified percentage of the Owners shall mean the Owners of Apartments to which are appurtenant that percentage of the Common Interests. The Common Interests are computed based upon the formula explained in Exhibit "B".

8. Other Easements and Rights. In addition and subject to the easements established in the Limited Common Elements, the Apartments shall also have or be subject to the following easements and rights:

8.1 Generally. Each Apartment shall have appurtenant to it non-exclusive easements in the Common Elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such Apartment; in the other Common Elements for use according to their respective purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners; and in all other Apartments and Common Elements for support.

8.2 Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Apartment or Limited Common Element or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the Common Elements, a valid easement for such encroachment and the maintenance of the encroachment, so long as it continues, shall exist. However, if an encroachment is caused, directly or indirectly, by the intentional act or neglect of any Owner, the Board, in its sole discretion, may demand that such Owner take all necessary steps to remove the encroachment, and the Owner shall be liable for all expenses, costs and fees arising in connection with the removal. In the event the Building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Building, encroachments upon any part of the Common Elements or any Apartment due to the same shall be permitted, and valid easements for such encroachments and the maintenance of the encroachment shall exist for so long as such encroachment exists.

8.3 Repairs and Emergency Repairs. The Association shall have the irrevocable right, to be exercised by the Board, to have access to each Apartment and any Limited Common Elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any Apartment, or at any time for making emergency repairs in the Apartment or Limited Common Elements necessary to prevent damage to the Common Elements or to any other Apartment. This easement shall include an easement for access through Apartment 206 and its lanai to Area 2-1 and an easement for access to every Hotel Apartment for maintenance of the through-the-wall air conditioner and filter replacement and access to every Apartment for maintenance, repair and replacement of the sprinkler system.

8.4 Designation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Project for any reasonable purpose, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements, or any easements for utilities or for any public purpose.

8.5 Cancellation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include any of the same purposes set out in the preceding Section 8.4 or for the reason that any owner of any

such lands adjacent to the Project exercises any right to require the relocation of any such easement.

8.6 Easement Over Basement. The Owners of Apartments to which are appurtenant Limited Common Elements located in the Basement shall have an easement for access to their Limited Common Elements through the driveways serving the Basement. In the event the Front Desk Owner uses a portion of those driveways for valet parking as permitted by this Declaration, the Front Desk Owner shall make arrangements to provide such access at all times.

8.7 Easement Over Lobby Parking Area. The Owner of the Apartment to which Area L-1 is appurtenant shall have an easement for access to Area L-1 the driveways serving the Lobby parking. In the event the Owner of Apartment L-2 uses a portion of those driveways for valet parking as permitted by this Declaration, the Owner of Apartment L-2 shall make arrangements to provide such access at all times.

8.8 Easement Over Mezzanine Apartments. The Association shall have an easement for installation, maintenance, repair and replacement of additional Common Element pipes, wires, cables and conduits in the space immediately below the floor/ceiling slab above each Mezzanine Apartment and Areas M-1 and M-2 to a depth of thirty-six inches to be exercised on the following terms and conditions:

8.8.1 Except in emergency the Association shall give the Owner of the Mezzanine Apartment at least ten (10) days written notice of its entry;

8.8.2 The Association shall proceed diligently with its work and vacate the Mezzanine Apartment in a reasonable time and shall disturb the occupants as little as reasonably practicable;

8.8.3 The Association shall not make any installation that unreasonably interferes with the use or enjoyment of any installation previously made in the Mezzanine Apartment; and

8.8.4 The Association shall repair any damage to the Mezzanine Apartment.

8.9 Easements Required by Law. In the event that access for ingress or egress, or for emergency ingress or egress, over any Limited Common Element is required by law, there shall be an easement for such required ingress and egress over the Limited Common Element.

8.10 Easement for Dumpster. The Association shall have an easement for temporary placement of a dumpster in the area designated as "Taxi Stand-LCE To Front Desk" on the Condominium Map which is part of the Front Desk Elements, when reasonably required in connection with renovation, maintenance, repair or replacement of Common Elements.

8.11 Easement for Kiosk. The Front Desk Owner shall have an easement for placement of a moveable kiosk not exceeding forty (40) square feet in area for use as a bell desk or other lawful purpose in the area shown as "Curbside LCE To Front Desk" on the

Condominium Map and the right to move such kiosk from time to time from one portion of such area to another, provided that convenient access to the front entrance of the Building shall always be maintained.

8.12 Easements for Sales Activities. Developer and the Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.13 Easements for Events. The Front Desk Owner and the Owner of Apartment L-2, and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct events in the Common Elements (but not Limited Common Elements) on the Lobby floor and Mezzanine floor. The Front Desk Owner or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.14 Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

8.15 Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

8.16 Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 8.16, Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health,

safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 8.16 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 8.16 to the Association, to be exercised as determined by the Board.

8.17 Power of Attorney. To the extent that the joinder or consent of any Owner may be required in order to confirm, effectuate or exercise any easements or rights granted or reserved to Developer, or to validate any act or thing done in accordance with such easements, rights and reservations of Developer, such joinder or consent may be executed and given by Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Owner. Each Owner, by acquiring or accepting the ownership of an Apartment or any other interest in the Project or any Apartment (i) appoints Developer as such Owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such Owner shall, promptly upon Developer's request and for no further consideration, execute, acknowledge and deliver to Developer such instruments as Developer may reasonably require to evidence or confirm such joinder or consent.

8.18 Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

9. Alteration and Transfer of Interests. Except as otherwise provided in this Declaration, the undivided interest in the Common Elements and other easements appurtenant to each Apartment shall have a permanent character, and shall not be altered without the consent of all of the Owners affected, expressed in an amendment to this Declaration duly recorded in the Land Court, which amendment shall contain the consent to it by the holders of any first mortgage on such Apartments as shown in the Association's record of ownership, or who shall have given the Board notice of their interest through the Secretary of the Association or the managing agent (if any), and shall not be separated from the Apartment to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such Apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. Except as otherwise provided in this Declaration, the Common Elements and each Apartment shall remain undivided, and no right shall exist to partition or divide any portion of the Common Elements or any Apartment except as provided in the Act and as otherwise expressly provided in this Declaration. This Declaration and the Condominium Property Regime created by this Declaration cannot be terminated except in accordance with the Act and the provisions of this Declaration and the Bylaws.

10. Purposes and Uses. The Project is currently located in the Waikiki Special District and in the Resort-Commercial Precinct. The current zoning for the Project does not permit hotel use and the hotel is operated, to the best of Developer's knowledge, as a nonconforming hotel use.

The LUO as currently in effect defines a hotel, dwelling unit, lodging unit and kitchen in Sec. 21-10.1 as follows:

"Hotel" means a building or group of buildings containing lodging and/or dwelling units in which 50 percent or more of the units are lodging units. A hotel includes a lobby, clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests.

"Dwelling unit" means a room or rooms connected together, constituting an independent housekeeping unit for a family and containing a single kitchen. Two or more essentially separate structures, except for a token connection, such as a covered walkway or a trellis, do not constitute a single dwelling unit. Unless specifically permitted in use regulations, a dwelling unit shall not include a unit used for time sharing or a transient vacation unit as defined in [the LUO].

"Lodging unit" means a room or rooms connected together, constituting an independent living unit for a family which does not contain any kitchen. Unless specifically permitted in use regulations, "lodging unit" shall not include a unit used for time sharing or a transient vacation unit as defined in this chapter.

"Kitchen" means a kitchen facility for a housekeeping unit that exists when there is, on the premises of the housekeeping unit, an item from all three of the following categories:

- (1) Fixtures, appliances or devices for heating or cooking food;
- (2) Fixtures, appliances or devices for washing utensils used for dining and food preparation and/or for washing and preparing food;
- (3) Fixtures, appliances or devices for refrigeration of food.

If the Project were to fail to meet any part of the definition of a hotel under the LUO, its current use as a hotel would become unlawful and Developer makes no representations as to whether any other use would be lawful given the age of the Building, limited parking and any other relevant factors. Therefore, a primary purpose of this Section 10 is to continue the status of the Project as a nonconforming hotel use. The Project and each of the Apartments are intended for and shall be restricted to the following purposes and uses:

10.1 Generally. Each Apartment shall be occupied and used only for the uses permitted in the applicable sections of this Section 10. An Owner may rent his Apartment to any third party for any period by applicable zoning and any rules promulgated under the zoning, provided that the rental agreement is in writing. The Owner shall provide each rental tenant with a copy of the Rules and Regulations and shall make a copy of the Declaration and Bylaws, as amended, available for the tenant's review. An Owner who rents his Apartment shall at all times

remain primarily and severally liable to all other Owners and to the Association for any failure on the part of such Owner's tenant(s) to observe and comply with all provisions of this Declaration, the Bylaws, the Rules and Regulations, and all other applicable laws.

10.2 Hotel Apartments. All Apartments on the first through twelfth floors and fourteenth through sixteenth floors shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO). No Owner or occupant of a lodging unit shall place or maintain in the Apartment 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. No Owner or occupant of any Apartment in the Project shall do anything that will increase the number of dwelling units in the Project or decrease the number of lodging units. Because of the importance of maintaining the required ratio of lodging units to dwelling units, in the event that any Owner or occupant of a lodging unit breaches this use restriction and does not cure the breach within twenty-four (24) hours after notice from the Board to do so, the Board shall have a right of access to the lodging unit to remove the offending fixture, appliance or device and by accepting a deed to the lodging unit Apartment or taking occupancy of the Apartment, all Owners and occupants waive any claim for trespass or otherwise in connection with such entry or removal. Any advertisement or listing of any lodging unit for a period of more than thirty (30) days shall specify that the lodging unit is a lodging unit and contains no kitchen. Any rental agreement for a lodging unit shall contain a copy of this Section 10.2 and shall require the tenant to comply with it.

10.3 Front Desk Apartment.

10.3.1 The Front Desk Apartment shall at all times include a clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests. The remainder of the Front Desk Apartment may be used for any commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

10.3.2 The Front Desk operator shall at all times arrange for the issuance of card keys for the front doors of all Hotel Apartments to control access to the Apartments and shall issue such card keys to Hotel Owners.

(a) A Hotel Owner may elect:

(i) to take custody of the card keys for his Hotel Apartment in which case the Front Desk operator shall be relieved of responsibility; or

(ii) may elect to leave the card keys in the custody of the Front Desk operator with instructions to issue the card keys to the Hotel Owner's tenants or hotel guests; but in that event the Hotel Owner shall:

(1) Execute an indemnity agreement in a form provided by the Front Desk operator relieving the Front Desk operator and its employees and agents of liability in connection with the card keys except for gross negligence or willful misconduct;

(2) Provide the Front Desk operator in writing from time to time the names and addresses of the persons to whom the card keys are to be issued and the dates for which they are to be issued; and

(3) Pay a reasonable fee to the Front Desk operator for this service.

(b) As used in this Section 10.3.2 "Front Desk operator" means the Front Desk Owner or such tenant or agent of the Front Desk Owner to whom the Front Desk Owner delegates its duties under this Section 10.3.2.

(c) Card keys shall also be provided to the Association for access to the Hotel Apartments and any Limited Common Elements accessed by card keys when such access is permitted by this Declaration, the Bylaws or the Act.

(d) The Front Desk operator may charge a reasonable fee to Hotel Owners for issuance of card keys and replacement of lost card keys.

10.4 Other Commercial Apartments. The other Commercial Apartments may be used for any retail or other commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

10.5 TIME-SHARING PERMITTED BY THIS DECLARATION.

TO THE EXTENT PERMITTED BY LAW, ANY APARTMENT OR ANY INTEREST IN THE APARTMENT MAY BE SOLD, TRANSFERRED, CONVEYED, LEASED, OCCUPIED RENTED OR USED FOR OR IN CONNECTION WITH ANY TIME-SHARING PURPOSE OR UNDER ANY TIME-SHARING PLAN, ARRANGEMENT OR PROGRAM, INCLUDING ANY SO-CALLED "VACATION LICENSE," "TRAVEL CLUB MEMBERSHIP" OR "TIME INTERVAL OWNERSHIP" ARRANGEMENT. THE TERM "TIME-SHARING" AS USED IN THIS DECLARATION SHALL BE DEEMED TO INCLUDE, BUT IS NOT LIMITED TO, ANY PLAN, PROGRAM OR ARRANGEMENT UNDER WHICH THE RIGHT TO USE, OCCUPY, OWN OR POSSESS AN APARTMENT OR APARTMENTS IN THE PROJECT ROTATES AMONG VARIOUS PERSONS ON A PERIODICALLY RECURRING BASIS ACCORDING TO A FIXED OR FLOATING INTERVAL OR PERIOD OF TIME, WHETHER BY WAY OF DEED, LEASE, ASSOCIATION OR CLUB MEMBERSHIP, LICENSE, RENTAL OR USE AGREEMENT, COTENANCY AGREEMENT, PARTNERSHIP OR OTHERWISE. IF REQUIRED BY LAW, ANY SUCH USE SHALL BE REGISTERED UNDER CHAPTER 514E, HAWAII REVISED STATUTES, AS AMENDED. ANY APARTMENT MAY BE USED FOR TRANSIENT VACATION RENTAL PURPOSES. THIS SECTION 10.5 DOES NOT SUPERSEDE ANY APPLICABLE ZONING REQUIREMENTS, HOWEVER, AND TIME SHARING MAY NOT CURRENTLY BE PERMITTED BY THE ZONING FOR THE PROPERTY.

10.6 Safety and Soundness. No Owner will suffer anything to be done or kept in an Apartment or elsewhere in the Project which would jeopardize the soundness of the Project, or

which will interfere with or unreasonably disturb the rights of other Owners, or which will increase the rate of the hazard insurance on the Project or the contents of the Project, or which will reduce the value of the Project.

10.7 Signs etc. The Owner of any Apartment will not, without the prior written consent of the Board, display any sign or place any other thing in or upon any doors, windows, walls or other portions of the Apartment or the Common Elements so as to be visible from the exterior. This restriction shall not apply to:

10.7.1 signs displayed by Developer or the Owner of Apartment L-2 for sales purposes with respect to their easements under Section 8.10;

10.7.2 signs installed by the Front Desk Owner within its Limited Common Element described in Section 5.2.1(c); or

10.7.3 signs identifying the business of a Commercial Apartment, provided that the Board may establish sign design guidelines in the Rules and Regulations.

10.8 Use of Common Elements. Except as otherwise provided in section 514A-13 of the Act and in the Bylaws, the Common Elements shall be used only for the purposes for which they are designed and intended.

11. Exemptions for Persons with Disabilities. No matter what else this Declaration, the Bylaws or the Rules and Regulations say, Owners with disabilities shall be allowed reasonable exemptions from this Declaration, the Bylaws and the Rules and Regulations, when necessary and as appropriate to enable them to use and enjoy their Apartments and/or the Common Elements, provided that any Owner with a disability desiring such an exemption shall make such request, in writing, to the Board. That request shall set out, with specificity and in detail, the nature of the request and the reason that the requesting party needs to be granted such an exemption. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days after the Board's receipt of it, or within forty-five (45) days after the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur.

12. Service of Process. Outrigger Hotels Hawaii with address at 2375 Kuhio Avenue Honolulu, Hawai'i 96815 is designated as the agent to receive service of process until such time as the Board and officers of the Association are elected, at which time and afterwards process may be served upon any officer of the Association.

13. Administration of Project. The administration of the Project shall be governed by the Act; this Declaration, the Bylaws, the Rules and Regulations, the Apartment Deed conveying to each Owner his interest in his Apartment, and all other applicable federal, state and local laws, rules and regulations. Each Owner shall comply strictly with this Declaration, the Bylaws, the Rules and Regulations, the Apartment Deed and all applicable laws. Owners acting for any purposes in connection with the Common Elements for the government, operation or

administration of the Project and in accordance with the Declaration, the Rules and Regulations and the Bylaws, shall be deemed to be acting as the Association, and specifically but without limitation the Association shall:

13.1.1 Make, build, maintain and repair all fences, drains, roads, curbs and sidewalks which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Common Elements or any part of them;

13.1.2 Keep all Common Elements in a clean and orderly condition, and observe and perform all laws, ordinances, rules and regulations now or later made by any governmental authority for the time being applicable to the Common Elements or the use of them;

13.1.3 Well and substantially repair, maintain, amend, and keep all Common Elements (including Limited Common Elements to be maintained by Association) with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided in this Declaration or in the Bylaws;

13.1.4 Not at any time make or suffer any strip or waste or unlawful or improper or offensive use of the Common Elements; and

13.1.5 Observe and perform all of the limitations, restrictions, covenants and conditions to be observed and performed under this Declaration, the Bylaws, the Rules and Regulations, and applicable law.

14. Insurance.

14.1 Commercial Property Insurance. The Board, on behalf of the Association, shall at all times keep the Common Elements of the Project and, whether or not part of the Common Elements, all exterior and interior walls, floors and ceilings, in accordance with the condominium as-built plans and specifications, insured against loss, destruction and damage by all perils of direct physical damage by a commercial property insurance policy or policies written on the Insurance Service Office (commonly referred to as "ISO") condominium association coverage special form or equivalent, or such broader forms of protection as the Board of Directors of the Association shall determine, with an amount of coverage equal to 100% of the replacement cost of such Buildings and improvements of the Project and including the following endorsements: (1) replacement cost coverage, (2) agreed amount, and (3) building ordinance coverage insuring against contingent liability from the operation of federal, state or county laws, statutes, ordinances or regulations concerning the improvements or structures on or about the land; demolition of such improvements or structures and increased cost of construction of such improvements or structures, all such coverage being with such deductibles as the Board shall deem appropriate; and additionally the Board may cause to be purchased a difference-in-conditions policy to include flood, earthquake, backup of sewers, broad collapse coverage, and building ordinance coverage with deductible amounts and a limit of liability determined to be prudent by the Board. If the Project is located in an identified flood hazard area as now or later designated by the United States Department of Housing and Urban Development, the Association shall also procure flood insurance required under the provisions of the Flood

Disaster Protection Act. The Association shall purchase the insurance required under this Section 14.1 from an insurance company permitted by Hawaii law to write insurance on properties located in the State of Hawaii (whether as an admitted insurance company or otherwise) and having a rating by Best's Insurance Reports of Class A-VI or better, in the name of the Association for the benefit of all Owners and their mortgagees according to the loss or damage to their respective Apartments and appurtenant common interest and payable in case of loss in excess of an amount equal to two thirds of one per cent (0.666%) of the total amount of coverage (\$200,000.00 as of the date of this Declaration), to such bank or trust company authorized to do business in the State of Hawaii as the Board may designate, as trustee (the "Insurance Trustee"), for the custody and disposition as in this Declaration provided of all proceeds of such insurance, without prejudice to the right of each Owner to insure his Apartment for his own benefit. Subject to the provisions of Section 15.2, in every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the Building in a good and substantial manner according to the original plans and elevations of the Buildings or such modified plans conforming to laws and ordinances then in effect as shall be first approved as in this Declaration provided, and the Association at its common expense shall make up any deficiency (including deductible amounts) in such insurance proceeds. All premiums on the policy or policies required under this Section 14.1 shall be borne by the Owners of the Apartments in proportion to their respective common interests. Every such policy of insurance shall, unless unobtainable:

14.1.1 Provide that the liability of the insurer under the policy shall be primary and shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by or for any Owner;

14.1.2 Contain no provision relieving the insurer from liability for loss occurring while the hazard to any Building is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any Owner or any other persons under either of them;

14.1.3 Provide that such policy and the coverage under the policy may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice to the Association as named insured at the address shown on the policy declaration, to every mortgagee of an Apartment who shall have requested such notice of the insurer and to every other person in interest who shall have requested such notice of the insurer;;

14.1.4 Contain a waiver by the insurer of any right of subrogation to any right of the Board or any of the Owners against any of them or any other persons under them;

14.1.5 Contain a provision waiving any right of the insurer to repair, rebuild or replace if a decision is made in accordance with this Declaration or the Bylaws not to reinstate, rebuild, or restore the damaged or destroyed improvements;

14.1.6 Require the insurance carrier, or the insurance agent if permitted by the Act, at the inception of the policy and on each anniversary date of the policy, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits of the policy, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy of the summary to each Owner;

14.1.7 Contain a standard mortgage clause on ISO commercial property form which shall, unless unobtainable:

(a) Name the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board and to the insurer and provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Apartment of the Project, in their respective order and preference, whether or not named in the policy;

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or the Owners or any persons under them; and

(c) Provide that, without affecting any protection afforded by such mortgage clause, any proceeds payable under such policy shall be payable to the Insurance Trustee for the Owners and their mortgagees as their respective interests may appear.

14.2 Liability Insurance. The Board, on behalf of the Association, shall also effect and maintain at all times, to the extent reasonably available, commercial general liability insurance, including coverage for premises/operations, independent contractors, contractual liability, personal injury, employees as additional insureds, and broad form property damage, covering all Owners with respect to the Project, in an insurance company authorized to do business in Hawaii, with combined single limits of liability for bodily injury and property damage of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate or such higher limits, and with such umbrella coverage in addition to such general liability insurance, as the Board may from time to time establish with due regard to the prevailing prudent business practice in the State of Hawaii as reasonably adequate for the protection of the Association, the Board, all Owners, the managing agent and employees of the Association, without prejudice to the right of any of the Owners to maintain additional liability insurance for their respective Apartments and Limited Common Elements. All premiums on the policy or policies required under this Section 14.2 shall be borne by the Owners of the Apartments in proportion to their common interests. Each such policy, unless unobtainable, shall:

14.2.1 Contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in any Building, whether within the control or knowledge of the Board, or because of any breach of warranty or condition caused by any Owner or by any act or neglect of the Owner or tenant of an Apartment;

14.2.2 Provide that the policy and its coverage may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at

least thirty (30) days' prior written notice to the Board, all Owners and their mortgagees, and every other person in interest who shall have requested such notice of the insurer;

14.2.3. Contain a waiver by the insurer of any subrogation to any right of the Board, the managing agent or any Owner against any of them or any other person under their control; and

14.2.4. Contain a "severability of interest" clause precluding the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

14.3 Liability Insurance for Members of the Board and Officers of the Association. The Board, on behalf of the Association at its common expense, may effect and maintain liability insurance covering members of the Board and officers of the Association with minimum coverage in such amounts as shall be determined by the Board and including employee practices liability coverage. Any such insurance policy shall require the insurance carrier, or the insurance agent if permitted by the Act, at the inception of the policy and on each anniversary date of the policy, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits of the policy, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy of the summary to each Owner.

14.4 Review of Insurance Program. The Board shall review not less frequently than annually the adequacy of its entire insurance program and shall report in writing its conclusions and action taken on such review to the Owner of each Apartment and to the holder of any mortgage on any Apartment who shall have requested a copy of such report. At the request of any mortgagee of any interest in any Apartment, the Board shall furnish to such mortgagee a copy of the property and liability policies referred to in this Section 14.

14.5 Waivers of Subrogation. To the extent that any loss, damage or destruction to the Building or any Common Elements is covered by insurance procured by the Board, the Board shall have no claim or cause of action for such loss, damage or destruction against any Owner. To the extent that any loss, damage or destruction to the property of any Owner or tenant is covered by insurance procured by such Owner or tenant, such Owner shall have no claim or cause of action for such loss, damage or destruction against the Board, the managing agent, any resident manager, any other Owner or the Association. All policies of insurance referred to in this Section 14 shall contain appropriate waivers of subrogation by the insurers.

14.6 Substitute Coverage. Any insurance coverage specified in this Section 14 shall be subject to availability with responsible insurance companies authorized to do business in the State of Hawaii. Where such coverage is not available, or is not available at a reasonable cost, then the Board shall substitute such other insurance coverage as is acceptable to institutional lenders for apartments in projects similar in construction, location and use.

15. Insured Casualty and Uninsured Casualty.

15.1 Insured Casualty.

15.1.1 Collection of Insurance Proceeds. In the event of any damage to all or any portion of the Project by fire or other casualty which is insured against, the Board shall take all reasonable steps necessary to collect the insurance proceeds and, if required deposit the same with the Insurance Trustee at the earliest practicable date and, except as otherwise provided in this Declaration, to cause all rebuilding or repairing work to be undertaken and completed as provided below as promptly as may be reasonably possible in the circumstances.

15.1.2 Insured Casualty to Single Apartment and Limited Common Elements. If any portion of the Project is damaged by fire or other casualty which is insured against and such damage is limited to a single Apartment and/or the Limited Common Elements appurtenant to it, all of the insurance proceeds shall be used by the Insurance Trustee for payment of the contractor to rebuild or repair such Apartment and/or Limited Common Elements (including all items covered by such insurance) in accordance with the original plans and specifications, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board and any mortgagee of record of any interest in the Apartment or Limited Common Elements so damaged. The Board shall determine whether to employ the contractor to rebuild or repair such Apartment and/or Limited Common Elements or to permit the Owner to do so on such conditions as the Board may determine.

15.1.3 Other Insured Casualty. If any insured-against damage to the Project should occur other than the damage described in Section 15.1.2, the Board shall contract to repair or rebuild the damaged portions of the Project (including paint, floor coverings, fixtures, and any mechanical, electrical and air conditioning equipment in the Project which are deemed to be Common Elements as provided in this Declaration), in accordance with the original plans and specifications, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board, and the mortgagee of record of any interest in an Apartment directly affected. In the event said modified plans and modifications eliminate any Apartment or its appurtenant Limited Common Elements and such Apartment or Limited Common Elements are not reconstructed, the Insurance Trustee shall pay the Owner of said Apartment and any mortgagee of record of any interest in said Apartment, as their interests may appear, the portion of said insurance proceeds allocable to said Apartment and Limited Common Elements (less the proportionate share of said Apartment in the cost of debris removal) and shall disburse the balance of the insurance proceeds as in this Declaration provided for the disbursement of insurance proceeds.

15.1.4 Insufficient Insurance Proceeds. The insurance proceeds shall be paid by the Insurance Trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the terms of this Section 15. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding, then the Board shall levy, as soon as reasonably possible following the determination of the amount of

such insufficiency, a special assessment (i) with respect to the repairing and/or rebuilding of the Common Elements, exclusive of Limited Common Elements, against the Owners of all Apartments, except for Apartments being eliminated from the Project, in proportion to their common interests, (ii) with respect to the repairing and/or rebuilding of an Apartment, against the Owner of such Apartment, and (iii) with respect to the repairing and/or rebuilding of any Limited Common Element, against the Owners of all Apartments to which such Limited Common Element is appurtenant. In the case of Limited Common Elements appurtenant to more than one Apartment, each such Apartment's share of the special assessment shall be determined by dividing the common interest appurtenant to such Apartment by the aggregate common interests appurtenant to all Apartments to which the Limited Common Element is appurtenant, and multiplying the resulting percentage by the total amount of the special assessment for the Limited Common Element. All of the foregoing special assessments shall be secured by the lien created under Section 7.5 of the Bylaws.

15.1.5 Disbursement of Insurance Proceeds. The cost of the work (as estimated by the Board) shall be paid out from time to time or at the direction of the Board as the work progresses, but subject to the following conditions:

(a) An architect, engineer, construction manager or other qualified person designated by the Board (who may be employees of the Board) shall oversee the work;

(b) Each request for payment shall be made on seven (7) days' prior notice to the Insurance Trustee and shall be accompanied by a certificate to be made by such architect or engineer stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services and materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the Insurance Trustee, the sum requested does not exceed the value of the work done to the date of such certificate;

(c) Each request shall be accompanied by waivers of liens satisfactory to the Insurance Trustee, covering that part of the work for which payment or reimbursement is being requested, and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Insurance Trustee, that there has not been filed with respect to the premises any mechanics' or other lien or instrument for the retention of title with respect to any part of the work not discharged of record;

(d) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal;

(e) The fees and expenses of the Insurance Trustee as determined by the Board and the Insurance Trustee shall be paid by the Association as a common expense, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Insurance Trustee; and

(f) Such other conditions not inconsistent with the foregoing as the Insurance Trustee may reasonably request.

15.1.6 Excess Insurance Proceeds. Upon completion of the work and payment in full for the work, any remaining proceeds of insurance then or later in the hands of the Board or of the Insurance Trustee shall be paid or credited (i) for proceeds attributable to the Common Elements exclusive of the Limited Common Elements, to the Owners of all the Apartments and the holders of any mortgage on the Apartments, as their interests may appear, in proportion to their common interests, or (ii) for proceeds attributable to an Apartment and the Limited Common Elements appurtenant to such Apartment, to the Owner of such Apartment and the holder of each mortgage on such Apartment, as their interests may appear.

15.1.7 Release of Claims. To the extent that any loss, damage or destruction to any portion of the Project or other property is covered by (or, under Section 14.1, should have been covered by) insurance procured by the Board, the Association, Owners and Board shall have no claim or cause of action for such loss, damage or destruction against any Owner (other than for any special assessment levied in accordance with Section 15.1.4, Developer, the Board or any officer of the Association. To the extent that any loss, damage or destruction to an Apartment, Limited Common Elements appurtenant to the Apartment or any other property of an Owner is covered by insurance procured by such Owner, such Owner shall have no claim or cause of action for such loss, damage or destruction against the Association, Board, any officer of the Association, the managing agent, Developer, or any other Owner or any person claiming under any of them.

15.2 Uninsured Casualty; Partial Restoration and Determination against Restoration.

15.2.1 Uninsured Casualty. In case at any time or times any improvements of the Project shall be substantially damaged or destroyed by any casualty not insured against, such improvements shall be rebuilt, repaired or restored unless Owners owning eighty percent (80%) or more of the Apartments in number and owning Apartments to which are appurtenant eighty percent (80%) of the common interests vote to the contrary. Any such approved rebuilding, repair or restoration shall be completed diligently by the Association. The cost of all such approved rebuilding, repair or restoration shall be borne (i) by the Association as a common expense with respect to any Common Elements, exclusive of Limited Common Elements, and (ii) with respect to any Limited Common Elements, by the Owner(s) of the Apartment(s) to which such Limited Common Elements are appurtenant. The Owners shall be solely responsible for any restoration of their respective Apartments so damaged or destroyed. Such rebuilding, repair or restoration shall be performed in accordance with the original plans and specifications or such other plans and specifications first approved by the Board, and the mortgagees of record of any interest in an Apartment directly affected. Unless such restoration is undertaken within a reasonable time after such casualty, the Association, at its common expense, shall remove all remains of improvements so damaged or destroyed and restore the site of the improvements to good orderly condition and even grade.

15.2.2 Partial Restoration. Restoration of the Project with less than all of the Apartments after casualty or condemnation may be undertaken by the Association only in accordance with an amendment to this Declaration, duly adopted by the affirmative vote of not less than eighty percent (80%) of the Owners, including at least eighty percent (80%) of the Owners of Apartments that will not be restored, and by all holders of mortgages encumbering the Apartments that will not be restored, by (i) removing the Project from the condominium property regime established by this Declaration, (ii) reconstituting all of the remaining Apartments and Common Elements to be restored as a new condominium property regime, and (iii) providing for payment to the Owner of each Apartment not to be restored and such Owner's mortgagee, if any, as their interests may appear, the then fair market value of such Apartment, less such Apartment's proportionate share of the cost of debris removal. If the Board and the Owner of a removed Apartment are unable to agree upon such fair market value within one hundred eighty (180) days after such damage or destruction has occurred, then such fair market value shall be determined by arbitration in accordance with the provisions of Section 23.

15.2.3 Determination Against Restoration. Except as otherwise provided in Sections 15.2.1 and 15.2.2, in the event of an insured casualty or the condemnation of any part or all of the Project, the Project shall be repaired, rebuilt and restored as provided in Section 15.1 in the case of an insured casualty, and as provided in Section 16, in the case of condemnation, unless, within ninety (90) days after such casualty or condemnation has occurred, it is determined not to repair, rebuild and restore by the affirmative vote of at least eighty percent (80%) of the Owners including at least eighty percent (80%) of the Owners who suffered damage to or condemnation of their Apartments.

16. Condemnation.

16.1 Condemnation Trustee. In case at any time or times the Project or any part of the Project shall be taken or condemned by any authority having the power of eminent domain, or shall be sold to such authority under threat of condemnation, all compensation and damages for or on account of any Common Elements of the Project shall be payable to such bank or trust company (the "Condemnation Trustee") authorized to do business in Hawaii as the Board shall designate as trustee for all Owners and mortgagees according to the loss or damage to their respective Apartments and appurtenant common interests.

16.2 Allocation of Condemnation Proceeds. In the event all or any of the Apartments are taken and there is no final judicial determination of the amount of condemnation proceeds allocable to each Apartment so taken, the amount of the condemnation proceeds allocable to each Apartment (including the Apartment's appurtenant interest in the Common Elements) shall be determined by a real estate appraiser ("appraiser") who shall be a member of the American Institute of Real Estate Appraisers or any successor organization, and who shall have acted on behalf of the Owners in the condemnation proceedings; or, if no such appraiser shall have acted on behalf of the Owners or if more than one appraiser shall have acted on behalf of the Owners, then an appraiser with such qualifications shall be selected by the Board to determine the amount of condemnation proceeds allocable to each Apartment.

16.3 Condemnation of Entire Project. If the entire Project is taken, the Condemnation Trustee shall pay each Owner and mortgagee, as their interests may appear, the portion of the condemnation proceeds determined in the above manner.

16.4 Partial Taking.

16.4.1 In the event of a partial taking of the Project in which (i) any Apartment is physically eliminated, or (ii) a portion of the Apartment is eliminated and the remaining portion cannot be repaired or rebuilt in a manner satisfactory to the Owner of the Apartment, then such Apartment shall be removed from the Project and the Condemnation Trustee shall disburse to the Owner and any mortgagee of such Apartment, as their interests may appear, in full satisfaction of their interests in the Apartment, including the common interest appurtenant to that Apartment, the portion of the proceeds of such award allocable to such eliminated or removed Apartment after deducting the proportionate share of such Apartment in the cost of debris removal, and the Owners shall amend this Declaration to reflect the removal of said apartment(s) and to adjust the common interests appurtenant to the remaining Apartments by assigning to each remaining Apartment an equal percentage interest (or fraction) so that the aggregate percentage interests of all remaining Apartments equals 100%. In the event that an assignment of equal percentage interests to each Apartment is not possible or will not equal 100% in the aggregate, minor adjustment(s) to the percentage interest(s) appurtenant to one or more Apartments shall be equitably made so that the aggregate common interest equals 100%.

16.4.2 In the event of any partial taking of any of the Common Elements of the Project, the Board shall arrange for any necessary repair and restoration of the improvements remaining after the taking in accordance with the design immediately prior to such condemnation or, if repair and restoration in accordance with such design are not permissible under applicable laws and regulations then in force, in accordance with such modified plan as shall be first approved by the Board, and the mortgagee of record of each Apartment in the Project remaining after such taking. If the sums held by the Condemnation Trustee are insufficient to pay the cost of such repair and restoration, the Board shall pay such excess as a common expense, and if necessary shall levy a special assessment against the Owners.

16.4.3 If the sums received as a result of a partial condemnation exceed the total of any amounts payable to the Owner and mortgagee of a removed Apartment and the amount of costs for debris removal and for repair and restoration of the remaining buildings and improvements, such excess shall be divided among the Owners including the Owners of any eliminated Apartments in accordance with their interest in the Common Elements prior to the condemnation.

16.4.4 Unless restoration or replacement is undertaken within a reasonable time after such taking, condemnation or sale, the Association at its common expense shall remove all remains of such improvements on the remaining land and restore the site of the improvements to good orderly condition and even grade.

17. Amendment.

17.1 Amendments Generally. Except as otherwise expressly provided in this Declaration or in the Act, this Declaration (and the Condominium Map) may be amended only by the affirmative vote or written consent of the Owners of Apartments in the Project to which are appurtenant at least seventy-five percent (75%) of the common interests, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall be effective upon recordation in the Land Court.

17.2 Amendments by Developer.

17.2.1 Before First Conveyance. At any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment to a person other than Developer, Developer may amend this Declaration (including all Exhibits), the Bylaws and the Condominium Map in any manner, without the consent or joinder of any Apartment purchaser or any other party.

17.2.2 As Built Amendment. Notwithstanding the lease, sale or conveyance of any of the Apartments, Developer may amend this Declaration (and when applicable, any Exhibits to this Declaration) and the Condominium Map to file the "as-built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans previously filed fully and accurately depict the layout, location, Apartment numbers, and the dimensions of the Apartments as built, or (ii) so long as the plans filed with the verified statement involve only minor changes to the layout, location, or dimensions of the Apartments as built or any change in the Apartment number.

17.2.3 Amendments Required by Law etc. No matter what else this Declaration says, until the Sell-Out Date, Developer shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development and the Veterans Administration. However, no amendment which would change the common interest appurtenant to an Apartment or materially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment and Developer cannot use its power of attorney under Section 19.1 to grant itself that consent.

