

REGULAR MEETING of the BOARD OF DIRECTORS of the  
**Association of Owners of Wailana at Waikiki.**

**MINUTES**

DATE: Wednesday, 22 August 2007

PLACE: Suite 416 on-site 6PM

PRESENT: President Kowalski, Secretary Lesko, Directors Savage, Wong, Giblett, Kanda, Cole. Quorum (7)

EXCUSED: VP Bale and Treasurer Cochran excused.

GUESTS: David Shockley, Hawaii First Inc. Management Executive  
Sam Chung, AOO Wailana at Waikiki On-Site Manager

OWNERS: Units 607, 710, 1205, 1208, 800, 1903, 1302  
Owners concerns were unlimited conversation and not in keeping with the three minute rule. Items of concern were Web-site update, carpet concerns on 13<sup>th</sup> floor, progress of Work scheduled. Unit 1903 and insurance concerns with to O'Leary's. Carpentry in common areas, sewage spills, sliding glass doors and ownership. Halloween decorations. These were the concerns expressed by the owners present

CALL TO ORDER: The Regular Meeting of the Board of Directors was called to order at 6:02 pm. A quorum of (7) was established.

MINUTES:

- a) Minutes were approved by Director Wong, second by Secretary Lesko. There being no objections the minutes were approved unanimously 9-0-0. Minutes filed for August 1, 2007.

FINANCIAL REPORT:

- a) Financial statements for May, June, July 2007 were deferred by the Chair subject to further review by Treasurer Cochran. 2006 Audit was delivered at the August meeting for review by Chair and Treasurer for report in September meeting.
- b) Financial details deferred to President's report.
- c) Review the delinquency list: Deferred to Management Executive.

ON-SITE MANAGERS REPORT:

- a) Staff has started the quarterly a/c maintenance work. They will be scheduling the work for the two men assigned. The job will begin in descending order from the top floor level down.
- b) Improvements to the swimming pool heating system were completed. The temperature will be maintained at 81\*.
- c) Apartment 1903 completed with a permanent membrane on a 6" sapping cast iron connection joint pipe. A tight seal has been ensured.
- d) Unit 1703 has reported a leak onto unit 1603. Upon review the photo's show that the leak started a long time ago and continues frequently. The owner of 1603 wants this matter resolved.
- e) Four months ago there was a report of an 8 inch valve on chiller #1 being damaged and must be replaced. The bids ran from \$3950. to \$2659. plus tax. The lowest bid was Continental Mechanical and they have been hired to fix the valve.
- f) Repairs to the exit garage gate have been completed.

#### MANAGEMENT REPORT:

- a) Web site demand discussed with completion early September.
- b) Mr. Shockley discussed again mandatory coverage values with carriers at Wailana.
- c) Overview of the projects completed and underway.

#### PRESIDENTS REPORT:

- a) President Kowalski deferred his overview of the audit and financial conditions at Wailana at Waikiki as of August 1, 2007 until the September meeting.
- b) Report of spending over budget discussed with a message that we \$100,000. short of our projected funding.
- c) September the Board will have a discussion of building repairs that we need to do in 2008.
- d) A discussion of the 416 suite for \$1387.29 was under taken with the directive to rent on a month to month basis only until further notice.

#### TREASURERS REPORT:    Deferred

#### COMMITTEE REPORT:

- a) Director Wong gave an update on the base boards and staining.
- b) 3 quotes have been received for the painting of the elevator doors. Mr Shockley suggested that an additional vendor EKO Painting be called for a bid because of their quality and fair pricing. Prices range from \$20,000 TO \$32,000.

- c) Carpet contract is to be reviewed by VP Bale and discussed with Director Wong for Spectrum. Contract to be signed before September meeting with installer.
- d) Circulation problem for the pool temperature has been repaired with pvc crossover to keep temperature at 81 to 82\*.
- e) Planters on the Ala Moana side fourth floor were with planted hearts and flowers, cut all branches in the planters with no planting on the first floor by request on KDI so that the view will not be obstructed.

#### UNFINISHED BUSINESS:

- a) Status on room 2p given by Secretary Lesko. Requested Saturday security be discontinued until noon.
- b) Follow-up for resident hoses and plumbing connections discussed for future implementation.
- c) Management Agent again requested that capital expenditure requests be in line with the 2007 budget and reserve plan. We are currently out of line with plan which is unacceptable to Hawaii First.

#### NEW BUSINESS:

- a) Director Wong reported on recycling by our staff.
- b) Room 3P is to outfitted with more acceptable surroundings and work completed in-house.
- c) Motion by Secretary Lesko to discontinue the rental of suite 416 from StarNev was tabled for discussion in September.
- d) Discussion of the work by Secretary Lesko and Director Wong on the August newsletter was given by President Kowalski. The work is great and much appreciated.
- e) Motion to purchase and store backup springs for the garage was tabled for further discussion in September.
- f) Regular meeting adjourned at 8:00pm

#### EXECUTIVE SESSION WAS HELD AT 8:00PM:

- a) Chair called the executive session to order at 8:05 pm to further the discussion of the Board protocol from President kowalski.
- b) Personnel issues reviewed.
- c) Executive Session adjourned at 9:02pm

NEXT MEETING: Wednesday 26 September 2007 at 6:00pm.

ADJOURNMENT: There being no further business, the meeting was adjourned  
9:05pm.

Submitted by:  
HAWAII FIRST INC.  
Agent for AOO Wailana at Waikiki

David L. Shockley, P&CAM  
Management Agent

**REGULAR MEETING of the BOARD OF DIRECTORS of the  
Association of Owners of Wailana at Waikiki.**

**MINUTES**

**DATE:** Wednesday, 1 August, 2007

**Bn P n LACE:** Suite 416 on-site 6PM

**PRESENT:** President Kowalski, VP Bale, Treasurer Cochran, Directors Savage, Wong, Giblett, Kanda, Cole. Quorum (8)

**EXCUSED:** Secretary Lesko

**GUESTS:** David Shockley, Hawaii First Inc. Management Executive  
Sam Chung, AOO Wailana at Waikiki On-Site Manager

**OWNERS:** Units 609,708,1205,1208, 1507,1802, 1808, 1903, 2101  
Owners concerns were limited to general conversation.  
2) Pool temperature caused by the probe being in the wrong position reported in April was repaired. Temperature correct.  
3) Color dynamics tile restoration.

**CALL TO ORDER:** The Regular Meeting of the Board of Directors was called to order at 6:06 pm.

**MINUTES:**

- a) Minutes were approved by Director Wong, second by Director Cole. There being no objections the minutes were approved unanimously 8-0-0. Minutes filed for June 27, 2007.

**FINANCIAL REPORT:**

- a) Financial statements for May and June 2007 were deferred by the Chair subject to further review by Treasurer Cochran. 2006 Audit was delivered at the August meeting for review by Management Agent.
- b) Financial details deferred to President's report.
- c) Review the delinquency list: Deferred to Management Executive.

**ON-SITE MANAGERS REPORT:**

- a) Tran Pacific serviced the chiller for their annual inspection. Reported need to replace the chiller #1 controller board. Bid to be obtained and reported to Board.

- b) Fifth floor bathrooms for men and women will be completed by September. Report on construction build-out was given showing the rooms being gutted. Stripped bare with new installations of fixtures and donated toilets.
- c) Apartment 1903 review completed with removal of water stains droplets in pipe ventilation areas. The work will be completed on August 24 with owners of 1903 approving of findings and work.
- d) Elevator restoration area continues with EAI and John Thompson.
- e) Alan Giblet was the leading force in repairing the pool technical changes.
- f) Repairs to the exit garage gate have been completed.

#### MANAGEMENT REPORT:

- a) Insurance compliance issues discussed. Unit 1903.
- b) Web site demand discussed with completion early September.
- c) Discussion of existing insurance risks and owner responsibility for having their own HO6 coverage posed by Mr. Shockley discussed again. Board to research mandatory coverage values with carriers at September meeting.

#### PRESIDENTS REPORT:

- a) President Kowalski gave an overview of the audit and financial conditions at Wailana at Waikiki as of June 30, 2007.
- b) Report of utility spending over budget discussed with a message that we need to look for ways to reduce our utility needs.
- c) Repeat discussion of building repairs being \$57,000 over budget. Consultation with Insurance carrier by Management Agent reveals that much of the cost is in over \$83,000. year to date in water leak claims and AOO repairs. Reimbursement schedules are forthcoming from First Insurance Hawaii.
- d) Report of Security contract to Securitas June discussed because of good reports from ownership.
- e) Insurance deductible will be moved to \$10,000 from \$5000. because of claim experience in 2006 and year to date 2007. Budget adjustments must be in place for the September meeting approval.

#### TREASURERS REPORT: Deferred

COMMITTEE REPORT: Renovations underway on the floors from 14 to 9.  
 Carpet ordered as directed by Management Agent with a deposit of \$41,000. to ProSpec.  
 Estimated expense for completion \$157,000.

UNFINISHED BUSINESS:

- a) VP Bale to gave report on Declaration of Residential unit boundaries .
- b) EAI elevator action completed with a meeting Sam Chung, Management Agent Shockley, EAI Thompson and Schindler Hammond to bring the elevator system up to operational acceptance.
- c) Management Agent again requested that capital expenditure requests be in line with the 2007 budget and reserve plan. We are currently out of line with plan which is unacceptable to Hawaii First.

NEW BUSINESS:

- a) The subject of cleaning room 2P was to have it done in-house Price to be negotiated and approved by President.
- b) Room 3P is to outfitted with more acceptable surroundings and work completed in-house.
- c) Parking requests from employees were discussed with a decision to defer for further review of credits and time in service to each employee.
- d) Discussion of the work by Secretary Lesko and Director Wong on the Summer newsletter was given by President Kowalski. The work is great and much appreciated.
- e) Brief introduction of staff additions and changes was given by Sam Chung.

EXECUTIVE SESSION WAS HELD AT 8:20PM: Mr Shockley was excused.

- a) Chair called the executive session to order at 8:25 pm to further the discussion of the Board protocol from President kowalski.

NEXT MEETING: Wednesday 22 August 2007 at 6:00pm.

ADJOURNMENT: There being no further business, the meeting was adjourned 8:20pm.

Submitted by:

HAWAII FIRST INC.  
Agent for AOO Wailana at Waikiki

David L. Shockley, P&CAM  
Management Agent



REGULAR MEETING of the BOARD OF DIRECTORS of the  
**Association of Owners of Wailana at Waikiki.**

**MINUTES**

DATE: Wednesday, 25 May, 2007

PLACE: Suite 416 on-site 7PM

PRESENT: President Kowalski, VP Bale, Secretary Lesko, Directors Savage, Wong, Giblett. Quorum (5)

EXCUSED: Treasurer Cochran, Directors Savage, Cole and Kanda

GUESTS: David Shockley, Hawaii First Inc. Management Executive  
Sam Chung, AOO Wailana at Waikiki On-Site Manager

OWNERS: Units 607,609,708,1205,1208,1802, 1808, 2001.  
Owners concerns were limited to general conversation.  
2) Pool temperature caused by the probe being in the wrong position reported in April was repaired. Temperature correct.

CALL TO ORDER: The Regular Meeting of the Board of Directors was called to order at 7:05 pm.

**MINUTES:**

- a) Minutes were deferred to Secretary by Chair for review. Secretary Lesko approved the minutes of the March 28 meeting. Second VP Bale.
- b) Secretary Lesko moved to approve the minutes for the April 25, 2007 meeting. Second VP Bale, there being no objections a vote of 5-0-0 unanimous was taken. Minutes approved and filed.
- c) Minutes of the Annual Meeting of the AOO Wailana for 2006 were reviewed for correction and accuracy. Chair explained the terms for the elected Directors for correction to the annual minutes. Per the bylaws there are 3 three year terms, 3 two year terms and 3 one year terms.
- d) Five positions were up for election in March of 2007. 3 terms every year. The three terms were 1year expired, 1 term vacated in November had 2 years remaining. 3 terms 3 years.

- e) Votes were as follows from highest down. Mike Bale 3 year term 24.93%, Dean Kanda 3 year term 23.88%, Ramona Wong 30.19%, Carol Cochran 29%, Alan Giblett 33.43% .
- f) Motion to accept the 2007 Annual Minutes was made by secretary Lesko, second Director Wong. The 2007 Annual Minutes are accepted for distribution and filing.
- g) Organizational Minutes were read and approved by secretary Lesko as presented. Second Director Wong. 2007 Organizational minutes approved for distribution and filing

#### FINANCIAL REPORT:

- a) Financial statements for February, March and April 2007 were deferred by the Chair subject to further review by Treasurer Cochran. 2006 Audit due for June meeting.
- b) Financial details deferred to President's report.
- c) Review the delinquency list: Deferred to Management Executive.

#### ON-SITE MANAGERS REPORT:

- a) T-Mobile update on construction and payments reviewed
- b) Fifth floor bathrooms for men and women will be completed by June. Report on construction build-out was given showing the rooms being gutted. Striped bare with new installations of fixtures and donated toilets.
- c) Apartment 1803 review completed with removal of water stains droplets in ceilings, pipe penetration gap, cast iron pipe inspection. The work will be completed on May 24 with owners approving of findings and work.
- d) Elevator restoration area continues on 6 floors (9 thru 14 with an additional 6 floors in progress.

#### MANAGEMENT REPORT:

- a) Insurance compliance issues discussed. Reimbursement amounts for work in progress on 1810 and 1910 reviewed.
- b) Claims for the ceiling work and flooring still undone are to be completed by PEHI with an overage of \$4863 against Board approved \$3000. A . t PEHI is not authorized to work at Wailana at Waikiki again.
- c) Discussion of existing insurance risks and owner responsibility for having their own HO6 coverage posed by Mr. Shockley. Board to research mandatory coverage values with carriers at June meeting.

PRESIDENTS REPORT:

- a) President Kowalski gave an overview of the expected audit and financial conditions at Wailana at Waikiki as of April 30, 2007.
- b) Report of electric utility spending over budget discussed with a message that we need to look for ways to reduce our electric needs. Additional payment for back bill of \$50,000. was made in January for late 2006. Once audit is completed we will have a better understanding of cash receipts and disbursements from Metropolitan Management.
- c) Discussion of building repairs being \$57,000 over budget. Consultation with Insurance carrier by Management Agent reveals that much of the cost is in over \$83,000. year to date in water leak claims and AOO repairs.
- d) Lawsuit vs Ms. Smith explained with discussion of potential action.
- e) Replacement of Security contract by June 1, 2007 directed to Management Agent.
- f) Insurance deductible will be moved to \$10,000 from \$5000. because of claim experience in 2006 and year to date 2007.

TREASURERS REPORT: Deferred

COMMITTEE REPORT: Renovations underway on the floors from 14 to 9. Carpet samples and pricing expense were selected by owners for with capital budget plan for vote to be presented in June meeting. Estimated expense for completion \$157,000.

UNFINISHED BUSINESS:

- a) VP Bale to give report on Declaration of Residential unit boundaries but was deferred again to June meeting.
- b) Security guard complaints were discussed with an action required by Management Agent reported including incidents and infractions.
- c) EAI elevator action completed with a meeting Sam Chung, Management Agent Shockley, EAI Thompson and Schindler Hammond to bring the elevator system up to operational acceptance.
- d) Management Agent again requested that capital expenditure requests be in line with the 2007 budget and reserve plan. We are currently out of line with plan which is unacceptable to Hawaii First.

NEW BUSINESS:

- a) The subject of window glazing was again covered with the overall feeling of the Directors that more research.

- b) Budget discussion with reserve study changes to be implemented in July after receipt of the audit and capital evaluation of all mechanical equipment.
- c) Discussion of the work by Secretary Lesko and Director Wong on the Spring/Summer newsletter was given by President Kowalski. The work is great and much appreciated.
- d) Brief introduction of staff additions and changes was given by Sam Chung.

EXECUTIVE SESSION WAS HELD AT 9:20PM:

- a) Chair called the executive session to order at 8:15 pm to further the discussion of the pending legal suit by Ms. Pamala Smith from her claimed accident in the garage.
- b) Leasehold collections and aging report census were reviewed for causes and plan of correction by Management Agent.
- c) Owners consent vote plan for June discussed for 514B
- d) Employee package compensation for Sam Chung discussed with the Chair directing Hawaii First to make adjustments retroactive to January 1, 2007.

NEXT MEETING: Wednesday 27 June 2007 at 6:00pm.

ADJOURNMENT: There being no further business, the meeting was adjourned 9:20pm.

Submitted by:

HAWAII FIRST INC.  
Agent for AOO Wailana at Waikiki

David L. Shockley, P&CAM  
Management Agent

## MINUTES

### **ANNUAL MEETING of the Association of Owners of The Wailana at Waikiki**

DATE: March 11, 2008

PLACE: WAILANA AT WAIKIKI COFFEE SHOP BANQUET ROOM

ROLL CALL: The Chair, James Kowalski, called the meeting to order at 7:04 p.m. and announced that more than 61.8% were present in person or by proxy.

#### PROOF OF NOTICE OF MEETING:

Chair noted for the record that the Certificate of Mailing dated February 11, 2008, signed by the Managing Agent in connection with the meeting, as proof of notice of meeting will be filed with the meeting records.

#### INTRODUCTIONS:

The Chair introduced himself and the current Board of Directors. Officers, Jeanette Lesko, Carol Cochran, Alan Gibley, Directors, Ramona Wong, Frank Savage, Millie Cole, Representing Hawaii First Inc. was Management Executive and Property Manager, David Shockley.

Excused: Dean Kanda

#### CONDUCT OF MEETING:

The Chair announced that the meeting would be conducted in accordance with Robert's Rules of Order. The owners were provided with the Order of Business at check-in. Being no objection, the rules were adopted.

The Chair appointed Richard Emery as timekeeper for any debates. No objections were brought forth. Mr. Emery appointed.

#### MINUTES:

There being no objections, the minutes of the last Annual meeting held March 13, 2007, were approved as distributed. Secretary Lesko moved for approval of the annual minutes of 2007 as corrected on page two. There being no objection, the minutes for 2007 were approved.

#### REPORT OF OFFICERS:

1. President's Report: The President's report was previously provided to the members. The verbal report thanked Director Wong and her committee for the carpeting of the hallways in the building and elevator lobby decoration. The project was as budgeted.

2. Electricity: Utilities led by electricity continue to be the number one challenge for the Wailana economically. The Board is reviewing several options to reduce costs of power.
3. Maintenance fees were raised 3.5% as required to meet the associations agenda.
4. Comparative maintenance fees for the market area were 9% higher in 2008.
5. The increase was for \$150,000 to the fourth deck and \$100,000. for capital reserves.
6. The building will have \$367. 88 for the building out of maintenance fees. The rest is for reserves and utilities.
7. Hawaii First has done an outstanding job since coming on Board January 2007. The Board recommends them for 2008/2009.
8. Treasurers report was filed previously and stands as presented.
9. Auditor's Report: The Auditor's report for the year ending 2007 was available. The Financial Report for December 2007 was distributed upon check-in. Alison Nelson, CPA gave her report of the current conditions of Wailana at Waikiki being excellent. Owner Oscar #904 discussed pooling for 20years which has been adopted by the AOO Wailana.

#### 10. APPOINTMENT OF TELLERS

UNITS 1303, 1307 WERE APPOINTED AS TELLERS.

#### ELECTION OF DIRECTORS:

The Chair announced that according to the By-laws, the Board of Directors is to be composed of nine (9) persons. There are Four (4) vacancies to be filled. Three (3) directors will be elected for three (3) years. One Director for two years. The floor was opened to nominations. Secretary Lesko nominated Millie Cole unit #505. Mona Wong nominated Jack Robinson unit #1902, Alan Giblett unit #900 nominated Jeanette Lesko unit #1501. Three owners were nominated Frank Savage #902, Pat Nioyke #1901 and the election was conducted by ballot. The results were as follows:

Frank Savage for three years (2011) 36.5704%

Jeanette Lesko for three years (2011) 35.8859%

Millie Cole for three years (2011) 33.8896%

Jack Robinson for two years (2010) 33.8896%

Pat Nioyke 16.7683% was not elected.

OWNER	%	Term
Frank savage	36.5704	3 years
Jack Robinson	33.8896	2 years
Jeanette Lesko	35.8859%	3 years
Millie Cole	40.9073	3years

The Chair announced the results of the election as indicated above. Directors elected and terms shown. It was announced that a brief organizational meeting for all Directors would immediately follow this meeting.

**NEW BUSINESS:**

1. **Resolution on Association Funds:** The following resolution was adopted:

"Resolved by the owners of the Association of Owners of The Wailana at Waikiki, that the amount by which each member's assessment in 2008 exceeds the total payments of the Association for maintenance, repairs and other expenses and capital expenditures of the Association as the Board of Directors has appropriately paid or determined payable, shall be applied to 2009 regular member assessments."

2. The Chair announced that the Bylaws require that the owners approve the management company each annual meeting for the next year. The Board of Directors highly recommends the continued engagement of Hawaii First Inc. as "Managing Agent" for the year 2008 to 2009. There being no objection Hawaii First Inc. will remain as Managing Agent.
3. There being no objections from the floor after the explanation the Chair moved forward to adjourn the meeting.

**CONFIRMATION OF QUORUM:**

The Chair announced that there was 61.80 % in attendance by person and by proxy at the meeting.

ADJOURNMENT: The Chair thanked the membership for attending. There being no further business, the meeting was adjourned at 8:50 p.m.

Submitted by:

HAWAII FIRST INC.  
Agent for AOO Wailana at Waikiki

David L. Shockley  
Management Agent

AOO WAILANA AT WAIKIKI  
FY 2009 BUDGET

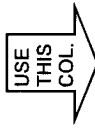
12/21/2008

	Monthly Budg 2008	Annual Budg 2008	Monthly FY 2009	Annual FY 2009	Chg Over Last Yr	% of Op Exp
<b>Operating Revenue</b>						
40100 Maintenance Fees	167,103	2,005,236	194,411	2,332,932	16.3%	
40120 Late Fees	-	-	-	-	0.0%	
40130 Interest on Delinquency	-	-	-	-	0.0%	
40150 Wireless Lease	1,806	21,672	1,806	19,272	-11.1%	
40170 Fines	-	-	-	-	0.0%	
40190 Miscellaneous Income	-	-	-	-	0.0%	
46200 Interest Income-Oper Checking	-	-	-	-	0.0%	
<b>Operating Revenue, total</b>	<b>168,909</b>	<b>2,026,908</b>	<b>196,017</b>	<b>2,362,204</b>	<b>16.0%</b>	
<b>Non Operating Revenue</b>						
46100 Interest Income-Capital Reserve	-	-	100	1,200	0.0%	
Interest Income-Gen Oper Rev	-	-	-	-	0.0%	
<b>Non Operating Revenue, total</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>1,200</b>	<b>0.0%</b>	
<b>REVENUE, total</b>	<b>168,909</b>	<b>2,026,908</b>	<b>196,117</b>	<b>2,363,404</b>	<b>16.1%</b>	
<b>Payroll &amp; Benefits</b>						
70010 Wages-Manager	4,313	51,756	4,860	54,960	6.2%	2.69%
70015 Wages-Admin Assistant	2,968	35,976	3,125	37,500	4.2%	1.84%
70020 Wages-Janitorial	6,010	72,120	5,539	66,420	-7.9%	3.25%
70030 Wages-Maintenance	5,707	68,484	6,336	76,056	11.1%	3.72%
70040 Bonus	334	4,008	380	4,200	4.8%	0.21%
<b>Wages &amp; Bonuses, Sub-Total</b>	<b>19,362</b>	<b>232,344</b>	<b>19,928</b>	<b>239,136</b>	<b>2.9%</b>	<b>11.71%</b>
70060 Taxes-Payroll FICA	-	-	-	-	0.0%	0.00%
70065 (Payroll Taxes)	6,102	73,224	6,380	76,960	7.8%	3.87%
70070 Taxes-Payroll FUTA	-	-	-	-	0.0%	0.00%
70080 Taxes-Payroll SUTA	-	-	-	-	0.0%	0.00%
70085 Medical Insurance	-	-	-	-	0.0%	0.00%
70090 Workers Comp. Insurance	772	9,264	664	7,968	-14.0%	0.39%
70095 Life Insurance	-	-	-	-	0.0%	0.00%
70100 TDI-Quarterly	-	-	-	-	0.0%	0.00%
<b>Payroll &amp; Benefits, total</b>	<b>26,236</b>	<b>314,832</b>	<b>27,172</b>	<b>326,064</b>	<b>3.6%</b>	<b>15.97%</b>
<b>Administration</b>						
70300 Administrative-General	659	7,908	166	1,982	-74.8%	0.10%
70310 Admin-Annual Assoc Meeting	90	1,080	142	1,704	57.8%	0.08%
70350 Office Rent	1,392	16,704	1,300	15,600	-6.6%	0.76%
70500 Office Equipment	106	1,272	81	972	-23.6%	0.05%
70800 Prop. Mgmt. Contract	2,775	33,300	3,770	45,240	35.9%	2.22%
70810 Prop. Mgmt. Reimbursables	913	10,956	400	4,800	-56.2%	0.24%
70830 Prop. Mgmt. Payroll	147	1,764	160	1,920	8.8%	0.09%
70900 Legal Fees General	200	2,400	200	2,400	0.0%	0.12%
70910 Legal Fees - Reimbursable	-	-	80	600	0.0%	0.03%
71100 Professional Fees - Other	394	4,728	412	4,944	4.6%	0.24%
71150 Accounting Fees - Audit/Tax	209	2,508	106	1,286	-48.3%	0.06%
71160 Other Administrative Expense	-	-	-	-	0.0%	0.00%
<b>Administration, total</b>	<b>6,886</b>	<b>82,620</b>	<b>6,788</b>	<b>81,468</b>	<b>-1.4%</b>	<b>3.99%</b>
<b>Utilities</b>						
71200 Electrical	52,974	635,688	67,949	815,386	28.3%	39.93%
71250 Gas	461	5,532	5,500	66,000	1093.1%	3.23%
71300 Water (+Sewer)	13,125	157,500	8,046	73,152	-53.6%	3.58%
71310 Sewer	-	-	10,516	126,192	0.0%	6.18%
71400 Telephone/Communications	598	7,176	470	5,640	-21.4%	0.28%
71410 Telephone-Entrance Elevator	9	108	-	-	-100.0%	0.00%
71600 TV Cable	5,158	61,896	5,013	60,156	-2.8%	2.95%
<b>Utilities, total</b>	<b>72,328</b>	<b>867,900</b>	<b>95,544</b>	<b>1,146,528</b>	<b>32.1%</b>	<b>56.14%</b>
<b>Contract Services</b>						
71500 Heat/Ventilation/AC	2,717	32,604	1,864	22,248	-31.8%	1.09%
71501 AC Unit Fan Coil Service	-	-	3,878	47,712	0.0%	2.34%
71550 Elevator	2,000	24,000	3,000	36,000	50.0%	1.76%
71700 Exterminating Contract	308	3,696	306	3,708	0.3%	0.18%
71740 Security	11,385	136,620	11,469	137,628	0.7%	6.74%
71800 Refuse Service	2,726	32,736	3,138	37,656	15.0%	1.84%
<b>Contract Services, total</b>	<b>19,136</b>	<b>229,656</b>	<b>23,746</b>	<b>284,962</b>	<b>24.1%</b>	<b>13.98%</b>
<b>Repair &amp; Maintenance</b>						
72100 Buildings	6,241	74,892	1,917	23,004	-69.3%	1.13%
72110 Plumbing	656	7,896	1,917	23,004	191.3%	1.13%
72120 Fire System	16	216	100	1,200	455.6%	0.06%
72130 Electrical	482	5,784	260	3,000	-46.1%	0.15%
72150 Elevator	-	-	100	1,200	0.0%	0.06%
72160 Pool	196	2,376	100	1,200	-49.5%	0.06%
72180 HVAC	1,041	12,492	100	1,200	-90.4%	0.06%
72190 Garage	419	5,028	100	1,200	-76.1%	0.06%
<b>Repair &amp; Maintenance, total</b>	<b>9,067</b>	<b>106,684</b>	<b>4,684</b>	<b>56,006</b>	<b>-49.4%</b>	<b>2.69%</b>
<b>Supplies</b>						
71810 Building Supplies	1,605	19,260	2,496	29,952	55.5%	1.47%
71820 Custodial Supplies	520	6,240	-	-	-100.0%	0.00%
71825 Electrical Supplies	-	-	300	3,600	0.0%	0.18%
71830 Lighting Supplies	50	600	-	-	-100.0%	0.00%
71840 Painting Supplies	320	3,840	100	1,200	-68.8%	0.06%
71850 Janitorial Supplies	50	600	600	7,200	1100.0%	0.35%
71860 Pool Supplies	17	204	300	6,000	2841.2%	0.29%
<b>Supplies, total</b>	<b>2,662</b>	<b>30,744</b>	<b>3,996</b>	<b>47,962</b>	<b>56.0%</b>	<b>2.38%</b>
<b>Insurance &amp; Taxes</b>						
72200 GET	86	1,032	76	912	-11.6%	0.04%
72700 Condo Package	5,346	64,152	5,548	66,576	3.8%	3.28%
72750 Flood	2,127	25,524	2,356	28,272	10.8%	1.38%
72800 Misc Exp - Insurance	-	-	366	4,392	0.0%	0.22%
<b>Insurance &amp; Taxes, total</b>	<b>7,659</b>	<b>90,708</b>	<b>8,346</b>	<b>100,182</b>	<b>10.4%</b>	<b>4.90%</b>
<b>Non-Operating</b>						
72910 Bad Debt Expense	-	-	-	-	0.0%	
76080 Allowance Future Cap Reserve	20,834	250,008	15,756	189,060	-24.4%	
76090 Capital Expenditures	-	-	6,979	80,948	0.0%	
76091 Cap Exp - Deck & Spalling	-	-	-	-	0.0%	
76092 Cap Exp - HVAC	-	-	-	-	0.0%	
76100 Allowance for Gen Operating	4,313	51,756	5,108	61,272	18.4%	
<b>Non-Operating, total</b>	<b>25,147</b>	<b>301,764</b>	<b>25,940</b>	<b>311,280</b>	<b>3.2%</b>	
<b>EXPENSES, total</b>	<b>168,909</b>	<b>2,026,908</b>	<b>196,117</b>	<b>2,363,404</b>	<b>16.1%</b>	<b>100%</b>
<b>NET INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>	

