

**MINUTES OF THE ANNUAL MEETING  
ASSOCIATION OF APARTMENT OWNERS  
PACIFIC ISLANDER  
APRIL 14, 2015**

**ROLL CALL**

Owners representing 56.69% of the common interest were present, in person or by proxy, thus constituting a quorum.

**CALL TO ORDER**

The 2015 Annual Meeting of the Association of Apartment Owners of Pacific Islander was called to order at 5:35 p.m. by Vice President Donna Shimizu-Pak.

**NOTICE OF MEETING**

A notice of the Annual Meeting was sent to all owners of record on February 10, 2015. A copy of the notice will be made part of the annual meeting file.

**INTRODUCTION OF BOARD MEMBERS AND GUESTS**

Vice President Shimizu-Pak welcomed the owners to the Annual Meeting and introduced herself and the following people:

Darko "David" Gojcaj, President (absent)  
Jaroslaw Karpusiewicz, Secretary/Treasurer  
Iconie Panich, Director (absent)  
John Gibbs, Director  
Barbara Jendrusch, Director

From Hawaiiiana Management Company, Ltd. :  
Susan DeCorte, Management Executive  
Erika Vargas, Tally Clerk

**PARLIAMENTARY AUTHORITY**

Robert's Rules of Order, Newly Revised, was deemed the governing authority of the meeting in any instances not covered by the Association Bylaws or Hawaii Revised Statute 514B.

**APPROVAL OF PRECEDING MEETING**

The Minutes of the March 27, 2014 Annual Meeting have been approved by the Board of Directors and sent to all owners. There being no objections, reading of the Minutes was waived.

There being no objections, the Board was authorized to approve the Minutes of the 2015 Annual Meeting.

### **AUDITOR'S REPORT**

Terry Wong, CPA, has audited the books for the accounting year ending December 31, 2014, and a copy of the audit was distributed to the owners at the meeting. There being no objections, the auditor's report was adopted.

### **ELECTION OF DIRECTORS**

The Bylaws specify that the affairs of the Association shall be governed by a Board of Directors composed of six persons, each of whom shall be an owner of an apartment in the project. Vice President Shimizu-Pak announced that there are two vacancies on the Board. Two positions will be for a three-year term.

Remaining on the Board are John Gibbs, Barbara Jendrusch, Iconie Panich & Jaroslaw Karpusiewicz.

Nominated from the floor was Samantha Preis & Stanley Victor.

A **motion** was made by John Gibbs, seconded by Barbara Jendrusch and carried unanimously to elect the nominees by acclamation.

### **NEW BUSINESS**

A. **Resolution on Assessments.** By unanimous consent, the following tax resolution was adopted:

"RESOLVED, by the owners of Pacific Islander, Association of Apartment Owners, that the amount by which members' assessment in 2015 exceed the total expenses of the Association for the purpose of managing, operating, maintaining, and replacing the common elements of the Association shall be applied against 2016 OPERATING EXPENSES."

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 5:40 p.m.

Submitted by:

Susan DeCorte  
Recording Secretary  
#1024

**MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF PACIFIC ISLANDER  
THURSDAY, OCTOBER 3, 2013  
HAWAIIANA MANAGEMENT COMPANY**

**CALL TO ORDER**

President Gojcaj called the regularly scheduled meeting of the Board of Directors of Pacific Islander to order at 4:30 p.m.

**ESTABLISH A QUORUM**

A quorum was established.

Present: Darko Gojcaj, Donna Shimizu-Pak, Jaroslaw Karpusiewicz,  
Barbara Jendrusch & John Gibbs

Excused: Nagwa Saas

Homeowner: Stanley Victor, Unit #405

Present by Invitation: Susan DeCorte, Management Executive, Hawaiiana  
Management Company, Ltd.  
Melanie Massera, Resident Manager

**OWNER'S FORUM**

1. Unit #603 – A complaint was discussed regarding noise, parties that exceed well over the quiet hours as stated in the House Rules, therefore ME Decorte was advised to forward a violation letter to the owner and tenant.

**APPROVE MINUTES**

By unanimous consent, the Board moved to approve the Minutes of the Regular Board Meeting of July 31, 2013, as submitted.

**TREASURER'S REPORT:**

- A. Financial Report. By unanimous consent, the Board moved to approve the Financial Statements for the months of July 2013 – August 2013 submitted, subject to audit.

**RESIDENT MANAGER'S REPORT:**

The Resident Managers Report of October 3, 2013 by Melanie Massera provided a verbal report.

1. Unit #303 – ME DeCorte was advised to forward a 2<sup>nd</sup> House Rule violation letter to include copies of the initial written violation notices.
2. Revised House Rules – ME DeCorte was advised to contact Legal Counsel to finalize the House Rule revisions as recommended. In addition, incorporate the security keys as part of the revisions.

**MINUTES OF THE BOARD OF DIRECTORS OF  
PACIFIC ISLANDER  
THURSDAY, OCTOBER 3, 2013  
PAGE 2**

3. Approved Air Conditioner Installation, Unit #205 – ME DeCorte will forward an approval letter to the owner.
4. Security Cameras – The security cameras has been installed, however electrical wiring need to be installed, therefore, RM Massera will follow-up with the electrician.
5. Motion Lights – There will be motion lights installed to the back gate area, front entrance & laundry area.
6. Main Drain Line – RM Massera will obtain an additional proposal for the cleaning.
7. Front Planter Boxes – RM Massera will obtain proposals to seal the boxes, which is leaking onto the water heater.
8. Sub-meters – RM Massera recommended a marketing campaign and place flyers under each unit door advising residents to unplug all appliances to decrease cost in electricity.

**UNFINISHED BUSINESS**

- A. Sub-Metering – The Board will review further options.
- B. Water & Sewer (Sub-metering) – This matter was tabled.
- C. Parking Gate:
  - Signs – By unanimous consent the Board moved to approve the purchase of signs installed to the parking gate.
  - Decals for Vehicles – There was no discussion.
  - Cameras – This matter was discussed during the Resident Manager's Report.
- D. House Rules (Correspondence from Legal Counsel) – This matter was discussed during the Resident Manager's Report.
- E. Spall in Garage – There was no discussion.
- F. Main Line Drain Cleaning - This matter was discussed during the Resident Manager's Report.

**MINUTES OF THE BOARD OF DIRECTORS OF  
PACIFIC ISLANDER  
THURSDAY, OCTOBER 3, 2013  
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**NEW BUSINESS:**

- A. Approval of 2014 Budget – A ***motion*** was made by Vice President Shimizu-Pak, seconded by Director Jendrusch and carried unanimously to approve the 2014 Budget prepared by Hawaiiana Management Company with a 20% increase in Maintenance Fees and 0% increase in Management Fees.

**DATE, TIME AND PLACE OF NEXT MEETING**

The next Regular Board of Directors Meeting will be at the call of the President.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 6:15 p.m.

Respectfully Submitted,

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Susan DeCorte  
Recording Secretary

**MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF PACIFIC ISLANDER  
THURSDAY, NOVEMBER 13, 2014  
HAWAIIANA MANAGEMENT COMPANY**

**CALL TO ORDER**

President Gojcaj called the regularly scheduled meeting of the Board of Directors of Pacific Islander to order at 4:35 p.m.

**ESTABLISH A QUORUM**

A quorum was established.

Present: Donna Shimizu-Pak, Jarolslaw Karpusiewicz,  
Barbara Jendrusch & John Gibbs

Excused: Darko Gojcaj  
Melanie Massera, Resident Manager

Present by Invitation: Susan DeCorte, Management Executive, Hawaiiana  
Management Company, Ltd.

**APPROVE MINUTES**

By unanimous consent, the Board moved to approve the Minutes of the Regular Board Meeting of December 5, 2013, and the Annual & Organizational Meeting of March 27, 2014, as submitted.

**TREASURER'S REPORT:**

A. Financial Report. By unanimous consent, the Board moved to approve the Financial Statements for the months of December 2013 – September 2014 as submitted, subject to audit.

**RESIDENT MANAGER'S REPORT:**

Resident Manager Melanie Massera provided a report which was distributed to the Board and reviewed.

**UNFINISHED BUSINESS**                      **None**

**NEW BUSINESS:**

- A. Approval of 2015 Budget – By unanimous consent, the Board moved to approve the 2015 Budget prepared by Hawaiiana Management Company with an increase of 20% in maintenance fees and 0% in management fees for 2015.
- B. Awning – This matter was tabled.
- C. Carpets in Hallways – This matter was tabled.

**MINUTES OF THE BOARD OF DIRECTORS OF  
PACIFIC ISLANDER  
THURSDAY, November 13, 2014  
PAGE 2**

- D. Gardens over Garage – This matter was tabled.
- E. New Doors (Electric Room & Office area in lobby) – RM Masserra will follow-up on this matter.
- F. Shredding of Documents – ME DeCorte will contact Shred-It and schedule with RM Masserra.
- G. Purchase of Generator – This matter was deferred.
- H. Honolulu Disposal – ME DeCorte was advised to forward the invoice for repairs to the parking gate, due to the technician damaging the gate which was seen on the security camera.

**DATE, TIME AND PLACE OF NEXT MEETING**

The next Regular Board of Directors Meeting will be at the call of the President.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 5:44 p.m.

Respectfully Submitted,

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Susan DeCorte  
Recording Secretary

**MINUTES OF THE BOARD OF DIRECTORS' MEETING  
OF PACIFIC ISLANDER  
THURSDAY, DECEMBER 5, 2013  
HAWAIIANA MANAGEMENT COMPANY**

**CALL TO ORDER**

President Gojcaj called the regularly scheduled meeting of the Board of Directors of Pacific Islander to order at 4:35 p.m.

**ESTABLISH A QUORUM**

A quorum was established.

Present: Darko Gojcaj, Donna Shimizu-Pak, Jaroslaw Karpusiewicz,  
Barbara Jendrusch & John Gibbs

Excused: Nagwa Saas

Present by Invitation: Susan DeCorte, Management Executive, Hawaiiiana  
Management Company, Ltd.  
Melanie Massera, Resident Manager

**APPROVE MINUTES**

A ***motion*** was made by vice President Shimizu-Pak, seconded by Director Gibbs and carried unanimously to approve the Minutes of the Regular Board Meeting of October 3, 2013, as submitted.

**TREASURER'S REPORT:**

A. Financial Report. By unanimous consent, the Board moved to approve the Financial Statements for the months of September 2013 – November 2013 submitted, subject to audit.

**RESIDENT MANAGER'S REPORT:**

Resident Manager Melanie Massera provided a verbal report.

1. Transformer – RM Massera reported the transformer owned by HECO is leaking and the electricity to the building will need to be shut-off for about 6-hours. The repair is tentatively scheduled for Wednesday, December 18, 2013.
2. Okada Trucking (Bulky Items) – ME DeCorte will contact the company to inform the owner a sign will be ordered and placed on the fence to read "No Dumping" illegal by law to include \$250.00 fine by the City & County.
3. List of Repairs – A ***motion*** was made by Director Jendrusch, seconded by President Gojcaj and carried unanimously to approve the following list of repairs as stated: Planter Boxes, Cameras (electrical), Replacement of (2) doors, Office (electrical / security bars for window), Pressure Washing.



**MINUTES OF THE BOARD OF DIRECTORS OF  
PACIFIC ISLANDER  
THURSDAY, December 5, 2013  
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**UNFINISHED BUSINESS**

- A. House Rules (Correspondence from Legal Counsel) – A ***motion*** was made by Director Gibbs, seconded by President Gojcaj and carried unanimously to approve the revised House Rules as submitted by Legal Counsel.
- B. Spall in Garage – This matter was tabled.
- C. Main Line Drain Cleaning – This matter has been completed.

**NEW BUSINESS:**

- A. Approval to allow the BOD's of Voting by Email – A ***motion*** was made by Vice President Shimizu-Pak, seconded by Director Jendrusch and carried unanimously to approve voting by email.

**DATE, TIME AND PLACE OF NEXT MEETING**

The next Regular Board of Directors Meeting is scheduled for Thursday, February 27, 2014, 4:30 pm at Hawaiiana Management Company.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 5:30 p.m.

Respectfully Submitted,

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Susan DeCorte  
Recording Secretary

L-65

STATE OF HAWAII  
OFFICE OF ASSISTANT REGISTRAR  
RECORDED

MAR 20. 1992 08:01 AM

Doc No(s) 1897757

on Cert(s) 349.734

/s/ S. FURUKAWA  
ASSISTANT REGISTRAR

CONVEYANCE TAX: \$0.00

REGULAR SYSTEM

Return by: Mail ( ) Pickup ( ) To:

James H. Watson  
Wagner & Watson  
737 Bishop Street, Suite 2480  
Honolulu, Hawaii 96813  
Telephone: (808)533-1872

DECLARATION OF RESTRICTIVE COVENANT

THIS DECLARATION, made by the Association of Apartment Owners of the PACIFIC ISLANDER HOTEL CONDOMINIUM PROJECT, a Hawaii unincorporated condominium association consisting of all of the owners of apartments in the Pacific Islander Condominium Project, acting by and through such Association's Board of Directors, whose address is 249 Kapili Street, Honolulu, Hawaii 96815 ("Declarant"), and DAVID MICHAEL HENNESSY and MARJORIE DILL HENNESSY, husband and wife, whose address is 12 Puukani Place, Kailua, Hawaii 96734 (hereinafter called collectively the "Master Lessee"), and ELSIE A. RECTOR, TRUSTEE under unrecorded Trust Agreement dated December 29, 1989, with full power to deal with the property subject hereto as herein provided, pursuant to

instrument of conveyance filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1730640, whose address is P.O. Box 207, Pendleton, Indiana 46064 (hereinafter called the "Fee Simple Owner");

W I T N E S S E T H:

WHEREAS, the land upon which the Pacific Islander Condominium Project (the "Project") is established is described in Exhibit One attached hereto and made a part hereof; and

WHEREAS, the Declarant is a Hawaii unincorporated condominium association organized and existing pursuant to that certain Declaration of Horizontal Property Regime dated November 14, 1975 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 742288, as amended; and

WHEREAS, the Fee Simple Owner is the owner of the fee simple land upon which such Project is situated; and

WHEREAS, persons constituting the Master Lessee are the collective owner of that certain master lease upon the Project land, being a lease made by and between Georgie Lyle Rector, as Lessor, and Income Builders, Inc., a Hawaii corporation, as Lessee, dated December 18, 1972, and filed in said Office as Land Court Document No. 629449, as amended by

instrument filed as Land Court Document No. 767711 (the "Master Lease"), and having been assigned to the Master Lessee by instrument filed as Land Court Document No. 1820214, consent thereto filed as 1820215, and noted on said TCT No. 349,734; and

WHEREAS, on September 6, 1990, the Declarant filed an application for a zoning variance to allow (retain) conversion of a nonconforming hotel (use) to a 51-unit apartment building, with less than the required off-street parking spaces and no loading space; and

WHEREAS, by "Findings of Fact, Conclusions of Law, And Decision and Order" in Case No. 90/VAR-71, attached hereto as Exhibit Two, the Director of Land Utilization of the City and County of Honolulu approved the aforesaid application for a variance on February 7, 1991, to allow (retain) conversion of a nonconforming hotel use to an apartment building with less than the required off-street parking spaces and with no loading space, which variance as amended, is subject to the following conditions:

1. The variance shall be for the life of the structure only.
2. The use of the property and structure shall be limited to thirty-eight (38) multiple-family dwelling units. The applicant shall submit a draft covenant, for review and approval by the Director of Land Utilization, agreeing to this condition. Upon approval of the covenant, it shall be filed with the Bureau of Conveyances and/or the Office of the Assistant Registrar of the Land Court of the State of Hawaii as provided by Ordinance No. 4349, and a certified copy of the covenant shall be filed with the Department of Land Utilization within fifteen (15) months of the date of this Order, or the variance shall lapse.

3. The applicant shall submit revised plans, for review and approval by the Director of Land Utilization, showing a total of 38 dwelling units, within fifteen (15) months of the date of the Order, or the variance shall lapse. The unit configuration shall be according to the 1973 approved building permit plans.
4. The applicant shall obtain a Waikiki Special Design Permit.
5. The applicant shall comply with the Park Dedication Ordinance within fifteen (15) months from the date of this Order, or the variance shall lapse.
6. This variance may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

NOW, THEREFORE, the undersigned Declarant, Master Lessee, and Fee Simple Owner hereby covenant and agree to subject the property described in Exhibit One to the conditions as follows:

1. The variance shall be for the life of the structure only.
2. The use of the property and structure shall be limited to thirty-eight (38) multiple-family dwelling units.
3. The Declarant shall submit revised plans, for review and approval by the Director of Land Utilization, showing a total of 38 dwelling units, within fifteen (15) months of the date of the Order, or the variance shall lapse. The unit configuration shall be according to the 1973 approved building permit plans.
4. The Declarant shall obtain a Waikiki Special Design Permit.

5. The Declarant shall comply with the Park Dedication Ordinance within fifteen (15) months from the date of this Order, or the variance shall lapse.

6. Declarant understands that Variance No. 90/VAR-71 may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

7. This Declaration of Restrictive Covenant shall run with the land and shall bind, inure to the benefit of, and constitute notice to the respective successors, grantees, assignees, mortgagees, and lienors of the parties hereto, and any other person who claims an interest in such property.

8. This Declaration of Restrictive Covenant shall not be terminated, extinguished, nor cancelled, without the express written approval of the Director of Land Utilization of the City and County of Honolulu, State of Hawaii.

9. Failure to maintain the development in accordance with this Declaration of Restrictive Covenant shall constitute grounds for the City and County of Honolulu, State of Hawaii to revoke or suspend any building permit issued hereunder.

10. The City and County of Honolulu, State of Hawaii, shall have the right to enforce this Declaration of Restrictive Covenant and the conditions contained herein by

appropriate action at law or in suit in equity against Declarant, Master Lessee, Fee Simple Owner, and any other persons claiming an interest in such property by or through the parties hereto.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands on this \_\_\_\_ day of MAR 20 1992, 1991.

ASSOCIATION OF APARTMENT OWNERS  
OF PACIFIC ISLANDER HOTEL  
CONDOMINIUM PROJECT

By *David M. Hennessy*  
David M. Hennessy  
Its President

By *Charles M. Gilliss*  
Print Name: Charles M. Gilliss  
Its Secretary

"Declarant"

*Elsie A. Rector*  
ELSIE A. RECTOR, Trustee  
as Aforesaid

"Fee Simple Owner"

*David Michael Hennessy*  
DAVID MICHAEL HENNESSY

*Marjorie Dill Hennessy*  
MARJORIE DILL HENNESSY

"Master Lessee"

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 24 day of October, 1991, before me appeared DAVID M. HENNESSY, to me personally known, who being by me duly sworn, did say that he is the President of the Board of Directors of the Association of Apartment Owners of the Pacific Islander Condominium Project; that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that he executed the same as the free act and deed of said Association. Said Association has no seal.

Ann Baume  
Notary Public, State of Hawaii  
My Commission Expires: 1-2-92

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this \_\_\_\_\_ day of \_\_\_\_\_, 1991, before me appeared Charles M. Gilliss, to me personally known, who being by me duly sworn, did say that he/she is the Secretary of the Board of Directors of the Association of Apartment Owners of the Pacific Islander Condominium Project; that the foregoing instrument 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. Said Association has no seal.

\_\_\_\_\_  
Notary Public, State of Hawaii  
My Commission Expires:



\*\*who proved to me on the  
basis of satisfactory evidence

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE

On this 21st day of October, 1991, before me appeared Charles M. Gilliss, to me personally known, who being by me duly sworn, did say that he is the Secretary of the Board of Directors of the Association of Apartment Owners of the Pacific Islander Hotel Project; that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that he executed the same as the free act and deed of said Association. Said Association has no seal.

*Amy K. La Rosa*

Notary Public, State of California  
My Commission Expires: 12-17-94



STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 24<sup>th</sup> day of October, 1991, before me personally appeared DAVID MICHAEL HENNESSY, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Ann Baine  
Notary Public, State of Hawaii  
My Commission Expires: 1-2-92

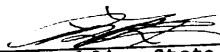
STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 16<sup>th</sup> day of October, 1991, before me personally appeared MARJORIE DILL HENNESSY, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Ann Baine  
Notary Public, State of Hawaii  
My Commission Expires: 1-2-92

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 7<sup>th</sup> day of October, 1991, before me personally appeared ELSIE A. RECTOR, Trustee under that certain unrecorded Trust Agreement dated December 29, 1989, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed as such Trustee.

  
Notary Public, State of Hawaii

My Commission Expires: 5-5-95

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EXHIBIT ONE

All of that certain parcel of land situate at Ainahau, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

Lot 68, area 6,721 square feet, as shown on Map 3 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 350 of the Trustees under the Will and of the Estate of A. S. Cleghorn, deceased;

Being the same land described in Transfer Certificate of Title No. 349,734 issued to Elsie A. Rector, Trustee under unrecorded Trust Agreement dated December 29, 1989.

DEPARTMENT OF LAND UTILIZATION OF THE CITY AND COUNTY OF HONOLULU  
STATE OF HAWAII

IN THE MATTER OF THE APPLICATION )  
  ) OF )  
  ) PACIFIC ISLANDER HOTEL )  
  ) FOR A VARIANCE )

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CASE NO. 90/VAR-71

FINDINGS OF FACT, CONCLUSIONS OF LAW,  
AND DECISION AND ORDER

I. APPLICATION

1. Basic Information:

Applicant : Pacific Islander Hotel  
Agent : Tyrone T. Kusao  
Owner : Elsie A. Rector  
Location : 249 Kapili Street - Waikiki  
Tax Map Key : 2-6-24: 41  
Lot Area : 6,721 Square Feet  
Zoning : Apartment Precinct

The Department of Land Utilization held a public hearing on January 24, 1991, to consider the application. The applicant and all other interested persons present were given an opportunity to be heard. The record of the hearing is on file with the Department.

2. Applicant's Proposal: To allow (retain) conversion of a nonconforming hotel (use) into a 51-unit apartment building, with less than the required off-street parking spaces and with no loading space. In 1973, the building was approved as a 38-unit hotel with 10 off-street parking spaces and 2 loading spaces. The proposed change of use, from hotel to multi-family dwelling is permitted, but that requires that the current off-street parking requirements, 1 space per dwelling unit, be met. The applicant proposes to provide 14 parking spaces; that is 37 spaces, or about 70 percent, below the 51 required parking spaces. The building also requires one off-street loading space; none is proposed.

EXHIBIT TWO

MAILED FEB 12 1991  
(Date)

3. Variance Required: Land Use Ordinance (LUO) Sections 3.70-1 (Table 1), 3.70-2(F), and 3.70-10, relating to off-street parking and loading requirements.
4. Applicant's Justification: The applicant provided justification statements which are part of the file.

## II. FINDINGS OF FACT

On the basis of the evidence presented, the Director has found:

1. Description of Site: The site is nearly rectangular and level in topography; it is located near the corner of Kapili and Tusitala Streets.
2. Land Use: The lot is developed with a 7-story, 18,027-square foot building which is presently being used as a 51-unit apartment building. The surrounding neighborhood consists primarily of single- and two-family detached dwellings, medium-density apartment buildings, and hotels.
3. Other Permits and Approvals:
  - a. Building Permit: On August 3, 1973, the Building Department issued a building permit (No. 13937) for a 7-story, 38-unit hotel with 10 off-street parking spaces and 2 loading spaces.
  - b. Waikiki Special District: The site is within the Waikiki Special District and is subject to its regulations.
  - c. Park Dedication: If the variance is approved, the applicant must comply with the Park Dedication Ordinance, ROH Chapter 22, Article 7, to convert the "existing hotel use" to multi-family dwelling use.
  - d. HRS, Chapter 343: The proposal is subject to Chapter 343, HRS, because the site is in Waikiki. The Director of Land Utilization has determined that the proposal is exempt from that statute.
  - e. Building Board of Appeals: If the variance is approved, the applicant may have to obtain a building code variance to allow the living rooms of the dwelling units to have a superficial floor area of less than 220 square feet.

4. Nonconformities or Irregularities: The 6,721-square foot parcel lacks 3,279 square feet, or 33 percent, of the minimum 10,000-square foot lot area. The building encroaches a maximum of about 8 feet into the 20-foot building setback along Kapili Street. The developed floor area is about 18,027 square feet; that is 13,151 square feet over the maximum permissible floor area (4,876 square feet; Floor Area Ratio = 0.68). The building exceeds the maximum lot coverage and lacks required open space. There are only 14 off-street parking spaces, which is 37 spaces below the required parking for apartment use. One loading space is required; none is provided. Wooden lattice fences above a portion of the mauka and makai sides extend from the lanais to the property line.
5. Related Variance: On February 10, 1990, the Director of Land Utilization approved a variance (No. 89/VAR-67) to allow (retain) conversion of a nonconforming hotel (the Pacific International) to a 54-unit apartment house, with less than the required off-street parking and no loading space; and, revocation of Variance No. 79/ZBA-206, subject to certain conditions.
6. Background: The building permit (No. 13937) for the hotel was obtained in 1973 under H-2 Hotel District zoning. That permit authorized 38 hotel units, with 10 off-street parking spaces and 2 loading spaces.

On September 29, 1975, an architect submitted a letter to the Director of Land Utilization, asking whether conversion from the existing hotel use to a condominium [apartment] use was permitted under the provisions of the Comprehensive Zoning Code. The Director of Land Utilization deferred the inquiry to the Building Department. And, in his letter of October 15, 1975, the Director and Building Superintendent indicated that conversion of the hotel to an apartment condominium is not permitted.

On April 1, 1976 (effectuation of Ord. No. 4573, Waikiki Special Design District), the H-2 zoning was changed to Apartment Precinct, and the hotel became a nonconforming use.

7. Public Hearing Testimony: The agent and the resident manager spoke in support of the request. DLU staff noted that the building was originally developed and approved as a 32-unit hotel, but there are now 51 units. The agent said the hotel was converted to an apartment in 1981. He said the State housing and home finance agency was looking for more low-income and elderly housing, and the conversion was done for that reason. He said that no notice of violation has been issued for the illegal conversion. A variance is being sought to legalize the apartment use so that some owners can

sell their units. Staff asked why the HPR document indicates 50 (not 51) units. The manager said an additional unit was added after the document was filed, due to a foreclosure. He said the property is not being used for transient vacation rentals. He noted that the parking was reconfigured about 3 years ago. He said parking is sufficient; in fact, 3 spaces are not being used. The agent said that, because of ownership, it would be difficult to reduce the number of units back to the original 38. He noted that the apartment use is much more appropriate for this location than the hotel use. The president of the Waikiki Residents Association submitted a letter in opposition to the request. No other testimony was given.

8. The applicant would be denied reasonable use if not allowed to convert the nonconforming hotel to conforming apartment use. He has a 7-story, 51-unit "hotel", which was constructed in 1973 under Comprehensive Zoning Code (CZC) regulations. At the time the building was constructed, it conformed to parking, loading, and use regulations; however, in April 1976, upon effectuation of the Waikiki Special Design District (Ord. No. 4573), the zoning was changed from H-2 Hotel to Apartment Precinct. The building encroaches into the 20-foot front yard on Kapili Street, it greatly exceeds maximum permitted density, and lacks the minimum open space, off-street parking, and loading.

The applicant indicates that the hotel was illegally converted to apartment use in 1981, but no additional parking was provided. The hotel units have been sold as condominium apartment units. At this point, the applicant cannot resume the former nonconforming hotel use, since that use has been discontinued for several years. And, he is not permitted to convert to conforming apartment use unless minimum off-street parking and loading spaces are provided. However, the request to retain the existing 51 units is excessive and unsupportable. That is an increase of 13 units, illegally created from the originally approved 38 units. That increase in density has resulted in a severe building (housing) code deficiency in terms of superficial floor area required for efficiency living units. Although that is not a zoning code issue, it is nevertheless important and should be considered. It has also increased the parking deficiency. If the units were returned to their original size and configuration (i.e., per the approved building permit plans), the parking deficiency would be reduced. Any hardship in reducing the number of units must be viewed as self-imposed, since the units were illegally converted. Although the current fee landowner and condominium owners may not have been the owners at the time of the conversion, they are now responsible for the number of dwelling units.



It is physically impossible to accommodate all of the required parking and loading spaces unless the building is demolished and the property redeveloped; however, a 38-unit building will reduce the magnitude of the deficiency by 13 spaces. Although the DLU does not condone the illegal conversion, it is evident that under the circumstances the applicant would be denied the reasonable use of his property if not allowed to retain the building as a multi-family dwelling, but it should be limited to a maximum of 38 units. A reasonable condition of approval, then, would be to require a restrictive covenant to limit the density to 38 dwelling units, unless sufficient off-site parking can be secured on a permanent basis by Conditional Use Permit and restrictive covenant.