17.2.4 Amendments With Respect to Apartment 107. Apartment 107 has a Limited Common Element shown as Open Deck on the Condominium Map which lies over a portion of Apartment M-2. In the event that Developer determines in its sole discretion that such Open Deck is required for the installation of equipment for Apartment M-2, Developer may amend the Declaration to transfer the Open Deck from Apartment 107 to Apartment M-2 or any Apartment then existing that lies under the Open Deck. By accepting an Apartment deed of

Apartment 107 any Owner of Apartment 107 consents to the amendments described in this Section 17.2.4 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same. Developer may include a limited power of attorney in favor of Developer to grant such consent in any deed from Developer of Apartment 107.

17.2.5 Conversion of Certain Limited Common Elements Into Apartments. The Developer may, without the consent of any other party except the Apartment Owner of the Commercial Apartment to which the Limited Common Element is appurtenant and any mortgagee of such Apartment, amend this Declaration to convert any portion of the Limited Common Elements appurtenant to Commercial Apartments, which are described in the section of Exhibit B entitled Calculation of Weighted Net Living Areas, into an Apartment, with a Common Interest calculated as provided in such section, and to reduce the Common Interest of the Commercial Apartment to which the Limited Common Element was appurtenant by the same amount.

17.3 Subdivision And Consolidation Of Commercial Apartments.

17.3.1 Subdivision.

(a) The Owner of a Commercial Apartment can amend the Declaration and Condominium Map without the joinder of any other Owner to do any or all of the following:

(i) Subdivide the Apartment to create two or more Apartments;

(ii) Designate which Limited Common Elements of the subdivided Apartment will be appurtenant to the Apartments resulting from the subdivision;

(iii) Change parts of the existing Apartment to Common Elements or to Limited Common Elements appurtenant to one or more of the Apartments resulting from the subdivision; and

(iv) Change parts of the Limited Common Elements appurtenant only to the subdivided Apartment into parts of one or more of the Apartments resulting from the subdivision.

(b) If the subdivided Apartment is the Front Desk Apartment, the Owner must designate which resulting Apartment must comply with Section 10.3 and provide front desk service and key card service.

(c) The common interest that was appurtenant to the subdivided Apartment will be divided among the Apartments resulting from the subdivision according to the ratio of their net living areas. The total of the common interests for the newly created Apartments must be equal to the common interest of the subdivided Apartment.

17.3.2 Consolidation.

(a) The Owner of two or more Commercial Apartments can amend the Declaration and Condominium Map without the joinder of any other Owner to do any or all of the following

(i) Consolidate the apartments into a single Apartment; and

(ii) Make any Common Element walls between the Apartments part of the Apartment or its Limited Common Elements. This does not apply, however, to load-bearing walls.

(b) The common interest of the newly created Apartment will be equal to the sum of the common interests of the Apartments being consolidated.

17.3.3 Consolidation and Resubdivision. The Owner of two or more Commercial Apartments can amend the Declaration and Condominium Map without the joinder of any other Owner to consolidate and resubdivide the Apartments in a single amendment using the rights provided in Section 17.3.1 and Section 17.3.2.

17.3.4 Subdivision etc. by Developer. It is the intention of Developer in connection with the offer for sale of the Commercial Apartments to enter into sales contracts for the sale of Commercial Apartments that are configured differently from the Commercial Apartments shown on the Condominium Map filed together with this Declaration and to exercise its rights under this Section 17.3. and Section 17.4 to reconfigure the Commercial Apartments and their appurtenant Limited Common Elements from time to time to facilitate the sale of Commercial Apartments.

17.3.5 Additional Rights of Developer Concerning Mezzanine Apartments. The Developer reserves the following additional rights with respect to the Mezzanine Apartments:

(a) To amend the Declaration and Condominium Map without the joinder of any other Owner to reconfigure all or portions of the Mezzanine Apartments as Hotel Apartments. If Developer exercises this right at least fifty percent (50%) of the Hotel Apartments on the Mezzanine floor must be lodging units to preserve the status of the Project as a nonconforming hotel;

(b) In its amendments to the Declaration the Developer may restrict the use of the Hotel Apartments on the Mezzanine floor to Hotel Use, as dwelling or lodging units as the case may be, or may permit the Hotel Apartments on the Mezzanine floor to be used for any lawful purpose, but the Hotel Apartments on the Mezzanine floor shall always be restricted so that no Hotel Apartment that is a dwelling unit may be converted into more than one dwelling unit and no Hotel Apartment that is a lodging unit may be converted to another use if that will cause the number of lodging units on the Mezzanine floor to be less than fifty percent (50%) of the Hotel Apartments on the Mezzanine floor.

17.3.6 Board Approval. Any Commercial Apartment Owner, except Developer, shall require the consent of the Board, which may be withheld in the Board's sole discretion, to an amendment consolidating or subdividing or both.

17.4 Change of Ownership of Limited Common Elements.

17.4.1 The Owners of any two Commercial Apartments may amend this Declaration to transfer any portion of the Limited Common Elements appurtenant to one of the Commercial Apartments to the other Commercial Apartment, without the joinder of any other person except the mortgagees of the Commercial Apartments. If the Commercial Apartment from which the Limited Common Element is transferred has a portion of its Common Interest based on the area of the transferred Limited Common Element as described in Exhibit "B" that portion of the Common Interest shall also be transferred to the Apartment to which the Limited Common Element is transferred.

17.4.2 The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

17.5 Restatement. No matter what else this Declaration says, the Board, by a duly adopted resolution, shall have the authority as set out in the Act to restate this Declaration from time to time to set out any prior amendments to this Declaration, or to amend this Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

17.6 Developer Consent to Amendments. No matter what else this Declaration may say, neither Section 18 nor any other provision granting or reserving rights to Developer or the Owner of any Commercial Apartment may be amended without the prior written consent and joinder of Developer or such Owner, as the case may be.

Each and every party holding or acquiring an interest in the Project, by joining in the Declaration or by such acquisition, consents to the amendments described in this Section and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same.

18. Alterations to the Project.

18.1 Within an Apartment. Any alterations or additions within an Apartment or a Limited Common Element appurtenant to an Apartment, which do not affect the structural integrity of the Building or the soundness or safety of the Project, or reduce the value of the Project or impair any easement, shall require only the approvals provided in Section 18.4.

18.2 Adjacent Apartments. An Owner owning two or more Apartments, which Apartments are separated only by Common Elements which are walls or doors, may alter or

remove all or portions of the intervening walls or doors if the Owner satisfies the following conditions:

18.2.1 The Owner obtains the prior written approval of the Board, which may be withheld in the Board's sole discretion;

18.2.2 The structural integrity of the Building or the soundness and safety of the Project are not affected, the value of the Project is not reduced, and no easement or hereditament of the Project is impaired;

18.2.3 The remainder of the Common Element is restored to a finish substantially comparable to the finish of that Common Element prior to the work; and

18.2.4 On the termination of the common ownership of such adjacent Apartments, if the intervening walls or door shall have been altered or removed in accordance with this Section 18.2 each of the Owners of such Apartments shall be obligated to restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

If the adjacent Apartments remain in common ownership, the owner of the adjacent Apartments which have been altered or removed in accordance with this Section 18.2 may, at any time, restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

18.3 Enclosing Mezzanine Apartments and Adding Windows.

18.3.1 Certain Mezzanine Apartments adjacent to the main staircase are bounded by a Common Element half wall enclosing the staircase topped by flat tiling. The Owner of the Mezzanine Apartment may remove the flat tiling and extend the Common Element wall to the ceiling provided that the wall extension has the same finish as the remainder of the Common Element wall and the structural integrity of the Common Element wall and the Building is preserved.

18.3.2 Certain Mezzanine Apartments are enclosed along the exterior of the building only by Common Element half walls or railings. The Owner of such a Mezzanine Apartment may enclose the Apartment by extending the Common Element walls vertically and by installing windows at the locations shown on the Condominium Map as reserved for additional windows provided that the wall extension has the same finish as the remainder of the Common Element wall and the structural integrity of the Common Element Wall is preserved. Upon completion the boundaries of such Mezzanine Apartment shall be as described in Section 3.5.1.

18.3.3 The Owner of a Mezzanine Apartment may install windows in the exterior walls shown on the Condominium Map as reserved for additional windows provided that the structural integrity of the Common Element wall and the Building is preserved.

If the Owner is not Developer, then Developer's prior written approval of the plans for any alterations under this Section 18 will be required until the Sell-Out Date.

18.4 Additional Consents. Improvements in accordance with Sections 18.1, Section 18.2 and Section 18.3 may be undertaken without an amendment to the Declaration or the filing of a complete set of floor plans of the Project as so altered. Such improvements, including their plans, which shall be prepared by a licensed architect, shall require the written approval of only, the holders of liens affecting such Apartments (if the lien holders require such approval), the Board, and all other Apartment owners directly affected (as conclusively determined by the Board). Apartment owners shall be determined to be directly affected only if such improvements are visible from such Owners' Apartments or increase the transmission of sound or heat to such owners' Apartments or decrease the transmission of light, all as determined by the Board.

18.5 PROTECTION OF HOTEL STATUS. NO MATTER WHAT ELSE THIS DECLARATION SAYS, NO ALTERATION WILL BE PERMITTED THAT WILL REDUCE THE NUMBER OF LODGING UNITS IN THE PROJECT OR INCREASE THE NUMBER OF DWELLING UNITS AS DEFINED IN THE LUO EXCEPT THAT DEVELOPER MAY CONVERT ALL OR PORTIONS OF COMMERCIAL APARTMENTS IN THE MEZZANINE TO EQUAL NUMBERS OF DWELLING AND LODGING UNITS AS PROVIDED IN SECTION 17.3.5.

18.6 Front Desk Apartment. The Front Desk Owner may from time to time install, maintain, move or rearrange the reception desk, nonloadbearing partitions, and other nonstructural improvements within the Front Desk Apartment and the Front Desk Elements and such improvements shall not be considered an alteration or addition to the Front Desk Apartment or the Front Desk Elements, but if the Front Desk Owner is not Developer, then Developer's prior written approval of the plans will be required until the Sell-Out Date.

18.7 Other Commercial Apartments. Any other Commercial Owner may from time to time install, maintain, move or rearrange nonloadbearing partitions and other nonstructural improvements within the Commercial Apartment and such improvements shall not be considered an alteration or addition to the Commercial Apartment, but if the Commercial Owner is not Developer, then Developer's approval of the plans will be required until the Sell-Out Date.

18.8 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 carpet, tile or other floor covering, except for the following, with the prior written approval of the Board:

18.8.1 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

18.8.2 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.

18.9 Developer's Alteration Rights. Developer reserves the right to make any alterations to any Apartment owned by Developer or any Limited Common Element appurtenant only to Apartments owned by Developer, including any alterations permitted by this Section 18 without the consent of the Board or any other Owner.

18.10 Compliance with Law. All alterations made to any portion of the Project shall be made in compliance with applicable laws and any person making such alterations shall obtain and keep in effect all necessary permits.

19. Provisions Concerning Developer's Rights.

19.1 Power of Attorney. Developer shall have the absolute right, notwithstanding the lease, sale or conveyance of any Apartment, and without being required to obtain the consent or joinder of any Owner, lien holder or other persons, to exercise any and all rights reserved to Developer in this Declaration and to execute, record and/or file easements, amendments and any and all other instruments necessary or appropriate for the purpose of exercising Developer's rights. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Owners and lien holders. Each and every party acquiring an interest in any Apartment, the Project or the Land covered by this Declaration, by such acquisition, consents to the exercise of any of Developer's rights and to the recordation of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints Developer his or her attorney-in-fact with full power of substitution to execute such documents and do such other things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

19.2 Assignment of Developer's Rights. Developer may assign or mortgage or grant a security interest in whole or in part with respect to any rights reserved to Developer in this Declaration by a recorded instrument specifically assigning or mortgaging or granting a security interest in such rights, in connection with the conveyance or mortgaging of one or more Apartments in the Project, but such rights shall be held by only one person or entity at any time unless the assignment specifically provides otherwise.

20. Security. Neither Developer nor the Association shall be considered in any way an insurer or guarantor of security within the Project and each Owner agrees not to hold Developer or the Association liable for any loss or damage such Owner or anyone else may suffer by reason of a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. Each Owner assumes all risk of injury, loss or damage that may arise due to a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. By acquiring an interest in an Apartment in the Project, each Owner acknowledges and agrees that neither Developer nor the Association has made any representations or warranties, either express or implied, about any security measures at the Project and such Owner has not relied upon any such representations or warranties.

21. Developer's Declarations. The Building is an existing structure being converted by this Declaration to condominium status. As required by Section 514A-11 (13) of the Act, Developer

makes the following declarations. These declarations are made to the best of Developer's knowledge and based on statements in that certain letter dated June 3, 2003 from Eric G. Crispin AIA Director of Planning and Permitting of the City and County of Honolulu:

21.1 The Project is in compliance with all zoning and building ordinances and codes, and all other permitting requirements;

21.2 The variances listed on Exhibit "D" have been granted from the applicable ordinances or codes to achieve such compliance;

21.3 As a result of the adoption or amendment of certain ordinances or codes, the Project presently contains legal non-conforming uses and structures as described in said letter.

22. Invalidity. The invalidity of any provision in this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions shall continue in full force and effect as if such invalid provision had never been included in this Declaration.

23. Captions. The head notes or captions of each section are for convenience only and shall not be construed as enlarging, restricting, modifying or otherwise affecting their meaning or context.

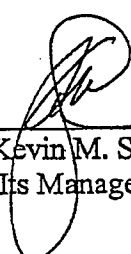
24. Pronouns All pronouns that are used in this Declaration shall include all other numbers and genders, as the context or their antecedents may require.

25. Changes in Law. In the event any change in the Act shall result in a conflict or inconsistency between the provisions of this Declaration and the Act, the provisions of the Act shall prevail.

Developer has executed this Declaration as of the 27 day of February, 2004.

WAIKIKI TERRACE LLC

By


Kevin M. Showe
Its Manager

STATE OF HAWAII)

) SS:

CITY AND COUNTY OF HONOLULU)

On this 21 day of February, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Pamela Simon

Print Name: PAMELA SIMON

Notary Public, State of Hawaii

My commission expires: 9-13-2007

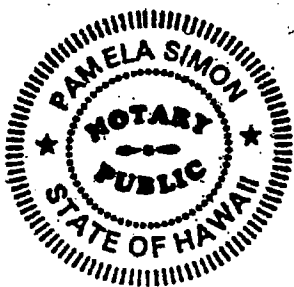


EXHIBIT "A"

All of that certain parcel of land situate on Kalakaua Avenue, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT A, area 26,164 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 762 of Mary Ellen Loncke;

Being land(s) described in Transfer Certificate of Title No. 679,063 issued to WAIKIKI TERRACE LLC, a Hawaii limited liability company.

Being the premises acquired by Deed from Max Holdings, Inc. a Hawaii corporation to Waikiki Terrace LLC dated December 29, 2003 and filed as Land Court Document No. 3048594.

Subject to:

1. Real Property Taxes not yet due and payable.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Sidewalk and Landscape Maintenance Assessment along Kalakaua Avenue, District No. 100, Lot No. 3.
4. A 10-foot road widening setback line, as shown on the Waikiki-Diamond Head Planning Area Map, prepared by City and County Department of Transportation Services.

EXHIBIT "B"

Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

A. DESCRIPTION OF HOTEL APARTMENTS

Unit No	Unit Type	Common Interest	Net Living Area	Lanai Area	B/B	D/D	AS/AT	DESCRIPTION
101	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
102	B	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
103	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
104	G	0.323206%	307	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
107	U	0.619039%	588	510	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note: This Apartment has a Limited Common Element lanai and open deck with aggregate area of 510 s.f. See Section 17.2.4 for further information concerning open deck.
109	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
110	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
111	C	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
112	D	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
114	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
115	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
116	F	0.381109%	362	583	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
117	A	0.329522%	313	54	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
118	B	0.329522%	313	71	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
119	B	0.329522%	313	33	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
120	E	0.392689%	373	201	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

D or L refer to Dwelling Unit or Lodging Unit. B/B refers to number of separate bedrooms and bathrooms. AS or AT refer to Accessible Shower or Accessible Tub. Lanais are Limited Common Elements not part of the Apartments.

ALL AREAS ARE APPROXIMATE

Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq ft)	B/E	L/D	AS/AT	DESCRIPTION
201	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
202	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room -- with wetbar and bathroom.
203	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
206	S	0.711684%	676	624	1/1	D		One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
209	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
210	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
214	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
215	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
216	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
217	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
218	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
219	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
220	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

ALL AREAS ARE APPROXIMATE

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/A	DESCRIPTION
301	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
302	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
303	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
304	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
306	T	0.711684%	676	70	1/1	D	AT	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
307	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
309	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
310	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
311	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
312	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
314	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
315	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
316	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
317	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
318	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
319	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
320	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

ALL AREAS ARE APPROXIMATE

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IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation

of

**THE ASSOCIATION OF APARTMENT
OWNERS OF LUANA WAIKIKI**

ARTICLES OF INCORPORATION

FILED 12/17/2003 02:25 PM
Business Registration Division
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
State of Hawaii

CADES SCHUTTE
A Limited Liability Law Partnership LLP
Bernice Littman
1000 Bishop Street, Suite 1100
Honolulu, Hawaii 96813

IMANAGEDB:510132.1

12/18/200320020

IN THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation

of

THE ASSOCIATION OF APARTMENT
OWNERS OF LUANA WAIKIKI

ARTICLES OF INCORPORATION

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, hereby executes the following articles of incorporation:

ARTICLE I

Corporate Name

The name of this Corporation is THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI.

ARTICLE II

Corporate Purposes and Powers

Section 2.1. Purposes. The Corporation is organized to operate and manage the condominium property regime to be known as "Luana Waikiki" located in Honolulu, Hawaii all in compliance with Chapters 514A and 414D, Hawaii Revised Statutes (or any future corresponding provisions), in accordance with the declaration creating the condominium property regime (the "Declaration") and the bylaws, and for no other purpose.

Section 2.2. Restrictions. The Corporation is a nonprofit corporation and shall not authorize or issue any shares of stock. No dividend shall be paid and no part of the income or profit of the Corporation shall be distributed to the members, directors or officers of the Corporation. No loans shall be made by the Corporation to its directors or officers. The Corporation may, however, pay compensation in a reasonable amount to its members, directors, or officers for services rendered.

ARTICLE III

Initial Offices and Agent

Section 3.1 Initial Principal Office. The mailing address of the initial principal office of the Corporation is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

Section 3.2 Initial Registered Agent and Initial Registered Office. The name of the Corporation's initial registered agent and the street address of the initial registered office of the Corporation is Outrigger Hotels Hawaii, 2375 Kuhio Avenue, Honolulu, Hawaii 96815.

#4112L5

ARTICLE IV

Incorporator

The name and address of the incorporator is Kevin M. Showe, 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

ARTICLE V

Membership

Membership in the Corporation may be held by all persons who have the qualifications of membership specified in the bylaws and Declaration. Members of the Corporation shall be admitted or expelled in the manner provided by the bylaws.

ARTICLE VI

Directors and Officers

Section 6.1 Limitation of Liability of Directors. Without limiting any other protections to which the directors may be entitled, the directors of the Corporation shall not be personally liable to the Corporation for monetary damages for the breach of any of the director's duties to the Corporation, unless such elimination of personal liability is prohibited by law.

Section 6.2 Indemnification of Directors, Officers, Employees and Agents. The Corporation shall indemnify or advance funds for reasonable expenses of directors, officers, employees and agents, incurred in any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative and whether formal or informal, to the fullest extent provided by law.

ARTICLE VII

Bylaws

The initial bylaws of the Corporation shall be the bylaws of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI which shall be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii together with the Declaration upon the creation of the Luana Waikiki condominium property regime. The bylaws may be altered, amended or repealed, and new bylaws may be adopted by the members, as prescribed in the bylaws and Chapter 514A, Hawaii Revised Statutes (or any future corresponding provisions).

ARTICLE VIII

Corporate Dissolution; Distribution of Assets

If the Corporation shall be dissolved, all assets of the Corporation, after payment of liabilities, shall be distributed in accordance with law as determined by the board of directors.

12/18/200320020

I certify under the penalties of Section 414D-12, Hawaii Revised Statutes, that I have read the above statements and that the same are true and correct to the best of my knowledge.

Witness my hand this 17th day of December, 2003.



Incorporator

12/18/2003 20020

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
(Bureau of Conveyances)

The original of this document was
recorded as follows:

DOCUMENT NO. 3134737
DATE 7-9-04 TIME 2PM

Return by Mail () Pickup (✓) To: 521-9200

BL
CADES SCHUTTE LLP
1000 Bishop Street, 12th Floor
Honolulu, Hawaii 96813

This document contains 4 pages.

Tax Map Key: (1)2-6-006:002

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME
LUANA WAIKIKI**

**FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME OF LUANA WAIKIKI**

This First Amendment To Declaration Of Condominium Property Regime Of Luana Waikiki ("First Amendment") is made as of July 6, 2004 by **WAIKIKI TERRACE LLC**, a Hawaii limited liability company ("Developer"), whose mailing address is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815.

RECITALS:

A. The Declaration Of Condominium Property Regime of Luana Waikiki (the "Declaration") was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 and noted on Transfer Certificate of Title No. 679,063 together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project").

B. As provided in Section 3.6 Conflicting Descriptions. Should the descriptions and divisions set out in the Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control.

C. The Developer reserved the right in Section 17.2.3 of the Declaration Amendments Required by Law etc. to amend this Declaration) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by any applicable law.

D. Section 514A-11 (3) Hawaii Revised Statutes imposes the requirement to describe in the Declaration for each Apartment the number of rooms and any other data necessary for its proper identification.

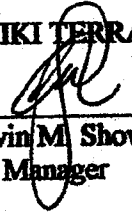
E. By scrivener's error the data on Apartments 709 and 710 as described in Exhibit B to the Declaration conflicts with the depiction of those Apartments on the Condominium Map and such data does not properly identify such Apartments.

NOW THEREFORE, in accordance with its reserved rights to amend the Declaration, the Developer hereby amends page 7 Exhibit B of the Declaration to correct the data necessary for the proper identification of Apartments 709 and 710 to be consistent with the Condominium Map and read as follows:

709	P	0.329522%	313	34	0/1	D	AT	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.
710	Q	0.329522%	313	34	0/1	D	AS	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.

IN WITNESS WHEREOF the Developer has executed this First Amendment.

WAIKIKI TERRACE LLC

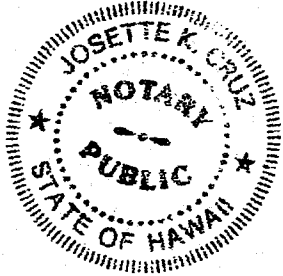
By 
Kevin M. Showe
Its Manager

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 6 day of July, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Josette K Cruz

Print Name: Josette K Cruz

Notary Public, State of Hawaii

My commission expires: 8/26/2008



L-695 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JAN 21, 2005 12:00 PM
Doc No(s) 3221117
on Cert(s) AS LISTED HEREIN



1st CARL T. WATANABE
ASSISTANT REGISTRAR

20 1/2 Z5

DL/4W
①
LC
Return by Mail () Pickup () To:

Cades Schutte
1000 Bishop St. # 1200
Hon. HI 96813

OTC # 242265

Attn: Bernice Littman

This document contains 16 pages.

Tax Map Key: (1) 2-6-006-002

SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME
LUANA WAIKIKI

ImageDB:566989.4

Description: Honolulu, HI Land Court 3221117 Page: 1 of 16
Order: Laura Comment:

**SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY
REGIME OF LUANA WAIKIKI**

This Second Amendment to Declaration Of Condominium Property Regime Of Luana Waikiki ("Second Amendment") is made as of January 11, 2005, by **NATIONAL HOUSING CORPORATION OF HAWAII, INC.** a Hawaii corporation ("Developer"), whose mailing address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813.

RECITALS:

A. The Declaration Of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 and noted on Transfer Certificate of Title No. 728,056 and the Transfer Certificates of Title listed in Exhibit A attached to this Second Amendment, together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Said Declaration was amended by First Amendment to Declaration of Condominium Property Regime of Luana Waikiki filed as Land Court Document No. 3134737 (as so amended, the "Declaration"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. The original developer, Waikiki Terrace LLC, a Hawaii limited liability company assigned to Developer all the reserved rights of Waikiki Terrace LLC as original developer under the Declaration, pursuant to its rights to assign the same pursuant to Section 19 of the Declaration, by that certain Limited Warranty Commercial Apartment Deed with Covenants; and Assignment of Developer's Rights and Powers of Attorney filed as Land Court Document No. 3207366.

C. Under Section 17.3 of the Declaration, an Owner of a Commercial Apartment can amend the Declaration without the joinder of any other Owner, to consolidate and resubdivide its Commercial Apartments, designate portions of the same as common elements or limited common elements and allocate the common interests appurtenant to such Commercial Apartments amongst the resulting Apartments.

D. Under Section 17.3.5 of the Declaration the Developer has the right to amend the Declaration and Condominium Map without the joinder of any other Owner to reconfigure all or portions of the Mezzanine Apartments as Hotel Apartments; provided that at least 50% of such additional Hotel Apartments are lodging units.

E. Under Section 17.4 the Owners of Apartments to which certain limited common elements are appurtenant can amend the Declaration without the joinder of any other Owner to transfer such limited common elements from one Apartment to another. Under Section 17.4.2 if

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a Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

F. Under Section 18.3 of the Declaration the Owners of Mezzanine Apartments may enclose them and add windows.

G. Using the foregoing rights the Developer by this Second Amendment consolidates Apartments M-1, M-2, M-3 and M-4, the Mezzanine Apartments, and their appurtenant limited common elements Areas M-1 and M-2, and resubdivides them into six (6) Hotel Apartments M 100 (a dwelling unit), M 110 (a lodging unit), M 200 (a lodging unit), M 300 (a dwelling unit), M 400 (a dwelling unit), and M 500 (a lodging unit) and three (3) Commercial Apartments numbered M 150, M 250 and M 350, shown on the Condominium Map as hereby amended and designates portions of the consolidated Apartments as additional common elements.

NOW THEREFORE, in accordance with its reserved rights to amend the Declaration, the Developer hereby amends the Declaration as follows:

1. Section 4.5 Common Elements is amended as follows:

1.1 In Section 4.5.3 the parenthetical (Not part of M-1) is changed to (Not part of M 100).

1.2 New Sections are added as follows:

4.5.4 The halls serving Apartments M 100, M 110, M 200, M 300 and M 400 and the two utility rooms located in the hallway.

4.5.5 The hall giving access to the common element Pool Equipment/Storage areas and to the back exits of Apartments M 100 and M 200.

2. Section 5.5 Area M-1 and M-2 is deleted.

3. Section 10.2 Hotel Apartments. Is amended to add Apartments M 100, M 110, M 200, M 300, M 400 and M 500 to the Hotel Apartments by changing the first sentence to read:

All Apartments on the first through twelfth floors and fourteenth through sixteenth floors and Apartments M 100, M 110, M 200, M 300, M 400 and M 500 shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO).

4. Exhibit "B" Page 15A of 18 attached to this Second Amendment is added to Exhibit "B" to the Declaration", following Exhibit "B" Page 15 of 18, as an addition to the Description of Hotel Apartments.

5. "Description of Commercial Apartments Exhibit "B" Page 16 of 18 attached to the Declaration is replaced by "Description of Commercial Apartments Exhibit "B" Page 16 of 18 attached to this Second Amendment.

6. The Condominium Map is amended to reflect the consolidation and subdivision as follows:

6.1 Sheet 1 of 27 is replaced by cover sheet dated 12/28/2004 filed ^{thereto} with this Second Amendment; ^{CS} ^{ENT} ^{N.P.}

6.2 Sheet 4 of 27 Mezzanine Floor Plan is replaced by Sheet 4 of 27 Mezzanine Floor Plan dated 01/10/2005, filed ^{thereto} thereto.

6.3 Elevation Sheets 15, 16, 17 and 18 are replaced by Elevation Sheets 15, 16, 17 and 18 dated 01/09/2005 filed with this Second Amendment ^{thereto} ^{thereto} ^{CS} ^{ENT} ^{N.P.}

6.4 An Architect's Certificate is attached ^{thereto} to the amended sheets. ^{CS} ^{ENT} ^{N.P.}

7. The Lobby Parking Elements listed below are transferred from Apartment L-2 to the Apartments listed below and the common interests of such Apartments are adjusted, in accordance with Section 17.4.2 of the Declaration, as reflected on Exhibit "B" Page 15A of 18 and Exhibit "B" Page 16 of 18 attached to this Second Amendment.

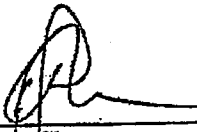
Apartment No.	Parking Stall Numbers
M 100	L-14 and L-15
M 400	L-11 and L-12
M 350	L-8, L-9 and L-10

Except as amended by the First Amendment to Declaration and by this Second Amendment, the Declaration remains unmodified and in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF the Developer has executed this Second Amendment.

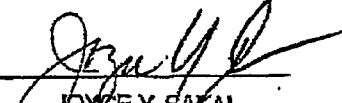
NATIONAL HOUSING CORPORATION OF HAWAII, INC.

By 
Kevin M. Showe
Its Vice President

JOINDER OF MORTGAGEE

First Hawaiian Bank, holder of the mortgage filed as Land Court Document No. 3207367 joins in the foregoing Second Amendment as of the date of the foregoing Second Amendment to consent to it, on the condition that this consent shall not be deemed to consent to any other or further amendment.

FIRST HAWAIIAN BANK

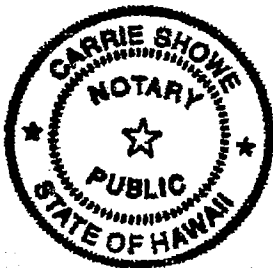
By 
JOYCE Y. SAKAI
Its VICE PRESIDENT

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 14 day of January, 2005, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: _____

Print Name: _____

Notary Public, State of Hawaii

My commission expires: July 18, 2008

ImanageDB:566989.4

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

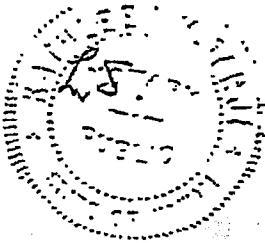
On this 19 day of January, 2005, before me personally appears JOYCE Y. SAKAI to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Kathleen M. Tanji

Print Name: Kathleen M. Tanji

Notary Public, State of Hawaii

My commission expires: 5/13/2008



ImageDB:566989.4

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

The original of this document was
recorded as follows:

DOCUMENT NO. 3618564

DATE JUN 22 2007 TIME 8:02

TCT _____

Return by: Mail ☐ Pickup ☒ To:
NEELEY & ANDERSON LLP
A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawai'i 96813 (808) 536-8177

**AMENDMENT TO THE DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF LUANA WAIKIKI
(Condominium Map No.1608)**

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063; and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 and incorporated therein by reference; and

WHEREAS, §514B-23, Hawai'i Revised Statutes, provides that: "(a) the declaration, bylaws, condominium map, or other constituent documents of any condominium created before July 1, 2006 may be amended to achieve any result permitted by this chapter, regardless of what applicable law provided before July 1, 2006," and "(b) an amendment to the declaration, bylaws, condominium map or other constituent documents authorized by this section may be adopted by the vote or written consent of a majority of the owners;" and

WHEREAS, at the March 27, 2007 annual meeting of the Association a majority of the owners voted to amend the Declaration to incorporate provisions of Chapter 514B, Hawai'i Revised Statutes, as hereinafter set forth;

NOW, THEREFORE, the Declaration of Luana Waikiki is hereby amended as follows:

1. Paragraph 8 of the Declaration is amended to read as follows:

8. **Other Easements and Rights.** In addition and subject to the easements established in the Limited Common Elements, the Apartments shall also have or be subject to the following easements and rights:

8.1 **Generally.** Each Apartment shall have appurtenant to it non-exclusive easements in the Common Elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such Apartment; in the other Common Elements for use according to their respective purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners; and in all other Apartments and Common Elements for support. Each Owner may use the Common Elements in accordance with the purposes permitted herein, subject to:

8.1.1 The rights of other Owners to use the Common Elements;

8.1.2 Any Owner's exclusive right to use of the Limited Common Elements as provided herein;

8.1.3 The right of the Owners to amend the Declaration to change the permitted uses of the common elements; provided that subject to subsection 514B-140(c), Hawaii Revised Statutes:

(a) Changing common element open spaces or landscaped spaces to other uses shall not require an amendment to the Declaration; and

(b) Minor additions to or alterations of the Common Elements for the benefit of individual Apartments are permitted if the additions or alterations can be accomplished without substantial impact on the interests of other owners in the Common Elements, as reasonably determined by the Board;

8.1.4 Any rights reserved herein to amend the Declaration to change the permitted uses of the Common Elements;

8.1.5 The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that the

Board determines are not actually used by any of the Owners for a purpose permitted in the Declaration. Unless the lease is approved by the Owners of at least sixty-seven per cent of the common interest, the lease shall have a term of no more than five years and may be terminated by the Board or the lessee on no more than sixty days prior written notice; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes; and

8.1.6 The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those Common Elements that the Board determines are actually used by one or more Owners for a purpose permitted in the Declaration. The lease or use shall be approved by the Owners of at least sixty-seven per cent of the common interest, including all directly affected Owners that the Board reasonably determines actually use the common elements, and the Owners' mortgagees; provided that the requirements of this paragraph shall not apply to any leases, licenses, or other agreements entered into for the purposes authorized by Section 514B-140(d), Hawaii Revised Statutes.

8.2 Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Apartment or Limited Common Element or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the Common Elements, a valid easement for such encroachment and the maintenance of the encroachment, so long as it continues, shall exist. However, if an encroachment is caused, directly or indirectly, by the intentional act or neglect of any Owner, the Board, in its sole discretion, may demand that such Owner take all necessary steps to remove the encroachment, and the Owner shall be liable for all expenses, costs and fees arising in connection with the removal. In the event the Building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Building, encroachments upon any part of the Common Elements or any Apartment due to the same shall be permitted, and valid easements for such encroachments and the maintenance of the encroachment shall exist for so long as such encroachment exists.

8.3 Repairs and Emergency Repairs. The Association shall have the irrevocable right, to be exercised by the Board, to have access to each Apartment and any Limited Common Elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any Apartment, or at any time for making emergency repairs in the Apartment or Limited Common Elements necessary to prevent damage to the Common Elements or to any other Apartment. This easement shall include an easement for access through Apartment 206 and its lanai to Area 2-1 and an easement for access to every Hotel Apartment for maintenance of the through-the-wall air conditioner and filter

replacement and access to every Apartment for maintenance, repair and replacement of the sprinkler system.

8.4 Designation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Project for any reasonable purpose, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements, or any easements for utilities or for any public purpose.

8.5 Cancellation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include any of the same purposes set out in the preceding Section 8.4 or for the reason that any owner of any such lands adjacent to the Project exercises any right to require the relocation of any such easement.

8.6 Easement Over Basement. The Owners of Apartments to which are appurtenant Limited Common Elements located in the Basement shall have an easement for access to their Limited Common Elements through the driveways serving the Basement. In the event the Front Desk Owner uses a portion of those driveways for valet parking as permitted by this Declaration, the Front Desk Owner shall make arrangements to provide such access at all times.

8.7 Easement Over Lobby Parking Area. The Owner of the Apartment to which Area L-1 is appurtenant shall have an easement for access to Area L-1 the driveways serving the Lobby parking. In the event the Owner of Apartment L-2 uses a portion of those driveways for valet parking as permitted by this Declaration, the Owner of Apartment L-2 shall make arrangements to provide such access at all times.

8.8 Easement Over Mezzanine Apartments. The Association shall have an easement for installation, maintenance, repair and replacement of additional Common Element pipes, wires, cables and conduits in the space immediately below the floor/ceiling slab above each Mezzanine Apartment and Areas M-1 and M-2 to a depth of thirty-six inches to be exercised on the following terms and conditions:

8.8.1 Except in emergency the Association shall give the Owner of the Mezzanine Apartment at least ten (10) days written notice of its entry;

8.8.2 The Association shall proceed diligently with its work and vacate the Mezzanine Apartment in a reasonable time and shall disturb the occupants as little as reasonably practicable;

8.8.3 The Association shall not make any installation that unreasonably interferes with the use or enjoyment of any installation previously made in the Mezzanine Apartment; and

8.8.4 The Association shall repair any damage to the Mezzanine Apartment.

8.9 Easements Required by Law. In the event that access for ingress or egress, or for emergency ingress or egress, over any Limited Common Element is required by law, there shall be an easement for such required ingress and egress over the Limited Common Element.