WAILANA AT WAIKIKI  
Maint Fee Schedule, 2009  
(with correction for: NA)  
November 11, 2008

	Annual	Monthly
Residential MF	1,921,464	160,122
Commercial MF	411,488	34,289
<b>Total MF</b>	<b>2,332,932</b>	<b>194,411</b>

USE THIS COLUMN



Unit Type	# of Units	Type	Total %	Type % of Residential	Comm % of Grp	Unit % of	Unadjusted 2009		ADJUSTED 2009		Unadjusted 2009		ADJUSTED 2009	
							Monthly MF	per Unit	Monthly MF	% Change	Monthly MF	Total	Monthly MF	Total
A	104	0.4300%	44.7200%	53.327546%			85,389.13	821.05	821.05	16.59%	85,389.20	85,389.20	85,389.20	85,389.20
A1	15	0.4329%	6.4935%	7.743346%			12,398.80	826.59	826.59	16.59%	12,398.85	12,398.85	12,398.85	12,398.85
APT 509	1	0.5854%	0.5854%	0.698076%			1,117.77	1,117.77	1,117.78	16.59%	1,117.78	1,117.78	1,117.78	1,117.78
B	30	0.4269%	12.8070%	15.272046%			24,453.90	815.14	815.14	16.59%	24,454.20	24,454.20	24,454.20	24,454.20
C	15	0.4952%	7.4280%	8.857715%			14,183.15	945.55	945.55	16.59%	14,183.25	14,183.25	14,183.25	14,183.25
D	12	0.5054%	6.0648%	7.232131%			11,580.23	965.02	965.02	16.59%	11,580.24	11,580.24	11,580.24	11,580.24
D1	4	0.6012%	2.4048%	2.867667%			4,591.77	1,147.95	1,147.95	16.59%	4,591.80	4,591.80	4,591.80	4,591.80
E	3	0.6153%	1.8459%	2.201192%			3,524.59	1,174.87	1,174.87	16.59%	3,524.61	3,524.61	3,524.61	3,524.61
E1	1	0.8228%	0.8228%	0.981170%			1,571.07	1,571.07	1,571.07	16.59%	1,571.07	1,571.07	1,571.07	1,571.07
PH	1	0.6869%	0.6869%	0.819112%			1,311.58	1,311.58	1,311.58	16.59%	1,311.58	1,311.58	1,311.58	1,311.58
Gnd Cmrl 1	1	0.6520%	0.6520%		5.712233%		1,549.16	1,549.16	1,549.16	16.46%	1,549.16	1,549.16	1,549.16	1,549.16
Gnd Cmrl 2	1	1.1500%	1.1500%		10.075258%		2,732.41	2,732.41	2,732.41	16.46%	2,732.41	2,732.41	2,732.41	2,732.41
Gnd Cmrl 3	1	2.1916%	2.1916%		19.200813%		5,207.26	5,207.27	5,207.27	16.46%	5,207.27	5,207.27	5,207.27	5,207.27
Gnd Cmrl 4 (WCH)	1	3.0463%	3.0463%		100.000000%		3,176.00	3,176.00	3,176.00	4.28%	3,176.00	3,176.00	3,176.00	3,176.00
Gnd Cmrl Storage	1	1.0119%	1.0119%		8.865351%		2,404.28	2,404.29	2,404.29	16.46%	2,404.29	2,404.29	2,404.29	2,404.29
4th Flr A	1	2.1238%	2.1238%		18.606811%		5,046.17	5,046.17	5,046.17	16.46%	5,046.17	5,046.17	5,046.17	5,046.17
4th Flr B	1	2.5683%	2.5683%		22.501117%		6,102.31	6,102.31	6,102.31	16.46%	6,102.31	6,102.31	6,102.31	6,102.31
4th Flr C	1	0.8446%	0.8446%		7.399620%		2,006.78	2,006.78	2,006.78	16.46%	2,006.78	2,006.78	2,006.78	2,006.78
4th Flr D	1	0.2184%	0.2184%		1.913423%		518.92	518.93	518.93	16.46%	518.93	518.93	518.93	518.93
4th Flr E	1	0.5326%	0.5326%		4.666159%		1,265.47	1,265.47	1,265.47	16.46%	1,265.47	1,265.47	1,265.47	1,265.47
Cmrl Garage (BP)	1	1.6805%	1.6805%		100.000000%		3,993.00	3,993.00	3,993.00	16.46%	3,993.00	3,993.00	3,993.00	3,993.00
Gnd Mgr Ofc (107)	1	0.1209%	0.1209%		1.059216%		287.26	287.26	287.26	16.46%	287.26	287.26	287.26	287.26
	<b>198</b>		<b>100.0000%</b>	<b>100.000000%</b>	<b>300.000000%</b>		<b>194,411.00</b>				<b>194,411.63</b>	<b>194,411.63</b>	<b>194,411.63</b>	<b>194,411.63</b>

LLC	13.0946%
KDI	3.0463%
	<b>16.1409%</b>

	29,895.67
	4,393.38
	<b>34,289.05</b>

WAILANA AT WAIKIKI  
 Maint Fee Schedule, 2009  
 (with correction for: NA)  
 November 11, 2008

Estimated electricity costs paid from Maint Fees				Note: Elec
KDI	4,750.00	-	4,750.00	allocation
LLC:GND/4	17,797.66	153,231.67	171,029.34	comes out of
LLC-BP	2,620.35	22,560.33	25,180.68	the OpF
RES			606,732.98	portion of
TOTAL			807,693.00	MFs

		Monthly MF Allocation to WAW Funds						
		To OpF	Electricity Allocation	GOR	To MRF	Check: Total		
Unit ID:		Monthly						
Residential (Floors:units)		5,106						
# of Units		20,834						
Unit Type		198						
Unit ID: Residential (Floors:units)		198						
"Acct" No.		198						
A		198						
A1		198						
APT 509		198						
B		198						
C		198						
D		198						
D1		198						
E		198						
E1		198						
PH		198						
Gnd Cmrdl 1		198						
Gnd Cmrdl 2		198						
Gnd Cmrdl 3		198						
Gnd Cmrdl 4 (WCH)		198						
Gnd Cmrdl Storage		198						
4th Flr A		198						
4th Flr B		198						
4th Flr C		198						
4th Flr D		198						
4th Flr E		198						
Cmrdl Garage (BP)		198						
Gnd Mgr Ofc (107)		198						
LLC		198						
KDI		198						
Check (sum above):		198						

WAILANA AT WAIKIKI

	DECLAR	UNIT	COMM	2009
	DESIG	NO	INT%	Adj MF
1	C	500	0.4952	945.55
2	B	501	0.4269	815.14
3	B	502	0.4269	815.14
4	A	503	0.4300	821.05
5	A	504	0.4300	821.05
6	A	505	0.4300	821.05
7	A	506	0.4300	821.05
8	A	507	0.4300	821.05
9	A	508	0.4300	821.05
10	APT 509	509	0.5854	1,117.78
11	A1	510	0.4329	826.59
12	C	600	0.4952	945.55
13	B	601	0.4269	815.14
14	B	602	0.4269	815.14
15	A	603	0.4300	821.05
16	A	604	0.4300	821.05
17	A	605	0.4300	821.05
18	A	606	0.4300	821.05
19	A	607	0.4300	821.05
20	A	608	0.4300	821.05
21	A	609	0.4300	821.05
22	A1	610	0.4329	826.59
23	C	700	0.4952	945.55
24	B	701	0.4269	815.14
25	B	702	0.4269	815.14
26	A	703	0.4300	821.05
27	A	704	0.4300	821.05
28	A	705	0.4300	821.05
29	A	706	0.4300	821.05
30	A	707	0.4300	821.05
31	A	708	0.4300	821.05
32	A	709	0.4300	821.05
33	A1	710	0.4329	826.59
34	C	800	0.4952	945.55
35	B	801	0.4269	815.14
36	B	802	0.4269	815.14
37	A	803	0.4300	821.05
38	A	804	0.4300	821.05
39	A	805	0.4300	821.05
40	A	806	0.4300	821.05
41	A	807	0.4300	821.05
42	A	808	0.4300	821.05
43	A	809	0.4300	821.05
44	A1	810	0.4329	826.59
45	C	900	0.4952	945.55
46	B	901	0.4269	815.14
47	B	902	0.4269	815.14
48	A	903	0.4300	821.05
49	A	904	0.4300	821.05
50	A	905	0.4300	821.05
51	A	906	0.4300	821.05
52	A	907	0.4300	821.05
53	A	908	0.4300	821.05
54	A	909	0.4300	821.05
55	A1	910	0.4329	826.59
56	C	1000	0.4952	945.55
57	B	1001	0.4269	815.14
58	B	1002	0.4269	815.14
59	A	1003	0.4300	821.05
60	A	1004	0.4300	821.05
61	A	1005	0.4300	821.05
62	A	1006	0.4300	821.05
63	A	1007	0.4300	821.05
64	A	1008	0.4300	821.05
65	A	1009	0.4300	821.05
66	A1	1010	0.4329	826.59
67	C	1100	0.4952	945.55
68	B	1101	0.4269	815.14
69	B	1102	0.4269	815.14
70	A	1103	0.4300	821.05
71	A	1104	0.4300	821.05
72	A	1105	0.4300	821.05
73	A	1106	0.4300	821.05

WAILANA AT WAIKIKI

	DECLAR	UNIT	COMM	2009
	DESIG	NO	INT%	Adj MF
74	A	1107	0.4300	821.05
75	A	1108	0.4300	821.05
76	A	1109	0.4300	821.05
77	A1	1110	0.4329	826.59
78	C	1200	0.4952	945.55
79	B	1201	0.4269	815.14
80	B	1202	0.4269	815.14
81	A	1203	0.4300	821.05
82	A	1204	0.4300	821.05
83	A	1205	0.4300	821.05
84	A	1206	0.4300	821.05
85	A	1207	0.4300	821.05
86	A	1208	0.4300	821.05
87	A	1209	0.4300	821.05
88	A1	1210	0.4329	826.59
89	C	1300	0.4952	945.55
90	B	1301	0.4269	815.14
91	B	1302	0.4269	815.14
92	A	1303	0.4300	821.05
93	A	1304	0.4300	821.05
94	A	1305	0.4300	821.05
95	A	1306	0.4300	821.05
96	A	1307	0.4300	821.05
97	A	1308	0.4300	821.05
98	A	1309	0.4300	821.05
99	A1	1310	0.4329	826.59
100	C	1400	0.4952	945.55
101	B	1401	0.4269	815.14
102	B	1402	0.4269	815.14
103	A	1403	0.4300	821.05
104	A	1404	0.4300	821.05
105	A	1405	0.4300	821.05
106	A	1406	0.4300	821.05
107	A	1407	0.4300	821.05
108	A	1408	0.4300	821.05
109	A	1409	0.4300	821.05
110	A1	1410	0.4329	826.59
111	C	1500	0.4952	945.55
112	B	1501	0.4269	815.14
113	B	1502	0.4269	815.14
114	A	1503	0.4300	821.05
115	A	1504	0.4300	821.05
116	A	1505	0.4300	821.05
117	A	1506	0.4300	821.05
118	A	1507	0.4300	821.05
119	A	1508	0.4300	821.05
120	A	1509	0.4300	821.05
121	A1	1510	0.4329	826.59
122	C	1600	0.4952	945.55
123	B	1601	0.4269	815.14
124	B	1602	0.4269	815.14
125	A	1603	0.4300	821.05
126	A	1604	0.4300	821.05
127	A	1605	0.4300	821.05
128	A	1606	0.4300	821.05
129	A	1607	0.4300	821.05
130	A	1608	0.4300	821.05
131	A	1609	0.4300	821.05
132	A1	1610	0.4329	826.59
133	C	1700	0.4952	945.55
134	B	1701	0.4269	815.14
135	B	1702	0.4269	815.14
136	A	1703	0.4300	821.05
137	A	1704	0.4300	821.05
138	A	1705	0.4300	821.05
139	A	1706	0.4300	821.05
140	A	1707	0.4300	821.05
141	A	1708	0.4300	821.05
142	A	1709	0.4300	821.05
143	A1	1710	0.4329	826.59
144	C	1800	0.4952	945.55
145	B	1801	0.4269	815.14
146	B	1802	0.4269	815.14

WAILANA AT WAIKIKI

	DECLAR DESIG	UNIT NO	COMM INT%	2009 Adj MF
147	A	1803	0.4300	821.05
148	A	1804	0.4300	821.05
149	A	1805	0.4300	821.05
150	A	1806	0.4300	821.05
151	A	1807	0.4300	821.05
152	A	1808	0.4300	821.05
153	A	1809	0.4300	821.05
154	A1	1810	0.4329	826.59
155	C	1900	0.4952	945.55
156	B	1901	0.4269	815.14
157	B	1902	0.4269	815.14
158	A	1903	0.4300	821.05
159	A	1904	0.4300	821.05
160	A	1905	0.4300	821.05
161	A	1906	0.4300	821.05
162	A	1907	0.4300	821.05
163	A	1908	0.4300	821.05
164	A	1909	0.4300	821.05
165	A1	1910	0.4329	826.59
166	E1	2000	0.8228	1,571.07
167	D1	2001	0.6012	1,147.95
168	D1	2002	0.6012	1,147.95
169	D1	2003	0.6012	1,147.95
170	D1	2004	0.6012	1,147.95
171	E	2100	0.6153	1,174.87
172	D	2101	0.5054	965.02
173	D	2102	0.5054	965.02
174	D	2103	0.5054	965.02
175	D	2104	0.5054	965.02
176	E	2200	0.6153	1,174.87
177	D	2201	0.5054	965.02
178	D	2202	0.5054	965.02
179	D	2203	0.5054	965.02
180	D	2204	0.5054	965.02
181	E	2300	0.6153	1,174.87
182	D	2301	0.5054	965.02
183	D	2302	0.5054	965.02
184	D	2303	0.5054	965.02
185	D	2304	0.5054	965.02
186	PH SUITE	2400	0.6869	1,311.58
187	GND COM1	"3000"	0.6520	1,549.16
188	GND COM2	"3001"	1.1500	2,732.41
189	GND COM3	"3002"	2.1916	5,207.27
190	GND COM4	"4000"	3.0463	3,176.00
191	COM STOR	"5000"	1.0119	2,404.29
192	4A	"6000"	2.1238	5,046.17
193	4B	"6001"	2.5683	6,102.31
194	4C	"6002"	0.8446	2,006.78
195	4D	"6003"	0.2184	518.93
196	4E	"6004"	0.5326	1,265.47
197	BSMT GAR	"7000"	1.6805	3,993.00
198	MGR OFC	"8000"	0.1209	287.26
			100.0000	194,411.63
			13.0946	
	Count - All	198		
	Count - Res LH			
	Count - Res FS			
	GND COM4			3,176.00
	BSMT GAR-KDI	25/82	"7002" →	1,217.38
	TOTAL KDI			4,393.38
	LLC less BP			27,120.05
	BSMT GAR-LLC	57/82	"7001" →	2,775.62
	TOTAL LLC			29,895.67
	CMRCL TOTAL			34,289.05
	SUM KDI+LLC			34,289.05
	ε			-



December 22, 2008

Dear Owner(s):

**As the 2009 budget was approved, I inadvertently chose the wrong file to send to you explaining the budget and increase. This mistake is solely mine and not Hawaii First.** I ask for your support as I send you the correct 2009 budget, maintenance fee schedule both with spread sheets. If necessary we are sending corrected coupons for your maintenance fees at Wailana at Waikiki for January-December 2009. The budget took several months to prepare because of the enormous pressure put on the economics of the association by the utility costs which ran some \$230,000 over budget in 2008. **There is a 22% increase to the maintenance fees.** The problem is that in doing so, we had too many saved files for reference and I pulled the wrong one. I apologize to all of you. **Because of the tightness of the 2009 budget, we need all fees to be increased and paid in January 2009, but because of the shortened notice of the increase, there will be no late fees for the January payment only.** For those of you currently on the Surepay Electronic Bill Payment plan, there is nothing for you to do. Your maintenance fee payments will continue to be paid automatically from your account as adjusted in the 2009 budget.

**For those of you not currently on the Surepay Electronic Bill Payment plan** who would like to change your payment method, please complete the enclosed form and **return** it to Hawaii First Inc., Attention: Accounting Department **by January 10, 2009.** You **must** complete **this** form if you are a **first time subscriber through Hawaii First Inc.** Requests received by the 10<sup>th</sup> of each month will begin payments the following month. Please allow 10 days for processing.

The 2009 Budget is also sent to you as approved by the Board of Directors of Wailana at Waikiki. The Reserve study will be sent in January with your proxy for the annual meeting. Hawaii First looks forward to the challenges that 2009 will bring and will continue to provide all owners', their tenants and guests with the highest quality property management in the industry.

**Please disregard the previous budget and maintenance fee schedules. Discard them as they are not valid. The correct version is enclosed. My professional regrets with warm seasons greetings.**

Warmest Aloha,

Hawaii First, Inc.  
Managing Agent for AOO  
Wailana at Waikiki

A handwritten signature in dark ink, appearing to read "David L. Shockley", is written over a horizontal line.

David L. Shockley  
Management Executive

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6	1	Component Summary

**Wailana At Waikiki 2008**  
**PROJECT DEFINITION REPORT**

3/18/2008

**Project Information**

Project: Wailana At Waikiki 2008  
Address: 1860 Ala Moana Blvd.  
City: Honolulu  
State: HI  
Zip: 96815-0000

Project Date: 6/01/1971  
Number of Phases: 1  
Number of Units: 199  
Number of Models: 1

**Property Description**

A Reserve Study was prepared using the cash flow method of analysis for the AOA Wailana at Waikiki. The Reserve Study prepared by the prior Managing Agent and other information from the Board of Directors was used to establish the components, component history, and replacement costs.

It is important to recognize that a Reserve Study is a financial forecast of future funds required to maintain the capital components of the project. It requires Directors of an Association to make a reasonable efforts to project inflation, interest income, remaining life, and replacement costs of the project's capital components for a 20-year period. By its nature, it is an estimate to be used in developing the Association's annual budget. The Reserve Study is a statutory requirement of HRS 514A-83.6 and HRS 514B-148.

Based on this Reserve Study, the AOA Pacific Grand is fully funded and has complied with the requirements of HRS 514A-83.6 and HRS 514B-148; provided however, the Association implements the funding plan and the criteria used reflects the project's actual experience during the life of the plan.

Richard B. Emery, RS-8, PRA  
Reserve Specialist  
Professional Reserve Analyst

## Wailana At Waikiki 2008

### ANALYSIS DEFINITION REPORT

Budget 2008

#### Project Information

Project: Wailana At Waikiki 2008  
Address: 1860 Ala Moana Blvd.  
City: Honolulu  
State: HI  
Zip: 96815-0000

Project Date: 6/01/1971  
Analysis Date: 1/01/2008  
Number of Phases: 1  
Number of Units: 199  
Number of Models: 1

#### Analysis Parameters

Rate of Inflation: 2.5%  
Rate of Return on Investment: 4.5%  
Beginning Funds: \$539,000.00  
Loan/Special Assessment: Yes

Deferred Expenditures: No  
Contingency: 0%  
Contingency Time: None

#### Annual Contribution Factors

		2018:	0%
2009:	0%	2019:	0%
2010:	0%	2020:	0%
2011:	0%	2021:	0%
2012:	0%	2022:	0%
2013:	0%	2023:	0%
2014:	0%	2024:	0%
2015:	0%	2025:	0%
2016:	0%	2026:	0%
2017:	0%	2027:	0%

#### Additional Analysis Information

The Association's estimated total replacement reserves as of December 31, 2007 is \$539,000.00. The estimated replacement reserves for the 2008 budget year is \$250,000.00. The Association will collect \$250,000.00 in 2008. The Funding Plan further relies upon the interest income from investments on reserve funds remaining in the reserve fund.

The Association is fully funded (100% funded) based upon the approved Reserve Study and Funding Plan.

**Loan/Special Assessment Report  
Wallana At Waikiki 2008**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0
May	500,000	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0
Totals	500,000	0	0	0	0	0	0	0	0	0

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	0	0

# Wailana At Waikiki 2008

## CASHFLOW PERCENT FUNDED SUMMARY PROJECTIONS

### Budget 2008

Year	Beginning Balance	Contribution	Average/ Unit/Mo	Interest Earned	Expenditures	Ending Balance
2008	539,000.00	750,000.00	314.07	45,038.45	41,428.00	1,292,610.45
2009	1,292,610.45	250,000.00	104.69	64,759.07	60,944.00	1,546,425.52
2010	1,546,425.52	250,000.00	104.69	76,602.35	16,217.00	1,856,810.87
2011	1,856,810.87	250,000.00	104.69	91,479.91	0.00	2,198,290.78
2012	2,198,290.78	250,000.00	104.69	99,884.34	260,454.00	2,287,721.12
2013	2,287,721.12	250,000.00	104.69	111,275.85	0.00	2,648,996.97
2014	2,648,996.97	250,000.00	104.69	122,037.79	219,797.00	2,801,237.76
2015	2,801,237.76	250,000.00	104.69	123,499.21	420,721.00	2,754,015.97
2016	2,754,015.97	250,000.00	104.69	123,116.51	360,898.00	2,766,234.48
2017	2,766,234.48	250,000.00	104.69	128,623.19	174,612.00	2,970,245.67
2018	2,970,245.67	250,000.00	104.69	142,630.90	0.00	3,362,876.57
2019	3,362,876.57	250,000.00	104.69	160,668.29	0.00	3,773,544.86
2020	3,773,544.86	250,000.00	104.69	176,491.31	105,781.00	4,094,255.17
2021	4,094,255.17	250,000.00	104.69	181,556.85	478,803.00	4,047,009.02
2022	4,047,009.02	250,000.00	104.69	185,250.83	192,265.00	4,289,994.85
2023	4,289,994.85	250,000.00	104.69	203,259.95	0.00	4,743,254.80
2024	4,743,254.80	250,000.00	104.69	224,082.61	0.00	5,217,337.41
2025	5,217,337.41	250,000.00	104.69	228,655.86	648,131.00	5,047,862.27
2026	5,047,862.27	250,000.00	104.69	225,452.21	508,912.00	5,014,402.48
2027	5,014,402.48	250,000.00	104.69	218,434.75	600,055.00	4,882,782.23
<b>Totals:</b>		<b>5,500,000.00</b>		<b>2,932,800.23</b>	<b>4,089,018.00</b>	

# PROJECTED EXPENDITURES

## Budget 2008

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
A/C Chiller					228,641					
A/C System 2nd Fl Air Handler Ceili										12,934
A/C System 3 Fl Air Handler Chiller								17,129		
A/C System CS Air Handler					20,451					
A/C System Heat Exchanger A			16,217							
A/C System Heat Exchanger B									18,928	
A/C System Lobby Air Handler Barber										6,467
A/C System Lobby Air Handler Boutiq					11,362					
Booster Pump									26,500	
Carpet						219,797				
Electrical Switches		53,513								
Flooring - Exterior	20,714									
Flooring - Interior	20,714									
Lighting		7,431						8,408		
Painting Exterior Makai									189,282	
Painting Exterior Mauka								184,666		
Pool-Coping And Decking								62,786		
Pool-Pumps And Filter								24,622		
Roofing										142,277
Spalling Makai									126,188	
Spalling Mauka								123,110		
Trash Chutes Maintenance										12,934
Totals	41,428	60,944	16,217		260,454		219,797	420,721	360,898	174,612

# PROJECTED EXPENDITURES

## Budget 2008

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A/C Chiller										323,143
A/C System 2nd Fl Air Handler Makai					29,088					
A/C System 2nd Fl Air Handler Mauka			23,679							
A/C System 2nd Fl Air Handler Rest			24,375							
A/C System 3 Fl Air Handler Lobby					14,544					
A/C System CS Air Handler										28,904
A/C System Heat Exchanger A			20,258							
A/C System Heat Exchanger B								23,645		
A/C System Lobby Air Handler			25,072							
A/C System Lobby Air Handler Boutiq										16,058
Booster Pump									33,102	
Carpet				254,897						
Elevators-Interior					79,853					
Exhaust Fans-Roof									58,088	
FOB System										106,773
Heat Pump & Tanks Roof				214,156						
Lighting				9,750						11,310
Painting Exterior Makai									236,446	
Painting Exterior Mauka								230,679		
Plumbing-Booster Pumps			12,397							
Plumbing-Hot Water Storage Tanks								75,663		
Pool-Coping And Decking								78,431		
Pool-Pumps And Filter								30,757		
Security Equipment					68,780					
Spalling - Garage									157,631	
Spalling Makai								153,786		
Spalling Mauka								78,815		
Storage Tank 3rd Floor										