9. The parcel is level and without adverse topographic conditions that prevent conforming development. However, there are mitigating circumstances which support the proposal. The location and design of the nonconforming building on the substandard lot (area) preclude the applicant from providing the minimum parking and loading necessary to allow conversion to apartment use. The building has a life expectancy of 50 to 60 years; demolition of the existing building and redevelopment to provide more parking would be unfeasible. Further, continuation of the former hotel use is contrary to the intent of the Apartment Precinct regulations, and return to that use is not suggested.
10. The proposal, if modified, will not alter the essential character of the neighborhood. The existing apartment use has been in place for about 10 years and the surrounding uses include medium-density apartment houses as well as single-family and two-family dwellings. Ordinarily, a change from a nonconforming to a conforming use would be permitted, provided other requirements are met. However, it is not possible to provide additional on-site parking, and off-site parking is not readily available. It would be unreasonable to require the applicant to resume the former nonconforming hotel use; and, technically, that requires a use variance. It would be reasonable to allow continuation of the apartment use with less than the required off-street parking since the applicant is without viable alternatives, but only if the number of units is reduced to 38.

### III. CONCLUSIONS OF LAW

1. There is evidence that the applicant would be deprived of a reasonable use of the land or building if used only as allowed in that zone.
2. The request of the applicant is due to unique circumstances and not to general neighborhood conditions, and it does not question the reasonableness of the neighborhood zoning.

3. The use sought to be authorized by the variance will not alter the essential character of the locality nor be contrary to the intent and purpose of the Zoning Ordinance.

#### IV. DECISION AND ORDER

Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Director of Land Utilization hereby APPROVES the application for a variance to allow (retain) conversion of a nonconforming hotel (use) to an apartment building, with less than the required off-street parking spaces and with no loading space, subject to the following conditions:

1. The variance shall be for the life of the structure only.
2. The use of the property and structure shall be limited to 38 multiple-family dwelling units. The applicant shall submit a draft covenant, for review and approval by the Director of Land Utilization, agreeing to this condition. Upon approval of the covenant, it shall be filed with the Bureau of Conveyances and/or the Office of the Assistant Registrar of the Land Court of the State of Hawaii as provided by Ordinance No. 4349, and a certified copy of the covenant shall be filed with the Department of Land Utilization within 90 days of the date of this Order, or the variance shall lapse.
3. The applicant shall submit revised plans, for review and approval by the Director of Land Utilization, showing a total of 38 dwelling units, within 90 days of the date of the Order, or the variance shall lapse. The unit configuration shall be according to the 1973 approved building permit plans.
4. The applicant shall obtain a Waikiki Special Design Permit.
5. The applicant shall comply with the Park Dedication Ordinance within 1 year from the date of this Order, or the variance shall lapse.
6. This variance may be revoked by the Director when, due to a material change in circumstances, one or more of the three Charter-required findings of hardship can no longer be made; or when there is a breach of any of the conditions above stated; provided that, for good cause, the Director may amend the above conditions.

Dated at Honolulu, Hawaii, this 7<sup>th</sup> day of February, 1991.

DEPARTMENT OF LAND UTILIZATION  
CITY AND COUNTY OF HONOLULU  
STATE OF HAWAII

By Donald Clegg  
DONALD A. CLEGG, Director

F90VAR71.ntt

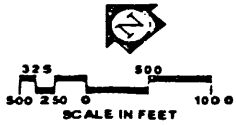
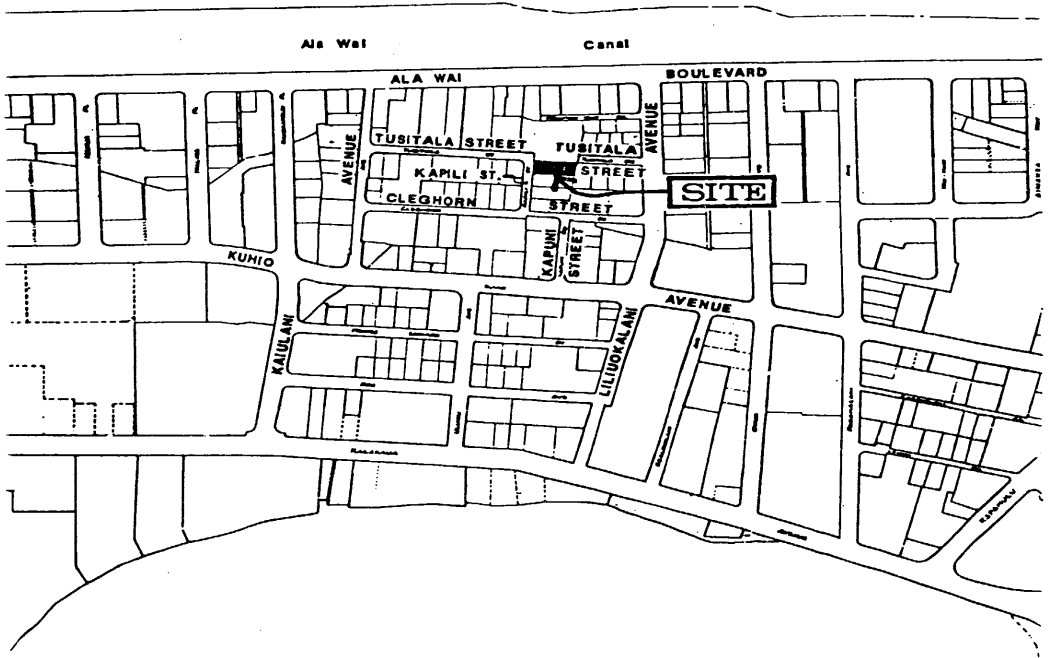
cc: Building Department  
(Richard Goto)

Ala Wai



Golf

Course

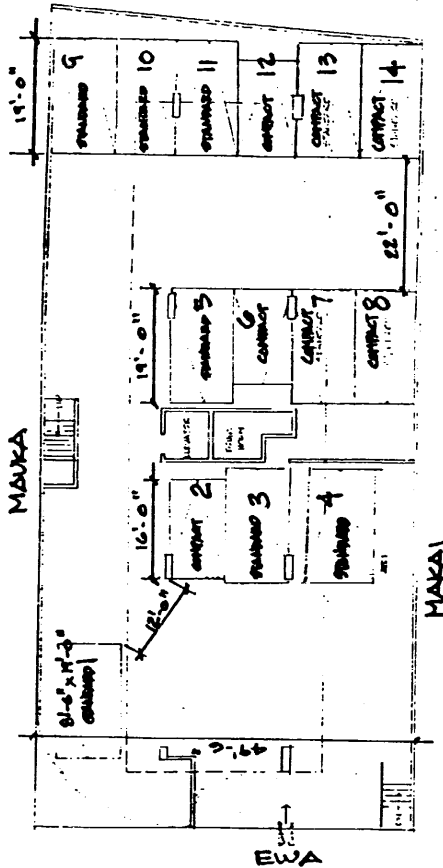


LOCATION MAP

TMK: 2-6-24: 41

EXHIBIT A

TO ALLOW (RETAIN) CONVERSION OF A  
 NONCONFORMING HOTEL TO AN APARTMENT  
 HOUSE, WITH LESS THAN THE REQUIRED  
 OFF-ST. PKG. SPACES  
 AND WITH NO  
 LOADING SPACES.



5110-FLOOR PLAN

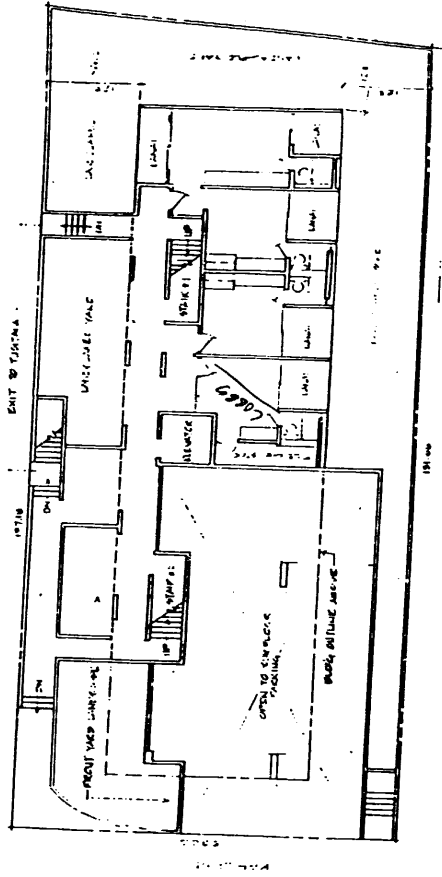
BASEMENT (PARKING) PLAN

7 STANDARD SPACES  
 7 CONTRACT SPACES

EXHIBIT B-1

RECORDER'S REMO: Legibility of Writing, Typing or Printing UNSATISFACTORY  
 In this Document when received.

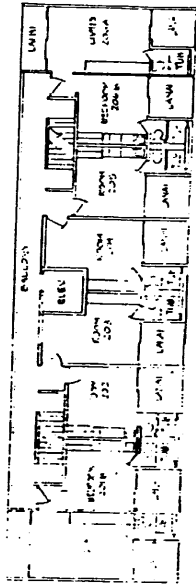
RECORDER'S MEMO: Legibility of Writing, Typing or Printing UNSATISFACTORY  
In this Document when received.



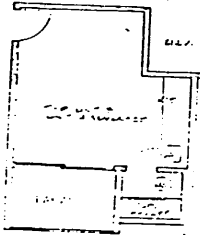
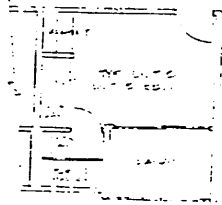
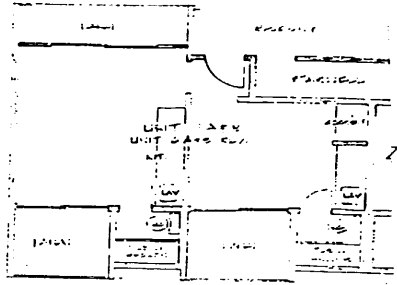
FIRST FLOOR PLAN

EXHIBIT B-2

RECORDER'S MEMO: Legibility of Writing, Typing or Printing UNSATISFACTORY  
In this Document when received.



UPPER FLOOR PLANS (INTERNAL SP. TO RECORD)



TYPICAL OFF. LAYOUTS

EXHIBIT B-3

**T.H.** Pacific Isl. Hotel  
T. I. OF HAWAII, INC.

1064627  
1064628

STATE OF HAWAII  
COURT  
FILED

81 APR 27 9 11 47

NOTED ON CAMERA  
BY  
BUSH

3.1



RECORDATION REQUESTED BY:

**T. I. OF HAWAII, INC.**

AFTER RECORDATION, RETURN TO:

**T. I. OF HAWAII, INC.**

RETURN BY: MAIL ( ) PICKUP (X)

---

SECOND AMENDMENT TO DECLARATION OF  
HORIZONTAL PROPERTY REGIME OF  
"PACIFIC ISLANDER HOTEL"

WHEREAS, by Declaration of Horizontal Property Regime dated November 14, 1975 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 742288, hereinafter referred to as the "Declaration", Georgie Lyle Rector, widow, as fee simple owner, and Hale Kapili, Inc., a Hawaii corporation, as assignee of that certain lease dated December 18, 1972 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 629449, did create a Horizontal Property Regime known as the "Pacific Islander Hotel" upon the property described in Exhibit "A" to said Declaration, being all of the land described in Transfer Certificate of Title No. 76,124, situate at Ainahau, Waikiki, City and County of Honolulu, State of Hawaii; and

WHEREAS, simultaneously with the filing of said Declaration in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, said Georgie Lyle Rector and Hale Kapili, Inc. caused that certain Condominium Map Number 267 to be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii; and

WHEREAS, said Declaration was amended by that certain Amendment to Declaration of Horizontal Property Regime for Pacific Islander Hotel dated May 3, 1976, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 767712; and

WHEREAS, Oricha Holding Company, a registered Hawaii general partnership, hereinafter called "Oricha", with its principal place of business and post office address at 98-211 Pali Momi Street, Suite 307, Aiea, Hawaii, is the owner of the subleasehold interest in all of the apartments created by said Declaration except for apartments number 203 and 506; and

WHEREAS, Waikiki Development Associates, Inc., a Hawaii corporation, is the present holder of the lessee's interest under that certain Master Lease dated December 18, 1972 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 629449, as amended, and is the sublessor of all of the apartments created by said Declaration; and

WHEREAS, Oricha and Waikiki Development Associates, Inc. desire to make certain amendments to the Declaration and the Horizontal Property Regime existing thereunder; and

WHEREAS, Hawaiian Trust Company, Limited, a Hawaii corporation, with its principal place of business and post office address at Financial Plaza of the Pacific, 111 S. King Street, Honolulu, Hawaii, as Personal Representative of the Estate of Georgie Lyle Rector, Deceased, intends to consent to the amendments to the Declaration, condominium map and the Horizontal Property Regime existing thereunder, as such amendments are herein set forth; and

WHEREAS, American Savings and Loan Association, hereinafter called "American Savings", a Utah corporation, with its

principal place of business and post office address at Financial Plaza of the Pacific, Honolulu, Hawaii 96813, is the present holder of certain first mortgages with respect to all of the subleases of apartments of Pacific Islander Hotel; and

WHEREAS, by virtue of said first mortgages, American Savings is the holder of a lien affecting the apartments created under said Declaration of Horizontal Property Regime; and

WHEREAS, American Savings also intends to consent to the amendments to the Declaration, condominium map and the Horizontal Property Regime existing thereunder, as such amendments are herein set forth;

WHEREAS, Finance Factors, Ltd., hereinafter called "Finance Factors", a Hawaii corporation, with its principal place of business and post office address at 195 South King Street, Honolulu, Hawaii 96813, is the present holder of certain second mortgages with respect to certain subleases of apartments of Pacific Islander Hotel; and

WHEREAS, by virtue of said second mortgages, Finance Factors is the holder of a lien affecting the certain respective apartments created under said Declaration of Horizontal Property Regime; and

WHEREAS, Finance Factors also intends to consent to the amendments to the Declaration, condominium map and the Horizontal Property Regime existing thereunder, as such amendments are herein set forth;

NOW, THEREFORE, Oricha and Waikiki Development Associates, Inc. do hereby amend said Declaration as follows:

1. DIVISION OF PROPERTY. The initial paragraph of Section A. is hereby amended to read as follows:

"A. DIVISION OF PROPERTY. The building has a lobby and three (3) apartments, 101, 102A and 102B, on the first floor. There are eight (8) apartments on the second through fourth and sixth and seventh floors, and seven (7) apartments on the fifth floor. A recreation deck and elevator penthouse are located on the roof. The apartments in the building as viewed from the makai side are numbered from left to right, 01, 02B and 02A on the first floor, 01A, 01B, 02, 03, 04, 05, 06B and 06A on the second through fourth and sixth and seventh floors, and 01A, 01B, 02, 03, 04, 05 and 06 on the fifth floor, all preceded by a number corresponding to the floor on which the units are located. The project is hereby divided into the following separate freehold estates:"

2. DIVISION OF PROPERTY.

Apartments. Section A.1 is hereby amended to read as follows:

"1. Apartments. Fifty (50) separate condominium apartments are designated in the spaces within the perimeter and party walls, floors and ceilings of each of said apartment units of the Project, contained in a seven (7) story building, together with basement, constructed principally of concrete, masonry, reinforced concrete, steel, aluminum framed and glass construction, which spaces together with appurtenant lanai air spaces, if any, are referred to herein as "apartments", are designated on said condominium map and described as set forth in Exhibit "B" attached hereto and for every purpose made a part hereof.

(a) The apartments are constructed according to eight (8) different floor plans. A description of each of said floor plans, designating the layout, number of rooms

and approximate area thereof is set forth in said Exhibit "B" attached hereto and for every purpose made a part hereof.

(b) The apartments are numbered and located in the manner shown on Condominium Map No. 267, filed in said Office of the Assistant Registrar of the Land Court of the State of Hawaii, as amended.

(c) The apartments have immediate access to the corridors on each floor leading to the elevator on the upper floors and to the grounds of the Project.

(d) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space (if any), and all fixtures originally installed therein."

3. DIVISION OF PROPERTY.

Limited Common Elements. Section A.3 is hereby amended to read as follows:

"Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive

easements for the use of such limited common elements as follows: The entry adjoining "06A" and "06B" apartments, the "06" apartment, "05" and "04" apartments, "03" and "02" apartments, "01B" and "01A" apartments on the second through seventh floors, and apartments "102B", "102A" and "101" on the first floor shall be a limited common element appurtenant to the respective apartments to which such entry is adjacent, as shown on the condominium map."

4. COMMON INTEREST. Section B. is hereby amended to read as follows:

"B. COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as follows:

<u>Apartment Type</u>	<u>Apartment Numbers</u>	<u>Percentage Interest</u>
I	206A, 306A, 406A, 606A, 706A, 102A	2.34
II	206B, 306B, 406B, 606B, 706B, 202, 302, 402, 502, 602, 702, 102B	1.77
III	205, 305, 405, 505, 605, 705, 201B, 301B, 401B, 501B, 601B, 701B, 101	1.77
IV	204, 304, 404, 504, 604, 704	1.96
V	303, 403, 503, 603, 703	1.96
	203	1.86
VI	301A, 401A, 501A, 601A, 701A	2.34
VII	201A	2.35
VIII	506	4.24

5. EXHIBIT "B". Exhibit "B" is deleted in its entirety, and the following inserted therefor:

EXHIBIT "B"

Layout and Area of Individual Apartments

The apartments are constructed according to eight different floor plans designated and described as follows:

<u>Unit Type</u>	<u>Characteristics</u>	<u>Apartment Numbers</u>	<u>Total Approximate Area in square ft. (including lanais)</u>
I	Studio unit with one bathroom, kitchenette and two lanais	206A, 306A, 406A, 606A, 706A, 102A	347 (two lanais with a total of 81 sq. ft.)
II	Studio unit with one bathroom, kitchenette and one lanai	206B, 306B, 406B, 606B, 706B, 202, 302, 402, 502, 602, 702, 102B	240 (lanai of 42 sq. ft.)
III	Studio unit with one bathroom, kitchenette and one lanai	205, 305, 405, 505, 605, 705, 201B, 301B, 401B, 501B, 601B, 701B, 101	240 (lanai of 42 sq. ft.)
IV	Studio unit with one bathroom, kitchenette and one lanai	204, 304, 404, 504, 604, 704	280 (lanai of 42 sq. ft.)
V	Studio unit with one bathroom, kitchenette and one lanai	203, 303, 403, 503, 603, 703	280 (lanai of 42 sq. ft.)
VI	Studio unit with one bathroom, kitchenette and one lanai	301A, 401A, 501A, 601A, 701A	293 (lanai of 37 sq. ft.)
VII	Studio unit with one bathroom, kitchenette and two lanais	201A	347 (two lanais with a total of 91 sq. ft.)
VIII	One bedroom unit with two bathrooms, two kitchenettes and three lanais	506	587 (three lanais with a total of 123 sq. ft.)

NOTE: In accordance with local architectural practice, the approximate floor area of each apartment as set forth above includes all of the walls and

partitions within its perimeter walls, the entirety of its perimeter non-party walls, and the interior half of its perimeter walls, whether load bearing or non-load bearing.

6. The condominium map is amended as shown on the amended condominium map filed herewith and as verified by that certain Verified Statement of Registered Architect attached thereto.

7. Hawaiian Trust Company, Limited as Personal Representative of the Estate of Georgie Lyle Rector, Deceased, in Probate No. 41216, filed in the Circuit Court of the First Circuit of the State of Hawaii, does hereby consent to the within and foregoing amendment to the Declaration and condominium map.

8. American Savings and Loan Association does hereby consent to the within and foregoing amendment to the Declaration and condominium map.

9. Finance Factors, Ltd. does hereby consent to the within and foregoing amendment to the Declaration and condominium map.



IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed this 30th day of March, 1981.

ORICHA HOLDING COMPANY

By *William D. Riley*  
Its General Partner  
BY *John H. Ryan*  
Its General Partner

WAIKIKI DEVELOPMENT ASSOCIATES, INC.

By *B. Shapiro*  
Its President

HAWAIIAN TRUST COMPANY, LIMITED  
Personal Representative of the  
Estate of Georgie Lyle Rector

By *Rene Davis*  
Its ASSISTANT VICE PRESIDENT

By *John S. Adams*  
Its ASSISTANT VICE PRESIDENT  
AMERICAN SAVINGS AND LOAN ASSOCIATION

By *Shirley Ross*  
Its Vice President

FINANCE FACTORS, LTD.

By *Stanley Jan*  
Its ASST VICE PRESIDENT

STATE OF HAWAII )  
 ) SS:  
CITY AND COUNTY OF HONOLULU )

On this 13th day of April, 1981, before me appeared Wayne O'Keefe, to me personally known, who being by me duly sworn, did say that he is the General Partner of ORICHA HOLDING COMPANY, the Hawaii general partnership named in the foregoing instrument, and acknowledged the instrument to be the free act and deed of the partnership and that he executed the same as his free act and deed.

LS

Lily K. Yang  
Notary Public, First Circuit  
State of Hawaii

My commission expires: **NOV 17 1982**.

STATE OF HAWAII )  
 ) SS:  
CITY AND COUNTY OF HONOLULU )

On this 13th day of April, 1981, before me appeared JAMES W. CHASE, to me personally known, who being by me duly sworn, did say that he is the general partner of ORICHA HOLDING COMPANY, a Hawaii registered general partnership; that said partnership is duly authorized to do business in the State of Hawaii; that said instrument was executed in the name and on behalf of said partnership by JAMES W. CHASE; and that said party acknowledged that he executed said instrument as the free and deed of said partnership.

LS

Lily K. Yang  
Notary Public, State of Hawaii

My commission expires: **NOV 17 1982**

STATE OF HAWAII )  
 )  
CITY AND COUNTY OF HONOLULU ) SS:

On this 9th day of April, 1981, before me personally appeared Beverly Shapiro, to me personally known, who, being by me duly sworn, did say that she is the President of WAIKIKI DEVELOPMENT ASSOCIATES, INC., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said corporation.

LS

Lily K. Yang  
Notary Public, First Circuit  
State of Hawaii

My commission expires: NOV 17 1982

STATE OF HAWAII )  
 )  
CITY AND COUNTY OF HONOLULU ) SS:

On this 30 day of March, 1987, before me personally appeared George S. [unclear], to me personally known, who, being by me duly sworn, did say that they are is the VICE PRESIDENT S of HAWAIIAN TRUST COMPANY, LIMITED, a Hawaii corporation, Personal Representative of the Estate of Georgie Lyle Rector, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said corporation.

Robert L. [unclear]  
Notary Public, First Circuit  
State of Hawaii

My commission expires: 1-30-85

STATE OF HAWAII )  
 ) SS:  
CITY AND COUNTY OF HONOLULU )

On this 3<sup>rd</sup> day of April, 1981, before me personally appeared MITSUO OSHIKATA to me personally known, who, being by me duly sworn, did say that he is the VICE PRESIDENT, of AMERICAN SAVINGS AND LOAN ASSOCIATION, a Utah corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that the instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said corporation.

Remittie H. Fan  
Notary Public, First Circuit  
State of Hawaii

My commission expires: 7-6-82

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

)  
)  
)

SS:

On this 10th day of April, 1981, before me personally appeared STANLEY SUR, to me personally known, who, being by me duly sworn, did say that is the ASST VICE PRESIDENT of FINANCE FACTORS, LTD., a Hawaii corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said corporation.

*Leroy S. Cyllus*

Notary Public, First Circuit  
State of Hawaii

My commission expires: 2-28-82

L-74

STATE OF HAWAII  
OFFICE OF ASSISTANT REGISTRAR  
RECORDED

MAR 20, 1992 08:01 AM

Doc No(s) 1897766

on Cert(s) 349,734

/s/ S. FURUKAWA  
ASSISTANT REGISTRAR

CONVEYANCE TAX: \$0.00

Return By Mail ( ) Pick Up ( ) TO: REGULAR SYSTEM

HALLELUJAH INVESTMENTS  
C/O WAGNER & WATSON  
737 BISHOP ST. # 2480  
HONOLULU, HI 96813

TL-296006B

LC  
16

THIRD AMENDMENT TO DECLARATION OF  
HORIZONTAL PROPERTY REGIME  
(PACIFIC ISLANDER)

WHEREAS, a condominium project (the "Project") of thirty-eight (38) condominium apartment units known as the "Pacific Islander Hotel" was created by Declaration of Horizontal Property Regime dated November 14, 1975 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 742288 (the "Declaration") and By-Laws attached thereto, upon the property at 249 Kapili Street, Honolulu, Hawaii 96815, shown as of the date hereof on the official tax maps of the Department of Taxation, First Division (Oahu), State of Hawaii as Tax Map Key Parcel 2-6-24:41, and further described in Exhibit "One" attached hereto and made a part hereof, being all of the land situate at Ainahau, Waikiki, City and County of Honolulu,

State of Hawaii, described in Transfer Certificate of Title No. 349,734 issued to Elsie A. Rector, Trustee; and

WHEREAS, the Condominium Map for the Project is Condominium Map Number 267 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii; and

WHEREAS, said Declaration was previously amended by two amendments: (1) "Amendment to Declaration of Horizontal Property Regime for Pacific Islander Hotel" dated May 3, 1976, and filed in said Office as Land Court Document No. 767712 (the "First Amendment"); and (2) "Second Amendment to Declaration of Horizontal Property Regime of Pacific Islander Hotel" dated March 30, 1981, filed in said Office as Land Court Document No. 1064627 with consent filed as Land Court Document No. 1064628 (the "Second Amendment"); and

WHEREAS, said First Amendment amended the Declaration provisions on use of the Project, and the Second Amendment increased the number of condominium apartment units in the Project to fifty (50) units by dividing each of the Apartments 102, 201, 206, 301, 306, 401, 406, 501, 601, 606, 701, and 706 (Apartment 506 being excluded) into separate "A" and "B" units (e.g., 102-A, 102-B, 201-A, 201-B, etc.), and also amended the respective common interests attributable to the apartment units in the Project, all in conjunction with amendments to various Apartment Subleases for condominium units in the Project, apartment subleases being the originating instruments of title for such Project units; and



WHEREAS, this Amendment is made pursuant to the Hawaii Condominium Act (Chapter 514A, Hawaii Revised Statutes) in order to consolidate such formerly-divided apartments by eliminating such separate "A" and "B" designations, and a purpose of this Amendment is to comply with that certain Zoning Variance No. 90/VAR-71 issued by the Department of Land Utilization, City and County of Honolulu which, among other things, required such Project to have thirty-eight (38) multiple-family dwelling units; and

WHEREAS, a further purpose of this Amendment is to provide for equal common interests for consolidated Apartments 206, 306, 406, 606, and 706, and for Apartment 506 (all hereinafter sometimes called the "06 Apartments"); and

WHEREAS, this Amendment is made also to provide for collection through the Project owners' association of apartment sublease rents owed to the Master Lessee; and

WHEREAS, the owner of the fee simple land upon which such Project is situated is ELSIE A. RECTOR, TRUSTEE under unrecorded Trust Agreement dated December 29, 1989 (the "Fee Simple Owner"), pursuant to instrument of conveyance filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1730640; and

WHEREAS, DAVID MICHAEL HENNESSY and MARJORIE DILL HENNESSY, husband and wife (collectively the "Master Lessee"), are the collective owner of that certain master lease upon the Project land, being a lease made by and between Georgie Lyle Rector, as Lessor, and Income Builders, Inc., a

Hawaii corporation, as Lessee, dated December 18, 1972, and filed in said Office as Land Court Document No. 629449, as amended by instrument filed as Land Court Document No. 707711 (the "Master Lease"), and having been assigned to the Hennessys as such Master Lessee by instrument filed as Land Court Document No. 1820214, consent thereto filed as 1820215, and noted on said TCT No. 349,734; and

WHEREAS, the titles to the condominium apartment units in the Project are held pursuant to said Apartment Subleases and the Master Lessee is the owner of the sublessor's interest thereunder; and

WHEREAS, the Project unit owners, being the owners of the respective subleasehold estates as Sublessees under said Apartment Subleases are identified in Exhibit "Two" attached hereto and made a part hereof, including those owners of units whose common interest is amended by this Amendment and those units which are being consolidated by this Amendment; and

WHEREAS, the mortgagee of said units whose common interests are amended by this Amendment and of those units being consolidated by this Amendment, being AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, as to all such units, is identified in Exhibit "Three" attached hereto and made a part hereof; and

WHEREAS, for purposes of providing approval of this Amendment by the owners of Project units having at least seventy-five percent (75%) of all unit common interests in

the aggregate, as required by paragraph "O" of the Declaration, it is specified that persons executing this Third Amendment, including but not limited to (1) HALLELUJAH INVESTMENTS, a Hawaii general partnership whose address is 12 Puukani Place, Kailua, Hawaii 96734, and (2) CHARLES M. GILLISS (also known as Charles Maxwell Gilliss) and BARBARA E. GILLISS (also known as Barbara Ellen Gilliss), Trustees of The Gilliss Family Trust under unrecorded Trust Declaration dated May 16, 1990, whose address is 25655 Corte Risa, Murrieta, California 92362, collectively own subleasehold title to the apartment units having more than such seventy-five percent (75%) in aggregate common interests of the Project units, the powers of said Trustees including the power to execute this Amendment being set forth in the instrument of conveyance to said Trustees, being Land Court Document No. 1866342;

NOW, THEREFORE, THE UNDERSIGNED PARTIES, constituting in (a) excess of seventy-five percent (75%) of the owners in common interests of the Project and including (b) the owners of the said apartments being consolidated and the owners of said "06 Apartments," and (c) the mortgagee of such apartments, and further including as consenting parties (d) the said Fee Simple Owner of the Project land and (e) the said Master Lessee, in the foregoing capacities, DO HEREBY FURTHER AMEND the Project Declaration (as previously amended) as follows:

1. The initial paragraph of Section A, "Division of Property," as provided in the Second Amendment is hereby further amended to read as follows:

"A. DIVISION OF PROPERTY. The building shall have a lobby and two (2) apartments, namely 101 and 102, on the first floor. There are six (6) apartments on each of the remaining floors (second through seventh floors inclusive) in the building. A recreation deck and elevator penthouse are located on the roof. The apartments in the building as viewed from the makai side are numbered from left to right with the two-digit suffixes 01 and 02 on the first floor, and with the two-digit suffixes 01, 02, 03, 04, 05, and 06 on the second through seventh floors, all preceded by a number corresponding to the floor on which the units are located. The project is hereby divided into the following separate freehold estates:".