8.10 Easement for Dumpster. The Association shall have an easement for temporary placement of a dumpster in the area designated as "Taxi Stand-LCE To Front Desk" on the Condominium Map which is part of the Front Desk Elements, when reasonably required in connection with renovation, maintenance, repair or replacement of Common Elements.

8.11 Easement for Kiosk. The Front Desk Owner shall have an easement for placement of a moveable kiosk not exceeding forty (40) square feet in area for use as a bell desk or other lawful purpose in the area shown as "Curbside LCE To Front Desk" on the Condominium Map and the right to move such kiosk from time to time from one portion of such area to another, provided that convenient access to the front entrance of the Building shall always be maintained.

8.12 Easements for Sales Activities. Developer and the Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.13 Easements for Events. The Front Desk Owner and the Owner of Apartment L-2, and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct events in the Common Elements (but not Limited Common Elements) on the Lobby floor and Mezzanine floor. The Front

Desk Owner or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement:

8.14 Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

8.15 Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

8.16 Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 8.16, Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health, safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 8.16 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 8.16 to the Association, to be exercised as determined by the Board.

8.17 Power of Attorney. To the extent that the joinder or consent of any Owner may be required in order to confirm, effectuate or exercise any easements or rights granted or reserved to Developer, or to validate any act or thing done in accordance with such easements, rights and reservations of Developer, such joinder

or consent may be executed and given by Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Owner. Each Owner, by acquiring or accepting the ownership of an Apartment or any other interest in the Project or any Apartment (i) appoints Developer as such Owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such Owner shall, promptly upon Developer's request and for no further consideration, execute, acknowledge and deliver to Developer such instruments as Developer may reasonably require to evidence or confirm such joinder or consent.

8.18 Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

2. Paragraph 17.1 of the Declaration is amended to read as follows:

17.1. Amendments Generally. Except as otherwise provided in this Declaration or in the Act, this Declaration (and the Condominium Map) may be amended only by approval of the Owners of Apartments in the Project to which are appurtenant at least sixty-seven percent (67%) of the common interests, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall be effective upon recordation in the Land Court.

In all other respects the Declaration, as amended, is hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Declaration amendment was duly adopted at the March 27, 2007 annual meeting of the Association by the vote of a majority of the owners.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 14th day of
June, 2007.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By:  _____

TYPE NAME: Kevin M. Showe

TYPE TITLE: President

By: _____

TYPE NAME: _____

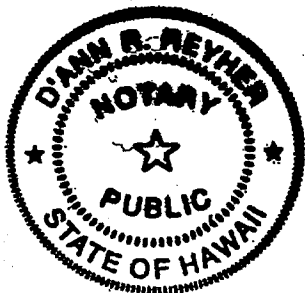
TYPE TITLE: _____

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 14th day of June, 2007, before me personally appeared Kevin M. Showe, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



D'Ann R. Reyher

(Signature)

D'Ann R. Reyher

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 1/3/2009

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this ____ day of _____, 2007, before me personally appeared _____, to me personally known, who being by me duly sworn, did say that _____ is the _____ of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

(Signature)

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: _____



L-642 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JAN 10, 2006 08:02 AM
Doc No(s) 3377077
on Cert(s) 728,056



20 1/1 Z1

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by Mail () Pickup () To:

The John R. Worth Living Trust
P. O. Box 9034
Kailua-Kona, HI 96745

ITC Escrow Number: 0107301117
ITC Title Number: 301117

This document contains 9 pages.

Tax Map Key: (1) 2-6-006:002

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENT OF MORTGAGE
(Parking Stall L-25 transferred to Apartment 1114)**

hmanageDB:622163.1

**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENTS OF MORTGAGES**

Lobby Parking Elements including Parking Stall No(s).	L-25
Transferee's Apartment No.	1114
Transferee's Transfer Certificate of Title No.	773,451
Document No. of Transferee's Mortgage	Not Applicable
Common Interest of Transferee's Apartment upon transfer	1.025625%
Common Interest of Apartment L-2 upon transfer	0.549346%

This Amendment to Declaration of Condominium Property Regime of Luana Waikiki to Transfer Parking Stalls, Covenants and Amendments of Mortgages ("Amendment") is made as of October 21, 2005 by NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813 ("Transferor"), and JOHN R. WORTH, as Trustee of The John R. Worth Living Trust dated August 4, 2005, as amended, with powers to sell, lease, mortgage or otherwise deal with and dispose of property of the trust estate, with address at P. O. Box 9034, Kailua-Kona, Hawaii 96745 ("Transferee"), and

FIRST HAWAIIAN BANK, a Hawaii corporation with address at 999 Bishop Street, Honolulu, Hawaii 96813 ("Transferor's Lender"),

RECITALS:

A. The Declaration of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 (as amended the "Declaration") together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (as amended the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. Section 17.4.2 of the Declaration provides:

The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element

ImanageDB:622163.1

from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

C. Transferor is the Owner of Apartment L-2 covered by Transfer Certificate of Title No. 728,056, to which are appurtenant the Lobby Parking Elements listed above, and Transferor's Lender is the holder of a mortgage on Apartment L-2 filed as Land Court Document No. 3207367 and noted on said Transfer Certificate of Title (as amended "Transferor's Mortgage").

D. Transferee is the Owner of Transferee's Apartment covered by the Transfer Certificate of Title listed above and Transferee's Lender is the holder of Transferee's Mortgage listed above on Transferee's Apartment and noted on said Transfer Certificate of Title.

D. Transferor and Transferee desire to transfer the Lobby Parking Element(s) listed above from Apartment L-2 to Transferee's Apartment.

NOW THEREFORE:

1. In accordance with Section 17.4.2 of the Declaration, Transferor and Transferee hereby amend the Declaration as follows:

1.1 The Lobby Parking Elements listed above, including the parking stall listed above, are transferred from Apartment L-2 to Transferee's Apartment.

1.2 The Common Interests appurtenant to Apartment L-2 and Transferee's Apartment are adjusted by reduction of the Common Interest appurtenant to Apartment L-2 and by increase in the Common Interest appurtenant to Transferee's Apartment, as listed above.

2. Transferor's Lender consents to the amendment of the Declaration and Transferor and Transferor's Lender hereby amend Transferor's Mortgage to delete the Lobby Parking Elements listed above and to amend the common interest described in Transferor's Mortgage as appurtenant to Apartment L-2 and in all other respects, the terms of Transferor's Mortgage are unaffected and remain in full force and effect.

3. Transferee's Lender consents to the amendment of the Declaration and Transferee and Transferee's Lender hereby amend Transferee's Mortgage to add to the mortgaged property the Lobby Parking Elements listed above and to amend the Common Interest, described in Transferor's Mortgage as appurtenant to Transferee's Apartment L-2, and in all other respects, the terms of Transferee's Mortgage are unaffected and remain in full force and effect.

4. AND THE TRANSFEE HEREBY ACKNOWLEDGES AND AGREES THAT THE LOBBY PARKING ELEMENTS AND INTEREST IN THE COMMON ELEMENTS OF THE PROJECT TRANSFERRED BY THIS AMENDMENT, ARE BEING CONVEYED BY THE TRANSFEROR TO THE TRANSFEE STRICTLY IN "AS IS" CONDITION, WITH ALL

PHYSICAL DEFECTS, BOTH LATENT AND PATENT. NO PERSON ACTING ON BEHALF OF THE TRANSFEROR IS AUTHORIZED TO MAKE, AND BY SIGNING THIS AMENDMENT THE TRANSFEREE AGREES THAT THE TRANSFEROR HAS NOT MADE, AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR PROMISES OF ANY KIND WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, CONCERNING OR WITH RESPECT TO: (A) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE LOBBY PARKING ELEMENTS OR OTHER COMMON ELEMENTS OF THE PROJECT; (B) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE LOBBY PARKING ELEMENTS OR OTHER COMMON ELEMENTS OF THE PROJECT; (C) ANY ARCHAEOLOGICAL SITES, REMAINS OR ARTIFACTS ON THE LAND; (D) THE PROJECT'S COMPLIANCE WITH LAWS, ORDINANCES OR REGULATIONS; (E) THE QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO THE PROJECT; (F) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROJECT; (G) THE CONFORMITY OF THE LOBBY PARKING ELEMENTS, COMMON ELEMENTS OR PROJECT TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS OR SPECIAL PERMITS; (H) THE FACT THAT ALL OR A PORTION OF THE PROJECT MAY BE LOCATED ON OR NEAR A TSUNAMI INUNDATION AREA; (I) THE ABILITY OF THE PROJECT TO WITHSTAND EARTHQUAKE OR HURRICANE DAMAGE; (J) THE EXISTENCE OF TERMITES OR OTHER PESTS OR TERMITE DAMAGE; (K) THE LOCATION OF THE SHORELINE IN ACCORDANCE WITH THE LAWS OF THE STATE OF HAWAII; OR (L) ANY OTHER MATTER CONCERNING THE PROJECT.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this instrument.

**NATIONAL HOUSING
CORPORATION OF HAWAII, INC.**

By _____
Kevin M. Showe
Its Vice President

Transferor

John R. Worth

Trustee as aforesaid

Transferee

FIRST HAWAIIAN BANK

By June T. Hirayama
June T. Hirayama
Its Vice President

Transferor's Lender

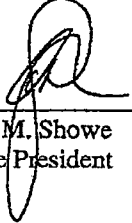
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IN WITNESS WHEREOF the parties have executed this instrument.

**NATIONAL HOUSING
CORPORATION OF HAWAII, INC.**

THE JOHN R. WORTH LIVING TRUST

By _____
Kevin M. Showe
Its Vice President

Transferor

By _____
JOHN R. WORTH
Trustee aforesaid

Transferee

FIRST HAWAIIAN BANK

By _____
Its

Transferor's Lender

Transferee's Lender

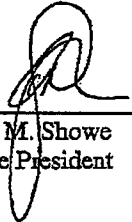
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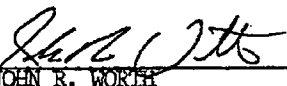
IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

THE JOHN R. WORTH LIVING TRUST

By 
Kevin M. Showe
Its Vice President

Transferor

By 
JOHN R. WORTH
Trustee aforesaid

Transferee

FIRST HAWAIIAN BANK

By _____

Its

Transferor's Lender

Transferee's Lender

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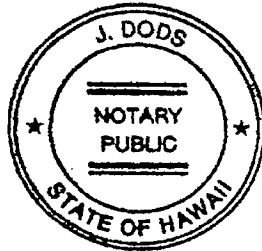
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STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
)
) SS:

On this 16 day of DEC 16 2005, 2005, before me personally appeared June T. Hirayama to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: J. Dods

Print Name: J. Dods

Notary Public, State of Hawaii

My commission expires: 2/3/2006

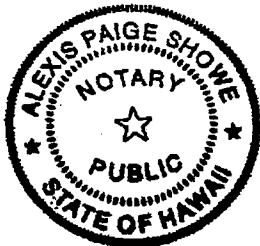
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STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS:

On this 21 day of OCTOBER, 2005, before me personally appeared JOHN R. WORTH, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Alexis Paige Showe

Print Name: Alexis Paige Showe

Notary Public, State of Hawaii

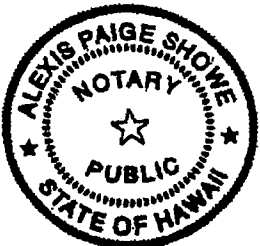
My commission expires: 7-3-2009

STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS:

On this 21 day of OCTOBER, 2005, before me personally appeared KEVIN M. SHOWE, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Alexis Paige Showe

Print Name: Alexis Paige Showe

Notary Public, State of Hawaii

My commission expires: 7-3-2009

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L-181 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
MAY 31, 2005 08:01 AM

Doc No(s) 3274395
on Cert(s) 728,056



20 1/6 Z4

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

Return by Mail ☒ Pickup () To:

NATIONAL HOUSING CORP OF HAWAII
55 MERCHANT ST., #1400
HONOLULU, HI 96813

ITC ESCROW #

ITC TITLE #

This document contains 74 pages.

Tax Map Key: (1) 2-6-006:002

AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI TO TRANSFER PARKING STALL, COVENANTS AND
AMENDMENT OF MORTGAGE
(Parking Stall L-16 transferred to Apartment M 300)

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**AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
LUANA WAIKIKI TO TRANSFER PARKING STALLS, COVENANTS AND
AMENDMENTS OF MORTGAGES**

Lobby Parking Elements including Parking Stall No(s).	L-16
Transferor's Apartment No.	M 300
Transferee's Transfer Certificate of Title No.	728,056
Common Interest of Transferor's Apartment upon transfer	0.77355%
Common Interest of Apartment L-2 upon transfer	0.583456%

This Amendment to Declaration of Condominium Property Regime of Luana Waikiki to Transfer Parking Stalls, Covenants and Amendments of Mortgages ("Amendment") is made as of May __, 2005 by NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813, as owner of Apartment L-2 ("Transferor"), and NATIONAL HOUSING CORPORATION OF HAWAII, INC. a Hawaii corporation, with address is 55 Merchant Street, Suite 1900, Honolulu, Hawaii 96813, as owner of Apartment M 300 ("Transferee"), and

FIRST HAWAIIAN BANK, a Hawaii corporation with address at 999 Bishop Street, Honolulu, Hawaii 96813 ("Lender").

RECITALS:

A. The Declaration of Condominium Property Regime of Luana Waikiki was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 3077901 (as amended the "Declaration") together with the Bylaws of the Association of Apartment Owners of Luana Waikiki filed as Land Court Document No. 3077902 and Condominium Map No. 1608 (as amended the "Condominium Map"), creating the Luana Waikiki condominium project (the "Project"). Capitalized terms used in this Amendment and not otherwise defined have the same meanings they have in the Declaration.

B. Section 17.4.2 of the Declaration provides:

The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement

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Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

C. Transferor is the Owner of Apartment L-2 covered by Transfer Certificate of Title No. 728,056, to which are appurtenant the Lobby Parking Elements listed above, and Lender is the holder of a mortgage on Apartment L-2 filed as Land Court Document No. 3207367 and noted on said Transfer Certificate of Title (as amended "the Mortgage").

D. Transferee is the Owner of Transferee's Apartment covered by the Transfer Certificate of Title listed above and Lender is the holder of the Mortgage on Transferee's Apartment and noted on said Transfer Certificate of Title.

D. Transferor and Transferee desire to transfer the Lobby Parking Element(s) listed above from Apartment L-2 to Transferee's Apartment.

NOW THEREFORE:

1. In accordance with Section 17.4.2 of the Declaration, Transferor and Transferee hereby amend the Declaration as follows:

1.1 The Lobby Parking Elements listed above, including the parking stall listed above, are transferred from Apartment L-2 to Transferee's Apartment.

1.2 The Common Interests appurtenant to Apartment L-2 and Transferee's Apartment are adjusted by reduction of the Common Interest appurtenant to Apartment L-2 and by increase in the Common Interest appurtenant to Transferee's Apartment, as listed above.

2. Lender consents to the amendment of the Declaration and Transferor, Transferee and Lender hereby amend the Mortgage to (a) delete the Lobby Parking Elements listed above and to amend the common interest described in the Mortgage as appurtenant to Apartment L-2, and (b) to add the Lobby Parking Elements listed above and to amend the common interest described in the Mortgage as appurtenant to Transferee's Apartment; and in all other respects, the terms of the Mortgage are unaffected and remain in full force and effect.

The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

[Signature page follows]


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2


IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

By 
Kevin M. Showe
Its Vice President

Transferor

By 
Kevin M. Showe
Its Vice President

Transferee

FIRST HAWAIIAN BANK

By _____

Its

Lender

ImangeDB:590975.1

3

IN WITNESS WHEREOF the parties have executed this instrument.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

NATIONAL HOUSING
CORPORATION OF HAWAII, INC.

By _____
Kevin M. Showe
Its Vice President

Transferor

By _____
Kevin M. Showe
Its Vice President

Transferee

FIRST HAWAIIAN BANK

By *Cheryl Shimabukuro*
Its **CHERYL SHIMABUKURO**
Vice President

Lender

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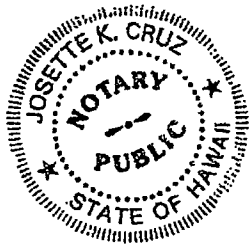
3

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
)
)
SS:

On this 20th day of May, 2005, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Josette K. Cruz

Print Name: Josette K. Cruz

Notary Public, State of Hawaii

My commission expires: 3/26/2009

ImanagaDB:590975.1

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 25 day of May, 2005, before me personally appeared CHERYL SHIMABUKURO, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: *Lynette Y. Toyota*

Print Name: LYNETTE Y. TOYOTA

Notary Public, State of Hawaii

My commission expires: 10-7-06

ImageDB:590975.J

Certified to be a true and correct copy of the document
recorded on 3-3-84 at 9:30 am,
in the Office of the Assistant Registrar of the Land Court,
State of Hawaii, as Document No. 3047901

Island Title Corporation

By Ematto

Return by Mail () Pickup (x) To:

Cades, Schutte Law
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813
Attn: Bernice Littman

This document contains 69 pages.

Tax Map Key: (1) 2-6-006:002

DECLARATION OF CONDOMINIUM PROPERTY REGIME
LUANA WAIKIKI

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RECITALS.

A. WAIKIKI TERRACE LLC, a Hawaii limited liability company ("Developer"), whose mailing address is 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815, is the owner in fee simple of the land described in Exhibit "A" (the "Land"); and

B. Developer intends to convert the Land and the improvements on the Land into a condominium project known as "LUANA WAIKIKI" as more specifically described in this Declaration in accordance with plans incorporated in this Declaration by reference and filed in the Office of the Assistant Registrar of the State of Hawaii as Condominium Map No. ____ (the "Condominium Map").

NOW, THEREFORE, in order to create a condominium project consisting of the Land and all improvements now or later placed on the Land (the "Project"), Developer submits its interest in the Land and improvements to the Condominium Property Regime, established by the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and in furtherance of creating the Project makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and declares that the Land and all improvements now or later placed on the Land are held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, and improved subject to the declarations, restrictions and conditions set out in this Declaration and in the Bylaws of the Association of Apartment Owners of Luana Waikiki recorded concurrently with this Declaration as they may be amended from time to time, which declarations, restrictions and conditions shall constitute covenants running with the Land, and shall be binding on and inure to the benefit of Developer, its successors and assigns, and all present and future owners, mortgagees, tenants and occupants of all or any part of the Project and any other person who may use any part of the Project.

1. Definitions. The following terms shall have the meanings set out below:

"Act" means Chapter 514A, Hawaii Revised Statutes, as amended.

"Apartment" refers to the Apartments described in Section 3.

"Association" means the Association of Apartment Owners of the Project.

"Basement Parking Element" is defined in Section 5.6

"Board" means the Board of Directors of the Association.

"Building" is defined in Section 2.

"Bylaws" means the Bylaws of the Association of Apartment Owners of Luana Waikiki, recorded in the Land Court concurrently with this Declaration, as the same may be amended from time to time.

"City" means the City and County of Honolulu.

"Common Elements" are described in Section 4.

"Common Expenses" are the expenses of operating the Common Elements of the Project and other expenses of the Association, as more specifically described in the Bylaws.

"Commercial Apartments" are the Apartments designated for commercial use in Section 10, being Apartments L-1, L-2, L-3 and L-4 located on the Lobby floor and M-1, M-2, M-3 and M-4 located on the Mezzanine floor.

"Declaration" means this Declaration of Condominium Property Regime of Luana Waikiki, as the same may be amended from time to time.

"direct administration" of a Limited Common Element is defined in Section 6.3.

"Exhibit" means an Exhibit attached to and made a part of this Declaration unless otherwise specified.

"Developer" means Waikiki Terrace LLC, a Hawaii limited liability company, and its successors and assigns to the extent provided in Section 18.

"Front Desk Apartment" means Apartment L-4, being the Commercial Apartment that includes the hotel front desk.

"Front Desk Elements" means the Limited Common Elements appurtenant only to the Front Desk Apartment and described in Section 5.2.

"Front Desk Owner" means the Owner of the Front Desk Apartment.

"Hotel Apartments" means the Apartments designated for hotel use in Section 10.2.

"Hotel Owners" means the Owners of the Hotel Apartments.

"include" or "including" means without limitation unless otherwise specified.

"Land Court" means the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

"Limited Common Elements" are described in Section 5.

"Limited Common Expenses" are defined in Section 6.2

"Lobby Parking Element" is defined in Section 5.7

"LUO" means the City's Land Use Ordinance, Chapter 21 of the Revised Ordinances of Honolulu.

"Mezzanine Apartments" means Apartments on the Mezzanine floor which is shown on the Condominium Map.

"Mortgagee of an Apartment" or "Apartment mortgagee" means the holder of a mortgage encumbering the fee title to, or any recorded leasehold interest in, an Apartment.

"Owner" means a Person owning an Apartment and the common interest appertaining to that Apartment, severally or as a cotenant, to the extent of the interest so owned; provided that to such extent and for such purposes, including the exercise of voting rights, as shall be provided by the terms of any lease recorded in the Land Court, a lessee or sublessee of an Apartment shall be deemed to be the Owner of such Apartment to the extent provided in such lease. The vendee of an Apartment under a recorded Agreement of Sale shall have the rights of an Owner, including the right to vote; provided that the vendor may retain the right to vote on matters substantially affecting the vendor's interest in the Apartment as provided in Section 514A-83 of the Act. Where an Owner is a corporation, trust, limited liability company or partnership, the method for designating the natural person who shall act as and for the Owner is as set out in the Bylaws. In the event that any interest in an Apartment is transferred to a trustee under a land title-holding trust under which substantially all powers of management, operation and control of the Apartment remain vested in the trust beneficiary or beneficiaries, the beneficiary or beneficiaries of any such trust shall be deemed to be the Owner or Owners of the Apartment to the extent of their interest in the trust except insofar as the trustee notifies the Association otherwise in writing. A transferee of the beneficial interest in any such trust shall have all of the rights and duties of an Owner when notice of such transfer is given to the Association by the trustee. Unless and until such notice is given, the Association shall not be required to recognize the transferee for any purposes, and the transferor may continue to be recognized by the Association as the Owner and shall have all of the rights and obligations of ownership.

"person" means a natural person or a corporation, partnership, limited liability company, limited liability partnership or other legal person.

"record," "recorded" or "recordation" means to record or to be recorded in the Land Court.

"Rules and Regulations" means the rules and regulations adopted in accordance with the Bylaws, as the same may be amended from time to time, governing the details of the operation and use of the Project, and certain details regarding the use of the Apartments.

"Sell-Out Date" means the date on which all of the Apartments in the Project have been conveyed to persons other than Developer or Developer's mortgage lender or the last time-share interest (if any) in the Project has been transferred.

"Section" numbers refer to sections or subsections of this Declaration unless otherwise specified.

2. General Description of the Project. The Project has one (1) building, with a Basement, Lobby floor, Mezzanine floor and fifteen additional stories numbered first through sixteenth (there is no thirteen floor) and contains two hundred and twenty-five (225) Apartments and Common Elements as described in this Declaration, constructed principally of concrete, hollow tile and steel (the "Building"). There are seventy-five (75) parking stalls in the Basement and on the Lobby floor. The Project contains a swimming pool and other recreational facilities.

3. The Apartments.

3.1 Number of Apartments. This Declaration establishes two hundred twenty-five (225) freehold estates in the Apartments, each individual Apartment comprising one (1) separate freehold estate. The Apartments are described in Exhibit "B". The Apartment numbers, approximate net living areas (exclusive of lanais) and approximate lanai areas are shown in Exhibit "B". The common interests appurtenant to the Apartments are also shown in Exhibit "B".

3.2 Numbering of Apartments. The numbers of Apartments in the Lobby have the prefix "L" and in the Mezzanine the prefix "M." Each Apartment on the first through ninth floors has the floor number as the first digit of a three digit Apartment number and each Apartment on the tenth through twelfth and fourteenth through sixteenth floors has the floor number as the first two digits of a four digit Apartment number.

3.3 Area, Layout and Types of Apartments. The approximate areas set out in Exhibit "B" are based on measurements taken from the interior surface of all perimeter walls, except that no reduction is made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls. The areas set out in Exhibit "B" are not exact but are approximations based on the floor plans of each type of Apartment. The type of each Hotel Apartment is listed in Exhibit "B" and is based on the area and layout of the Apartment.

3.4 Access to Apartments. Each Apartment has immediate access through the corridors and grounds of the Project to a public street.

3.5 Limits of Apartments.

3.5.1 Except as provided in Section 3.5.2, 3.5.3 and 3.5.4, each Apartment shall be deemed to include: (i) the space that is bounded by the undecorated surfaces of its perimeter walls, floors and ceilings, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iv) any doors and door frames, windows and window frames along the perimeters, (v) all fixtures originally installed in the Apartment and their replacements including through the wall air conditioners or split system air conditioners in Hotel Apartments. The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the

undecorated or unfinished surfaces of the floors and ceilings surrounding each Apartment, and (c) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment which are utilized for or serve more than one Apartment, the same being considered Common Elements.

3.5.2 The exterior decorated or finished surface of the front door of each Hotel Apartment and the electronic locking mechanism of the front door shall be Common Elements to maintain uniformity but access to card keys to open the front door of the Apartment shall be controlled as provided in Section 10.3.2.

3.5.3 Apartments L-1, L-2, L-3 and L-4 on the Lobby floor shall extend to the exterior surface of the wall, window or other separation from the Lobby or, in the case of Apartment L-3 the Building entrance. Where there is no wall or window, the boundary of the Apartment shall be an imaginary plane extending from the floor to the ceiling at the outer boundary of the Apartment as shown on the Condominium Map.

3.5.4 Where a Mezzanine Apartment is bounded by a Common Element half wall, that boundary shall extend to the interior decorated or finished surface of the half wall and along an imaginary plane extending vertically to the underside of the floor/ceiling slab above. The ceiling boundary of a Mezzanine Apartment shall be the underside of the floor/ceiling slab above.

3.6 Conflicting Descriptions. Should the descriptions and divisions set out in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Apartment numbers and dimensions of the Apartments and elevations of the Buildings and is not intended and shall not be considered to contain or make any other representation or warranty.

4. Common Elements. One (1) freehold estate is established by this Declaration in all other parts of the Project, which are Common Elements ("Common Elements"). The Common Elements include:

4.1 The Land, in fee simple;

4.2 The Limited Common Elements described in Section 5 below;

4.3 In the Basement, the spaces shown on the Condominium Map as Utility & Storage, CATV, Electrical Room, room marked Elec. Transformers, Storage, Mechanical, Sump, two spaces marked Util. and the space adjacent to parking stall 49 including the generator;

4.4 On the Lobby floor, the spaces shown on the Condominium Map as:

4.4.1 Mechanical Equipment, two spaces marked Util, two spaces marked Mech. the space marked Dumpster Storage and the Trash Room;

4.4.2 The Terrace;

4.4.3 The Lobby and Lobby Entry;

4.4.4 The Porte Cochere at the entrance to the Project, the Driveways into and out of the Project and the steps and ramp leading into the Building or the Terrace;

4.5 On the Mezzanine floor, the spaces shown on the Condominium Map as:

4.5.1 Lobby-M;

4.5.2 The bathrooms and the spaces marked Jant off Lobby-M;

4.5.3 Pool Equipment, Storage (Not part of M-1);

4.6 On the first floor:

4.6.1 The swimming pool, pool deck and open deck including the barbecue area;

4.6.2 The men's restroom, women's restroom and accessible unisex restroom,

(a) The laundry; and

(b) The fitness center.

4.7 On the second floor Area 2-1 shown on the Condominium Map, for the placement of a portion of the split air conditioning system for the fitness center and laundry, together with the conduits through the floor and the ceiling below linking the system to the fitness center and laundry.

4.8 The hallways and elevator lobbies on the first floor through the twelfth floor and the fourteenth floor through the sixteenth floor;

4.9 The three full-sized elevators and one service elevator shown on the Condominium Map.

4.10 The two stairways leading from the basement to the sixteenth floor, one of which goes to the roof, the two stairways leading from the Lobby floor to the Mezzanine floor and the stairway from the Terrace to the Pool Equipment and Storage Room (4.5.3).

4.11 Whether or not shown on the Condominium Map:

4.11.1 All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, exterior stairs and stairways, pumps, ducts, pipes, wires, conduits, and other utility or service lines located outside of the Apartments and which are utilized for or serve more than one Apartment, and generally all equipment, apparatus, installations and personal property existing for common use in the Building or located on the Land;

4.11.2 All pipes, wires, ducts, conduits and other utility or service lines running through an Apartment which are utilized by or serve more than one Apartment; and

4.11.3 All antennas, conduits, chases, cables, wires, and other television signal distribution system equipment and telecommunications equipment located outside of the Apartments or running through an Apartment and which are utilized for or serve more than one Apartment. As used herein, "television signal distribution system equipment" and "telecommunications equipment" shall be construed in their broadest possible senses in order to encompass all present and future forms of communications technology, but excluding all property of Time Warner Entertainment Company, L.P dba Oceanic Time Warner Cable ("Oceanic") under unrecorded Oceanic Cablevision Standard Bulk Cable Service Agreement dated February 4, 2004 concerning the Project, being the "Cable System" defined in that agreement as "cables, wires, converters, fiber optic cables, coaxial cables, coaxial extension(s), matching transformer(s), amplifier(s), splitters, lock boxes, and/or any duplicate part(s), extra(s), mechanism(s) and device(s) relating thereto, or used in connection therewith, installed or to be installed within or delivered to [the Project] by Oceanic."

4.11.4 The central telephone system including the console currently located in the Front Desk Apartment.

4.11.5 All landscaping, fences, gates, retaining walls, mailboxes, trash areas, maintenance structures and facilities and accessory equipment areas, including electrical and mechanical rooms or facilities located on the Land or within the Buildings and serving more than one Apartment;

4.11.6 The sprinkler system and central fire alarm system; and

4.11.7 All other improvements on the Land which are not part of any Apartment.

Descriptive phrases for Common Element spaces such as "Trash Room" are not intended to restrict the uses to which the Common Element may be put but only serve to identify the location of the Common Element.

5. Limited Common Elements. Certain of the Common Elements are set aside and reserved for the exclusive use of certain of the Apartments, and such Apartments shall have appurtenant to them exclusive easements for the use of their Limited Common Elements as follows:

5.1 Elements for Each Apartment. Each Apartment shall have appurtenant to it as Limited Common Elements all pipes, wires, ducts, conduits, and other utility or service lines located within or running through the Apartment and utilized by or serving only that Apartment.

5.2 Front Desk Elements

5.2.1 The following Limited Common elements are called Front Desk Elements and are appurtenant to and for the exclusive use of the Front Desk Apartment:

(a) Areas B-1, B-2, B-3, B-4, B-6, B-7 and B-8 in the Basement shown on the Condominium Map;

(b) The Utility Room Area T-1 and T-2 on each the first through twelfth and fourteenth through sixteenth floors shown on the Condominium Map and any laundry chutes and trash chutes within or adjacent to the Utility Rooms;

(c) The signage areas shown as "Sign LCE to Front Desk" on the fascia above the Porte Cochere at the front entrance of the Building and on the pillar adjacent to the front entrance as shown on the Condominium Map; and

(d) The area marked "Taxi Stand - LCE to Front Desk" as shown on the Condominium Map.

5.2.2 The signage areas shall include the decorated or finished surfaces of the signage areas or, if none, the undecorated or unfinished surfaces and a block of airspace projecting twelve inches from the surface in which the Owner of the Front Desk Apartment may install signage, together with the right to penetrate the surface of the signage areas for the purpose of attaching signage, provided that the structural integrity of the Building shall not be compromised.

5.3 Area B-5 Area B-5 in the Basement shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-2.

5.4 Area L-1 Area L-1 on the Lobby floor shown on the Condominium Map is appurtenant to and for the exclusive use of Apartment L-3.

5.5 Areas M-1 and M-2

5.5.1 The bathrooms shown as Area M-1 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-1 and M-2;

5.5.2 The bathrooms shown as Area M-2 on the Condominium Map are appurtenant to and for the exclusive use of Apartments M-2 and M-3;

5.6 Basement Floor Parking Stalls and Driveways.

5.6.1 Parking stalls 1 through 50 in the Basement, shown on the Condominium Map and listed on Exhibit "C" are appurtenant to and for the exclusive use of the Front Desk Apartment. Exhibit "C" shows which stalls are compact and numbers the parking stalls with the prefix B for Basement.

5.6.2 Parking stall B-18 includes its adjacent access aisle.

5.6.3 Each parking stall in the Basement shall include the surface of the Basement floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet

and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as listed on Exhibit "C" have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

5.6.4 The driveway ramp leading to and from the Basement, makai of the Building line shown on the Condominium Map, the driveways within the Basement and the markings delineating the parking stalls in the Basement are Limited Common Elements appurtenant to the Apartment or Apartments to which the parking stalls in the Basement are appurtenant.

5.6.5 The Front Desk Owner may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Front Desk Owner from the parking stall of any other Owner. If any portion of the Basement driveway is adjacent only to parking stalls of the Front Desk Owner and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall, then the Front Desk Owner may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Front Desk Owner may not obstruct access by the Owner or occupant of Apartment L-2 to Area B-5 and shall provide access for the Association to the Common Elements as needed or as required by law.

5.6.6 A "Basement Parking Element" is a parking stall in the Basement together with an undivided 0.02 interest in the Limited Common Elements described in Section 5.6.4 and any interest in an access aisle appurtenant to that parking stall.

5.7 Lobby Floor Parking Stalls and Driveways.

5.7.1 Parking stalls 1 through 25 on the Lobby floor shown on the Condominium Map and listed on Exhibit "C" are appurtenant to and for the exclusive use of Apartment L-2. Exhibit "C" shows which stalls are compact and numbers the parking stalls with the prefix L for Lobby floor.

5.7.2 Parking stalls L-22 and L-23 each includes a one-half interest in their common access aisle.

5.7.3 Each parking stall shall include the surface of the Lobby floor up to but not including the marking separating the parking stall from any adjacent parking stall, and shall include the airspace above such surface to a height of seven feet and six inches (7.5 feet). If there is a wall or pillar adjacent to a parking stall the parking stall does not include the wall or pillar. Certain parking stalls as shown on Exhibit "C" have intrusions of Common Elements that are excluded from the Limited Common Element parking stall.

5.7.4 The driveway ramp leading to and from the Lobby parking areas, makai of the Building line shown on the Condominium Map, the driveways within the Lobby parking areas and the markings delineating the parking stalls shall be Limited Common Elements appurtenant to the Apartment or Apartments to which the Lobby parking stalls are appurtenant.

5.7.5 The Owner of Apartment L-2 may use its parking stalls for valet parking and may permit its valet parking personnel or contractor to park vehicles across the lines between its parking stalls, if permitted by law, but not across any line separating the parking stalls of the Owner of Apartment L-2 from the parking stall of any other Owner. If any portion of the driveway is adjacent only to parking stalls of the Owner of Apartment L-2 and no other Owner needs to use that portion of the driveway for access to the other Owner's parking stall the Owner of Apartment L-2 may permit its valet parking personnel or contractor to park vehicles within that portion of the driveway, if permitted by law. The Owner of Apartment L-2 may not obstruct access by the Owner of Apartment L-3 to Area L-1 and shall provide access for the Association to the Common Elements as needed or as required by law.

5.7.6 A "Lobby Parking Element" is a parking stall in the Lobby together with an undivided 0.04 interest in the Limited Common Elements described in Section 5.7.4 and any interest in an access aisle appurtenant to that parking stall.

5.8 Lanais. Each lanai shown on the Condominium Map as leading off a Hotel Apartment is a Limited Common Element for the exclusive use of that Apartment, except as provided in this Section 5.8. The approximate aggregate area of the lanai or lanais appurtenant to each Hotel Apartment is listed in Exhibit "B".

5.8.1 Common Element downspouts each tie in to a Common Element drain on the lanai of certain Apartments, including Apartment 206 and certain Apartments on the First floor.

5.8.2 The large lanai for Apartment 718 has an area shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Element.

5.8.3 The large lanai for Apartment 1114 has two areas each shown on the Condominium Map as "Mech Not in LCE" that is a Common Element and not part of the Limited Common Elements.

5.8.4 No lanai may be screened or enclosed or have any floor covering except as permitted by Section 18.8.

5.8.5 Lanai railings, walls dividing one lanai from another and lanai slabs, except for the top surface of the slab, are Common Elements and not Limited Common Elements.

5.9 Mailboxes. Mailboxes in the location shown on the Condominium Map on the Lobby floor shall each be a Limited Common Element appurtenant to the Apartment with the same number as the mailbox.