**PROJECTED EXPENDITURES**

**Budget 2008**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Trash Chutes Maintenance										16,157
Totals			105,781	478,803	192,265			648,131	508,912	600,055

# Wailana At Waikiki 2008

## COMPONENT SUMMARY REPORT

### Budget 2008

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
<b><u>Building</u></b>							
Carpet	6/01/2014	07/00	00/00	06/14	Y	183,000	214,436
Exhaust Fans-Roof	10/01/2006	20/00	00/00	10/26	Y	35,660	56,671
Flooring - Exterior	6/01/2008	25/00	00/00	06/08	Y	20,000	20,209
Flooring - Interior	6/01/2008	25/00	00/00	06/08	Y	20,000	20,209
FOB System	2/01/2007	20/00	00/00	02/27	Y	65,000	104,169
Lighting	6/01/2009	06/00	00/00	06/09	Y	7,000	7,250
Painting Exterior Makai	6/01/2006	10/00	00/00	06/16	Y	150,000	184,666
Painting Exterior Mauka	6/01/2005	10/00	00/00	06/15	Y	150,000	180,162
Restroom Renovation-3rd Floor	6/01/2007	25/00	00/00	06/32	Y	15,000	27,421
Roofing	6/01/1997	20/00	00/00	06/17	Y	110,000	138,807
Security Equipment	6/01/2007	15/00	00/00	06/22	Y	47,000	67,102
Spalling - Garage	6/01/2007	20/00	00/00	06/27	Y	59,000	95,327
Spalling Makai	6/01/2006	10/00	00/00	06/16	Y	100,000	123,110
Spalling Mauka	6/01/2005	10/00	00/00	06/15	Y	100,000	120,108
Storage Tank 3rd Floor	6/01/2005	20/00	00/00	06/25	Y	50,000	76,893
Trash Chutes Maintenance	6/01/2007	10/00	00/00	06/17	Y	10,000	12,619
<b>Sub Total:</b>						<b>1,121,660</b>	<b>1,449,159</b>
<b><u>Grounds</u></b>							
Pool-Coping And Decking	6/01/2005	10/00	00/00	06/15	Y	51,000	61,255
Pool-Pumps And Filter	6/01/2005	10/00	00/00	06/15	Y	20,000	24,022

**Wailana At Waikiki 2008**  
**COMPONENT SUMMARY REPORT**

**Budget 2008**

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Pool-Tile	6/01/2005	25/00	00/00	06/30	Y	31,000	53,938
<b>Sub Total:</b>						<b>102,000</b>	<b>139,215</b>
<b><u>Mechanical</u></b>							
A/C Chiller	6/01/1997	15/00	00/00	06/12	Y	200,000	223,064
A/C System 2nd Fl Air Handler Ceili	6/01/2002	15/00	00/00	06/17	Y	10,000	12,619
A/C System 2nd Fl Air Handler Makai	3/01/2007	15/00	00/00	03/22	Y	20,000	28,378
A/C System 2nd Fl Air Handler Mauka	6/01/2005	15/00	00/00	06/20	Y	17,000	23,101
A/C System 2nd Fl Air Handler Rest	6/01/2005	15/00	00/00	06/20	Y	17,500	23,781
A/C System 3 Fl Air Handler Chiller	3/01/2000	15/00	00/00	03/15	Y	14,000	16,712
A/C System 3 Fl Air Handler Lobby	3/01/2007	15/00	00/00	03/22	Y	10,000	14,189
A/C System CS Air Handler	3/01/1997	15/00	00/00	03/12	Y	18,000	19,952
A/C System Heat Exchanger A	3/01/2010	10/00	00/00	03/10	Y	15,000	15,822
A/C System Heat Exchanger B	6/01/2006	10/00	00/00	06/16	Y	15,000	18,467
A/C System Lobby Air Handler	6/01/2005	15/00	00/00	06/20	Y	18,000	24,460
A/C System Lobby Air Handler Barber	6/01/2002	15/00	00/00	06/17	Y	5,000	6,309
A/C System Lobby Air Handler Boutiq	3/01/1997	15/00	00/00	03/12	Y	10,000	11,085
Booster Pump	6/01/2006	10/00	00/00	06/16	Y	21,000	25,853
Electrical Switches	10/01/2009	20/00	00/00	10/09	Y	50,000	52,208
Elevator Modernization	2/01/2007	35/00	00/00	02/42	N	492,000	1,142,237
Elevators-Interior	2/01/2007	15/00	00/00	02/22	Y	55,000	77,906
Heat Pump & Tanks Roof	6/01/2001	20/00	00/00	06/21	Y	150,000	208,932
Plumbing -Waste Water	6/01/2005	25/00	00/00	06/30	Y	12,000	20,879

**Wailana At Waikiki 2008**  
**COMPONENT SUMMARY REPORT**

**Budget 2008**

<b>Description</b>	<b>Starting Date</b>	<b>Useful Life (yr/mo)</b>	<b>Adj. Life (yr/mo)</b>	<b>Sched. Rpl. (mo/yr)</b>	<b>Recur</b>	<b>Current Cost</b>	<b>Future Cost</b>
Plumbing-Booster Pumps	6/01/2005	15/00	00/00	06/20	Y	8,900	12,094
Plumbing-Cold Water	6/01/2005	25/00	00/00	06/30	Y	18,000	31,319
Plumbing-Hot Water Storage Tanks	6/01/2005	20/00	00/00	06/25	Y	48,000	73,817
Plumbing-Sump Pumps	6/01/2005	30/00	00/00	06/35	Y	4,700	9,252
<b>Sub Total:</b>						<b>1,229,100</b>	<b>2,092,436</b>
<b><u>Amenities</u></b>							
Pool Cabana Refurbish	6/01/2000	25/00	00/00	06/35	Y	10,000	15,379
<b>Sub Total:</b>						<b>10,000</b>	<b>15,379</b>
<b>Grand Total:</b>						<b>2,462,760</b>	<b>3,696,189</b>

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

The original of this document was  
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DOCUMENT NO. 2498274  
DATE NOV 06 1998 TIME 10:00  
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THE ORIGINAL OF THE DOCUMENT  
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STATE OF HAWAII

BUREAU OF CONVEYANCES  
DATE NOV 06 1998 TIME 10-00AM  
DOCUMENT NO. 98-167091

LAND COURT SYSTEM

REGULAR SYSTEM

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NEELEY & ANDERSON  
Attorneys at Law, A Law Partnership  
Joyce Y. Neeley (3134-0)  
733 Bishop Street, Suite 2301  
Honolulu, Hawaii 96813 (808) 536-8177

AMENDMENT OF THE BY-LAWS OF THE  
ASSOCIATION OF OWNERS OF THE WAILANA AT WAIKIKI  
(L.C. Condominium Map No. 58  
and Regular System Condominium Map No. 109)

WHEREAS, by Declaration of Horizontal Property Regime of The Wailana at Waikiki, recorded on July 31, 1968 in the Bureau of Conveyances of the State of Hawaii in Liber 6150, Page 245, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 449930 and noted on Transfer Certificate of Title No. 43,296, KDI INVESTMENTS, INC., hereinafter called "Lessor," and STARK ENTERPRISES, LTD., as General Partner of The Wailana, a registered limited partnership, as Developer, hereinafter called "Developer," did submit the property described in said Declaration to the provisions of the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended (now known as the Condominium Property Act);

WHEREAS, said Declaration, as amended, was restated by instruments recorded on August 26, 1993 and March 25, 1998 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 2059685 and 2445958 and noted on Transfer Certificate of Title No. 43,296 and in the Bureau of Conveyances of the State of Hawaii as Documents Nos. 93-139600 and 98-040307 (hereinafter referred to as the "Declaration") and provided for the organization of the ASSOCIATION OF OWNERS OF THE WAILANA AT WAIKIKI (hereinafter referred to as the "Association") and established By-Laws therefor, which

said By-Laws were attached to the Declaration and incorporated therein by reference and which By-Laws, as amended, were restated by instrument recorded on August 26, 1993 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2059686 and noted on Transfer Certificate of Title No. 43,296 and in the Bureau of Conveyances of the State of Hawaii as Document No. 93-139601;

WHEREAS, Section 514A-82(b)(2), Hawaii Revised Statutes, and Article XI, Section 1 of the By-Laws provide that the By-Laws may be amended by the vote or written consent of owners holding sixty-five percent (65%) of the common interest; and

WHEREAS, by written consent owners holding more than sixty-five percent (65%) of the common interest have consented to amend the By-Laws, as hereinafter set forth;

NOW, THEREFORE, said By-Laws of the Association of Owners of The Wailana at Waikiki are hereby amended as follows:

1. Article VII, Section 3(a) of the By-Laws is amended to read as follows:

(a) No apartment shall be used other than for residential purposes, and no apartment shall be used for carrying on of any business or trade except as stated herein. No residential apartment shall be rented or leased for a period of fewer than ninety (90) consecutive days.

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

The undersigned officers of the Association hereby certify that the foregoing By-Law amendment was duly adopted by the written consent of owners holding in excess of sixty-five percent (65%) of the common interest.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 2<sup>nd</sup> day of November, 1998.

ASSOCIATION OF OWNERS  
OF THE WAILANA AT WAIKIKI

By: Geraldine A. O'Leary

TYPE NAME: Geraldine A. O'Leary

TYPE TITLE: President, AOA Wailana

By: Sebastiano Vani

TYPE NAME: Sebastiano Vani

TYPE TITLE: Vice-President, AOA Wailana

STATE OF HAWAII

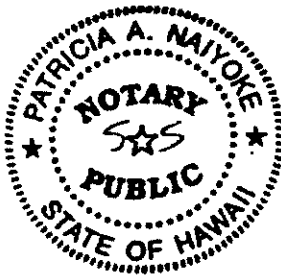
)

) SS.

CITY AND COUNTY OF HONOLULU

)

On this 2 day of November, 1998, before me personally appeared Geraldine A. O'Leary, to me personally known, who being by me duly sworn, did say that she is the President of the ASSOCIATION OF OWNERS OF THE WAILANA AT WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association and that the Association has no seal.



Patricia A. Naiyoke  
(Signature)  
Patricia A. Naiyoke  
(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: Sept 21, 1998

STATE OF HAWAII

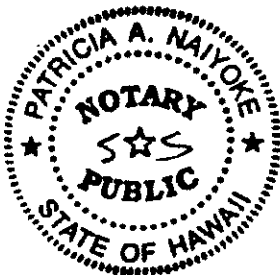
)

) SS.

CITY AND COUNTY OF HONOLULU

)

On this 2 day of November, 1998, before me personally appeared Sebastian Vani, to me personally known, who being by me duly sworn, did say that he is the Vice President of the ASSOCIATION OF OWNERS OF THE WAILANA AT WAIKIKI and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association and that the Association has no seal.



Patricia A. Naiyoke  
(Signature)  
Patricia A. Naiyoke  
(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: Sept 21, 1998



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

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STATE OF HAWAII

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LAND COURT SYSTEM	REGULAR SYSTEM
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RICHARD H. THOMASON, ESQ. DINMAN, NAKAMURA, ELISHA & LAHNE 707 Richards Street, Suite PH-1 Honolulu, Hawaii 96813 Telephone: (808) 523-7021	
(DO NOT WRITE IN THIS SPACE)	

RESTATED BY-LAWS OF THE ASSOCIATION OF OWNERS

WAILANA AT WAIKIKI

WHEREAS, KDI INVESTMENTS, INC., a Hawaii corporation, herein called "Lessor", is the owner in fee simple of real property described in that Declaration of Horizontal Property Regime filed with the Land Court of the State of Hawaii as Document No. 449930 and recorded in the Bureau of Conveyances of the State of Hawaii July 31, 1968 in Liber 6150 at Page 245 and noted on Transfer Certificate of Title No. 43,296;

WHEREAS, STARK ENTERPRISES, LTD., a Hawaii corporation, as general partner of The Wailana, a registered limited partnership, herein called the "Developer", entered into a lease on said property dated December 1, 1967, recorded in the Bureau of Conveyances in Liber 5970, Page 436, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 437862 and noted on Transfer Certificate of Title No. 43,296;

WHEREAS, said Developer improved said property by constructing thereon one twenty-four (24) story building containing a total of One Hundred Eighty-Six (186) residential apartment units from the fifth to the twenty-fourth floor, commercial office space on the fourth floor, garages for residential apartment use on the third and second floors, commercial stores and restaurant space on

the ground floor, and commercial garage in the basement, all in accordance with plans incorporated herein by reference and being on file in said Office of the Assistant Registrar of the Land Court as Condominium Map No. 109; and

WHEREAS, Developer sold the residential apartments and commercial units therein to third persons by the delivery or assignment to each purchaser of a condominium unit lease from the Lessor of such condominium unit and of an undivided interest in the common elements as described in said Declaration;

WHEREAS, in order to create a condominium project consisting of said land and building (herein called the "Project") and known as "The Wailana at Waikiki", Lessor and Developer by said Declaration submitted their respective interests in said land and building to a horizontal property regime established by the Horizontal Property Act, Chapter 170-A, Revised Laws of Hawaii 1955, as amended (now known as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes), and in furtherance thereof made the following declarations as to divisions, limitations, restrictions, covenants and conditions, and thereby declared and agreed that said property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved, subject to said declaration, which declarations shall constitute covenants running with the land and shall be binding upon and for the benefit of the parties hereto, their 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; and

WHEREAS, Section 514A-82.2, Hawaii Revised Statutes, empowers boards of directors of condominium associations to restate their by-laws to set forth amendments thereto, and to conform the provisions thereof to the provisions of Chapter 514A, Hawaii Revised Statutes, and any other statute, ordinance, rule, or regulation enacted by any governmental authority, by a resolution adopted by such boards; and

WHEREAS, at a duly held meeting, the Board of Directors of the Association of Owners of Wailana at Waikiki (hereinafter

called the "Board of Directors") resolved to restate the By-Laws, pursuant to Section 514A-82.2, Hawaii Revised Statutes, in the manner set forth herein;

NOW, THEREFORE, the By-Laws are hereby restated to read as follows:

#### ARTICLE I

##### Association of Owners

Section 1. Name. This Association shall be known as the Association of Owners of Wailana at Waikiki, herein called Wailana. Wailana, a condominium project located at 1860 Ala Moana Blvd., Honolulu, City and County of Honolulu, State of Hawaii, was submitted in said Declaration to the provisions of the Horizontal Property Act, Chapter 170A, Revised Laws of Hawaii 1955, as amended.

Section 2. Principal Office. The principal office of the Association shall be maintained at Wailana, called herein the "Project".

Section 3. Membership. Every owner of a condominium unit in the Project, upon acquiring title to such unit, automatically shall become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership automatically shall cease.

Section 4. Application of By-Laws. These By-Laws are applicable to the Project. All present or future owners, tenants, occupants, or any other person who may use the facilities of the Project in any way, are subject to these By-Laws. The mere acquisition, rental, or occupancy of any of the units in the Project will signify that these By-Laws are accepted, ratified, and will be complied with.

Section 5. Incorporation. These By-Laws shall not be deemed to prejudice in any way the right of the Association at any time to petition for a charter for incorporation as a nonprofit corporation under the laws of the State of Hawaii.

## ARTICLE II

### Voting, Majority of Condominium Owners, Quorum, Proxies

Section 1. Voting. Each owner of a unit shall be entitled to that fraction of the vote of the Association which equals the common interest appurtenant to such unit as determined under Paragraph 2 of the Declaration of Condominium<sup>1</sup> Property Regime as restated and recorded and filed simultaneously herewith.

Section 2. Majority of Owners. As used in these By-Laws, the term "majority of owners" shall mean those owners representing more than one-half of the common interests.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of owners as defined in Section 2 of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary or Managing Agent no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains and must contain at least: the name of the Association, the date of the meeting, the printed name and signature of the person or persons giving the proxy, the apartment or apartments for which the proxy is given, the printed name of the person or entity to whom the proxy is given, and the date that the proxy is given.<sup>2</sup>

All official proxy forms authorized by the Board for use at any annual meeting or its adjournments shall contain a box wherein the owner may indicate that the owner wishes to obtain either a summary of the annual audit report or an unabridged copy of the annual audit report as required by Article V, Section 8 of these By-Laws.<sup>3</sup>

Proxies may designate any person as proxy and may limit the use of such proxy as the apartment owner may specify thereon; provided that no proxy shall be irrevocable unless coupled with a financial interest in the apartment;<sup>4</sup> and provided, further, that nothing in this section shall effect the holder of any proxy under a first mortgage of record encumbering an apartment or under an agreement of sale affecting an apartment.<sup>5</sup>

Proxies may be given to the Board; provided that the proxy form shall contain a box wherein the apartment owner may indicate that the apartment owner wishes the vote to be shared with each Board member receiving an equal percentage. Proxy forms which are not marked shall be considered a choice by the apartment owner that the vote be made on the basis of the preference of a majority of the Board.<sup>6</sup>

No officer of the Board shall use Association funds to solicit proxies; provided that this shall not prevent an officer from exercising his right as an apartment owner under the following provisions of this section.<sup>7</sup>

No resident manager or Managing Agent employed by the Association shall solicit, for use by such manager or Managing Agent, any proxies from any apartment owner, nor shall any resident manager or Managing Agent employed by the Association cast any proxy vote at any Association meeting except for the purpose of establishing a quorum. No Board member who uses Association funds to solicit proxies shall cast any such proxy votes for the election or re-election of Board members at any Association meeting unless the proxy specifically authorizes the Board member to vote for the election or re-election of Board members and the board first posts notice of its intent to solicit proxies in prominent locations within the Project at least thirty days prior to its solicitation of proxies; provided that if the Board receives within seven days of the posted notice a request by any apartment owner for use of Association funds to solicit proxies accompanied by a statement, the Board shall either:

- (A) Mail to all apartment owners a proxy containing the names of all apartment owners who have requested the use of Association funds for soliciting proxies accompanied by their statements; or
- (B) Mail to all apartment owners a proxy form containing no names, but accompanied by a list of names of all apartment owners who have requested the use of Association funds for soliciting proxies and their statements.

The statement shall not exceed one hundred words, indicating the apartment owner's qualifications to serve on the Board and reasons for wanting to receive proxies."

### ARTICLE III

#### Administration

Section 1. Association Responsibilities. The Association will have the responsibility of administering the Project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the management of the Project pursuant to an agreement which shall contain provisions relating to the duties, obligations, removal, and compensation of the Managing Agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of the owners.

Section 2. Place of Meetings. Meetings of the Association shall be held at its principal office or at such other suitable place within the State<sup>9</sup> convenient to the owners as may be designated by the Board of Directors.

Section 3. Annual Meeting. The first annual meeting of the Association shall be held on the fourth Tuesday after the expiration of 45 days after the filing of the notice of completion of the Project. Thereafter, the annual meetings of the Association shall be held on the second Tuesday in the third calendar month following the fiscal year of the Association as selected by the Board of Directors. At such meetings, a Board of Directors of the Association shall be elected by ballot of the owners in accordance with the requirements of Section 3 of Article IV of these By-Laws. The owners also may transact such other business of the Association as properly may come before them.

Section 4. Regular Meetings. In addition to annual meetings, the Board of Directors by resolution or a majority of owners by petition may establish regular meetings at semi-annual, quarter-annual, or other regular intervals.

Section 5. Special Meetings. It shall be the duty of the President to call special meetings of the Association as

directed by resolution of the Board of Directors or upon a petition signed by one-fourth in number of the owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the items on the agenda and a standard proxy authorized by the Association, if any.<sup>10</sup> No business shall be transacted at any special meeting not stated in the notice thereof unless expressly consented by three-fourths in number of the owners present, either in person or by proxy.

Section 6. Notice of Meetings. The Secretary shall give written notice of each annual, regular, or special meeting of the Association, stating the purpose thereof as well as the date, time, and place where it is to be held, the items on the agenda for the meeting, and a standard proxy authorized by the Association, if any.

All notices shall be delivered to all owners at least fourteen days prior to such meeting, to each owner of record and to each mortgagee of Condominium unit, if the Association has written notice of the mortgage prior to the mailing of such notices to the owners<sup>11</sup> by (a) leaving such notice with him personally or at his residence or his usual place of business or (b) mailing such notice to him, postage prepaid, at his last address appearing on the records of the Association.

If notice is given pursuant to the provisions of this section, the failure of any owner or mortgagee to receive actual notice of the meeting in no way shall invalidate the meeting or any proceedings at the meeting.

Section 7. Adjourned Meetings. Any meeting of the Association may be adjourned from time to time to such place and at such time as may be determined by vote of a majority in number of the owners present, either in person or by proxy, whether or not a quorum is present, without further notice other than 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 originally called.

Section 8. 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 or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Report of officers.
- e. Report of committees.
- f. Election of Directors, if proper.
- g. Unfinished business.
- h. New business.

Section 9. Rules of Order. All meetings of the Association shall be conducted in accordance with the most recent edition of Robert's Rules of Order.<sup>12</sup>

#### ARTICLE IV

##### Board of Directors

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of nine persons, each of whom shall be the sole owner or a co-owner, vendees under an agreement of sale, or an officer of any corporate owner<sup>13</sup> of a condominium unit.<sup>14</sup> The partners in a general partnership and the general partners of a limited partnership shall be deemed to be the owners of an apartment owned by their partnership for the purposes of this Section. There shall not be more than one representative on the Board from any one unit.<sup>15</sup>

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all acts in exercise thereof other than those which must be done only by the owners as required by law, by the declaration, or by these By-Laws. Each director shall owe the Association a fiduciary duty in the performance of such director's responsibilities.<sup>16</sup> Without prejudice to the generality of the foregoing, the Board shall be responsible for the following:

- (a) Management and operation of the Project and the maintenance, repair, rebuilding, and restoration thereof;

(b) Establishment and collection of monthly assessments against the units and the unit owners for common expenses and condominium unit expenses;

(c) Appointment and dismissal of any personnel necessary for the execution of such responsibilities; and

(d) Approve the installation by owners of "09" and "10" residential units on floors through 19, both retroactively and prospectively, of grillwork gates of such design and materials deemed appropriate by the Board, and at a location immediately outboard of the stairwells at each end of the respective floor corridors, and to impose on each unit benefitted by such grillwork gates requirements of insurance coverage and other conditions; and

Approve the installation by owners of "00" through "08" residential units on floors 5 through 19, and "00" through "04" units on floors 20 through 23, both retroactively and prospectively, of grillwork gates of such design and materials deemed appropriate by the Board, and at a location at the entryway to such individual units, and to impose on each unit benefitted by such grillwork gates requirements of insurance coverage and other conditions.<sup>17</sup>

(e) Preparing and adopting an annual operating budget and distributing it to the owners. At a minimum, the budget shall include the following:

(1) The estimated revenues and operating expenses of the Association;

(2) Information as to whether the budget has been prepared on a cash or accrual basis;

(3) The total replacement reserves of the Association as of the date of the budget;

(4) The estimated replacement reserves the Association will require to maintain the property based upon a reserve study performed by the Association;

(5) A general explanation of how the estimated replacement reserves are computed; and

(6) The amount the Association must collect for the fiscal year to fund the estimated replacement reserves.

(f) The Association shall assess the owners to fund the estimated replacement reserves. For each fiscal year the Association shall collect the full amount required by law to fund the estimated replacement reserves for that fiscal year except as otherwise provided by rules adopted by the Hawaii Real Estate Commission.

(g) The estimated replacement reserves shall be computed by a formula which is based on the estimated life and the estimated capital expenditure or major maintenance required for each part of the property. The estimated replacement reserves shall include:

(1) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and

(2) Separate, designated reserves for each part of the property for which capital expenditures or major maintenance will exceed \$10,000. Parts of the property for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.

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

(i) The requirements of this section shall override any requirements in the Declaration, these By-Laws, or any other Association documents relating to preparation of budgets, calculation of reserve requirements, assessment and funding of reserves, with the exception of:

(1) any provisions relating to the repair and maintenance of property,

(2) any requirements here in the Declaration, these Bylaws, or any other Association documents which require the

Association to collect more than fifty percent of reserve requirements; or

(3) any provisions relating to upgrading the common elements, such as additions, improvements, and alterations to the common elements.

(j) Subject to the procedures of Section 514A-94, Hawaii Revised Statutes, and any rules adopted by the commission, any apartment owner may enforce compliance with any provision hereof by the Board. In any proceeding to enforce compliance, the Board shall have the burden of proving it has complied with this Section if it has not prepared an annual operating budget and reserve study.

(k) As used herein:

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

"Emergency situation" means any of the following:

(1) An extraordinary expense required by an order of a court;

(2) An extraordinary expense necessary to repair or maintain any part of the property for which the Association is responsible where a threat to personal safety on the property is discovered;

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

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

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

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

Section 3. Election and Term. At the first annual meeting of the Association, three directors shall be elected for the term of three years, three directors shall be elected for the term of two years, and three directors shall be elected for the term of one year. At the expiration of the initial term of office of each director, his successor shall be elected to serve a term of three years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the 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 a 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 fulfill the requirements set forth in Section 1 above<sup>11</sup> 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 owners and a successor shall then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed shall be given an opportunity to be heard at such meeting.

If such removal and replacement is to occur at a special Association meeting, the call for such meeting shall be by the President or by a petition to the Secretary or Managing Agent signed by not less than twenty-five percent (25%) of the apartment owners as shown in the Association's record of ownership; and provided further that if the Secretary or Managing Agent shall fail to send out the notices for the special meeting within fourteen

(14) days of receipt of the petition, then the petitioners shall have the authority to set the time, date and place for the special meeting and to send out the notices for the special meeting in accordance with the requirements of the By-Laws. Except as otherwise provided herein, such meeting for the removal and replacement from office of directors shall be scheduled, noticed, and conducted in accordance with these By-Laws.<sup>19</sup>

Section 6. Annual Meeting. 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 director in order validly to constitute such meeting provided that a majority of the Board is present. At its annual meeting the Board shall elect the officers of the Association for the ensuing year.

Section 7. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as may be determined from time to time by a majority of the Board, 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 telegram at least three days prior to the date of such meeting.

Section 8. Special Meeting. Special meetings of the Board of Directors may be called by the President on at least three days' notice to each director given personally or by mail, telephone, or telegram, which notice shall state the time, place, and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and with like notice on the written request of at least three directors.