2. Paragraph A-1, "Apartments," of Section A, as previously amended by the Second Amendment, is hereby further amended to read as follows:

"1. Apartments. Thirty-eight (38) separate condominium apartments are designated in the spaces within the perimeter and party walls, floors and ceilings of each of said apartment units of the Project, contained in a seven (7) story building, together with basement, constructed principally of concrete, masonry, reinforced concrete, steel, aluminum framed and glass construction,

which spaces together with appurtenant lanai air spaces, if any, are referred to herein as "apartments", are designated on said Condominium Map and described as set forth in Exhibit "B" attached hereto and for every purpose made a part hereof.

(a) The apartments are constructed according to five (5) different floor plans. A description of each of said floor plans, designating the layout, number of rooms and approximate area thereof is set forth in said Exhibit "B" attached hereto and for every purpose made a part hereof.

(b) The apartments are numbered and located in the manner shown on Condominium Map No. 267, filed in said Office of the Assistant Registrar of the Land Court of the State of Hawaii, as amended.

(c) The apartments have immediate access to the corridors on each floor leading to the elevator on the upper floors and to the grounds of the Project.

(d) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as herein provided. Each apartment shall be deemed to include all the walls and

partitions which are not load bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space (if any), and all fixtures originally installed therein."

3. Paragraph A-3, "Limited Common Elements," of Section A, as previously amended by the Second Amendment, is hereby further amended to read as follows:

"3. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: The entry adjacent to Apartment 101, the entry adjacent to Apartment 102 on the first floor, and the entry adjacent to each of the six apartments on the second through seventh floors inclusive shall be a limited common element appurtenant to the respective apartment to which such entry is adjacent, as shown on said Condominium Map, as amended."

4. Section B, "Common Interest", as previously amended by the Second Amendment, is hereby further amended to read as follows:

"B. COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided percentage interest

in all common elements of the project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as follows:

<u>Apartment</u> <u>Type</u>	<u>Apartment</u> <u>Numbers</u>	<u>Percentage</u> <u>Interest</u>
A	102	4.24
	206, 306, 406,	4.11
	506, 606, 706	
B	101, 202, 205,	1.77
	302, 305, 402,	
	405, 502, 505,	
	602, 605, 702	
	705	
C	201	4.12
D	203	1.86
	204, 303, 304	1.96
	403, 404, 503,	
	504, 603, 604,	
	703, 704	
E	301, 401, 501,	4.11

5. Exhibit "B" to the Declaration, as previously amended by the Second Amendment, is deleted in its entirety, and the following amended Exhibit B is substituted and inserted therefor:

"EXHIBIT B

Layout and Area of Individual Apartments

The apartments are constructed according to five (5) different floor plans located, designated and described as follows:

The first floor contains one (1) Type A unit and one (1) Type B unit. The second floor contains one (1) Type A unit, two (2) Type B units, one (1) Type C unit, and two (2) Type D units. Each of the third through the seventh floors contains one (1) Type A unit, two (2) Type B units, two (2) Type D units, and one (1) Type E unit.

A. Type A: Each of the Type A units is a two (2) room suite with one (1) living room, one (1) bedroom, two (2) baths, a kitchen area in the living room, and three (3) lanais. The living room has two (2) lanais, one (1) facing mauka and one (1) facing makai. The adjoining bedroom has one (1) lanai facing makai. Each of the living room and the bedroom has an adjacent



bathroom containing a tub-shower and water closet. Adjacent to the bathroom door in each of such rooms is a lavatory, counter, storage cabinet, and closet. Each of the Type A units contains approximately 587 gross square feet (approximately 464 sq. ft. net and approximately 123 sq. ft. lanai area); however, the first floor Type A unit (Apartment 102) has an additional approximate 224 square feet of terrace area.

B. Type B: Each of the Type B units consists of one (1) room for a living room/bedroom with a kitchen area, a bathroom with tub-shower and water closet, and one lanai. The living room/bedroom contains a lavatory, counter, storage cabinet, and closet. Each of the Type B units contains approximately 240 gross square feet (approximately 198 sq. ft. net and approximately 42 sq. ft. lanai); however, the first floor unit (Apartment 101) has an additional 115 square feet of terrace area.

C. Type C: The Type C unit is a two (2) room suite with one (1) living room, one (1) bedroom, a kitchen area in the living room, two (2) bathrooms, and three (3) lanais. The living room has two (2) lanais, one (1) facing mauka and one (1) facing makai. The adjoining bedroom has one (1) lanai facing makai. Each of the living room and the bedroom has an adjacent bathroom containing tub-shower and water closet. Adjacent to the bathroom door in each of such rooms is a lavatory, counter, storage cabinet, and closet. The Type

C unit contains approximately 587 gross square feet (approximately 454 sq. ft. net and approximately 133 sq. ft. lanai area).

D. Type D: Each of the Type D units consists of one room for a living room/bedroom with a kitchen area, a bathroom with tub-shower and water closet, and one lanai. The living room/bedroom contains a lavatory, counter, storage cabinet, and closet. Each of the Type D units contains approximately 280 gross square feet (approximately 238 sq. ft. net and approximately 42 sq. ft. lanai).

E. Type E: Each of the Type E units is a two (2) room suite with one (1) living room, one (1) bedroom, a kitchen area in the living room, two (2) baths and two (2) lanais. The living room and the adjacent bedroom each have one (1) lanai facing makai. Each of the living room and the bedroom has an adjacent bathroom containing a tub-shower and water closet. Adjacent to the bathroom door in each of such rooms is a lavatory, counter, storage cabinet, and closet. Each of the Type E units contains approximately 533 gross square feet (approximately 454 sq. ft. net and approximately 79 sq. ft. lanai area).

The term "makai" means facing more toward the ocean than toward the mountains. The term "mauka" means facing more toward the mountains than toward the ocean.

NOTE: The approximate floor area of each apartment as set forth above includes all of the walls and partitions within its perimeter walls, the entirety of its perimeter non-party walls, and the interior half of its perimeter party walls, whether load bearing or non-load bearing."

END OF EXHIBIT B

6. Said Condominium Map 267, as previously amended, is hereby further amended by deleting therefrom the three (3) plan sheets dated August 26, 1980, which were added to the said Condominium Map by the Second Amendment, and by substituting therefor as an addition to and amendment of such Condominium Map the amended "Site and Floor Plans" Sheet No. 1 dated October 28, 1991 (last revision date), filed herewith and as verified by that certain Verified Statement of Registered Architect attached thereto.

7. Section E, "Use and Purpose," of the Declaration, as previously amended by the First Amendment, is hereby further amended to read as follows:

"E. USE AND PURPOSE; VARIANCE. The building containing the Project apartments as herein described shall at all times be used only as a multi-family dwelling as defined in the Land Use Ordinance ("LUO") of the City and County of Honolulu, Hawaii, in effect as of the date of recording this amended provision, and the number of apartments in the building shall be limited to thirty-eight (38) dwelling units as defined in said LUO

as of such recording date. The foregoing restriction to thirty-eight (38) dwelling units in a multi-family dwelling is a condition of that certain Zoning Variance No. 90/VAR-71 ("Variance") issued for the Project by the Department of Land Utilization of the City and County of Honolulu, and all persons owning any interest in the Project or occupying any part of the Project shall automatically be subject to the terms, conditions, and effect of such Variance. Any use of the building other than such multi-family dwelling use shall be made only if permitted by the applicable laws, ordinances, rules and regulations of the City and County of Honolulu and the State of Hawaii and as approved by the Master Lessee and the Lessor (Fee Simple Owner), and no use of the building that is contrary to such Variance shall be made. Subject to the foregoing restrictions on use and density, the owners of the respective apartments of the Project shall have the absolute right to lease out or rent out such apartments for any period of time, subject to all of the other provisions of this Declaration.

The terms and conditions of such Variance are set forth in that certain Declaration of Restrictive Covenant filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. \_\_\_\_\_ . The Project Association of Apartment Owners shall have the power and right to record a notice

that applicable portions of such conditions of the Variance have been satisfied, by recording a document executed by any two (2) officers of such Association and containing such terms as such officers may prescribe."

8. Section F, "Administration of Project," of the Declaration, dealing with powers and responsibilities of the project Association, is hereby amended by the addition of a new paragraph F-9 reading as follows:

"9. Have the power and right to collect from apartment owners the rents, general excise taxes thereon, and similar amounts, owed by the apartment owners under their respective Apartment Subleases to the Master Lessee of the project land and Sublessor under such Apartment Leases, all upon and subject to the vote or written consent of the majority of apartment owners approving such collection, and on such terms and conditions as may be agreed to by such majority of apartment owners and the said Master Lessee/Sublessor. Upon such majority vote or written consent, the Association may be required by such vote or consent to collect and handle such amounts, and shall have the right and may be required to carry out such collection through the Association Managing Agent."

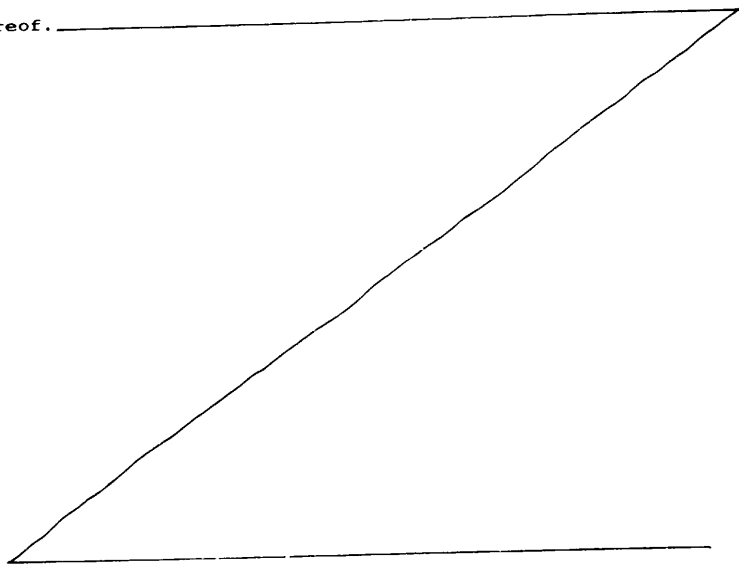
9. The name of the Project is hereby amended to delete the word "Hotel" from such name, thereby replacing the name "Pacific Islander Hotel" with the name "Pacific Islander," and all references to the Project name in the Declaration shall be deemed so amended.

10. 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 instrument, binding all of the parties hereto,

*amend name*

notwithstanding that 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.

IN WITNESS WHEREOF, the parties hereto, in the aforesaid capacities, have caused this Third Amendment to be executed as of the respective dates of their execution hereof.



Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

HALLELUJAH INVESTMENTS, a  
Hawaii General Partnership

By *David Michael Hennessy*  
DAVID MICHAEL HENNESSY, its  
General Partner

STATE OF HAWAII                    )  
  ) SS.  
CITY AND COUNTY OF HONOLULU    )

On this 30<sup>th</sup> day of July, 1991, before me appeared DAVID MICHAEL HENNESSY, to me personally known, who, being by me duly sworn, did say that he is the general partner of HALLELUJAH INVESTMENTS, a Hawaii general partnership; that said instrument was signed in behalf of said partnership by authority of the partners; and said DAVID MICHAEL HENNESSY acknowledged the instrument to be the free act and deed of said partnership.

*Leona M. Corwin*  
Notary Public, State of Hawaii  
My commission expires: 4/10/92





Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander

Barbara E. Gilliss Trustee  
BARBARA E. GILLISS, Trustee

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) ss.

On this 16 day of January, 1992,  
before me personally appeared BARBARA E. GILLISS, also known  
as Barbara Ellen Gilliss, as Trustee of The Gilliss Family  
Trust under unrecorded Trust Declaration dated May 16, 1990,  
to me known to be the person described in and who executed  
the foregoing instrument and acknowledged that she executed  
the same as her free act and deed as such Trustee.

L.S

Nmyasunaga  
Notary Public, State of Hawaii  
My Commission Expires: 5/28/92

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

LINDA LARUE MURDOCK

By *J. Murdock*  
Joseph Warren Murdock  
Her Attorney-in-Fact

STATE OF ALASKA )  
COUNTY OF *Kenai Peninsula Borough* ) SS.

On this *27th* day of *January*, 1992,  
before me personally appeared JOSEPH WARREN MURDOCK, as  
Attorney-in-Fact for LINDA LARUE MURDOCK, to me known to be  
the person described in and who executed the foregoing  
instrument as Attorney-in-Fact for said LINDA LARUE MURDOCK,  
and acknowledged that he executed the same as the free act  
and deed of said LINDA LARUE MURDOCK.

*Paul M. Eiden*  
Notary Public, State of Alaska

My Commission Expires: *8/8/95*

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

*Carolyn Marie Cameron*  
CAROLYN MARIE CAMERON

STATE OF HAWAII                    )  
  ) SS.  
CITY AND COUNTY OF HONOLULU    )

On this 4th day of February, 1998  
before me personally appeared CAROLYN MARIE CAMERON, to me 078  
known to be the person described in and who executed the  
foregoing instrument and acknowledged that she executed the  
same as her free act and deed.

*Janet [Signature]*  
Notary Public, State of Hawaii

My Commission Expires: 7-27-95

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

1000  
MP  
*Yong Tae Pak*

YONG TAE PAK  
also known as ROBERT YOUNG BAHK

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS

On this 21st day of January, 1992,  
before me personally appeared YONG TAE PAK, also known as  
ROBERT YOUNG BAHK, to me known to be the person described in  
and who executed the foregoing instrument and acknowledged  
that he executed the same as his free act and deed.

*PS*

*Barbara A. Cheng*  
Notary Public, State of Hawaii

My Commission Expires: 7/18/92

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

Bob Lee Galloway  
BOB LEE GALLOWAY

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS.

On this 1<sup>st</sup> day of NOVEMBER, 1991,  
before me personally appeared BOB LEE GALLOWAY, to me known  
to be the person described in and who executed the foregoing  
instrument and acknowledged that he executed the same as his  
free act and deed.

Susan M. Ormai  
Notary Public, State of Hawaii

My Commission Expires: 11/2/92

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

  
JEAN HARUMI GALLOWAY

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 1<sup>st</sup> day of NOVEMBER, 1991,  
before me personally appeared JEAN HARUMI GALLOWAY, to me  
known to be the person described in and who executed the  
foregoing instrument and acknowledged that she executed the  
same as her free act and deed.

  
Notary Public, State of Hawaii

My Commission Expires: 4/10/92

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

Douglas I. Harvey  
DOUGLAS IAN HARVEY

STATE OF ENGLAND  
~~PROVINCE OF BRITISH COLUMBIA~~ )  
UNITED KINGDOM ) SS.  
CANADA )

On this 14th day of October, 1991, before me personally appeared DOUGLAS IAN HARVEY, to me personally known, and known to me to be the individual described in, whose name is subscribed to, and who executed the annexed instrument, and being informed by me of the contents of said instrument, he duly acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned.

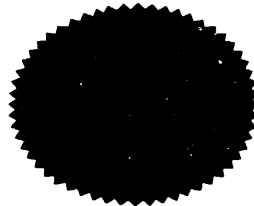
In witness whereof I have hereunto set my hand and official seal the day and year last above written

M. J. Fuller (M. J. FULLER)

Notary Public in and for the Province of  
British Columbia London Borough of Hillingdon

My Commission Expires at the Pleasure of  
the Lieutenant Governor in Council

*facultate, in quantum et in quantum*





**APOSTILLE**

(Hague Convention of 5 October 1961/Convention de La Haye du 5 octobre 1961)

1. Country: United Kingdom of Great Britain and Northern Ireland  
Pays: Royaume-Uni de Grande-Bretagne et d'Irlande du Nord

This public document / Le present acte public

2. has been signed by / a etc signe par ..... M. J. FULLER .....  
3. acting in the capacity of / agissant en qualite de ..... Notary Public .....  
4. bears the seal/stamp of / est revêtu du sceau/timbre de ..... THE SAID NOTARY PUBLIC .....

Certified/Atteste ..... 31 OCT 1991 .....

5. at London/à Londres ..... 6. the / le .....  
7. by Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs,  
par le Secrétaire d'Etat Principal de Sa Majeste aux Affaires Etrangères et du Commonwealth.

8. Number/sous No **G 097452**

9. Stamp:  
timbre:



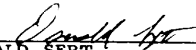
10. Signature:

**S. CORRIGAN**

*S. Corrigan*  
.....  
*For the Secretary of State / Pour le Secrétaire d'Etat*

DUE TO THE NATURE OF COUNTERPART SIGNATURES,  
CANADIAN NOTARIAL PAGES 27, 29 and 31 WERE  
NOT USED AND THEREFORE HAVE BEEN OMITTED.


Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

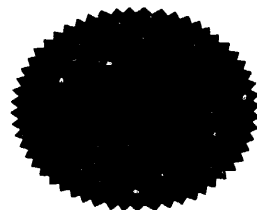
  
\_\_\_\_\_  
OSWALD SEPT

STATE OF ENGLAND  
~~PROVINCE OF BRITISH COLUMBIA~~ )  
UNITED KINGDOM ) SS.  
CANADA )

On this 14<sup>th</sup> day of October, 1991, before me personally appeared OSWALD SEPT, to me personally known, and known to me to be the individual described in, whose name is subscribed to, and who executed the annexed instrument, and being informed by me of the contents of said instrument, he duly acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned.

In witness whereof I have hereunto set my hand and official seal the day and year last above written

 (M. J. FULLER)  
\_\_\_\_\_  
Notary Public in and for the Province of  
British Columbia London Barry F. Hollis-John  
My Commission Expires at the Pleasure of  
the Lieutenant Governor in Council  
*locally, continues so long as I shall practice.*



APOSTILLE

(Hague Convention of 5 October 1961/Convention de La Haye du 5 octobre 1961)

1. Country: United Kingdom of Great Britain and Northern Ireland  
Pays: Royaume-Uni de Grande-Bretagne et d'Irlande du Nord

This public document, i.e. present acte public

2. has been signed by  
a été signé par M. J. FULLER
3. acting in the capacity of  
agissant en qualité de Notary Public
4. bears the seal/stamp of  
est revêtu du sceau/timbre de THE SAID NOTARY PUBLIC

Certified Atteste

31 OCT 1991

5. at London/a Londres 6. the/le .....
7. by Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs,  
par le Secrétaire d'Etat Principal de Sa Majesté aux Affaires Etrangères et du Commonwealth.

8. Number/sous No **G 097451**

9. Stamp:  
timbre

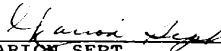


10. Signature:

**S. CORRIGAN**

*S. Corrigan*  
For the Secretary of State/ Pour le Secrétaire d'Etat

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

  
MARION SEPT

STATE OF ENGLAND )  
~~PROVINCE OF BRITISH COLUMBIA~~ )  
UNITED KINGDOM ) SS.  
~~CANADA~~ )

On this 14th day of October, 1991, before me personally appeared MARION SEPT, to me personally known, and known to me to be the individual described in, whose name is subscribed to, and who executed the annexed instrument, and being informed by me of the contents of said instrument, she duly acknowledged to me that she executed the same freely and voluntarily for the uses and purposes therein mentioned.

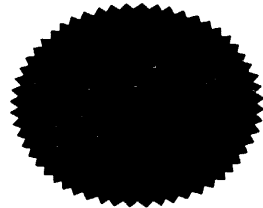
In witness whereof I have hereunto set my hand and official seal the day and year last above written

 (M. J. FULLER)

Notary Public in and for the Province of  
British Columbia *London Barry J. Hillington*

~~My Commission Expires at the Pleasure of~~  
~~the Lieutenant Governor in Council~~

*facultis induitur so long as I shall practice.*



**APOSTILLE**

(Hague Convention of 5 October 1961/Convention de La Haye du 5 octobre 1961)

1. Country: United Kingdom of Great Britain and Northern Ireland  
Pays: Royaume-Uni de Grande-Bretagne et d'Irlande du Nord

This public document - Le present acte public

2. has been signed by  
a été signé par M J FULLER
3. acting in the capacity of  
agissant en qualité de **Notary Public**
4. bears the seal/stamp of  
est revêtu du sceau/timbre de **THE SAID NOTARY PUBLIC**

Certified/Atteste

**31 OCT 1991**

5. at London/à Londres 6. the/le
7. by Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs,  
par le Secrétaire d'Etat Principal de Sa Majesté aux Affaires Etrangères et du Commonwealth.

8. Number/sous No **G 097462**

9. Stamp:  
timbre



10. Signature **C SINKINSON**

*[Handwritten Signature]*  
Principal Secretary of State / Pour le Secrétaire d'Etat


Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

  
GARY YOSHIO SHIGEMURA

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 18<sup>th</sup> day of February, 1992,  
before me personally appeared GARY YOSHIO SHIGEMURA, to me  
known to be the person described in and who executed the  
foregoing instrument and acknowledged that he executed the  
same as his free act and deed.

L.S.

  
Notary Public, State of Hawaii

My Commission Expires: 10-19-92

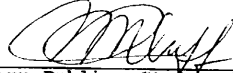
Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

  
CAROLYN KURAHASHI SHIGEMURA

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS.

On this 18<sup>th</sup> day of February, 1991,  
before me personally appeared CAROLYN KURAHASHI SHIGEMURA, to  
me known to be the person described in and who executed the  
foregoing instrument and acknowledged that she executed the  
same as her free act and deed.

LS.

  
Notary Public, State of Hawaii

My Commission Expires: 10-14-92



Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

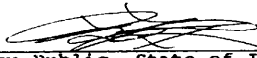
*Elsie A. Rector*  
ELSIE A. RECTOR, Trustee as  
aforesaid

"Fee Simple Owner"

STATE OF <sup>Hawaii</sup> INDIANA <sup>ill</sup> )  
City + ) SS.  
COUNTY OF HONOLULU )

On this 7<sup>th</sup> day of October, 1991, before me personally appeared ELSIE A. RECTOR, Trustee under that certain unrecorded Trust Agreement dated December 29, 1989, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed as such Trustee.

ls

  
Notary Public, State of Indiana

My commission expires: 5-5-95

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

*David Michael Hennessy*  
DAVID MICHAEL HENNESSY

STATE OF HAWAII                     )  
   ) SS.  
CITY AND COUNTY OF HONOLULU    )

On this 30<sup>th</sup> day of July, 1991,  
before me personally appeared DAVID MICHAEL HENNESSY, to me  
known to be the person described in and who executed the  
foregoing instrument and acknowledged that he executed the  
same as his free act and deed.

*Leresa M. Borai*  
Notary Public, State of Hawaii

My Commission Expires: 4/12/92

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

Marjorie Dill Hennessy  
MARJORIE DILL HENNESSY  
"Master Lessee"

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS.  
)

On this 16th day of October, 1991,  
before me personally appeared MARJORIE DILL HENNESSY, to me  
known to be the person described in and who executed the  
foregoing instrument and acknowledged that she executed the  
same as her free act and deed.

Ann Barone  
Notary Public, State of Hawaii  
My Commission Expires: 1-2-92

Counterpart Signature  
Third Amendment to Declaration of Horizontal  
Property Regime (Pacific Islander)

AMERICAN SAVINGS BANK, F.S.B.,  
a Federal Savings Bank

By *Clyde M. Tanaka*  
Its Vice President, Clyde M. Tanaka

By *Sophie Peoples*  
Its Assistant Secretary, Sophie Peoples

"Mortgagee"

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this \_\_\_\_ day of \_\_\_\_\_, 1991, before  
me appeared \_\_\_\_\_, and  
\_\_\_\_\_, to me personally  
known, who, being by me duly sworn, did say that they are the  
and  
respectively, of AMERICAN SAVINGS BANK, F.S.B., a federal  
savings bank, and that the seal affixed to the foregoing  
instrument is the seal of said federal savings bank and that  
said instrument was signed in behalf of said federal savings  
bank by authority of its Board of Directors, and the said  
officers severally acknowledged said instrument to be the  
free act and deed of said federal savings bank.

\_\_\_\_\_  
Notary Public, State of Hawaii

My commission expires: \_\_\_\_\_

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 7th day of February, 1991, before me appeared Clyde M. Tanaka, and Sophie Peoples, to me personally known, who, being by me duly sworn, did say that they are the Vice President, and Assistant Secretary, respectively, of AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, and that the seal affixed to the foregoing instrument is the seal of said federal savings bank and that said instrument was signed in behalf of said federal savings bank by authority of its Board of Directors, and the said officers severally acknowledged said instrument to be the free act and deed of said federal savings bank.

L.S.

Anastasia P. Pruitt  
Notary Public, State of Hawaii

My commission expires: 1/10/95

EXHIBIT ONE  
to  
THIRD AMENDMENT  
of  
DECLARATION OF HORIZONTAL PROPERTY REGIME  
(Pacific Islander)

All of that certain parcel of land situate at Ainahau, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

Lot 68, area 6,721 square feet, as shown on Map 3 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 350 of the Trustees under the Will and of the Estate of A. S. Cleghorn, deceased;

Being the same land described in Transfer Certificate of Title No. 349,734 issued to Elsie A. Rector, Trustee under unrecorded Trust Agreement dated December 29, 1989.

EXHIBIT TWO  
to  
THIRD AMENDMENT  
of  
DECLARATION OF HORIZONTAL PROPERTY REGIME  
(Pacific Islander)

The name(s), marital status/nature of entity, address, nature of interest owned, title document(s) pursuant to which interest is owned, and apartment(s) including common interests of Pacific Islander apartment owners immediately prior to this Third Amendment (see Third Amendment text for new common interests) are as follows:

✓ A. Apartments owned by HALLELUJAH INVESTMENTS, a Hawaii general partnership whose address is 12 Puukani Place, Kailua, Oahu, Hawaii 96734, as owner of the condominium unit subleasehold title as Sublessee under Apartment Subleases:

Apt. No.	Common Interest %	Current Estate Transferred to said Owner by Land Court Doc. No.	Apt. Sublease Id. Ct. Doc. No.	Amendment of Apt. Sublease Id. Ct. Doc. No.
101	1.77	1246992	768886	1069027
102-A	2.34	1339012	768888	1069045
102-B	1.77	1339015	768888	1069046
201-A	2.35		768890	989793
			and	1069005
201-B	1.77		768890	1069006

Apartments 201-A and 201-B are subject to an Agreement of Sale made by said Hallelujah Investments, as vendor, to CAROLYN MARIE CAMERON, whose address is 249 Kapili Street #201A, Honolulu, Hawaii 96815, as vendee, filed in said Office as Land Court Document No. \_\_\_\_\_.