5.10 What Limited Common Element Rooms Include. Limited Common Elements that are rooms or sets of rooms surrounded by walls, shall not include any portion of any Apartment or any portion of any Common Elements described in Section 4.1 or Section 4.11

except for pipes or other conduits serving only the respective Limited Common Elements. They shall not include the undecorated or unfinished walls, floors and ceilings surrounding the Limited Common Elements except that Area M-1 and M-2 shall include their surrounding non load bearing walls to the boundary of the adjacent apartments and shall extend to the underside of the floor/ceiling slab above, subject to the Association's easement described in Section 8.8. They shall include all the walls and partitions which are not load-bearing within such spaces or rooms, or between Limited Common Element spaces or rooms that are appurtenant to the same Apartment or Apartments, all doors within or opening into such spaces or rooms (except that where a door is between the Limited Common Element and an Apartment the door will be part of the Apartment), all windows and perimeter glass, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures and all equipment contained in such spaces and any replacements.

6. Common Expenses and Costs and Expenses Relating to Limited Common Elements. All provisions of the Bylaws relating to Common Expenses and Limited Common Expenses, and the rights and remedies of the Association in connection with them are incorporated into this Declaration by reference.

6.1 Allocation. Each Owner shall be liable for a proportionate share of all the Common Expenses. The method of determining and collecting Common Expenses shall be as set out in the Bylaws.

6.2 Liability. Each Owner is liable for all costs and expenses, including costs for maintenance, repair, replacement, additions and improvements to and landscaping of, any of the Limited Common Elements of the Project appurtenant to such Owner's Apartment ("Limited Common Expenses"). Because of the difficulty of allocating costs and expenses between Limited Common Expenses and Common Expenses, the methods by which the Limited Common Expenses will be charged to those Apartments is (a) by the allocation to those Apartments of an additional Common Interest as described in Exhibit "B" and (b) for certain Limited Common Elements (Hotel Apartment lanais and Areas M-1 and M-2) by requiring the Owners of those Limited Common Elements to provide direct administration.

6.3 Direct Administration of Certain Limited Common Elements.

6.3.1 At the election of the Owner of any Commercial Apartment, with at least thirty (30) days written notice to the Association, such Owner may undertake directly to maintain, repair and replace ("direct administration") all or a portion of the Limited Common Elements appurtenant only to that Commercial Apartment. Such Owner may change such election from time to time on at least thirty (30) days written notice to the Association. An Owner of a Commercial Apartment shall continue to pay Common Expenses in accordance with its Common Interest and shall not receive any reduction because of electing direct administration.

6.3.2 In the event that the Front Desk Owner has elected direct administration of the Basement Parking Elements and transfers a Basement Parking Element to another Apartment and all Owners of Basement Parking Elements stalls agree in writing to continue direct

administration of the Basement Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall provide maintenance, repair and replacement of the Basement Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Basement Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit "B" or transferred to his Apartment together with the Basement Parking Element.

6.3.3 In the event that the Owner of Apartment L-2 transfers any Lobby Parking Element to another Apartment and all Owners of Lobby Parking Elements stalls agree in writing to continue direct maintenance, repair and replacement of the Lobby Parking Elements, then it shall continue on the terms and conditions set out in their agreement. Otherwise, the Association shall take over maintenance, repair and replacement of the Lobby Parking Elements and the costs of maintenance, repair and replacement shall be allocated to each Owner of a Lobby Parking Element by way of the additional Common Interest appurtenant to his Apartment as described in Exhibit "B" or transferred to his Apartment together with the Lobby Parking Element.

6.3.4 The Owners of Hotel Apartments shall clean and perform routine maintenance and repair of their individual lanais but any major maintenance and repair, that if performed inadequately would adversely affect the structural integrity or external appearance of the Project shall be performed by the Association and charged as a Common Expense on the grounds that the work protects the entire Project.

6.3.5 The Owners of Apartments to which Area M-1 is appurtenant shall jointly provide direct administration of Area M-1 and the Owners of Apartments to which Area M-2 is appurtenant shall jointly provide direct administration of Area M-2. Direct administration of Area M-1 and Area M-2 is not elective.

6.3.6 During any period of direct administration, if the Association holds any reserves for the affected Limited Common Elements, the Association shall make such reserves available to the Owner of the Apartment or Apartments to which such Limited Common Elements are appurtenant, for the purposes for which they have been reserved.

7. Percentage of Undivided Interest in Common Elements. Each Apartment shall have appurtenant to it an undivided percentage interest in the Common Elements of the Project and in all common profits and expenses of the Project, and for all other purposes, including voting. The respective undivided percentage interests appurtenant to the Apartments are as shown on Exhibit "B". All references in this Declaration or in the Bylaws to the vote or consent of a specified percentage of the Owners shall mean the Owners of Apartments to which are appurtenant that percentage of the Common Interests. The Common Interests are computed based upon the formula explained in Exhibit "B".

8. Other Easements and Rights. In addition and subject to the easements established in the Limited Common Elements, the Apartments shall also have or be subject to the following easements and rights:

8.1 Generally. Each Apartment shall have appurtenant to it non-exclusive easements in the Common Elements designed for such purposes for ingress to, egress from, utility services for, and support, maintenance, and repair of such Apartment; in the other Common Elements for use according to their respective purposes for which they are intended without hindering or encroaching upon the lawful rights of the other Owners; and in all other Apartments and Common Elements for support.

8.2 Encroachments. If any part of the Common Elements now or hereafter encroaches upon any Apartment or Limited Common Element or if any Apartment now or hereafter encroaches upon any other Apartment or upon any portion of the Common Elements, a valid easement for such encroachment and the maintenance of the encroachment, so long as it continues, shall exist. However, if an encroachment is caused, directly or indirectly, by the intentional act or neglect of any Owner, the Board, in its sole discretion, may demand that such Owner take all necessary steps to remove the encroachment, and the Owner shall be liable for all expenses, costs and fees arising in connection with the removal. In the event the Building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Building, encroachments upon any part of the Common Elements or any Apartment due to the same shall be permitted, and valid easements for such encroachments and the maintenance of the encroachment shall exist for so long as such encroachment exists.

8.3 Repairs and Emergency Repairs. The Association shall have the irrevocable right, to be exercised by the Board, to have access to each Apartment and any Limited Common Elements from time to time during reasonable hours as may be necessary for the operation or maintenance of the Project, including any Apartment, or at any time for making emergency repairs in the Apartment or Limited Common Elements necessary to prevent damage to the Common Elements or to any other Apartment. This easement shall include an easement for access through Apartment 206 and its lanai to Area 2-1 and an easement for access to every Hotel Apartment for maintenance of the through-the-wall air conditioner and filter replacement and access to every Apartment for maintenance, repair and replacement of the sprinkler system.

8.4 Designation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across or through the Common Elements of the Project for any reasonable purpose, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment, the Common Elements, or any easements for utilities or for any public purpose.

8.5 Cancellation of Easements by the Association. The Association shall have the right, to be exercised by the vote of a majority of a quorum of the Board, with the consent of Declarant if exercised before the Sell-Out Date, to transfer, cancel, relocate and otherwise deal with any easement over, under, across or through any lands adjacent to the Project, which may be appurtenant to the Land of the Project, for any reasonable purpose, which may include any of the same purposes set out in the preceding Section 8.4 or for the reason that any owner of any

such lands adjacent to the Project exercises any right to require the relocation of any such easement.

8.6 Easement Over Basement. The Owners of Apartments to which are appurtenant Limited Common Elements located in the Basement shall have an easement for access to their Limited Common Elements through the driveways serving the Basement. In the event the Front Desk Owner uses a portion of those driveways for valet parking as permitted by this Declaration, the Front Desk Owner shall make arrangements to provide such access at all times.

8.7 Easement Over Lobby Parking Area. The Owner of the Apartment to which Area L-1 is appurtenant shall have an easement for access to Area L-1 the driveways serving the Lobby parking. In the event the Owner of Apartment L-2 uses a portion of those driveways for valet parking as permitted by this Declaration, the Owner of Apartment L-2 shall make arrangements to provide such access at all times.

8.8 Easement Over Mezzanine Apartments. The Association shall have an easement for installation, maintenance, repair and replacement of additional Common Element pipes, wires, cables and conduits in the space immediately below the floor/ceiling slab above each Mezzanine Apartment and Areas M-1 and M-2 to a depth of thirty-six inches to be exercised on the following terms and conditions:

8.8.1 Except in emergency the Association shall give the Owner of the Mezzanine Apartment at least ten (10) days written notice of its entry;

8.8.2 The Association shall proceed diligently with its work and vacate the Mezzanine Apartment in a reasonable time and shall disturb the occupants as little as reasonably practicable;

8.8.3 The Association shall not make any installation that unreasonably interferes with the use or enjoyment of any installation previously made in the Mezzanine Apartment; and

8.8.4 The Association shall repair any damage to the Mezzanine Apartment.

8.9 Easements Required by Law. In the event that access for ingress or egress, or for emergency ingress or egress, over any Limited Common Element is required by law, there shall be an easement for such required ingress and egress over the Limited Common Element.

8.10 Easement for Dumpster. The Association shall have an easement for temporary placement of a dumpster in the area designated as "Taxi Stand-LCE To Front Desk" on the Condominium Map which is part of the Front Desk Elements, when reasonably required in connection with renovation, maintenance, repair or replacement of Common Elements.

8.11 Easement for Kiosk. The Front Desk Owner shall have an easement for placement of a moveable kiosk not exceeding forty (40) square feet in area for use as a bell desk or other lawful purpose in the area shown as "Curbside LCE To Front Desk" on the

Condominium Map and the right to move such kiosk from time to time from one portion of such area to another, provided that convenient access to the front entrance of the Building shall always be maintained.

8.12 Easements for Sales Activities. Developer and the Owner of Apartment L-2 and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct extensive sales activities in the Project, including the Common Elements (but not Limited Common Elements), including the use of model Apartments, sales and management offices, and extensive sales displays and activities, provided that the Developer's easement shall terminate on the Sell-Out Date. The Developer or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.13 Easements for Events. The Front Desk Owner and the Owner of Apartment L-2, and their respective agents, employees, contractors, and licensees shall have the right and easement to conduct events in the Common Elements (but not Limited Common Elements) on the Lobby floor and Mezzanine floor. The Front Desk Owner or the Owner of Apartment L-2 as the case may be, shall be responsible for any additional cleaning and repairs caused by its exercise of this easement.

8.14 Developer's Easement for Repair and Renovation. Until the Sell-Out Date, Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project as may be necessary or useful in the opinion of Developer for the completion of repairs and renovations to the Project.

8.15 Developer's Easement to Create Noise etc. Developer, its agents, employees, contractors and licensees shall have an easement over, under and upon the Project or any portion of the Project, to create and cause noise vibration, dust and other nuisances created by or resulting from any work connected with or incidental to the renovation, repair or sale of any Apartment or other improvements in the Project, and each Apartment owner, lessee, mortgagee, lien holder or other person with an interest in the Project waives any right, claim or action which such person may have or acquire against Developer, its agents, employees, contractors, licensees, successors and assigns as a result of such activity or activities.

8.16 Developer's Rights to Grant Easements. Developer reserves the right to designate, grant, convey, transfer, cancel, relocate and otherwise deal with any easements over, under, across, or through the Common Elements (including the Limited Common Elements) for any purpose Developer considers necessary or appropriate in Developer's sole discretion, which may include those purposes which are necessary to the operation, care, upkeep, maintenance or repair of any Apartment or the Common Elements, or any easements for utilities benefiting the Project or any adjacent property, or for any public purpose, including the grant of designated easements over, under, across and through the Land for the pipeline transmission of water and other utilities, and other designated easements; provided, however, that in exercising its rights under this Section 8.16, Developer shall not do anything or permit anything to be done which shall unreasonably interfere with the use of the affected Common or Limited Common Element for its originally intended purpose, unless such action is required to ensure the public health,

safety or welfare or to comply with any governmental rule, regulation, law or ordinance. The rights set out in this Section 8.16 shall continue for a period of twenty-four (24) months following the Sell-Out Date. Developer, by a recorded instrument, may transfer some or all of the rights under this Section 8.16 to the Association, to be exercised as determined by the Board.

8.17 Power of Attorney. To the extent that the joinder or consent of any Owner may be required in order to confirm, effectuate or exercise any easements or rights granted or reserved to Developer, or to validate any act or thing done in accordance with such easements, rights and reservations of Developer, such joinder or consent may be executed and given by Developer as the attorney-in-fact for, and in the name and stead and on behalf of, such Owner. Each Owner, by acquiring or accepting the ownership of an Apartment or any other interest in the Project or any Apartment (i) appoints Developer as such Owner's attorney-in-fact as aforesaid, such appointment being coupled with an interest and being irrevocable, and (ii) agrees that such Owner shall, promptly upon Developer's request and for no further consideration, execute, acknowledge and deliver to Developer such instruments as Developer may reasonably require to evidence or confirm such joinder or consent.

8.18 Compliance with Laws. If the Project is found not to be in compliance with any federal, state or local law in effect at the time of completion of the Project, Developer shall have the right, at its election, at any time afterwards, to enter the Project and make such modifications to the Common Elements as are necessary, in Developer's judgment, to bring the Project into compliance with the applicable laws. This right shall include the right to cause noise, dust, vibrations, and other disturbances and nuisances incidental to modifying the Common Elements as required; provided, however, that Developer or any party performing such work on behalf of Developer shall make reasonable efforts to minimize such disturbances and nuisances.

9. Alteration and Transfer of Interests. Except as otherwise provided in this Declaration, the undivided interest in the Common Elements and other easements appurtenant to each Apartment shall have a permanent character, and shall not be altered without the consent of all of the Owners affected, expressed in an amendment to this Declaration duly recorded in the Land Court, which amendment shall contain the consent to it by the holders of any first mortgage on such Apartments as shown in the Association's record of ownership, or who shall have given the Board notice of their interest through the Secretary of the Association or the managing agent (if any), and shall not be separated from the Apartment to which they appertain, and shall be deemed to be conveyed, leased or encumbered with such Apartment even though such interest or easements are not expressly mentioned or described in the conveyance or other instrument. Except as otherwise provided in this Declaration, the Common Elements and each Apartment shall remain undivided, and no right shall exist to partition or divide any portion of the Common Elements or any Apartment except as provided in the Act and as otherwise expressly provided in this Declaration. This Declaration and the Condominium Property Regime created by this Declaration cannot be terminated except in accordance with the Act and the provisions of this Declaration and the Bylaws.

10. Purposes and Uses. The Project is currently located in the Waikiki Special District and in the Resort-Commercial Precinct. The current zoning for the Project does not permit hotel use and the hotel is operated, to the best of Developer's knowledge, as a nonconforming hotel use.

The LUO as currently in effect defines a hotel, dwelling unit, lodging unit and kitchen in Sec. 21-10.1 as follows:

"Hotel" means a building or group of buildings containing lodging and/or dwelling units in which 50 percent or more of the units are lodging units. A hotel includes a lobby, clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests.

"Dwelling unit" means a room or rooms connected together, constituting an independent housekeeping unit for a family and containing a single kitchen. Two or more essentially separate structures, except for a token connection, such as a covered walkway or a trellis, do not constitute a single dwelling unit. Unless specifically permitted in use regulations, a dwelling unit shall not include a unit used for time sharing or a transient vacation unit as defined in [the LUO].

"Lodging unit" means a room or rooms connected together, constituting an independent living unit for a family which does not contain any kitchen. Unless specifically permitted in use regulations, "lodging unit" shall not include a unit used for time sharing or a transient vacation unit as defined in this chapter.

"Kitchen" means a kitchen facility for a housekeeping unit that exists when there is, on the premises of the housekeeping unit, an item from all three of the following categories:

- (1) Fixtures, appliances or devices for heating or cooking food;
- (2) Fixtures, appliances or devices for washing utensils used for dining and food preparation and/or for washing and preparing food;
- (3) Fixtures, appliances or devices for refrigeration of food.

If the Project were to fail to meet any part of the definition of a hotel under the LUO, its current use as a hotel would become unlawful and Developer makes no representations as to whether any other use would be lawful given the age of the Building, limited parking and any other relevant factors. Therefore, a primary purpose of this Section 10 is to continue the status of the Project as a nonconforming hotel use. The Project and each of the Apartments are intended for and shall be restricted to the following purposes and uses:

10.1 Generally. Each Apartment shall be occupied and used only for the uses permitted in the applicable sections of this Section 10. An Owner may rent his Apartment to any third party for any period by applicable zoning and any rules promulgated under the zoning, provided that the rental agreement is in writing. The Owner shall provide each rental tenant with a copy of the Rules and Regulations and shall make a copy of the Declaration and Bylaws, as amended, available for the tenant's review. An Owner who rents his Apartment shall at all times

remain primarily and severally liable to all other Owners and to the Association for any failure on the part of such Owner's tenant(s) to observe and comply with all provisions of this Declaration, the Bylaws, the Rules and Regulations, and all other applicable laws.

10.2 Hotel Apartments. All Apartments on the first through twelfth floors and fourteenth through sixteenth floors shall be used only as hotel rooms (dwelling units or lodging units as defined by the LUO). No Owner or occupant of a lodging unit shall place or maintain in the Apartment 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. No Owner or occupant of any Apartment in the Project shall do anything that will increase the number of dwelling units in the Project or decrease the number of lodging units. Because of the importance of maintaining the required ratio of lodging units to dwelling units, in the event that any Owner or occupant of a lodging unit breaches this use restriction and does not cure the breach within twenty-four (24) hours after notice from the Board to do so, the Board shall have a right of access to the lodging unit to remove the offending fixture, appliance or device and by accepting a deed to the lodging unit Apartment or taking occupancy of the Apartment, all Owners and occupants waive any claim for trespass or otherwise in connection with such entry or removal. Any advertisement or listing of any lodging unit for a period of more than thirty (30) days shall specify that the lodging unit is a lodging unit and contains no kitchen. Any rental agreement for a lodging unit shall contain a copy of this Section 10.2 and shall require the tenant to comply with it.

10.3 Front Desk Apartment.

10.3.1 The Front Desk Apartment shall at all times include a clerk's desk or counter with 24-hour clerk service and facilities for registration and keeping of records relating to hotel guests. The remainder of the Front Desk Apartment may be used for any commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

10.3.2 The Front Desk operator shall at all times arrange for the issuance of card keys for the front doors of all Hotel Apartments to control access to the Apartments and shall issue such card keys to Hotel Owners.

(a) A Hotel Owner may elect:

(i) to take custody of the card keys for his Hotel Apartment in which case the Front Desk operator shall be relieved of responsibility; or

(ii) may elect to leave the card keys in the custody of the Front Desk operator with instructions to issue the card keys to the Hotel Owner's tenants or hotel guests; but in that event the Hotel Owner shall:

(1) Execute an indemnity agreement in a form provided by the Front Desk operator relieving the Front Desk operator and its employees and agents of liability in connection with the card keys except for gross negligence or willful misconduct;

(2) Provide the Front Desk operator in writing from time to time the names and addresses of the persons to whom the card keys are to be issued and the dates for which they are to be issued; and

(3) Pay a reasonable fee to the Front Desk operator for this service.

(b) As used in this Section 10.3.2 "Front Desk operator" means the Front Desk Owner or such tenant or agent of the Front Desk Owner to whom the Front Desk Owner delegates its duties under this Section 10.3.2.

(c) Card keys shall also be provided to the Association for access to the Hotel Apartments and any Limited Common Elements accessed by card keys when such access is permitted by this Declaration, the Bylaws or the Act.

(d) The Front Desk operator may charge a reasonable fee to Hotel Owners for issuance of card keys and replacement of lost card keys.

10.4 Other Commercial Apartments. The other Commercial Apartments may be used for any retail or other commercial purpose permitted by zoning and other applicable laws, provided that such use does not cause the Project to lose its status as a nonconforming hotel use.

10.5 TIME-SHARING PERMITTED BY THIS DECLARATION.

TO THE EXTENT PERMITTED BY LAW, ANY APARTMENT OR ANY INTEREST IN THE APARTMENT MAY BE SOLD, TRANSFERRED, CONVEYED, LEASED, OCCUPIED RENTED OR USED FOR OR IN CONNECTION WITH ANY TIME-SHARING PURPOSE OR UNDER ANY TIME-SHARING PLAN, ARRANGEMENT OR PROGRAM, INCLUDING ANY SO-CALLED "VACATION LICENSE," "TRAVEL CLUB MEMBERSHIP" OR "TIME INTERVAL OWNERSHIP" ARRANGEMENT. THE TERM "TIME-SHARING" AS USED IN THIS DECLARATION SHALL BE DEEMED TO INCLUDE, BUT IS NOT LIMITED TO, ANY PLAN, PROGRAM OR ARRANGEMENT UNDER WHICH THE RIGHT TO USE, OCCUPY, OWN OR POSSESS AN APARTMENT OR APARTMENTS IN THE PROJECT ROTATES AMONG VARIOUS PERSONS ON A PERIODICALLY RECURRING BASIS ACCORDING TO A FIXED OR FLOATING INTERVAL OR PERIOD OF TIME, WHETHER BY WAY OF DEED, LEASE, ASSOCIATION OR CLUB MEMBERSHIP, LICENSE, RENTAL OR USE AGREEMENT, COTENANCY AGREEMENT, PARTNERSHIP OR OTHERWISE. IF REQUIRED BY LAW, ANY SUCH USE SHALL BE REGISTERED UNDER CHAPTER 514E, HAWAII REVISED STATUTES, AS AMENDED. ANY APARTMENT MAY BE USED FOR TRANSIENT VACATION RENTAL PURPOSES. THIS SECTION 10.5 DOES NOT SUPERSEDE ANY APPLICABLE ZONING REQUIREMENTS, HOWEVER, AND TIME SHARING MAY NOT CURRENTLY BE PERMITTED BY THE ZONING FOR THE PROPERTY.

10.6 Safety and Soundness. No Owner will suffer anything to be done or kept in an Apartment or elsewhere in the Project which would jeopardize the soundness of the Project, or

which will interfere with or unreasonably disturb the rights of other Owners, or which will increase the rate of the hazard insurance on the Project or the contents of the Project, or which will reduce the value of the Project.

10.7 Signs etc. The Owner of any Apartment will not, without the prior written consent of the Board, display any sign or place any other thing in or upon any doors, windows, walls or other portions of the Apartment or the Common Elements so as to be visible from the exterior. This restriction shall not apply to:

10.7.1 signs displayed by Developer or the Owner of Apartment L-2 for sales purposes with respect to their easements under Section 8.10;

10.7.2 signs installed by the Front Desk Owner within its Limited Common Element described in Section 5.2.1(c); or

10.7.3 signs identifying the business of a Commercial Apartment, provided that the Board may establish sign design guidelines in the Rules and Regulations.

10.8 Use of Common Elements. Except as otherwise provided in section 514A-13 of the Act and in the Bylaws, the Common Elements shall be used only for the purposes for which they are designed and intended.

11. Exemptions for Persons with Disabilities. No matter what else this Declaration, the Bylaws or the Rules and Regulations say, Owners with disabilities shall be allowed reasonable exemptions from this Declaration, the Bylaws and the Rules and Regulations, when necessary and as appropriate to enable them to use and enjoy their Apartments and/or the Common Elements, provided that any Owner with a disability desiring such an exemption shall make such request, in writing, to the Board. That request shall set out, with specificity and in detail, the nature of the request and the reason that the requesting party needs to be granted such an exemption. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days after the Board's receipt of it, or within forty-five (45) days after the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur.

12. Service of Process. Outrigger Hotels Hawaii with address at 2375 Kuhio Avenue Honolulu, Hawai'i 96815 is designated as the agent to receive service of process until such time as the Board and officers of the Association are elected, at which time and afterwards process may be served upon any officer of the Association.

13. Administration of Project. The administration of the Project shall be governed by the Act; this Declaration, the Bylaws, the Rules and Regulations, the Apartment Deed conveying to each Owner his interest in his Apartment, and all other applicable federal, state and local laws, rules and regulations. Each Owner shall comply strictly with this Declaration, the Bylaws, the Rules and Regulations, the Apartment Deed and all applicable laws. Owners acting for any purposes in connection with the Common Elements for the government, operation or

administration of the Project and in accordance with the Declaration, the Rules and Regulations and the Bylaws, shall be deemed to be acting as the Association, and specifically but without limitation the Association shall:

13.1.1 Make, build, maintain and repair all fences, drains, roads, curbs and sidewalks which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the Common Elements or any part of them;

13.1.2 Keep all Common Elements in a clean and orderly condition, and observe and perform all laws, ordinances, rules and regulations now or later made by any governmental authority for the time being applicable to the Common Elements or the use of them;

13.1.3 Well and substantially repair, maintain, amend, and keep all Common Elements (including Limited Common Elements to be maintained by Association) with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided in this Declaration or in the Bylaws;

13.1.4 Not at any time make or suffer any strip or waste or unlawful or improper or offensive use of the Common Elements; and

13.1.5 Observe and perform all of the limitations, restrictions, covenants and conditions to be observed and performed under this Declaration, the Bylaws, the Rules and Regulations, and applicable law.

14. Insurance.

14.1 Commercial Property Insurance. The Board, on behalf of the Association, shall at all times keep the Common Elements of the Project and, whether or not part of the Common Elements, all exterior and interior walls, floors and ceilings, in accordance with the condominium as-built plans and specifications, insured against loss, destruction and damage by all perils of direct physical damage by a commercial property insurance policy or policies written on the Insurance Service Office (commonly referred to as "ISO") condominium association coverage special form or equivalent, or such broader forms of protection as the Board of Directors of the Association shall determine, with an amount of coverage equal to 100% of the replacement cost of such Buildings and improvements of the Project and including the following endorsements: (1) replacement cost coverage, (2) agreed amount, and (3) building ordinance coverage insuring against contingent liability from the operation of federal, state or county laws, statutes, ordinances or regulations concerning the improvements or structures on or about the land; demolition of such improvements or structures and increased cost of construction of such improvements or structures, all such coverage being with such deductibles as the Board shall deem appropriate; and additionally the Board may cause to be purchased a difference-in-conditions policy to include flood, earthquake, backup of sewers, broad collapse coverage, and building ordinance coverage with deductible amounts and a limit of liability determined to be prudent by the Board. If the Project is located in an identified flood hazard area as now or later designated by the United States Department of Housing and Urban Development, the Association shall also procure flood insurance required under the provisions of the Flood

Disaster Protection Act. The Association shall purchase the insurance required under this Section 14.1 from an insurance company permitted by Hawaii law to write insurance on properties located in the State of Hawaii (whether as an admitted insurance company or otherwise) and having a rating by Best's Insurance Reports of Class A-VI or better, in the name of the Association for the benefit of all Owners and their mortgagees according to the loss or damage to their respective Apartments and appurtenant common interest and payable in case of loss in excess of an amount equal to two thirds of one per cent (0.666%) of the total amount of coverage (\$200,000.00 as of the date of this Declaration), to such bank or trust company authorized to do business in the State of Hawaii as the Board may designate, as trustee (the "Insurance Trustee"), for the custody and disposition as in this Declaration provided of all proceeds of such insurance, without prejudice to the right of each Owner to insure his Apartment for his own benefit. Subject to the provisions of Section 15.2, in every case of such loss or damage, all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the Building in a good and substantial manner according to the original plans and elevations of the Buildings or such modified plans conforming to laws and ordinances then in effect as shall be first approved as in this Declaration provided, and the Association at its common expense shall make up any deficiency (including deductible amounts) in such insurance proceeds. All premiums on the policy or policies required under this Section 14.1 shall be borne by the Owners of the Apartments in proportion to their respective common interests. Every such policy of insurance shall, unless unobtainable:

14.1.1 Provide that the liability of the insurer under the policy shall be primary and shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by or for any Owner;

14.1.2 Contain no provision relieving the insurer from liability for loss occurring while the hazard to any Building is increased, whether or not within the knowledge or control of the Board, or because of any breach of warranty or condition or any other act or neglect by the Board or any Owner or any other persons under either of them;

14.1.3 Provide that such policy and the coverage under the policy may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice to the Association as named insured at the address shown on the policy declaration, to every mortgagee of an Apartment who shall have requested such notice of the insurer and to every other person in interest who shall have requested such notice of the insurer;;

14.1.4 Contain a waiver by the insurer of any right of subrogation to any right of the Board or any of the Owners against any of them or any other persons under them;

14.1.5 Contain a provision waiving any right of the insurer to repair, rebuild or replace if a decision is made in accordance with this Declaration or the Bylaws not to reinstate, rebuild, or restore the damaged or destroyed improvements;

14.1.6 Require the insurance carrier, or the insurance agent if permitted by the Act, at the inception of the policy and on each anniversary date of the policy, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits of the policy, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy of the summary to each Owner;

14.1.7 Contain a standard mortgage clause on ISO commercial property form which shall, unless unobtainable:

(a) Name the holder of any mortgage affecting any Apartment whose name shall have been furnished to the Board and to the insurer and provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Apartment of the Project, in their respective order and preference, whether or not named in the policy;

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or the Owners or any persons under them; and

(c) Provide that, without affecting any protection afforded by such mortgage clause, any proceeds payable under such policy shall be payable to the Insurance Trustee for the Owners and their mortgagees as their respective interests may appear.

14.2 Liability Insurance. The Board, on behalf of the Association, shall also effect and maintain at all times, to the extent reasonably available, commercial general liability insurance, including coverage for premises/operations, independent contractors, contractual liability, personal injury, employees as additional insureds, and broad form property damage, covering all Owners with respect to the Project, in an insurance company authorized to do business in Hawaii, with combined single limits of liability for bodily injury and property damage of at least \$1,000,000 per occurrence and \$2,000,000 general aggregate or such higher limits, and with such umbrella coverage in addition to such general liability insurance, as the Board may from time to time establish with due regard to the prevailing prudent business practice in the State of Hawaii as reasonably adequate for the protection of the Association, the Board, all Owners, the managing agent and employees of the Association, without prejudice to the right of any of the Owners to maintain additional liability insurance for their respective Apartments and Limited Common Elements. All premiums on the policy or policies required under this Section 14.2 shall be borne by the Owners of the Apartments in proportion to their common interests. Each such policy, unless unobtainable, shall:

14.2.1 Contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in any Building, whether within the control or knowledge of the Board, or because of any breach of warranty or condition caused by any Owner or by any act or neglect of the Owner or tenant of an Apartment;

14.2.2 Provide that the policy and its coverage may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at

least thirty (30) days' prior written notice to the Board, all Owners and their mortgagees, and every other person in interest who shall have requested such notice of the insurer;

14.2.3. Contain a waiver by the insurer of any subrogation to any right of the Board, the managing agent or any Owner against any of them or any other person under their control; and

14.2.4. Contain a "severability of interest" clause precluding the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners.

14.3 Liability Insurance for Members of the Board and Officers of the Association. The Board, on behalf of the Association at its common expense, may effect and maintain liability insurance covering members of the Board and officers of the Association with minimum coverage in such amounts as shall be determined by the Board and including employee practices liability coverage. Any such insurance policy shall require the insurance carrier, or the insurance agent if permitted by the Act, at the inception of the policy and on each anniversary date of the policy, to provide the Board with a written summary of the policy, including the type of policy, a description of the coverage and limits of the policy, amount of annual premium, and renewal dates; and the summary shall be in layman's terms and the Board shall provide a copy of the summary to each Owner.

14.4 Review of Insurance Program. The Board shall review not less frequently than annually the adequacy of its entire insurance program and shall report in writing its conclusions and action taken on such review to the Owner of each Apartment and to the holder of any mortgage on any Apartment who shall have requested a copy of such report. At the request of any mortgagee of any interest in any Apartment, the Board shall furnish to such mortgagee a copy of the property and liability policies referred to in this Section 14.

14.5 Waivers of Subrogation. To the extent that any loss, damage or destruction to the Building or any Common Elements is covered by insurance procured by the Board, the Board shall have no claim or cause of action for such loss, damage or destruction against any Owner. To the extent that any loss, damage or destruction to the property of any Owner or tenant is covered by insurance procured by such Owner or tenant, such Owner shall have no claim or cause of action for such loss, damage or destruction against the Board, the managing agent, any resident manager, any other Owner or the Association. All policies of insurance referred to in this Section 14 shall contain appropriate waivers of subrogation by the insurers.

14.6 Substitute Coverage. Any insurance coverage specified in this Section 14 shall be subject to availability with responsible insurance companies authorized to do business in the State of Hawaii. Where such coverage is not available, or is not available at a reasonable cost, then the Board shall substitute such other insurance coverage as is acceptable to institutional lenders for apartments in projects similar in construction, location and use.

15. Insured Casualty and Uninsured Casualty.

15.1 Insured Casualty.

15.1.1 Collection of Insurance Proceeds. In the event of any damage to all or any portion of the Project by fire or other casualty which is insured against, the Board shall take all reasonable steps necessary to collect the insurance proceeds and, if required deposit the same with the Insurance Trustee at the earliest practicable date and, except as otherwise provided in this Declaration, to cause all rebuilding or repairing work to be undertaken and completed as provided below as promptly as may be reasonably possible in the circumstances.

15.1.2 Insured Casualty to Single Apartment and Limited Common Elements. If any portion of the Project is damaged by fire or other casualty which is insured against and such damage is limited to a single Apartment and/or the Limited Common Elements appurtenant to it, all of the insurance proceeds shall be used by the Insurance Trustee for payment of the contractor to rebuild or repair such Apartment and/or Limited Common Elements (including all items covered by such insurance) in accordance with the original plans and specifications, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board and any mortgagee of record of any interest in the Apartment or Limited Common Elements so damaged. The Board shall determine whether to employ the contractor to rebuild or repair such Apartment and/or Limited Common Elements or to permit the Owner to do so on such conditions as the Board may determine.

15.1.3 Other Insured Casualty. If any insured-against damage to the Project should occur other than the damage described in Section 15.1.2, the Board shall contract to repair or rebuild the damaged portions of the Project (including paint, floor coverings, fixtures, and any mechanical, electrical and air conditioning equipment in the Project which are deemed to be Common Elements as provided in this Declaration), in accordance with the original plans and specifications, or if reconstruction in accordance with said plans and specifications is not permissible under the laws then in force, in accordance with such modified plans and specifications as shall be previously approved by the Board, and the mortgagee of record of any interest in an Apartment directly affected. In the event said modified plans and modifications eliminate any Apartment or its appurtenant Limited Common Elements and such Apartment or Limited Common Elements are not reconstructed, the Insurance Trustee shall pay the Owner of said Apartment and any mortgagee of record of any interest in said Apartment, as their interests may appear, the portion of said insurance proceeds allocable to said Apartment and Limited Common Elements (less the proportionate share of said Apartment in the cost of debris removal) and shall disburse the balance of the insurance proceeds as in this Declaration provided for the disbursement of insurance proceeds.

15.1.4 Insufficient Insurance Proceeds. The insurance proceeds shall be paid by the Insurance Trustee to the contractor employed for such work, in accordance with the terms of the contract for such construction and in accordance with the terms of this Section 15. If the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding, then the Board shall levy, as soon as reasonably possible following the determination of the amount of

such insufficiency, a special assessment (i) with respect to the repairing and/or rebuilding of the Common Elements, exclusive of Limited Common Elements, against the Owners of all Apartments, except for Apartments being eliminated from the Project, in proportion to their common interests, (ii) with respect to the repairing and/or rebuilding of an Apartment, against the Owner of such Apartment, and (iii) with respect to the repairing and/or rebuilding of any Limited Common Element, against the Owners of all Apartments to which such Limited Common Element is appurtenant. In the case of Limited Common Elements appurtenant to more than one Apartment, each such Apartment's share of the special assessment shall be determined by dividing the common interest appurtenant to such Apartment by the aggregate common interests appurtenant to all Apartments to which the Limited Common Element is appurtenant, and multiplying the resulting percentage by the total amount of the special assessment for the Limited Common Element. All of the foregoing special assessments shall be secured by the lien created under Section 7.5 of the Bylaws.

15.1.5 Disbursement of Insurance Proceeds. The cost of the work (as estimated by the Board) shall be paid out from time to time or at the direction of the Board as the work progresses, but subject to the following conditions:

(a) An architect, engineer, construction manager or other qualified person designated by the Board (who may be employees of the Board) shall oversee the work;

(b) Each request for payment shall be made on seven (7) days' prior notice to the Insurance Trustee and shall be accompanied by a certificate to be made by such architect or engineer stating that all of the work completed has been done in compliance with the approved plans and specifications and that the sum requested is justly required to reimburse the Board for payments by the Board to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services and materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the Insurance Trustee, the sum requested does not exceed the value of the work done to the date of such certificate;

(c) Each request shall be accompanied by waivers of liens satisfactory to the Insurance Trustee, covering that part of the work for which payment or reimbursement is being requested, and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to the Insurance Trustee, that there has not been filed with respect to the premises any mechanics' or other lien or instrument for the retention of title with respect to any part of the work not discharged of record;

(d) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the premises legal;

(e) The fees and expenses of the Insurance Trustee as determined by the Board and the Insurance Trustee shall be paid by the Association as a common expense, and such fees and expenses may be deducted from any proceeds at any time in the hands of the Insurance Trustee; and

(f) Such other conditions not inconsistent with the foregoing as the Insurance Trustee may reasonably request.