Section 9. Attendance of Meetings by Members. All meetings of the Board, other than executive sessions, shall be open to all members of the Association, and Association members who are not on the Board may participate in any deliberation or discussion, other than executive sessions, unless a majority of a quorum of the Board votes otherwise.<sup>20</sup>

Section 10. Executive Session. The Board, with approval of a majority of a quorum of its members, may adjourn a meeting and

reconvene in executive session to discuss and vote upon personnel matters or litigation in which the Association is or may become involved. The nature of any and all business to be considered in executive session shall first be announced in open session.<sup>21</sup>

Section 11. Minutes of Meetings. Minutes of meetings of the Board and the Association shall include the recorded vote of each Board member on all motions except motions voted on in executive session. Minutes of meetings of the Board of Directors and Association of Apartment Owners shall be approved at the next succeeding meeting; provided that for Board of Directors meetings, no later than the second succeeding meeting. Minutes of all meetings shall be available within seven calendar days after approval and unapproved final drafts of the minutes of a meeting shall be available within sixty days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session.<sup>22</sup>

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any director in writing may waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by the 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 13. Quorum of Board. At all meetings of the Board of Directors a majority shall constitute a quorum for the transaction of business, and the acts of the 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 is present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time to such place and at such time without further notice other than 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 originally called.

Section 14. Fidelity Bonds. (a) The Board of Directors shall obtain annually a fidelity bond in no less the amount required by Chapter 514A, Hawaii Revised Statutes, covering all officers, employees, and agents of the Association handling or responsible for its funds.<sup>23</sup> The premiums on such bonds shall be paid by the Association.

Section 15. Compensation. No member of the Board shall expend Association funds for their travel, directors fees, or per diem, unless the apartment owners are informed and a majority approve of these expenses.<sup>24</sup>

Section 16. Posting of Notice. Whenever practicable, notice of all Board meetings shall be posted by the resident manager or a member of the Board in prominent locations within the Project seventy-two (72) hours prior to the meeting or simultaneously with notice to the Board of Directors.<sup>25</sup>

Section 17. Documents to be Given to Directors. The Association at its own expense shall provide all Board members with a current copy of the Declaration, these By-Laws, and the House Rules, and, annually, a copy of Chapter 514A, Hawaii Revised Statutes, with amendments.<sup>26</sup>

Section 18. Rules of Order. All meetings of the Board of Directors shall be conducted in accordance with the most recent edition of Robert's Rules of Order.<sup>27</sup>

Section 19. Resident Manager Not to Serve on Board. No resident manager of the Project may serve on the Board of Directors.<sup>28</sup>

Section 20. Proxy Votes. Conflict of Interest. No director shall cast any proxy vote at any Board meeting. No director shall vote at any Board meeting on any issue as to which the director has a conflict of interest.<sup>29</sup> A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.<sup>30</sup>

## ARTICLE V

### Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors.<sup>11</sup> The Board may appoint such other officers from among the owners as in its judgment may be necessary. No person may hold more than one of such offices. All officers shall serve as such without compensation.

Section 2. Election of Officers. 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 of Officers. Upon an affirmative vote of a majority of the Board of Directors any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board or at 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 also shall 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 the President is vacant. He also shall 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 units, have charge of such books, documents, and

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

Section 7. Treasurer. The Treasurer shall have responsibility for all funds and securities of the Association, maintain and keep full and accurate accounts of all receipts and disbursements of the Association and render statements thereof in such form and as often as may be required by the Board of Directors, and be responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such depositories as from time to time may be designated by the Board.

Section 8. Auditor. (a) The Association shall elect annually a certified public accountant or accounting firm as auditor, who shall not be an officer of the Association nor own any interest in any unit, to audit the books and financial records of the Association as required by law or as directed additionally by the Board of Directors and to conduct no less than one yearly unannounced verification of the Association's cash balance.<sup>22</sup>

(b) The Board shall make available a copy of the annual audit to each apartment owner at least thirty days prior to the annual meeting which follows the end of the fiscal year; provided, however, that the Board shall not be required to submit a summary of the annual audit report or a copy of the annual audit report to an owner if the owner did not mark the box on an annual meeting proxy sent by the Association to the owner indicating that the owner wishes to obtain such a summary or report. If the annual audit has not been completed by that date, the Board shall make available:

- (1) An unaudited year end financial statement for the fiscal year to each apartment owner at least thirty days prior to the annual meeting; and
- (2) The annual audit to all owners at the annual meeting, or as soon as the audit is completed, whichever occurs later.

If the Association's fiscal year ends less than two months prior to the convening of the annual meeting, the year to date unaudited financial statement may cover the period from the beginning of the Association's fiscal year to the end of the month preceding the date on which notice of the annual meeting is mailed.<sup>33</sup>

Section 9. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts, and other instruments shall be signed on behalf of the Association by such person or persons as are designated by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to any such instrument, by the President or Vice-President and by the Treasurer or Secretary.

Section 10. Prohibition of Employment of Officers by Managing Agent. No apartment owner shall act as an officer of the Association and an employee of the Managing Agent at the same time.<sup>34</sup>

#### ARTICLE VI

##### Managing Agent

Section 1. Appointment. The Board of Directors shall employ and maintain at all times a responsible trust company or other corporation incorporated under the laws of the State of Hawaii as Managing Agent at compensation to be established by the Board. The Board may delegate such administrative powers and duties to the Managing Agent, and the Managing Agent shall exercise such powers and perform such duties and services, as the Board may authorize, including, but not limited to, the following:

- (a) Direct management and operation of the Project;
- (b) Maintenance, repair, rebuilding, and restoration of the common elements;
- (c) Purchase, maintenance, repair, restoration and replacement of any furniture, furnishings, and equipment required for the common elements, and provisions for water, electric, gas, and other utility services;

(d) Employment, supervision, and dismissal of a resident manager and such other personnel necessary for the operation and maintenance of the Project as may be authorized by the Board;

(e) Preparation and submission to the Board at least 60 days before each fiscal year of a proposed budget and schedule of assessments for such year;

(f) Collections of all installments of assessments authorized and levied by the Board for common expenses and condominium and unit expenses, payment of all common expenses, and condominium unit expenses to the proper creditors as approved by the Board.

(g) Purchase and maintenance in effect at all times of all policies of fire and extended coverage and liability insurance with respect to the Project required by the Declaration and such elevator contracts, workmen's compensation and other insurance and fidelity and performance bonds as may be authorized by the Board.

(h) Custody and investment of the Maintenance Reserve Fund and the General Operating Reserve in accordance with the Declaration and also of the general operating fund of the Association and such other special funds as the Board may establish; maintenance of full and accurate books of account and records of said funds; and preparation of such financial reports as the Board may require;

(i) Collection, custody, and payment on behalf of the owners of all rent, taxes, assessments, and other charges payable to their lessor; and

(j) Notification of all persons having any interest in any unit, as shown in the Association's record of ownership, of delinquency exceeding 30 days in the payment of any assessment against such unit.

Section 2. Approval. The appointment and terms of compensation of the Managing Agent shall be submitted to the Association at every annual meeting for approval by a majority of the owners. Any contract therefor shall be subject to such approval, and, until first approved by the Association, may be terminated by either the Board of Directors of the Managing Agent

upon 30 days; written notice thereof to the other; and any contract failing such approval shall terminate 30 days thereafter, and the Board shall give prompt written notice thereof to the Managing Agent and appoint a qualified successor subject to such approval.

Section 3. Representation. The Managing Agent, subject to the direction of the Board of Directors, shall represent the Association or any two or more owners similarly situated, as a class in any action, suit, hearing, or other proceeding concerning the Association, the common elements, or more than one unit, 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 owners individually to appear, sue, or be sued. Service of process on two or more owners in any such action, suit or proceeding may be made on the Managing Agent.

#### ARTICLE VII

##### Obligations of Owners

Section 1. Assessments. (a) All owners are obligated to pay to the Managing Agent the monthly assessments levied against them by the Association to meet the common expenses and condominium unit expenses of the Project, including, without prejudice to the generality of the foregoing, the management and operation thereof, the maintenance, repair, rebuilding, and restoration of the common elements, and the premiums for fire and extended coverage and liability insurance. All assessments shall be made in proportion to the respective common interests as determined under Paragraph 2 of the Declaration. Such assessments shall include monthly payments to the General Operating Reserve and the Maintenance Reserve Fund as provided in the Declaration, and also shall include with respect to every unit a monthly amount sufficient to accumulate and pay when due the full amount of all rent, taxes, assessments, and other charges payable by the owner of such unit to his lessor. Every monthly assessment shall be payable in advance on the first day of the month.

(b) No owner shall withhold any assessment levied by the Association. An owner who disputes the amount of an assessment may request a written statement clearly indicating:

- (1) The amount of common expenses included in the assessment, including the due date of each amount claimed;
- (2) The amount of any penalty, late fee, lien filing fee, and any other charge included in the assessment;
- (3) The amount of attorneys' fees and costs, if any, included in the assessment;
- (4) That under Hawaii law, an owner has no right to withhold assessments for any reason;
- (5) That an owner has a right to demand mediation or arbitration to resolve disputes about the amount or validity of the Association's assessment, provided the owner immediately pays the assessment in full and keeps assessments current; and
- (6) That payment in full of the assessment does not prevent the owner from contesting the assessment or receiving a refund of amounts not owed.
- (7) An owner who pays the full amount claimed by the Association may file in small claims court or require the Association to mediate to resolve any disputes concerning the amount or validity of the Association's claim. If an owner and the Association are unable to resolve the dispute through mediation, either party may file for arbitration under part VII of the Act; provided that an owner may only file for arbitration if all amounts claimed by the Association are paid in full on or before the date of filing. If the owner fails to keep all Association assessments current during the arbitration, the Association may ask the arbitrator to temporarily suspend the arbitration proceedings. If the owner pays all Association

assessments within thirty days of the date of suspension, the owner may ask the arbitrator to recommence the arbitration proceedings. If the owner fails to pay all Association assessments by the end of the thirty day period, the Association may ask the arbitrator to dismiss the arbitration proceedings. The owner shall be entitled to a refund of any amounts paid to the Association which are not owed.<sup>35</sup>

(c) All assessments remaining unpaid fifteen (15) days after the payment due date shall be considered delinquent and shall bear a late penalty of ten percent (10%). Additionally, interest will be charged on all unpaid balances and related penalties at the rate of one percent (1%) for each month or fraction thereof following the month of the initial delinquency.<sup>36</sup>

- (1) If an owner shall fail to pay any common expense assessment or other assessment against his apartment when due, such owner shall pay a late fee for each such default or defaults in such amount as shall be determined by the Board of Directors from time to time.
- (2) Late fees shall be assessed on the fifteenth (15th) day of each month and an additional late fee, determined by the Board as aforementioned, shall be assessed on the fifteenth (15th) day of each subsequent month that a portion of the delinquent amount remains unpaid.
- (3) Such late fee shall, as determined by the Board of Directors from time to time, take the form of either a specified amount determined by the Board of Directors or interest at the maximum rate of interest then allowed by law on all delinquent assessments, from the date of such default until paid.

(d) Notwithstanding any other provision to the contrary contained in these By-Laws, if an owner shall fail to pay an

assessment when due (except penalties for which an appeal to the Board of Directors is pending or for which an appeal period under Article VIII, Section 8 of these By-Laws has not yet expired), the Board of Directors may, in its discretion, upon ten days written notice to the owner, declare due and owing the entire balance of such owner's projected common expense assessments for the fiscal year in which the default occurs.

(e) If the Board of Directors subsequently makes adjustments in the projected common expense assessments for the relevant fiscal year causing either an increase or decrease in the monthly installments owed by such owner, that owner shall pay the deficiency or receive a credit for the adjusted amount of the installments within thirty (30) days after the date of the transmittal of notice by the Association to such owner of such increase or decrease.<sup>37</sup>

## Section 2. Repair and Maintenance.

(a) Every owner from time to time and at all times shall repair, maintain, alter, and keep his unit and all necessary additions and alterations thereto in good order and condition. Without prejudice to the generality of the foregoing, he shall perform promptly all such work within his unit the omission of which will adversely affect any common element or any other unit, and shall be responsible for all loss and damage caused by his failure to do so.

(b) All repairs of internal installations within each unit such as water, lights, gas, power, sewage, telephones, air conditioning, sanitation, doors, windows, lamps, and all other fixtures and accessories belonging to such unit, including interior walls and partitions and the inner decorated or finished surfaces of the perimeter walls, floors, and ceilings of such unit shall be at the owner's expense.

(c) Every owner shall reimburse the Managing Agent for any expenditures incurred in repairing or replacing any common elements or furniture, furnishings, and equipment thereof damaged or lost through the fault of such owner or any person using the Project under him, and shall give prompt notice to the resident

manager or the Managing Agent of any such damage, loss, or other defect when discovered.

Section 3. Use of the Project.

(a) No apartment shall be used other than for residential purposes, and no apartment shall be used for carrying on of any business or trade except as stated herein. No residential apartment shall be rented or leased for a period of fewer than thirty (30) consecutive days."

(b) The commercial garage in the building shall be used only for parking and storing of cars and such other compatible uses.

(c) Except as provided in Paragraph 3(f) of the Declaration, the Commercial Areas "1", "2", and "3", the Manager's Office and the Commercial Storage Area on the ground floor and office areas "A", "B", "C", "D" and "E" on the fourth floor shall be used only for sale of merchandise or services or office purposes or any other commercial undertaking as permitted by law except for the sale and serving of food and/or alcoholic beverages for consumption therein.

(d) The commercial area #4 (XDI) shall be used only for the operation of a restaurant in dispensing of food, beverages and entertainment, together with equipment and appurtenances necessary for such restaurant operation.

(e) The common elements of the Project shall be used only for their designated purposes.

(f) No owner or occupant shall place, store, or maintain in the corridors, lobbies, stairways, elevators, grounds, or other common elements of similar nature any furniture, packages, or objects of any kind, or otherwise obstruct transit through such common elements.

(g) Every owner and occupant at all times shall keep his unit in a strictly clean and sanitary condition, and shall observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority; all by-laws, rules, regulations, agreements, decisions, and determinations duly made by or on behalf of the Association applicable to the Project or the

use thereof; and all restrictions, covenants, conditions, and provisions of the Declaration and duly made amendments thereto affecting the Project.

(h) No owner or occupant shall make or suffer any strip or waste or unlawful, improper, or offensive use of his unit or the Project, or alter or remove any furniture, furnishings, or equipment of the common elements.

#### Section 4. Construction of Improvements.

(a) Except as otherwise provided in the Declaration or these By-Laws, no owner or occupant shall erect or place anywhere within the Project any building or structure, including fences and walls, nor make any additions or structural alterations to or exterior changes of any common element thereof, except in accordance with plans and specifications, including a detailed plot plan, first approved in writing by the Board of Directors and by a majority of the owners, including a majority of the owners of the unit directly affected thereby; provided, however, that owners may install grillwork gates in certain areas of the common elements, as provided in Article IV, Section 2(d) of these By-Laws, upon the approval of the Board of Directors," and provided further that no owner shall do any work which could jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament, nor may any owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent of the owners, together with the consent of all owners whose units or limited common elements appurtenant thereto are directly affected, being first obtained; provided that nonmaterial structural additions to the common elements, including the installation of solar energy devices or additions to or alterations of a unit made within such unit or within a limited common element appurtenant to and for the exclusive use of the apartment shall require approval only by the Board and such percentage, number, or group of owners as may be required by the Declaration or these By-Laws. "Nonmaterial structural additions to the common elements", as used herein, shall mean a structural addition to the common

elements which does not jeopardize the soundness or safety of the property, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting owner of the use or enjoyment of any part of property, or directly affect any nonconsenting owner. For purposes of this section, "solar energy device" means any new identifiable facility, equipment, apparatus, or the like which makes use of solar energy for heating, cooling, or reducing the use of other types of energy dependant upon fossil fuel for its generation; provided that if the equipment sold cannot be used as a solar device without its incorporation with other equipment, it must be installed in place and ready to be made operational in order to qualify as a "solar energy device".<sup>40</sup>

(b) Every owner and occupant shall observe any setback lines affecting the Project, and no owner or occupant shall erect, place, or maintain any building or structure, except approved fences or walls, between any street boundary of the Project and any setback line along such boundary.

(c) No owner or occupant shall decorate or landscape any lanai except in accordance with standards established therefor by the Board of Directors or with specific plans and specifications first approved in writing by the Board or by the Managing Agent.

(d) Notwithstanding any other restrictions contained herein, handicapped occupants may apply to the Board of Directors for permission to proceed with improvements, at their cost, as necessary to enable them reasonably to use and enjoy the project and the Board will not unreasonably deny or delay its approval of such requests.<sup>41</sup>

#### Section 5. Right of Entry.

(a) Every owner and occupant shall grant right of entry to the Managing Agent, the resident manager, and any other person authorized by the Board of Directors, in the event of any emergency originating in or threatening such unit, whether or not such owner or occupant is present at the time.

(b) Every owner and occupant, when so required, shall permit other owners or their representatives to enter such unit for

the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services, provided that requests for entry are made in advance and that such entry is at a time convenient to such owner or occupant. In the event of an emergency such right of entry shall be immediate.

Section 6. Rules of Conduct.

(a) No owner or occupant shall post any advertisement, bill, poster, or other sign on or about the Project, even if not visible outside of the Project, except as authorized by the Board of Directors.

(b) All owners and occupants shall exercise extreme care about causing or permitting noises that may disturb other occupants.<sup>42</sup>

(c) No owner, occupant, or guest shall<sup>43</sup> loiter or play in the corridors, elevators, stairways, or lobbies of the Project.

(d) No garments, rugs, or other objects shall be hung from the lanais, windows, or facades of the Project; nor shall they be dusted or shaken from the lanais or windows or cleaned by beating or sweeping on the grounds of the Project.

(e) No garbage, refuse, or trash of any kind shall be thrown, placed or kept on any common element other than the disposal facilities provided for such purpose.

(f) No owner or occupant shall install any wiring or other device for electrical or telephone installations, television, antenna, machines, or other equipment or appurtenances on the exterior of the Project or protruding through the walls, windows, or roof thereof.

(g) Nothing shall be allowed, done, or kept in any unit or common element which will overload or impair the floors, walls, or roofs of the Project, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance maintained by or for the Association with respect thereto, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.

Section 7. Administrative Rules and Regulations. The Board of Directors, after giving notice to all owners in the same

manner as provided herein for notice of meetings of the Association and after affording them an opportunity to be heard thereon, may adopt or amend any supplemental rules and regulations ("House Rules")<sup>44</sup> governing details of the operation and use of the common elements not inconsistent with any provisions of law, of these By-Laws, or of the Declaration.

Section 8. Association Employees. The Association's employees shall not engage in selling or renting apartments at the Project except Association-owned units, unless such activity is approved by an affirmative vote of sixty-five percent of the owners.<sup>45</sup>

#### ARTICLE VIII

##### Mortgagees

Section 1. Notice to Association. Any owner who mortgages his interest in his unit shall notify the Association through the Managing Agent of the name and address of his mortgagee, and the Secretary shall maintain such information in the record of ownership of the Association.

Section 2. Notice of Unpaid Assessments. The Managing Agent or Board of Directors at the request of any mortgagee or prospective purchaser of any unit or any interest therein shall report to such person the amount of any unpaid assessments due with respect to such unit.

#### ARTICLE IX

##### Indemnification

Section 1. Expenses and Liability. The Association shall indemnify every director and officer, and his legal representatives, against all expenses reasonably incurred by or imposed on him in connection with any action, suit, or proceeding 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 is adjudged finally in such action, suit, or proceeding to be liable for gross negligence or wilful 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.

#### ARTICLE I

##### Compliance

Section 1. Subordination. These By-Laws are subordinate and subject to the provisions of the Declaration and all amendments thereto and of the Condominium<sup>66</sup> Property Act, and in case of any conflict the Declaration and said Act shall control. All terms herein, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or said Act.

Section 2. Interpretation. If any provision of these By-Laws is held invalid, such invalidity shall not render invalid any other provisions hereof which can be given effect. Nothing in these By-Laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the owners.

#### ARTICLE II

##### Amendment of By-Laws

Section 1. Procedure. These By-Laws may be amended by vote of owners representing not less than sixty-five percent (65%) of the common interests. No amendments shall be effective until an instrument duly executed by the proper officers of the Association is recorded as aforesaid<sup>67</sup> setting forth such amendment and the realization of the required vote.

Section 2. Amendments Proposed by Volunteer Apartment Owners' Committee. Any proposed By-Laws with the rationale for the proposal may be submitted by the Board or by a volunteer apartment owners' committee. If submitted by that committee, it shall be accompanied by a petition signed by not less than twenty-five percent (25%) of the apartment owners as shown in the Association's record of ownership. The proposed By-Laws, rationale, and ballots for voting on any proposed By-Law shall be mailed by the Board to the apartment owners at the expense of the Association for vote or

written consent without change within thirty days of the receipt of the petition by the Board. The vote or written consent required to adopt such a proposed By-Law shall be sixty-five percent (65%) of all apartment owners; provided that the vote or written consent must be obtained within one hundred twenty (120) days after mailing. In the event that the By-Law is duly adopted, then the Board shall cause the By-Law amendment to be recorded in the Bureau of Conveyances. The volunteer apartment owners' committee shall be precluded from submitting a petition for a proposed By-Law which is substantially similar to that which has been previously mailed to the apartment owners within one year after the original petition was submitted to the Board; provided, however, that this provision shall not preclude any apartment owner or voluntary apartment owners' committee from proposing any By-Law amendment at any annual Association meeting."

#### ARTICLE XII

##### Time Sharing

Section 1. Relating to Time Sharing. No offering, sale or transfer of any time-sharing interest in a residential apartment or residential apartments in the Wailana shall be made, nor shall any time-sharing agreement be executed with respect to any residential apartment or apartments in the building, nor shall any time-sharing interests be established with respect to any residential apartment or apartments in the building. Time-sharing interests shall be deemed to include, but are not limited to any interest in a residential apartment or apartments established on a fee, leasehold, right-to-use, license, partnership, association membership, membership in club, reservation or any other basis for use during any specified limited time period of less than three (3) months annually (periodically recurring or in the form of a floating period with a right to use by notification) set forth by contract or agreement. A time-sharing agreement means the instrument or instruments, of whatever name or names denominated, creating or regulating time-sharing interests, including but not limited to any declaration of horizontal property regime and by-

laws for an apartment, any declaration of covenants, conditions and restrictions, deed, lease, condominium conveyance document, license, partnership agreement, club membership agreement, vacation bond, reservation, right-to-use or any other form of agreement which provides for the rights of ownership, lease, license or use of a time-sharing interest."

#### ARTICLE XIII

##### Miscellaneous

Section 1. Exemptions For Handicapped Persons. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws, or the House Rules, handicapped residents shall: (1) be permitted to make reasonable modifications to their apartments and/or the common elements, at their expense (including without limitation the cost of obtaining any bonds required by the Declaration or these By-Laws), if such modifications are necessary to enable them to use and enjoy their apartments and/or the common elements, as the case may be; and (2) be allowed reasonable exemptions from the Declaration, these By-Laws, and the House Rules, when necessary to enable them to use and enjoy their apartments and/or the common elements, provided that any handicapped resident desiring to make such modifications or desiring such an exemption shall so request, in writing. That request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such modification or to be granted such an exemption. The Board of Directors shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof or of any additional information reasonably required by the Board in order to consider such a request, whichever shall last occur."

Section 2. Examination of Books. Financial statements, general ledgers, the accounts receivable ledger, insurance policies, contracts and invoices of the Association for the current

and prior year, and a list of delinquencies of ninety (90) days or more shall be available for examination by owners at convenient hours at a place designated by the Board, provided that: (i) the Board may require such owners to furnish a duly executed and acknowledged affidavit stating that the information is requested in good faith and for the protection of the interests of the Association or its members or both, and (ii) that such owners pay for administrative costs in excess of eight hours per year incurred by the Association with respect to such examination. Copies of these items shall be provided to any owner upon such owner's request, subject to such owner's payment of a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request; provided, however, that the Association's most current financial statement shall be available to any owner at no cost or on twenty-four hour loan at a convenient location designated by the Board."

The minutes of meetings of the Board of Directors and the Association for the current and prior year shall be available for examination by apartment owners at convenient hours at a place designated by the Board. Minutes of meetings shall include the recorded vote of each Board member on all motions except motions voted on in executive session. Copies of meeting minutes shall be provided to any apartment owner upon the apartment owner's request, provided that the apartment owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request."

Apartment owners shall also be permitted to view proxies, tally sheets, ballots, apartment owners' check-in lists, and the certificate of election for a period of thirty days following any Association meeting, provided that: (i) the Board may require apartment owners to furnish to the Association a duly executed and acknowledged affidavit stating that the information is requested in good faith for the protection of the interests of the Association or its members or both, and (ii) that apartment owners pay for administrative costs in excess of eight hours per year.

Proxies and ballots may be destroyed following the thirty day period. Copies of tally sheets, apartment owners' check-in lists, and the certificates of election from the most recent Association meeting shall be provided to any apartment owner upon the apartment owner's request, provided that the apartment owner pay a reasonable fee for duplicating, postage, stationery, and other administrative costs associated with handling the request."

Apartment owners may file a written request with the Board to examine other documents. The Board shall give written authorization or written refusal with an explanation of the refusal within thirty calendar days of receipt of the request."

IN WITNESS WHEREOF, the undersigned have executed this instrument this 1 day of July, 1983.

ASSOCIATION OF APARTMENT OWNERS  
OF WAILANA AT WAIKIKI

By: Wright Hiatt  
Print  
Name: WRIGHT HIATT  
Its: President

By: Jeanette Leiko  
Print  
Name: Jeanette Leiko  
Its: Secretary

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

) SS.

On this 1st day of July, 1993, before me appeared Wright Heath 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 WAILANA AT WAIKIKI; 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.

1st

Wright Heath  
Notary Public, State of Hawaii

My Commission Expires: 7-21-93

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

) SS.

On this 1st day of July, 1993, before me appeared Wright Heath to me personally known, who being by me duly sworn, did say that she is the Secretary of the Board of Directors of the Association of Apartment Owners of WAILANA AT WAIKIKI; that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that she executed the same as the free act and deed of said Association. Said Association has no seal.

1st

Wright Heath  
Notary Public, State of Hawaii

My Commission Expires: 7-21-93

## ENDNOTES

The following endnotes correspond to provisions in the By-Laws which have been restated to conform to Chapter 514A, Hawaii Revised Statutes, and the Federal Fair Housing Act (42 U.S.C. Sections 3601 et seq.), and to integrate all amendments made to By-Laws. These Restated By-Laws correctly set forth without change the corresponding provisions of the original By-Laws, as amended, and supersede the original By-Laws and all prior amendments thereto. This Restatement was made solely for purposes of information and convenience. In the event of a conflict, the Restated By-Laws shall be subordinate to the cited statute.

1. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
2. To conform to Section 514A-83.2(a), HRS.
3. To conform to Section 514A-96(b), HRS.
4. To conform to Section 514A-83.2(b), HRS.
5. To conform to Section 514A-83.2(e), HRS.
6. To conform to Section 514A-83.2(c), HRS.
7. To conform to Section 514A-83.2(d), HRS.
8. To conform to Section 514A-82(b)(4), HRS.
9. To conform to Section 514A-82(a)(17), HRS.
10. To conform to Section 514A-82(b)(3), HRS.
11. To integrate the Amendment to the By-Laws recorded as aforesaid April 14, 1988 in Liber 21820 at Page 795.
12. To conform to Section 514A-82(a)(16), HRS.
13. To conform to Section 514A-82(a)(12), HRS.
14. Provision for the Compensation of Directors has been relocated to new Section 15 and modified to conform to Section 514A-82(b)(10), HRS.
15. To conform to Section 514A-82(a)(12), HRS.
16. To conform to Section 514A-82.4, HRS.
17. To integrate the Amendment to the Declaration and By-Laws recorded as aforesaid August 1, 1991 as Document No. 91-103847.
18. To conform to Section 514A-82(a)(12), HRS.
19. To conform to Section 514A-82(b)(1), HRS.
20. To conform to Section 514A-83.1, HRS.
21. To conform to Section 514A-83.1, HRS.
22. To conform to Section 514A-83.4, HRS.
23. the provision pertaining to fidelity bonds was amended by that Amendment to the By-Laws recorded as aforesaid April 14, 1988 in Liber 21820 at Page 795 and modified to comply with Section 514A-95.1(a)(1), HRS.
24. To conform to Section 514A-82(b)(10), HRS.