202	1.77	1246994	768892	1069040
204	1.96	1246996	768896	1069041
205	1.77	1246998	768898	1069042
206-A	2.34	1355939	768900	1069007
206-B	1.77	1355941	768900	1069008
302	1.77	1247000	768904	1069043
303	1.96	1247002	768906	1069044
304	1.96	1247004	768908	1069011
401-A	2.34	1355943	768914	1069048
401-B	1.77	1339021	768914	1069049
403	1.96	1247006	768918	1069014
404	1.96	1247008	768920	1069015
406-B	1.77	1339024	768924	1069018



501-A	2.34	1355945	768926	1069019
501-B	1.77	1355947	768926	1069020
503	1.96	1247010	768928	1069022
504	1.96	1247012	768932	1069023
601-A	2.34	1339027	768937	1069025
601-B	1.77	1339030	768937	1069026
603	1.96	1355932	768941	1069029
604	1.96	1433276	768943	1069030
701-A	2.34	1355934	768949	1069034
701-B	1.77	1247014	768949	1069035
703	1.96	1247016	768953	1069037
704	1.96	1247018	768995	1069038
705	1.77	1339033	768957	1069039
706-A	2.34	1547811	768959	1069050
706-B	1.77	1247020	768959	1069047

Aggregate 65.07%

B. Apartments owned by CHARLES M. GILLISS and BARBARA E. GILLISS, as Trustees of The Gilliss Family Trust under unrecorded Trust Declaration dated May 16, 1990 ("Gilliss Trustees"), whose address is 25655 Corte Risa, Murrieta, California 92362, as owner of the condominium unit subleasehold title as Sublessee under Apartment Subleases:

<u>Apt. No.</u>	<u>Common Interest %</u>	<u>Current Estate Transferred to said Owner by Land Court Doc. No.</u>	<u>Apt. Sublease Ld. Ct. Doc. No.</u>	<u>Amendment of Apt. Sublease Ld. Ct. Doc. No.</u>
203	1.86	1866342	768894	1195871
301-A	2.34	1866342	768902	1069009

Apartment 301-A is subject to an Agreement of Sale by Charles Maxwell Gilliss and Barbara Ellen Gilliss, predecessors in interest to said Trustees, as vendor, to Linda LaRue Rein, wife of Albert Herman Rein, now known as LINDA LaRUE MURDOCK, wife of Joseph Warren Murdock, whose address is 365 West Pioneer Avenue, Homer, Alaska 99603, as vendee, filed in said Office as Land Court Document No. 1133210, as amended by Land Court Document No. 1274894.

301-B	1.77	1866342	768902	1069010
-------	------	---------	--------	---------

Apartment 301-B is subject to an Agreement of Sale by said Charles Maxwell Gilliss and Barbara Ellen Gilliss, predecessors in interest to said Trustees, as vendor, to Linda LaRue Rein, wife of Albert Herman Rein, now known as LINDA LaRUE MURDOCK, wife of Joseph Warren Murdock, whose address is 365 West Pioneer Avenue, Homer, Alaska 99603, as vendec, filed in said Office as Land Court Document No. 1133210, as amended by Land Court Document No. 1274894.

305	1.77	1866342	768910	1069012
402	1.77	1866342	768916	1069013
405	1.77	1866342	768922	1069016
502	1.77	1866342	768930	1069021
505	1.77	1866342	768934	1069024
602	1.77	1866342	768939	1069028
605	1.77	1866342	768945	1069031
606-A	2.34	1840314	768947	1069032
606-B	1.77	1866342	768947	1069033

Aggregate 22.47%

C. Apartments owned by persons other than Hallelujah Investments and said Charles M. Gilliss and Barbara E. Gilliss, Trustees:

2. YONG TAE PAK, also known as Robert Young Bahk, unmarried, whose address is 1750 Kalakaua Avenue, Suite 3001, Honolulu, Hawaii 96826, as owner of the condominium unit subleasehold title as Sublessee under Apartment Sublease:

<u>Apt. No.</u>	<u>Common Interest %</u>	<u>Current Estate Transferred to said Owner by Land Court DOC. No.</u>	<u>Apt. Sublease Ld. Ct. Doc. NO.</u>	<u>Amend-ment of Apt. Sub-lease Ld. Ct. Doc. No.</u>
306-A	2.34	1174430	768912	1174431
306-B	1.77	1174432	768912	1174433

3. BOB LEE GALLOWAY (also known as Bob L. Galloway) and JEAN HARUMI GALLOWAY, husband and wife, as Tenants by the Entirety, whose address is 50 South Beretania Street, Suite

C110, Honolulu, Hawaii 96813, as owner of the condominium unit subleasehold title as Sublessee under Apartment Sublease:

<u>Apt. No.</u>	<u>Common Interest %</u>	<u>Current Estate Transferred to said Owner by Land Court Doc. No.</u>	<u>Apt. Sublease Ld. Ct. Doc. No.</u>	<u>Amend-ment of Apt. Sub-lease Ld. Ct. Doc. No.</u>
406-A	2.34	1343858	768924	1069017

4. DOUGLAS IAN HARVEY, unmarried, as Tenant in Severalty as to an undivided one-half (1/2) interest, and OSWALD SEPT and MARION SEPT, husband and wife, as Tenants by the Entirety as to the remaining undivided one-half (1/2) interest, holding such respective one-half (1/2) undivided interests as Tenants in Common, both of whose address is 3589 Lozells Avenue, Burnaby, B.C., Canada V5A 2Y7, as owners of the condominium unit subleasehold title as Sublessee under Apartment Sublease:

<u>Apt. No.</u>	<u>Common Interest %</u>	<u>Current Estate Transferred to said Owner by Land Court Doc. No.</u>	<u>Apt. Sublease Ld. Ct. Doc. No.</u>	<u>Amend-ment of Apt. Sub-lease Ld. Ct. Doc. No.</u>
506	4.24	783233	768935	1410054 and 1410055

5. GARY YOSHIO SHIGEMURA and CAROLYN KURAHASHI SHIGEMURA, husband and wife, as Tenants by the Entirety, whose address is 745 Fort Street, Suite 700, Honolulu, Hawaii 96813, as owner of the condominium unit subleasehold title as Sublessee under Apartment Sublease:

<u>Apt. No.</u>	<u>Common Interest %</u>	<u>Current Estate Transferred to said Owner by Land Court Doc. No.</u>	<u>Apt. Sublease Ld. Ct. Doc. No.</u>	<u>Amend-ment of Apt. Sub-lease Ld. Ct. Doc. No.</u>
702	1.77	1405873	767951	1069036

All of the foregoing Land Court Documents above-referenced in this Exhibit Two having been noted on said TCT No. 349,734.

EXHIBIT THREE  
to  
DECLARATION OF HORIZONTAL PROPERTY REGIME  
(Pacific Islander)

The Mortgagee of record of the condominium apartment units in the Project, and address thereof, units mortgaged, Land Court Document Nos. of such mortgages, and other applicable derivation of such Mortgagee's interest are as follows:

AMERICAN SAVINGS BANK, F.S.B., a federal savings bank, formerly known as American Savings and Loan Association, a Utah corporation, whose address is Financial Plaza of the Pacific, 915 Fort Street Mall, Honolulu, Hawaii 96813, the mortgages herein-below listed in this Exhibit Three having been assigned to said American Savings Bank, F.S.B., by instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1537662:

<u>Apartment</u>	<u>Mortgage Land Ct. Doc. No.</u>	<u>Amendment of Mortgage Ld. Ct. Doc. No.</u>
101	1246993	N/A
102-A	1339013	1355310
102-B	1339016	1355310
201-A		N/A
201-B		N/A
202	1246995	N/A
203	1182209	N/A
204	1246997	N/A
205	1246999	N/A
206-A	1355940	N/A
206-B	1355942	N/A
301-A	1126654	N/A
301-B	1126656	N/A
302	1247001	N/A
303	1247003	N/A
304	1247005	N/A
305	1126639	N/A
306-A	N/A	N/A
306-B	N/A	N/A
401-A	1355944	N/A
401-B	1339022	1355310
402	1126641	N/A
403	1247007	N/A
404		N/A
405	<u>1126643</u>	N/A
406-A	N/A	N/A
406-B	1339025	1355310
501-A	1355946	N/A
501-B	1355948	N/A

502	1126645	N/A
503	_____	N/A
504	_____	N/A
505	_____	N/A
506	768936	N/A
601-A	1339028	1355310
601-B	1339031	N/A
602	_____	N/A
603	1355933	N/A
604	1433277	N/A
605	_____	N/A
606-A	1381712	N/A
606-B	1127632	N/A
701-A	1355935	N/A
701-B	1247015	N/A
702	768952	1069051
703	_____	N/A
704	_____	N/A
705	1339034	N/A
706-A	1547812	N/A
706-B	1247021	N/A

502	1126645	N/A
503	1247011	N/A
504	1247013	N/A
505	1126647	N/A
506	768936	N/A
601-A	1339028	1355310
601-B	1339031	N/A
602	1126649	N/A
603	1355933	N/A
604	1433277	N/A
605	1126651	N/A
606-A	1381712	N/A
606-B	1127632	N/A
701-A	1355935	N/A
701-B	1247015	N/A
702	768952	1069051
703	1247017	N/A
704	1247019	N/A
705	1339034	N/A
706-A	1547812	N/A
705-B	1247021	N/A



L-495 STATE OF HAWAII  
 OFFICE OF ASSISTANT REGISTRAR  
 RECORDED  
 JUL 10, 2008 03:00 PM  
 Doc No(s) 3768307  
 on Cert(s) AS LISTED HEREIN



20 1/1 Z13

/s/ CARL T. WATANABE  
 ASSISTANT REGISTRAR

AFTER RECORDATION, RETURN BY: MAIL ( ) PICK-UP (x)

Brooks Tom Porter & Quitiquit, LLP (CPP)  
 841 Bishop Street, Suite 2125  
 Honolulu, HI 96813 #526-3011

Total Pages: 7

TMK: (1) 2-6-024-041

Condo Map No. 267

**AMENDMENT TO DECLARATION OF HORIZONTAL PROPERTY REGIME  
 FOR THE "PACIFIC ISLANDER HOTEL" AND BY-LAWS OF THE  
 ASSOCIATION OF APARTMENT OWNERS OF "PACIFIC ISLANDER HOTEL"**

KNOW ALL BY THESE PRESENTS:

WHEREAS, the Declaration of Horizontal Property Regime For the "Pacific Islander Hotel" Condominium Project and By-Laws dated November 14, 1975, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 742288 and noted on the Transfer Certificates of Title described in Exhibit "A" attached hereto (the "Declaration"), did create a horizontal property regime known as the "Pacific Islander Hotel" (the "Project");

WHEREAS, that certain By-Laws of the Association of Apartment Owners of the "Pacific Islander Hotel" ("By-Laws") were attached to and made a part of the Declaration;

WHEREAS, Chapter 514B, Section 514B-23(a), Hawaii Revised Statutes, provides that the declaration, bylaws, condominium map, or other constituent documents of any condominium created before the effective date of Chapter 514B, Hawaii Revised Statutes, may be amended to achieve any result permitted by said Chapter 514B, regardless of what applicable law provided before the effective date of said Chapter 514B;

WHEREAS, Chapter 514B, Section 514B-23(b), Hawaii Revised Statutes, provides that an amendment to the declaration, bylaws, condominium map or other constituent

documents authorized by said Section 514B-23, Hawaii Revised Statutes, may be adopted by the vote or written consent of a majority of the owners; provided that any amendment adopted pursuant to said Section 514B-23 shall not invalidate the reserved rights of a developer. If an amendment grants to any person any rights, powers, or privileges permitted by said Chapter 514B, all correlative obligations, liabilities, and restrictions in said Chapter 514B also apply to that person;

WHEREAS, Chapter 514B, Section 514B-143(g), Hawaii Revised Statutes, provides that the Board, with the vote or written consent of a majority of the owners, may require unit owners to obtain reasonable types and levels of insurance. The liability of a unit owner shall include but not be limited to the deductible of the owner whose unit was damaged, any damage not covered by insurance required by said subsection, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings. If the unit owner does not purchase or produce evidence of insurance requested by the Board, the directors may, in good faith, purchase the insurance coverage and charge the reasonable premium cost back to the unit owner. In no event is the Association or Board liable to any person either with regard to the failure of a unit owner to purchase insurance or a decision by the Board not to purchase the insurance for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained; and

WHEREAS, pursuant to Chapter 514B, Sections 514B-23 and -143, Hawaii Revised Statutes, a majority of the unit owners of the Project have voted or given their written consent to amend the Declaration and the By-Laws as set forth below.

NOW, THEREFORE,

1. Two (2) new paragraphs are hereby added to the Declaration to read as follows:

Q. Adoption of Chapter 514B, Hawaii Revised Statutes. Chapter 514B, Hawaii Revised Statutes is adopted and shall be applicable to and govern the Project. This Declaration, the By-Laws, House Rules and Condominium Map and other constituent documents of the Association are amended to achieve any result permitted by Chapter 514B, Hawaii Revised Statutes.

R. Unit Owners Insurance Required. The Board may require unit owners to obtain reasonable types and levels of insurance. The liability of a unit owner shall include but not limited to the deductible of the Association and the owner whose unit was damaged, any damage not covered by insurance required by Section 514B-143, Hawaii Revised Statutes, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings. If the unit owner does not purchase or produce evidence of insurance requested by the Board,



the Directors may, in good faith, purchase the insurance coverage and charge the reasonable premium cost back to the unit owner. In no event is the Association or Board liable to any person either with regard to the failure of a unit owner to purchase insurance or a decision by the Board not to purchase the insurance, for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

2. Two (2) new paragraphs are hereby added to Article VI of the By-Laws to read as follows:

6. Adoption of Chapter 514B, Hawaii Revised Statutes. Chapter 514B, Hawaii Revised Statutes is adopted and shall be applicable to and govern the Project. The Declaration, these By-Laws, House Rules and Condominium Map and other constituent documents of the Association are amended to achieve any result permitted by Chapter 514B, Hawaii Revised Statutes.

7. Unit Owners Insurance Required. The Board may require unit owners to obtain reasonable types and levels of insurance. The liability of a unit owner shall include but not limited to the deductible of the Association and the owner whose unit was damaged, any damage not covered by insurance required by Section 514B-143, Hawaii Revised Statutes, as well as the decorating, painting, wall and floor coverings, trim, appliances, equipment, and other furnishings. If the unit owner does not purchase or produce evidence of insurance requested by the Board, the Directors may, in good faith, purchase the insurance coverage and charge the reasonable premium cost back to the unit owner. In no event is the Association or Board liable to any person either with regard to the failure of a unit owner to purchase insurance or a decision by the Board not to purchase the insurance, for the owner, or with regard to the timing of its purchase of the insurance or the amounts or types of coverages obtained.

The undersigned officers of the Association hereby certify that the foregoing amendments to the Declaration and the By-Laws were adopted with the vote or written consent of at least a majority of all unit owners in the Project.

Except as set forth herein, the Declaration and the By-Laws remain in full force and effect.

2nd IN WITNESS WHEREOF, the undersigned have executed this instrument on this  
day of July, 2008.

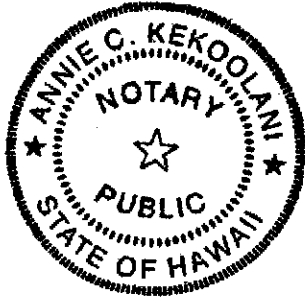
ASSOCIATION OF APARTMENT OWNERS OF  
PACIFIC ISLANDER HOTEL

By [Signature]  
Print Name: John R. Gibbs  
Title: President

By [Signature]  
Print Name: LINDA WATERS  
Title: VICE President

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 2<sup>nd</sup> day of July, 2008, before me personally appeared John R. Gibbs, to me personally known, who, being by me duly sworn, did say that he is the President of the Association of Apartment Owners of Pacific Islander Hotel and that said instrument was signed on 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.



A handwritten signature in black ink, appearing to be "A C Kekoolani".

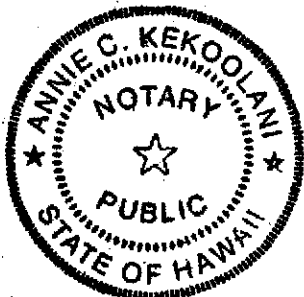
Notary Public, State of Hawaii  
**Annie C. Kekoolani**

(Print/Type Name)

My commission expires: 02-16-2010

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

On this 2<sup>nd</sup> day of July, 2008, before me personally appeared Linda Waters, to me personally known, who, being by me duly sworn, did say that she is the Vice Pres. of the Association of Apartment Owners of Pacific Islander Hotel and that said instrument was signed on 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.



A handwritten signature in black ink, appearing to be "A C Kekoolani".

Notary Public, State of Hawaii  
**Annie C. Kekoolani**

(Print/Type Name)

My commission expires: 02.16.2010

Pacific Islander Apartments  
Land Court Condo Map No. 267  
Tax Map Key (1) 2-6-024-041

Unit No.	TCT No.
101	551973
102	870814
201	591313
202	551450
203	557631
204	910261
205	869688
206	521712
301	416704
302	888896
303	669391
304	735548
305	561543
306	714071
401	551975
402	613826
403	555539
404	684337
405	431050
406	437333
501	893997
502	855658
503	517092
504	700827
505	803066
506	807171
601	816158
602	760353
603	839005
604	692702
605	841221
606	654506

25



Pacific Islander Apartments  
Land Court Condo Map No. 267  
Tax Map Key (1) 2-6-024-041

Unit No.	TCT No.
701	483798
702	782857
703	616192
704	435486
705	778704
706	440776

DOC NO 767712

LAND COURT  
OFFICE OF THE CLERK OF SUPERIOR  
COURT  
RECORDS SECTION

76 JUN 7 AM 9:51

When Recorded Return to  
Security Title Corporation  
ESCROW No. 2126-c

*Jeanette L. Post*  
ASST. CLERK

NOTED ON CERTIFICATE NO. 76124

IN REGISTRATION BOOK

TRANSFER OF CERTIFICATE OF TITLE AND  
AND TRANSMITTAL INTO

REGISTRATION BOOK PAGE

BEING CERTIFICATE NO.

OFFICE OF THE CLERK OF SUPERIOR  
COURT

RECORDATION REQUESTED BY: )  
)  
)  
)  
AFTER RECORDATION, RETURN TO: )  
)  
)  
SECURITY TITLE CORPORATION )  
)  
RETURN BY: MAIL ( ) PICKUP ( ) )

Requestor to fill above Space above this line for Registrar's use

AMENDMENT TO DECLARATION  
OF HORIZONTAL PROPERTY REGIME  
FOR  
PACIFIC ISLANDER HOTEL.

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, GEORGIE LYLE RECTOR, widow, and HALE KAPILI, INC., a Hawaii corporation, by Declaration of Horizontal Property Regime dated November 14, 1975 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 742288 and noted on Certificate of Title No. 76124, submitted the land and improvements therein more particularly described to a horizontal property regime; and

WHEREAS, said GEORGIE LYLE RECTOR and CANAM DEVELOPMENT CORPORATION, a Texas corporation, registered and licensed to do business in the State of Hawaii, with its principal office and place of business at 68 Water Street, Vancouver, British Columbia, Canada, and office, place of business and mailing address in Hawaii at 249 Kapili Street, Honolulu, Hawaii 96815, are presently the owner and lessee of all apartments of said Horizontal Property Regime; and

WHEREAS, said GEORGIE LYLE RECTOR and CANAM DEVELOPMENT CORPORATION desire to amend said Declaration of Horizontal Property Regime as hereinafter set forth;

NOW, THEREFORE, WITNESSETH THAT said Declaration is hereby amended as follows:

AMENDMENT OF DECLARATION:

The present language of Paragraph E. of the Declaration recites as follows:

"E. USE AND PURPOSE. The apartments herein above described shall at all times be used only (1) for hotel purposes or (2) for such other uses as may be permitted by the applicable laws, ordinances, rules and regulations of the City and County of Honolulu and State of Hawaii and as approved by the Lessor. Subject to the foregoing restrictions on use, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration."

The foregoing language of Paragraph E. of the Declaration is amended to read as follows:

"E. USE AND PURPOSE. The apartments herein above described shall at all times be used only for (1) living accommodations, including but not limited to hotel purposes or (2) for such other uses as may be permitted by the applicable laws, ordinances, rules and regulations of the City and County of Honolulu and State of Hawaii and as approved by the Lessor. Subject to the foregoing restrictions on use, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration."

(The underlined words denote the change in the Declaration)

STATEMENT OF PURPOSE AND AMENDMENT OF PARAGRAPH E.

The original developer, HALE KAPILI, INC., proposed a "common rental program" for hotel operation of the apartment units. The new developer, CANAM DEVELOPMENT CORPORATION, has dropped all plans for the "common rental program", and does not propose any lease-back or rental pool arrangement or representation of any nature regarding prospective income from the lease or management of the apartment units.



The purpose of this amendment is to conform the Declaration with the plan and intention of CANAM DEVELOPMENT CORPORATION to sell the apartment units as and for living accomodations, including hotel purposes if the buyers, at some future date, decide for themselves to use their apartments for hotel purposes; but not restricting the use of the apartments solely for hotel purposes.

IN WITNESS WHEREOF, CANAM DEVELOPMENT CORPORATION, Developer, and GEORGIE LYLE RECTOR, owner of the land have executed these presents this 3rd day of ~~April~~ MAY, 1976. <sup>GM</sup> <sub>AP</sub> *Geo* *lyl.*

CANAM DEVELOPMENT CORPORATION

By William Lawrence Ling  
Its president

Georgie Lyle Rector  
GEORGIE LYLE RECTOR

STATE OF Hawaii )  
CITY & COUNTY OF Honolulu ) SS.

On this 3rd day of MAY, 1976, before me appeared WILLIAM L. LING, to me personally known, who, being by me duly sworn, did say that he is the President of CANAM DEVELOPMENT CORPORATION, a Texas corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said WILLIAM L. LING acknowledged said instrument to be the free act and deed of said corporation, and that said corporation has no corporate seal.

James Reed  
Notary Public,  
Notary Public for the State of Hawaii

My commission expires FEB 10, 1979

The purpose of this amendment is to conform the Declaration with the plan and intention of CANAM DEVELOPMENT CORPORATION to sell the apartment units as and for living accomodations, including hotel purposes if the buyers, at some future date, decide for themselves to use their apart-ments for hotel purposes; but not restricting the use of the apartments solely for hotel purposes.

IN WITNESS WHEREOF, CANAM DEVELOPMENT CORPORATION, Developer, and GEORGIE LYLE RECTOR, owner of the land have executed these presents this 3rd day of ~~April~~ <sup>MAY</sup>, 1976. *Geo* *up.*

CANAM DEVELOPMENT CORPORATION

By William Lawrence Ly  
Its president

Georgie Lyle Rector  
GEORGIE LYLE RECTOR

STATE OF HAWAII )  
 ) SS.  
CITY AND COUNTY OF HONOLULU )

~~On this \_\_\_\_\_ day of April, 1976 before me  
appeared \_\_\_\_\_ to me personally known,  
who, being by me duly sworn did say that he is the  
\_\_\_\_\_ of CANAM DEVELOPMENT CORPORATION,  
a Texas corporation, registered and licensed to do business  
in the State of Hawaii and that he executed the foregoing  
instrument on behalf of CANAM DEVELOPMENT CORPORATION and  
acknowledged the instrument to be the free act and deed  
of CANAM DEVELOPMENT CORPORATION.~~

\_\_\_\_\_  
Notary Public,

My Commission Expires: \_\_\_\_\_

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS.

On this 3rd day of May, 1976, before me  
personally appeared GEORGIE LYLE RECTOR

to me known to be the person(s) described in and who executed  
the foregoing instrument, and acknowledged that she  
executed the same as her free act and deed.

Carole Morgan  
Notary Public, First Judicial  
Circuit, State of Hawaii.

4/4/80

My commission expires \_\_\_\_\_

PICK UP 524-1537  
BY: ED HAMPA

~~PICK UP~~  
~~BY: ED HAMP~~

DOC NO 742288

OFFICE

SEP 19 PM 2:06

*George W. Ham*  
AG

76134

REGISTERED TO THE STATE OF GEORGIA  
ON THIS 19th DAY OF SEPTEMBER 1966  
BY THE CLERK OF THE SUPERIOR COURT  
IN AND FOR THE COUNTY OF ...  
REGISTERED TO THE STATE OF GEORGIA  
BY THE CLERK OF THE SUPERIOR COURT  
IN AND FOR THE COUNTY OF ...  
OFFICE OF THE ASSISTANT REGISTERAR  
LAND COURT

DECLARATION OF HORIZONTAL PROPERTY REGIME  
OF  
"PACIFIC ISLANDER HOTEL"

WHEREAS, GEORGIE LYLE RECTOR, widow, (hereinafter called the "Lessor"), owns in fee simple certain real property described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Lessor has by Indenture of Lease dated December 18, 1972, filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 629449, duly noted on Transfer Certificate of Title No. 76,124, demised said land and said lease is currently held by HALE KAPILI, INC., pursuant to Assignment of Lease dated NOVEMBER 14, 1975, filed as Document No. 742286, (hereinafter called the "Lessee"); and

WHEREAS, certain improvements hereinafter described have been constructed on said land in accordance with plans incorporated herein by reference and filed in said Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map No. 261 267.

NOW, THEREFORE, in order to create a condominium project consisting of said land and improvements (herein called the "project") and to be known as "PACIFIC ISLANDER HOTEL", the Lessor and Lessee hereby submit said property to the Horizontal Property Regime established by the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, as amended, and in furtherance thereof make the following declarations as to divisions, limitations, restrictions, covenants and conditions and hereby declare and agree that said property is held and shall be held,

conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to said declarations, which declarations shall constitute covenants running with the land and shall be binding on and for the benefit of the parties hereto, their respective successors and assigns, and all subsequent owners and lessees of all or any part of the project and their respective successors, heirs, executors, administrators and assigns:

A. DIVISION OF PROPERTY. The project is hereby divided into the following separate freehold estates:

1. Apartments. Thirty-eight (38) separate condominium apartments are designated in the spaces within the perimeter and party walls, floors and ceilings of each of said apartment units of the Project, contained in a seven (7) story building, together with basement, constructed principally of concrete, masonry, reinforced concrete, steel, aluminum framed and glass construction, which spaces together with appurtenant lanai air spaces, if any, are referred to herein as "apartments", are designated on said condominium map and described as set forth in Exhibit "B" attached hereto and for every purpose made a part hereof.

(a) The apartments are constructed according to five (5) different floor plans. A description of each of said floor plans, designating the layout, number of rooms and approximate area thereof is set forth in said Exhibit "B" attached hereto and for every purpose made a part hereof.

(b) The apartments are numbered and located in the manner shown on Condominium Map No. 267, filed in said Office of the Assistant Registrar of the Land Court of the State of Hawaii.

(c) The apartments have immediate access

to the corridors on each floor leading to the elevator on the upper floors and to the grounds of the Project.

(d) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, the lanai air space (if any), and all fixtures originally installed therein.

2. Common Elements. One freehold estate is hereby designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, chases, entries, stairways, elevators, walkways, entrances and exits of said building;
- (c) All yards, grounds and landscaping;
- (d) All parking areas;
- (e) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under

and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;

(f) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

3. Limited Common Elements. Certain parts of the common elements herein called the "limited common elements" are hereby designated and set aside for the exclusive use of any unit which shall have appurtenant thereto exclusive rights to use each limited common elements. The limited common elements referred to are the lodging entries adjoining the units.

B. COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as follows:

<u>Lodging Unit Numbers</u>	<u>Percentage Interest</u>
Type A Units (1 Unit) 102	05.92
Type A Units (6 Units) 206, 306, 406, 506, 606, 706	04.24 each unit
Type B Units (1 Unit) 101	02.51
Type B Units (12 Units) 202, 205, 302, 305, 402, 405 502, 505, 602, 605, 702, 705	01.65 each unit
Type C Units (1 Unit) 201	04.31



Type D Units (12 Units)

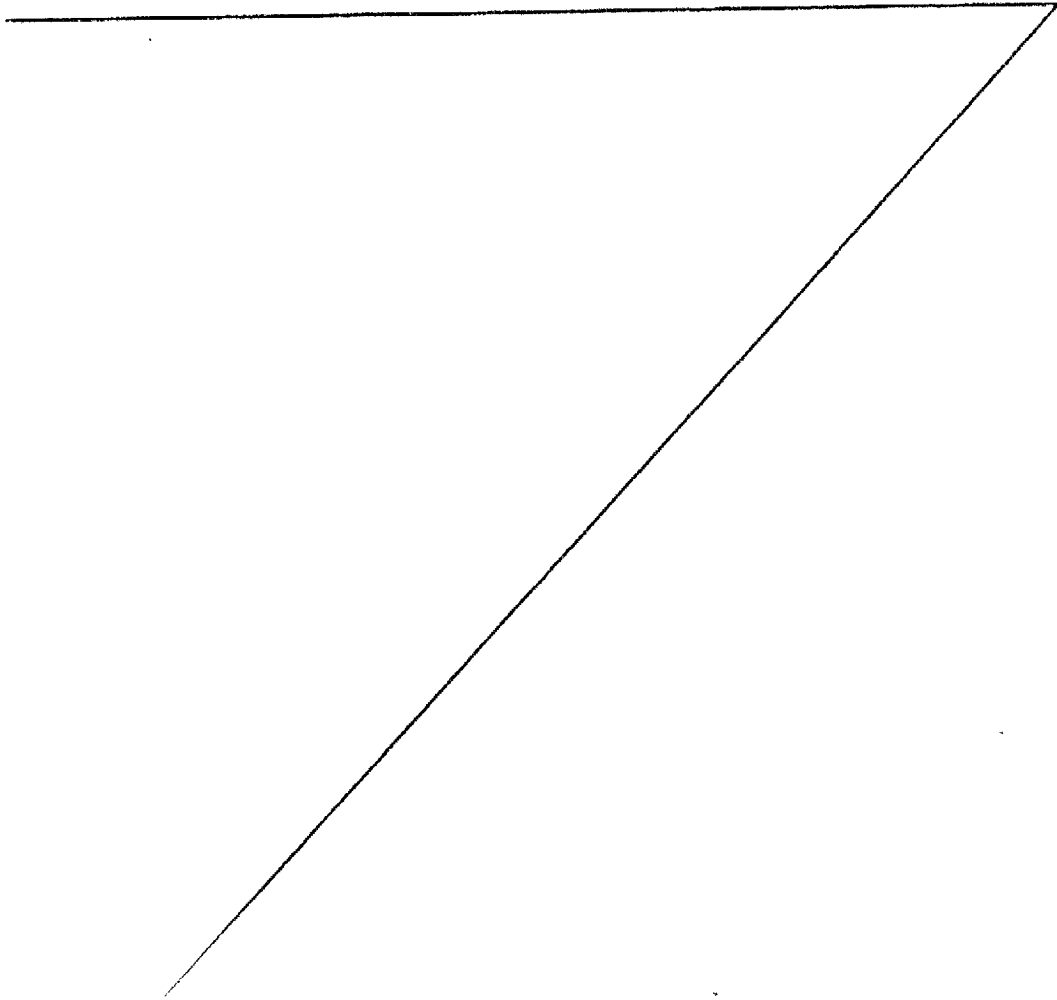
01.86 each unit

203, 204, 303, 304, 403, 404,  
503, 504, 603, 604, 703, 704

Type E Units (5 Units)

03.94 each unit

301, 401, 501, 601, 701



C. EASEMENTS. In addition to any easements herein designated in the limited common elements, the apartments and common elements shall have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements, if any, as herein provided; and in all other apartments of the buildings for support.

2. If any part of the common elements encroaches upon any apartment or limited common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist. In the event any buildings of the project shall be partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. The Association of Apartment Owners of the project shall have the right, to be exercised by its Board of Directors or Managing Agent, to enter any apartments and limited common elements, if any, from time to time during reasonable hours as may be necessary for the operation of the project or for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements.

D. ALTERATION AND TRANSFER OF INTERESTS. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, which amendment shall contain the consent thereto by the holders of any first mortgage, of any apartment or of any apartment lease demising the same, as shown in the Association's record of ownership, or who have given the Board notice of their interest through the Secretary of the Association or the Managing Agent, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof or the apartments except as provided by said Horizontal Property Act; and, without limiting the provisions of Section 514-17(a) of the Hawaii Revised Statutes, any such partition or division shall be subject to the prior written consent thereto by the holders of any first mortgage, filed of record, of any apartment or of any apartment lease demising the same.

E. USE AND PURPOSE. The apartments herein above described shall at all times be used only (1) for hotel purposes or (2) for such other uses as may be permitted by the applicable laws, ordinances, rules and regulations of the City and County of Honolulu and State of Hawaii and as approved by the Lessor. Subject to the foregoing restrictions on use, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration.

F. ADMINISTRATION OF PROJECT. Administration of the project shall be vested in its Association of Apartment Owners, herein called the "Association", consisting of all apartment owners of the project in accordance with the By-Laws of the Association attached hereto as Exhibit "C" and made a part hereof. Operation of the project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of said Horizontal Property Act, this Declaration and the By-laws and specifically but without limitation the Association shall:

1. Make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks and parking areas 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 project or any part thereof.

2. Keep all common elements of the project in a strictly clean and sanitary condition, and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority for the time being applicable to the project or the use thereof.

3. Well and substantially repair, maintain, amend and keep all common elements of the project, including without limitation the buildings thereof with all necessary reparations

and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep said land and all adjacent land between any street boundary of the project and the established curb or street line in a neat and attractive condition and all trees, shrubs and grass thereon in good cultivation and replant the same as may be necessary, and repair and make good all defects in the common elements of the project herein required to be repaired by the Association, of which notice shall be given by any owner or his agent, within 30 days after the giving of such notice.

4. Before commencing or permitting construction of any improvement on the project, obtain and deposit with the Lessor a bond or certificate thereof naming as obligees the Lessor and collectively all other apartment owners as their interests may appear, in a penal sum not less than one hundred per cent (100%) of the cost of such construction and with a corporate surety authorized to do business in Hawaii, guaranteeing performance of such construction free and clear of all mechanics' and materialmen's liens, and all claims in lieu of mechanics' and materialmen's liens arising under Section 514-9 of the Hawaii Revised Statutes.

5. Observe any setback lines affecting the project and not erect, place or maintain any building or structure whatsoever except approved fences or walls between any street boundary of the project and the setback line along such boundary.

6. Not erect or place on the project any building or structure including fences and walls, nor make additions or structural alterations to or exterior changes of any common

elements of the project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including detailed plot plan, prepared by a licensed architect if so required by the Lessor, first approved in writing by the Lessor and also approved by a majority of apartment owners (or such larger percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, and complete any such improvements diligently after the commencement thereof.

7. Not make or suffer any strip or waste or unlawful, improper or offensive use of the project.

8. Have the right to be exercised by its Board of Directors or Managing Agent, to enter any apartments from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements.

G. MANAGING AGENT. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-laws. The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Horizontal Property Act. The initial Managing Agent shall be HALE KAPILI, INC., whose principal place of business and post office address is 249 Kapili Street, Honolulu, Hawaii.

H. COMMON EXPENSES. All charges, costs and expenses whatsoever incurred by the Association for or in connection

with the administration of the project, including without limitation the operation thereof, any maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, and any premiums for hazard and liability insurance herein required with respect to the project shall constitute common expenses of the project for which all apartment owners shall be severally liable in proportion to their respective common interests. Rent and real property taxes and special assessments referred to in Section 514-23, Hawaii Revised Statutes, as amended, and charges, including those for utilities which are separately metered, shall not be common expenses of the horizontal property regime hereby created and no payments thereof shall be payments of such common expenses. The Board of Directors of the Association (herein called the "Board") shall from time to time assess the common expenses against all the apartments in their respective proportionate shares, and the unpaid amount of such assessments against any apartment shall constitute a lien against such apartment which may be foreclosed by the Board or Managing Agent as provided by said Horizontal Property Act, provided that 30 days' prior written notice of intention to foreclose shall be mailed, postage prepaid, to the Lessor and all other persons having any interest in such apartment as shown in the Association's record of ownership. Without limiting the provisions of Section 514-24 of the Hawaii Revised Statutes,

as amended, where the holder of a mortgage of record of an apartment or of an apartment lease demising the same comes into possession of the apartment pursuant to the remedies provided in the mortgage, foreclosure of the mortgage, or conveyance in lieu of foreclosure of the mortgage, such mortgagee shall take such possession of the apartment free of any claims for unpaid assessments or charges chargeable to the apartment, which accrue prior to the time such mortgagee comes into possession of the apartment (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all apartments, including such apartment).

In the event that assessments received during any year are in excess of the actual expenditures for such year by the Association for common expenses of the project, the Board of Directors may determine in its sole discretion that such excess shall be:

(a) Applied in whole or in part to reduce the assessments for the immediately subsequent year;

(b) Designated in whole or in part as a capital contribution to the Association to be used for future capital improvements and replacements;

(c) Segregated and held in whole or in part as a Custodial Fund to be expended solely for specifically designated capital improvements and replacements; or

(d) Segregated and added in whole or in part to the Maintenance Reserve Fund established hereunder.

The proportionate interest of each apartment owner in said capital contributions, Custodial Fund or Maintenance Reserve



Fund, cannot be withdrawn or separately assigned but shall be deemed to be transferred with such apartment even though not expressly mentioned or described in the conveyance thereof. In case the Horizontal Property Regime hereby created shall be terminated or waived, said capital contributions, Custodial Fund or Maintenance Reserve Fund, remaining after full payment of all common expenses of the Association shall be distributed to all apartment owners in their respective proportionate shares except for the owners of any apartments then reconstituted as a new horizontal property regime.

I. COMPLIANCE WITH DECLARATION AND BY-LAWS. All apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the project, shall be bound by and comply strictly with the provisions of this Declaration and the By-Laws of the Association, and all agreements, decisions and determinations of the Association as lawfully made or amended from time to time, and 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 Board or Managing Agent on behalf of the Association or, in a proper case, by any aggrieved apartment owners; in the event of the failure of any apartment owner to comply fully with any of the same within thirty (30) days after written demand therefor by the Association, the Association shall promptly give written notice of such failure to the holder of any first mortgage of such apartment or of the apartment lease demising the same, as shown in the Association's record of ownership or who has given the Board notice of its interest through the Secretary of the Association or the Managing Agent.

J. INSURANCE. The Board on behalf of the Association at its common expense shall at all times keep all buildings of the project insured against loss or damage by fire with extended coverage in an insurance company authorized to do business in Hawaii in an amount as near as practicable to the full replacement cost thereof without deduction for depreciation, in the name of the Board as trustee for all apartment owners and mortgagees according to the loss or damage to their respective apartments and appurtenant common interests and payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Board shall designate for the custody and disposition as herein provided of all proceeds of such insurance, and from time to time cause to be deposited promptly with the Lessor true copies of such insurance policies or current certificates thereof, without prejudice to the right of each apartment owner to insure his apartment for his own benefit. 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 buildings, except as provided in paragraph J-1, in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved by Lessor and as herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds. Every such policy of insurance shall:

1. Provide that the liability of the insurer thereunder 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 apartment owner;

2. Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings 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 apartment owner or any other persons under either of them;

3. Provide that such policy may not be cancelled (whether or not requested by the Board) except by the insurer giving at least 30 days' prior written notice thereof to the Board, Lessor and every other person in interest who shall have requested such notice of the insurer;

4. Contain a waiver by the insurer of any right of subrogation to any right of the Board, Lessor or apartment owners against any of them or any other persons under them; and

5. Contain a standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any apartment or apartment lease of the project, in their respective order and preference, whether or not named therein;

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

(c) Waive any provision invalidating such

mortgagee clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

(d) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to said bank or trust company designated by the Board.

The Board on behalf of the Association at its common expense shall also effect and maintain at all times comprehensive general liability insurance, covering all apartment owners with respect to the project and naming the Lessor as additional assured, in an insurance company authorized to do business in Hawaii with minimum limits of not less than \$ 300,000.00 for injury to one person and \$ 500,000.00 for injury to more than one person in any one accident or occurrence and \$ 100,000.00 for property damage, and from time to time deposit promptly with the Lessor current certificates of such insurance, without prejudice to the right of any apartment owners to maintain additional liability insurance for their respective apartments. Such insurance shall (a) provide that the same shall not be invalidated by any act or neglect of the Board, Lessor or apartment owners or any persons under any of them, and (b) contain a waiver by the insurer of any right of subrogation to any right of the Board, Lessor or apartment owners against any of them or any other persons under them.

All premiums for insurance herein required to be obtained by the Board on behalf of the Association shall be a common

expense to be paid by monthly assessments thereof, and such payments shall be held in a separate escrow account of the Association and shall be used solely for the payment of such premiums as the same become due.

The Board shall review not less frequently than annually the adequacy of its entire insurance program and shall adjust its insurance program accordingly; the Board shall then report in writing its conclusions and action taken on such review to Lessor, the owner of each apartment and to the holder of any mortgage on any apartment who shall have requested a copy of such report or copies of all such reports.

J-1. INSURED DAMAGE OR DESTRUCTION. Notwithstanding the provisions of paragraph J, if any part of the improvements of the project shall be damaged by an insured casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

1. Partial destruction, which shall be deemed to mean destruction which does not render one-half or more of the apartments untenable, shall be reconstructed or repaired unless at a meeting of the Association of Apartment Owners, which shall be called prior to commencement of such reconstruction or repair, eighty percent (80%) or more of the apartment owners vote against such reconstruction or repair, and this Declaration is terminated pursuant to the provisions of Section 514-17(a)(1) of the Hawaii Revised Statutes.

2. Total destruction, which shall be deemed to mean destruction which does render one-half or more of the apartments untenable, shall be reconstructed or repaired unless at a meeting of the Association of Apartment Owners,

which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within 30 days thereafter, eighty percent (80%) or more of the apartment owners vote against such reconstruction or repair. In the event the property shall not be reconstructed or repaired, pursuant to such vote, the provisions of Section 514-17(a)(2) of the Hawaii Revised Statutes shall apply.

K. CONDEMNATION. In case at any time or times the project or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for or on account of any land shall be payable to and be the sole property of the Lessor, and all compensation and damages for or on account of any improvements of the project shall be payable to such bank or trust company authorized to do business in Hawaii as the Board shall designate as trustee for Lessor, all apartments owners and mortgagees according to the loss or damage to their respective apartments and appurtenant common interests, as their respective interest may appear, and shall be used promptly by the Association to the extent necessary for restoring or replacing such improvements on the remaining land according to plans therefor first approved as herein provided, unless such restoration or replacement is impractical in the circumstances. Unless such restoration or replacement is undertaken within a reasonable time after such condemnation the Association at its common expense shall remove all remains of such improvements so taken or condemned and restore the site thereof to good orderly condition and even grade.

L. UNINSURED CASUALTY. In case at any time or times any improvements of the project shall be damaged or destroyed by any casualty not herein required to be insured against, such improvements shall be rebuilt, repaired or restored unless eighty percent (80%) or more of the apartment owners vote to the contrary. Any such restoration of the common elements shall be completed diligently by the Association at its common expense and the apartment owners shall be solely responsible for any restoration of their respective apartments so damaged or destroyed, according to the original plans and elevation thereof, or such other plan first approved as provided herein. 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 thereof to good orderly condition and even grade.

M. ALTERATION OF PROJECT. Restoration or replacement of the project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from said condominium file plan or map of the project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of all the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Lessor and Board, and promptly upon completion of such restoration, replacement or

construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer. Provided, however, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments; shall require only the written approval thereof, including the apartment owner's plans therefor, by the holder of a first lien affecting such apartment (if the lienholders require such approval), the Board, all other apartment owners thereby directly affected (as determined by said Board), and the Lessor, and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered.

N. MAINTENANCE RESERVE FUND. The Board may establish and maintain a Maintenance Reserve Fund by the allocation to such Fund of annual assessments which are in excess of the amount of current expenditures for common expenses; such allocation to be in such reasonable annual amount as the Board may determine in its sole discretion as adequate to cover each apartment owner's obligations to provide for utilities, insurance, maintenance and repair of the common elements and other expenses of administration of the Project, which shall be deemed conclusively to be a common expense of the Project. The Board may include reserves for contingencies in such Fund, and such Fund may from time to time be increased or reduced in the discretion of the Board.



O. AMENDMENT OF DECLARATION. Except as otherwise provided herein or in said Horizontal Property Act this Declaration may be amended with the consent of Lessor by vote of seventy-five per cent (75%) of the apartment owners effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners or by the proper officers of the Association.

P. DEFINITIONS. The terms "majority" or "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests, and any specified percentage of the apartment owners means the owners of apartments to which are appurtenant such percentage of the common interests.

IN WITNESS WHEREOF, Lessor and Lessee have executed these presents this 14th day of November, 1975.

Georgie Lyle Rector  
GEORGIE LYLE RECTOR "Lessor"

HALE KAPILI, INC.

By Grace Kim Huan  
Its PRESIDENT

By \_\_\_\_\_  
Its \_\_\_\_\_ "Lessee"

STATE OF INDIANA  
Georgie Lyle Rector  
COUNTY OF MADISON } ss.

On this 15 day of November, 1975, before me personally appeared GEORGIE LYLE RECTOR, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Viriam J. Hoover

My commission expires: 9-23-79

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) ss.

On this 14th day of November, 1975, before me appeared Gracie Kim Guan and                     , to me personally known, who, being by me duly sworn, did say that ~~she is~~ she is President ~~they are the~~ President and                     , respectively, of HALE KAPILI, INC.; that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said officers acknowledged said instrument to be the free act and deed of said corporation.

James B. Park  
Notary Public, First Circuit  
State of Hawaii

My commission expires: 7/30/79

EXHIBIT "A"

All of that certain parcel of land situate at Ainaliau, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

Lot 68, area 6,721.0 square feet, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 350 of the Trustees under the Will and of the Estate of A. S. Cleghorn, deceased.

Being all of the land described in Transfer Certificate of Title No. 76,124.

EXHIBIT "B"

Types of Lodging Units; Number and Kind of Lodging Units: The first floor contains one (1) Type A lodging suite and one (1) Type B lodging unit. The second floor contains one (1) Type A lodging suite, two (2) Type B lodging units, one (1) Type C lodging suite, and two (2) Type D lodging units. The third through the seventh floor each contain one (1) Type A lodging suite, two (2) Type B lodging units, two (2) Type D lodging units, and one (1) Type E lodging suite.

i) Type A: The Type A lodging suite is a two (2) room suite with two (2) baths. The end living/bedroom has two (2) lanais, one (1) facing mauka and one (1) facing makai. The adjoining living room/bedroom has one (1) lanai facing makai. Each living room/bedroom has a bathroom containing a tub-shower and water closet. Adjacent to the bathroom door in each of the living room/bedrooms is a lavatory, counter, storage cabinet, and closet. The Type A lodging suite contains 567 gross square feet (458 sq. ft. net and 109 sq. ft. lanai area); however, the first floor Type A suite has an additional 224 square feet of terrace area. Each Type A lodging suite contains the following rooms:

Two bathrooms  
Two living room/bedrooms

ii) Type B: The Type B lodging unit consists of a living room/bedroom, bathroom with tub-shower and water closet, and lanai. The living room/bedroom contains a lavatory, counter, storage cabinet, and closet. The Type B lodging unit contains 221 gross square feet (180 sq. ft. net and 41 sq. ft. lanai); however, the first floor unit has an additional 115 square feet of terrace area. Each Type B lodging unit contains the following rooms:

One bathroom  
One living room/bedroom

iii) Type C: The Type C lodging suite is a two (2) room suite with two (2) baths. The end living room/bedroom has two (2) lanais, one (1) facing mauka and one (1) facing makai. The adjoining living room/bedroom has one (1) lanai facing makai. Each living room/bedroom has a bathroom containing tub-shower and water closet. Adjacent to the bathroom door in each of the living room/bedrooms is a lavatory, counter, storage cabinet, and closet. The Type C lodging suite contains 559 gross square feet (447 sq. ft. net and 112 sq. ft. lanai area). Each Type C lodging suite contains the following rooms:

Two bathrooms  
Two living room/bedrooms

iv) Type D: Type D lodging unit consists of a living room/bedroom, bathroom with tub-shower and water closet and lanai. The living room/bedroom contains a lavatory, counter, storage cabinet, and closet. The Type D lodging unit contains 249 gross square feet (208 sq. ft. net and 41 sq. ft. lanai). Each Type D lodging unit contains the following rooms:

One bathroom  
One living room/bedroom

v) Type E: The Type E lodging suite is a two (2) room suite with two (2) baths. The end living room/bedroom and the adjacent living room/bedroom each have one (1) lanai facing makai. Each living room/bedroom has a bathroom containing a tub-shower and water closet. Adjacent to the bathroom door in each of the living room/bedrooms is a lavatory, counter, storage cabinet, and closet. The Type E lodging suite contains 527 gross square feet (450 sq. ft. net and 77 sq. ft. lanai area). Each Type E suite contains the following rooms:

Two bathrooms  
Two living room/bedrooms

Typical Finishing of Lodging Units:

All A, B, C, D, and E lodging units are carpeted in the living room/bedroom areas. The bathroom is finished with floor tile and a formica shower enclosure.

The building has a lobby and two (2) lodging units, 101 and 102, on the first floor. There are six (6) lodging units on each floor starting with the second floor through the seventh floor. There is a recreation deck and elevator penthouse located on the roof. The lodging units in the building as viewed from the mauka side, are numbered from left to right, 101 and 102 on the first floor, and 01, 02, 03, 04, 05, and 06 on the second through the seventh floors, all preceded by a number corresponding to the floor on which the units is located.

The word "apartment" wherever it appears shall mean and include and refer to "lodging unit"; said terms "lodging unit" and "apartment" are used interchangeably herein.

END OF EXHIBIT "B"

BY-LAWS OF THE  
ASSOCIATION OF APARTMENT OWNERS OF  
"PACIFIC ISLANDER HOTEL"

The following By-Laws shall apply to the above-named condominium project (herein called the "project"), as described in and created by Declaration of Horizontal Property Regime (herein called the "Declaration") to be recorded or filed of record in the State of Hawaii contemporaneously herewith, and to all present and future owners, tenants and occupants of any apartments of the project and all other persons who shall at any time use the project. The mere acquisition or rental of any apartment or the mere act of occupancy of any apartment will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE I

MEMBERSHIP

Section 1. Qualification. All owners of apartments of the project shall constitute the Association of Apartment Owners (herein called 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; provided, however,

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that to such extent and for such purposes, including voting, as shall be provided by lease of any apartment filed with the Board of Directors of the Association, the lessee of such apartment shall be deemed to be the owner thereof.

Section 2. Place of Meetings. Meetings of the Association shall be held at the project or such other suitable place convenient to the apartment owners as may be designated by the Board of Directors.

Section 3. Annual Meetings. The first annual meeting of the Association shall be held as soon as practicable after recording of the Declaration and these By-Laws upon the call of at least ten percent (10%) of the apartment owners; provided, however, that said first annual meeting shall in no event be held more than one hundred eighty (180) days after the date on which the certificate of occupancy for the project was issued by the appropriate county agency. Thereafter the annual meetings of the Association shall be held within three months after the end of each accounting year.

Section 4. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President or a petition signed by at least twenty-five percent (25%) of the apartment owners and presented to the Secretary.

Section 5. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special

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meeting to every apartment owner according to the Association's record of ownership, at least five days but not more than ten days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting and the purpose therefor, in any of the following ways: (a) by delivering it to him personally, or (b) by leaving it at his apartment in the project or at his usual residence or place of business, or (c) by mailing it, postage prepaid, addressed to him at his address as it appears on the Association's record of ownership. If notice is given pursuant to the provisions of this Section, the failure of any apartment owner to receive actual notice of any meeting shall in no way invalidate such meeting or any proceedings thereat. The presence of any apartment owner in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he 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.

Section 6. Quorum. The presence at any meeting 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 at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein. The term "majority of apartment owners"



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herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests as established by the Declaration, any other specified percentage of the apartments owners means the owners of apartments to which are appurtenant such percentage of the common interests.

Section 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 in the Declaration. Votes may be cast in person or by proxy by the respective apartment owners as shown in the record of ownership of the Association. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any apartment owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such apartment in such capacity. The vote for any apartment owned of record 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 each co-tenant shall be entitled to only a share of such vote in proportion to his share of ownership in such apartment.

Section 8. Proxies and Pledges. The authority given by any apartment owner to another person to represent him at meetings of the Association shall be in writing, signed by such owner and filed with the Secretary, and unless limited by its terms shall continue until revoked by a writing filed with the Secretary or by the death or incapacity of such owner. Voting rights transferred or pledged by mortgage, deed of trust or agreement of sale of any apartment or interest therein, a true copy of which is filed with the Board through the Secretary or Managing Agent, shall be exercised only by the person designated in such instrument until the written release or other termination thereof is filed with the Board in like manner.

Section 9. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the apartment owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 10. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.

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- (d) Report of officers.
- (e) Report of committees.
- (f) Election of directors.
- (g) Unfinished business.
- (h) New business.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of six ( 6 ) persons, each of whom shall be the sole owner or co-owner of record of an apartment. If a corporation is an apartment owner, any officer of such corporation shall be eligible to serve as director so long as he remains an officer of such corporation. If a general or limited partnership is an apartment owner, the partners in the general partnership and the general partner(s) of the limited partnership shall be deemed to be the owners of the apartment for purposes of this Section. The directors shall serve without compensation, unless such compensation is specifically authorized by the Association at a regular or special meeting.

Section 2. Powers. The Board of Directors shall have all powers necessary for the administration of the affairs of the Association and may do all such acts and things therefor as are not by law, the Declaration or these By-Laws

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directed to be exercised or done only by the apartment owners.

Section 3. Election and Terms. Election of directors shall be by cumulative voting by secret ballot at each annual meeting and any special meeting called for the purpose. Directors shall hold office for a period of three (3) years and until their respective successors have been elected, subject to removal as herein provided, except that at the first annual meeting one-third of the directors shall be elected for one year, one-third for two years and one-third for three years.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any director, or his continuous absence from the State of Hawaii for more than six months, or his ceasing to be the sole owner or co-owner of an apartment, shall cause his office to become vacant.

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by vote of a majority of apartment owners and a successor

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may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the apartment owners shall be given an opportunity to be heard at such meeting.

Section 6. Annual Meetings. An organizational meeting of the Board of Directors shall be held at the place of and immediately following each annual meeting of the Association, and no notice shall be necessary to any directors in order validly to constitute such meeting, provided that a majority of the whole Board shall be present. At such meeting the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one such meeting shall be held during each calendar quarter of every year. Notice of regular meetings of the Board shall be given to each director, personally or by mail, telephone or messenger service, at least three (3) days prior to the date of such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least eight hours' notice to each director, given personally or by telephone or messenger service, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or

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Secretary in like manner and with like notice on the written request of at least two directors.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors any director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice to him of such meeting. If all the directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

Section 10. Quorum of Board. At all meetings of the Board of Directors a majority of the total number of directors established by these By-Laws shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at any meeting at which a quorum is present shall be the acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 11. Fidelity Bonds. The Board of Directors shall require that all directors, officers, employees and agents of the Association handling or responsible for funds

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belonging to or administered by the Association furnish adequate fidelity bonds in favor of the Association. The premiums on such bonds shall be paid by the Association, and such bonds shall in no event be in an amount less than one and one-half times the Association's estimated annual operating expenses and reserves.

Section 12. Conflict of Interest. No member of the Board of Directors shall vote on any issue in which such member has a conflict of interest.

ARTICLE III

OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, a Secretary and a Treasurer, all of whom shall be elected by, and in the case of the President from, the Board of Directors. The Board may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

Section 2. Election and Term. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.

Section 3. Removal. Any officer may be removed either with or without cause by vote of a majority of the members of the Board of Directors, and his successor elected, at any

BY-LAWS 11

regular meeting of the Board or any special meeting called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors. Subject to the control of the Board, he shall exercise general supervision and direction over the management and conduct of the business and affairs of the Association. He shall also have such other powers and duties as may be provided by these By-Laws or assigned to him from time to time by the Board.

Section 5. Vice President. The Vice President shall assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. He shall also have such other powers and duties as may be assigned to him from time to time by the Board.

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board of Directors, give all notices thereof as provided by these By-Laws, maintain and keep a continuous and accurate record of ownership of all apartments, have charge of such books, documents and records of the Association as the



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Board may direct, and in general perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall maintain and keep the financial records and books of account of the Association, prepare regular reports thereof and be responsible for the proper deposit and custody in the name of the Association of all its funds and securities.

Section 8. Auditor. The Association shall appoint annually a public accountant or accounting firm as auditor, who shall not be an officer of the Association nor own any interest in any apartment, to audit the books and financial records of the Association as required by law or directed additionally by the Board of Directors.

ARTICLE IV

ADMINISTRATION

Section 1. Management. The Board of Directors shall at all times manage and operate the project and have such powers and duties as may be necessary or proper therefor including without limitation the following:

(a) Supervision of its immediate management and operation;

(b) Maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto;

(c) Purchase, maintenance and replacement of any

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equipment and provision of all water and utility services required for the common elements;

(d) Provision at each apartment of all water, sewer, electricity and such other utility services and utilities as the Board shall deem necessary either at the expense of such apartment or as a common expense as determined by the Board;

(e) Employment, supervision and dismissal of such personnel as may be necessary for the maintenance and operation of the project;

(f) Preparation at least 60 days before each fiscal year of a proposed budget and schedule of assessments for such year;

(g) Collection of all installments of assessments levied and payment of all common expenses authorized by the Board.