15.1.6 Excess Insurance Proceeds. Upon completion of the work and payment in full for the work, any remaining proceeds of insurance then or later in the hands of the Board or of the Insurance Trustee shall be paid or credited (i) for proceeds attributable to the Common Elements exclusive of the Limited Common Elements, to the Owners of all the Apartments and the holders of any mortgage on the Apartments, as their interests may appear, in proportion to their common interests, or (ii) for proceeds attributable to an Apartment and the Limited Common Elements appurtenant to such Apartment, to the Owner of such Apartment and the holder of each mortgage on such Apartment, as their interests may appear.

15.1.7 Release of Claims. To the extent that any loss, damage or destruction to any portion of the Project or other property is covered by (or, under Section 14.1, should have been covered by) insurance procured by the Board, the Association, Owners and Board shall have no claim or cause of action for such loss, damage or destruction against any Owner (other than for any special assessment levied in accordance with Section 15.1.4, Developer, the Board or any officer of the Association. To the extent that any loss, damage or destruction to an Apartment, Limited Common Elements appurtenant to the Apartment or any other property of an Owner is covered by insurance procured by such Owner, such Owner shall have no claim or cause of action for such loss, damage or destruction against the Association, Board, any officer of the Association, the managing agent, Developer, or any other Owner or any person claiming under any of them.

15.2 Uninsured Casualty; Partial Restoration and Determination against Restoration.

15.2.1 Uninsured Casualty. In case at any time or times any improvements of the Project shall be substantially damaged or destroyed by any casualty not insured against, such improvements shall be rebuilt, repaired or restored unless Owners owning eighty percent (80%) or more of the Apartments in number and owning Apartments to which are appurtenant eighty percent (80%) of the common interests vote to the contrary. Any such approved rebuilding, repair or restoration shall be completed diligently by the Association. The cost of all such approved rebuilding, repair or restoration shall be borne (i) by the Association as a common expense with respect to any Common Elements, exclusive of Limited Common Elements, and (ii) with respect to any Limited Common Elements, by the Owner(s) of the Apartment(s) to which such Limited Common Elements are appurtenant. The Owners shall be solely responsible for any restoration of their respective Apartments so damaged or destroyed. Such rebuilding, repair or restoration shall be performed in accordance with the original plans and specifications or such other plans and specifications first approved by the Board, and the mortgagees of record of any interest in an Apartment directly affected. Unless such restoration is undertaken within a reasonable time after such casualty, the Association, at its common expense, shall remove all remains of improvements so damaged or destroyed and restore the site of the improvements to good orderly condition and even grade.

15.2.2 Partial Restoration. Restoration of the Project with less than all of the Apartments after casualty or condemnation may be undertaken by the Association only in accordance with an amendment to this Declaration, duly adopted by the affirmative vote of not less than eighty percent (80%) of the Owners, including at least eighty percent (80%) of the Owners of Apartments that will not be restored, and by all holders of mortgages encumbering the Apartments that will not be restored, by (i) removing the Project from the condominium property regime established by this Declaration, (ii) reconstituting all of the remaining Apartments and Common Elements to be restored as a new condominium property regime, and (iii) providing for payment to the Owner of each Apartment not to be restored and such Owner's mortgagee, if any, as their interests may appear, the then fair market value of such Apartment, less such Apartment's proportionate share of the cost of debris removal. If the Board and the Owner of a removed Apartment are unable to agree upon such fair market value within one hundred eighty (180) days after such damage or destruction has occurred, then such fair market value shall be determined by arbitration in accordance with the provisions of Section 23.

15.2.3 Determination Against Restoration. Except as otherwise provided in Sections 15.2.1 and 15.2.2, in the event of an insured casualty or the condemnation of any part or all of the Project, the Project shall be repaired, rebuilt and restored as provided in Section 15.1 in the case of an insured casualty, and as provided in Section 16, in the case of condemnation, unless, within ninety (90) days after such casualty or condemnation has occurred, it is determined not to repair, rebuild and restore by the affirmative vote of at least eighty percent (80%) of the Owners including at least eighty percent (80%) of the Owners who suffered damage to or condemnation of their Apartments.

16. Condemnation.

16.1 Condemnation Trustee. In case at any time or times the Project or any part of the Project shall be taken or condemned by any authority having the power of eminent domain, or shall be sold to such authority under threat of condemnation, all compensation and damages for or on account of any Common Elements of the Project shall be payable to such bank or trust company (the "Condemnation Trustee") authorized to do business in Hawaii as the Board shall designate as trustee for all Owners and mortgagees according to the loss or damage to their respective Apartments and appurtenant common interests.

16.2 Allocation of Condemnation Proceeds. In the event all or any of the Apartments are taken and there is no final judicial determination of the amount of condemnation proceeds allocable to each Apartment so taken, the amount of the condemnation proceeds allocable to each Apartment (including the Apartment's appurtenant interest in the Common Elements) shall be determined by a real estate appraiser ("appraiser") who shall be a member of the American Institute of Real Estate Appraisers or any successor organization, and who shall have acted on behalf of the Owners in the condemnation proceedings; or, if no such appraiser shall have acted on behalf of the Owners or if more than one appraiser shall have acted on behalf of the Owners, then an appraiser with such qualifications shall be selected by the Board to determine the amount of condemnation proceeds allocable to each Apartment.

16.3 Condemnation of Entire Project. If the entire Project is taken, the Condemnation Trustee shall pay each Owner and mortgagee, as their interests may appear, the portion of the condemnation proceeds determined in the above manner.

16.4 Partial Taking.

16.4.1 In the event of a partial taking of the Project in which (i) any Apartment is physically eliminated, or (ii) a portion of the Apartment is eliminated and the remaining portion cannot be repaired or rebuilt in a manner satisfactory to the Owner of the Apartment, then such Apartment shall be removed from the Project and the Condemnation Trustee shall disburse to the Owner and any mortgagee of such Apartment, as their interests may appear, in full satisfaction of their interests in the Apartment, including the common interest appurtenant to that Apartment, the portion of the proceeds of such award allocable to such eliminated or removed Apartment after deducting the proportionate share of such Apartment in the cost of debris removal, and the Owners shall amend this Declaration to reflect the removal of said apartment(s) and to adjust the common interests appurtenant to the remaining Apartments by assigning to each remaining Apartment an equal percentage interest (or fraction) so that the aggregate percentage interests of all remaining Apartments equals 100%. In the event that an assignment of equal percentage interests to each Apartment is not possible or will not equal 100% in the aggregate, minor adjustment(s) to the percentage interest(s) appurtenant to one or more Apartments shall be equitably made so that the aggregate common interest equals 100%.

16.4.2 In the event of any partial taking of any of the Common Elements of the Project, the Board shall arrange for any necessary repair and restoration of the improvements remaining after the taking in accordance with the design immediately prior to such condemnation or, if repair and restoration in accordance with such design are not permissible under applicable laws and regulations then in force, in accordance with such modified plan as shall be first approved by the Board, and the mortgagee of record of each Apartment in the Project remaining after such taking. If the sums held by the Condemnation Trustee are insufficient to pay the cost of such repair and restoration, the Board shall pay such excess as a common expense, and if necessary shall levy a special assessment against the Owners.

16.4.3 If the sums received as a result of a partial condemnation exceed the total of any amounts payable to the Owner and mortgagee of a removed Apartment and the amount of costs for debris removal and for repair and restoration of the remaining buildings and improvements, such excess shall be divided among the Owners including the Owners of any eliminated Apartments in accordance with their interest in the Common Elements prior to the condemnation.

16.4.4 Unless restoration or replacement is undertaken within a reasonable time after such taking, condemnation or sale, the Association at its common expense shall remove all remains of such improvements on the remaining land and restore the site of the improvements to good orderly condition and even grade.

17. Amendment.

17.1 Amendments Generally. Except as otherwise expressly provided in this Declaration or in the Act, this Declaration (and the Condominium Map) may be amended only by the affirmative vote or written consent of the Owners of Apartments in the Project to which are appurtenant at least seventy-five percent (75%) of the common interests, evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, which amendment shall be effective upon recordation in the Land Court.

17.2 Amendments by Developer.

17.2.1 Before First Conveyance. At any time prior to the first recording of a conveyance or transfer (other than for security) of an Apartment to a person other than Developer, Developer may amend this Declaration (including all Exhibits), the Bylaws and the Condominium Map in any manner, without the consent or joinder of any Apartment purchaser or any other party.

17.2.2 As Built Amendment. Notwithstanding the lease, sale or conveyance of any of the Apartments, Developer may amend this Declaration (and when applicable, any Exhibits to this Declaration) and the Condominium Map to file the "as-built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans previously filed fully and accurately depict the layout, location, Apartment numbers, and the dimensions of the Apartments as built, or (ii) so long as the plans filed with the verified statement involve only minor changes to the layout, location, or dimensions of the Apartments as built or any change in the Apartment number.

17.2.3 Amendments Required by Law etc. No matter what else this Declaration says, until the Sell-Out Date, Developer shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) without the consent or joinder of any Apartment owner, lienholder or other person or entity, for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Apartments, (iv) any institutional lender lending funds on the security of the Project or any of the Apartments, or (v) any other governmental or quasi-governmental agency, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development and the Veterans Administration. However, no amendment which would change the common interest appurtenant to an Apartment or materially change the design, location or size of an Apartment shall be made without the consent of all persons having an interest in such Apartment and Developer cannot use its power of attorney under Section 19.1 to grant itself that consent.

17.2.4 Amendments With Respect to Apartment 107. Apartment 107 has a Limited Common Element shown as Open Deck on the Condominium Map which lies over a portion of Apartment M-2. In the event that Developer determines in its sole discretion that such Open Deck is required for the installation of equipment for Apartment M-2, Developer may amend the Declaration to transfer the Open Deck from Apartment 107 to Apartment M-2 or any Apartment then existing that lies under the Open Deck. By accepting an Apartment deed of

Apartment 107 any Owner of Apartment 107 consents to the amendments described in this Section 17.2.4 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same. Developer may include a limited power of attorney in favor of Developer to grant such consent in any deed from Developer of Apartment 107.

17.2.5 Conversion of Certain Limited Common Elements Into Apartments. The Developer may, without the consent of any other party except the Apartment Owner of the Commercial Apartment to which the Limited Common Element is appurtenant and any mortgagee of such Apartment, amend this Declaration to convert any portion of the Limited Common Elements appurtenant to Commercial Apartments, which are described in the section of Exhibit B entitled Calculation of Weighted Net Living Areas, into an Apartment, with a Common Interest calculated as provided in such section, and to reduce the Common Interest of the Commercial Apartment to which the Limited Common Element was appurtenant by the same amount.

17.3 Subdivision And Consolidation Of Commercial Apartments.

17.3.1 Subdivision.

(a) The Owner of a Commercial Apartment can amend the Declaration and Condominium Map without the joinder of any other Owner to do any or all of the following:

(i) Subdivide the Apartment to create two or more Apartments;

(ii) Designate which Limited Common Elements of the subdivided Apartment will be appurtenant to the Apartments resulting from the subdivision;

(iii) Change parts of the existing Apartment to Common Elements or to Limited Common Elements appurtenant to one or more of the Apartments resulting from the subdivision; and

(iv) Change parts of the Limited Common Elements appurtenant only to the subdivided Apartment into parts of one or more of the Apartments resulting from the subdivision.

(b) If the subdivided Apartment is the Front Desk Apartment, the Owner must designate which resulting Apartment must comply with Section 10.3 and provide front desk service and key card service.

(c) The common interest that was appurtenant to the subdivided Apartment will be divided among the Apartments resulting from the subdivision according to the ratio of their net living areas. The total of the common interests for the newly created Apartments must be equal to the common interest of the subdivided Apartment.

17.3.2 Consolidation.

(a) The Owner of two or more Commercial Apartments can amend the Declaration and Condominium Map without the joinder of any other Owner to do any or all of the following

(i) Consolidate the apartments into a single Apartment; and

(ii) Make any Common Element walls between the Apartments part of the Apartment or its Limited Common Elements. This does not apply, however, to load-bearing walls.

(b) The common interest of the newly created Apartment will be equal to the sum of the common interests of the Apartments being consolidated.

17.3.3 Consolidation and Resubdivision. The Owner of two or more Commercial Apartments can amend the Declaration and Condominium Map without the joinder of any other Owner to consolidate and resubdivide the Apartments in a single amendment using the rights provided in Section 17.3.1 and Section 17.3.2.

17.3.4 Subdivision etc. by Developer. It is the intention of Developer in connection with the offer for sale of the Commercial Apartments to enter into sales contracts for the sale of Commercial Apartments that are configured differently from the Commercial Apartments shown on the Condominium Map filed together with this Declaration and to exercise its rights under this Section 17.3. and Section 17.4 to reconfigure the Commercial Apartments and their appurtenant Limited Common Elements from time to time to facilitate the sale of Commercial Apartments.

17.3.5 Additional Rights of Developer Concerning Mezzanine Apartments. The Developer reserves the following additional rights with respect to the Mezzanine Apartments:

(a) To amend the Declaration and Condominium Map without the joinder of any other Owner to reconfigure all or portions of the Mezzanine Apartments as Hotel Apartments. If Developer exercises this right at least fifty percent (50%) of the Hotel Apartments on the Mezzanine floor must be lodging units to preserve the status of the Project as a nonconforming hotel;

(b) In its amendments to the Declaration the Developer may restrict the use of the Hotel Apartments on the Mezzanine floor to Hotel Use, as dwelling or lodging units as the case may be, or may permit the Hotel Apartments on the Mezzanine floor to be used for any lawful purpose, but the Hotel Apartments on the Mezzanine floor shall always be restricted so that no Hotel Apartment that is a dwelling unit may be converted into more than one dwelling unit and no Hotel Apartment that is a lodging unit may be converted to another use if that will cause the number of lodging units on the Mezzanine floor to be less than fifty percent (50%) of the Hotel Apartments on the Mezzanine floor.

17.3.6 Board Approval. Any Commercial Apartment Owner, except Developer, shall require the consent of the Board, which may be withheld in the Board's sole discretion, to an amendment consolidating or subdividing or both.

17.4 Change of Ownership of Limited Common Elements.

17.4.1 The Owners of any two Commercial Apartments may amend this Declaration to transfer any portion of the Limited Common Elements appurtenant to one of the Commercial Apartments to the other Commercial Apartment, without the joinder of any other person except the mortgagees of the Commercial Apartments. If the Commercial Apartment from which the Limited Common Element is transferred has a portion of its Common Interest based on the area of the transferred Limited Common Element as described in Exhibit "B" that portion of the Common Interest shall also be transferred to the Apartment to which the Limited Common Element is transferred.

17.4.2 The Owners of any two Apartments may amend this Declaration to transfer any Basement Parking Element or Lobby Parking Element from one Apartment to the other, without the joinder of any other person except the mortgagees of such Apartments. If a Basement Parking Element or Lobby Parking Element is transferred, a 0.017055% Common Interest shall also be transferred.

17.5 Restatement. No matter what else this Declaration says, the Board, by a duly adopted resolution, shall have the authority as set out in the Act to restate this Declaration from time to time to set out any prior amendments to this Declaration, or to amend this Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

17.6 Developer Consent to Amendments. No matter what else this Declaration may say, neither Section 18 nor any other provision granting or reserving rights to Developer or the Owner of any Commercial Apartment may be amended without the prior written consent and joinder of Developer or such Owner, as the case may be.

Each and every party holding or acquiring an interest in the Project, by joining in the Declaration or by such acquisition, consents to the amendments described in this Section and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same.

18. Alterations to the Project.

18.1 Within an Apartment. Any alterations or additions within an Apartment or a Limited Common Element appurtenant to an Apartment, which do not affect the structural integrity of the Building or the soundness or safety of the Project, or reduce the value of the Project or impair any easement, shall require only the approvals provided in Section 18.4.

18.2 Adjacent Apartments. An Owner owning two or more Apartments, which Apartments are separated only by Common Elements which are walls or doors, may alter or

remove all or portions of the intervening walls or doors if the Owner satisfies the following conditions:

18.2.1 The Owner obtains the prior written approval of the Board, which may be withheld in the Board's sole discretion;

18.2.2 The structural integrity of the Building or the soundness and safety of the Project are not affected, the value of the Project is not reduced, and no easement or hereditament of the Project is impaired;

18.2.3 The remainder of the Common Element is restored to a finish substantially comparable to the finish of that Common Element prior to the work; and

18.2.4 On the termination of the common ownership of such adjacent Apartments, if the intervening walls or door shall have been altered or removed in accordance with this Section 18.2 each of the Owners of such Apartments shall be obligated to restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

If the adjacent Apartments remain in common ownership, the owner of the adjacent Apartments which have been altered or removed in accordance with this Section 18.2 may, at any time, restore the intervening walls or doors to substantially the condition in which they existed before the alteration or removal.

18.3 Enclosing Mezzanine Apartments and Adding Windows.

18.3.1 Certain Mezzanine Apartments adjacent to the main staircase are bounded by a Common Element half wall enclosing the staircase topped by flat tiling. The Owner of the Mezzanine Apartment may remove the flat tiling and extend the Common Element wall to the ceiling provided that the wall extension has the same finish as the remainder of the Common Element wall and the structural integrity of the Common Element wall and the Building is preserved.

18.3.2 Certain Mezzanine Apartments are enclosed along the exterior of the building only by Common Element half walls or railings. The Owner of such a Mezzanine Apartment may enclose the Apartment by extending the Common Element walls vertically and by installing windows at the locations shown on the Condominium Map as reserved for additional windows provided that the wall extension has the same finish as the remainder of the Common Element wall and the structural integrity of the Common Element Wall is preserved. Upon completion the boundaries of such Mezzanine Apartment shall be as described in Section 3.5.1.

18.3.3 The Owner of a Mezzanine Apartment may install windows in the exterior walls shown on the Condominium Map as reserved for additional windows provided that the structural integrity of the Common Element wall and the Building is preserved.

If the Owner is not Developer, then Developer's prior written approval of the plans for any alterations under this Section 18 will be required until the Sell-Out Date.

18.4 Additional Consents. Improvements in accordance with Sections 18.1, Section 18.2 and Section 18.3 may be undertaken without an amendment to the Declaration or the filing of a complete set of floor plans of the Project as so altered. Such improvements, including their plans, which shall be prepared by a licensed architect, shall require the written approval of only, the holders of liens affecting such Apartments (if the lien holders require such approval), the Board, and all other Apartment owners directly affected (as conclusively determined by the Board). Apartment owners shall be determined to be directly affected only if such improvements are visible from such Owners' Apartments or increase the transmission of sound or heat to such owners' Apartments or decrease the transmission of light, all as determined by the Board.

18.5 PROTECTION OF HOTEL STATUS. NO MATTER WHAT ELSE THIS DECLARATION SAYS, NO ALTERATION WILL BE PERMITTED THAT WILL REDUCE THE NUMBER OF LODGING UNITS IN THE PROJECT OR INCREASE THE NUMBER OF DWELLING UNITS AS DEFINED IN THE LUO EXCEPT THAT DEVELOPER MAY CONVERT ALL OR PORTIONS OF COMMERCIAL APARTMENTS IN THE MEZZANINE TO EQUAL NUMBERS OF DWELLING AND LODGING UNITS AS PROVIDED IN SECTION 17.3.5.

18.6 Front Desk Apartment. The Front Desk Owner may from time to time install, maintain, move or rearrange the reception desk, nonloadbearing partitions, and other nonstructural improvements within the Front Desk Apartment and the Front Desk Elements and such improvements shall not be considered an alteration or addition to the Front Desk Apartment or the Front Desk Elements, but if the Front Desk Owner is not Developer, then Developer's prior written approval of the plans will be required until the Sell-Out Date.

18.7 Other Commercial Apartments. Any other Commercial Owner may from time to time install, maintain, move or rearrange nonloadbearing partitions and other nonstructural improvements within the Commercial Apartment and such improvements shall not be considered an alteration or addition to the Commercial Apartment, but if the Commercial Owner is not Developer, then Developer's approval of the plans will be required until the Sell-Out Date.

18.8 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 carpet, tile or other floor covering, except for the following, with the prior written approval of the Board:

18.8.1 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

18.8.2 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.

18.9 Developer's Alteration Rights. Developer reserves the right to make any alterations to any Apartment owned by Developer or any Limited Common Element appurtenant only to Apartments owned by Developer, including any alterations permitted by this Section 18 without the consent of the Board or any other Owner.

18.10 Compliance with Law. All alterations made to any portion of the Project shall be made in compliance with applicable laws and any person making such alterations shall obtain and keep in effect all necessary permits.

19. Provisions Concerning Developer's Rights.

19.1 Power of Attorney. Developer shall have the absolute right, notwithstanding the lease, sale or conveyance of any Apartment, and without being required to obtain the consent or joinder of any Owner, lien holder or other persons, to exercise any and all rights reserved to Developer in this Declaration and to execute, record and/or file easements, amendments and any and all other instruments necessary or appropriate for the purpose of exercising Developer's rights. Any such action shall be deemed taken by Developer as the true and lawful attorney-in-fact of the respective Owners and lien holders. Each and every party acquiring an interest in any Apartment, the Project or the Land covered by this Declaration, by such acquisition, consents to the exercise of any of Developer's rights and to the recordation of such documents as may be necessary to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints Developer his or her attorney-in-fact with full power of substitution to execute such documents and do such other things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

19.2 Assignment of Developer's Rights. Developer may assign or mortgage or grant a security interest in whole or in part with respect to any rights reserved to Developer in this Declaration by a recorded instrument specifically assigning or mortgaging or granting a security interest in such rights, in connection with the conveyance or mortgaging of one or more Apartments in the Project, but such rights shall be held by only one person or entity at any time unless the assignment specifically provides otherwise.

20. Security. Neither Developer nor the Association shall be considered in any way an insurer or guarantor of security within the Project and each Owner agrees not to hold Developer or the Association liable for any loss or damage such Owner or anyone else may suffer by reason of a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. Each Owner assumes all risk of injury, loss or damage that may arise due to a failure to provide adequate security or from the ineffectiveness of any security measures undertaken at the Project. By acquiring an interest in an Apartment in the Project, each Owner acknowledges and agrees that neither Developer nor the Association has made any representations or warranties, either express or implied, about any security measures at the Project and such Owner has not relied upon any such representations or warranties.

21. Developer's Declarations. The Building is an existing structure being converted by this Declaration to condominium status. As required by Section 514A-11 (13) of the Act, Developer

makes the following declarations. These declarations are made to the best of Developer's knowledge and based on statements in that certain letter dated June 3, 2003 from Eric G. Crispin AIA Director of Planning and Permitting of the City and County of Honolulu:

21.1 The Project is in compliance with all zoning and building ordinances and codes, and all other permitting requirements;

21.2 The variances listed on Exhibit "D" have been granted from the applicable ordinances or codes to achieve such compliance;

21.3 As a result of the adoption or amendment of certain ordinances or codes, the Project presently contains legal non-conforming uses and structures as described in said letter.

22. Invalidity. The invalidity of any provision in this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions shall continue in full force and effect as if such invalid provision had never been included in this Declaration.

23. Captions. The head notes or captions of each section are for convenience only and shall not be construed as enlarging, restricting, modifying or otherwise affecting their meaning or context.

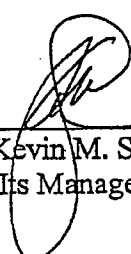
24. Pronouns All pronouns that are used in this Declaration shall include all other numbers and genders, as the context or their antecedents may require.

25. Changes in Law. In the event any change in the Act shall result in a conflict or inconsistency between the provisions of this Declaration and the Act, the provisions of the Act shall prevail.

Developer has executed this Declaration as of the 27 day of February, 2004.

WAIKIKI TERRACE LLC

By


Kevin M. Showe
Its Manager

STATE OF HAWAII)

) SS:

CITY AND COUNTY OF HONOLULU)

On this 21 day of February, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Signature: Pamela Simon

Print Name: PAMELA SIMON

Notary Public, State of Hawaii

My commission expires: 9-13-2007

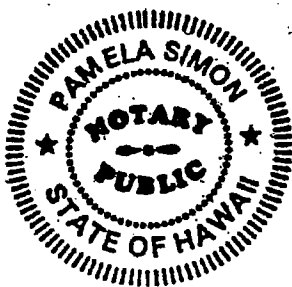


EXHIBIT "A"

All of that certain parcel of land situate on Kalakaua Avenue, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT A, area 26,164 square feet, more or less, as shown on Map 2, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 762 of Mary Ellen Loncke;

Being land(s) described in Transfer Certificate of Title No. 679,063 issued to WAIKIKI TERRACE LLC, a Hawaii limited liability company.

Being the premises acquired by Deed from Max Holdings, Inc. a Hawaii corporation to Waikiki Terrace LLC dated December 29, 2003 and filed as Land Court Document No. 3048594.

Subject to:

1. Real Property Taxes not yet due and payable.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Sidewalk and Landscape Maintenance Assessment along Kalakaua Avenue, District No. 100, Lot No. 3.
4. A 10-foot road widening setback line, as shown on the Waikiki-Diamond Head Planning Area Map, prepared by City and County Department of Transportation Services.

EXHIBIT "B"

Listing of Apartment Numbers, Unit Types, Common Interests, Net Living Area, Area of Limited Common Element Lanais, Apartment Descriptions

A. DESCRIPTION OF HOTEL APARTMENTS

Unit No	Unit Type	Common Interest	Net Living Area	Lanai Area	B/B	D/D	AS/AT	DESCRIPTION
101	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
102	B	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
103	A	0.329522%	313	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
104	G	0.323206%	307	93	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
107	U	0.619039%	588	510	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note: This Apartment has a Limited Common Element lanai and open deck with aggregate area of 510 s.f. See Section 17.2.4 for further information concerning open deck.
109	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
110	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
111	C	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
112	D	0.332681%	316	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
114	A	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
115	B	0.329522%	313	184	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
116	F	0.381109%	362	583	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
117	A	0.329522%	313	54	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
118	B	0.329522%	313	71	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
119	B	0.329522%	313	33	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
120	E	0.392689%	373	201	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.

D or L refer to Dwelling Unit or Lodging Unit. B/B refers to number of separate bedrooms and bathrooms. AS or AT refer to Accessible Shower or Accessible Tub. Lanais are Limited Common Elements not part of the Apartments.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SQ FT)	B/E	L/D	AS/AT	DESCRIPTION
201	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
202	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room -- with wetbar and bathroom.
203	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
206	S	0.711684%	676	624	1/1	D		One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
209	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
210	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
214	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
215	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
216	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
217	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
218	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
219	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
220	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AH	DESCRIPTION
301	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
302	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
303	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
304	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
306	T	0.711684%	676	70	1/1	D	AT	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
307	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
309	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
310	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
311	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
312	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
314	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
315	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
316	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
317	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
318	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
319	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
320	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SFE)	B/B	L/D	AS/AT	DESCRIPTION
401	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
402	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
403	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
404	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
406	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
407	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
409	H	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
410	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
411	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
412	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
414	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
415	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
416	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
417	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
418	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
419	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
420	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (HCB)	B/B	L/D	AS/AT	DESCRIPTION
501	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
502	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
503	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
504	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
506	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
507	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
509	I	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
510	J	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
511	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
512	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
514	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
515	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
516	F	0.381109%	362	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.
517	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
518	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
519	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
520	E	0.392689%	373	38	0/1	L	-	Studio unit consisting of a vestibule, living/sleeping room with wetbar and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SQ. FT.)	B/B	L/D	AS/AT	DESCRIPTION
601	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
602	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
603	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
604	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
606	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
607	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
609	I	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
610	J	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
611	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
612	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
614	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
615	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
616	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
617	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
618	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
619	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
620	M	0.392689%	373	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.

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Unit No	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	L/D	AS/AT	DESCRIPTION
701	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
702	B	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
703	A	0.329522%	313	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
704	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
706	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
707	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
709	P	0.329522%	313	34	0/1	L	AT	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
710	Q	0.329522%	313	34	0/1	L	AS	Accessible studio unit consisting of a living/sleeping room with wetbar and bathroom.
711	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
712	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
714	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
715	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
718	V	1.185438%	1126	991	2/2	D	AT	Two bedroom accessible unit consisting of a living room with kitchen, bedroom, bathroom, master bedroom with bathroom and dressing room. Note the lanai area is the aggregate area of four Limited Common Element lanais.

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EXHIBIT "B"
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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	L/D	AS/AT	DESCRIPTION
801	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
802	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
803	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
804	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
806	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
807	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
809	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
810	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
811	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
812	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
814	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
815	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
816	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
817	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
818	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq ft)	B/B	L/D	AS/LAI	DESCRIPTION
901	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
902	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
903	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
904	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
906	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
907	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
909	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
910	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
911	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
912	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
914	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
915	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
916	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
917	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
918	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AT	DESCRIPTION
1001	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1002	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1003	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1004	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1006	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1007	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1009	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1010	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1011	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1012	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1014	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1015	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1016	N	0.381109%	362	38	0/1	D	-	Studio unit consisting of a vestibule, living/sleeping room with kitchen and bathroom.
1017	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1018	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (LCE)	B/B	L/D	AS/AT	DESCRIPTION
1101	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1102	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1103	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1104	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1106	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1107	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1109	P	0.329522%	313	34	0/1	D	AT	Accessible studio unit consisting of a living/sleeping room with kitchen and bathroom.
1110	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
111	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1114	W	1.008570%	958	1385	2/2	D	-	Two bedroom unit consisting of a vestibule, living room with kitchen, bedroom, bathroom and master bedroom with bathroom. Note the lanai area is the aggregate area of four Limited Common Element lanais.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (SQ. FT.)	B/B	L/D	AS/AT	DESCRIPTION
1201	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1202	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1203	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1204	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1206	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1207	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1209	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1210	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1211	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1212	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1214	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1215	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

ALL AREAS ARE APPROXIMATE

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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	1/2 D	AS/AT	DESCRIPTION
1401	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1402	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1403	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1404	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1406	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1407	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1409	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1410	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1411	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1412	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1414	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1415	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq ft)	B/B	LAD	AS/AT	DESCRIPTION
1501	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1502	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1503	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1504	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1506	R	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1507	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1509	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1510	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1511	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1512	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1514	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1515	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

ALL AREAS ARE APPROXIMATE

EXHIBIT "B"
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Unit No.	Unit Type	Common Interest	Net Living Area	Lanai Area (sq. ft.)	B/B	T/D	AS/AD	DESCRIPTION
1601	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1602	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1603	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1604	G	0.323206%	307	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1606	S	0.711684%	676	70	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1607	U	0.619039%	588	69	1/1	D	-	One bedroom unit consisting of a living room with kitchen, bedroom and bathroom. Note the lanai area is the aggregate area of two Limited Common Element lanais.
1609	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1610	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1611	C	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1612	D	0.332681%	316	34	0/1	L	-	Studio unit consisting of a living/sleeping room with wetbar and bathroom.
1614	K	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.
1615	L	0.329522%	313	34	0/1	D	-	Studio unit consisting of a living/sleeping room with kitchen and bathroom.

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DESCRIPTION OF COMMERCIAL APARTMENTS

Unit No.	Common interest	Net Living Area	DESCRIPTION
L-1	0.925400%	879	A Commercial Apartment with five (5) rooms.
L-2	0.736951%	295	A Commercial Apartment with one (1) room.
L-3	0.722212%	673	A Commercial Apartment with one (1) room.
L-4	2.038195%	621	A Commercial Apartment with four (4) rooms, also called the Front Desk Apartment and containing the front desk.
M-1	4.249047%	4036	A Commercial Apartment with one (1) room.
M-2	4.615417%	4384	A Commercial Apartment with one (1) room. Note: Apartment M-2 contains a disused dumbwaiter which reduces the usable space.
M-3	1.987661%	1888	A Commercial Apartment with one (1) room.
M-4	1.150696%	1093	A Commercial Apartment with one (1) room.

ALL AREAS ARE APPROXIMATE

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CALCULATION OF COMMON INTERESTS

Common interests were calculated by taking the net living area of Hotel Apartments, Apartment L-1, and Apartments M-1, M-2, M-3 and M-4 and the weighted net living area of Apartments L-2, L-3 and L-4. The weighting calculation is shown below. This produces an aggregate weighted net living area for the Project of 94,986 square feet.

The common interest of an individual Apartment is calculated by dividing the net living area (or weighted area) of the Apartment by 94,986 and expressing the result as a percentage:

$$\frac{\text{Apartment Area} \times 100}{94,986} = \text{Common Interest \%}$$

	(1)	(2)	(1) x (2)	(3)	(2) x (3)
Unit Type	Area or Weighted Area of Each Apartment:	No. of Units in each Type	Total Area or Weighted Area of Apartments in Type	Common Interest per Apartment in Type	Total Common Interest of Apartments in Type
G	307	15	4605	0.323206%	4.848090%
A, B, H, I, J, K, L, P, Q	313	127	39751	0.329522%	41.849294%
C, D	316	29	9164	0.332681%	9.647749%
N	362	9	3258	0.381109%	3.429981%
E, M	373	6	2238	0.392689%	2.356134%
U	588	15	8820	0.619039%	9.285585%
R, S, T	676	14	9464	0.711684%	9.963576%
V	1126	1	1126	1.185438%	1.185438%
W	958	1	958	1.008570%	1.008570%
Apt L-1	879	1	879	0.925400%	0.925400%
Apt L-2	700	1	700	0.736951%	0.736951%
Apt L-3	686	1	686	0.722212%	0.722212%
Apt L-4	1936	1	1936	2.038195%	2.038195%
Apt M-1	4036	1	4036	4.249047%	4.249047%
Apt M-2	4384	1	4384	4.615417%	4.615417%
Apt M-3	1888	1	1888	1.987661%	1.987661%
Apt M-4	1093	1	1093	*1.150700%*	*1.150700%*
			94986		100.00%

*Rounded up slightly so that aggregate will be 100%.

Note: All areas are approximate and weightings a matter of discretion and the common interests will not change in the event that area differences are discovered or use of weighted areas is changed.

ALL AREAS ARE APPROXIMATE

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CALCULATION OF WEIGHTED NET LIVING AREAS

Apartment L-2, L-3 and L-4 have weighted areas for the calculation of common interests. Apartment L-4 the Front Desk has been weighted at 25% of its actual area because of the obligations placed upon the Front Desk Apartment in the Declaration. For the purpose of calculating common interests, the Limited Common Elements appurtenant to Apartments L-2, L-3 and L-4 that will be maintained by the Association were added to the area of the Apartment at a weighted formula. Weighting is based on Developer's opinion of the likely use of the space and its affect on the common expenses. As provided in this Declaration, if a Limited Common Element that affects the common interest of an Apartment is transferred, the corresponding portion of the common interest will be transferred also.

Required or Probable Use.	Space	Sq Ft	Weighting Value	Weighted Sq Ft
Office	L-2	295	1.00	295
Lobby Parking	25 stalls	4,050	0.10	405
	Total L-2	4,345		700
Retail	Apt L-3	673	1.00	673
Storage	Area L-1	128	0.10	13
	Total L-3	801		686
Front Desk	Apt L-4	621	0.25	155
Wskp/Maint Employee Areas	Areas B-1 through B-4 and B-6 through B08	2,869	0.25	717
Makai Utility Rm/floor	Area 1-1	1,395	0.10	140
Mauka Utility Rm/floor	Area 1-2	1,035	0.10	104
Employee Restroom	Area L-2	100	0.10	10
Basement Parking	50 Stalls	8,100	0.10	810
	Total L-4	14,120		1,926

Based on the total weighted square footage of the Project and the weighted square footage of each parking stall, 0.017055% ($16.2/94986 \times 100$) is added to the common interest of an Apartment to which a parking stall is appurtenant. The area of a parking stall for this calculation is based on a typical stall area of approximately 162 square feet.