25. To conform to Section 514A-82(b)(9), HRS.
26. To conform to Section 514A-82(b)(11), HRS.
27. To integrate the Amendment to the By-Laws recorded as aforesaid April 14, 1988 in Liber 21820 at Page 795.
28. To integrate the Amendment to the By-Laws recorded as aforesaid April 14, 1988 in Liber 21820 at Page 795.
29. To integrate the Amendment to the By-Laws recorded as aforesaid April 14, 1988 in Liber 21820 at Page 795 and modified to comply with Section 514A-82(a)(13), HRS.
30. To conform to Section 514A-82(b)(5), HRS.
31. A provision permitting the Managing Agent to be elected Treasurer has been deleted to conform to Section 514A-82(b)(7), Hawaii Revised Statutes.
32. To conform to Section 514A-96(a), HRS.
33. To conform to Section 514A-96(b), HRS.
34. To conform to Section 514A-82(b)(7), HRS.
35. To conform to Section 514A-90(c), HRS.
36. To integrate the Amendment to the Declaration and By-Laws recorded as aforesaid August 1, 1991 as Document No. 91-103847.
37. To integrate the Amendment to the By-Laws recorded as aforesaid April 14, 1988 in Liber 21820 at Page 795.
38. To integrate the Amendment to the Declaration and By-Laws recorded as aforesaid August 1, 1991 as Document No. 91-103847.
39. To integrate the Amendment to the Declaration and By-Laws recorded as aforesaid August 1, 1991 as Document No. 91-103847.
40. To conform to Section 514A-89, HRS.
41. To conform to the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.).
42. To conform to the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.).
43. To conform to the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.).
44. To conform to Section 514A-88, HRS.
45. To conform to Section 514A-82(b)(8), HRS.
46. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
47. To conform to Section 514A-82(b)(2), HRS.
48. To conform to Section 514A-82(b)(2), HRS.
49. To integrate the Amendment to the By-Laws recorded as aforesaid January 31, 1980 in Liber 14461 at Page 290.
50. To conform to the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.).

51. To conform to Sections 514A-83.5(a) and (c)(1) and (2), HRS.
52. To conform to Section 514A-83.5(b), HRS.
53. To conform to Section 514A-83.5(d)(1) and (2), HRS.
54. To conform to Section 514A-83.5(e), HRS.



**HOMEOWNER/CONDOMINIUM/SUBDIVISION/PUD ORGANIZATIONS (Choose all that apply)**

**[ x ] C-64 Contingency on Homeowner Organization Documentation Approval.** Buyer's obligation to purchase the Property is contingent upon Seller providing the following documentation to the Buyer for review and approval:

- |   |  |
|---|--|
| <b>[ x ]</b> Approved Minutes of the last three (3) Board of Directors Meeting  | <b>[ x ]</b> Current and/or Proposed Budget                  |
| <b>[ x ]</b> Articles of Incorporation/Association and Amendments, if any   | <b>[ x ]</b> Current Financial Statement                     |
| <b>[ x ]</b> Board of Directors and Association Minutes issued during the escrow period, if applicable  | <b>[ x ]</b> Current House Rules                             |
| <b>[ x ]</b> By-laws and Amendments   | <b>[ x ]</b> Declaration and Amendments                      |
| <b>[ x ]</b> Copy of any and all pending litigation complaints filed by or against the Owner's Association and/or its directors that are currently unresolved, if any | <b>[ x ]</b> Insurance Summary                               |
|   | <b>[ x ]</b> Minutes of the last Annual Meeting              |
|   | <b>[ x ]</b> Property Information Form RR105c, if obtainable |
|   | <b>[ x ]</b> Reserve Study or Summary, if obtainable         |
|   | <b>[ x ]</b> Planned Community Documents                     |

**[ ] Other \_\_\_\_\_**

Seller, at Seller's expense, shall furnish the specified documents to Buyer within 10 days of Acceptance Date. If within 7 days of receipt of these documents Buyer does not accept the Property based on information contained in these documents, Buyer may terminate this Purchase Contract and the termination provisions of Paragraph C-29 shall apply. In the event that this Purchase Contract is canceled, Buyer agrees to promptly return all documents specified here to Seller or Seller's Agent, including any other documents provided to Buyer during the escrow period or, Seller not being in default, Buyer shall reimburse the Seller for the cost of such documentation.

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

The original of this document was  
recorded as follows:

DOCUMENT NO. 2445958  
DATE 03-25-98 TIME 10:00  
TCT \_\_\_\_\_

THE ORIGINAL OF THE DOCUMENT  
RECORDED AS FOLLOWS:  
STATE OF HAWAII

BUREAU OF CONVEYANCES  
DATE 03-25-98 TIME 10:00  
DOCUMENT NO. 98-040307

LAND COURT SYSTEM

REGULAR SYSTEM

Return by: Mail [ ] Pickup [ ] To:

NEELEY & ANDERSON  
Attorneys at Law, A Law Partnership  
Joyce Y. Neeley (3134-0)  
733 Bishop Street, Suite 2301  
Honolulu, Hawaii 96813 (808) 536-8177

SECOND RESTATEMENT OF  
DECLARATION OF HORIZONTAL PROPERTY REGIME  
OF THE WAILANA AT WAIKIKI

WHEREAS, Section 514A-82.2(a), Hawaii Revised Statutes, provides that associations of apartment owners may at any time restate the declaration of horizontal property regime ("declaration") of the condominium project to set forth all amendments thereof by resolution adopted by the board of directors;

WHEREAS, Section 514A-82.2(b), Hawaii Revised Statutes, provides that associations of apartment owners may at any time restate the declaration to amend the declaration as may be required in order to conform with the provisions of Chapter 514A, Hawaii Revised Statutes, or any other statute, ordinance, rule, or regulation enacted by any governmental authority, by resolution adopted by the board of directors, and the restated declaration shall be as fully effective for all purposes as if adopted by the vote or written consent of the apartment owners. Section 514A-82.2(b), Hawaii Revised Statutes, further provides that the declaration as restated pursuant to that Section shall: 1) identify each portion so restated; 2) contain a statement that those portions have been restated solely for the purposes of information and convenience; 3) identify the statute, ordinance, rule, or regulation implemented by the amendment; and 4) state

that in the event of any conflict, the restated declaration shall be subordinate to the cited statute, ordinance, rule, or regulation;

WHEREAS, Section 514A-82.2(c), Hawaii Revised Statutes, provides that upon the adoption of a resolution pursuant to Section 514A-82.2(a) or (b), Hawaii Revised Statutes, the restated declaration shall set forth all of the operative provisions of the declaration, as amended, together with a statement that the restated declaration correctly sets forth, without change, the corresponding provisions of the declaration, as amended, and that the restated declaration supersedes the original declaration and all prior amendments thereto;

WHEREAS, the Board of Directors of the Association of Apartment Owners of the Wailana at Waikiki by adoption of a resolution on May 23, 1996, voted to record a second restated version of the Declaration of Horizontal Property Regime of The Wailana at Waikiki which would set forth the provisions of the Declaration filed on July 31, 1968 with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 449930 and noted on Transfer Certificate of Title No. 43,296 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 6150 at Page 245, and amended by instruments filed and/or recorded on December 11, 1970, January 31, 1980, August 1, 1991, March 9, 1994 and February 6, 1997 in said Office of the Assistant Registrar of the Land Court as Document Nos. 521663, 994557 and 994558, 1840551, 2126403 and 2364625 and all as noted on Transfer Certificate of Title No. 43,296 and recorded in said Bureau in Liber 7310 at page 97, in Liber 14461 at Page 290 and as Document Nos. 91-103847, 94-041733 and 97-017535, and Restated by instrument recorded on August 26, 1993 in the Office of the Assistant Registrar of the Land Court as Document No. 2059685 and in Bureau of Conveyances as Document No. 93-139600 as noted on Transfer Certificate of Title No. 43,296, and which would conform to Chapter 514A, Hawaii Revised Statutes and the Fair Housing Act, as amended.

NOW, THEREFORE, the Declaration of Horizontal Property Regime of The Wailana at Waikiki ("Declaration") is hereby restated as set forth below. Each Declaration provision that has been restated has been identified in the endnotes attached hereto. Said provisions have been restated solely for the purposes of information and convenience. To the extent that there is any conflict between the restated provisions of the Declaration and the statute or statutes being implemented, the provisions of the restated Declaration shall be subordinate to said statute or statutes. The restated version of the Declaration correctly sets forth, without change, the corresponding provisions of the Declaration, as amended. This restated version of the Declaration shall supersede the original Declaration and all prior amendments thereto; provided, however, that in the event of any conflict, the restated version of the Declaration shall be subordinate to the original Declaration and all prior amendments thereto.

"THE WAILANA AT WAIKIKI"  
DECLARATION OF CONDOMINIUM PROPERTY REGIME

WHEREAS, KDI INVESTMENTS, INC., a Hawaii corporation, herein called "Lessor", is the owner in fee simple of real property described as follows:

Those certain premises described in Exhibit A, attached hereto and incorporated herein by reference for every purpose; and

WHEREAS, STARK ENTERPRISES, LTD., a Hawaii corporation, as general partner of The Wailana, a registered limited partnership, herein called the "Developer", has entered into a lease on said property dated December 1, 1967, recorded in the Bureau of Conveyances in Liber 5970, Page 436, and filed in the Office of Assistant Registrar of the Land Court of the State of Hawaii as Document No. 437862 and noted on Certificate of Title No. 43,296, and

WHEREAS, said Developer will improve said property by constructing thereon one twenty-four (24) story building containing a total of One Hundred Eighty-Six (186) residential apartment units from the fifth to the twenty-fourth floor, commercial office space on the fourth floor, garages for residential apartment use on the third and second floors, commercial stores and restaurant space on the ground floor, and commercial garage in the basement, all in accordance with plans incorporated herein by reference and being on file in said Office of the Assistant Registrar of the Land Court as Condominium Map No. 58 and on file in said Bureau of Conveyances as Condominium Map. No. 109;<sup>1</sup> and

WHEREAS, Developer intends to sell the residential apartments and commercial units therein to third persons by the delivery or assignment to each purchaser of a condominium unit lease from the Lessor of such condominium unit and of an undivided interest in the common elements as described in this Declaration;

NOW, THEREFORE, in order to create a condominium project consisting of said land and building (herein called the "project") and to be known as "The Wailana at Waikiki", Lessor and Developer hereby submit their respective interests in said land and building to a horizontal property regime established by the Horizontal Property Act, Chapter 170-A, Revised Laws of Hawaii 1955, as amended, (now known as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes)<sup>2</sup> 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 declaration, which declarations shall constitute covenants running with the land and shall be binding upon and for the benefit of the parties hereto, their 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:

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

A. Condominium Units: The project shall contain residential apartments, commercial units containing offices, stores and restaurant, and a parking garage.

(a) Residential Apartments: There shall be One Hundred and Eighty-Six (186) apartment units in the building consisting of eleven (11) apartments per floor from floors five (5) to nineteen (19), and penthouse apartments consisting of five (5) apartments per floor from floors twenty (20) through twenty-three (23), and one (1) apartment on the twenty-fourth (24) floor. The apartments on each floor will be numbered from "0" to "10", preceded by the number which corresponds to the floor, with even numbers along the makai (ocean) wing and odd numbers along the mauka (mountain) wing. For example, those on the fifth floor starting from the makai and proceeding to mauka will bear the number 510, 508, 506, 504, 502, 500, 501, 503, 505, 507, 509. The penthouse apartments on each floor will be lettered PH, and numbered from "00" to "04" preceded by the numbers which correspond to the floor. For example, those penthouse apartments on the twentieth floor will bear the letters and numbers of PH 2004, PH 2002, PH 2000, PH 2001, PH 2003. The penthouse apartment on the twenty-fourth (24) floor shall be known as the penthouse suite. Except for the penthouse suite, each of the One Hundred Eighty-Six (186) apartments will be one of the five types or a modified type thereof: Types A, B, C, D and E.

Type "A" Apartment: Each type "A" apartment shall include two bedrooms, two bathrooms, a lanai, a living room, a dining room, a laundry closet and kitchen, and shall contain approximately 1180 sq. ft. of enclosed area and 124 sq. ft. of lanai area, or a 1304 sq. ft. of total apartment area, excepting however, the modified type "A<sub>1</sub>" apartment shall contain the same number of rooms hereinbefore described but shall contain 1188 sq. ft. of enclosed area and 124 sq. ft. of lanai area or 1312 sq. ft. of total apartment area. Appurtenant to apartment 509 is 1395 sq. ft. of lanai area on the Ewa (west) side of the apartment.

Type "B" Apartment: Each type "B" apartment shall include two bedrooms, two bathrooms, a lanai, a dressing room, a laundry closet, a living room, a dining room and a kitchen and shall contain approximately 1171 sq. ft. of enclosed area and 124 sq. ft. of lanai or 1295 sq. ft. of total apartment area.

Type "C" Apartment: Each type "C" apartment shall include two bedrooms, two bathrooms, two lanais, a living room, a dressing room, a laundry closet, a dining room and a kitchen, and shall contain approximately 1331 sq. ft. of enclosed area and 226 sq. ft. of lanai area or 1597 sq. ft. of total apartment area.

Type "D" Penthouse Apartment: Each type "D" penthouse apartment shall include two bedrooms, two bathrooms, two dressing rooms, a lanai, a dining room, a living room, a laundry closet and a kitchen, and shall contain approximately 1381 sq. ft. of enclosed area and 161 sq. ft. of lanai area or 1542 sq. ft. of total apartment area, except the modified type "D<sub>1</sub>" penthouse apartment on the twentieth floor only shall contain the same number of

rooms and enclosed area, but the lanai shall be 979 sq. ft. or 2360 sq. ft. of total apartment area.

Type "E" Penthouse Apartment: Each type "E" penthouse apartment shall contain three bedrooms, two bathrooms, two dressing rooms, a lanai, a dining room, a living room, a laundry closet and a kitchen, and shall contain approximately 1667 sq. ft. of enclosed space and 239 sq. ft. of lanai area, or 1906 sq. ft. of total apartment area, except "E<sub>1</sub>" penthouse apartment shall contain the same number of rooms and enclosed area, but the lanai shall be 2006 sq. ft. or 3673 sq. ft. of total apartment area.

Penthouse Suite: The penthouse suite shall contain one bedroom, one bathroom, a powder room, a lanai, a dining room, a living room and a kitchen, and shall contain approximately 1718 sq. ft. of enclosed space and 696 sq. ft. of lanai area, or 2414 sq. ft. of total apartment area.

Location of Apartment:

(1) One Hundred Five (105) apartments having the last two numbers from "03" to "09" are type "A" and fifteen (15) apartments having the last two numbers "10" are the modified type "A<sub>1</sub>".

(2) Thirty (30) apartments having the last two numbers "01" and "02" are type "B".

(3) Fifteen (15) apartments having the last two numbers "00" are type "C".

(4) Twelve (12) penthouse apartments having the letters PH and last two numbers from "01" to "04" are type "D" except those penthouse apartments on the twentieth floor only are the modified type "D<sub>1</sub>".

(5) Three (3) penthouse apartments having the letters PH and last two numbers "00" are type "E" except PH 2000 which is the modified "E<sub>1</sub>" and the penthouse suite.

(6) One (1) penthouse suite which is located on the twenty-fourth (24) floor.

All of said apartments are described and located on Land Court Condominium Map No. 58 and on Bureau of Conveyances Condominium Map. No. 109 to which reference is hereby made.

Boundary Line: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceiling surrounding the apartments or any pipes, wires, conduits or other utility lines, running through such apartments 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

walls, the inner decorated or finished surfaces of all walls, floors and ceilings, the exterior of the lanai railing and all airspace encompassed within the boundary line, together with fixtures and other such improvements located within.

(b) Commercial Units. There shall be located on the ground floor and the fourth floor commercial units to be used primarily for shops and/or services, offices and restaurant and storage.

1. Ground Floor. There shall be located on the ground floor commercial units to be used primarily for shops or services, offices and storage, and one commercial unit with the exclusive right to use such unit as a restaurant and bar, which units are described as follows:

Commercial Area #1 located on the makai-Ewa side of the building, containing approximately 2158 square feet.

Commercial Area #2 located in the central portion of the makai side of the building, containing approximately 3806 square feet.

Commercial Area #3 located on the Diamond Head-mauka side of the building, containing approximately 7253 square feet.

Manager's Office located in the center of the Ewa side of the building, containing approximately 400 square feet.

The bathroom facilities situated makai of the Commercial Area #1, the receiving dock and the disbursing area, and the breezeway adjacent thereto shall be appurtenant to and for the exclusive use of the Commercial Areas 1, 2, and 3, the Manager's Office and the Commercial Storage Area, subject, however, to an easement in favor of the Commercial Area #4 (KDI) to use the receiving dock, disbursing area, and breezeway adjacent thereto.

Commercial Area #4 (KDI) located on the Diamond Head-makai end of the building containing 8649 square feet with the exclusive right to use the same for restaurant and bar operation.

Commercial Storage Area located on the Ewa-mauka end of the building containing approximately 2514 square feet.

2. Fourth Floor. There shall be five commercial units to be used primarily as office space, which units are described as follows:

Office Area "A" located on the makai wing of the building and extending to the elevator corridor containing approximately 6030 square feet.

Office Area "B" located on the mauka wing of the building and extending to the elevator corridor, containing approximately 7292 square feet.

Office Area "C" located on the Ewa portion of the center of the building adjacent to the elevator lobby, containing approximately 2398 square feet.

Office Area "D" located makai of office area "C" containing approximately 620 square feet.

Office Area "E" located mauka of office area "C" containing approximately 1512 square feet. The bathroom facilities situated on the mauka-Ewa of the floor shall be appurtenant to and for the exclusive use of office areas "A", "B", "C", "D", and "E". All of said commercial units are described and located on Land Court Condominium Map No. 58 and on Bureau of Conveyances Condominium Map. No. 109 to which reference is hereby made.

Boundary Line: The boundary line of each of the commercial units described herein is the exterior of doors, windows, and glass walls and the frames thereof, and the interior of unfinished surfaces of the perimeter walls, load-bearing walls and floors and ceilings, said commercial unit meaning and including the paint, wallpaper, tiles, enamel, stain or other finishing on such interior surfaces, the air space encompassed within said boundary line, together with fixtures and other such improvements located within said boundary line, but reserving as common elements any pipes, wires, conduits, and other utility lines running through such commercial units which are utilized for or serve other condominium units.

(c) Commercial Garage: There shall be located in the basement floor eighty-two (82) parking stalls for use as commercial parking to service the restaurant, stores and offices, containing approximately 14,275 square feet together with access to the driveways and the ingress and egress ramps. The boundary line of each stall shall be as shown and described on Land Court Condominium Map No. 58 and on Bureau of Conveyances Condominium Map. No. 109 to which reference is hereby made. The attendant station on the Ewa side of the ground floor shall be appurtenant to and for the exclusive use of the commercial garage.

B. Common Elements: An estate consisting of all remaining portions of the Project being described and referred to herein as "Common Elements" which definition includes the building, the land on which it is located and all elements mentioned in the Condominium<sup>3</sup> Property Act which are actually constructed in the Project and specifically include, but are not limited to:

1. Said land.

2. All foundations, columns, girders, beams, supports, main walls, roofs, corridors excepting those reserved hereinafter, lobbies, stairs, stairways, entrances, and exits of said building.

3. All driveways, ramps, yards, gardens, recreational facilities, including the swimming pool and garden deck on the fourth floor and the recreational deck on the fifth floor.

4. All parking areas except commercial garage in the basement, service rooms, equipment rooms, residential apartment storage areas on the second and third floors and bathroom facilities on the third and fifth floors.

5. All central appurtenant installations for common services, including power, light, water, telephone, air conditioning, television antenna, and trash disposal.

6. The three elevators and all tanks, pumps, motors, fans, compressors, ducts, and in general, all apparatus and installations existing for common use.

7. All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

C. Limited Common Elements: Certain parts of the common elements herein called and designated as "limited common elements" are hereby set aside and reserved for the exclusive use of certain units, and such units shall have appurtenant thereto an exclusive easement for the use of such limited common elements and shall be responsible for the appearance and cleanliness of such appurtenant limited common elements. The limited common elements so set aside and reserved are as follows:

(a) Parking: One or more parking stalls on the second floor or third floor shall be appurtenant to and for the exclusive use of each apartment. The particular stall or stalls which are appurtenant to each apartment are described on Exhibit A which is attached hereto and made a part hereof.<sup>4</sup>

(b) Storage Facilities: Storage facilities in the basement are for the exclusive use of the commercial garage unit. The storage facilities on the second and third floors shall be appurtenant to and for the exclusive use of the residential apartment units as determined by the Board of Directors from time to time. The storage facilities located along the corridors from the fifth floor to the twenty-third floor shall be appurtenant to and for the exclusive use by the apartments located on each floor, as follows:

i) for apartments located on the fifth floor through the nineteenth floor:

aa) those apartments having the last two numbers "00" shall have two storage lockers being the first locker located on the mauka side of the elevator lobby and the first locker located on the makai side of the elevator lobby;

bb) those apartments having the last two numbers "01" shall have two storage lockers being the next two lockers located on the mauka side of the elevator lobby;

cc) those apartments having the last two numbers "03" shall have two storage lockers being the next two lockers located on the mauka side of the elevator lobby;

dd) those apartments having the last two numbers "05" shall have two storage lockers being the next two lockers located on the mauka side of the elevator lobby;

ee) those apartments having the last two numbers "07" shall have two storage lockers being the next two lockers located on the mauka side of the elevator lobby;

ff) those apartments having the last two numbers "09" shall have two storage lockers being the next two lockers located on the mauka side of the elevator lobby;

gg) those apartments having the last two numbers "02" shall have two storage lockers being the next two lockers located on the makai side of the elevator lobby;

hh) those apartments having the last two numbers "04" shall have two storage lockers being the next two lockers located on the makai side of the elevator lobby;

ii) those apartments having the last two numbers "06" shall have two storage lockers being the next two lockers located on the makai side of the elevator lobby;

jj) those apartments having the last two numbers "08" shall have two storage lockers being the next two lockers located on the makai side of the elevator lobby;

kk) those apartments having the last two numbers "10" shall have two storage lockers being the next two lockers located on the makai side of the elevator lobby;

ii) for penthouse apartments located on the twentieth floor through the twenty-third floor:

aa) those penthouse apartments having the last two numbers "00" shall have six storage lockers being the first three lockers located on the mauka side of the elevator lobby and the first three lockers located on the makai side of the elevator lobby;

bb) those penthouse apartments having the last two numbers "01" shall have four storage lockers being the next four lockers located on the mauka side of the elevator lobby;

cc) those penthouse apartments having the last two numbers "03" shall have four storage lockers being the next four lockers located on the mauka side of the elevator lobby;

dd) those penthouse apartments having the last two numbers "02" shall have four storage lockers being the next four lockers located on the makai side of the elevator lobby;

ee) those penthouse apartments having the last two numbers "04" shall have four storage lockers being the next four lockers located on the makai side of the elevator lobby;

iii) the penthouse apartment located on the twenty-fourth floor shall have all storage lockers located on that floor.<sup>5</sup>

(c) Corridors: Each corridor from the fourth floor to the twenty-fourth floor shall be for the exclusive use of the condominium owners of that floor, their guests and invitees, except however, the corridor leading from the elevators to the garden and recreational deck on the fourth and fifth floors.

(d) Swimming Pool, Garden Deck and Recreation Deck. The swimming pool and garden deck located on the fourth floor, and the recreation deck on the fifth floor shall be appurtenant to and for the exclusive use of the commercial units on the fourth floor and the residential apartment units on the fifth through twenty-fourth floors.

D. Other Easements: In addition to the exclusive easements established in the limited common elements, the condominium units herein called "units" shall also have and be subject to the following easements:

(a) Each unit shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes, for ingress to, egress from, utility services for, and support, maintenance and repair of such unit; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other units and common elements of the Project for support.

(b) If any common element encroaches upon any unit or limited common element, or if any unit encroaches upon any other unit or common element, a valid easement for such encroachment and the maintenance thereof, as long as it continues, does and shall exist. If said building and other improvements are partially or totally destroyed and then rebuilt, minor encroachments by any common element due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Owners shall have the irrevocable<sup>6</sup> right, to be exercised by its Board of Directors or the Managing Agent, to enter each unit from time to time during reasonable hours as may be necessary for the operation of the Project or at any time for making emergency repairs therein which may be necessary to prevent damage to any unit or common element.

Lessor reserves within the common elements the right to grant to any public or governmental authority rights of way and other easements over, across, and under the common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, and other public services and utilities, and rights to enter for purposes of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

2. COMMON INTEREST. Each unit according to its type shall have appurtenant thereto an undivided percentage interest called herein its "common interest", in the common elements for all purposes, including voting as follows:

<u>Type of Apartment</u>	<u>Percentage Common Interest</u>
A	.4300
A <sub>1</sub>	.4329
Apt. 509	.5854
B	.4269
C	.4952
D	.5054
D <sub>1</sub>	.6012
E	.6153
E <sub>1</sub>	.8228
Penthouse Suite	.6869
<u>Commercial Units</u>	
(a) Ground Floor	
"1"	.6520
"2"	1.1500
"3"	2.1916
Manager's Office	.1209
Commercial Area "4" (KDI)	3.0463
Commercial Storage	1.0119
(b) Fourth Floor	
"A"	2.1238
"B"	2.5683
"C"	.8446
"D"	.2184
"E"	.5326
(c) Basement Commercial Garage	1.6805

The "common interest" of the residential apartment units shall be determined by the total of the square footage of the interior apartment and one-third (1/3) of the square footage of the lanai. The "common interest" of the basement commercial garage shall be determined by including only one-third (1/3) of the square footage of the parking stalls. The "common interest" of the commercial units shall be determined by the square footage occupied by said units.<sup>7</sup>

3. PURPOSES AND RESTRICTIONS. The purposes for which said building and other improvements and each of the condominium units are intended and shall be restricted as to use are as follows:-

(a) The common interest and easements appurtenant to each unit shall have a permanent character and shall not be altered without the approval of all the owners affected, expressed in a duly recorded amendment to this Declaration. The common interest and easements shall not be separated from the unit to which they appertain and shall be deemed to be conveyed, leased or encumbered with such unit even though such interest or easements are not mentioned or described expressly in the instrument of transfer.

(b) The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided in said Condominium<sup>8</sup> Property Act.