(h) Purchase and maintenance in effect of all policies of hazard and liability insurance for the project required by the Declaration and such other insurance and bonds as may be required or authorized by the Declaration or the Board;

(i) 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;

(j) Notification of lessor and all persons having any interest in any apartment according to the Association's record of ownership of delinquency exceeding 30 days in the payment of

BY-LAWS 14

any assessment against such apartment;

(k) Notification in writing of all holders of mortgages of apartments, or of apartment leases demising the same, as shown in the Association's record of ownership or of which the Secretary of the Association has been given written notice, of any loss to, or taking of, the common elements of the project if such loss or taking exceeds TEN THOUSAND DOLLARS (\$10,000.00); and

(l) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Declaration, these By-Laws and the house rules adopted pursuant to Article V, Section 4, of these By-Laws; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any apartment owner shall constitute a lien against his interest in his apartment which may be foreclosed by the Board of Directors or Managing Agent in the same manner as provided in the Horizontal Property Act for common expenses.

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible corporate Managing Agent to manage and control the project subject at all times to direction by the Board, with all of the administrative functions specifically set forth in the preceding Section 1 and with such other powers and duties and at such compensation as the Board may establish from time to time, subject

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to prior approval of every such employment contract by a majority of the apartment owners. Every such employment contract shall provide that it may be terminated by the Board of Directors for cause on no more than ninety (90) days' written notice, and in no event may such employment contract be for a term exceeding three (3) years.

Section 3. Representation. The President or Managing Agent, subject to the direction of the Board of Directors, shall represent the Association or any two or more apartment owners similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the common elements or more than one apartment, and on its or their behalf may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings, without prejudice to the rights of any apartment owner individually to appear, sue or be sued. Service of process on two or more apartment owners in any such action, suit or proceeding may be made on the President or Managing Agent. Every first mortgagee to whom the Lessee is required by the terms of the mortgage to pay the same or, whenever there is no such mortgagee, every Managing Agent shall also be the agent of the respective lessees under any apartment leases filed with the Board for the collection, custody and payment of all rent, taxes, assessments and other charges thereunder payable to their lessors.

Section 4. Execution of Instruments. All checks,

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drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to such instrument, by the President or Vice President and by the Treasurer or Secretary.

ARTICLE V

OBLIGATIONS OF APARTMENT OWNERS

Section 1. Assessments. All apartment owners shall pay to the Managing Agent in advance on the first day of each and every month the monthly installments of assessments against their respective apartments for common expenses of the project in accordance with the Declaration and also, with respect to any lease of any apartment filed by Lessor with the Board of Directors, a monthly sum determined by the Managing Agent to be sufficient to accumulate and pay when due all rent, taxes, assessments and other charges thereunder payable by the lessee of such apartment unless such sums are required to be paid to and accumulated by the mortgagee under any subsisting mortgage of such apartment lease filed with the Board.

Section 2. Maintenance of Apartments. Every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment

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and the limited common elements appurtenant thereto, including without limitation all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning, lights and all other fixtures and accessories belonging to such apartment and the interior decorated or finished surfaces of all walls, floors and ceilings of such apartment, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent. Every apartment owner and occupant shall reimburse the Association promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the common elements or any furniture, furnishings and equipment thereof caused by such owner or occupant or any person under either of them and shall give prompt notice to the Managing Agent of any such loss or damage or other defect in the project when discovered.

Section 3. Use of Project

(a) All apartments of the project shall be used only for the purposes set forth in the Declaration and for no

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other purpose.

(b) All common elements of the project shall be used only for their respective purposes as designed.

(c) No apartment owner or occupant shall place, store or maintain on walkways, roadways, grounds or other common elements any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

(d) Every apartment owner and occupant shall at all times keep his apartment in a strictly clean and sanitary condition and 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.

(e) 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.

(f) No apartment owner or occupant shall erect or place in the project any building or structure including fences and walls, nor make any additions or alterations to any common elements of the project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including detailed plot plan, prepared by a licensed architect if so required by the Board and also approved by a majority of apartment owners (or such larger percentage required by law or the

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Declaration) including all owners of apartments thereby directly affected.

(g) No apartment owner shall decorate or landscape any entrance of his apartment or any other portion of the project except in accordance with standards therefor established by the Board of Directors or specific plans approved in writing by the Board.

(h) All occupants shall exercise extreme care about making noises and in the use of musical instruments, radios, televisions and amplifiers that may disturb other occupants.

(i) No garments, rugs or other objects shall be hung from the windows or facades of the project.

(j) No rugs, or other objects shall be dusted or shaken from the windows of the project or cleaned by beating or sweeping on any hallway or exterior part of the project.

(k) 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.

(l) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that dogs, cats and other household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments but shall not be kept, bred or used therein for any commercial purpose nor allowed on any common elements except in transit when carried or on leash; provided, however, that any such pet



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causing a nuisance or unreasonable disturbance to any other occupant of the project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or Managing Agent.

(m) No apartment owner or occupant shall without the written approval of the Board of Directors install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the project or protruding through the walls, windows or roof thereof.

(n) No apartment owner or occupant shall erect, place or maintain any television or other antennas on said project visible from any point outside of the project.

(o) Nothing shall be allowed, done or kept in any apartments or common elements 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.

(p) If the project shall have separate elevators devoted (i) to the transportation of the apartment owners and their guests and (ii) for freight service or auxiliary purposes, the apartment owners and tradesmen are expressly required to utilize the freight or service elevators for transporting packages, merchandise or any other object that

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may affect the comfort or well-being of the passengers of the elevators dedicated to the transportation of the apartment owners, residents and guests.

Section 4. House Rules. The Board of Directors, upon giving notice to all apartment owners in the same manner as herein provided for notice of meetings of the Association and opportunity to be heard thereon, may adopt, amend or repeal any supplemental rules and regulations governing details of the operation and use of the common elements not inconsistent with any provision of law, the Declaration or these By-Laws.

Section 5. Expenses of Enforcement. Every apartment owner shall pay to the Association promptly on demand all costs and expenses including reasonable attorneys' fees incurred by or on behalf of the Association in collecting any delinquent assessments against such apartment, foreclosing its lien therefor or enforcing any provisions of the Declaration or these By-Laws against such owner or any occupant of such apartment.

Section 6. Record of Ownership. Every apartment owner shall promptly cause to be duly recorded or filed of record the deed, lease, assignment or other conveyance to him of such apartment or other evidence of his title thereto and shall file such document with and present such other evidence of his title to the Board of Directors through the Managing Agent, and the Secretary shall maintain all such

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information in the record of ownership of the Association.

Section 7. Mortgages. Any apartment owner who mortgages his apartment or any interest therein shall notify the Board of Directors through the Managing Agent, of the name and address of his mortgagee, and also of the release of such mortgage, and the Secretary shall maintain all such information in the record of ownership of the Association. The Board of Directors or Managing Agent at the request of any mortgagee or prospective purchaser of any apartment or interest therein shall report to such person the amount of any assessment against such apartment when due and unpaid.

During regular business hours any holder of a mortgage of record of an apartment or of an apartment lease demising the same shall have the right to examine the books and records of the Association.

ARTICLE VI

MISCELLANEOUS

Section 1. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Declaration by vote of seventy-five percent (75%) of the apartment owners at any meeting of the Association duly called for such purpose, effective only upon the recording of an amendment to the Declaration setting forth such amendment of these By-Laws.

Section 2. Indemnification. The Association shall

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indemnify every director and officer and his executors and administrators against all expenses reasonably incurred by or imposed on him in connection with any action, suit or proceedings to which he may be made a party by reason of being or having been a director or officer of the Association, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

Section 3. Subordination. These By-Laws are subordinate and subject to all provisions of the Declaration and any amendments thereto, the Horizontal Property Act (Chapter 514, Hawaii Revised Statutes, as amended), which shall control in case of any conflict. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or said Horizontal Property Act.

Section 4. Interpretation. In case any provision of these By-Laws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these By-Laws shall be deemed or

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construed to authorize the Association or Board of Directors to conduct or engage in active business for profit on behalf of any or all of the apartment owners.

Section 5. Books of Receipts and Expenditures. The Managing Agent or Board of Directors 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. All records and the vouchers authorizing the payments shall be kept and maintained at the address of the project, or elsewhere within the State as determined by the Board of Directors, and shall be available for examination by the apartment owners at convenient hours of week days.

CERTIFICATE OF ADOPTION

The undersigned, being the owner and developer of all apartments of the project, hereby adopt the foregoing as the By-Laws of the Association of Apartment Owners of PACIFIC ISLANDER HOTEL, this 10th day of November, 19 75.

HALE KAPILI, INC.

By Grace Kim Egan  
Its PRESIDENT

By \_\_\_\_\_  
Its \_\_\_\_\_

Georgie Lyle Rector  
GEORGIE LYLE RECTOR

Notary Public Wanda J. Hines

My commission expires 7-23-77

----- PREPARED FOR -----  
 249 KAPILI ST  
 HONOLULU HI 96815  
 ACCT. NO: 1024  
 PAGE: 1

----- PREPARED BY -----  
 HAWAIIANA MANAGEMENT COMPANY, LTD.  
 ACCOUNTANT: LUDI QUERO  
 DATE PRINTED: 07/11/2015

**PACIFIC ISLANDER**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
**FOR PERIOD ENDED 06/30/2015**

BLD ACCT 1024 DESCRIPTION	CURRENT MONTH			YEAR TO DATE			FISCAL BEG: 1
	---ACTUAL---	---BUDGET---	---VAR.---	---ACTUAL---	---BUDGET---	---VAR.---	--BUD%--
<b>CASH RECEIPTS:</b>							
5100 MAINTENANCE FEE	23123.59	25145.00	-2021.41	143814.81	150870.00	-7055.19	95.3
5130 CABLE REIMBURSEMENT	603.48	642.00	-38.52	3718.00	3852.00	-134.00	
5170 AIR CONDITIONING	100.00	80.00	20.00	500.00	480.00	20.00	
5190 LEGAL FEE REIMBURSEMENT	0.00	0.00	0.00	0.50	0.00	0.50	
5270 INTEREST FROM INVESTMENTS	18.10	20.00	-1.90	109.09	120.00	-10.91	
5290 INTEREST FROM CHECKING	3.82	2.00	1.82	16.75	12.00	4.75	
5330 LAUNDRY INCOME	0.00	45.00	-45.00	281.50	270.00	11.50	
5350 PARKING FEES	692.50	700.00	-7.50	3572.25	4200.00	-627.75	
5400 RENTAL INCOME UNIT #402	1150.00	1150.00	0.00	6746.00	6900.00	-154.00	
5405 RENTAL INCOME-LOCKERS/STORAGE	150.00	0.00	150.00	300.00	0.00	300.00	
<b>TOTAL CASH RECEIPTS</b>	<b>25841.49</b>	<b>27784.00</b>	<b>-1942.51</b>	<b>159058.90</b>	<b>166704.00</b>	<b>-7645.10</b>	<b>95.4</b>
<b>UTILITIES:</b>							
6010 ELECTRICITY	2186.03	3346.00	-1159.97	14385.60	20076.00	-5690.40	
6020 TELEVISION	770.08	782.00	-11.92	4673.88	4692.00	-18.12	
6030 WATER	828.37	810.00	18.37	4757.31	4860.00	-102.69	
6040 SEWER	1939.40	2266.00	-306.60	11601.36	13596.00	-1994.64	
6050 GAS	1330.99	1816.00	-485.01	8042.75	10896.00	-2853.25	
6060 TELEPHONE	100.00	158.00	-58.00	896.46	948.00	-51.54	
<b>TOTAL UTILITIES</b>	<b>7174.87</b>	<b>9178.00</b>	<b>-2003.13</b>	<b>44357.36</b>	<b>55068.00</b>	<b>-10710.64</b>	<b>80.6</b>
<b>BUILDING MAINTENANCE:</b>							
6530 CLEANING SUPPLIES	8.15	75.00	-66.85	325.33	450.00	-124.67	
6540 ELEVATOR	1718.09	1779.00	-60.91	4036.18	3558.00	478.18	
6550 GROUNDS	24.05	100.00	-75.95	1366.79	600.00	766.79	
6560 ELECTRICAL	0.00	100.00	-100.00	0.00	600.00	-600.00	
6570 PLUMBING	0.00	200.00	-200.00	4525.46	1200.00	3325.46	
6620 REFUSE	411.52	452.00	-40.48	2469.12	2712.00	-242.88	
6660 FIRE SYSTEMS	0.00	0.00	0.00	129.84	0.00	129.84	
6690 MISC REPAIRS & PURCHASES	526.74	300.00	226.74	4289.18	1800.00	2489.18	
<b>TOTAL BUILDING MAINTENANCE</b>	<b>2688.55</b>	<b>3006.00</b>	<b>-317.45</b>	<b>17141.90</b>	<b>10920.00</b>	<b>6221.90</b>	<b>157.0</b>

----- PREPARED FOR -----  
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 ACCT. NO: 1024  
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**PACIFIC ISLANDER**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
**FOR PERIOD ENDED 06/30/2015**

----- PREPARED BY -----  
 HAWAIIANA MANAGEMENT COMPANY, LTD.  
 ACCOUNTANT: LUDI QUERO  
 DATE PRINTED: 07/11/2015

BLD ACCT 1024 DESCRIPTION	CURRENT MONTH			YEAR TO DATE			FISCAL BEG: 1
	---ACTUAL---	---BUDGET---	---VAR.---	---ACTUAL---	---BUDGET---	---VAR.---	--BUD%--
<b>PROFESSIONAL SERVICES:</b>							
6810 ADMIN SUPPLIES & SERVICES	344.26	328.00	16.26	2326.14	1968.00	358.14	
6812 ASSOCIATION ADMIN EXPENSE	32.88	59.00	-26.12	996.05	354.00	642.05	
6850 MANAGEMENT SERVICES	1177.00	1177.00	0.00	7062.00	7062.00	0.00	
6852 RENTAL AGENT COMM #402	115.00	0.00	115.00	886.46	0.00	886.46	
6870 AUDIT/PUBLIC ACCOUNTING	0.00	0.00	0.00	628.27	636.00	-7.73	
6880 LEGAL FEES GENERAL	125.65	100.00	25.65	175.39	600.00	-424.61	
6882 LEGAL FEES-COLLECTIONS	173.82	200.00	-26.18	904.56	1200.00	-295.44	
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>1968.61</b>	<b>1864.00</b>	<b>104.61</b>	<b>12978.87</b>	<b>11820.00</b>	<b>1158.87</b>	<b>109.8</b>
<b>PAYROLL AND BENEFITS:</b>							
7010 PAYROLL-MANAGER	2769.24	2621.00	148.24	15463.35	15726.00	-262.65	
7020 PAYROLL-MAINTENANCE	0.00	900.00	-900.00	955.00	5400.00	-4445.00	
7070 WORKERS COMPENSATION	0.00	0.00	0.00	3058.00	2172.00	886.00	
7080 TDI	0.00	0.00	0.00	69.92	84.00	-14.08	
7090 HEALTH CARE	0.00	480.00	-480.00	943.54	2880.00	-1936.46	
7100 PAYROLL TAXES	223.22	286.00	-62.78	1398.67	1716.00	-317.33	
7140 PAYROLL PREPARATION	159.50	160.00	-0.50	957.00	960.00	-3.00	
<b>TOTAL PAYROLL AND BENEFITS</b>	<b>3151.96</b>	<b>4447.00</b>	<b>-1295.04</b>	<b>22845.48</b>	<b>28938.00</b>	<b>-6092.52</b>	<b>78.9</b>
<b>OTHER EXPENSES:</b>							
7310 INSURANCE-PROPERTY	0.00	0.00	0.00	4122.00	6144.00	-2022.00	
7550 MISCELLANEOUS EXPENSE	0.00	50.00	-50.00	407.37	300.00	107.37	
7556 AAO MAINTENANCE FEE #402	445.07	0.00	445.07	2670.42	0.00	2670.42	
7564 MISC-CONDO REGISTRATION	0.00	432.00	-432.00	440.00	432.00	8.00	
7568 AAO CABLE #402	12.84	0.00	12.84	77.04	0.00	77.04	
7710 REAL PROPERTY TAX	0.00	0.00	0.00	207.20	0.00	207.20	
7720 GENERAL EXCISE TAX	0.00	0.00	0.00	413.24	498.00	-84.76	
<b>TOTAL OTHER EXPENSES</b>	<b>457.91</b>	<b>482.00</b>	<b>-24.09</b>	<b>8337.27</b>	<b>7374.00</b>	<b>963.27</b>	<b>113.1</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>15441.90</b>	<b>18977.00</b>	<b>-3535.10</b>	<b>105660.88</b>	<b>114120.00</b>	<b>-8459.12</b>	<b>92.6</b>
<b>OPERATING SURPLUS/DEFICIT</b>	<b>10399.59</b>	<b>8807.00</b>	<b>1592.59</b>	<b>53398.02</b>	<b>52584.00</b>	<b>814.02</b>	<b>101.5</b>

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 ACCT. NO: 1024  
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**PACIFIC ISLANDER**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS**  
**FOR PERIOD ENDED 06/30/2015**

----- PREPARED BY -----  
 HAWAIIANA MANAGEMENT COMPANY, LTD.  
 ACCOUNTANT: LUDI QUERO  
 DATE PRINTED: 07/11/2015

BLD ACCT 1024 DESCRIPTION	CURRENT MONTH			YEAR TO DATE			FISCAL BEG: 1
	---ACTUAL---	---BUDGET---	---VAR.---	----ACTUAL----	----BUDGET----	---VAR.---	--BUD%--
CAPITAL IMPR AND MAJOR REP & REPL:							
8514 PAINT EXTERIOR	0.00	0.00	0.00	0.00	88000.00	-88000.00	
8521 CARPET	0.00	0.00	0.00	0.00	15000.00	-15000.00	
8544 AWNING	0.00	0.00	0.00	0.00	10250.00	-10250.00	
<b>TOTAL CAPITAL IMPR AND MAJOR</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>113250.00</b>	<b>-113250.00</b>	<b>0.0</b>
<b>TOTAL CASH DISBURSEMENTS</b>	<b>15441.90</b>	<b>18977.00</b>	<b>-3535.10</b>	<b>105660.88</b>	<b>227370.00</b>	<b>-121709.12</b>	<b>46.5</b>
<b>CHANGE IN SECURITY DEPOSITS</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	<b>-150.00</b>	<b>0.00</b>	<b>-150.00</b>	<b>0.0</b>
<b>CHANGE TO TOTAL CASH &amp; RESERVE</b>	<b>10499.59</b>	<b>8807.00</b>	<b>1692.59</b>	<b>53248.02</b>	<b>-60666.00</b>	<b>113914.02</b>	



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**PACIFIC ISLANDER  
 CASH REPORT  
 AS OF 06/30/2015**

----- PREPARED BY -----  
 HAWAIIANA MANAGEMENT COMPANY, LTD.  
 ACCOUNTANT: LUDI QUERO  
 DATE PRINTED: 7/11/2015

BLD NUM: 1024

FISCAL BEG: 01 PAGE: 1

OPERATIONS  
 1000 CHECKING ACCOUNT \*

TOTAL OPERATIONS

RESERVES

1841 HSB LQ #\*\*\*\*\*1140

TOTAL RESERVES

TOTAL ASSOCIATION CASH

LESS: RESTRICTED CASH (HELD FOR OTHERS)

4305 SECURITY DEPOSIT-KEYS

TOTAL RESTRICTED CASH (HELD FOR OTHERS)

NET ASSOCIATION AVAILABLE CASH AND DEPOSITS

\* CHECKING ACCOUNT MAY INCLUDE PENDING CAPITAL EXPENSES

BEGINNING CASH BAL.-B.O.Y. 89,731.67

BEGINNING BALANCE	TRANSFERS TO/(FROM)	ENDING BALANCE
83,439.54	10,481.49	93,921.03
83,439.54	10,481.49	93,921.03
49,040.56	18.10	49,058.66
49,040.56	18.10	49,058.66
132,480.10	10,499.59	142,979.69
-24.00	100.00	76.00
-24.00	100.00	76.00
132,504.10	10,399.59	142,903.69

TERM MATURES RATE

0.4500

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 249 KAPILI ST  
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**PACIFIC ISLANDER  
 CASH BY INSTITUTION  
 AS OF 06/30/2015**

----- PREPARED BY -----  
 HAWAIIANA MANAGEMENT COMPANY, LTD.  
 ACCOUNTANT: LUDI QUERO  
 DATE PRINTED: 7/11/2015

BLD NUM: 1024

FISCAL BEG: 01 PAGE: 1

CASH BY INSTITUTION:

CENTRAL PACIFIC BANK  
 HOMESTREET BANK

BEGINNING BALANCE	TRANSFERS TO/(FROM)	ENDING BALANCE
83,439.54	10,481.49	93,921.03
49,040.56	18.10	49,058.66
<u>132,480.10</u>	<u>10,499.59</u>	<u>142,979.69</u>

TOTAL CASH



# HAWAIIANA

Hawaiiana Management Company, Ltd.  
Pacific Park Plaza, Suite 700  
711 Kapiolani Boulevard  
Honolulu, Hawaii 96813  
Tel: (808) 593-9100  
Fax: (808) 593-6333  
Internet: [www.hmcimgt.com](http://www.hmcimgt.com)

December 17, 2013

Owners/Residents at Pacific Islander

Susan DeCorte – Hawaiiana Management Co., Ltd.

Re: Pacific Islander – Revised House Rules

Dear Owners/Residents:

I am writing this letter on behalf of the Board of Directors of Pacific Islander AOA. Attached is the newly revised House Rules (approved by the Board on 12/05/2013).

**Please note that these House Rules are effective immediately.**

Sincerely,  
FOR THE BOARD OF DIRECTORS OF  
AOA Pacific Islander

  
Susan DeCorte  
Management Executive  
Hawaiiana Management Company

cc: Board of Directors & Manager

## **Association of Apartment Owners of Pacific Islander**

### **HOUSE RULES**

The full authority and responsibility of enforcing these House Rules shall be delegated to the Resident Manager by the Board of Directors of the Association of Apartment Owners.

#### **A. GENERAL**

1. All owners, residents, rental agents and guests shall be bound by these House Rules and by standards of reasonable conduct whether covered by these rules or not.
2. All occupants including owners must register with the Resident Manager and must complete an Emergency Information Form before the unit is occupied. This includes guests if staying for more than one night.
3. Units shall be used for residential purposes only.
4. The minimum rental period is 6 months. No agent or owner is allowed to rent to more than one client at a time within the lease period. No vacation rentals are allowed.
5. All occupants shall receive a copy of the House Rules. Owners may rent directly or through a Rental Agent. All parties, Owners or Rental Agents responsible for the unit must register a phone number with the Resident Manager where they may be contacted day or night in cases of emergency or because of a problem with a tenant.
6. Check-In and Check-Out Procedures
  - a. The Resident Manager must receive a phone call 24 hours before a move-in or move-out. **THE NEW OCCUPANTS MUST BE REGISTERED BEFORE THEY MOVE IN.**
  - b. It is the responsibility of the person renting the unit to see that the person or persons moving in have all forms filled out before arriving to check in. These forms are the Registration Form, the Acceptance of House Rules and if a pet is moving in, a copy of the Pet Insurance Policy.

- c. If the person renting the unit needs copies of the Registration Form, House Rules Acceptance Form and House Rules, there will be a charge of \$25.00 and you must contact the Resident Manager 48 hours before the move in. The forms can be emailed at no cost. Again, a 48-hour notice is required. If the Resident Manager has to give the new tenant a copy of the House Rules there will be a charge of \$20.00.

**B. NUMBERED SECURITY DOOR KEYS**

1. In order to keep everything organized and for security purposes, all keys will be issued by the Resident Manager ONLY. A refundable deposit of \$100.00 per key is required on move-in. Money Orders are acceptable. Make payable to Client Trust Account.
2. Rental Agents and Owners are required to sign for the key that will be issued to them. No deposit is required. The key that is issued to either the Owner or Rental Agent is for their use ONLY; it may not be given to anyone else. If the key is lost, then a new key will be issued and there will be a charge for the key.
3. Each unit will have 3 numbered keys; 1 for the Owner, 1 for the Agent and the 3<sup>rd</sup> key for the Resident. The Resident Manager has extra keys.
4. LOSE YOUR KEY AND YOU WILL FORFEIT YOUR DEPOSIT. YOU WILL BE REQUIRED TO DEPOSIT ANOTHER \$100.00 TO BE ISSUED A NEW KEY.

**C. MOVE-INS AND MOVE-OUTS**

1. The Resident Manager will arrange for parking for move-in and instruct the new tenant which gate to use when moving in. A hand truck is available if needed. All large items and boxes must be moved in through the back gate ONLY.
2. It is understood that it is necessary for flexibility for move-ins and move-outs. It is best for the tenant to move in or out between the non-peak hours of 9:00 a.m. and 11:00 a.m. and afternoon hours between 2:00 p.m. and 4:00 p.m. There is only one elevator and others need to use it. No night move-in after 5:00 p.m. is allowed. Because there is only one elevator, arrangements must be made with the Resident Manager for moving in or out on weekends. NO MOVING ON SUNDAYS IS ALLOWED.

**D. UNITS**

1. ALL OWNERS OF RECORD MUST HAVE INSURANCE FOR THEIR UNITS. THE MANAGEING AGENT WILL REQUIRE COPY OF THE POLICY AND YEARLY RENEWALS OF THE POLICY. IF AN OWNER DOES NOT PROVIDE THE MANAGING AGENT WITH A COPY OF THE CURRENT INSURANCE POLICY, THE ASSOCIATION MAY PURCHASE A POLICY AND THE COSTS WILL BE ASSESSED AGAINST THE OWNER OF RECORD.
2. All units are to be maintained in a clean, sanitary condition.
3. Bug Infestation. Because of previous problems with responsibility for the payment and the treatment for infestation of bugs, the following policy for dealing with the problem has been adopted by the Board of Directors:
  - a. It is the policy of the Pacific Islander when there is an infestation of bed bugs, roaches or other insects, that it is the responsibility of the Resident of the unit to inform the Rental Agent and the Resident Manager immediately before the problem is allowed to spread to other units. If the problem is an infestation of bed bugs, no furniture, beds, etc. may be moved from the unit unless completely wrapped in plastic and arrangement must be made with the Resident Manager before the removal of the items. All infested items must be removed from the property. The unit is to be treated as soon as it is possible to arrange for treatment. The Owner of the unit will be billed for the treatment.
  - b. It is not up to the Association to make the decision on who is responsible for the payment of the treatment, however, it is the responsibility of the Association to make sure this problem does not spread to other units. In order to assure this does not happen, the infestation problem will be treated and the bill will be charged to the Owner. How the Owner or Rental Agent deals with the responsibility for payment of the costs is up to that individual.
  - c. In order to avoid this problem, the members of the Board of Directors ask all residents not to bring items from the street into the building; also, it is advisable to check any rental furniture before accepting it and all used furniture. If you suspect you have a problem, call your Rental Agent immediately and do not throw anything out without wrapping it completely. Do not place anything in the common areas; this will only spread the problem.

## **E. COMMON AREAS**

Common areas include walkways, the parking garage, laundry area, lobby, elevator, hallways, stairwells and garden areas.

1. Common areas must not be obstructed for any purpose other than coming or going and for parking.
2. Nothing may be left or stored in the common areas. Garbage or trash is not to be left outside of the unit doors. Bicycles are to be kept in the units not tied to the railing. The railings are not for sitting on, or for hanging laundry or towels. Furniture is not to be place outside of the unit; if it is to be removed it is the tenant/owner's responsibility to dispose of it.
3. State law prohibits smoking in all common areas. The Association does enforce this law with fines. Please advise all guests that the only place they may smoke is inside of the unit when they are visiting.
4. **NO OPEN CONTAINERS OF FOOD OR DRINKS ARE ALLOWED ANYWHERE IN THE BUILDING. FOOD AND DRINKS BELONG IN THE UNITS.**
5. It is intended that the exterior of the building shall present a uniform appearance and to effect that end, the Board may regulate the type and color of paint and may require painting to conform to unit exterior, including unit doors.
6. No alterations, repairs or installation are permitted to the exterior surface of the building without the express approval of the Association.
7. In general, the Association of Apartment Owners is responsible for the maintenance and repair of the exterior of the building, walkways, gates, fences, gardens and public areas.
8. **NO BARBEQUE IS ALLOWED ANYWHERE ON THE PROPERTY INCLUDING LANAIS.**
9. Throwing of firecrackers or other dangerous objects from the lanais is strictly prohibited. **NOTHING MAY BE TOSSED OFF OF THE LANAIS.**
10. Any damage done by an owner, resident, pet or guest to the building or to the property of another resident or owner, that owner of record will be held responsible for the repairs and costs including attorneys' fees if necessary.