ALL AREAS ARE APPROXIMATE

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EXHIBIT "C"
Listing of Parking Stalls and Intrusions Into Parking Stalls

PARKING STALL SCHEDULE

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
L-1	R		Door to Apartment L-1
L-2	R		
L-3	R		
L-4	R		
L-5	R		
L-6	R		
L-7	R		Fire Hose Cabinet
L-8	R		
L-9	R		Door to Elevator Machine Room
L-10	R		Door to DW storage room
L-11	R		
L-12	R		
L-13	R		
L-14	R		
L-15	R		
L-16	R		
L-17	R		
L-18	R		
L-19	R		
L-20	R		
L-21	R		
L-22	R	H	
L-23	R	H	
L-24	R		
L-25	C		Duct

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
B-1	C		
B-2	C		
B-3	C		Aisleway to storage and stair
B-4	R		
B-5	R		
B-6	R		Air Conditioner
B-7	C		Door to Area B-8
B-8	R		
B-9	R		
B-10	R		
B-11	R		
B-12	R		
B-13	R		
B-14	R		
B-15	R		
B-16	R		
B-17	R		
B-18	R	H	Electrical room doors intrude into access aisle
B-19	R		Door to Electric Transformer Room
B-20	R		Door to Electric Transformer Room
B-21	R		Door to Area B-6
B-22	R		
B-23	R		
B-24	R		
B-25	R		Duct
B-26	R		Duct
B-27	R		Duct
B-28	R		Duct
B-29	R		Duct
B-30	R		
B-31	R		
B-32	R		
B-33	R		
B-34	R		
B-35	R		
B-36	R		Fire extinguisher
B-37	R		
B-38	R		
B-39	R		

Parking Stall Number	Compact (C) or Regular (R)	Handicapped (H)	Intrusions into the parking space
B-40	R		Mechanical equipment above reduces height to 6'2"
B-41	R		Mechanical equipment above reduces height to 6'2"
B-42	R		Mechanical equipment above reduces height to 6'2"
B-43	R		Mechanical equipment above reduces height to 6'2"
B-44	R		Mechanical equipment above reduces height to 6'2"
B-45	C		Mechanical equipment above reduces height to 6'2" Fire sprinkler valves
B-46	R		Mechanical equipment above reduces height to 6'2"
B-47	R		Mechanical equipment above reduces height to 6'2"
B-48	C		Mechanical equipment above reduces height to 6'2" Utility cage door, fire sprinkler line
B-49	R		Access required to mechanical Equipment above
B-50	R		

EXHIBIT "D"

List of Variances

1. 75/ZBA-108 on October 2, 1975 to construct a wall within rear yard setback.
2. 85/WSD-42 on November 6, 1985 for air conditioning unit.
3. 90/WSD-4 on January 24, 1990 for minor alterations.
4. 90/WSD-32 on October 20, 1990 for minor modifications.
5. 91/VAR-13 on August 6, 1991 for trellis to encroach into front yard setback.
6. 91/WSD on October 4, 1991 for a porte cochere.
7. 94/VAR-54 on December 30, 1994 to allow a utility installation which is not a permitted use.

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

The original of this document was
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**AMENDMENT TO THE BYLAWS OF
THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI**
(Condominium Map No.1608)

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063 (currently Transfer Certificate of Title Numbers attached hereto); and

WHEREAS, said Declaration, as amended and restated (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 (currently Transfer Certificate of Title Numbers attached hereto) and incorporated therein by reference; and

WHEREAS, Chapter 514B, Hawaii Revised Statutes, provides that the declaration and bylaws of condominium associations may be amended by the vote or written consent of owners holding more than sixty-seven percent (67%) of the common interest; and

WHEREAS, at the March 23, 2010 annual meeting of the Association, owners holding more than sixty-seven percent (67%) of the common interest voted to amend the Bylaws, as hereinafter set forth;

NOW, THEREFORE, the Bylaws of the Association of Apartment Owners of Luana Waikiki are hereby amended as follows:

1. Article 4, §4.2.1 of the Bylaws is amended to read as follows:

4.2.1 The Board shall be composed of seven Directors. No decrease in number of directors shall have the effect of shortening the term of any incumbent director.

In all other respects the Bylaws, as amended, are hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Bylaws amendment was duly adopted at the March 23, 2010 annual meeting of the Association by the vote of owners holding more than sixty-seven percent (67%) of the common interest.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 9 day of JUNE, 2010.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By: Richard J. Zava

TYPE NAME: RICHARD J ZARA

TYPE TITLE: PRESIDENT LUANA AOAO

By: Kevin M. Showe

TYPE NAME: Kevin M. Showe

TYPE TITLE: Vice President

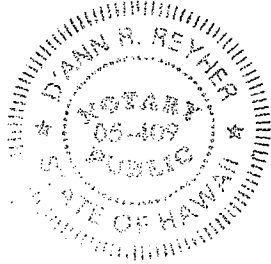
STATE OF HAWAII)

) SS.

CITY AND COUNTY OF HONOLULU)

On this 9th day of June, 2010, in the 1st Circuit, State of Hawaii, before me personally appeared Richard J. Zava, to me personally known, who being by me duly sworn, did say that he/she is the President of the Association of Apartment Owners of Luana Waikiki, that the foregoing instrument identified or described as Amendment to the Bylaws of the Association of Apartment Owners of Luana Waikiki was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that he/she executed the same as the free act and deed of said Association.

The foregoing instrument is dated 6/9/10 and contained 2 pages at the time of this acknowledgment.



[Signature]
(Signature)

D'Ann R. Reyher
(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 7/3/2013

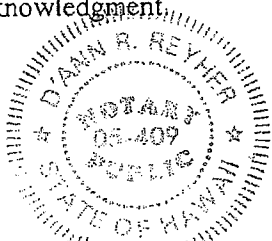
STATE OF HAWAII)

) SS.

CITY AND COUNTY OF HONOLULU)

On this 9th day of June, 2010, in the 1st Circuit, State of Hawaii, before me personally appeared Kevin M. Shaw, to me personally known, who being by me duly sworn, did say that he/she is the Vice President of the Association of Apartment Owners of Luana Waikiki, that the foregoing instrument identified or described as Amendment to the Bylaws of the Association of Apartment Owners of Luana Waikiki was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that he/she executed the same as the free act and deed of said Association.

The foregoing instrument is dated 6/9/10 and contained 2 pages at the time of this acknowledgment.



[Signature]
(Signature)

D'Ann R. Reyher
(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: 7/3/2013

AOAO Luana Waikiki

CM: 1608
 TMK: 1-2-6-006-002
 232 Apts.

TCT Numbers

Unit No.	TCT No.
101	773,121
102	714,757
103	714,758
104	744,197
107	707,465
109	879,732
110	741,541
111	804,882
112	892,334
114	716,439
115	892,333
116	727,950
117	924,092
118	954,602
119	713,169
120	808,755
201	714,520
202	967,691
203	710,722
204	710,881
206	729,861
207	713,332
209	713,394
210	713,393
211	839,549
212	747,168
214	801,171
215	932,416
216	713,573
217	714,284
218	961,295
219	822,506
220	715,546
301	706,129
302	919,186
303	879,977
304	764,697
306	985,190
307	711,837
309	713,390
310	713,572
311	736,735
312	746,294
314	706,492

Unit No.	TCT No.
315	709,573
316	811,117
317	803,453
318	980,526
319	765,316
320	808,756
401	706,127
402	792,711
403	709,575
404	709,894
406	717,511
407	771,062
409	874,848
410	808,726
411	709,020
412	709,576
414	970,833
415	835,749
416	709,578
417	732,909
418	709,579
419	735,457
420	786,547
501	950,639
502	950,640
503	950,641
504	950,642
506	717,512
507	709,580
509	955,610
510	955,590
511	794,784
512	955,591
514	856,160
515	718,236
516	960,554
517	920,506
518	703,938
519	950,647
520	817,322
601	839,756
602	702,208
603	708,051
604	709,022

AOAO Luana Waikiki

CM: 1608
 TMK: 1-2-6-006-002
 232 Apts.

TCT Numbers

Unit No.	TCT No.
----------	---------

606	821,078
607	738,402
609	730,235
610	711,229
611	936,506
612	726,203
614	747,353
615	875,354
616	707,464
617	702,024
618	757,680
619	706,128
620	809,692
701	740,797
702	703,950
703	839,756
704	976,677
706	784,544
707	703,767
709	874,828
710	968,964
711	703,319
712	927,258
714	716,409
715	858,714
716	679,063
717	679,063
718	702,766
801	977,989
802	702,709
803	700,337
804	699,674
806	821,091
807	978,374
809	701,225
810	794,895
811	972,705
812	720,956
814	898,068
815	700,867
816	965,667
817	789,892
818	855,477

Unit No.	TCT No.
----------	---------

901	700,593
902	719,526
903	701,763
904	708,528
906	920,505
907	749,986
909	776,160
910	856,434
911	702,373
912	705,376
914	813,001
915	700,622
916	699,501
917	864,836
918	709,265
1001	697,789
1002	697,365
1003	783,378
1004	699,669
1006	869,055
1007	734,614
1009	811,716
1010	910,569
1011	721,100
1012	720,900
1014	694,852
1015	707,619
1016	706,126
1017	696,408
1018	696,409
1101	772,100
1102	947,370
1103	920,504
1104	891,509
1106	845,579
1107	867,951
1109	856,637
1110	808,301
1111	723,783
1114	773,451
1201	696,238
1202	944,764
1203	983,514

AOAO Luana Waikiki

CM: 1608
 TMK: 1-2-6-006-002
 232 Apts.

TCT Numbers

Unit No.	TCT No.
----------	---------

1204	698,270
1206	962,855
1207	782,348
1209	978,649
1210	911,899
1211	721,874
1212	814,351
1214	699,116
1215	785,826
1401	807,812
1402	725,074
1403	728,965
1404	745,178
1406	725,845
1407	886,328
1409	725,076
1410	854,859
1411	729,796
1412	733,296
1414	724,994
1415	796,603
1501	804,640
1502	710,553
1503	866,616
1504	696,800
1506	829,233
1507	696,178
1509	978,648
1510	798,824
1511	782,417
1512	726,296
1514	939,232
1515	786,691
1601	728,134
1602	724,996
1603	728,751
1604	760,332
1606	729,862
1607	866,617
1609	715,909
1610	710,816
1611	702,330
1612	731,042
1614	703,414
1615	856,577

Unit No.	TCT No.
----------	---------

L1	728,056
L2	728,056
L3	728,056
L4	728,056
M100	728,056
M110	728,056
M150	734,219
M200	728,056
M250	735,837
M300	807,806
M350	735,837
M400	728,056
M500	804,243

OFFICE OF THE
ASSISTANT REGISTRAR, LAND COURT
STATE OF HAWAII
Bureau of Conveyances

The original of this document was
received as follows:

DOCUMENT NO. 3512381

DATE NOV 13 2006 TIME 8:02

TCT, _____

Return by: Mail [] Pickup [X] To:

NEELEY & ANDERSON LLP
A Limited Liability Law Partnership
Joyce Y. Neeley (3134-0)
733 Bishop Street, Suite 2301
Honolulu, Hawaii 96813 (808) 536-8177

**AMENDMENT TO THE BYLAWS OF
THE ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI**
(Condominium Map No.1608)

WHEREAS, Luana Waikiki ("the Project") was created by Declaration of Condominium Property Regime recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077901 and noted on Transfer Certificate of Title Number 679,063; and

WHEREAS, said Declaration, as amended (hereinafter referred to as the "Declaration"), provided for the organization of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI (hereinafter referred to as the "Association") and established Bylaws therefor, which said Bylaws were recorded on March 3, 2004 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3077902 and noted on Transfer Certificate of Title Number 679,063 and incorporated therein by reference; and

WHEREAS, Chapter 514B, Hawaii Revised Statutes, provides that the bylaws of condominium associations may be amended by the vote or written consent of owners holding more than sixty-seven percent (67%) of the common interest; and

WHEREAS, by written consent owners holding more than sixty-seven percent (67%) of the common interest have consented to amend the Bylaws, as hereinafter set forth;

NOW, THEREFORE, the Bylaws of the Association of Apartment Owners of Luana Waikiki are hereby amended as follows:

1. A new Section 7.5.4 is added to Article 7 of the Bylaws to read as follows:

7.5.4. All Owners who use the common element central telephone system ("Telephone System") or allow their guests, invitees, employees or others acting on their behalf to do so shall be liable for any fees or charges, including without limitation local and/or long distance charges, incurred in connection with such use of the Telephone System. The unpaid amount of such fees or charges shall constitute a lien against the Owner's interest in his or her Apartment which may be foreclosed in the same manner as provided for liens for unpaid assessments in the Condominium Property Act. In addition, at any time after a default in the payment of any Telephone System fees or charges, the Board may terminate the right to use the Telephone System by any occupant of the delinquent Owner's Apartment until such fees or charges are paid.

In all other respects the Bylaws, as amended, are hereby confirmed and shall be binding upon and inure to the benefit of owners and their respective successors and permitted assigns.

The undersigned officers of the Association hereby certify that the foregoing Bylaw amendment was duly adopted by the written consent of owners holding more than sixty-seven percent (67%) of the common interest.

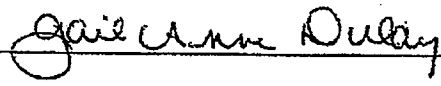
IN WITNESS WHEREOF, the undersigned have executed this instrument this 3rd day of November, 2006.

ASSOCIATION OF APARTMENT OWNERS
OF LUANA WAIKIKI

By:  _____

TYPE NAME: Kevin M. Showe

TYPE TITLE: President

By:  _____

TYPE NAME: Gail Anne Dulay

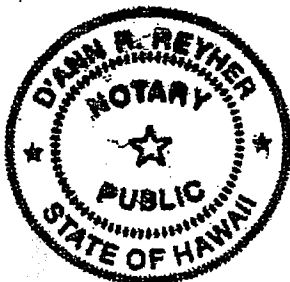
TYPE TITLE: Secretary

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 3rd day of November, 2006, before me personally appeared Kevin M. Showe, to me personally known, who being by me duly sworn, did say that he is the President of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



D'Ann R. Reyher

(Signature)

D'Ann R. Reyher
(Printed or Typed Name)

Notary Public, State of Hawaii

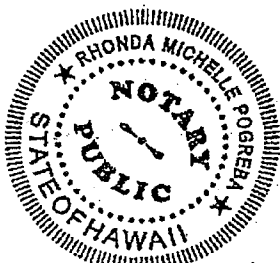
My commission expires: July 3, 2009

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)
) SS.
)

On this 27th day of October, 2006, before me personally appeared Gail Anne Dulay, to me personally known, who being by me duly sworn, did say that she is the Secretary of the ASSOCIATION OF APARTMENT OWNERS OF LUANA WAIKIKI and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.



Rhonda Michelle Pogreba
(Signature)

(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: _____

Certified to be a true and correct copy of the document
recorded on 5-3-04 at 9:30 am
in the Office of the Assistant Registrar of the Land Court,
State of Hawaii, as Document No. 3077902

Island Title Corporation

By Smith

Return by Mail () Pickup (☒) To:

Cades, Schutte Law
1000 Bishop Street, Suite 1200
Honolulu, Hawaii 96813
Attn: Bernice Littman

This document contains 45 pages.

Tax Map Key: (1) 2-6-006:002

**BYLAWS OF THE ASSOCIATION OF
APARTMENT OWNERS OF LUANA WAIKIKI**

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**BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS
OF
LUANA WAIKIKI**

RECITALS:

A. **WAIKIKI TERRACE LLC**, a Hawaii limited liability company (the "Developer"), with mailing address in Hawaii at 2045 Kalakaua Avenue, Suite 1000, Honolulu, Hawaii 96815, is the owner in fee simple of the land described in Exhibit "A" attached to and made a part of these Bylaws (the "Land"); and

B. The Developer intends to convert the Land and the improvements on the Land into a condominium project known as "**LUANA WAIKIKI**" (the "Project") in accordance with plans filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (the "Land Court") as Condominium Map No. _____ (the "Condominium Map"); and

C. The Developer has submitted all of its interest in the Land and all improvements on the Land to a Condominium Property Regime as established by Chapter 514A, Hawaii Revised Statutes, as amended (the "Act"), by Declaration of Condominium Property Regime dated February 27, 2004 recorded in the Land Court concurrently with these Bylaws (the Declaration of Condominium Property Regime, as the same may be amended from time to time, is referred to below as the "Declaration");

BYLAWS:

NOW, THEREFORE, the Developer declares that the Land and all improvements on the Land are and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the Declaration and to the following Bylaws of the Association of Apartment Owners of Luana Waikiki, all of which are declared to be in furtherance of the plan set out in the Declaration and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Project. These Bylaws shall constitute covenants running with the Land and shall be binding upon and inure to the benefit of the Developer, its successors and assigns, and all present and future Apartment Owners, mortgagees, tenants, and occupants of the Apartments and any other person who may use any part of the Project.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions. The terms used in these Bylaws shall have the meanings given to them in the Act, except as expressly defined in the Declaration or below:

"Association" means the Association of Apartment Owners of the Project.

"Apartment" means an apartment in the Project as more particularly defined in the Declaration.

3
"Apartment Deed" refers to the deed of an Apartment from the Developer to an Apartment Owner recorded in the Land Court or the Bureau.

"Apartment mortgagee" means the holder of a mortgage covering an Apartment in the Project recorded in the Land Court.

"Apartment Owner" means the owner of an Apartment in the Project more particularly defined in the Declaration as "Owner".

"Board" means the Board of Directors of the Association.

"Bylaws" means these Bylaws of the Association of Apartment Owners of Luana Waikiki, as the same may be amended from time to time.

"Commission" means the Real Estate Commission of the State of Hawaii Department of Commerce and Consumer Affairs.

"Common interest" means the percentage of interest in the Common Elements appurtenant to an Apartment.

"Director" means a member of the Board.

"Majority of Apartment Owners" means the Owners of Apartments to which are appurtenant more than fifty percent (50%) of the common interests of the Project, and any other specified percentage of Apartment Owners means the Owners of Apartments to which are appurtenant such specified percentage of the common interests.

"Secretary" means the secretary of the Association whose duties are described in Section 5.5.

"Section" numbers refer to sections or subsections of these Bylaws unless otherwise specified.

"President" means the president of the Association whose duties are described in Section 5.3.

ARTICLE 2 APPLICATION AND ENFORCEMENT

2.1 Administration and Operation. The administration and operation of the Project shall be governed by the Declaration, these Bylaws, the Act and all other applicable laws.

2.2 Personal Application. All present and future Owners, mortgagees, tenants and occupants of Apartments and their guests and employees, and any other person who may use the Project in any manner are subject to these Bylaws, the Declaration, the Rules and Regulations and the Act, as each may be amended from time to time. The acceptance of an Apartment Deed, conveyance, mortgage or similar instrument, or the acquisition of any interest in the Project, or the

entry into or the act of occupancy of an Apartment, shall constitute an agreement that the provisions of these Bylaws, the Declaration, the Rules and Regulations and the Act are accepted, ratified and shall be complied with.

2.3 Compliance with Declaration, Bylaws, Rules and Regulations, etc. Each Apartment Owner, such Apartment Owner's employees, tenants, guests, invitees, and any other persons using the Project shall comply strictly with the covenants, conditions and restrictions set out in the Declaration, these Bylaws and the Rules and Regulations. Each Apartment Owner is fully responsible for ensuring that all employees, tenants, guests, and invitees of the Apartment Owner comply strictly with such covenants, conditions and restrictions, and shall be personally liable for any such non-compliance. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the managing agent or Board on behalf of the Association or, in a proper case, by an aggrieved Apartment Owner.

2.4 Attorneys' Fees and Expenses of Enforcement. All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the Association for:

2.4.1 Collecting any delinquent assessments from any Apartment Owners;

2.4.2 Asserting and/or foreclosing any lien thereon; and

2.4.3 Enforcing any provision of the Declaration, these Bylaws, the Rules and Regulations, the Act or the rules and regulations of the Commission;

against an Apartment Owner, such Apartment Owner's employees, tenants, guests, or invitees, shall be promptly paid on demand by such Apartment Owner to the Association; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by such Apartment Owner as a result of the action of the Association shall be promptly paid on demand to such Apartment Owner by the Association.

2.5 Attorneys' Fees and Expenses of Owner. If any claim by an Owner is substantiated in any action against the Association, any of its officers or the Board to enforce any provision of the Declaration, these Bylaws, the Rules and Regulations or the Act, then all reasonable and necessary expenses, costs and attorneys' fees incurred by such Owner shall be awarded to such Owner; provided that no such award shall be made in any derivative action unless:

2.5.1 The Owner first shall have demanded and allowed reasonable time for the Board to pursue such enforcement; or,

2.5.2 The Owner demonstrates to the satisfaction of the court that a demand for enforcement made to the Board would have been fruitless.

2.6 Conflicts. These Bylaws are set out to comply with the requirements of the Act. In case any of these Bylaws conflict with the Act or the Declaration, the provisions of the Act or the Declaration, as the case may be, shall control.

ARTICLE 3 ASSOCIATION

3.1 Qualifications for Membership. All Apartment Owners of the Project shall constitute the Association. The Owner of any Apartment upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such Apartment ceases for any reason, at which time his membership in the Association shall automatically cease. Notwithstanding anything to the contrary provided in these Bylaws, the Developer shall be entitled to vote and act on all matters as the Association and the Board until such time as the first meeting of the Association. Thereafter, the Developer, as the owner of any unsold Apartments, shall be entitled to vote the interest of each such Apartment.

3.2 First Meeting; Annual Meetings. The first annual meeting of the Association shall be held not later than one hundred eighty (180) days after recordation of the first Apartment conveyance, provided forty percent (40%) or more of the Project has been sold and recorded. If forty percent (40%) of the Project is not sold and recorded, at the end of one year after the first Apartment conveyance, an annual meeting shall be called, provided ten percent (10%) of the Apartment Owners so request. Thereafter, the annual meetings of the Association shall be held within three (3) calendar months following the end of the fiscal year selected by the Board, and if the annual meeting date for any year shall not be held or called within said period, then the annual meeting for such year shall be held on the first day of the fourth calendar month following the end of the fiscal year selected by the Board. At such annual meetings, including the first annual meeting, the Board shall be elected by ballot of the Apartment Owners in accordance with Section 4.3 of these Bylaws. The Apartment Owners may transact such other business at such meetings as may properly come before them.

3.3 Place of Meetings. All meetings of the Association shall be held at the address of the Project, or elsewhere within the State of Hawaii convenient to the Apartment Owners as determined by the Board.

3.4 Method of Calling Special Meetings. Except as otherwise provided in these Bylaws, special meetings of the Association shall be held at any time upon the call of the President or of any Director or upon written request signed by at least twenty-five percent (25%) of the Apartment Owners and presented to the Secretary. Upon the receipt of such call or written request, the Secretary shall send written notice of the meeting to all Apartment Owners and the meeting shall be held no earlier than fourteen (14) and no later than sixty (60) days from the receipt of such call or written request, at such time, date, and place as shall be determined by the Board.

3.5 Notice of Meetings. Written notice of all Association meetings, whether annual or special, shall be given to each Apartment Owner at least fourteen (14) days but not more than ninety (90) days prior to the meeting, in any of the following ways: (a) by delivering it personally to the Apartment Owner, or (b) if the Apartment Owner resides in the Project, by leaving it at such Apartment Owner's Apartment in the Project, or (c) by mailing it, postage prepaid, addressed to the Apartment Owner at the address of such Owner as it appears on the

Association's record of ownership. The written notice of meeting shall contain at least: the date, time and place of the meeting, the items on the agenda for the meeting, and a standard proxy form authorized by the Association, if any. Upon notice being given in accordance with the provisions of this Section, the failure of any member of the Association to receive actual notice of any meeting shall not in any way invalidate the meeting or proceedings thereat. The presence of an Apartment Owner or Apartment mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such Owner or Apartment mortgagee unless such Owner or Apartment mortgagee shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

3.6 Quorum. At all meetings of the Association, the presence in person or by proxy of a majority of Apartment Owners shall constitute a quorum, and the acts of a majority of the Apartment Owners present in person or by proxy at any meeting of the Association at which a quorum is present shall be binding upon all Apartment Owners for all purposes, except as otherwise provided in the Declaration or in these Bylaws.

3.7 Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which each Apartment is entitled shall be the percentage of the common interests assigned to such Apartment pursuant to the Declaration. Votes may be cast in person or by proxy by the Apartment Owners. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the vote for any Apartment owned or controlled by him in such capacity, provided that prior to such meeting he shall first present evidence reasonably satisfactory to the Board that he owns or controls such Apartment in such capacity. The vote for any Apartment owned by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest, the entire vote allocated to such Apartment shall not be counted.

3.8 Proxies and Pledges.

3.8.1 The solicitation of proxies, including without limitation the use of Association funds for solicitation of proxies, and the casting of proxy votes shall be made in compliance with the provisions of the Act, including Section 514A-82(b)(4) of the Act.

3.8.2 A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction shall be a complete reproduction of the entire original proxy.

3.8.3 The authority given by any Apartment Owner to another person to represent him at meetings of the Association shall be by written proxy satisfying the requirements of Section 514A-83.2 of the Act, signed by such Owner and filed with the Secretary within any time limit prescribed by the Act and in any event no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains, and must contain at least: the name of the Association, the date of the meeting of the Association, the printed name and signature of the person or persons giving the proxy, the Apartment or Apartments for which

the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given.

3.8.4 A proxy shall only be valid for the meeting to which the proxy pertains and its adjournments, may designate any person as proxy, and may be limited as the Owner desires and indicates; provided that no proxy shall be irrevocable unless coupled with a financial interest in the applicable Apartment.

3.8.5 The proxy form shall contain a box in which the owner may indicate that the proxy is given: for quorum purposes only; to the individual whose name is printed on a line next to the box; to the Board as a whole and that the vote be made on the basis of the preference of the majority of the Board; or to those directors present at the meeting and the vote to be shared with each Board member receiving an equal percentage. Proxy forms which are not marked shall be considered a choice by the owner that the vote be made on the basis of the preference of the majority of the Board.

3.8.6 Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any Apartment or interest therein, a copy of which is filed with the Board, shall be exercised only until the written release or other termination thereof is filed with the Board. Nothing in this Section 3.8 shall affect the holder of any proxy under a first mortgage of record or under an agreement of sale of any Apartment or interest therein. Any one of two or more persons owning any Apartment may give or revoke a proxy for the entire vote of such Apartment. No proxy may be given by a co-Owner or co-Owners for only a share of an Apartment's vote. Any proxy given by a co-Owner or co-Owners of an Apartment may be exercised to cast the entire vote for such Apartment in the absence of protest by another co-Owner or the holder of a proxy from another co-Owner, and in case of such protest, the entire vote allocated to such Apartment shall not be counted.

3.9 Adjournment of Meetings. Any meeting of the Association may from time to time be adjourned to a time not less than forty-eight (48) hours from the time the original meeting was called as may be determined by a majority of the Apartment Owners present, without any further notice other than the announcement at such meeting. If a quorum is present upon reconvening such adjourned meeting, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

3.10 Order of Business. The order of business at all meetings of the Association shall be generally as follows:

3.10.1 Roll call;

3.10.2 Proof of notice of the meeting;

3.10.3 Reading of minutes of preceding meeting (unless waived by vote of a majority of the Association members present at such meeting);

3.10.4 Reports of officers;

3.10.5 Report of the Board;

3.10.6 Reports of committees;

3.10.7 Election of members of the Board (when so required);

3.10.8 Unfinished business; and

3.10.9 New business.

3.11 Conduct of Association Meetings. All meetings of the Association shall be conducted in accordance with the most current edition of Robert's Rules of Order.

3.12 Registration of Association. The Association shall register with the Commission, as required by the Act and shall pay any registration fees required by the Act.

ARTICLE 4 BOARD OF DIRECTORS

4.1 Powers and Duties. The affairs of the Association, except as otherwise provided by the Act, the Declaration, or these Bylaws, shall be conducted and managed by a Board. If required by the Act, each Director shall owe the Association a fiduciary duty in the performance of the Director's responsibilities, but if permitted by the Act, each Director shall be required to comply with the lesser standard of the business judgment rule applicable to Directors of for profit corporations. Pursuant to Section 6.2 of these Bylaws, the Board may employ a responsible corporate managing agent with such powers and duties of the Board as shall be delegated by the Board.

4.2 Number, Qualification, and Compensation.

4.2.1 The Board shall be composed of nine (9) Directors unless not less than sixty-five per cent (65%) of all Apartment Owners vote by mail ballot, or at a special or annual meeting, to reduce the minimum number of directors.

4.2.2 Each Director shall be an Owner, co-Owner, vendee under an agreement of sale, or an officer of any corporate Owner of an Apartment or, in the case of fiduciary owners, the fiduciary or officers of corporate fiduciaries. The partners in a general partnership and the general partners of a limited partnership shall be deemed to be the Owners of an Apartment for this purpose. In the case of other forms of entity, the entity shall designate a person with management responsibility to be deemed the Owner for purposes of serving on the Board.

4.2.3 There shall be no more than one representative on the Board from any one Apartment unless permitted by the Act.

4.2.4 No resident manager of the Project shall serve on the Board.

4.2.5 No member of the Board shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the course of acting as such Director.

4.3 Method of Electing the Board. Election of Directors shall be by cumulative voting by secret ballot at each annual meeting of the Apartment Owners and any special meeting called for that purpose.

4.4 Term of Office. At the first annual meeting of the Apartment Owners, the term of office of the three (3) members of the Board receiving the greatest number of votes shall be fixed at three (3) years, the term of office of the three (3) members of the Board receiving the third, fourth and fifth greatest numbers of votes shall be fixed at two (2) years, and the term of office of the remaining members of the Board number of votes shall be fixed at one (1) year. After the expiration of the term of office of each of the initial members, each successor member of the Board shall be elected to serve for a term of three (3) years. However, in the event that the Association votes to reduce the number of Directors, the number elected for three, two and one year terms shall be adjusted so that as close as possible to one-third of the Directors shall have terms expiring in any year, for example if there are five (5) Directors on the initial Board, two shall have three year terms, two shall have two year terms and one shall have a one year term. Each member of the Board shall continue to exercise the powers and duties of the office until his successor shall have been elected by the Apartment Owners.

4.5 Removal of Directors. At any regular or special meeting of Apartment Owners, any one or more of the members of the Board may be removed with or without cause by the Apartment Owners and a successor shall then and there be elected for the remainder of the term to fill the vacancy thus created. However, an individual Director shall not be removed (unless the entire Board is removed) if Owners having sufficient votes to elect one Director by cumulative voting present at such meeting vote against his removal. A member of the Board whose removal is proposed by the Apartment Owners shall be given an opportunity to be heard at the meeting. If such removal and replacement is to occur at a special meeting, the call for such meeting shall be by the President or by a petition to the Secretary or managing agent signed by not less than twenty-five percent (25%) of the Apartment Owners as shown in the Association's record of ownership; provided that if the Secretary or managing agent does not send out the notices for the special meeting within fourteen (14) days of receipt of the petition, the petitioners shall have the authority to set the time, date and place for the special meeting and to send out notices for the special meeting in accordance with the requirements for notice contained in these Bylaws. Except as otherwise provided in the Act, such meeting for the removal from office and replacement of Directors shall be scheduled, noticed and conducted in accordance with these Bylaws. In addition, if any Director fails to attend four (4) consecutive meetings of the Board for any reason, the Board, by a vote of a majority of the other members, may remove him and select a replacement to serve his unexpired term.

4.6 Annual Meetings. The Board shall meet at least once a year. Each annual meeting of the Board shall be held at the place of and immediately following each annual meeting of the Association. At such meeting the Board shall elect the officers of the Association for the ensuing year. The first meeting of the first elected Board shall be held at the place of and

immediately following the first annual meeting of the Association as provided in Section 3.2 of these Bylaws.

4.7 Proxy Vote. A Director shall not cast any proxy vote at any Board meeting.

4.8 Conflict of Interest. Unless permitted by law, a Director shall not vote at any Board meeting on any issue in which the Director has a conflict of interest. If there is any disagreement as to whether or not there exists a conflict of interest, the determination of whether a conflict of interest exists as to a particular Director or Directors shall be made by a majority of the non-interested Directors, which determination shall be conclusive and binding on all parties.

4.9 Disclosure of Conflict. A Director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

4.10 Board Meetings. All meetings of the Board shall be conducted in accordance with the most current edition of Robert's Rules of Order. All meetings of the Board, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board may participate in any deliberation or discussion of the Board unless a majority of a quorum of the Board votes otherwise. The Board, with the approval of a majority of a quorum of its members, may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters or litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session.

4.11 Regular Meetings. Regular meetings of the Board may be held at the address of the Project or elsewhere within the State of Hawaii, and at such time as shall be determined from time to time by the Board. Unless the Board determines otherwise, meetings shall be held quarterly; provided, however, that at least two (2) regular meetings, in addition to the annual meeting of the Board, shall be held during each fiscal year. Notice of the time and place for each regular meeting of the Board shall be given to each member of the Board in writing given personally or by telephone, telegraph or facsimile transmission, at least five (5) business days prior to the day named for such meeting.

4.12 Special Meetings. Special meetings of the Board may be called by the President or any one Director on at least three (3) days written notice to each member of the Board, given personally or by telephone, telegraph or facsimile transmission, which notice shall state the time, place and purpose of the meeting.

4.13 Notice of Board Meetings. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or a member of the Board in prominent locations within the Project at least seventy-two (72) hours prior to the meeting or simultaneously with notice to the Board. If posting is not practicable, notice of Board meetings shall be given to the Owners by the resident manager or the Board at least seventy-two (72) hours prior to the meeting in such manner as the Board deems appropriate under the circumstances.

4.14 Waiver of Notice. Any member of the Board may at any time waive notice of any meeting of the Board and such waiver shall be deemed equivalent to the timely receipt of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

4.15 Minutes of Meetings. If required by the Act, the minutes of meetings of the Board shall include the recorded vote of each member of the Board on all motions except motions voted on in executive session.

4.16 Travel Expenses.

4.16.1 Directors shall not expend Association funds for their travel, directors' fees, and per diem, unless the Owners are informed and a majority of the Apartment Owners approve of these expenses.

4.16.2 Members of the Board may expend Association funds, which shall not be deemed to be compensation to the directors, to educate and train themselves in subject areas directly related to their duties and responsibilities as directors; provided that the approved annual operating budget include these expenses as separate line items. These expenses may include registration fees, books, videos, tapes, other educational materials, and economy travel expenses. Except for economy travel expenses within the State of Hawaii, all other travel expenses incurred under this Section 4.16.2 shall be subject to the requirements of the foregoing Section 4.16.1 of these Bylaws.

4.17 Decisions of Board. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business. The vote or written consent of a majority of Directors present at a meeting at which a quorum of Directors is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. Following such adjournment, at any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

4.18 Vacancies. Vacancies in the Board caused by any reason other than the removal of a member thereof by a vote of the Apartment Owners shall be filled by the vote of a majority of the remaining members at a special meeting of the Board at which a majority of the remaining members are present which is called for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum. Each person so elected shall hold office until the next annual meeting of the Association, at which time a successor Director shall be elected by the Apartment Owners. Any successor Director elected by the Apartment Owners in the foregoing manner shall serve for the remaining unexpired term in respect of which the vacancy occurred.

4.19 Liability and Indemnity of the Board and Officers. The members of the Board and the officers of the Association shall not be liable to the Association or any of the Apartment Owners for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct. The Association may, upon the request of any Director or officer, obtain and maintain, as a common expense, a policy of directors' and officers' liability insurance covering the Directors and officers of the Association, and the Association shall indemnify each Director and officer of the Association against all costs, expenses and liabilities, including judgments, amounts paid in compromise settlements and amounts paid for services of counsel and other related expenses which may be incurred by, or imposed on him in connection with any claim, action, suit, proceeding, investigation or inquiry hereafter made, instituted or threatened in which he may be involved as a party or otherwise by reason of his being or having been such Director or officer, or by reason of any past or future action taken, authorized or approved by him or any omission to act as such Director or officer, whether or not he continues to be such Director or officer at the time of the incurring or imposition of such costs, expenses or liabilities, but not including such costs, expenses or liabilities as shall relate to matters as to which he shall in such action, suit or proceeding be finally adjudged to be, or shall be, liable by reason of his gross negligence or willful misconduct toward the Association in the performance of his duties as such Director or officer. The foregoing right of indemnification shall not be exclusive of other rights which any Director or officer may have and shall inure to the benefit of the heirs and personal representatives of each Director and officer.

4.20 Fidelity Bonds. A managing agent employed or retained by the Board shall provide evidence of a fidelity bond in an amount established in the contract with the managing agent, but not less than the minimum amount required by law. In addition, to the extent required by the Act, and if not required by the Act then if reasonably obtainable, the Board shall obtain annually, as a common expense, a fidelity bond or bonds, in an amount not less than the minimum amount required by law, to cover all officers, directors, employees and managing agents of the Association who handle the Association's funds. To the extent reasonably obtainable, the bonds shall: (a) provide that the bonds may not be cancelled or substantially modified (including cancellation for non-payment of premiums) without at least thirty (30) days prior written notice to the Board and all Apartment mortgagees and every other person in interest who shall have in writing requested such notice, and (b) contain a waiver of defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

4.21 Inspection by Directors: Copies of Documents. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. This right of inspection by a Director includes the right to make extracts and copies of documents.