(c) The residential apartments shall be occupied and used as private residences and for no other purposes. The apartment owners shall have the absolute right to lease their apartments subject to the limitations, restrictions, covenants, and conditions contained in this Declaration or in the By-Laws of the Association of Owners or in any Apartment Lease.<sup>9</sup>

(d) The commercial garage in the building shall be use [sic] only for parking and storing of cars and such other compatible uses.

(e) Except as provided in subparagraph (f) of this Paragraph, the commercial areas "1", "2", and "3", the Manager's Office and the Commercial Storage Area on the ground floor and office areas "A", "B", "C", "D", and "E" on the fourth floor shall be used only for sale of merchandise or services or office purposes, or any other commercial undertaking as permitted by law except for the sale and serving of food and/or alcoholic beverages for consumption therein.

(f) The Commercial Area "4" (KDI) on the ground floor shall be used for commercial purposes, including the operation of a restaurant for dispensing of food, alcoholic beverages and entertainment, together with equipment and appurtenances necessary for such restaurant operation. In the event that the owner of the Commercial Area "4" (KDI) utilizes the space for the operation of a restaurant and acquires other commercial units in the Project, such other units may be utilized for restaurant purposes.

(g) The owner of each condominium unit may utilize his unit and the common interest appurtenant thereto only in accordance with the foregoing provisions of this paragraph and for vehicular and pedestrian ingress and egress to the unit on established ways and means provided therefor, and in such manner as shall be permitted in the By-Laws and Rules and Regulations.

(h) The owner of a condominium unit shall not use the same for any purpose which will injure the reputation of the building or premises. Such owner shall not suffer anything to be done or kept in said condominium unit or elsewhere on the premises which will jeopardize the soundness of the building or premises, or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the public halls or stairways of the building, or which will increase the rate of fire insurance on the building or the contents thereof or which will reduce the value of the premises or impair any easement or hereditament nor add any material structure or do any such work, unless otherwise provided in the By-Laws, without the consent of two-thirds in interest of the common interests being first obtained.

4. ADMINISTRATION. Administration of the Project shall be vested in the Association of Owners of Wailana, called herein the "Association", consisting of all condominium owners in accordance with the By-Laws of the Association attached hereto and incorporated herein by reference. The owner of each unit upon acquiring title thereto automatically shall become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership in the Association automatically shall cease; provided, however, that if and to the extent a lease of any unit filed with the Board of Directors of the Association so provides, the lessee of such unit shall be deemed to be the owner thereof. Operation of the Project and maintenance, repair, rebuilding and restoration of the common elements, and any additions and alterations thereto shall be in accordance with the provisions of the Condominium<sup>10</sup> Property Act, this Declaration, and the By-Laws of the Association. Without prejudice to the generality of the foregoing, the Association, on behalf of the owners, shall:

(a) Make, build, maintain, paint, and repair all fences, walls, sewers, drains, roads, curbs, sidewalks, and parking areas which by law may be required to be built, maintained, or repaired upon or adjoining or in connection with or for the use of the Project or any part thereof.

(b) 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 which may be applicable to the Project or the use thereof.

(c) Maintain, repair, and keep all common elements of the Project, together with all necessary additions and alterations thereto, in good order and condition except as otherwise provided herein, maintain and keep said land and all adjacent land between any street boundary of the Project and the established curb line in a neat and attractive condition, and all

trees, shrubs, and grass thereon in good cultivation, replanting as may be necessary, and repair all defects in the common elements required herein to be repaired by the Association, of which notice is given by any owner or his agent, within 30 days after the giving of such notice.

(d) Before commencing or permitting construction of any improvement to the Project, obtain and deposit with Lessor a bond naming as obligees Lessor and collectively all owners as their interest may appear, with a corporate surety authorized to do business in the State of Hawaii, which bond shall guarantee completion of such construction in accordance with the contract therefor free and clear of all mechanic's and materialmen's liens and shall be in a penal sum not less than the cost of such construction.

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

(f) Not erect or place any building or structure, including fences and walls, on, nor make additions or structural alterations to or exterior changes of, any common element, nor place or maintain thereon any sign visible outside of the Project, except in accordance with plans and specifications first approved in writing by Lessor and a majority of owners, including a majority of the owners of the units directly affected thereby; provided, however, that any sign for the commercial units on the ground and fourth floors approved by Lessor and Developer at the completion of construction shall be deemed to be approved for the purposes of this section, and complete any such improvements diligently after the commencement thereof.

(g) Not make or suffer any strip or waste or any unlawful, improper, or offensive use of the Project.

5. MANAGING AGENT AND SERVICE PROCESS. Operation of the Project shall be conducted for the Association by a Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The Managing Agent is authorized hereby to receive service of legal process in all cases provided in said Horizontal Property Act. In addition, process may be served upon any member of the Board of Directors of the Association, provided such member has a residence or place of business within the City and County of Honolulu, State of Hawaii, and until such time as members of the Board are elected, process may be served upon Developer.

All contracts entered into by the Managing Agent on behalf of the Association shall be in the name of the Association or its Board of Directors.

6. COMMON EXPENSES. (a) The owner of each condominium unit shall be liable for and pay a share of the common expenses in proportion to the common interest in the common elements appurtenant to his condominium unit. Common expenses shall include all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each condominium unit and the common interest in the common

elements appertaining thereto or the personal property or any other interest of the owner), assessments, insurance, including fire and other casualty and liability insurance, cost of repair, reinstatement, rebuilding, repainting and replacement of the premises, yard, janitorial, and other similar services, wages, accounting and legal fees, management fee, and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, including limited common elements, and a reserve for maintenance and repair, reinstatement, rebuilding and replacement of the premises and other contingencies. Payments for common expenses shall be made to the Association as agent of the owners of the condominium units, and the Association shall transmit said payments on behalf of each such owner to the third person entitled to said payments from each owner.

(b) Condominium Unit Expenses: In addition to the common expenses, the owner of each condominium unit shall be liable for and pay a share of all condominium unit expenses including all charges for utility service, including water, electricity and gas, air conditioning, garbage removal and other similar services, provided for or made available to the owners and occupants of condominium units, and all wages, accounting and legal fees, management fee and other costs incident thereto. Payments of condominium unit expenses shall be made to the Association, as agents of the owners, of the condominium units, and the Association shall transmit said payments on behalf of each such owner to the third person entitled to said payment from each owner. Said condominium unit expense shall be considered as part of common expenses in determining and maintaining the amount required in the general operating reserve and the maintaining [sic] reserve fund of the Project.

(c) Allocation of Condominium Unit Expenses. The amounts allocated to condominium unit expenses shall be allocated to the following described classes of owners:

1. Owners of residential apartments.
2. Owners of the commercial areas, including the Commercial Storage Area and the Manager's Office, but excluding Commercial Area "4" (KDI).
3. Owner of the commercial garage.

In determining the allocation of condominium unit expenses owing the various classes of owners, the Association shall prorate the amounts according to the usage of such utility services in a fair and equitable manner with advice from a Certified Public Accountant selected by the Association.

The amount of the condominium unit expenses allocated to owners of apartments shall then be prorated among said owners in proportion to the common interest in the common elements.

The amount of the condominium unit expenses allocated to owners of commercial units shall then be prorated among said owners in proportion to the common interest in the common elements.

The owners of the residential apartment units and the owners of commercial units as a group shall separately own and maintain their respective air-conditioning systems.

(d) Exception. The condominium unit known as Commercial Area "4" (KDI) shall be responsible for: the maintenance and repair of its own air conditioning, water, gas, electricity, garbage disposal and other services common to restaurant operation. Commercial Area "4" (KDI) shall not share in the allocation of condominium unit expenses.

(e) No owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit.

(f) When a mortgagee of a mortgage of record or other purchaser of any apartment acquires title by foreclosure to such apartment or any interest therein as a result of a default under a mortgage, he and his heirs, legal representatives, successors and assigns, shall not be liable for the share of the common expenses or assessments chargeable to such apartment which became due prior to such acquisition of title.

(g) In the event any owner of an apartment shall be delinquent in the payment of common expenses, and the Managing Agent shall have been advised of the name and address of the holder of a mortgage on the interest of the owner in the apartment, the Managing Agent shall advise such mortgagee, in writing, of the existence of such delinquency at least fifteen (15) days prior to any action being taken to foreclose the Association's lien for unpaid common expenses.

## 7. INSURANCE, CASUALTY AND LIABILITY.

(a) The Association as a common expense at all times shall keep said building and other improvements insured against loss or damage by fire with extended coverage, malicious mischief and vandalism coverage, and, in time of war, to the extent reasonably obtainable, against war risks, in an insurance company authorized to do business in the State of Hawaii (or a governmental agency) in an amount as close as practicable to the full replacement cost thereof, without deduction for depreciation. Such insurance policies shall be in the name of the Board of Directors of the Association as trustee for all owners and mortgagees of record according to their respective interests, and shall be payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Association shall designate, for custody and disposition. True copies of such insurance policies or current certificates thereof shall be deposited from time to time with Lessor. Such insurance shall not prejudice the right of any condominium owner to insure his unit for his own benefit. If the apartment building is damaged by fire or other casualty which is insured against and said

damage is limited to a single apartment, the insurance proceeds shall be paid to the owner of such apartment, and the mortgagee or mortgagees of the owner of such apartment, as their respective interests may appear, and such owner or mortgagee or mortgagees shall use the same to and shall forthwith rebuild or repair such apartment. If such damage shall extend to two or more apartments or extends to any part of the common elements, all proceeds of such insurance (excluding the proceeds of any rental value or use and occupancy insurance of the owners of any damaged apartments) shall be retained by the designated trust company for the benefit of the Association of Apartment Owners and the Association of Apartment Owners shall use the proceeds with all reasonable speed for rebuilding, repairing or otherwise reinstating the same buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plan conforming to laws and regulations then in effect as shall be first approved in writing by Lessor and all other parties in interest thereby directly affected. If said insurance proceeds are insufficient for complete restoration of said building and other improvements in accordance with the original plans and specifications, or for comparable restoration thereof in conformity with laws and regulations then in effect, the owners, by the Association, shall make up such deficiency, which shall be deemed a common expense collectible from all owners in proportion to their respective common interest. To the extent such provisions are available, 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 setoff, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any owner;

(2) contain no provision relieving the insurer from liability for loss occurring while the hazard to said building and other improvements is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association, Lessor, or any owner or any other person under any of them;

(3) provide that such policy may not be cancelled (whether or not requested by the Association) except by the insurer giving at least 30 days prior written notice thereof to the Association, 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 Association, Lessor, or owners against any of them or any other person under them;

(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 unit or unit 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 Association, Lessor, or 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, or 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 Association.

(6) Shall contain a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date thereof, to provide the Board of Directors with a written summary, in layman's terms, of the policy. The summary shall include the type of policy, a description of the coverage and the limits thereof, amount of annual premium, and renewal dates. The Board of Directors shall provide this information to each apartment owner.<sup>11</sup>

(b) The Association also shall procure and maintain at all times with respect to the Project comprehensive general liability insurance covering the Association, all owners, and the Managing Agent and other employees of the Association, in an insurance company authorized to do business in the State of Hawaii, with minimum limits of not less than \$500,000 for injury to one person and \$1,000,000 for injury to more than one person in any one accident or occurrence, and also insurance in a sum not less than \$50,000 against claims for property damage. Every such policy of insurance shall:

(1) contain no provision relieving the insurer from liability for loss occurring while the hazard to said building and other improvements is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association, Lessor, or any owner or any other person under any of them;

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

8. CONDEMNATION. If at any time the Project or any part thereof is taken or condemned under 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 Lessor. All compensation and damages for or on account of said building and other improvements of the Project to which any owner may be entitled under the terms of any lease shall be payable to such bank or trust company authorized to do business in the State of Hawaii as the Association shall designate

as trustee for owners and mortgagees of record affected thereby according to the loss or damage to their respective interests, and, if only part of the Project is so taken or condemned, shall be used promptly by the Association to the extent necessary for repairing, rebuilding, and restoring said building and other improvements on the remaining land according to modified plans and specifications therefor first approved in writing by Lessor and a majority of owners, including a majority of the owners of the units directly affected thereby, unless such restoration is impractical under the circumstances. If said compensation and damages are insufficient for complete restoration of said building and other improvements, the owners by the Association shall make up such deficiency, which shall be deemed common expenses collectable from all owners in proportion to their respective common interests.

9. PARTIAL RESTORATION. Restoration of the Project with less than all of the units after casualty or condemnation may be undertaken by the Association only pursuant to an amended Declaration, duly executed by all owners and consented to in writing by Lessor and all holders of liens affecting all or any part of the Project removing the Project from the horizontal property regime established hereby; reconstituting all of the remaining units and common elements to be restored as a new condominium<sup>12</sup> property regime; and providing for payment to each owner of a unit not to be restored, of the agreed value of such unit and its common interest, which payment shall include, without prejudice to the generality of the foregoing, all of the insurance proceeds or condemnation award payable for or on account of such unit and his proportionate share of the General Operating Reserve and the Maintenance Reserve Fund without deduction for the cost of such restoration except for his proportionate share of the cost of debris removal.

10. DETERMINATION AGAINST RESTORATION. In the event of casualty or condemnation of all or any part of the Project, and subject to the provisions of Paragraph 9 hereof, the Project shall be repaired, rebuilt, and restored as provided in Paragraph 7 hereof in the case of casualty, and as provided in Paragraph 8 hereof in the case of condemnation, unless within 60 days after such casualty or condemnation it is determined by vote of owners representing not less than four-fifths of the common elements and owning not less than four-fifths of the units, that the Project not be so repaired, rebuilt, or restored. In the event a decision is reached not to rebuild, any remaining insurance proceeds or compensation for improvements shall be payable to the apartment owners in the same ratio the rental value of each apartment bears to the rental value of all apartments.

11. GENERAL OPERATING RESERVE. The Association shall establish and maintain a General Operating Reserve by the monthly assessment against and payment by all owners in proportion to their respective common interests, of such additional amount not less than 3% of the total monthly assessment for current common expenses, as the Association determines to be adequate to provide financial stability in the administration of the Project, which additional amount shall be deemed conclusively to be common expenses; provided, however, that whenever said Reserve equals 25% of the total annual assessments for current common expenses, the assessments for said Reserve shall be discontinued until the depletion of said Reserve below said 25% level, whereupon such assessment shall be assumed until the

restoration of said Reserve to said 25% level. Said Reserve shall be deposited by the Association in a special account with a safe and responsible depository and may be in the form of a cash deposit or may be invested in obligations of, or fully guaranteed as to principal by, an agency of the United States of America. Said Reserve at the discretion of the Association may be used to meet any deficiencies in operating funds from time to time resulting from delinquency by owners in the payment of assessments for common expenses but shall not operate to exempt any owner from liability to contribute his proportionate share of such expenses or to pay any such assessments therefor, and any funds withdrawn from said Reserve for that purpose shall be reimbursed upon the payment of such delinquent assessments. The proportionate interest of each owner in said Reserve shall not be withdrawn or assigned separately but shall be deemed to be transferred with such unit even though not mentioned or described expressly in the instrument of transfer. If the horizontal property regime established hereby is terminated or waived, said Reserve remaining after payment of all common expenses of the Association shall be distributed to all owners, except for the owners of units reconstituted as a new condominium<sup>13</sup> property regime, in proportion to their respective common interests.

12. MAINTENANCE RESERVE FUND. The Association shall establish and maintain a Maintenance Reserve Fund by the monthly assessment against and payment by all the owners in proportion to their respective common interests, of such annual amount as the Association determines to be adequate to provide for the maintenance, repair, restoration, and replacement of the common elements and the furniture, fixtures, air conditioning and mechanical equipment thereof, and for such other purposes as may be authorized by owners representing not less than four-fifths of the common interests, which annual amount shall be deemed conclusively to be common expenses. Said Fund shall be deposited by the Association in a special account with a safe and responsible depository and may be in the form of a cash deposit or may be invested in obligations of or fully guaranteed as to principal by, an agency of the United States of America. Disbursements from said Fund shall be made only upon authorization by the Board of Directors of the Association. The Association also shall keep in full force and effect at all times an elevator contract covering the maintenance and replacement of parts of all elevators and related equipment or, if such contract is allowed to expire, shall accrue to the Maintenance Reserve Fund such additional amounts as will be sufficient to provide for deferred maintenance and future replacement of said elevator parts and related equipment. The proportionate interests of each owner in said Fund shall not be withdrawn or assigned separately but shall be deemed to be transferred with such units even though not mentioned or described expressly in the instrument of transfer. If the condominium<sup>14</sup> property regime established hereby is terminated or waived, said fund remaining after full payment of all common expenses of the Association shall be distributed to all owners, except for the owners of units reconstituted as a new condominium<sup>15</sup> property regime, in proportion to their respective common interests. As required by Chapter 514A, the Association shall assess the apartment owners to fund the estimated replacement reserves and shall compute the estimated replacement reserves by a formula which is based on the estimated life and the estimated capital expenditure or major maintenance expense of each part of the

property for which the Association is responsible. The estimated replacement reserves shall include:

- (1) Adjustments for revenues which will be received and expenditures which will be made before the beginning of the fiscal year to which the budget relates; and
- (2) Separate, designated reserves for each part of the property for which capital expenditures or major maintenance will exceed \$10,000. Parts of the property for which capital expenditures or major maintenance will not exceed \$10,000 may be aggregated in a single designated reserve.<sup>16</sup>

13. OWNERSHIP INTEREST. Pursuant to said Indenture of Lease, developer will deliver or assign to the purchaser of each unit an individual condominium unit lease from Lessor of such unit and of an undivided interest in the common elements.

14. AMENDMENT OF DECLARATION. This Declaration may be amended by the affirmative vote or written consent of owners representing not less than seventy-five percent (75%) of the common interests of the Project; provided, however, no amendments of this Declaration or of the Bylaws or any regulations whatsoever which shall limit or affect the rights or interest of: (a) the commercial units shall be made without first securing the affirmative votes of owners owning not less than seven-eighths of the commercial units, (b) the apartment unit owners to rent, sell or otherwise transfer the said unit without first securing the votes of the owners owning not less than four-fifths of the apartment units, except that by a two-thirds vote of all apartment unit owners, the rental of unfurnished units may be prohibited unless the rental is for a minimum of six consecutive months; provided, further, however, that no amendment of this Declaration or the By-Laws of the Association shall be effective without the prior written approval of Lessor, which approval shall not be unreasonably withheld; and provided also, that at any time prior to the issuance of the Final Public Report, the Owner and the Developer may amend this Declaration in any manner and notwithstanding the issuance of the Final Public Report or that any such sale and conveyance of any of the said apartments has been made by the Developer, the Owner and the Developer reserve the right to amend this Declaration (A) to designate the parking space(s) that shall be appurtenant to each apartment, and (B) to file the "as built" verified statement (with plans, if applicable) required by Section 170A-13, Revised Laws of Hawaii 1955, as amended, (1) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, apartment number, and dimensions of the apartments as built, or (2) so long as any plans filed therewith involve only immaterial changes to the layout, location, apartment numbers, or dimensions of the apartments as built. No amendment shall be effective until an instrument duly executed by the proper officers of the Association is recorded setting forth such amendment and the realization of the required vote and such written approval.<sup>17</sup>

15. DEFINITION. The term "majority of condominium owners" as used herein means owners representing more than one-half of the common interest as determined under paragraph 2 hereof.

16. EXEMPTIONS FOR HANDICAPPED PERSONS. None of the provisions of this Declaration, the By-Laws or the House Rules are intended to be in contravention of the State or Federal Fair Housing Act. The Board will at all times comply with the provisions of the Fair Housing Acts when acting upon requests by handicapped persons to make reasonable modifications, at their cost, to apartments and/or to the common elements of the Project if the proposed modifications are necessary for their full enjoyment of the Project. The Board will also comply with the provisions of the Fair Housing Act when acting upon requests by handicapped persons for exemptions from any of the provisions of the project documents which would interfere with said handicapped persons' equal opportunity to use and/or enjoyment of their apartments and/or the common elements of the Project.<sup>18</sup>

IN WITNESS WHEREOF, the parties hereto have executed these presents this  
2nd day of March, 1997. 8

(NY NP)

ASSOCIATION OF OWNERS OF  
WAILANA AT WAIKIKI

By: Oscar Jasper

Type Name: Oscar Jasper

Type Title: President

By: Sebastiano Vani

Type Name: Sebastiano Vani

Type Title: Vice President

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

On this 2nd day of March, 1997<sup>8</sup>, before me personally appeared Oscar Jasper, 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 Owners of Wailana at Waikiki and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association. (mk/np)

L.S.



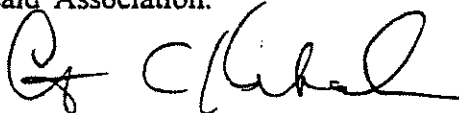
Notary Public, State of Hawaii

My commission expires: 02-16-2002

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

On this 2nd day of March, 1997<sup>8</sup>, before me personally appeared Sebastiano Vani, to me personally known, who being by me duly sworn, did say that he is the Vice President of the Board of Directors of the Association of Owners of Wailana at Waikiki and that said instrument was signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association. (mk/np)

L.S.



Notary Public, State of Hawaii

My commission expires: 02-16-2002

SECOND RESTATEMENT OF  
DECLARATION OF HORIZONTAL PROPERTY REGIME  
OF THE WAILANA AT WAIKIKI

ENDNOTES

The following Declaration provisions have been restated for the reasons set forth below:

1. References to the Condominium Map No.(s) have been corrected to match the records at the Office of the Assistant Registrar of the Land Court and the Bureau of Conveyances.
2. References to the Horizontal Property Act and/or to Chapter 170-A, Revised Laws of Hawaii 1955 have been corrected to reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act and Chapter 170-A, Revised Laws of Hawaii 1955 as Chapter 514A, Hawaii Revised Statutes.
3. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
4. Paragraph 1.C(a) of the Declaration has been restated to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2364625 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 97-017535.
5. Paragraph 1.C(b) of the Declaration has been restated to incorporate the language in the instrument recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2364625 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 97-017535.
6. To conform to Section 514A-82(b)(6), HRS.
7. Paragraph 2 of the Declaration has been restated to incorporate the language in the instruments filed and recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Nos. 521663 and 2126403 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 7310 page 97 and as Document No. 94-041733.
8. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
9. Paragraph 3(c) of the Declaration has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State

of Hawaii as Document No. 1840551 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-103847.

10. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
11. To conform to Section 514A-86(c), HRS.
12. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
13. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
14. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
15. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
16. Paragraph 12 of the Declaration has been restated to conform to Section 514A-83.6, Hawaii Revised Statutes.
17. Paragraph 14 of the Declaration has been restated to incorporate the language in the instrument filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1840551 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-103847 and to conform to Section 514A-11(11), HRS.
18. To conform to the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.).

## EXHIBIT "A"

All those certain parcels of land situate at Kalia Waikiki, Honolulu aforesaid, described as follows:

ONE: LOTS: 55-A-1, area 13,237.0 square feet, as shown on Map 34; and  
54, area 9,042.0 square feet,  
57, area 9,676.0 square feet, and  
58, area 9,921.0 square feet, as shown on Map 15; the above maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 852 of Bishop Trust Company, Limited, Trustee, and being the remainder of the lands described in Certificate of Title No. 43,296.

SUBJECT, HOWEVER, as to Lot 54 only, the perpetual easements for sewer purposes in favor of the City and County of Honolulu, over, across, upon, along and under Easement 15, as shown on Map 15, as created by Land Court Order No. 7218, dated January 29, 1947.

TWO: PARCEL 36-B, being an abandoned portion of Ala Moana said Kalia.

1. Portion of Grant 2789 to W.L. Moehonua. Being a portion of the land described in Deed of E. Coit Hobron to James A. King, Minister of the Interior, dated July 1, 1896 and recorded in Liber 165, Pages 13-14. (Land Office Deed 470)
2. Portion of R.P. 7033, L.C. Aw. 1775, Apana 1 to Paoa. Being a portion of the land described in Deed of Hoolae to James A. King, Minister of the Interior, dated May 29, 1895 and recorded in Liber 155, Pages 63-64. (Land Office Deed 414)

Beginning at the northwest corner of this parcel of land, being the common corners of Lot 52-A-1 and Lot 52-B-1 (Map 36) and Lot 54 (Map 15) of Land Court Application 852, Parcels 36-A and 36-B of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 34.48 feet along Lot 54 (Map 15) of Land Court Application 852;
2. Thence along Lot 54 (Map 15) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 249° 54' 39" 64.39 feet;
3. Thence along Lot 55-A-1 (Map 34) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 273° 00' 39" 17.05 feet;
4. 277° 47' 7.95 feet along Lot 55-A-1 (Map 34) of Land Court Application 852;

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

The original of this document was  
recorded as follows:

DOCUMENT NO. 2059685  
DATE AUG 26 1993 155

THE ORIGINAL OF THE DOCUMENT  
RECORDED AS FOLLOWS  
STATE OF HAWAII

BUREAU OF CONVEYANCES  
DATE AUG 26 1993 155  
DOCUMENT NO. 93-129602

LAND COURT SYSTEM

REGULAR SYSTEM

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

RICHARD H. THOMASON, ESQ.  
DINMAN, NAKAMURA, ELISHA  
& LAYNE  
707 Richards Street, Suite PH-1  
Honolulu, Hawaii 96813  
Telephone: (808) 523-7021

(DO NOT WRITE IN THIS SPACE)

"THE WAILANA AT WAIKIKI"

RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME

WHEREAS, KDI INVESTMENTS, INC., a Hawaii corporation,  
herein called "Lessor", is the owner in fee simple of real property  
described as follows:

Those certain premises described in Exhibit A, attached  
hereto and incorporated herein by reference for every purpose; and

WHEREAS, STARK ENTERPRISES, LTD., a Hawaii corporation,  
as general partner of The Wailana, a registered limited  
partnership, herein called the "Developer", entered into a lease  
on said property dated December 1, 1967, recorded in the Bureau of  
Conveyances in Liber 5970, Page 436, and filed in the Office of the  
Assistant Registrar of the Land Court of the State of Hawaii as  
Document No. 437862 and noted on Certificate of Title No. 43,296,  
and

WHEREAS, said Developer improved said property by  
constructing thereon one twenty-four (24) story building containing  
a total of One Hundred Eighty-Six (186) residential apartment units

from the fifth to the twenty-fourth floor, commercial office space on the fourth floor, garages for residential apartment use on the third and second floors, commercial stores and restaurant space on the ground floor, and commercial garage in the basement, all in accordance with plans incorporated herein by reference and being on file in said Office of the Assistant Registrar of the Land Court as Condominium Map No. 109; and

WHEREAS, Developer sold the residential apartments and commercial units therein to third persons by the delivery or assignment to each purchaser of a condominium unit lease from the Lessor of such condominium unit and of an undivided interest in the common elements as described in this Declaration; and

WHEREAS, in order to create a condominium project consisting of said land and building (herein called the "Project") and known as "The Wailana at Waikiki", Lessor and Developer by that Declaration of Horizontal Property Regime filed with the Land Court as Document No. 449930 and recorded in the Bureau of Conveyances of the State of Hawaii July 31, 1968 in Liber 6150 at Page 245 and noted on Transfer Certificate of Title No. 43,296, submitted their respective interests in said land and building to a horizontal property regime established by the Horizontal Property Act, Chapter 170-A, Revised Laws of Hawaii 1955, as amended (now known as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes), and in furtherance thereof made the following declarations as to divisions, limitations, restrictions, covenants and conditions, and thereby declared and agreed that said property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved, subject to said declaration, which declarations shall constitute covenants running with the land and shall be binding upon and for the benefit of the parties hereto, their 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; and

WHEREAS, Section 514A-82.2, Hawaii Revised Statutes, empowers the boards of directors of condominium associations to restate their declarations to include therein any amendments

thereto, and to conform to the provisions of Chapter 514A, Hawaii Revised Statutes, and any other statute, ordinance, rule, or regulation enacted by any governmental authority, by a resolution adopted by their boards of directors; and

WHEREAS, at a duly held meeting, the Board of Directors of the Association of Apartment Owners of The Wailana at Waikiki (hereinafter "Association") resolved to restate the Declaration of Condominium Property Regime of the Association (hereinafter "Declaration"), pursuant to Section 514A-82.2, Hawaii Revised Statutes, in the manner set forth herein;

NOW, THEREFORE, the Declaration is hereby restated to read as follows:

1. DIVISION OF PROPERTY. The Project is hereby divided into the following separate estates:

A. Condominium Units: The Project shall contain residential apartments, commercial units containing offices, stores and restaurant, and a parking garage.