## **F. VISITORS AND THE ENTERPHONE – HOW TO USE**

To use the enterphone, you must have a local phone number in order for your number to be programmed into the system. Once your phone number is in the system you will be able to ring your guests into the building. The following is how the enterphone system works.

1. For guests: Locate the unit number. Directly across, find the two number code for the unit. Press the # button, wait for the dial tone, and enter the two number code. It operates just like a regular phone call. You may get the person, busy signal, an answering machine, no answer. Please advise your guests to call before they visit, or if they don't, not to continue using the enterphone because you do not answer. **DO NOT RING ANYONE IN THAT YOU DO NOT PERSONALLY KNOW. ALWAYS ANSWER THE PHONE BEFORE YOU RING SOMEONE IN.**
2. If your number is in the system, then please ask your guest to use the enterphone; yelling from the street is not acceptable. If you are not going to use the enterphone system then your number can be removed.
3. If your number is not in the system you will need to meet your guest downstairs; it is best if they call you before coming. They cannot enter the building unless you let them in. Remember, you are responsible for your visitors.
4. How to ring your guests in: First, **ALWAYS ANSWER YOUR PHONE.** You may think you know who is on the other end; however, the Resident Manager has watched strangers try every number on the board in order to get in. If you are home, then you can ring your guest in by pressing #6 on your phone; it will open the entrance gate. **PLEASE DO NOT RING ANYONE IN UNLESS YOU ARE HOME. PLEASE ANSWER THE PHONE BEFORE RINGING SOMEONE IN.**

## **G. LAUNDRY**

1. Laundry hours are 8:00 a.m. to 8:00 p.m.
2. The doors once locked for the night will not be opened until the following morning. Please watch the time and remove your clothes before the laundry area closes. The washers take 30 minutes and the dryer takes 45 minutes. Don't start your laundry at 7:30 p.m. and expect it to finish on time. It is your responsibility to watch the time. If you call the Resident Manager to open the laundry, be ready with your money in hand; it will cost you \$20.00, **NO EXCEPTIONS.**



3. Please do not fill the machines so full that the clothes do not have room to wash correctly, this is a waste of your money and it causes damage to the machines. If you fill the dryers so full that the weight of the clothes breaks the form in the machine, this will inconvenience everyone and is costly to repair. If the Resident Manager finds the machines overloaded, the Resident Manager will remove the excess clothes. You can wash and dry a set of sheets, two sets of towels and 2 pairs of shorts/jeans and 2 t-shirts in one washer; more than this is too much for both washer and dryer.
4. The laundry is for tenants of the building ONLY. Do not allow your friends or guests to use the laundry; the laundry area is for the residents of the building only. Anyone found using the laundry that does not live in the building will be asked to leave the area and remove their clothes, and the person they are visiting will receive a written notice of violation of this House Rule.
5. Do not leave clothes unattended; otherwise will want to use the machines. UNATTENDED, COMPLETED LAUNDRY MAY BE REMOVED BY THE NEXT USER. JUST EMPTY THE MACHINE OF THE CLOTHES AND PUT THE CLOTHES ON THE CHAIRS OR ON TOP OF THE DRYERS.
6. DO NOT USE DYES IN THE MACHINES AT ANY TIME. DO NOT PUT RUBBERIZED ITEMS IN THE DRYERS.
7. CLEAN THE FILTERS IN THE DRYERS AFTER YOU FINISH. LIFT THE LINT OFF OF THE SCREENS. DO NOT WASH THE SCREENS THIS WILL CUASE WATER TO GET INTO THE FILTER AREA AND CAUSE DAMAGE TO THE MACHINES.
8. If you use the wash basin please clean it after you use it. Do not pour anything down the drain; it is not for cleaning paint brushes or anything else. PLEASE REMEMBER TO TURN THE WATER OFF.
9. Keep the laundry area clean; if you spill something, clean it up. There is a trash container; please put empty boxes or soap bottles inside of the container. If you have large bottles or boxes, dispose of them in the garbage dumpster in the Q.

#### **H. NOISE AND NUISANCE**

Please remember that we all live in a multi-dwelling building, so respect, patience and cooperation are required.

1. NO LOUD NOISE OR LOUD PARTIES ARE ALLOWED AT ANY TIME.
2. The quiet hours are between 10:00 p.m. and 8:00 a.m.

3. If you are having guests please remember that if it is late, sound carries, and if you are on your lanai then the resident above, below and on both sides of you will be able to hear everything. Please stay in your unit after 10:00 p.m. if you are entertaining.
4. Some residents work late shifts and they may arrive home late. Please remember others need their sleep. You must be quiet when you come home, the units are close together and sound carries. Do not slam your unit door, bring people home with you and talk loudly in the hallways. You are responsible for your guests.
5. Music and TV's need to be adjusted at a rate that does not carry out to the street or out to the hallway and disturb others, especially at night.
6. Sometimes the wind will cause the unit door to slam. Do keep this under control by not slamming the door when you close it.
7. If you have late night or early morning visitors, please remember you are responsible for their behavior. If they do not follow the House Rules it is you that will receive the letter of violation and the fines.
8. No one shall make or permit to be made any behaviors or acts that may be considered to be disturbing, lewd, offensive, noxious, dangerous, or illegal which will infringe on the rights, comforts, and quiet enjoyment of other occupants and/or the employees or vendors of the Association.

#### **I. PARKING GARAGE**

The Association owns the rights to all of the parking stalls. The Association has 13 stalls that are rented on a monthly basis. All stalls are assigned.

The Association has 1 service stall and this stall is reserved for service people who are on the property to perform service on the building, elevator, contractors to do repairs on electric, plumbing, etc. These service people come first.

Repair people hired to do unit repairs must call 24 hours before they arrive if they wish to use the service stall, in case of emergency the service person must leave a message for the Resident Manager. The message needs to have the following information: unit where the repair is being done, phone number where the service person may be reached. The Resident Manager will return the call as soon as possible. The parking area is secure and the Resident Manager will need to let the repair person in.

**THERE IS NO GUEST PARKING. AND WE DO TOW ANY CAR PARKED WITHOUT PERMISSION.**

1. All cars/trucks must be registered with the Resident Manager, who will assign the tenant parking if parking is available. All parking is assigned. Once the person is assigned a numbered space and the rent for the space is paid the person will receive a handout on the RULES FOR PARKING.
2. No mopeds or motorcycles are allowed in the garage.
3. The monthly rental fee is due on the 1<sup>st</sup> day of the month. Failure to pay the rent on time will result in loss of the space; we always have a wait list. If you are going to be late, it is best to call the manager and make arrangements. There will be a late fee charge.
4. The parking stall is to be used only for parking of one (1) authorized vehicle and not for the storage of any other items.
5. Only vehicles with current safety tags, registration, license and in working condition area allowed to park on the premises.

**J. LANAIS**

1. At no time shall anything be thrown, shaken, dropped or draped over the lanais.
2. Only appropriate lanai furniture may be used on lanais. No large boxes or large pieces of furniture are permitted. Clotheslines are prohibited.
3. Roll up blinds, in order to have the appearance of conformity on the outside of the building, the following is what is acceptable.
  - a. Screens, as long as the tenant is able to keep them clean, without water flowing over the lanais.
  - b. Bamboo roll ups, they are stronger and lasts longer.
  - c. Lattice wood, must be painted to match the color of the building, or white vinyl, plastic.
4. Plants **MUST HAVE TRAYS UNDER THEM TO CATCH THE EXCESS WATER.** If the water drips over the lanai, the Resident Manager has the right to ask you to remove the plants. If damage is done to the concrete because of the water from plants, the owner will be responsible for the repair costs.
5. **DO NOT FEED THE BIRDS.** The pigeons are not called homing birds for nothing. If you feed them they will never forget, and they will never leave. They carry lice, mites, fleas and other pests. They are very dirty, and live in their mess. The mess they make is dangerous to your health.

6. Surfboards, bicycles may be stored on the lanai as long as they are not protruding over the lanai.
7. Shelves may be attached to the walls of the lanai, approval from the Association is required and they must be painted to conform to the color of the building.

**K. GARBAGE AND RUBBISH**

1. Please place all of your garbage in plastic bags that are leak proof and tie them securely before placing them in the garbage bin.
2. **BOXES: DO NOT DISPOSE OF GARBAGE BOXES. ALL BOXES ARE TO BE BROKEN DOWN FLAT BEFORE THEY MAY BE PLACED IN THE GARBAGE BIN.**
3. Large items, mattress, TV sets, lamps, furniture, etc. are not to be disposed of in the dumpster. These items may be placed out in front on Friday night for pick up by the bulk pickup people on Saturdays.
4. Large item are not allowed in the garbage bin area, it is the responsibility of the resident or owner to remove these items by placing them out for the bulk pickup or taking them to the dump. CITY ORDINANCE PROHIBITS STORAGE OF ANY ITEMS IN COMMON AREAS.
5. STATE LAW REUIRES BULK ITEMS BE PLACED OUT FOR PICKUP THE NIGHT BEFORE PICKUP. PICKUP FOR PACIFIC ISLANDER IS ON SATURDAY SO FRIDAY IS WHEN THINGS MAY BE PLACED OUT BY THE CHAIN LINK FENCE FOR PICKUP. THERE IS A FINE OF \$250.00 AND THE STATE SAYS THEY WIILL ENFORCE IT. PLEASE REMEMBER, THE BUILDING HAS A CAMERA.

**L. REPAIRS**

1. Working hours: Monday to Friday. Start time: 9:00 a.m. and you must be finished by 5:00 p.m. Saturdays work may begin around 10:00 a.m. and you must finish by 2:00 p.m. No work is allowed on Sundays.
2. ALL REPAIRS MUST BE ARRANGED WITH THE RESIDENT MANAGER BEFORE THEY MAY BEGIN.

3. MAJOR RENOVATIONS MUST BE ARRANGED WITH THE RESIDENT MANAGER AT LEAST 48 HOURS BEFORE THE WORK MAY BEGIN. A WORK ORDER, PHONE CALL OR EMAIL OUTLINING THE WORK MUST BE RECEIVED BEFORE THE WORK MAY BEGIN. THE CONTRACTOR DOING THE WORK MUST PICK UP AND SIGN FOR A GATE KEY AND THE RULES FOR WORKING IN THE BUILDING BEFORE THEY BEGIN WORK. THE RESIDENT MANAGER WILL AT ALL TIMES DO THE BEST TO FIND A PARKING SPACE. THE BUILDING ONLY HAS 1 STALL THAT IS FOR THE BUILDING REPAIRS, AND IF IT IS BEING USED, THEN IT MAY BE NECESSARY FOR THE CONTRACTORS TO PARK ON THE STREET.
4. IF IT IS A PLUMBING JOB AND WATER WILL NEED TO BE SHUT DOWN, 48 HOURS NOTICE WILL BE NEEDED.
5. COMPLIANCE WITH THE WORKING RULES IS REQUIRED. ANY DAMAGE OR VIOLATION OF THE WORKING RULES WILL CAUSE FINES AND THE OWNER WILL BE HELD RESPONSIBLE FOR THE PAYMENT.
6. Contractors and repair people must clean up and remove all trash from the building, they may not fill the garbage bin, and they are required to remove from the property all items they are tearing out. At no time may things be left in the common areas. If the workers make a mess in the elevator or common areas, they are required to vacuum the area before leaving.
7. Parking is not always available; this also must be arranged with the Resident Manager. If the job is going to take more than 2-3 hours the service stall may not be available.
8. If the work is going to take days to complete, then parking if available will need to be assigned and the daily cost of the stall must be paid in advance of parking. The Resident Manager will at all times do the best to find parking for those workmen that need it, however, even under the best of condition stalls are not always available.
9. Owners and occupants are responsible for assuring that their contractors and service persons comply with all work rules and guidelines (see Resident Manager).

**M. PETS**

1. Pets are allowed, dogs and cats only. The person renting the unit must approve and pet insurance must be purchased and in place before the pet may be moved into the building. The policy must have \$100,000.00 liability coverage.

2. Moving a pet in without pet insurance carries a large fine of \$100.00 and a daily fine of \$25.00 until the policy is purchased and the Resident Manager has a copy.
3. There is a limit of 2 pets per unit, and animals cannot exceed 30 pounds.
4. Rules for having pets will be given to any tenant having a pet by the Resident Manager. The resident will be required to sign the sheet and follow all of the rules.

#### **N. AIR CONDITIONERS**

THE ASSOCIATION AT THIS TIME PAYS ALL OF THE ELECTRIC COSTS. THE FOLLOWING ARE THE RULES FOR HAVING AN AIR CONDITIONER.

1. Portable air conditioners (a/c) are the only acceptable a/c allowed. Window a/c are not allowed. A drip line must not allow water to drip on the lanai or over the lanai. The drip line must be placed in a bucket and emptied often.
2. Approval to install an a/c is required; anyone found installing an a/c without prior approval will face a large fine of \$200.00 and also may be asked to remove the unit. Using an a/c without paying the monthly cost for the electric is stealing. At the present time, the monthly cost of having an a/c is \$50.00.

#### **O. MISCELLANEOUS**

1. Residents leaving on vacation must inform the Resident Manager for safety reasons. The Resident Manager will need to know how long the resident will be gone, and a phone number where they may be reached if necessary.
2. No soliciting is allowed.
3. Security gate keys, if you lose your key you will lose your deposit and you will have to pay again, a deposit of \$100.00. If you fail to return your key when you move you also will lose your deposit.
4. No dogs or cats not living in the building and covered by pet insurance are allowed in the building. Your friends or visitors may not bring their pets into the building.
5. Visitors and guests may not bring their bicycles or surfboards into the building or store their bicycles or surfboards on the premises when visiting.

**P. PENALTIES AND FINES**

The Board of Directors shall have the authority to impose and collect fines for any violation of the House Rules. The Resident Manager or the Board of Directors may cite violators for breaking a House Rule.

The owner of the unit will ultimately be held responsible for payment of any fines and costs associated with the collection, including reasonable attorneys' fees. Copies of all violations will be sent to the owner of record, the rental agent if there is one, and the Board of Directors for their files.

There must be some remedy for continued violation of the House Rules. If the owner or rental agent, after several complaints or written violation, does not follow up with a letter to terminate the rental agreement, then the Board of Directors will have the right to begin eviction procedures and all cost, including attorneys' fees, will be charged to the owner of record. Problem residents are costly, they do damage to the building as well as the units. The reputation of the building is hurt when the police have to be called because of a troubled resident who is unable to follow the simple rules.

**FINES ARE AS FOLLOWS:**

- |    |   |   |
|----|---|---|
| 1. | 1 <sup>st</sup> violation of any rule   | this is usually able to be resolved with a conversation                                 |
| 2. | 2 <sup>nd</sup> violation of any rule<br>- written warning                            | \$50.00 fine  |
| 3. | 3 <sup>rd</sup> violation of same rule  | \$150.00 fine   |
| 4. | 4 <sup>th</sup> violation of same rule<br>- as may otherwise be set forth in any rule | \$500.00 fine   |
| 5. | 5 <sup>th</sup> violation of the same rule  | after the 5 <sup>th</sup> violation the resident needs to be evicted from the building. |

Owners and occupants who have been fined are allowed the opportunity to be heard at the next regular meeting of the Board of Directors if they submit a written request to appear prior to the meeting. The written request stating the basis for the appeal must be sent to the Property Manager or Resident Manager. The decision of the Board is final.

**CERTIFICATE OF ADOPTION**

THIS CERTIFIES that the undersigned is the Vice President of the Association of Apartment Owners of Pacific Islander and that the foregoing is the full, true and correct House Rules adopted by the Board of Directors thereof at a meeting of said Board held on December 5, 2013, legally called and held, at which a quorum was present and voting.

IN WITNESS WHEREOF, I have hereunto set my hand this 5<sup>th</sup> day of December, 2013.

  
Donna Sanyal Ph  
Vice President



**PACIFIC ISLANDER**  
**HOUSE RULES ACCEPTANCE FORM**

The undersigned has read and understands the contents of the House Rules for the Pacific Islander and accepts the terms and conditions.

---

(Print Tenant's Name)

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(Print Tenant's Name)

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(Tenant's Signature)

(Date)

---

(Tenant's Signature)

(Date)

Approved 10/25/11

**ADDENDUM TO THE HOUSE RULES**

**PETS:**

**THE HOUSE RULES REQUIRE THOSE LIVING IN THE PACIFIC ISLANDER TO HAVE PET INSURANCE AND AN OKAY FROM THE OWNER OR RENTAL AGENT BEFORE MOVING THEIR PET INTO THE BUILDING.**

**THE HOUSE RULES ALSO REQUIRE ALL DOGS TO BE ON LEASHES AND ACCOMPANIED BY THE OWNER IF THEY ARE OUTSIDE OF THE APARTMENT WHERE THEY ARE LIVING.**

**VISITING GUESTS ARE NOT ALLOWED TO BRING THEIR PETS INTO THE BUILDING.**

**BICYCLES:**

**BICYCLES MAY NOT BE LEFT IN THE HALLWAYS, IF YOU HAVE A BIKE YOU MUST STORE IT IN YOUR APARTMENT NOT THE HALLWAYS. ANY BICYCLE FOUND TIED TO THE RAILINGS IN THE BUILDING WILL BE REMOVED AND THE OWNER WILL HAVE TO PAY A FINE TO GET IT BACK.**

**VISITING GUESTS ARE NOT ALLOWED TO BRING THEIR BICYCLES INTO THE BUILDING .**

**BICYCLES FOUND TIED UP TO PLANTS OR RAILINGS ON THE BUILDING PROPERTY WILL BE REMOVED.**

**PERSONAL PROPERTY:**

**AT NO TIME MAY PERSONAL PROPERTY OF ANY KIND BE STORED ANYWHERE ON THE PROPERTY. ALL PERSONAL ITEMS MUST BE STORED IN YOUR APARTMENT. PLEASE DO NOT LEAVE YOUR GARBAGE IN THE HALLWAYS TAKE IT DOWN STAIRS TO THE DUMPSTER.**

**INSURANCE SUMMARY**  
**Pacific Islander AOA**

**INSURED LOCATION: 249 Kapili Street**

**COMMERCIAL PROPERTY POLICY**

First Insurance Company  
10/17/14 to 10/17/15  
Premium: \$8,355

PROPERTY COVERAGE - SPECIAL FORM INCL BOILER & MACHINERY  
EXCLUDING EARTHQUAKE & FLOOD  
\$6,705,000 Coverage Amount on Building & Personal Property  
\$5,000 Deductible All Perils but Hurricane  
1% Deductible for Hurricane

**GENERAL LIABILITY POLICY**

First Insurance Company  
10/17/14 to 10/17/15  
Premium: \$1,733

COMMERCIAL GENERAL LIABILITY  
CONDOMINIUM ASSOCIATION RISK ONLY INCLUDING  
PERSONAL INJURY, PROPERTY DAMAGE, & MEDICAL PAYMENT  
\$2,000,000 General Aggregate Limit  
Included Products/Completed Operations  
\$1,000,000 Personal & Advertising Injury  
\$1,000,000 Each Occurrence Limit  
\$100,000 Damage to Premises  
\$5,000 Medical Payments (Per Person)  
\$1,000,000 Hired & Non-Owned Auto

**UMBRELLA LIABILITY POLICY**

Great American Ins  
10/17/14 to 10/17/15  
Premium: \$1,016

LIABILITY COVERAGES AND LIMITS OVER AND ABOVE  
THE UNDERLYING LIABILITY COVERAGES AND LIMITS  
\$5,000,000 Each Occurrence/Aggregate

**FIDELITY BOND**

First Insurance Company  
10/17/14 to 10/17/15  
Premium: \$194

CRIME COVERAGE - BLANKET EMPLOYEE DISHONESTY BOND  
\$100,000 Limit of Liability  
\$1,000 Deductible

**DIRECTORS & OFFICERS LIABILITY**

Great American Ins  
10/17/14 to 10/17/15  
Premium: \$1,277

PROVIDES ASSOCIATIONS, DIRECTORS, AND OFFICERS  
COVERAGE AGAINST CLAIMS BY OTHERS FOR UNINTENTIONAL  
ACTS OR OMISSIONS FOR WHICH THEY ARE LEGALLY LIABLE  
\$1,000,000 Limit of Liability Each Year  
\$1,000 Deductible

**FLOOD INSURANCE**

Selective Insurance  
9/22/14 to 9/22/15  
Premium: \$7,106

FLOOD COVERAGE FOR BUILDING & BUS PERS PROPERTY  
\$6,695,000 Building Limit  
\$5,000 Deductible

**INSURANCE FACTORS**  
**PATRICK WONG - AGENT 546-7403 / Fax 521-5484**  
**745 Fort Street, Suite 1000**  
**Honolulu, Hawaii 96813**

## LENDER'S DISCLOSURE

ASSOCIATION: PACIFIC ISLANDER

TMK: 1 / 2-6-24-41

Address: 249 Kapili Street, Honolulu, Hawaii 96815

**Developer, if construction is incomplete, else Managing Agent:**

	Subject Phase	Entire Project
Are all common elements, and/or amenities substantially complete?		YES
Are all units, common areas and facilities within the project?		YES
Does the project conform to existing zoning regulations?		YES
Is there pending litigation against the Developer?		NO
Number of additional units/phases to be built: Units:    Phases:		NONE
If this project a conversion of an existing building, year of conversion?		NO
Are there any adverse environmental factors affecting the project as a whole?		NO
Date when first units made available for sale:		1973
Total number of units:		38
Number of units sold and closed:		38
Anticipated date to hand over association to owners (Month/Year)		N/A
Number of sales in last 90 days:		unknown

**Managing Agent:**

Association management firm name and telephone:	<b>Hawaiiana Management Co. Ltd. 808-593-9100</b>	
Date control of the Association transferred from the developer to unit owners?	1973	
Does any one person or entity own more than 10% of the units?	NO	
Approximate owner occupancy	8 %	
Is the unit part of a legally established condominium project, in which common areas are owned jointly by unit owners?	YES	
Are the units owned in fee simple or leasehold?	Fee Simple	
Are the amenities/recreational facilities owned by the Association?	YES	
Are any common elements leased to others?	NO	
Do the project legal documents include any restrictions on sale or foreclosure which would limit the free transferability of title? (i.e., Age, Restrictions, First Right of Refusal, low moderate income restrictions?)	NO	
Do the project legal documents or local zoning limit the amount of time the owner can live in their unit?	NO	
Is the budget prepared on an annual basis?	YES	
Are there any pending special assessments? If yes, explain:	NO	
Number of foreclosures in last 12 months?	0	
How many units are over 30 days delinquent in maintenance fees?	3 Units (7.89%)	
Total dollar amount of delinquency (over 30 days)	\$5,069.96	
Does the project documentation contain a standard Mortgagee Protection clause?	YES	
a. If no, what is in place to insure the lenders 1st lien position?		

If a unit is taken over in foreclosure or deed-in-lieu, for how many months is the mortgagee responsible for delinquent association dues? <u>A purchaser may be responsible for 6 months dues.</u>	6 Months
Is the project subject to inclusionary zoning?	Unknown – (see City and County Planning Commission – (808) 768-8007)
Does the project contain multi-dwelling units, which an owner may hold a single deed evidencing ownership of more than one dwelling unit?	NO
Does the project contain houseboats or manufactured homes?	NO
Does the master insurance policy cover fixtures, equipment, and other personal property inside individual units?	See insurance agent.

\*\*\*\*\*A copy of the current Budget and Financial statement are available.\*\*\*\*\*

### **Commercial**

Percentage of common interest:	0 %
Is the project a (indicate applicable) Condotel <u>NO</u> ; a Timeshare <u>NO</u>	
Does the property operate as a resort hotel; renting units on a daily basis? If yes, year operation commenced: <u>NO</u>	
Please indicate available services: Check-in rental desk <u>NO</u> Daily maid service <u>NO</u> Restaurant/food service <u>NO</u> Timeshare <u>NO</u> Mandatory rental pool <u>NO</u> Commercial (boutiques, etc.) <u>NO</u>	

### **Legal**

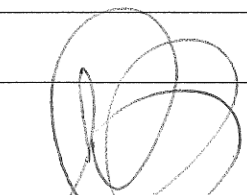
Is the association involved in any litigation, arbitration, mediation or other dispute resolution process?	NO
Attorney:	N/A
Telephone:	N/A

*Any information requested of the Attorney is at the inquirer's expense and not the Managing Agent's or the Association's.*

### **Insurance**

Company & Agent:	INSURANCE FACTORS / PATRICK WONG
Telephone:	546-7403
Flood Insurance Agent/Phone:	YES / SAME AS ABOVE

### **Preparer**

Name:	SUSAN DeCORTE, Management Executive	
Telephone:	593-6318	
Signature:		Date: 7/7/15

Hawaiiana Management Company, Ltd

2015 Monthly Cash Operating Budget For

**Pacific Islander**

Approved by Board of Directors on November 13, 2014

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	TOTAL
MAINTENANCE FEES	25,145	25,145	25,145	25,145	25,145	25,145	25,145	25,145	25,145	25,145	25,145	25,145	301,744
CABLE REIMBURSEMENT	642	642	642	642	642	642	642	642	642	642	642	642	7,704
AIR CONDITIONING REIMB	80	80	80	80	80	80	80	80	80	80	80	80	960
INVESTMENT INTEREST	20	20	20	20	20	20	20	20	20	20	20	20	240
CHECKING INTEREST	2	2	2	2	2	2	2	2	2	2	2	2	24
LAUNDRY	45	45	45	45	45	45	45	45	45	45	45	45	540
PARKING	700	700	700	700	700	700	700	700	700	700	700	700	8,400
RENTAL INCOME UNIT #402	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	13,800
<b>TOTAL REVENUE</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>27,784</b>	<b>333,412</b>

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	40,152
TV CABLE	782	782	782	782	782	782	782	782	782	782	782	782	9,384
WATER	810	810	810	810	810	810	810	810	810	810	810	810	9,720
SEWER	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	2,266	27,192
GAS	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816	21,792
TELEPHONE	158	158	158	158	158	158	158	158	158	158	158	158	1,896
<b>TOTAL UTILITIES</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>9,178</b>	<b>110,136</b>

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
CLEANING SUPPS	75	75	75	75	75	75	75	75	75	75	75	75	900
ELEVATOR			1,779			1,779			1,779			1,779	7,116
GROUNDS	100	100	100	100	100	100	100	100	100	100	100	100	1,200
ELECTRICAL/LIGHTING	100	100	100	100	100	100	100	100	100	100	100	100	1,200
PLUMBING	200	200	200	200	200	200	200	200	200	200	200	200	2,400
REFUSE	452	452	452	452	452	452	452	452	452	452	452	452	5,424
FIRE SYSTEMS							1,476						1,476
MISC RPRS & PURCHS	300	300	300	300	300	300	300	300	300	300	300	300	3,600
<b>TOTAL MAINTENANCE</b>	<b>1,227</b>	<b>1,227</b>	<b>3,006</b>	<b>1,227</b>	<b>1,227</b>	<b>3,006</b>	<b>2,703</b>	<b>1,227</b>	<b>3,006</b>	<b>1,227</b>	<b>1,227</b>	<b>3,006</b>	<b>23,316</b>

2015 Monthly Operating Budget For Pacific Islander

Approved by Board of Directors on November 13, 2014

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	TOTAL
ADMIN SUPPLIES & SVCS	328	328	328	328	328	328	328	328	328	328	328	328	3,936
AOAO ADMIN EXPS	59	59	59	59	59	59	59	59	59	59	59	59	708
MANAGEMENT SRVCS	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	14,124
AUDIT			636										636
LEGAL FEES GENERAL	100	100	100	100	100	100	100	100	100	100	100	100	1,200
LEGAL FEES COLLECTIONS	200	200	200	200	200	200	200	200	200	200	200	200	2,400
TOTAL PROF. SERVICES	1,864	1,864	2,500	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	1,864	23,004

PAYROLL & BENEFITS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
P/R - MANAGER	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	2,621	31,452
P/R - MAINTENANCE	900	900	900	900	900	900	900	900	900	900	900	900	10,800
WORKERS COMP					2,172								2,172
TDI	42			42			42			42			168
HEALTH CARE	480	480	480	480	480	480	480	480	480	480	480	480	5,760
PAYROLL TAXES	286	286	286	286	286	286	286	286	286	286	286	286	3,432
PAYROLL PREP	160	160	160	160	160	160	160	160	160	160	160	160	1,920
TOTAL P/R & BENEFITS	4,489	4,447	4,447	4,489	6,619	4,447	4,489	4,447	4,447	4,489	4,447	4,447	55,704

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
INSURANCE MASTER POLICY	3,072			3,072			3,072			3,072			12,288
INSURANCE-FLOOD									6,996				6,996
MISCELLANEOUS EXPENSE	50	50	50	50	50	50	50	50	50	50	50	50	600
CONDO REGISTRATION-ODD						432							432
GET TAX	249			249			249			249			996
TOTAL OTHER EXP.	3,371	50	50	3,371	50	432	3,371	50	7,046	3,371	50	50	21,312

TOTAL OP EXPENSE	20,129	16,766	19,181	20,129	18,938	18,977	21,605	16,766	25,541	20,129	16,766	18,545	233,472
LOAN PAYMENTS													
TRANSFER TO RESERVES	24,985			24,985			24,985			24,985			99,940



Hawaiiiana Management Company, Ltd.  
Pacific Park Plaza, Suite 700  
711 Kapiolani Boulevard  
Honolulu, Hawaii 96813  
Tel: (808) 593-9100  
Fax: (808) 593-6333

### PROPERTY INFORMATION FORM

(To be used in conjunction with RR109 Sellers' Real Property Disclosure Statement-  
Condominium/Co-op/PUD/and other Homeowner Organization)

Disclaimer: The use of this form is not intended to identify the real estate license 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: May 1973

Name of Property: PACIFIC ISLANDER

All references hereafter to the word "Property" shall refer to the above.