4.22 Telephone Meetings. Any other provision of these Bylaws notwithstanding, and if permitted by applicable law, at any regular or special meeting of the Board at which at least one (1) Board member is physically present, whether held in open or executive session, any member of the Board not physically present may participate in such meeting by telephone for purposes of constituting a quorum and for all other purposes, and the Board may carry on all business within the Board's authority as if all members participating by telephone were

physically present at such meeting. These arrangements will be allowed only if all persons authorized to participate in and actually participating in such meeting (including members of the Association who are not on the Board and who may participate pursuant to Section 514A-83.1(a) of the Act) are at all times during such meeting able to hear and, when appropriate, be heard by all other participants.

ARTICLE 5 OFFICERS

5.1 Election and Term of Office. The officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by and from among the Board. The Board may designate and elect such other officers as in its judgment may be necessary. The officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board.

5.2 Restriction on Qualification. If required by the Act, an Owner shall not act both as an officer of the Association and as an employee of the managing agent employed by the Association, if any.

5.3 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under the laws of the State of Hawaii, including, but not limited to, the power to appoint committees from among the Apartment Owners from time to time as he may in his discretion decide to be appropriate to assist in the conduct of the affairs of the Association.

5.4 Vice President. The Vice President shall perform all of the duties and exercise all of the powers and rights of the President provided by these Bylaws or otherwise during the absence or disability of the President, or whenever the office of President is vacant, and shall perform all other duties assigned by the Board.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board. He shall see that all notices are given in accordance with these Bylaws. He shall have charge of such books and records of the Association as the Board may direct. He shall, in general, perform all of the duties incident to the office of Secretary of a corporation organized under the laws of the State of Hawaii. Duties of the Secretary may be delegated to and performed by the managing agent.

5.6 Treasurer. The Treasurer shall keep the financial records and books of account of the Association showing all receipts and disbursements, and shall be responsible for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects of the Association in such depositories as shall be designated by the Board. He shall, in general, perform all of the duties incident to the office of Treasurer of a corporation organized under the laws of the State of Hawaii. Duties of the Treasurer may be delegated to and performed by the managing agent or any outside accounting organization.

5.7 Audits.

5.7.1 The Association shall require an annual audit of the Association's financial accounts and no less than one annual unannounced verification of the Association's cash balance by a public accountant; provided that if the Association at any time consists of less than twenty (20) Owners, the annual audit and the annual unannounced cash balance verification may be waived by a majority vote of all Apartment Owners taken at an Association meeting.

5.7.2 The Board shall make available a copy of the annual audit to each Apartment Owner at least thirty (30) days prior to the annual meeting which follows the end of the fiscal year. The Board shall provide upon all official proxy forms a box wherein the Owner may indicate that the Owner wishes to obtain either a summary of the annual audit report, or an unabridged copy of the annual audit report. The Board shall not be required to submit a summary of the annual audit report or a copy of the annual audit report to the Owner if the proxy form is not marked. If the annual audit has not been completed by that date, the Board shall make available:

(a) An unaudited year end financial statement for the fiscal year to each Apartment Owner at least thirty (30) days prior to the annual meeting; and

(b) The annual audit to all Owners at the annual meeting, or as soon as the audit is completed, whichever occurs later.

If the Association's fiscal year ends less than two (2) months prior to the convening of the annual meeting, the year-to-date unaudited financial statement may cover the period from the beginning of the Association's fiscal year to the end of the month preceding the date on which notice of the annual meeting is mailed.

5.8 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

5.9 Compensation of Officers. No officer shall receive any compensation from the Association for acting as such, but may be reimbursed for actual expenses incurred in the course of acting as such officer, and may be compensated for services provided to the Association in another capacity, such as legal or accounting services.

5.10 Agreements, Contracts, Deeds, Checks and Other Instruments. All agreements, contracts, certificates, deeds, leases, checks and other instruments of the Association, including any amendments to these Bylaws, shall be signed by the President and one other officer of the Association, or such other person or persons as may be designated by the Board, provided that no officer, though he may hold more than one office, shall sign any instrument in more than one capacity.

ARTICLE 6 MANAGEMENT

6.1 Management and Operation of the Project. The Board shall at all times manage and operate the Project, including the common elements of the Project, and shall have the powers and duties necessary or proper therefor, and may do all acts and things except such as by law, the Declaration or these Bylaws may not be delegated to the Board by the Apartment Owners. Such powers and duties of the Board shall include, but shall not be limited to, the following:

6.1.1 Operation, care, upkeep, replacement, repair and maintenance of the common elements, and any limited common elements except as otherwise provided in the Declaration and these Bylaws ;

6.1.2 Preparation annually of a budget of the common expenses required for the affairs of the Association (including, without limitation, the operation and maintenance of the Project) and determination of the amounts of monthly and special assessments;

6.1.3 Levy and collection of monthly and special assessments of the common expenses and other charges payable by the Apartment Owners;

6.1.4 Purchasing and maintaining of insurance pursuant to the Declaration and these Bylaws;

6.1.5 Adoption and amendment of the Rules and Regulations, and enforcement of the Rules and Regulations, applicable provisions of the Declaration, these Bylaws and the Act as determined to be appropriate by the Board in its sole discretion;

6.1.6 Opening of bank accounts on behalf of the Association and designating the signatories required therefor;

6.1.7 Rebuilding, repairing and restoring the Project in accordance with the provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty or as a result of eminent domain proceedings;

6.1.8 Procuring legal and accounting services necessary or proper for the administration and operation of the Project or the interpretation, enforcement or implementation of the Declaration, these Bylaws, the Rules and Regulations, the Act, and any other material documents or decisions affecting the Project; provided that the Board shall not institute any legal or arbitration proceedings against the Developer without the prior written approval of at least seventy-five per cent (75%) of the Apartment Owners;

6.1.9 Purchasing, leasing or otherwise procuring any other materials, equipment, supplies, furniture, labor and services, making repairs and structural alterations, and paying all taxes and assessments and other common expenses which the Board is required to procure, make or pay pursuant to the Declaration and these Bylaws or by law or which in its opinion shall be necessary or proper for the operation of the Project or the enforcement of the Declaration or these Bylaws, provided that if any such materials, equipment, supplies, furniture, labor, services,

repairs, structural alterations, insurance, taxes or assessments are required because of the particular actions or negligence of the Owners of a particular Apartment, the cost thereof may be specially assessed to the Owners of such Apartment;

6.1.10 Maintenance and repair of any Apartment and any limited common element, and access for such purpose, if such maintenance or repair is necessary, in the discretion of the Board, to protect the common elements or any other Apartment and: (a) the Owner or Owners of the Apartment shall have failed or refused to perform the maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board to the Owner or Owners or (b) in the case of emergency; provided that the Board may levy a special assessment against such Apartment or the Owners of the Apartments to which the limited common element is appurtenant, for the cost of such maintenance or repair and any attorneys' fees and other expenses incurred in levying and collecting such special assessment;

6.1.11 Payment of any amount necessary to discharge any lien or encumbrance levied against the entire Project or any part thereof which may in the opinion of the Board constitute a lien against the Project or against the common elements rather than merely against the interest therein of particular Owners. If one or more Owners are responsible for the existence of any such lien, they shall be jointly and severally liable for the cost of discharging it and the costs incurred by the Board by reason of such lien;

6.1.12 Appointing a manager or managing agent or both and delegating to them or either of them such of its powers as it deems necessary or appropriate, delegation of which is not otherwise prohibited in these Bylaws or in the Declaration or by law;

6.1.13 Employment, designation, supervision and dismissal of personnel necessary for the maintenance, repair, replacement and restoration of the common elements;

6.1.14 Establishment of such penalties and fines and any interest thereon as it deems appropriate with respect to enforcement of the provisions of the Declaration, these Bylaws and the Rules and Regulations, including penalties and fines and any interest thereon for failure or refusal to pay to the Association on demand all costs, expenses, common expenses and assessments (special or otherwise) required to be paid hereunder; provided such penalties and fines are not inconsistent with applicable laws or the provisions of these Bylaws. No penalty may be imposed under this Section until the Apartment owner accused of any such violation has been afforded the right to have a hearing before the Board or a committee designated by the Board to conduct such hearing, or has waived such right in writing. Each such Apartment owner shall have the right to be heard in person, by submission of a written statement, or through a spokesperson, at any such hearing.

6.1.15 Subject to the affirmative vote or written consent of at least sixty-five percent (65%) of the Apartment Owners, the Board may purchase, lease or otherwise acquire any Apartment in the name of the Board on behalf of all Apartment Owners;

6.1.16 Subject to any approval requirements and spending limitations contained in these Bylaws or in the Declaration, the Board may authorize the borrowing of money to be

used by the Association for the repair, replacement, maintenance, operation, or administration of the common elements of the Project, or the making of any additions, alterations and improvements thereto. The cost of such borrowing, including, without limitation, all principal, interest, commitment fees, and other expenses payable with respect to such borrowing, shall be a common expense of the Project; provided that, if required by the Act, Apartment Owners representing at least fifty percent (50%) of the common interest and Apartments give written consent to such borrowing, having been first notified of the purpose and use of the funds;

6.1.17 If the Board so chooses, conducting (or directing another responsible party to conduct) a background check on applicants applying for employment as a security guard or manager or for a position which would allow such employees access to the keys of or entry into the Apartments or access to Association funds, provided such employee applicant signs an authorization to conduct such background check;

6.1.18 Dispose of personalty abandoned in or on the common elements of the Project in any one of the following ways:

- (a) Sell the personalty in a commercially reasonable manner;
- (b) Store such personalty at the expense of its owner;
- (c) Donate such personalty to a charitable organization; or
- (d) Otherwise dispose of such personalty, provided that no such sale, storage, or donation shall occur until sixty (60) days after the Board complies with the following:
 - (i) The Board notifies the Owner in writing of:
 - (1) The identity and location of the personalty; and
 - (2) The Board's intent to so sell, store, donate, or dispose of the personalty. Notification shall be by certified mail, return receipt requested, to the Owner's address as shown by the records of the Association, or to an address designated by the Owner for the purpose of notification; or, if neither of these is available, to the Owner's last known address, if any; or
 - (ii) If the identity or address of the Owner is unknown, the Board shall first advertise the sale, donation, or disposition at least once in a daily newspaper of general circulation within the City and County of Honolulu.

The proceeds of any sale or disposition of personalty as set out above shall, after deduction of any accrued costs of mailing, advertising, storage, and sale, be held for the Owner for thirty (30) days, after which any proceeds not claimed shall become the property of the Association;

6.1.19 Expending Association funds for necessary travel and per diem on behalf of the Board members, subject to Sections 4.16.1 and 4.16.2;

6.1.20 Custody and control of all funds of the Association, maintenance of full and accurate books of account and records of such funds, and preparation of regular financial reports thereof;

6.1.21 Delegation of its powers to committees, agents, officers, representatives and employees; and

6.1.22 Reviewing, on at least a quarterly basis:

- (a) a current reconciliation of the Association's operating accounts;
- (b) a current reconciliation of the Association's reserve accounts;
- (c) the current year's actual reserve revenues and expenses compared to the current year's budget;
- (d) the latest account statements prepared by the financial institution(s) where the Association has its operating and reserve accounts; and
- (e) an income and expense statement for the Association's operating and reserve accounts.

6.2 Employment of Managing Agent.

6.2.1 The Board may (but shall not be required to) employ a responsible managing agent, duly registered with the Commission if required by law, subject at all times to direction by the Board with such powers and duties of the Board as shall be delegated by the Board. The compensation of the manager or managing agent shall be specified by the Board. Notwithstanding the foregoing, the Developer shall have the right to select the initial managing agent for the Project, subject, however, to the provisions of Section 514A-84 of the Act. The managing agent shall at all times comply with all of the requirements of the Act.

6.2.2 Every property management contract between the Board on behalf of the Association and the managing agent shall provide (i) that the managing agent shall not contract for any expenditure of any funds of the Association in excess of an amount set by the Board, without the express approval of the Board (except in cases of emergency requiring prompt action to avoid further loss or involving manifest danger to life or property) (ii) that the managing agent shall not commingle any Association funds with its own funds, (iii) that in the event the contract is amended, renewed or extended, any fidelity bond shall also be amended, if necessary, to cover such amendment, renewal or extension, and (iv) such other terms and conditions as the Board shall determine to be in the best interests of the Association.

6.2.3 The managing agent shall have such powers and duties as may be necessary or proper in connection with (a) supervision of the immediate management and operation of the Project, (b) maintenance, repair, replacement and restoration of the common elements and any additions or alteration thereto, (c) the purchase (or leasing), maintenance and replacement of any equipment, (d) provision for service of all utilities to the building and the

various Apartments, (e) employment, supervision and dismissal of such personnel as it deems necessary for the maintenance and operation of the Project, (f) conclusion of contracts with others for the furnishing of such services as it deems proper for the Project, (g) preparation of a proposed budget and schedule of assessments, (h) collection of all assessments and payment of all bills, (i) purchase of such insurance and fidelity bonds as is contemplated by these Bylaws, (j) custody and control of all Association funds, (k) maintenance of books and records on a cash basis or accrual basis as determined by the Board, and (l) preparation of financial reports and registration of the Association with the Commission. The Board may in its discretion limit any of the powers in these Bylaws granted to the managing agent or grant additional powers to the managing agent.

6.3 Association Funds; Handling and Disbursement.

6.3.1 The funds in the general operating account of the Association shall not be commingled with funds of other activities such as rental operations, nor shall a managing agent commingle any Association funds with the managing agent's own funds.

6.3.2 For purposes of Section 6.3.1, rental operations shall not include the rental or leasing of common elements that are conducted on behalf of the Association.

6.3.3 All funds collected by the Association, or by a managing agent for the Association, shall be deposited or invested as directed by the Board, in accordance with the limitations and requirements set out in the Act (currently Section 514A-97 (c) of the Act).

6.3.4 Records of the deposits and disbursements shall be disclosed to the Real Estate Commission upon request.

6.3.5 All funds collected by the Association shall only be disbursed by employees of the Association under the supervision of the Association's Board of Directors. All funds collected by the managing agent from the Association shall be held in a client trust fund account and shall be disbursed only by the managing agent or the managing agent's employees under the supervision of the Association's Board of Directors.

6.3.6 Unless permitted by the Act, the managing agent or Board of Directors shall not transfer Association funds by telephone between accounts, including but not limited to the general operating account and reserve fund account.

6.3.7 The managing agent shall keep and disburse funds collected on behalf of the Apartment Owners in strict compliance with any agreement made with the Apartment Owners, Chapter 467, Hawaii Revised Statutes, the Act, the rules of the Real Estate Commission, and all other applicable laws and shall be subject to any or all penalties or remedies for mishandling, misappropriation, or embezzling such funds as may be provided in such agreement or by law.

6.4 Renting or Selling of Apartments by Association Employees. An employee of the Association shall not engage in renting or selling Apartments in the Project except for Apartments owned by the Association, unless such activity is approved by an affirmative vote of

at least sixty-five percent (65%) of the Apartment Owners or such lesser percentage as may be permitted by the Act.

6.5 Rules and Regulations. The Developer shall initially adopt, and the Board shall thereafter adopt and amend, such Rules and Regulations as the Developer or the Board, as the case may be, may deem necessary or desirable governing the details of the operation and use of the common elements and certain details of the use of the Apartments, including, without limitation, such operation and use of the Apartments and the limited common elements as may affect the operation and use of the common elements. Such rules shall be binding upon the Apartment Owners, and all invitees, guests, employees and tenants of the Apartment Owners and all occupants of the Apartments, and shall be enforceable by the resident manager and the managing agent on behalf of the Board.

6.6 Abatement and Enjoinment of Violations by Apartment Owners. The violation of any of the Rules and Regulations, the breach of any of these Bylaws or the breach of any provision of the Declaration shall give the Board the rights in addition to any other rights set out in these Bylaws:

6.6.1 To enter (by force, if necessary) the Apartment in which, or as to which, such violation or breach exists and summarily to abate any structure, thing or condition that may exist therein in violation of the Rules and Regulations, these Bylaws, the Declaration or the Act, and the Board shall not thereby be guilty of any trespass or be or become liable for any damage to the Apartment or any common elements caused by such entry, all costs of repairing any such damage being the sole responsibility of the defaulting Owner; provided, however, that notwithstanding the foregoing, the Board shall have such right of entry (forcible or otherwise) only in the instance where such violation or breach threatens an immediate, substantial and undeniable threat to life, limb or property of any person; or

6.6.2 To enjoin, abate or remedy, by appropriate legal proceedings, the continuance of any such breach, and all costs thereof, including reasonable attorneys' fees, shall be paid by the defaulting Apartment Owner on demand.

ARTICLE 7 COMMON EXPENSES

7.1 Common Expenses Defined. Common expenses means and includes all sums designated in the Declaration or in these Bylaws as common expenses, all sums incurred by or on behalf of the Board in the conduct and management of the affairs of the Association pursuant to the Declaration and these Bylaws, such amounts as the Board deems proper to maintain an adequate reserve fund for the operation and maintenance of the Project, including, without limitation, anticipated needs for working capital, capital improvements, and for replacements, repairs and contingencies, and such amounts as the Board deems proper to make up any deficit in the common expense assessments for any prior year. Without limiting the generality of the foregoing, common expenses shall include all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each Apartment and the common interest in the common elements appertaining thereto or the personal property or any

other interest of the Owner), assessments (unless such assessments are levied directly against the individual Owners or their Apartments), insurance (including fire and other casualty and liability insurance), costs of repair, reinstatement, rebuilding and replacement of the common elements, costs of yard and other similar services, wages, accounting and legal fees, management fees, other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, and the cost of all utility services (including water, electricity, gas, garbage disposal, telephone, basic cable television service and any similar services) unless separately billed or metered, in which case the amounts shall be charged to each Apartment and shall be payable by the Owner of such Apartment. The interest of any Apartment Owner in the reserves of the Association may not (except upon the termination of the Condominium Property Regime established by the Declaration) be withdrawn or assigned separately, but shall be deemed to be transferred automatically with each transfer of the Apartment, whether or not mentioned or described expressly in the transfer document.

7.2 Method of Determining and Collecting Common Expenses. Except as otherwise provided in the Declaration or these Bylaws, each Apartment Owner shall be liable for and pay a share of the common expenses in proportion to the common interest appurtenant to his Apartment. Assessments of common expenses shall be payable in monthly installments on the first day of each month, or at such other times as shall be determined by the Board. The Developer shall fix the rate of the assessments of common expenses until such rate shall be redetermined by the Board. The Board shall annually fix the rate of assessments of common expenses and shall notify each Apartment Owner in writing of the amount of the assessments applicable to such Owner's Apartment not less than thirty (30) days in advance of the beginning of such annual assessment period. The Board may from time to time during any year increase the assessment rate or impose a special assessment, provided the Board notifies each Apartment Owner in writing of such increase or special assessment not less than thirty (30) days before the effective date of such increase or assessment. Any portion of an Owner's assessments used or to be used by the Association for capital improvements or any other capital expenditure shall not be treated as income to the Association but shall be treated as a capital contribution by the Owners to the Association and shall be credited by the Association upon its books as paid-in-surplus.

7.3 Payment as Agent. The Board will pay or cause to be paid, on behalf of the Owners, all common expenses. Each Owner, as principal, shall be liable for and pay his share, determined as provided in the Declaration and these Bylaws, of all common expenses; and the Board shall be responsible, as agent for each Owner, only to transmit the payments made by the Owner to third persons to whom such payments must be made by the Owner. The Board may require the managing agent to assist in its duties hereunder. The Board or the managing agent collecting the common expenses shall not be liable for payment of such common expenses as principal but only as the agent of all Owners to transmit said payments to third persons to whom such payments must be made by the Owners.

7.4 Budget and Reserves. Subject to the Act and any further regulations adopted by the Commission:

7.4.1 The Board shall prepare and adopt an annual operating budget and distribute it to the Apartment Owners. At a minimum, the budget shall include the following:

- (a) The estimated revenues and operating expenses of the Association;
- (b) Information as to whether the budget has been prepared on a cash or accrual basis;
- (c) The total replacement reserves of the Association as of the date of the budget;
- (d) The estimated replacement reserves the Association will require to maintain the Project based on a reserve study performed by the Association;
- (e) A general explanation of how the estimated replacement reserves are computed;
- (f) The amount the Association must collect for the fiscal year to fund the estimated replacement reserves; and
- (g) Information as to whether the amount the Association must collect for the fiscal year to fund the estimated replacement reserves was calculated using a per cent funded or cash flow plan. The method or plan shall not circumvent the estimated replacement reserves amount determined by the reserve study pursuant to subsection (d).

7.4.2 As part of the assessment for common expenses, the Association shall assess the Apartment Owners either to fund a minimum of fifty percent (50%) of the estimated replacement reserves, or to fund one hundred percent (100%) of the estimated replacement reserves when using a cash flow plan. For each fiscal year, the Association shall collect the amount assessed to fund the estimated replacement for that fiscal year reserves, as determined by the Association's plan; except that the Commission shall adopt rules to permit an association to fund in increments, over three years, estimated replacement reserves that have been substantially depleted by an emergency.

7.4.3 The Association shall compute the estimated replacement reserves by a formula which is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the Project. The estimated replacement reserves shall include:

- (a) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and
- (b) Separate designated reserves for each part of the Project for which capital expenditures or major maintenance will exceed \$10,000. Parts of the Project for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.

7.4.4 Neither the Association nor any Apartment Owner, director, officer, managing agent, or employee of the Association who makes a good faith effort to calculate the

estimated replacement reserves for the Association shall be liable if the estimate subsequently proves incorrect.

7.4.5 The Board may not exceed its total adopted annual operating budget by more than twenty percent (20%) during the fiscal year to which the budget relates, except in emergency situations. Prior to the imposition or collection of an assessment under this paragraph, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of the assessment.

7.4.6 The requirements of this Section 7.4 shall override any requirements in the Declaration, these Bylaws, or any of the Association's other documents relating to preparation of budgets, calculation of reserve requirements, assessment and funding of reserves, with the exception of:

- (a) any provisions relating to the repair and maintenance of property;
- (b) any requirements in the Declaration, these Bylaws, or any of the Association's other documents which require the Association to collect more than fifty percent (50%) of reserve requirements; or
- (c) any provisions relating to upgrading the common elements, such as additions, improvements, and alterations to the common elements.

7.4.7 Subject to the procedures of Section 514A-94 of the Act and any rules adopted by the Commission, any Apartment Owner may enforce the Board's compliance with this Section 7.4 in the event the Board fails to so comply. In the event the Board has not prepared an annual operating budget and reserve study as required in this Section 7.4, the Board shall have the burden of proving it has complied with this Section 7.4 in any proceeding to enforce such compliance.

7.4.8 As used in this Section 7.4:

"Capital expenditure" means an expense which results from the purchase or replacement of an asset whose life is greater than one year, or the addition of an asset which extends the life of an existing asset for a period greater than one year.

"Emergency situation" means any of the following:

- (a) An extraordinary expense required by an order of a court;
- (b) An extraordinary expense necessary to repair or maintain any part of the property for which the Association is responsible where a threat to personal safety on the Project is discovered;

(c) An extraordinary expense necessary to repair any part of the Project for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget; or

(d) An extraordinary expense necessary to respond to any legal or administrative proceeding brought against the Association that could not have been reasonably foreseen by the Board in preparing and distributing the annual operating budget.

"Major Maintenance" means an expenditure for maintenance or repair which will result in extending the life of an asset for a period greater than one year.

"Replacement reserves" means funds for the upkeep, repair, or replacement of those parts of the Project including, but not limited to roofs, walls, decks, paving, and equipment, which the Association is obligated to maintain.

7.5 Default in Payment of Assessments. Each monthly (or other periodic) assessment and each special assessment shall be the separate, distinct and personal debt and obligation, as of the date of assessment, of the Owner against whom the same is assessed and, in the case of an Apartment owned by more than one person, shall be the joint and several obligation of such co-Owners. Any assessment not paid within ten (10) days after the due date thereof shall accrue interest at the rate of twelve percent (12%) per annum from such due date until paid and shall be subject to the assessment of such late charge as may be from time to time determined by the Board. All unpaid amounts of such assessments (or any other assessments provided for in the Declaration or these Bylaws) against any Apartment or Apartment Owner shall constitute a lien on such Apartment or such Owner's Apartment prior to all other liens, except only (i) liens for taxes and assessments lawfully imposed by governmental authority against such Apartment (which by law have priority over the Association's lien), and (ii) liens of any bona fide mortgage which was recorded prior to the recording of a notice of a lien by the Association. Such lien for an unpaid assessment may be foreclosed by an action brought by the Association or by its managing agent on behalf of the Association, as provided by the Act in like manner as the foreclosure of a mortgage of real property, provided that at least ten (10) days prior written notice of intention to foreclose such lien shall be mailed by registered mail, postage prepaid, to the Owner of the Apartment to be foreclosed upon. In any such foreclosure, the Apartment Owner shall be required to pay a reasonable rental for the Apartment, and the plaintiff in the foreclosure shall be entitled to the appointment of a receiver to collect the same. Subject to the approval requirements of Section 6.1.15, the Association or the managing agent, acting on behalf of the Association, shall be entitled to bid on such Apartment at the foreclosure sale and to acquire, hold, lease, mortgage and convey such Apartment. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing such assessments.

In the event of a default or defaults in the payment of any such assessment or assessments, and in addition to any other remedies the Board may have, the Board may enforce each such obligation as follows:

7.5.1 By suit or suits at law to enforce such assessment obligation. Each such action must be authorized by a majority of the Board at a regular or special Board meeting, and any such suit may be instituted by the Board or the managing agent (if so authorized by the Board in writing), on behalf of the Association. Any judgment rendered in favor of the Association in any such action shall include reasonable attorneys' fees and costs. Upon the full satisfaction of any such judgment, the Board shall authorize any two (2) members thereof or officers of the Association, acting in the name of the Board and the Association, to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

7.5.2 At any time after the occurrence of any such default, the Board or the managing agent may give a notice to the defaulting Apartment Owner stating the date and amount of the delinquency. If the delinquent amount is not paid within ten (10) days after the delivery or mailing of such notice, the Board or the Managing Agent may record a notice of lien against the Apartment of such delinquent Apartment Owner. Any such notice of lien shall be signed and acknowledged by any two (2) or more members of the Board or officers of the Association, the attorney for the Association, or the managing agent. Irrespective of whether or not such a notice of lien is recorded, the Board shall have all remedies provided in these Bylaws, the Declaration and the Act on account of the occurrence of any such default. Each default shall constitute a separate basis for a notice of lien, but a single notice of lien may be filed with respect to more than one default.

A certificate executed and acknowledged or made under penalty of perjury by any two (2) members of the Board or officers of the Association or the managing agent shall be conclusive upon the Association and the Owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any Owner shall be entitled to such a certificate setting forth the amount of any due and unpaid assessments with respect to his Apartment (or the fact that all assessments due are paid if such is the case) within fifteen (15) days after demand therefor and upon payment of a reasonable fee or service charge, in an amount fixed from time to time by the Board. If any notice of lien is filed as aforesaid and thereafter the Board receives payment in full of the amount claimed to be due and owing (including accrued interest, late fees and any costs of enforcement and/or attorneys' fees) then upon demand of the Apartment Owner and payment of a reasonable fee, the Board, acting by any two (2) members of the Board or officers of the Association or the managing Agent, shall execute, acknowledge and deliver to the Owner a release of lien, stating the date of the original notice of lien, the filing date of the notice of lien and that the lien is fully satisfied, released and discharged.

7.5.3 As an alternative to foreclosure proceedings available under this Section and the Act, where an Apartment is owner-occupied, the Association may authorize the managing agent or the Board to terminate the delinquent Apartment's access to the common elements and cease supplying the delinquent Apartment with any and all services normally supplied or paid for by the Association, subject however to all of the notice and other procedural requirements set out in Section 514A-90 of the Act.

7.6 Assessment Disputes.

7.6.1 No Apartment Owner shall withhold any assessment claimed by the Association. An Apartment Owner who disputes the amount of an assessment may request a written statement clearly indicating:

(a) The amount of common expenses included in the assessment, including the due date of each amount claimed;

(b) The amount of any penalty, late fee, lien filing fee, and any other charge included in the assessment;

(c) The amount of attorneys' fees and costs, if any, included in the assessment;

(d) That under Hawaii law, an Apartment Owner has no right to withhold assessments for any reason;

(e) That an Apartment Owner has a right to demand mediation or arbitration to resolve disputes about the amount or validity of an Association's assessment, provided the Apartment Owner immediately pays the assessment in full and keeps assessments current; and

(f) That payment in full of the assessment does not prevent the Apartment Owner from contesting the assessment or receiving a refund of amounts owed.

Nothing in these Bylaws shall limit the rights of an Apartment Owner to the protection of all fair debt collection procedures mandated under federal and state law.

7.6.2 An Apartment Owner who pays the Association the full amount claimed by the Association may file in small claims court or require the Association to mediate to resolve any disputes concerning the amount or validity of the Association's claim. If the Apartment Owner and the Association are unable to resolve the dispute through mediation, either party may file for arbitration under Section 10.6 or part VII of the Act, whichever is applicable, provided that an Apartment Owner may only file for arbitration if all amounts claimed by the Association are paid in full on or before the date of filing. If the Apartment Owner fails to keep all Association assessments current during the arbitration, the Association may ask the arbitrator to temporarily suspend the arbitration proceedings. If the Apartment Owner pays all Association assessments within thirty (30) days of the date of suspension, the Apartment Owner may ask the arbitrator to recommence the arbitration proceedings. If the Apartment Owner fails to pay all Association assessments by the end of the thirty (30) day period, the Association may ask the arbitrator to dismiss the arbitration proceedings. The Apartment Owner shall be entitled to a refund of any amounts paid to the Association which are not owed.

7.7 Waiver. The failure of the Board to insist in any one or more instances upon a strict performance of or compliance with any of the covenants of the Owner hereunder or to exercise any right or option in these Bylaws contained or to serve any notice or to institute any

action or summary proceeding shall not be construed as a waiver or a relinquishment for the future of such covenant, option or right, but such covenant, option or right shall continue and remain in full force and effect. The receipt by the Board of any sum paid by the Owner hereunder, with or without knowledge by the Board of the breach of any covenant hereof, shall not be deemed a waiver of such breach; and no waiver, express or implied, by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the President pursuant to authority contained in a resolution of the Board.

7.8 Liability of Acquirer of Title on Foreclosure for Unpaid Common Expenses.

Where the Apartment mortgagee of a mortgage of record or other purchaser of an Apartment obtains title to the Apartment as a result of foreclosure of the mortgage, the acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to the Apartment which became due prior to the acquisition of title to the Apartment by the acquirer. The unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the Apartment Owners, including the acquirer, his successors, and assigns except, while permitted by the Act, and in compliance with Section 514A-90 of the Act and the limitations provided in it, the Board may specially assess the amount of the unpaid regular monthly common assessments for common expenses against a person who, in a judicial or non-judicial power of sale foreclosure, purchases a delinquent Apartment. However, a purchaser who holds a mortgage on a delinquent Apartment that was recorded prior to the filing of a notice of lien by the Association and who acquires the delinquent Apartment through a judicial or non-judicial foreclosure proceeding, including purchasing the delinquent Apartment at a foreclosure auction, shall not be obligated to make, nor be liable for, payment of the special assessment provided for under this Section.

7.9 Collection from Tenant.

7.9.1 If the owner of an Apartment rents or leases the Apartment and is in default for thirty (30) days or more in the payment of the Apartment's share of the common expenses, the Board, for as long as the default continues, may demand in writing and receive each month from any tenant or lessee occupying the Apartment ("tenant"), or from the owner's rental agent, if any, an amount sufficient to pay all sums due from the Apartment owner to the Association, including interest, if any, but the amount shall not exceed the tenant's rent due each month. The tenant's payment under this section shall discharge that amount of payment from the tenant's rent obligation, and any contractual provision to the contrary shall be void as a matter of law.

7.9.2 No demand or acceptance of rent from any tenant or rental agent shall be deemed to be a consent to or approval of any rental agreement or lease by the Apartment Owner, or a release or discharge of any of the obligations of the Apartment Owner to the Association remaining unpaid or unperformed, or an acknowledgment of surrender of any rights or duties under the Declaration or these Bylaws.

7.9.3 Prior to taking any action under this section, the Board shall give to the delinquent Apartment Owner written notice of its intent to collect the rent owed. The notice shall:

- (a) Be sent both by first-class and certified mail;
- (b) Set forth the exact amount the Association claims is due and owing by the Apartment Owner; and
- (c) Indicate the intent of the Board to collect such amount from the rent, along with any other amounts that become due and remain unpaid.

The Apartment Owner shall not take any retaliatory action against the tenant for payments made under this Section 7.9.

7.9.4 The payment of any portion of the Apartment's share of common expenses by the tenant pursuant to a written demand by the Board is a complete defense, to the extent of the amount demanded and paid by the tenant, in an action for nonpayment of rent brought by the Apartment Owner against a tenant. If the Board makes any such demand upon the tenant, the tenant shall not have the right to question the right of the Board to make such demand, but shall be obligated to make such payments to the Board as demanded by the Board except as specifically provided in this Section.

7.9.5 The Board may not demand payment from the tenant pursuant to this Section 7.9 if:

- (a) A commissioner or receiver has been appointed to take charge of the premises pending a mortgage foreclosure;
- (b) A mortgagee is in possession pending a mortgage foreclosure; or
- (c) The tenant is served with a court order directing payment to a third party.

7.9.6 In the event of any conflict between this Section 7.9 and any provision of Chapter 521 HRS, the conflict shall be resolved in favor of this Section; provided that if the tenant is entitled to an offset of rent under Chapter 521, the tenant may deduct the offset from the amount due to the Association, up to the limits stated in Chapter 521. Nothing in this Section precludes the Apartment Owner or tenant from seeking equitable relief from a court of competent jurisdiction or seeking a judicial determination of the amount owed.

7.9.7 Before the Board may take the actions permitted under Section 7.9.1, the Board must adopt a written policy providing for the actions and have the policy approved by such percentage of Apartment Owners as required by the Act.

7.10 Joint and Several Liability of Grantor and Grantee for Unpaid Common Expenses.

In a voluntary conveyance the grantee under an Apartment Deed covering an Apartment is jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee is entitled to a statement from the managing agent or Board setting

forth the amount of the unpaid assessments against the grantor, and except as to the amount of subsequently dishonored checks mentioned in such statement as having been received within the 30-day period immediately preceding the date of such statement, the grantee is not liable for, nor is the Apartment conveyed subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set out.

7.11 Waiver of Use of Common Elements: Abandonment; Conveyance to Board. No Apartment Owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his Apartment. Any Apartment Owner may, by conveying his Apartment and his common interest to the Board on behalf of all other Apartment Owners, exempt himself from common expenses thereafter accruing.

7.12 Taxes and Assessments. Each Owner of an Apartment shall be obligated to have the real property taxes for such Apartment and its appurtenant interest in the common elements assessed separately by the proper governmental authority and to pay the amount of such real property taxes so determined. The foregoing sentence shall apply to all types of taxes which now are or may hereafter be assessed separately by law on each Apartment and the common interest in the common elements appertaining thereto or the personal property or any other interest of the Owner. Each Owner shall execute such documents and take such actions as may be reasonably specified by the Board to facilitate dealing with the proper governmental authority regarding such taxes and assessments. Each Owner shall be obligated to pay to the Board his proportionate share of any assessment by the Board for any portion of taxes or assessments, if any, assessed against the entire Project or any part of the common elements as a whole and not separately, such payment to be made as directed by the Board. If, in the opinion of the Board, any taxes or assessments may be a lien on the entire Project or any part of the common elements, the Board may pay such taxes or assessments as part of the common expenses. Such assessments by the Board are secured by the lien created by Section 7.5.

7.13 Utility Expenses. The cost of utility services to any Apartment which are separately metered or check metered shall be payable by the Owner of such Apartment, payable directly to the utility company if a separate bill is rendered, or otherwise added to his share of the common expenses. For all utility expenses not separately metered or check metered, the Board shall allocate a share of such utility expenses to each Apartment, based upon the Apartment's appurtenant undivided percentage interest in the common elements.

ARTICLE 8 MAINTENANCE, REPAIR, ALTERATION AND USE

8.1 Maintenance and Repair of Apartments and Limited Common Elements. Except as otherwise provided in these Bylaws or in the Declaration, each Owner of an Apartment shall, at the Owner's expense, keep the Apartment and all limited common elements appurtenant to it in good order, condition and repair and do such repainting and redecorating as may be necessary to maintain the good appearance and condition of the Apartment and limited common elements.

8.2 Maintenance and Repair of Common Elements. Except as otherwise provided in these Bylaws or in the Declaration, all maintenance, repairs and replacements of the common elements shall be made only by or at the direction of the Board and be charged to all the Owners as a common expense; except the costs of maintenance, repairs and replacements necessitated by the negligence, misuse or neglect of an identified Apartment Owner may be charged to such Apartment Owner as a special assessment constituting a lien on such Owner's Apartment in accordance with Section 7.5.