(a) Residential Apartments: There shall be One Hundred and Eighty-Six (186) apartment units in the building consisting of eleven (11) apartments per floor from floors five (5) to nineteen (19), and penthouse apartments consisting of five (5) apartments per floor from floors twenty (20) through twenty-three (23), and one (1) apartment on the twenty-fourth (24) floor. The apartments on each floor will be numbered from "0" to "10", preceded by the number which corresponds to the floor, with even numbers along the makai (ocean) wing and odd numbers along the mauka (mountain) wing. For example, those on the fifth floor starting from the makai and proceeding to mauka will bear the numbers 510, 508, 506, 504, 502, 500, 501, 503, 505, 507, 509. The penthouse apartments on each floor will be lettered PH, and numbered from "00" to "04" preceded by the number which corresponds to the floor. For example, those penthouse apartments on the twentieth floor will bear the letters and numbers of PH 2004, PH 2002, PH 2000, PH 2001, PH 2003. The penthouse apartment on the twenty-fourth (24) floor shall be known as the penthouse suite. Except for the penthouse suite, each of the One Hundred Eighty-Six

(186) apartments will be one of the five types or a modified type thereof: Types A, B, C, D and E.

Type "A" Apartment: Each type "A" apartment shall include two bedrooms, two bathrooms, a lanai, a living room, a dining room, a laundry closet and kitchen, and shall contain approximately 1180 sq. ft. of enclosed area and 124 sq. ft. of lanai area, or a 1304 sq. ft. of total apartment area, excepting however, the modified type "A<sub>1</sub>" apartment shall contain the same number of rooms hereinbefore described but shall contain 1188 sq. ft. of enclosed area and 124 sq. ft. of lanai area or 1312 sq. ft. of total apartment area. Appurtenant to apartment 509 is 1395 sq. ft. of lanai area on the Ewa (west) side of the apartment.

Type "B" Apartment: Each type "B" apartment shall include two bedrooms, two bathrooms, a lanai, a dressing room, a laundry closet, a living room, a dining room and a kitchen and shall contain approximately 1171 sq. ft. of enclosed area and 124 sq. ft. of lanai or 1295 sq. ft. of total apartment area.

Type "C" Apartment: Each type "C" apartment shall include two bedrooms, two bathrooms, two lanais, a living room, a dressing room, a laundry closet, a dining room and a kitchen, and shall contain approximately 1331 sq. ft. of enclosed area and 226 sq. ft. of lanai area or 1597 sq. ft. of total apartment area.

Type "D" Penthouse Apartment: Each type "D" penthouse apartment shall include two bedrooms, two bathrooms, two dressing rooms, a lanai, a dining room, a living room, a laundry closet and a kitchen, and shall contain approximately 1381 sq. ft. of enclosed area and 161 sq. ft. of lanai area or 1542 sq. ft. of total apartment area, except the modified type "D<sub>1</sub>" penthouse apartment on the twentieth floor only shall contain the same number of rooms and enclosed area, but the lanai shall be 979 sq. ft. or 2360 sq. ft. of total apartment area.

Type "E" Penthouse Apartment: Each type "E" penthouse apartment shall contain three bedrooms, two bathrooms, two dressing rooms, a lanai, a dining room, a living room, a laundry closet and a kitchen, and shall contain approximately 1667 sq. ft. of enclosed space and 239 sq. ft. of lanai area, or 1906

sq. ft. of total apartment area, except "E<sub>1</sub>" penthouse apartment shall contain the same number of rooms and enclosed area, but the lanai shall be 2006 sq. ft. or 3673 sq. ft. of total apartment area.

Penthouse Suite: The penthouse suite shall contain one bedroom, one bathroom, a powder room, a lanai, a dining room, a living room and a kitchen, and shall contain approximately 1718 sq. ft. of enclosed space and 696 sq. ft. of lanai area, or 2414 sq. ft. of total apartment area.

Location of Apartment:

(1) One Hundred Five (105) apartments having the last two numbers from "03" to "09" are type "A" and fifteen (15) apartments having the last two numbers "10" are the modified type "A<sub>1</sub>".

(2) Thirty (30) apartments having the last two numbers "01" and "02" are type "B".

(3) Fifteen (15) apartments having the last two numbers "00" are type "C".

(4) Twelve (12) penthouse apartments having the letters PH and last two numbers from "01" to "04" are type "D" except those penthouse apartments on the twentieth floor only are the modified type "D<sub>1</sub>".

(5) Three (3) penthouse apartments having the letters PH and last two numbers "00" are type "E" except PH 2000 which is the modified "E<sub>1</sub>" and the penthouse suite.

(6) One (1) penthouse suite which is located on the twenty-fourth (24) floor.

All of said apartments are described and located on Condominium Map No. 109 to which reference is hereby made.

Boundary Line: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceiling surrounding the apartments or any pipes, wires, conduits or other utility lines, running through such apartments 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 walls, the inner decorated or finished surfaces of all walls, floors and ceilings, the exterior of the lanai railing and all airspace encompassed within the boundary line, together with fixtures and other such improvements located within.

(b) Commercial Units. There shall be located on the ground floor and the fourth floor commercial units to be used primarily for shops and/or services, offices and restaurant and storage.

1. Ground Floor. There shall be located on the ground floor commercial units to be used primarily for shops or services, offices and storage, and one commercial unit with the exclusive right to use such unit as a restaurant and bar, which units are described as follows:

Commercial Area #1 located on the makai-Ewa side of the building, containing approximately 2158 square feet.

Commercial Area #2 located in the central portion of the makai side of the building, containing approximately 3806 square feet.

Commercial Area #3 located on the Diamond Head-mauka side of the building, containing approximately 7253 square feet.

Manager's Office located in the center of the Ewa side of the building, containing approximately 400 square feet.

The bathroom facilities situated makai of the Commercial Area #1, the receiving dock and disbursing area, and the breezeway adjacent thereto shall be appurtenant to and for the exclusive use of the Commercial Areas 1, 2, and 3, the Manager's Office and the Commercial Storage Area, subject, however, to an easement in favor of the Commercial Area #4 (KDI) to use the receiving dock, disbursing area, and breezeway adjacent thereto.

Commercial Area #4 (KDI) located on the Diamond Head-makai end of the building containing 8649 square feet with the exclusive right to use the same for restaurant and bar operation.

Commercial Storage Area located on the Ewa-mauka end of the building containing approximately 2514 square feet.

2. Fourth Floor. There shall be five commercial units to be used primarily as office space, which units are described as follows:

Office Area "A" located on the makai wing of the building and extending to the elevator corridor containing approximately 6030 square feet.

Office Area "B" located on the mauka wing of the building and extending to the elevator corridor, containing approximately 7292 square feet.

Office Area "C" located on the Ewa portion of the center of the building adjacent to the elevator lobby, containing approximately 2398 square feet.

Office Area "D" located makai of office area "C" containing approximately 620 square feet.

Office Area "E" located mauka of office area "C" containing approximately 1512 square feet. The bathroom facilities situated on the mauka-Ewa of the floor shall be appurtenant to and for the exclusive use of office areas "A", "B", "C", "D", and "E". All of said commercial units are described and located on Condominium Map No. 109 to which reference is hereby made.

Boundary Line: The boundary line of each of the commercial units described herein is the exterior of doors, windows, and glass walls and the frames thereof, and the interior of unfinished surfaces of the perimeter walls, load-bearing walls and floors and ceilings, said commercial unit meaning and including the paint, wallpaper, tiles, enamel, stain or other finishing on such interior surfaces, the air space encompassed within said boundary line, together with fixtures and other such improvements located within said boundary line, but reserving as common elements any pipes, wires, conduits, and other utility lines running through such commercial units which are utilized for or serve other condominium units.

(c) Commercial Garage: There shall be located in the basement floor eighty-two (82) parking stalls for use as commercial parking to service the restaurant, stores and offices, containing approximately 14,275 square feet together with access to the driveways and the ingress and egress ramps. The boundary line of each stall shall be as shown and described on Condominium Map No. 109 to which reference is hereby made. The attendant station on the Ewa side of the ground floor shall be appurtenant to and for the exclusive use of the commercial garage.

B. Common Elements: An estate consisting of all remaining portions of the Project being described and referred to herein as "Common Elements" which definition includes the building, the land on which it is located and all elements mentioned in the Condominium<sup>1</sup> Property Act which are actually constructed in the Project and specifically include, but are not limited to:

1. Said land.
2. All foundations, columns, girders, beams, supports, main walls, roofs, corridors, excepting those reserved hereinafter, lobbies, stairs, stairways, entrances, and exits of said building.
3. All driveways, ramps, yards, gardens, recreational facilities, including the swimming pool and garden deck on the fourth floor and the recreational deck on the fifth floor.
4. All parking areas except commercial garage in the basement, service rooms, equipment rooms, residential apartment storage areas on the second and third floors and bathroom facilities on the third and fifth floors.
5. All central appurtenant installations for common services, including power, light, water, telephone, air conditioning, television antenna, and trash disposal.
6. The three elevators and all tanks, pumps, motors, fans, compressors, ducts, and in general, all apparatus and installations existing for common use.
7. All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.

C. Limited Common Elements: Certain parts of the common elements herein called and designated as "limited common elements" are hereby set aside and reserved for the exclusive use of certain units, and such units shall have appurtenant thereto an exclusive easement for the use of such limited common elements and shall be responsible for the appearance and cleanliness of such appurtenant limited common elements. The limited common elements so set aside and reserved are as follows:

(a) Parking: One or more parking stalls on the second floor or third floor shall be appurtenant to and for the exclusive use of each apartment. The developer reserves the right to designate, by an amendment to this Declaration, the particular stall or stalls to be appurtenant to an apartment.

(b) Storage Facilities: Storage facilities in the basement are for the exclusive use of the commercial garage unit. The storage facilities on the second and third floors shall be appurtenant to and for the exclusive use of the residential apartment units. The developer reserves the right to designate, by an amendment to this Declaration, the storage facility to be appurtenant to each apartment. The storage facilities located along the corridors from the sixth floor to the twenty-third floor shall be for the exclusive use by the corresponding numbered apartment located on each floor.

(c) Corridors. Each corridor from the fourth floor to the twenty-fourth floor shall be for the exclusive use of the condominium owners of that floor, their guests and invitees, except however, the corridor leading from the elevators to the garden and recreational deck on the fourth and fifth floors.

(d) Swimming Pool, Garden Deck and Recreation Deck. The swimming pool and garden deck located on the fourth floor, and the recreation deck on the fifth floor shall be appurtenant to and for the exclusive use of the commercial units on the fourth floor and the residential apartment units on the fifth through twenty-fourth floors.

D. Other Easements: In addition to the exclusive easements established in the limited common elements, the

condominium units herein called "units" shall also have and be subject to the following easements:

(a) Each unit shall have appurtenant thereto nonexclusive easements in the common elements designed for such purposes, for ingress to, egress from, utility services for, and support, maintenance and repair of such unit; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; and in all other units and common elements of the Project for support.

(b) If any common element encroaches upon any unit or limited common element, or if any unit encroaches upon any other unit or common element, a valid easement for such encroachment and the maintenance thereof, as long as it continues, does and shall exist. If said building and other improvements are partially or totally destroyed and then rebuilt, minor encroachments by any common element due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

(c) The Association of Owners shall have the irrevocable<sup>2</sup> right, to be exercised by its Board of Directors or the Managing Agent, to enter each unit from time to time during reasonable hours as may be necessary for the operation of the Project or at any time for making emergency repairs therein which may be necessary to prevent damage to any unit or common element.

Lessor reserves within the common elements the right to grant to any public or governmental authority rights of way and other easements over, across, and under the common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, and other public services and utilities, and rights to enter for purposes of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

2. COMMON INTEREST. Each unit according to its type shall have appurtenant thereto an undivided percentage interest

called herein its "common interest", in the common elements for all purposes, including voting as follows:

<u>Type of Apartment</u>	<u>Percentage Common Interest</u>
A	.4300
A <sub>1</sub>	.4329
Apt. 509	.5854
B	.4269
C	.4952
D	.5054
D <sub>1</sub>	.6012
E	.6153
E <sub>1</sub>	.8228
Penthouse Suite	.6869

Commercial Units

(a) Ground Floor

"1", "2", "3" and  
Manager's Office 4.1145

Commercial Area "4"  
(KDI) 3.0463

Commercial Storage 1.0119

(b) Fourth Floor

"A", "B", "C", "D",  
"E" 6.2877

(c) Basement Commercial  
Garage

1.6805

The "common interest" of the residential apartment units shall be determined by the total of the square footage of the interior apartment and one-third (1/3) of the square footage of the lanai. The "common interest" of the basement commercial garage shall be determined by including only one-third (1/3) of the square footage of the parking stalls. The "common interest" of the commercial units shall be determined by the square footage occupied by said units.

3. PURPOSES AND RESTRICTIONS. The purposes for which said building and other improvements and each of the condominium units are intended and shall be restricted as to use are as follows:

(a) The common interest and easements appurtenant to each unit shall have a permanent character and shall not be altered without the approval of all of the owners affected, expressed in a duly recorded amendment to this Declaration. The common interest and easements shall not be separated from the unit to which they appertain and shall be deemed to be conveyed, leased

or encumbered with such unit even though such interest or easements are not mentioned or described expressly in the instrument of transfer.

(b) The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided in said Condominium<sup>3</sup> Property Act.

(c) The residential apartments shall be occupied and used as private residences<sup>4</sup> and for no other purposes. The apartment owners shall have the absolute right to lease their apartments subject to the limitations, restrictions, covenants, and conditions contained in this Declaration or in the By-Laws of the Association of Owners or in any Apartment Lease.

(d) The commercial garage in the building shall be used only for parking and storing of cars and such other compatible uses.

(e) Except as provided in subparagraph (f) of this Paragraph, the commercial areas "1", "2", and "3", the Manager's Office and the Commercial Storage Area on the ground floor and office areas "A", "B", "C", "D", and "E" on the fourth floor shall be used only for sale of merchandise or services or office purposes, or any other commercial undertaking as permitted by law except for the sale and serving of food and/or alcoholic beverages for consumption therein.

(f) The Commercial Area "4" (KDI) on the ground floor shall be used for commercial purposes, including the operation of a restaurant for dispensing of food, alcoholic beverages and entertainment, together with equipment and appurtenances necessary for such restaurant operation. In the event that the owner of the Commercial Area "4" (KDI) utilizes the space for the operation of a restaurant and acquires other commercial units in the Project, such other units may be utilized for restaurant purposes.

(g) The owner of each condominium unit may utilize his unit and the common interest appurtenant thereto only in accordance with the foregoing provisions of this paragraph and for vehicular and pedestrian ingress and egress to the unit on

established ways and means provided therefor, and in such manner as shall be permitted in the By-Laws and Rules and Regulations.

(h) The owner of a condominium unit shall not use the same for any purpose which will injure the reputation of the building or premises. Such owner shall not suffer anything to be done or kept in said condominium unit or elsewhere on the premises which will jeopardize the soundness of the building or premises, or which will interfere with or unreasonably disturb the rights of other owners, or which will obstruct the public halls or stairways of the building, or which will increase the rate of fire insurance on the building or the contents thereof or which will reduce the value of the premises or impair any easement or hereditament nor add any material structure or do any such work, unless otherwise provided in the By-Laws, without the consent of seventy-five percent (75%)<sup>5</sup> in interest of the common interests being first obtained.

4. ADMINISTRATION. Administration of the Project shall be vested in the Association of Owners of Wailana, called herein the "Association", consisting of all condominium owners in accordance with the By-Laws of the Association attached hereto and incorporated herein by reference. The owner of each unit upon acquiring title thereto automatically shall become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases for any reason, at which time his membership in the Association automatically shall cease; provided, however, that if and to the extent a lease of any unit filed with the Board of Directors of the Association so provides, the lessee of such unit shall be deemed to be the owner thereof. Operation of the Project and maintenance, repair, rebuilding, and restoration of the common elements, and any additions and alterations thereto shall be in accordance with the provisions of the Condominium<sup>6</sup> Property Act, this Declaration, and the By-Laws of the Association. Without prejudice to the generality of the foregoing, the Association, on behalf of the owners, shall:

(a) Make, build, maintain, paint, and repair all fences, walls, sewers, drains, roads, curbs, sidewalks, and parking

areas which by law may be required to be built, maintained, or repaired upon or adjoining or in connection with or for the use of the Project or any part thereof.

(b) 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 which may be applicable to the Project or the use thereof.

(c) Maintain, repair, and keep all common elements of the Project, together with all necessary additions and alterations thereto, in good order and condition except as otherwise provided herein, maintain and keep said land and all adjacent land between any street boundary of the Project and the established curb line in a neat and attractive condition, and all trees, shrubs, and grass thereon in good cultivation, replanting as may be necessary, and repair all defects in the common elements required herein to be repaired by the Association, of which notice is given by any owner or his agent, within 30 days after the giving of such notice.

(d) Before commencing or permitting construction of any improvement to the Project, obtain and deposit with Lessor a bond naming as obligees Lessor and collectively all owners as their interests may appear, with a corporate surety authorized to do business in the State of Hawaii, which bond shall guarantee completion of such construction in accordance with the contract therefor free and clear of all mechanic's and materialmen's liens and shall be in a penal sum not less than the cost of such construction.

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

(f) Not erect or place any building or structure, including fences and walls, on, nor make additions or structural alterations to or exterior changes of, any common element, nor

place or maintain thereon any sign visible outside of the Project, except in accordance with plans and specifications first approved in writing by Lessor and a majority of owners, including a majority of the owners of the units directly affected thereby; provided, however, that any sign for the commercial units on the ground and fourth floors approved by Lessor and Developer at the completion of construction shall be deemed to be approved for the purposes of this section, and complete any such improvements diligently after the commencement thereof.

(g) Not make or suffer any strip or waste or any unlawful, improper, or offensive use of the Project.

5. MANAGING AGENT AND SERVICE PROCESS. Operation of the Project shall be conducted for the Association by a Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The Managing Agent is authorized hereby to receive service of legal process in all cases provided in said Horizontal Property Act. In addition, process may be served upon any member of the Board of Directors of the Association, provided such member has a residence or place of business within the City and County of Honolulu, State of Hawaii, and until such time as members of the Board are elected, process may be served upon Developer.

All contracts entered into by the Managing Agent on behalf of the Association shall be in the name of the Association or its Board of Directors.

6. COMMON EXPENSES. (a) The owner of each condominium unit shall be liable for and pay a share of the common expenses in proportion to the common interest in the common elements appurtenant to his condominium unit. Common expenses shall include all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on each condominium unit and the common interest in the common elements appertaining thereto or the personal property or any other interest of the owner), assessments, insurance, including fire and other casualty and liability insurance, cost of repair, reinstatement, rebuilding, repainting and replacement of the premises, yard, janitorial, and other similar services, wages, accounting and legal

fees, management fee, and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common elements, including limited common elements, and a reserve for maintenance and repair, reinstatement, rebuilding and replacement of the premises and other contingencies. Payments of common expenses shall be made to the Association as agent of the owners of the condominium units, and the Association shall transmit said payments on behalf of each such owner to the third person entitled to said payments from each owner.

(b) Condominium Unit Expenses: In addition to the common expenses, the owner of each condominium unit shall be liable for and pay a share of all condominium unit expenses including all charges for utility service, including water, electricity and gas, air conditioning, garbage removal and other similar services, provided for or made available to the owners and occupants of condominium units, and all wages, accounting and legal fees, management fee and other costs incident thereto. Payments of condominium unit expenses shall be made to the Association, as agents of the owners, of the condominium units, and the Association shall transmit said payments on behalf of each such owner to the third person entitled to said payment from each owner. Said condominium unit expense shall be considered as part of common expenses in determining and maintaining the amount required in the general operating reserve and the maintaining reserve fund of the Project.

(c) Allocation of Condominium Unit Expenses. The amounts allocated to condominium unit expenses shall be allocated to the following described classes of owners:

1. Owners of residential apartments.
2. Owners of the commercial areas, including the Commercial Storage Area and the Manager's Office, but excluding Commercial Area "4" (KDI).
3. Owner of the commercial garage.

In determining the allocation of condominium unit expenses owing the various classes of owners, the Association shall prorate the amounts according to the usage of such utility services

in a fair and equitable manner with advice from a Certified Public Accountant selected by the Association.

The amount of the condominium unit expenses allocated to owners of apartments shall then be prorated among said owners in proportion to the common interest in the common elements.

The amount of the condominium unit expenses allocated to owners of commercial units shall then be prorated among said owners in proportion to the common interest in the common elements.

The owners of the residential apartment units and the owners of commercial units as a group shall separately own and maintain their respective air conditioning systems.

(d) Exception. The condominium unit known as Commercial Area "4" (KDI) shall be responsible for: the maintenance and repair of its own air conditioning, water, gas, electricity, garbage disposal and other services common to restaurant operation. Commercial Area "4" (KDI) shall not share in the allocation of condominium unit expenses.

(e) No owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit.

(f) When a mortgagee of a mortgage of record or other purchaser of any apartment acquires title by foreclosure to such apartment or any interest therein as a result of a default under a mortgage, he and his heirs, legal representatives, successors and assigns, shall not be liable for the share of the common expenses or assessments chargeable to such apartment which became due prior to such acquisition of title.

(g) In the event any owner of an apartment shall be delinquent in the payment of common expenses, and the Managing Agent shall have been advised of the name and address of the holder of a mortgage on the interest of the owner in the apartment, the Managing Agent shall advise such mortgagee, in writing, of the existence of such delinquency at least fifteen (15) days prior to

any action being taken to foreclose the Association's lien for unpaid common expenses.

7. INSURANCE, CASUALTY AND LIABILITY.

(a) The Association as a common expense at all times shall keep said building and other improvements insured against loss or damage by fire with extended coverage, malicious mischief and vandalism coverage, and, in time of war, to the extent reasonably obtainable, against war risks, in an insurance company authorized to do business in the State of Hawaii (or a governmental agency) in an amount as close as practicable to the full replacement cost thereof, without deduction for depreciation. Such insurance policies shall be in the name of the Board of Directors of the Association as trustee for all owners and mortgagees of record according to their respective interests, and shall be payable in case of loss to such bank or trust company authorized to do business in the State of Hawaii as the Association shall designate, for custody and disposition. True copies of such insurance policies or current certificates thereof shall be deposited from time to time with Lessor. Such insurance shall not prejudice the right of any condominium owner to insure his unit for his own benefit. If the apartment building is damaged by fire or other casualty which is insured against and said damage is limited to a single apartment, the insurance proceeds shall be paid to the owner of such apartment, and the mortgagee or mortgagees of the owner of such apartment, as their respective interests may appear, and such owner or mortgagee or mortgagees shall use the same to and shall forthwith rebuild or repair such apartment. If such damage shall extend to two or more apartments or extends to any part of the common elements, all proceeds of such insurance (excluding the proceeds of any rental value or use and occupancy insurance of the owners of any damaged apartments) shall be retained by the designated trust company for the benefit of the Association of Apartment Owners and the Association of Apartment Owners shall use the proceeds with all reasonable speed for rebuilding, repairing or otherwise reinstating the same buildings in a good and substantial manner according to the original plan and

elevation thereof or such modified plan conforming to laws and regulations then in effect as shall be first approved in writing by Lessor and all other parties in interest thereby directly affected. If said insurance proceeds are insufficient for complete restoration of said building and other improvements in accordance with the original plans and specifications, or for comparable restoration thereof in conformity with laws and regulations then in effect, the owners, by the Association, shall make up such deficiency, which shall be deemed a common expense collectible from all owners in proportion to their respective common interests. To the extent such provisions are available, 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 setoff, counterclaim, apportionment, proration, or contribution by reason of, any other insurance obtained by or for any owner;

(2) contain no provision relieving the insurer from liability for loss occurring while the hazard to said building and other improvements is increased, whether or not within the knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association, Lessor, or any owner or any other person under any of them;

(3) provide that such policy may not be cancelled (whether or not requested by the Association) except by the insurer giving at least 30 days prior written notice thereof to the Association, 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 Association, Lessor, or owners against any of them or any other person under them;

(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 unit or unit 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 Association, Lessor, or 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, or 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 Association.

(6) Shall contain a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date thereof, to provide the Board of Directors with a written summary, in layman's terms, of the policy. The summary shall include the type of policy, a description of the coverage and the limits thereof, amount of annual premium, and renewal dates. The Board of Directors shall provide this information to each apartment owner.<sup>7</sup>

(b) The Association also shall procure and maintain at all times with respect to the Project comprehensive general liability insurance covering the Association, all owners, and the Managing Agent and other employees of the Association, in an insurance company authorized to do business in the State of Hawaii, with minimum limits of not less than \$500,000 for injury to one person and \$1,000,000 for injury to more than one person in any one accident or occurrence, and also insurance in a sum not less than \$50,000 against claims for property damage. Every such policy of insurance shall:

(1) contain no provision relieving the insurer from liability for loss occurring while the hazard to said building and other improvements is increased, whether or not within the

knowledge or control of the Association, or because of any breach of warranty or condition or any other act or neglect by the Association, Lessor, or any owner or any other person under any of them;

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

8. CONDEMNATION. If at any time the Project or any part thereof is taken or condemned under 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 Lessor. All compensation and damages for or on account of said building and other improvements of the Project to which any owner may be entitled under the terms of any lease shall be payable to such bank or trust company authorized to do business in the State of Hawaii as the Association shall designate as trustee for owners and mortgagees of record affected thereby according to the loss or damage to their respective interests, and, if only part of the Project is so taken or condemned, shall be used promptly by the Association to the extent necessary for repairing, rebuilding, and restoring said building and other improvements on the remaining land according to modified plans and specifications therefore first approved in writing by Lessor and a majority of owners, including a majority of the owners of the units directly affected thereby, unless such restoration is impractical under the circumstances. If said compensation and damages are insufficient for complete restoration of said building and other improvements, the owners by the Association shall make up such deficiency, which shall be deemed common expenses collectable from all owners in proportion to their respective common interests.