Property Address: 249 Kapili Street, Honolulu, HI 96815

Property Tax Map Key: 1 / 2-6-24-41

This 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: HAWAIIANA MANAGEMENT COMPANY, LTD.

Managed by this Managing Agent since: September 1984

Managing Agent provides (Check those services that apply):

- Administrative Management Services
- Fiscal Management Services
- Physical Management Services
- Other Management Services -

#### A. GENERAL & LEGAL

Total number of apartments: 38 Number of guest parking stalls available: 0

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? 8 %.

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? 7.89 % (3 Owners).



**\*\*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 checked="" type="checkbox"/> Property is Fee Simple.  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (2)  | Is this 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 the 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 this Property and/or Association other than delinquent owner maintenance fees?<br>Attorney for Association of Apartment Owners:<br>_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 type="checkbox"/> | <input checked="" 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 this 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 this Property? Name of operator:   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (9)  | Is there a hotel, transient vacation rental operation, or other organized rental program at the Property? Name of operator?  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (10) | Are there commercial apartments, lots or commercial use of the common areas or common elements at the Property?  |

Number of Questions answered "YES" and Explain:

## B. INSURANCE

Name of Insurance Company or Agency/Broker: INSURANCE FACTORS

Name of Insurance Agent: Patrick Wong Phone: 546-7403

**\*\* Owners are required to submit proof of a "Homeowners 6" policy with adequate liability and property coverage.\*\***

**\*Certificate of Insurance should be requested directly from the insurance agent.**

**\*\*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 #13 to #15 apply to common areas only. |
|-------------------------------------|--------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (11) Is the Property located in a designated Flood Hazard Zone?                             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (12) Is this Property covered by Flood Insurance?   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (13) Is this Property located in a tsunami inundation area?                                 |

Number of Questions answered "YES" and Explain:

(13) Insurance Factors / Patrick Wong / 546-7403

## C. FINANCIAL

Financial statements are prepared monthly and are on a cash basis.

Apartment maintenance fees include:

- Water & Sewer
- Hot Water
- Electricity
- Gas
- Air Conditioning
- Cable TV Signal
- Parking
- Recreation/Community Association Dues
- Lease Rent
- Real Property Tax
- Other:
- Other:
- Other:

**\*\*If answer is "yes", using the SAME number below, describe in the space provided.\*\***

Yes    No    NTMK

- |                                     |                                     |                          |      |   |
|-------------------------------------|-------------------------------------|--------------------------|------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | (14) | Has the Association or Corporation Board of Directors approved a maintenance fee increase, special assessment, or loan? |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (15) | Are any special assessments or loans in effect at this time?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (16) | Are any assessments required to be paid in full at the time of conveyance of ownership?                                 |

Number of Questions answered "YES" and Explain:

(14) An increase of 20% in maintenance fees beginning January 2015.

#### **D. PROPERTY CONDITION**

- There is Reserve Plan Data for any major repairs required or planned with respect to the common elements/common areas of the Property.
- There is no Property Reserve Study available.

#### **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 the Property and the 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, Certified Public Accountants, architects, engineers, contractors and other appropriate professionals for a detailed evaluation of areas where additional clarification or information is desired. The person or entity completing the form is doing so only as an 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 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.

\*OFF-Site Manager's Name : Theresa Leong  
Phone No. : 308-3297

FOR THE BOARD OF DIRECTORS  
PACIFIC ISLANDER

Date: July 7, 2015



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Susan De Corte  
Management Executive  
HAWAIIANA MANAGEMENT COMPANY, LTD.

# Pacific Islander

## Calendar Year 2015 Operating Budget and Reserve Study

### EXECUTIVE SUMMARY

Prepared By: Susan DeCorte and Hawaiiana Management Company, Ltd on September 24, 2014

Approved by Board of Directors on November 13, 2014

#### PRESENT RESERVE LEVELS

Projected 2014 Ending Reserve Balance		\$48,876
Required End of 2014 Balance to be 100% Funded		\$333,247
Projected End of Year 2014 Percent Funding		14.7%

#### 2015 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2015 Balance to be 100% Funded		\$245,702
Year 2015 Reserve Outlays		\$116,648
Year 2015 Reserve Contribution Required to be 100% Funded		\$313,474
Plus Projected Operating Expense		\$233,472
Less Other Income		\$31,668
Fully Funded Maintenance Fee Change/Amount	104.9%	\$515,278
Management Executive Recommendation	20.0%	\$301,744

#### BOARD APPROVED YEAR 2015 MAINTENANCE FEES

Operating Expenses		\$233,472
Less Other Income		\$31,668
Maintenance Fee Change/Amount	20.0%	\$301,744
Reserve Contribution		\$99,940
Projected Funding Level/Balance at the End of Year 2015	13.09%	\$32,168

**PACIFIC ISLANDER YEAR 2015 RESERVE PROJECTS AS OF NOVEMBER 13, 2014**

COST NOW and NORM LIFE values are best estimates by Hawaiians Management and vendors who were nice enough to inspect the property or give a best guess.

It may be advisable to employ an expert to evaluate those projects with high cost.

				RESERVE FUND STATUS - COMPONENT METHOD				M. FEE	RESERVE.	MAINT.	
First Plan Year - Calendar	2015	Reference Year	2014	THE MODEL'S FINDINGS FOR % FUNDING		2014 Deficit	CHANGE	CONTRIB	FEES		
Final Plan Year	2034			Recommended Reserve Funding	100%	284,371	105%	196,826	515,278		
2014 Maintenance Fees	251,453	2015 Maint Fees	301,744	Target Reserve Funding Level	60%	151,972	65.84%	98,545	416,997		
2014 Other Income	36,801	2015 Othr Inc	31,668	Minimum Reserve Funding Level	50%	117,748	56%	73,975	392,427		
2014 Operating Expenses	-255,311	2015 Exp	-233,472	EOY 2015 Funding % @ Approved Lev	13.09%		20%	(16,788)	301,744		
2014 Reserve Contribution	32,944	2015 Contribution	99,940	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2015	48,876	Target Funding L	60%	EXCELNT	E Contractor Proposal	1	Cost at Similar Project	5			
Projected Reserve % at Start of 2015	14.7%	Tgt Ann Contrib	12,319	GOOD	G Contractor Estimate	2	Statistical Guideline	6			
Minimum Inflation	3.0%	Req Contrib-Tgt	163,391	FAIR	F Engineer/Arch Estimate	3	Inflate First Year?	Yes			
Projected Savings Interest	2.0%	App. % Change	20.0%	POOR	P Cost When Last Done	4					
<b>CAPITAL INVENTORY</b>											
ITEM	ADJUSTMENT	NORM LIFE	DONE LAST	LAST COST	CO ND	NEXT DUE DATE	COST NOW	COST SRC	FUNDING RQMNT	EOY RES	DEFICIT
PAINT EXTERIOR	1	10	2004		G	2015	38,000		80,000	48,876	31,124
CARPET	5	12	1998		F	2015	15,000		14,118		14,118
AWNING	1	15	1999		P	2015	10,250		9,609		9,609
PLUMBING UPGRADE-COLD WATER		18	1998		F	2016	10,000		8,889		8,889
MAUKA DRAINAGE DRILLING		20	1996		G	2016	8,200		7,380		7,380
RAILINGS	7	30	1980		F	2017	8,512		7,822		7,822
PARKING SEALCOAT		20	1997		G	2017	8,000		6,800		6,800
ROOF		25	1993		G	2018	51,250		43,050		43,050
ELEVATOR phase one		40	1979		G	2019	90,000		78,750		78,750
ELEVATOR phase two	1	40	1979			2020	90,000		76,829		76,829
PLUMBING UPGRADE - HOT BASEMENT	1	15	2014		G	2030	25,625				
SWING GATE (PARKING AREA)		20	2014		E	2034	23,000				
ENTERPHONE		30	2014		G	2044	5,000				
<b>2014 End Yr Totals</b>							<b>432,837</b>		<b>333,247</b>	<b>48,876</b>	<b>284,371</b>

Pacific Islander

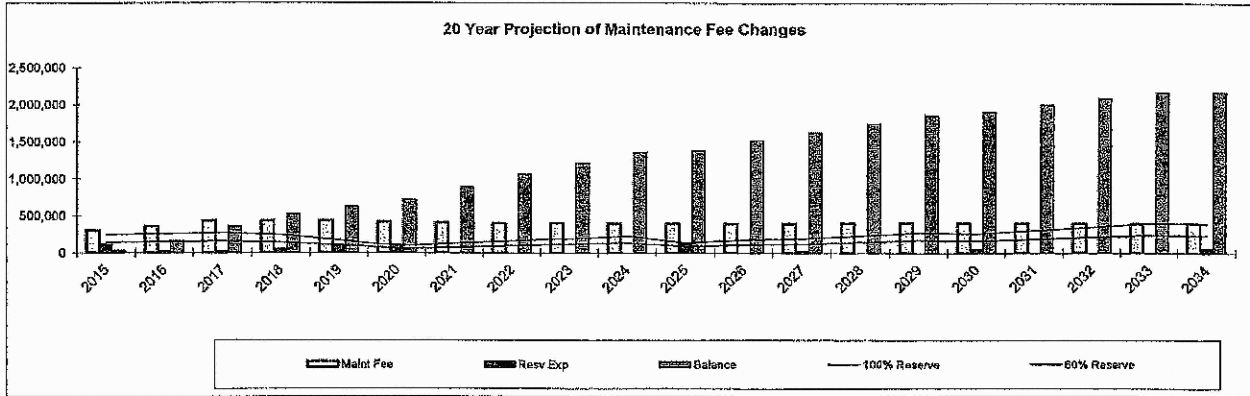
Board Approved 2015 Cash Flow Plan

Prepared By: Susan DeCorte and Hawaiiana Management Company, Ltd

Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 20 Years

Assumed Rate of Inflation: 3%

Assumed Savings Interest Rate: 2%



Contingency Reserve Fund \$0

CY Year	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2015	48,876	116,648	0	233,472	301,744	31,668	Included	32,168	20.0%	(16,768)	13%
2016	32,168	19,308	0	240,476	362,092	31,404	1,980	167,860	20.0%	133,712	85%
2017	167,860	18,043	0	247,690	434,511	31,404	5,359	373,401	20.0%	200,181	138%
2018	373,401	57,682	0	255,121	434,511	31,404	8,999	535,512	0.0%	153,112	218%
2019	535,512	104,335	0	262,775	434,511	31,404	11,698	646,015	0.0%	98,895	370%
2020	646,015	107,465	0	270,658	421,476	31,404	13,668	734,439	-3.0%	74,756	747%
2021	734,439	0	0	278,778	408,831	31,404	16,303	912,200	-3.0%	161,457	711%
2022	912,200	0	0	287,141	400,655	31,404	19,693	1,076,811	-2.0%	144,918	673%
2023	1,076,811	0	0	295,735	400,655	31,404	22,899	1,236,013	0.0%	136,303	639%
2024	1,236,013	0	0	304,628	400,655	31,404	25,995	1,389,439	0.0%	127,431	607%
2025	1,389,439	121,813	0	313,767	400,655	31,404	27,754	1,413,671	0.0%	(3,521)	980%
2026	1,413,671	0	0	323,180	400,655	31,404	29,362	1,551,912	0.0%	108,879	863%
2027	1,551,912	22,028	0	332,875	400,655	31,404	31,810	1,660,877	0.0%	77,155	850%
2028	1,660,877	0	0	342,862	400,655	31,404	34,110	1,784,184	0.0%	89,197	761%
2029	1,784,184	0	0	353,147	400,655	31,404	36,473	1,899,568	0.0%	78,911	689%
2030	1,899,568	57,570	0	363,742	400,655	31,404	38,099	1,948,414	0.0%	10,747	745%
2031	1,948,414	0	0	374,654	400,655	31,404	39,542	2,045,360	0.0%	57,405	669%
2032	2,045,360	0	0	385,894	400,655	31,404	41,369	2,132,894	0.0%	46,165	605%
2033	2,132,894	0	0	397,470	400,655	31,404	43,004	2,210,486	0.0%	34,588	551%
2034	2,210,486	59,602	0	409,395	400,655	31,404	43,840	2,217,389	0.0%	(36,938)	563%
2035	2,217,389	163,706	0	421,676	420,687	31,404	43,015	2,127,113	5.0%	(133,291)	753%
2036	2,127,113	15,711	0	434,327	445,929	31,404	42,815	2,197,223	6.0%	27,295	682%
2037	2,197,223	15,789	0	447,356	490,521	31,404	44,532	2,300,535	10.0%	52,780	649%
2038	2,300,535	0	0	460,777	529,763	31,404	47,015	2,447,939	8.0%	100,390	598%
2039	2,447,939	31,407	0	474,601	572,144	31,404	49,934	2,595,414	8.0%	97,541	595%
2040	2,595,414	0	0	488,839	617,916	31,404	53,513	2,809,409	8.0%	160,481	565%
2041	2,809,409	0	0	503,504	642,632	31,404	57,894	3,037,835	4.0%	170,533	542%
2042	3,037,835	0	0	518,609	668,338	31,404	62,568	3,281,536	4.0%	181,133	523%
2043	3,281,536	120,773	0	534,167	668,338	31,404	66,079	3,392,416	0.0%	44,802	587%
2044	3,392,416	12,136	0	550,192	668,338	31,404	69,222	3,599,052	0.0%	137,414	566%



## OLD REPUBLIC Title & Escrow of Hawaii

### Will Any Of These Situations Affect your Transaction?

1. Are your principals exchanging this property?
2. Will your principals be using a power of attorney?
3. Are any of the parties on title deceased?
4. Has there been a change of marital status?
5. Do any of the parties signing NOT have a photo ID or Driver's License?
6. Will there be a new entity formed (e.g. Partnership or Corporation)?
7. Have any of the principals recently filed bankruptcy?
8. Are the sellers of this property not residents of the State of Hawaii?
9. Are any of the principals minors?
10. Is this commercial property?

**If you answered "yes" to any of these questions,  
Please contact your escrow officer.**





**Special Notice to Home Buyers**

Order Number 6817007792-NT

Old Republic National Title Insurance Company ("the Company") automatically issues the Homeowner's Policy of Title Insurance ("Homeowner's Policy") on qualifying residential properties in Hawaii.

The Homeowner's Policy provides the residential property Buyer with a level of coverage that was previously unavailable in any single title insurance product. The affirmative coverage supplied by the Homeowner's Policy is found in the Policy's twenty-nine (29) plainly worded Covered Risks which you are encouraged to review along with the Exclusions, Conditions, Deductible Amounts, Maximum Dollar Limits and other terms. A sample copy of the Policy is available from any Old Republic Title & Escrow of Hawaii Office or at the offices of its affiliates.

The preliminary report has been prepared for this transaction anticipating the Buyer will want the coverage provided by the Homeowner's Policy. The premium for the Homeowner's Policy is computed at one-hundred and ten percent (110%) of the Company's Statewide Insurance Rate.

If you do not want the Company to issue the Homeowner's Policy, please date and sign below indicating you choose a CLTA Standard Coverage Policy, which incurs a premium of one-hundred percent (100%) of the Statewide Insurance Rate.

Notice To Decline Homeowner's Coverage

By our signature(s) below, you are hereby instructed to **not** issue the Homeowner's Policy offered herein, but rather the CLTA Standard Coverage Policy.

Dated: \_\_\_\_\_

\_\_\_\_\_  
By

\_\_\_\_\_  
By



**OLD REPUBLIC**  
TITLE & ESCROW OF HAWAII

4211 Waiialae Avenue, Suite 8040  
Honolulu, HI 96816  
(808) 733-0261 Fax: (808) 737-3648

## PRELIMINARY REPORT

NAGWA SAAS  
6650 Hawaii Kai Drive, Suite 202  
Honolulu, HI 96825

Attention: CLAUDE K. ABOU-SAYF

Our Order Number 6817007792-NT

Customer Reference 6817007792-NT

When Replying Please Contact:

Natalie Turley  
NTurley@ORTC.com  
(808) 733-0261

Property Address:

"PACIFIC ISLANDER", 249 Kapili Street, #601A, Honolulu, HI 96815

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE & ESCROW OF HAWAII, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit I attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of July 15, 2015, at 8:00 AM

**OLD REPUBLIC TITLE & ESCROW OF HAWAII**  
For Exceptions Shown or Referred to, See Attached

OLD REPUBLIC TITLE & ESCROW OF HAWAII  
ORDER NO. 6817007792-NT

The form of policy of title insurance contemplated by this report is:

Homeowner's Policy of Title Insurance - 2003. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee Simple (Condominium as defined in Section 514A-3 of the Hawaii Revised Statutes)

Title to said estate or interest at the date hereof is vested in:

JOANNE PADUR, an unmarried woman

The land referred to in this Report is situated in the State of Hawaii, and described as follows:

See Legal Description Exhibit.

OLD REPUBLIC TITLE & ESCROW OF HAWAII  
ORDER NO. 6817007792-NT

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2015 - 2016, as follows:

Tax Map Key	:	1-2-6-024-041	(CPR 0036)	
1st Installment	:	\$402.50		NOT Marked Paid
2nd Installment	:	\$402.50		NOT Marked Paid
Total Value	:	\$230,000.00		
Land Value	:	\$96,700.00		
Imp. Value	:	\$133,300.00		

2. Condominium Map No. 267, as amended, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

3. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting and covenants or restrictions if any, based upon race color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Entitled : Declaration of Horizontal Property Regime  
Recorded : [November 18, 1975 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 742288](#)

Said Declaration was amended by the following instruments:

DATED:	RECORDED:	DOCUMENT NO.:
May 3, 1976	June 7, 1976	<a href="#">767712</a>
March 30, 1981	April 27, 1981	<a href="#">1064627</a>
--/--/--	March 20, 1992	<a href="#">1897766</a>
July 2, 2008	July 10, 2008	<a href="#">3768307</a>

Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

OLD REPUBLIC TITLE & ESCROW OF HAWAII  
ORDER NO. 6817007792-NT

For information regarding the current status of said liens and/ or assessments

Contact : ASSOCIATION OF APARTMENT OWNERS OF PACIFIC ISLANDER  
HOTEL

4. Covenants, Conditions and Restrictions, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : DECLARATION OF RESTRICTIVE COVENANTS  
Dated : March 20, 1992  
Recorded : [March 20, 1992 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1897757](#)

5. Terms, provisions and conditions as contained in the Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.

6. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the Apartment Deed, and/or as delineated on said Condominium Map.

7. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$105,000.00  
Mortgagor : JOANNE PADUR, Trustee of that certain unrecorded trust instrument known as the Joanne Padur Revocable Trust dated December 16, 2000  
Mortgagee : CITY BANK, a Hawaii corporation  
Dated : October 3, 2003  
Recorded : [October 8, 2003 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3006905](#)  
Loan No. : 4060055087

The corporate name of the above shown Mortgagee was changed

To : CENTRAL PACIFIC BANK  
On : February 25, 2005  
By : Land Court Order No. 160315

OLD REPUBLIC TITLE & ESCROW OF HAWAII  
ORDER NO. 6817007792-NT

NOTE: This Company has in its possession or may be furnished an indemnity, or has reason to believe that this item has been satisfied, which may allow us to issue a policy or policies of title insurance without mention of it, or which may allow us to issue an endorsement to a policy or policies of title insurance against loss or damage by reason of the enforcement or the attempted enforcement of said item, even though said item is not released of record.

8. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$117,000.00  
Mortgagor : JOANNE PADUR, an unmarried woman  
Mortgagee : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., as a nominee for ACCREDITED HOME LENDERS, INC., a California corporation, organized and existing under the laws of the State of California  
Dated : July 12, 2006  
Recorded : [August 1, 2006 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3460527](#)  
Loan No. : 0607072189

MIN: 100176106070721890

NOTE: This loan appears to be registered with Mortgage Electronics Registration Systems, Inc. ("MERS"). Accordingly, the name, address and telephone number of the loan servicer should be obtained by calling the toll-free number, 1-888-679-MERS, and referring to the Mortgage Identification Number ("MIN") shown above

9. Any unrecorded and subsisting leases.
10. Rights and claims of parties in possession.
11. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.
12. The Homeowner's Policy applies only if each insured named in Schedule A is a Natural Person (as Natural Person is defined in said policy). If each insured to be named in Schedule A is not such a Natural Person, contact the Title Department immediately.

----- Informational Notes -----

A. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument  
Entitled : APARTMENT DEED  
By/From : JOANNE PADUR, Trustee of the unrecorded Joanne Padur Revocable Trust, dated December 16, 2000  
To : JOANNE PADUR, an unmarried woman  
Dated : July 11, 2006  
Recorded : [August 1, 2006 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3460526](#)

NOTE: According to the public records, there have been no deeds conveying the property described in this report recorded within a period of 36 months prior to the date hereof except as follows:

NONE

B. Short Term Rate ("STR") does not apply.

## LEGAL DESCRIPTION EXHIBIT

The land referred to in this Report is situated in the State of Hawaii, and described as follows:

FIRST: Apartment No. 601 of that certain Condominium Project known as "PACIFIC ISLANDER", formerly known as "PACIFIC ISLANDER HOTEL", as shown on Condominium Map No. 267, and described in the Declaration of Horizontal Property Regime dated November 14, 1975, recorded November 18, 1975 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. [742288](#), as amended.

Together with appurtenant easements as follows:

- (a) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said apartment; in the other common elements for use according to their respective purposes.
- (b) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration, as amended.

SECOND: An undivided 4.11% interest in all common elements of the project and in the land upon which said project is located as established for said apartment by the Declaration, as amended, or such other percentage interest as hereinafter established for said apartment by any amendment of the Declaration, as tenant in common with the other owners and tenants thereof.

Being all the property described in the following:

### APARTMENT DEED

Recorded : May 30, 1997 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. [2383539](#)  
Grantor : HALLELUJAH INVESTMENTS, a Hawaii general partnership  
Grantee : JOANNE PADUR (no middle name), unmarried, as Tenant in Severalty

Being the property described in and covered by Transfer Certificate of Title No. 492,433.



THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

All that certain parcel of land situate at Ainalau, Waikiki, City and County of Honolulu, State of Hawaii, described as follows:

Lot 68, area 6,721.0 square feet, more or less, as shown on Map 3, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 350 of the Trustees under the Will and of the Estate of A. S. Cleghorn.

**HOMEOWNER'S POLICY OF TITLE INSURANCE  
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
  - a. building
  - b. zoning
  - c. Land use
  - d. improvements on the Land
  - e. Land division
  - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.

4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.

5. Failure to pay value for Your Title.

6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 14, 15, 16, 18, Your Deductible Amount on Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00% of Policy Amount or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

## Old Republic Title & Escrow of Hawaii

### Privacy Policy Notice

#### PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Old Republic Title & Escrow of Hawaii

We may collect nonpublic personal information about you from the following sources:

Information we receive from you such as on applications or other forms.

Information about your transactions we secure from our files, or from [our affiliates or] others.

Information we receive from a consumer reporting agency.

Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

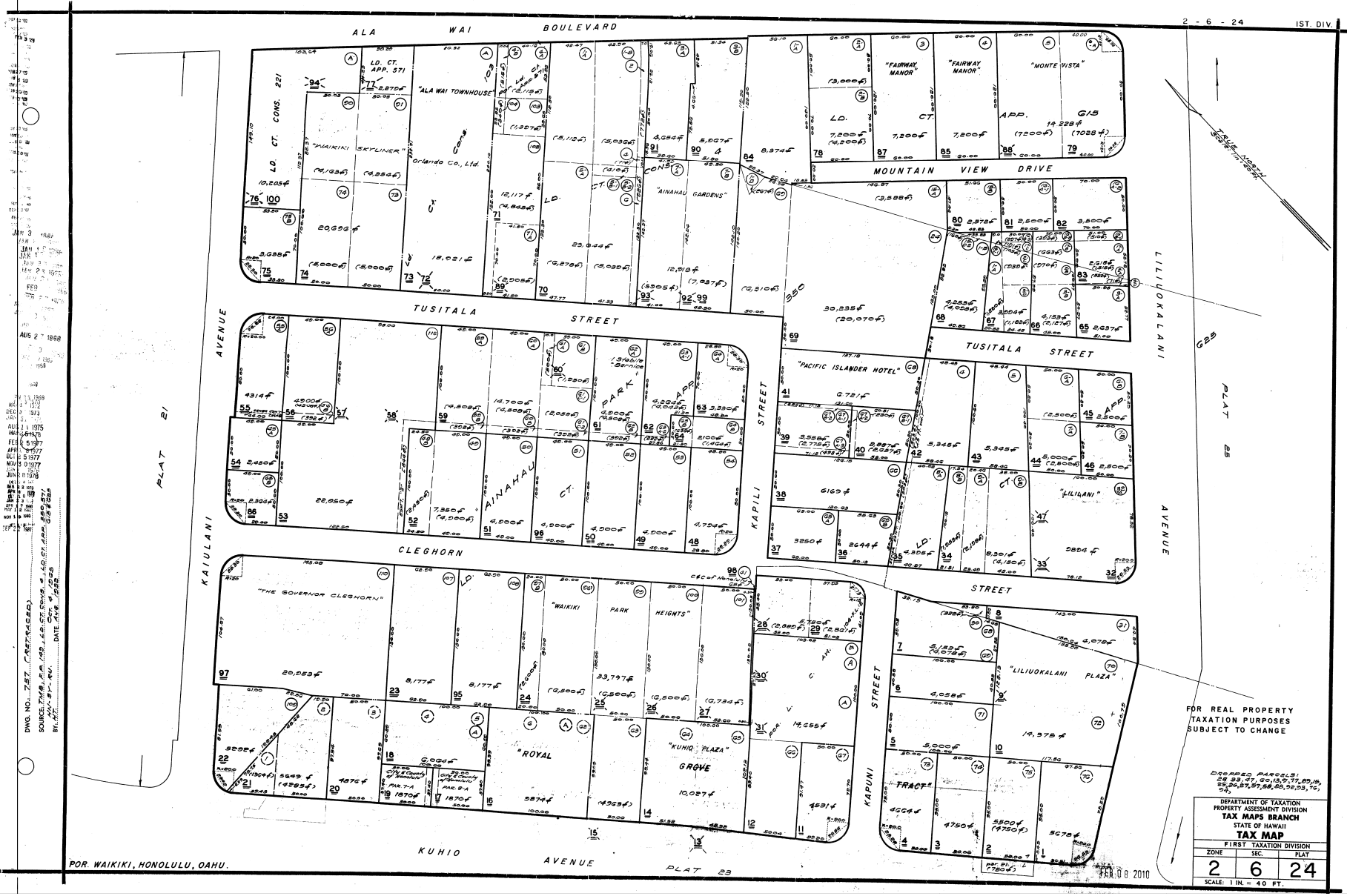
We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.

Non-financial companies such as envelope stuffers and other fulfillment service providers.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.



DWG. NO. ...  
 SOURCE ...  
 DATE ...

FOR REAL PROPERTY  
 TAXATION PURPOSES  
 SUBJECT TO CHANGE

DEPARTMENT OF TAXATION  
 PROPERTY ASSESSMENT DIVISION  
 TAX MAPS BRANCH  
 STATE OF HAWAII  
**TAX MAP**

FIRST TAXATION DIVISION	
ZONE	PLAT
2	6 24
SCALE: 1 IN. = 40 FT.	