8.3 Certain Limitations with Respect to Apartments. In addition to the limitations provided in the Declaration and with the exception of the Developer, no Apartment Owner shall without the prior written approval of the Board:

8.3.1 Install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment, fixtures, appliances or appurtenances whatsoever on the exterior of any part of the Project or protruding through the walls, windows or roofs, except that this prohibition shall be subject to any law that expressly overrides it.

8.3.2 Install any air-conditioning unit in a Hotel Apartment except only for replacement of the split system air conditioning units in Apartments 1506 and 1606 and through the wall air conditioning units in the other Hotel Apartments with systems or through the wall units as the case may be, that do not use more electricity than the units they replace.

8.3.3 Install any garbage disposal unit in any Hotel Apartment that is a lodging unit.

8.3.4 Apply any substance, material or process to the exterior or interior surfaces of the Apartment's windows which may alter the exterior color, appearance or reflectivity of the windows.

8.4 Alteration of the Project.

8.4.1 Except as otherwise provided in these Bylaws or in the Declaration in connection with certain Apartments and limited common elements, additions, alterations, repairs or improvements to the common elements of the Project may be made only by or at the direction of the Board.

8.4.2 Subject to the provisions of the Declaration and the Act and except as otherwise provided in these Bylaws or in the Declaration in connection with certain Apartments and limited common elements, no Owner may, without the prior written approval of the Board, (i) make any alteration, addition, repair or improvement to his Apartment which may affect the common elements, or change the exterior appearance of the Project, or (ii) make any alteration, addition, repair or improvement to any of the common elements, including common elements within, encompassing or adjacent to his Apartment.

8.4.3 Whenever in the judgment of the Board, the common or limited common elements shall require additions, alterations, repairs or improvements with a total cost of less

than ten (10%) per cent of the total annual budget, exclusive of reserves, the Board may proceed with such additions, alterations, repairs or improvements and shall assess the cost thereof as a common expense, except that the cost of any such work performed on any limited common elements may be charged to the Owners of Apartments to which such limited common elements are appurtenant. Any additions, alterations, repairs or improvements costing in excess of such percentage may be made by the Board only after obtaining approval of a majority of Apartment Owners; except that such approval shall not be required (i) for any repairs or replacements covered by available insurance proceeds held in the name of the Association, or (ii) for any additions, alterations, repairs, replacements or improvements required by law or to insure public health or safety, or (iii) in the event of an emergency threatening immediate and substantial damage to person or property, or (iv) for any additions, alterations, repairs, replacements or improvements anticipated in the Association's budget and for which reserve funds have been allocated in accordance with the requirements of these Bylaws, the Act and all applicable administrative rules relating to budgets and reserves for condominium property regimes. If such approval shall be obtained, the cost thereof shall constitute part of the common expense.

8.5 Use.

8.5.1 Each Apartment in the Project shall be used only for the purposes set out in the Declaration.

8.5.2 All common elements of the Project shall be used only for their respective purposes as designed and as set out in the Declaration, subject to:

(a) The right of the Board, upon the approval of the Owners of at least seventy-five percent (75%) of the common interests or such lesser percentage as may be permitted by the Act, to change the use of the common elements;

(b) The right of the Board, on behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements which are not actually used by any of the Apartment Owners for an originally intended special purpose, as determined by the Board; provided that unless the approval of the Owners of at least seventy-five percent (75%) of the common interests is obtained or such lesser percentage as may be permitted by the Act, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written notice; or such longer notice as may be permitted by the Act;

(c) The right of the Board to lease or otherwise use for the benefit of the Association those common elements not falling within paragraph (ii) above, upon obtaining (A) the approval of the Owners of at least seventy-five percent (75%) of the common interests, or such lesser percentage as may be permitted by the Act, including all directly affected Owners and all Owners of Apartments to which such limited common elements are appurtenant in the case of limited common elements, and (B) approval of all mortgagees of record on Apartments with respect to which Owner approval is required by (A) above, if such lease or use would be in derogation of the interest of such mortgagees.

8.5.3 No Apartment Owner shall make or permit to be made any noise or vibration by himself or his tenants, employees, guests, or invitees, which will unreasonably annoy or interfere with the rights, comfort or convenience of other Owners or occupants of the Project.

8.5.4 Every Apartment Owner and occupant shall at all times keep his Apartment and the limited common elements appurtenant thereto in a strictly clean and orderly condition and shall observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

8.5.5 No garments, rugs or other objects shall be hung from windows or balconies, or over gates, railings, or landscape walls of the Project. No rugs or other objects shall be dusted or shaken from windows or balconies or cleaned by beating or sweeping on any exterior part of the Project.

8.5.6 No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the disposal facilities provided for such purpose.

8.5.7 Nothing shall be allowed, done or kept in any Apartment or common element of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

8.5.8 No Apartment Owner or occupant shall place, store or maintain on walkways, roadways or other access areas or common elements any furniture, packages or objects of any kind, or otherwise obstruct transit through such walkways, stairways, roadways or other access areas.

8.5.9 No Apartment Owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his Apartment or the Project, nor alter or remove any furniture, furnishings or equipment of the common elements.

8.5.10 No Apartment Owner or occupant shall install any garbage disposal in any Hotel Apartment except that the garbage disposals installed in one-bedroom and two-bedroom apartments may be replaced when necessary by garbage disposals which do not place any greater stress on the plumbing system.

8.5.11 It is intended that the exterior of the Project present a uniform appearance, and to effect that end the Apartment Owners hereby agree:

(a) that the use of lanais or balconies for the open storage of boxes, equipment, supplies and materials or the displaying of signs of any sort or kind whatsoever is discouraged and that the Board, in its sole discretion, may prohibit such use.

(b) that draperies or other window treatments visible from the exterior of Hotel Apartments shall be permitted only in accordance with uniform guidelines adopted by the Board in the Rules and Regulations.

ARTICLE 9 MORTGAGES

9.1 Notice to Apartment Mortgagees. All notices permitted or required to be given to an Apartment Owner pursuant to these Bylaws shall also be given to each Apartment mortgagee of such Apartment Owner if such Apartment mortgagee has delivered to the Board written request for such notices.

9.2 Notice to Board. An Owner who mortgages his interest in an Apartment shall notify the Board of the name and address of his mortgagee and within ten (10) days after the recordation of the same shall provide the Board with the Land Court document number of the mortgage. The Board shall maintain such information in a book entitled "Mortgages of Apartments."

9.3 Mortgage Protection. Notwithstanding any provisions to the contrary contained in these Bylaws:

9.3.1 All taxes, assessments and charges which may become liens prior to a first mortgage of record on an Apartment in the Project under the laws of the State of Hawaii shall relate only to the individual Apartments and not to the Project as a whole.

9.3.2 The Declaration and these Bylaws shall not give an Apartment Owner or any other party priority over any rights of mortgagees of Apartments pursuant to their mortgages in the case of a distribution to Apartment Owners of insurance proceeds or condemnation awards.

9.3.3 No amendment to this Section 9.3 shall affect the rights of any Apartment mortgagee whose mortgage is recorded prior to the recordation of such amendment and who does not consent to it.

9.3.4 Any holder or insurer of a duly filed first mortgage of an Apartment or any interest therein whose interest appears in the record of ownership of (or who has otherwise delivered a written request to) the Association shall be entitled to:

(a) Prior written notice of any proposed amendment to the Declaration or these Bylaws;

(b) Prior written notice of any proposed termination of the Project;

(c) Timely written notice of any actual or threatened condemnation or eminent domain proceeding affecting the Project or any portion thereof;

(d) Written notice of any default of any Apartment Owner which is not cured within sixty (60) days;

(e) Written notice of any significant damage or destruction to the common elements or to an Apartment covered by the first mortgage held or insured by such party;

(f) A copy of all pleadings filed in any lawsuit, administrative proceeding, or other action affecting the Project or any portion thereof, at such party's expense for reproduction costs and at such party's specific written request; and

(g) Prior written notice of any proposal to subdivide, encumber, sell or transfer the common elements or any part thereof; however, that the granting of easements for public or private utilities or for public purposes consistent with the intended use of the common elements of the Project and the relocation of any easements appurtenant to the Project over other lands pursuant to the exercise of any right to relocate such easements by the Owner of such other lands shall not be deemed a transfer within the meaning of this clause.

9.4 Release of Information. The Board may provide any information available to it pertaining to an Apartment or the Project to the first mortgagee of such Apartment and such mortgagee may provide any information to the Board regarding the mortgagor, the mortgagor's loan and the status of such loan.

ARTICLE 10 GENERAL PROVISIONS

10.1 Right of Access. The managing agent and any other person authorized by the Board (or in case of an emergency, authorized by any Apartment Owner) shall have a right of access to any Owner's Apartment for the purpose of making inspections or correcting any condition existing in an Apartment and threatening another Apartment or the common elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in an Apartment or elsewhere in the Project, provided that requests for entry shall be made in advance and any such entry shall be at a time reasonably convenient to the Owner; provided further, however, that in case of an emergency, no prior request for entry need be made and such right to enter shall be deemed granted and effective immediately, whether the Owner is present at the time or not. If the Apartment Owner has elected not to provide keys to the Apartment to the managing agent or resident manager and a forced entry is reasonably required in the event of an emergency, the Apartment Owner shall be solely liable for all costs and expenses arising in connection with such forced entry, including all costs of replacing or repairing any part of the Apartment or the common elements damaged by or in connection with the forced entry.

10.2 Amendment.

10.2.1 Required Percent. These Bylaws may be amended in any respect consistent with law or the Declaration by the affirmative vote of at least sixty-five percent (65%) of all Apartment Owners at any meeting of the Association duly called for such purpose or by the written consent of at least sixty-five percent (65%) of all Apartment Owners, and shall be effective only upon the recording in the Land Court of an instrument setting forth such

amendment duly executed by the authorized officers of the Association; provided that each one of the particulars set out in Section 514A-82 of the Act shall be embodied in these Bylaws always. Any proposed amendment to these Bylaws with the rationale for such proposal may be submitted by the Board or by a volunteer Apartment Owners' committee in accordance with Section 514A-82 (b) (2) (B), and the Association shall comply with the terms of Section 514A-82 (b) (2) (B) with respect to such proposed amendment.

10.2.2 Restatement of Bylaws. Any other provision of these Bylaws notwithstanding, the Board, upon a resolution duly adopted, shall have the authority as set out in the Act to restate these Bylaws from time to time to set out any prior amendments hereto, or to amend these Bylaws as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

10.3 Records; Examination; Disposal.

10.3.1 The managing agent or Board shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. The managing agent or Board shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for common expenses.

10.3.2 All records and the vouchers authorizing the payments and statements shall be kept and maintained at the address of the Project or the office of the managing agent, or elsewhere within the State of Hawaii as determined by the Board, and shall be available for inspection by the Directors, officers, Apartment Owners and Apartment mortgagees.

10.3.3 Any managing agent employed or retained by the Association may dispose of the records of the Association which are more than five (5) years old without liability if the managing agent first provides the Board with written notice of the managing agent's intent to dispose of the records if not retrieved by the Board within sixty (60) days, which notice shall include an itemized list of the records which the managing agent intends to dispose of. However, if the Act is amended to permit the Association to require retention for a longer period, then such period of five (5) years shall be increased to seven (7) years.

10.3.4 No person shall knowingly make any false certificate, entry, or memorandum upon any of the books or records of the managing agent or the Association. No person shall knowingly alter, destroy, mutilate, or conceal any books or records of the managing agent or the Association.

10.4 Availability of Records. The Association shall make other documents, records and other information available to the Apartment Owners and Directors in accordance with the Act, including Section 514A-83.5 and 84.5.

10.5 Animals.

10.5.1 Restrictions on Pets. No dogs, cats, livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project.

10.5.2 Guide Dogs, Signal Dogs, Etc. Certified guide dogs, signal dogs, or other animals upon which disabled Owners, occupants or guests depend for assistance 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 certified guide dog, signal dog or other 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 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.

10.5.3 Indemnifications. In no event shall the Board, the Association, the managing agent or the 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.

10.6 Mediation/Arbitration of Certain Disputes. If a dispute arises concerning or involving one or more Apartment Owners and the Association, the Board, the managing agent or other Apartment Owners relating to the interpretation, application or enforcement of the Act or the Declaration, these Bylaws or the Rules and Regulations, the parties involved in such dispute shall first try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association, before resorting to arbitration. Thereafter, at the request of any party, any remaining unresolved controversy shall be submitted to arbitration as provided by Section 514A-121 of the Act. Nothing in this paragraph shall be interpreted to require the arbitration of any dispute which is either exempt from arbitration pursuant to Section 514A-121 of the Act or determined to be unsuitable for arbitration pursuant to Section 514A-122 of the Act.

10.7 Membership List. The resident manager or managing agent or Board shall keep an accurate and current list of members of the Association and their current addresses, the names and addresses of the vendees of any Apartment under an agreement of sale, if any, and the names and addresses of Apartment mortgagees, if any. The list shall be maintained at a place designated by the Board, and a copy shall be available, at cost, to any Apartment Owner, provided the Apartment Owner furnishes to the resident manager or managing agent or Board a duly executed and acknowledged affidavit stating that the list (a) will be used by such Owner personally and only for the purpose of soliciting votes or proxies or providing information to

other Owners with respect to Association matters and (b) shall not be used by such Owner or furnished to anyone else for any other purpose.

Each Owner shall promptly record the Apartment Deed or other conveyance to him of his Apartment, and any mortgage of his interest in his Apartment, and file with the Board, through the managing agent, a copy of the Apartment Deed or other conveyance document, together with a copy of the Land Court certificate of title for the Apartment, showing title vested in the Owner. Each vendor of an Apartment under an agreement of sale shall promptly record the agreement of sale and file a copy of such document with the Board. Each Apartment Owner, vendor, vendee and Apartment mortgagee shall promptly notify the Board of any changes in his or its address.

10.8 Owners May Incorporate. All of the rights, powers, obligations and duties of the Association imposed hereunder may be exercised and enforced by a nonprofit membership corporation, formed under the laws of the State of Hawaii for the purposes in these Bylaws set out by the Association. The corporation shall be formed upon the written approval of the Developer or all Apartment Owners. The formation of the corporation shall in no way alter the terms, covenants and conditions set out in these Bylaws and these Bylaws shall be adopted by the corporation as the bylaws thereof. The Articles of the corporation shall be subordinated hereto and controlled hereby. Any action taken by the corporation which is in violation of any or all of the terms, covenants or conditions contained in these Bylaws shall be void and of no effect.

10.9 Notices. All notices to the Association shall be either mailed or delivered to the members of the Board at their respective addresses as shown on the membership list, or to such other address as the Board may designate by notice to all Owners and all Apartment mortgagees. All notices to any Owner shall be either mailed or delivered to him at his address as shown on the membership list. All notices to Apartment mortgagees shall be mailed to their respective addresses as shown on the membership list, or to such other addresses as designated by them by notice to the Board. All notices shall be in writing and service of such notice shall be deemed complete upon the earlier of the date of actual delivery or, if mailed, the third day after the date of mailing, except notices of addresses and changes of addresses, which shall be deemed to have been given when received.

10.10 Captions. The captions of these Bylaws are inserted only as a matter of convenience and shall in no way define, limit or prescribe the scope of these Bylaws or the intent of any provision hereof.

10.11 Pronouns. All pronouns used in these Bylaws include the male, female, and neuter genders and include the singular and plural numbers, as the case may be.

10.12 Interpretation. The provisions of these Bylaws shall be liberally construed to effectuate the purpose of creating a uniform condominium project whereby the Owners of Apartments shall carry out and pay for the operation and maintenance of the Project as a mutually beneficial and efficient establishment.

10.13 Severability. The provisions of these Bylaws shall be deemed independent and severable, and the invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

10.14 Subject to Law. These Bylaws are subject to the laws of the State of Hawaii, including but not limited to the Act and the Hawaii Administrative Rules, Title 16, Chapter 107.

10.15 Changes in Law. In the event any change in the Act shall result in a conflict or inconsistency between the provisions of these Bylaws and the Act, the provisions of the Act shall prevail.

10.16 Conflict with Declaration. In the event of any conflict or inconsistency between the provisions of these Bylaws and the Declaration, the provisions of the Declaration shall prevail.

IN WITNESS WHEREOF, the Developer has executed this instrument this 27 day of February, 2004.

WAIKIKI TERRACE LLC

By 

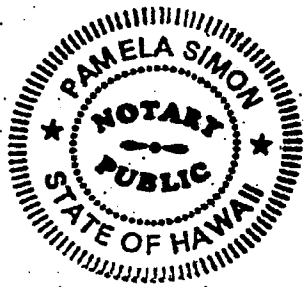
Kevin M. Showe
Its Manager

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

SS:

On this 27 day of February, 2004, before me personally appeared Kevin M. Showe, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and, if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Signature: Pamela Simon

Print Name: PAMELA SIMON

Notary Public, State of Hawaii

My commission expires: 9-13-2007

**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 benzene, 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 ejection of the animal from the Project. Ejection 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

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LUANA WAIKIKI AOA
Tuesday, June 26, 2012 10:00 a.m. Mezzanine Floor Offices**

Owners' Forum No owners were present.

I. Call to Order

Board Vice President Rick Zara called the meeting to order at 10:03 a.m. on the above date.

II. Establishment of a Quorum

Chair Zara advised there was a quorum of the Board with Board members present being D'Ann Reyher, Treasurer, and Directors Larry Baldwin, Kevin Showe and Joe Ficocello. Gail Dulay, President, was available for the majority of the meeting via teleconference.

Directors Howard Schneider was excused.

Also present were the following individuals from Outrigger Hotels Hawaii: Pamela Cabrera, Luana General Manager, Teri Orton, Vice President of the Marketing for the Condominium Division, and Susan Taraya, Condominium AOA Services Manager.

III. Approval of Minutes

Following a request by the Chair for approval of the minutes for the Board of Directors Meeting of January 24, 2012 and the Annual Meeting of March 27, 2012, the minutes were approved as presented by unanimous consent.

IV. Treasurer's Report

(a) Financials

The Board reviewed the financials presented year-to-date as of April 30, 2012.

The financials were accepted subject to audit.

(b) Delinquencies

A brief report was given on delinquencies, with no units over 30 days delinquent.

(c) Investment options

The decision was made to consider only short-term investment options with the upcoming projects under review.

V. General Manager's Report

General Manager Pam Cabrera provided a verbal report on the property. The items of discussion are covered in the unfinished and new business sections of the agenda.

VI. Committee Reports

No formal reports were given.

VII. Unfinished Business

- (a) Ratify email motions - none
- (b) Emergency generator and emergency hallway lighting - The only part of this project left to be completed is testing the phone system.
- (c) Lighting proposal - This topic was tabled for the next meeting.
- (d) Pool gate - This was tabled due to expense, but will remain on agenda.
- (e) ADA - the managing agent was instructed to obtain the opinion of the Association attorney before the Board contemplates adopting policies and procedures.

VIII. New Business

- (a) Owners Survey - no action to be taken.
- (b) Changes to documents re: energy, doors - tabled for further legal review.
- (c) Recommendations of budget, staffing and reserves - a committee including Directors Showe and Zara will review the recommendations before the next meeting.
- (d) Owner Requests - no requests were presented for consideration.

IX. 2012 Meeting Dates

BOD Meeting October 23, 2012

X. Executive Session – no executive session was held.

XI. Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 11:20 a.m.

APPROVED BY BOD AS SUBMITTED 2012_10_23

Susan Taraya
Recording Secretary

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LUANA WAIKIKI AOA**

Tuesday, October 23, 2012 10:00 a.m. Mezzanine Floor Offices

Owners' Forum No concerns were presented. The owners were thanked for their attendance and participation.

I. Call to Order

Board President Gail Dulay called the meeting to order at 10:12 a.m. on the above date.

II. Establishment of a Quorum

Chair Dulay advised there was a quorum of the Board with Board members present being Rick Zara, Vice President, D'Ann Reyher, Treasurer, Howard Schneider, Secretary, and Directors Larry Baldwin and Joe Ficocello. Director Kevin Showe was available for the majority of the meeting via teleconference.

Also present were the following individuals from Outrigger Hotels Hawaii: Pamela Cabrera, Luana General Manager, Bruce Schneider Vice President of the Marketing for the Condominium Division, Gary Tachino, Assistant Controller, and Susan Taraya, Condominium AOA Services Manager.

Invited guests were Sue Savio from Insurance Associates and Dave Bennett from Greenstar. The guests gave their respective presentations at the beginning of the meeting and their topics were then addressed by the board in accordance with the agenda after the guests were dismissed.

III. Approval of Minutes

Following a request by the Chair for approval of the minutes for the Board of Directors Meeting of June 26, 2012, the minutes were approved as presented by unanimous consent.

IV. Treasurer's Report

(a) Financials

The Board reviewed the financials presented year-to-date as of August 31, 2012.

The financials were accepted subject to audit.

(b) Delinquencies

A brief report was given on delinquencies, with no units over 30 days delinquent.

(c) Investment options

The decision was made to hold off on long-term investments out of consideration of upcoming projects.

V. General Manager's Report

General Manager Pam Cabrera provided a verbal report on the property. The items of discussion are covered in the unfinished and new business sections of the agenda.

VI. Committee Reports

No formal reports were given.

VII. Unfinished Business

(a) Ratify email motions

A motion was made by Director Zara to ratify the email motion approving the substitution of two antennas with a style already in use as requested by Verizon. The motion was unanimously approved.

(b) Lighting proposal - This topic was tabled but will remain on the agenda.

(c) Pool gate - This topic was tabled but will remain on agenda.

(d) Changes to documents re: energy, doors - This topic was tabled in anticipation of additional information from the Association's attorney.

(e) ADA - This topic was tabled in anticipation of additional information from the Association's attorney.

VIII. New Business

(a) Insurance

A motion was made by Director Ficocello to approve the insurance proposal as submitted by Insurance Associates. The motion was unanimously approved.

(b) Greenstar

A motion was made by Director Ficocello to approve an expenditure not to exceed \$1,000 from the operating funds to set up a test room with the energy-saving systems proposed by Greenstar. The motion was unanimously approved.

(c) Proposed improvements - doors, dividers and lanais

Proposals were reviewed and the staff was directed to obtain additional bids.

(d) Budget

The proposed budget had been reviewed by the budget committee. The board was advised of the addition of the Human Resource Allocation line item.

A motion was made by Director Ficocello to approve the 2013 budget as revised with an increase of 9.73% over 2012. The motion was unanimously approved.

(e) Owners Requests

A motion was made by Director Showe to allow the Ville de Coco Spa to set up a massage chair in the common areas of the Mezzanine level for complimentary mini-massages on a four-month trial basis. The Spa must add the Association as an additional insured on their liability policy and the location is at the discretion of the property manager. The motion was unanimously approved.

IX. 2013 Meeting Dates

BOD Meeting	January 22, 2013
Annual Meeting	March 26, 2013
BOD Meeting	June 25, 2013
BOD Meeting	October 22, 2013

X. Executive Session – no executive session was held.

XI. Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 12:27 p.m.

APPROVED BY BOD AS SUBMITTED 2013_01_22

Susan Taraya
Recording Secretary

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
LUANA WAIKIKI AOA**

Tuesday, January 22, 2013 10:00 a.m. Mezzanine Floor Offices

Owners' Forum No concerns were presented. The owners were thanked for their attendance and participation.

I. Call to Order

Board President Gail Dulay called the meeting to order at 10:00 a.m. on the above date.

II. Establishment of a Quorum

Chair Dulay advised there was a quorum of the Board with Board members present being Rick Zara, Vice President, D'Ann Reyher, Treasurer, and Directors Kevin Showe, Larry Baldwin and Joe Ficocello. Director Howard Schneider was excused.

Also present were the following individuals from Outrigger Hotels Hawaii: Pamela Cabrera, Luana General Manager, Bruce Schneider Vice President of the Condominium Division, and Susan Taraya, Condominium AOA Services Manager.

III. Approval of Minutes

Following a request by the Chair for approval of the minutes for the Board of Directors Meeting of October 23, 2012, the minutes were approved as presented by unanimous consent.

IV. Treasurer's Report

(a) Financials

The Board reviewed the financials presented year-to-date as of November 30, 2012.

The financials were accepted subject to audit.

(b) Delinquencies

A brief report was given on delinquencies, with no units over 30 days delinquent. It was reported that one unit was in foreclosure by the lender.

V. General Manager's Report

General Manager Pam Cabrera provided a written report on the property which is on file in the general manager's office..

Permission was granted by general consensus to allow Ville De Coco to continue offering free sample massages in the common elements of the mezzanine floor subject to the discretion of the board.

A motion was made by Director Zara to allow the property staff to replace tattered and worn pool cabana chairs, final approval to be provided by the design committee, with the charges to be paid from the replacement reserve funds.

The property staff was directed to get a bid from Seal Masters to repair blisters in the walkway finish, look for bicycle storage options and to investigate garage lockers.

VI. Committee Reports

No formal reports were given.

VII. Unfinished Business

- (a) Ratify email motions

No email motions were considered between meetings.

- (b) Lighting proposal - This topic was tabled but will remain on the agenda.
- (c) Pool gate - This topic was tabled but will remain on the agenda.
- (d) Changes to documents re: energy, doors - This topic was reserved for executive session to review attorney-client information.
- (e) ADA - This topic was tabled in anticipation of additional information from the Association's attorney.
- (f) Greenstar - This topic was tabled but will remain on the agenda.
- (g) Proposed improvements - doors, dividers and lanais - This topic was tabled but will remain on the agenda.

VIII. New Business

- (a) Owner Requests

All owner requests were addressed in the Manager's Report.

IX. 2013 Meeting Dates

Annual Meeting	March 26, 2013
BOD Meeting	June 25, 2013
BOD Meeting	October 22, 2013

X. Executive Session

Executive session was held to discuss attorney-client privileged information. The decision was made to present two amendments to the documents for a vote by the ownership. The proposed amendments to the documents were regarding maintenance, repair, alteration and use for energy conservation and maintenance of entry doors and lanais. Both proposed amendments are on file in the general manager's office.

XI. Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 11:07 a.m.

Susan Taraya
Recording Secretary



PROPERTY INFORMATION FORM



Condominium, Co-op, PUD, and other Homeowner Organizations Hawaii Association of Realtors® Standard Form (To be used in conjunction with RR109 Seller's Real Property Disclosure Statement) Revised 9/03 (NC) For Release 11/06

COPYRIGHT AND TRADEMARK NOTICE: This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Completion Date: Built in 1969 / Converted to condos in 2004

Name of Property: Luana Waikiki

All references hereafter to the word "Property" shall refer to the above.

Property Reference: 2045 Kalakaua Avenue Honolulu, HI 96815

Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 006 /Parcel 02 /CPR _____ (if applicable).

Property is managed by a licensed real estate broker. ☒ Yes ☐ No If a licensed real estate broker, is managing agent registered with the Real Estate Commission as a Condominium Managing Agent? ☒ Yes ☐ No

Name of Managing Agent: Outrigger Hotels Hawaii

Managed by this Managing Agent since: 2003

Managing Agent provides (Check those services that apply):

- ☒ Administrative Management Services
☒ Fiscal Management Services
☒ Physical Management Services
☐ Other Management Services - _____

☐ Property is self-managed since: _____

A. GENERAL & LEGAL

Total number of apartments: 230 Number of guest parking stalls available: 50 stalls - privately owned
If applicable, what percentage of Condominium Apartments has been sold and conveyed (excluding to the Developer)? 100 %
If applicable, what approximate percentage of Condominium Apartments is owner-occupied? <3% %
Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? 0 %
What approximate percentage of owners is more than one month delinquent in maintenance fees? 0 %

****If answer is "yes", using the SAME number below, describe in the space provided.****

- | Yes | No | NTMK (Not To My Knowledge) | |
|-------------------------------------|-------------------------------------|----------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (1) Within the past year, has the Board of Directors had discussions with the Lessor regarding the purchase of the leased fee interest in the land? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (2) Is Property subject to phasing or development of additional increments? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (3) Has the Owners Association or Corporation been in control of the operations of Property for less than two (2) years? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (4) Are there any lawsuits, arbitration or mediation actions affecting Property and/or Association other than delinquent owner maintenance fees?
Attorney for Association of Apartment Owners: <u>Anderson, Lahne and Fujisaki</u>
NOTE: Any attorney fees or other costs incurred for further answering this inquiry shall not be at the expense of the Association of Apartment Owners, nor of the Managing Agent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (5) If Property is a Condominium, does any single entity, individual or partnership own more than 10 percent of the common interest of Property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (6) Are any Association or Corporation approvals required for transfer of Ownership? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (7) Is a resident manager's apartment a part of the common elements, or is one owned by the Association or Corporation (does not apply to Planned Unit Developments)? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (8) Is a time share operation existing at Property? Name of Operator: _____ |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (9) Is there a hotel, transient vacation rental operation, or other organized rental program at Property? Name of operator? <u>Outrigger Hotels Hawaii dba Outrigger Hotels & Resorts</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (10) Have any of the following items been discovered by the Association or Corporation at Property?
<input checked="" type="checkbox"/> asbestos; <input type="checkbox"/> formaldehyde; <input type="checkbox"/> radon gas; <input type="checkbox"/> lead-based paint; <input type="checkbox"/> mold, mildew, fungus |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (11) Are there commercial apartments, lots or commercial use of the common areas or common elements at Property? |

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference: 2045 Kalakaua Avenue Honolulu, HI 96815



Number of Question answered "YES" and Explain:

5) National Housing Corp of Hawaii owns approximately 11%

10) Asbestos may be present in drywall spackling and exterior stucco of building

11) Unit M250 and M350 have been combined into one commercial space; M150 is a nail/facial spa; There is a cafe on the ground level; small boutique in the lobby; front desk unit is privately owned and leased to the on-site rental program operator.

B. INSURANCE

Name of Insurance Company: Insurance Associates, Inc.

Name of Insurance Agent: Surita Savio Phone: 808-526-9271

****If answer is "yes", using the SAME number below, describe in the space provided.****

Yes No NTMK Note: In case of Planned Unit Development, questions #14 to #17 apply to common areas only.

☒ ☐ ☐ (12) Is Property located in a designated Flood Hazard Zone?

☒ ☐ ☐ (13) Is Property covered by Flood Insurance?

☐ ☐ ☒ (14) Is Property located in a tsunami inundation area?

☐ ☒ ☐ (15) Has there been any substantial damage to Property due to earthquake, fire, floods, winds, landslides, tsunami, or volcanic activity within the last five years?

Number of Question answered "YES" and Explain:

12) Property is located in an "AO" flood hazard zone (flood depths of 1-3 feet)

13) Flood coverage is 100% of allowable coverage

C. FINANCIAL

What do the Apartment Maintenance fees include?

<input checked="" type="checkbox"/> Air Conditioning	<input type="checkbox"/> Real Property Tax
<input checked="" type="checkbox"/> Cable TV Signal	<input type="checkbox"/> Recreation/Community Association Dues
<input checked="" type="checkbox"/> Electricity	<input type="checkbox"/> Water & Sewer
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Other: _____
<input checked="" type="checkbox"/> Hot Water	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Lease Rent	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Parking	

How frequently is a financial statement prepared? ☒ Monthly ☐ Quarterly

Specify: ☐ Cash Basis ☒ Accrual Basis

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference: 2045 Kalakaua Avenue Honolulu, HI 96815

****If answer is "yes", using the SAME number below, describe in the space provided.****

Yes	No	NTMK		
[]	[<input checked="" type="checkbox"/>]	[]	(16)	Has the Association or Corporation Board of Directors approved a maintenance fee increase, special assessment, or loan?
[]	[<input checked="" type="checkbox"/>]	[]	(17)	Are any special assessments or loans in effect at this time?
[]	[<input checked="" type="checkbox"/>]	[]	(18)	Are any assessments required to be paid in full at the time of conveyance of ownership?

Number of Question answered "YES" and Explain:

D. PROPERTY CONDITION

****If answer is "yes", using the SAME number below, describe in the space provided.****

Are there any major repairs required or planned within the next 12 months with respect to the following common elements/common areas of the Property?

	Yes	NTMK		Yes	NTMK	
(19)	[]	[<input checked="" type="checkbox"/>]	Barbecue Facilities	(32)	[]	[<input checked="" type="checkbox"/>] Sauna
(20)	[]	[<input checked="" type="checkbox"/>]	Drainage	(33)	[]	[<input checked="" type="checkbox"/>] Security Systems
(21)	[]	[<input checked="" type="checkbox"/>]	Driveways/Parking Areas	(34)	[]	[<input checked="" type="checkbox"/>] Sewage Treatment Plant
(22)	[]	[<input checked="" type="checkbox"/>]	Electrical Systems	(35)	[]	[<input checked="" type="checkbox"/>] Slab(s)
(23)	[]	[<input checked="" type="checkbox"/>]	Elevators	(36)	[]	[<input checked="" type="checkbox"/>] Spas
(24)	[]	[<input checked="" type="checkbox"/>]	Exterior Walls	(37)	[]	[<input checked="" type="checkbox"/>] Sprinkler System
(25)	[]	[<input checked="" type="checkbox"/>]	Foundations	(38)	[]	[<input checked="" type="checkbox"/>] Swimming Pool
(26)	[<input checked="" type="checkbox"/>]	[]	Lanai Decks/Railings	(39)	[]	[<input checked="" type="checkbox"/>] Tennis Courts
(27)	[<input checked="" type="checkbox"/>]	[]	Paint	(40)	[]	[<input checked="" type="checkbox"/>] Trash Chutes
(28)	[]	[<input checked="" type="checkbox"/>]	Plumbing	(41)	[]	[<input checked="" type="checkbox"/>] Walkways
(29)	[]	[<input checked="" type="checkbox"/>]	Pool Deck/Railings	(42)	[]	[<input checked="" type="checkbox"/>] Wall(s)/Fences
(30)	[]	[<input checked="" type="checkbox"/>]	Rec. Room Equipment	(43)	[]	[<input checked="" type="checkbox"/>] Water Features
(31)	[]	[<input checked="" type="checkbox"/>]	Roofing	(44)	[]	[<input checked="" type="checkbox"/>] Other _____

Yes	No	NTMK		
[]	[<input checked="" type="checkbox"/>]	[]	(45)	Are lanai enclosures presently permitted by the Association or Corporation Board of Directors?
[]	[]	[<input checked="" type="checkbox"/>]	(46)	Do you know, within the past year, of the presence of live infestation, wood boring insects/termites in the common elements/common areas of Property?
[]	[]	[<input checked="" type="checkbox"/>]	(47)	Do you know, within the past year, of leaks and/or water damage in the common elements/common areas of Property?
[]	[]	[<input checked="" type="checkbox"/>]	(48)	Are you aware, within the past year, of any structural problems in the common elements/common areas caused by water, settling, sliding, subsidence, filled land, etc.?

Number of Question answered "YES" and Explain:

26/27 - in the early stages of the bidding process - no information available at this time.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference: 2045 Kalakaua Avenue Honolulu, HI 96815

E. DISCLAIMER

While not guaranteed, the information contained in this Property Information Form is based on information reasonably available to the Managing Agent at the time this form was completed. It has been provided by the Managing Agent at Owner/Seller's request and is believed to be current and correct to the best of the Managing Agent's knowledge at the time this form was completed. All persons relying upon the information contained herein are advised that the information provided cannot be considered a substitute for a careful inspection of Property and Property's governing documents, meeting minutes, financial documents and other documentation; and that they should refer to qualified experts in the various professional fields, including but not limited to attorneys, accountants, architects, engineers, contractors and other appropriate professionals for detailed evaluation of areas where additional clarification or information is desired. The person or entity completing the form is doing so only as a accommodation to the parties and shall not be held liable for any errors or omissions whatsoever. The person or entity completing this form is not required to and has not completed any special investigation, and is only reporting facts already known to that person or entity or readily available. Specifically and without limitation, the person or entity completing the form has not reviewed any records except official records of meetings in the possession of that person or entity and only for the current and prior year. Where the answer to a question is not applicable, unknown or is otherwise unanswerable, it has been marked "NTMK". Where the Managing Agent has marked "NTMK" or "NO" in response to a question concerning property condition, it must be recognized that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, a problem could be more serious than the Managing Agent, the Association, the Corporation or its Board of Directors knows. All such persons having access to this Property Information Form understand and acknowledge that this Property Information Form is not a warranty or guaranty of any kind by the Managing Agent, the Association or its Board of Directors.

Person completing this form:

 _____
Signature

 _____
Date

Name: Susan Taraya Title: Condominium AOA Svcs Mgr
Company: Outrigger Hotels Hawaii
Address: 2375 Kuhio Avenue Honolulu, HI 96815
Phones 808-926-4393 Fax 808-921-6635
E-Mail _____

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

BUYER'S INITIALS & DATE

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