9. PARTIAL RESTORATION. Restoration of the Project with less than all of the units after casualty or condemnation may be undertaken by the Association only pursuant to an amended Declaration, duly executed by all owners and consented to in

writing by Lessor and all holders of liens affecting all or any part of the Project removing the Project from the horizontal property regime established hereby; reconstituting all of the remaining units and common elements to be restored as a new condominium<sup>1</sup> property regime; and providing for payment to each owner of a unit not to be restored, of the agreed value of such unit and its common interest, which payment shall include, without prejudice to the generality of the foregoing, all of the insurance proceeds or condemnation award payable for or on account of such unit and his proportionate share of the General Operating Reserve and the Maintenance Reserve Fund without deduction for the cost of such restoration except for his proportionate share of the cost of debris removal.

10. DETERMINATION AGAINST RESTORATION. In the event of casualty or condemnation of all or any part of the Project, and subject to the provisions of Paragraph 9 hereof, the Project shall be repaired, rebuilt, and restored as provided in Paragraph 7 hereof in the case of casualty, and as provided in Paragraph 8 hereof in the case of condemnation, unless within 60 days after such casualty or condemnation it is determined by vote of owners representing not less than four-fifths of the common elements and owning not less than four-fifths of the units, that the Project not be so repaired, rebuilt, or restored. In the event a decision is reached not to rebuild, any remaining insurance proceeds or compensation for improvements shall be payable to the apartment owners in the same ratio the rental value of each apartment bears to the rental value of all apartments.

11. GENERAL OPERATING RESERVE. The Association shall establish and maintain a General Operating Reserve by the monthly assessment against and payment by all owners in proportion to their respective common interests, of such additional amount not less than 3% of the total monthly assessment for current common expenses, as the Association determines to be adequate to provide financial stability in the administration of the Project, which additional amount shall be deemed conclusively to be common expenses; provided, however, that whenever said Reserve equals 25%

of the total annual assessments for current common expenses, the assessments for said Reserve shall be discontinued until the depletion of said Reserve below said 25% level, whereupon such assessment shall be assumed until the restoration of said Reserve to said 25% level. Said Reserve shall be deposited by the Association in a special account with a safe and responsible depository and may be in the form of a cash deposit or may be invested in obligations of, or fully guaranteed as to principal by, an agency of the United States of America. Said Reserve at the discretion of the Association may be used to meet any deficiencies in operating funds from time to time resulting from delinquency by owners in the payment of assessments for common expenses but shall not operate to exempt any owner from liability to contribute his proportionate share of such expenses or to pay any such assessments therefor, and any funds withdrawn from said Reserve for that purpose shall be reimbursed upon the payment of such delinquent assessments. The proportionate interest of each owner in said Reserve shall not be withdrawn or assigned separately but shall be deemed to be transferred with such unit even though not mentioned or described expressly in the instrument of transfer. If the horizontal property regime established hereby is terminated or waived, said Reserve remaining after payment of all common expenses of the Association shall be distributed to all owners, except for the owners of units reconstituted as a new condominium' property regime, in proportion to their respective common interests.

12. MAINTENANCE RESERVE FUND. The Association shall establish and maintain a Maintenance Reserve Fund by the monthly assessment against and payment by all the owners in proportion to their respective common interests, of such annual amount as the Association determines to be adequate to provide for the maintenance, repair, restoration, and replacement of the common elements and the furniture, fixtures, air conditioning and mechanical equipment thereof, and for such other purposes as may be authorized by owners representing not less than four-fifths of the common interests, which annual amount shall be deemed conclusively to be common expenses. Said Fund shall be deposited

by the Association in a special account with a safe and responsible depository and may be in the form of a cash deposit or may be invested in obligations of or fully guaranteed as to principal by, an agency of the United States of America. Disbursements from said Fund shall be made only upon authorization by the Board of Directors of the Association. The Association also shall keep in full force and effect at all times an elevator contract covering the maintenance and replacement of parts of all elevators and related equipment or, if such contract is allowed to expire, shall accrue to the Maintenance Reserve Fund such additional amounts as will be sufficient to provide for deferred maintenance and future replacement of said elevator parts and related equipment. The proportionate interests of each owner in said Fund shall not be withdrawn or assigned separately but shall be deemed to be transferred with such units even though not mentioned or described expressly in the instrument of transfer. If the horizontal property regime established hereby is terminated or waived, said fund remaining after full payment of all common expenses of the Association shall be distributed to all owners, except for the owners of units reconstituted as a new condominium<sup>10</sup> property regime, in proportion to their respective common interests.

13. OWNERSHIP INTEREST. Pursuant to said Indenture of Lease, developer delivered or assigned to the purchaser of each unit an individual condominium unit lease from Lessor of such unit and of an undivided interest in the common elements.

14. AMENDMENT OF DECLARATION. This Declaration may be amended by the affirmative vote or written consent of owners representing seventy-five percent (75%) of the common interests of the Project; provided<sup>11</sup> that at any time prior to the issuance of the Final Public Report, the Owner and the Developer reserved the right to amend this Declaration in any manner and notwithstanding the issuance of the Final Public Report or that any such sale and conveyance of any of the said apartments has been made by the Developer, the Owner and the Developer reserved the right to amend this Declaration (A) to designate the parking space(s) that shall be appurtenant to each apartment, and (B) to file the "as built"

verified statement (with plans, if applicable) required by Section 170A-13, Revised Laws of Hawaii 1955, as amended, (1) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, apartment number, and dimensions of the apartments as built, or (2) so long as any plans filed therewith involve only immaterial changes to the layout, location, apartment numbers, or dimensions of the apartments as built. No amendment shall be effective until an instrument duly executed by the proper officers of the Association is recorded setting forth such amendment and the realization of the required vote and such written approval.

15. DEFINITION. The term "majority of condominium owners" as used herein means owners representing more than one-half of the common interests as determined under paragraph 2 hereof.

16. EXEMPTIONS FOR HANDICAPPED PERSONS. Notwithstanding anything to the contrary contained in this Declaration, the By-Laws, or the House Rules, handicapped residents shall: (1) be permitted to make reasonable modifications to their apartments and/or the common elements, at their expense (including without limitation the cost of obtaining any bonds required by this Declaration or the By-Laws), if such modifications are necessary to enable them to use and enjoy their apartments and/or the common elements, as the case may be; and (2) be allowed reasonable exemptions from this Declaration, the By-Laws, and the House Rules, when necessary to enable them to use and enjoy their apartments and/or the common elements, provided that any handicapped resident desiring to make such modifications or desiring such an exemption shall so request, in writing. That request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such modification or to be granted such an exemption. The Board of Directors shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof

or of any additional information reasonably required by the Board  
in order to consider such a request, whichever shall last occur."

IN WITNESS WHEREOF, the undersigned have executed this  
instrument this 1 day of July, 1943.

ASSOCIATION OF APARTMENT OWNERS  
OF WAILANA AT WAIKIKI

By: Wright Hunt  
Print WRIGHT HUNT  
Name: President

By: JENNETTE LESKO  
Print Jennette Lesko  
Name: Jennette

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

) SS.

On this 1st day of July, 1993, before me appeared Wright Pratt 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 WAILANA AT WAIKIKI; 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.

Karol H. Huggins  
Notary Public, State of Hawaii

My Commission Expires: 7-21-93

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

) SS.

On this 1st day of July, 1993, before me appeared Jeannette Lusk to me personally known, who being by me duly sworn, did say that she is the Secretary of the Board of Directors of the Association of Apartment Owners of WAILANA AT WAIKIKI; that the foregoing instrument was signed on behalf of said Association by authority of its Board of Directors, and acknowledged that she executed the same as the free act and deed of said Association. Said Association has no seal.

Karol H. Huggins  
Notary Public, State of Hawaii

My Commission Expires: 7-21-93

### ENDNOTES

The following endnotes correspond to provisions in Wailana at Waikiki's Declaration, as restated to conform to Chapter 514A, Hawaii Revised Statutes, to the Federal Fair Housing Act (42 U.S.C. Sections 3601 et seq.), and to integrate all amendments made to Wailana at Waikiki's Declaration. This restatement was made solely for purposes of information and convenience. The Restated Declaration correctly sets forth without change the corresponding provisions of the original Declaration, as amended, and supersedes the original Declaration and all prior amendments thereto. In the event of a conflict, the Restated Declaration shall be subordinate to the cited statute.

1. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
2. To conform to Section 514A-82(b)(6), HRS.
3. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
4. To integrate the Amendment of the Declaration and By-Laws recorded August 1, 1991 at the Bureau of Conveyances of the State of Hawaii as Document No. 91-103847.
5. To conform to Section 514A-89, HRS.
6. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
7. To conform to Section 514A-86(c), HRS.
8. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
9. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
10. To reflect the 1988 redesignation of the Horizontal Property Act as the Condominium Property Regime Act.
11. To conform to Section 514A-11(11), HRS.
12. To conform to the Federal Fair Housing Act, as amended (42 U.S.C. Sections 3601 et seq.).

# EXHIBIT "A"

All those certain parcels of land situate at Kalia Waikiki, Honolulu aforesaid, described as follows:

ONE: LOTS: 55-A-1, area 13,237.0 square feet, as shown on Map 34; and  
54, area 9,042.0 square feet,  
57, area 9,675.0 square feet, and  
58, area 9,921.0 square feet, as shown on Map 15; the above maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 852 of Bishop Trust Company, Limited, Trustee, and being the remainder of the lands described in Certificate of Title No. 43,296.

SUBJECT, HOWEVER, as to Lot 54 only, the perpetual easements for sewer purposes in favor of the City and County of Honolulu, over, across, upon, along and under Easement 15, as shown on Map 15, as created by Land Court Order No. 7218, dated January 29, 1947.

TWO: PARCEL 36-B, being an abandoned portion of Ala Moana said Kalia.

1. Portion of Grant 2789 to W. L. Moehonua. Being a portion of the land described in Deed of E. Coit Hobron to James A. King, Minister of the Interior, dated July 1, 1896 and recorded in Liber 165, Pages 13-14. (Land Office Deed 470)
2. Portion of R.P. 7033, L.C. Aw. 1775, Apana 1 to Paoa. Being a portion of the land described in Deed of Hoolae to James A. King, Minister of the Interior, dated May 29, 1895 and recorded in Liber 155, Pages 63-64. (Land Office Deed 414)

Beginning at the northwest corner of this parcel of land, being the common corners of Lot 52-A-1 and Lot 52-B-1 (Map 36) and Lot 54 (Map 15) of Land Court Application 852, Parcels 36-A and 36-B of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 34.48 feet along Lot 54 (Map 15) of Land Court Application 852;
2. Thence along Lot 54 (Map 15) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 249° 54' 35" 64.39 feet;
3. Thence along Lot 55-A-1 (Map 34) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 273° 00' 39" 17.05 feet;

4. 277° 47' 7.95 feet along Lot 55-A-1 (Map 34) of Land Court Application 852;
5. 69° 23' 119.81 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);
6. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 1251 square feet.

Being the same premises described in that certain deed dated April 19, 1955 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2951 at Page 451.

RESERVING to the State of Hawaii in perpetuity an easement ten (10.00) feet wide for sewer purposes, over, under, upon, and across that westernmost portion of Parcel 36-B designated as Easement 15-A on the map attached hereto and made a part hereof, together with rights of ingress and egress thereto for the construction, maintenance and repair of said sewer. Said easement is more particularly described as follows:

Beginning at the northwest corner of this Easement 15-A, being the initial point of the above described Parcel 36-B, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 10.56 feet along Lot 54 (Map 15) of Land Court Application 852;
2. 338° 30' 3.89 feet;
3. 69° 23' 10.10 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);
4. 158° 30' 0.66 feet along Parcel 35-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 23 square feet.

# **AOO The Wailana at Waikiki #141**

Unaudited

## **Financial Report As of April 30, 2009**



**David Shockley**

**Property Manager**

**ext#: 3008**

**e-mail: [David@hawaiifirst.com](mailto:David@hawaiifirst.com)**

**Association Of Owners of The Wailana at Waikiki**  
**Balance Sheet**  
**As of Period Ending April 30, 2009, Detail: Account Number**  
**Sort: Account Number, Exclude Zero Balances**  
**Exclude Closing Entry**

	<u>Balance</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>CASH</b>	
11000-000 Petty Cash	200.00
11100-000 Cash Operating	94389.02
<b>Total CASH</b>	94589.02
<b>RESERVE</b>	
11310-000 WACH SEC MMKT#86042102 1.34%	73167.28
11320-000 Rev- HSB CD#5101363009 7/4/09 3.00%5MTHS	150705.40
11325-000 Rev- FIN FAC CD#110140862 8/18/09 1.6%6M	50000.00
11330-000 Cash Rev, MOB MMKT#281801139 2.05%	20455.77
<b>Total RESERVE</b>	294328.45
<b>OTHER</b>	
11350-000 Assessments Receivable	128820.24
16100-000 Prepaid Insurance-Package	6221.31
16140-000 Prepaid Insurance-Worker's Compensation	2329.21
16200-000 Prepaid Expense-Others	27839.74
<b>Total OTHER</b>	165210.50
<b>Total Current Assets</b>	554127.97
<b>Total ASSETS</b>	554127.97
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
23100-000 Accounts Payable-Trade	36616.00
23400-000 Payroll Payable-State WH	1018.20
23700-000 Payroll Payable-FUTA	490.23
23800-000 Payroll Payable-SUTA	311.81
23900-000 Accounts Payable-Other	60.00
24000-000 Prepaid Assessments	27287.87
25900-000 Accrued Expense-Other	82029.84
<b>Total Current Liabilities</b>	147813.95
<b>Total LIABILITIES</b>	147813.95
<b>EQUITY</b>	
<b>Owners' Equity</b>	
31000-000 Owners' Equity-Carryforward	407300.02
32000-000 Equity Designated Future Capital Exp-CY	46828.00
<b>Total Owners' Equity</b>	454128.02
Year-to-date Net Income	-47814.00
<b>Total EQUITY</b>	406314.02
<b>Total Liabilities and Equity</b>	554127.97

**Consolidated Report  
For Period Ending 04/30/2009  
Level of Detail - Account**

Apr Actual	Apr Budget	Variance	Account	YTD Actual	YTD Budget	YTD Variance
<b>REVENUE</b>						
<b>Operating Revenues</b>						
168,486	168,474	12	40100-000 Maintenance Fees	673,943	673,896	47
20,835	20,835	0	40110-000 Special Assessments	83,340	83,340	0
5,102	5,102	0	40111-000 General Operating Reserve	20,410	20,408	2
4,751	0	4,751	40120-000 Late Fees	19,834	0	19,834
396	0	396	40130-000 Interest on Delinquency	1,642	0	1,642
0	1,606	(1,606)	40150-000 Wireless Lease	8,725	6,424	2,301
0	0	0	40190-000 Miscellaneous Income	780	0	780
<b>199,670</b>	<b>196,017</b>	<b>3,553</b>	<b>TOTAL Operating Revenues</b>	<b>808,674</b>	<b>784,068</b>	<b>24,606</b>
<b>Non-Operating Revenues</b>						
0	100	(100)	46100-000 Interest Income-Capital Reserve	1,181	400	781
2	0	2	46150-000 Interest Income-Non Taxable Res	24	0	24
<b>2</b>	<b>100</b>	<b>(98)</b>	<b>TOTAL Non-Operating Revenues</b>	<b>1,205</b>	<b>400</b>	<b>805</b>
<b>199,672</b>	<b>196,117</b>	<b>3,455</b>	<b>TOTAL REVENUE</b>	<b>809,879</b>	<b>784,468</b>	<b>25,411</b>
<b>EXPENSES</b>						
<b>Payroll &amp; Benefits</b>						
3,845	4,580	735	70010-000 Wages-Manager	15,379	18,320	2,941
2,800	3,125	325	70015-000 Wages-Admin Assistant	11,821	12,500	679
4,502	5,535	1,033	70020-000 Wages-Janitorial	20,843	22,140	1,297
6,715	6,338	(377)	70030-000 Wages-Maintenance	26,855	25,352	(1,503)
0	350	350	70040-000 Bonus	250	1,400	1,150
1,366	1,800	434	70060-000 Taxes-Payroll FICA	5,621	7,200	1,579
61	510	449	70070-000 Taxes-Payroll FUTA	421	2,040	1,619
405	220	(185)	70080-000 Taxes-Payroll SUTA	1,147	880	(267)
3,221	3,814	593	70085-000 Medical Insurance	13,226	15,256	2,030
776	795	19	70090-000 Workers Compensation	3,382	3,180	(202)
1,652	105	(1,547)	70100-000 TDI-Quarterly	1,652	420	(1,232)
<b>25,343</b>	<b>27,172</b>	<b>1,829</b>	<b>TOTAL Payroll &amp; Benefits</b>	<b>100,697</b>	<b>108,688</b>	<b>8,091</b>
<b>Administrative</b>						
9	166	157	70300-000 Administrative-General	1,266	664	(602)
0	142	142	70310-000 Admin-Annual Assoc Meeting	1,353	568	(785)
1,306	1,300	(6)	70350-000 Office Rent	5,225	5,200	(25)
282	81	(201)	70500-000 Office Equipment	2,113	324	(1,789)
3,770	3,770	0	70800-000 Property Mgmt-Contract	15,079	15,080	1
670	400	(270)	70810-000 Property Mgmt-Reimbursables	7,800	1,600	(6,200)
185	160	(25)	70830-000 Property Mgmt-Payroll	741	640	(101)
306	200	(106)	70900-000 Legal Fees-General	1,528	800	(728)
0	50	50	70910-000 Legal Fees-Reimbursable	0	200	200
208	412	204	71100-000 Professional Fees-Other	388	1,648	1,260
0	108	108	71150-000 Accounting Fees-Annual Audit/Ta	1,178	432	(746)
<b>6,736</b>	<b>6,789</b>	<b>53</b>	<b>TOTAL Administrative</b>	<b>36,671</b>	<b>27,156</b>	<b>(9,515)</b>
<b>Operations</b>						
39,531	67,949	28,418	71200-000 Electricity	211,865	271,796	59,931
4,632	5,500	868	71250-000 Gas	17,593	22,000	4,407

**Consolidated Report**  
**For Period Ending 04/30/2009**  
**Level of Detail - Account**

Apr Actual	Apr Budget	Variance	Account	YTD Actual	YTD Budget	YTD Variance
6,439	6,096	(343)	71300-000 Water/Sewer	27,004	24,384	(2,620)
12,056	10,516	(1,540)	71310-000 Sewer	49,163	42,064	(7,099)
383	470	87	71400-000 Telephone/Communications	1,672	1,880	208
667	1,854	1,187	71500-000 Heating Ventilation Air Condi	9,377	7,416	(1,961)
4,673	3,976	(697)	71501-000 AC Unit Fan Coil Service	6,191	15,904	9,713
0	3,000	3,000	71550-000 Elevator	3,141	12,000	8,859
5,525	5,013	(512)	71600-000 Cable Television-Contract	21,923	20,052	(1,871)
297	309	12	71700-000 Exterminating Contract	1,484	1,236	(248)
11,066	11,469	403	71740-000 Security	45,297	45,876	579
2,754	3,138	384	71800-000 Refuse Removal-General	11,217	12,552	1,335
226	2,496	2,270	71810-000 Building Supplies	5,929	9,984	4,055
724	0	(724)	71820-000 Custodial Supplies	1,700	0	(1,700)
0	300	300	71830-000 Lighting Supplies	78	1,200	1,122
377	100	(277)	71840-000 Painting Supplies	439	400	(39)
295	600	305	71850-000 Janitorial Supplies	3,574	2,400	(1,174)
0	500	500	71860-000 Pool Supplies	211	2,000	1,789
<b>89,645</b>	<b>123,286</b>	<b>33,641</b>	<b>TOTAL Operations</b>	<b>417,858</b>	<b>493,144</b>	<b>75,286</b>
<b>Repairs &amp; Maintenance</b>						
654	1,917	1,263	72100-000 Repairs/Maint-Building	10,687	7,668	(3,019)
5,975	1,917	(4,058)	72110-000 Repairs/Maint-Plumbing	21,500	7,668	(13,832)
0	100	100	72120-000 Repairs/Maint-Fire System	3,328	400	(2,928)
0	250	250	72130-000 Repairs/Maint-Electrical	537	1,000	463
0	100	100	72150-000 Repairs/Maint-Elevator	0	400	400
74	100	26	72160-000 Repairs/Maint-Pool/Recreation A	5,574	400	(5,174)
0	0	0	72170-000 Repairs/Maint-A/C Unit	431	0	(431)
0	100	100	72180-000 Repairs/Maint-HVAC	9,544	400	(9,144)
0	100	100	72190-000 Repairs/Maint-Garage	3,853	400	(3,453)
<b>6,703</b>	<b>4,684</b>	<b>(2,119)</b>	<b>TOTAL Repairs &amp; Maintenance</b>	<b>55,454</b>	<b>18,336</b>	<b>(37,118)</b>
<b>Insurance, Taxes &amp; General</b>						
1,216	76	(1,140)	72200-000 Taxes-General Excise	1,216	304	(912)
4,677	5,548	871	72700-000 Insurance-Package	18,710	22,192	3,482
3,321	2,356	(965)	72750-000 Insurance-Flood	13,283	9,424	(3,859)
366	0	(366)	72760-000 Insurance-Commercial Umbrella	1,464	0	(1,464)
0	366	366	72800-000 Miscellaneous Expense	0	1,464	1,464
<b>9,580</b>	<b>8,346</b>	<b>(1,234)</b>	<b>TOTAL Insurance, Taxes &amp; General</b>	<b>34,673</b>	<b>33,384</b>	<b>(1,289)</b>
<b>Non-Operating Expenses</b>						
15,755	15,755	0	76080-000 Allowance for Future Expenditur	63,020	63,020	0
11,670	5,079	(6,591)	76090-000 Capital Expenditures	105,233	20,316	(84,917)
0	0	0	76091-000 Capex- Deck & Spalling	16,986	0	(16,986)
0	0	0	76092-000 Capex- HVAC	6,777	0	(6,777)
5,106	5,106	0	76100-000 Allowance for General Operating	20,424	20,424	0
<b>32,531</b>	<b>25,940</b>	<b>(6,591)</b>	<b>TOTAL Non-Operating Expenses</b>	<b>212,440</b>	<b>103,760</b>	<b>(108,680)</b>
<b>170,538</b>	<b>196,117</b>	<b>25,579</b>	<b>TOTAL EXPENSES</b>	<b>857,693</b>	<b>784,468</b>	<b>(73,225)</b>
<b>29,034</b>	<b>0</b>	<b>29,034</b>	<b>NET INCOME / (LOSS)</b>	<b>(47,814)</b>	<b>0</b>	<b>(47,814)</b>

THE  
WAILANA  
AT  
WAIKIKI

HOUSE RULES  
AND  
ADMINISTRATIVE PROCEDURES  
  
HANDBOOK

Board of Directors  
The Wailana at Waikiki Owners' Association

Adopted: February 23, 2006

# THE WAILANA AT WAIKIKI

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# **THE WAILANA AT WAIKIKI HOUSE RULES**

## **AUTHORITY AND PURPOSE OF HOUSE RULES**

The purpose of these Rules and Regulations is to promote harmonious living within The Wailana with emphasis on the right to the peaceful enjoyment of one's home and commercial units. These Rules and Regulations are also intended to protect all residents from annoyance and nuisance caused by improper use of apartments, commercial units, or common elements of the property, as well as to protect the desirability, reputation and value of The Wailana at Waikiki.

The authority for these Rules and Regulations is contained in Article VII, Section 7 of the By-Laws of the Association of Owners, The Wailana at Waikiki. Responsibility for enforcement is vested in the Board of Directors and exercised primarily by either the On-Site Manager and/or Managing Agent acting on its behalf.

All owners, occupants and their guests must comply by these Rules and Regulations and by standards of reasonable conduct whether specifically covered by these Rules or not.

Any violations should be reported to the On-Site Manager and/or Managing Agent. If the office is closed and immediate action is needed, the Security Guard on duty should be contacted to remind the resident of the house rule violation and document any alleged violation(s) for review by management.

## **EMERGENCY INFORMATION**

### **Important Phone Numbers**

Emergency-Police-Fire-Ambulance-911

On-site Manager- 946-7327

Security- 222-2002

Metropolitan Management Co. (Managing Agent) – 536-3511

### **Emergencies**

Building Security Guards patrol the "common areas" but, are not authorized to become involved in incidents of a private nature. If the Honolulu Police Department, the Fire Department, an ambulance or doctor is required, the desired agency or person should be called directly. Any after hours emergency or notification of emergency personnel (fire, ambulance, police), or emergencies involving water leaks and/or flooding should promptly be reported to the On-site Manager, Security Guard and/or the Managing Agent on the next business day following such incident.

### **Fire Alarm Boxes and Emergency Exit**

Fire Alarm boxes and emergency staircases are located at each end of the corridors. Every person should familiarize him/herself with the location of the box nearest his/her unit. Please note that once the emergency staircase is entered, a stairwell key is necessary to exit at any floor other than the ground floor. The On-Site Management Office maintains a list of disabled occupants who are not able to utilize the stairwell to exit the building. This list will be provided to Emergency Personnel responding to a fire or emergency evacuation.

### **Elevators**

In the event of an emergency, push the "Call" button. This will automatically connect occupants with the elevator company's emergency communication center and assistance will be provided.

### **Entry to Unknown Persons**

Occupants shall not open security doors or allow anyone to enter unless they are personally known to be occupants, employees or to have legitimate business in the building; nor shall occupants leave any security door open unattended. If any security door is open during the day, never assist an unknown person by using an access swipe key to permit unauthorized entry to a residential floor.

### **Report Suspicious Loitering**

Occupants must immediately notify the Security Guard on duty, On-Site Manager and/or Managing Agent if strangers or suspicious persons are noticed loitering in or around the premises.

## **GENERAL**

### **Postal Items and Packages**

Written permission is required from an occupant in order to permit the Management Office staff to sign for receipt of postal items and parcels. Forms are available in the Management Office located on the 1<sup>st</sup> Floor lobby. The Association disclaims liability for loss or damage of any item received pursuant to any grant of permission signed pursuant to this paragraph.

### **Solicitation**

Residents or anyone else shall not perform soliciting of any type, including election campaigning anywhere on or about the common elements of the property, without specific written approval from the Board of Directors.

### **Fireworks**

Fireworks may not be used anywhere on or about the building at anytime.

### **Shopping Carts**

Shopping carts are provided in each parking level elevator lobby as a courtesy for residents to transport grocery and other small items to their units. They are not to be taken off the premises and should be returned promptly to the same parking floor elevator lobby as they were removed from.

### **Smoking**

- a. In accordance with Section 41-21.2(i) of the Revised Ordinances of the City and County of Honolulu, Wailana is a non-smoking multi-use building. Smoking is allowed only within residential units (including lanais), and all doors between the unit and the common or limited common areas must be closed while smoking is taking place. Smoking is not allowed in the commercial units.
- b. Smoking is also not allowed on any common areas of the project, including the 4<sup>th</sup> and 5<sup>th</sup> floor recreation decks, basement garage or loading dock.
- c. No cigarettes, cigars, or other materials shall be thrown from lanais nor put out or disposed of on common areas such as the parking floors, corridors, elevators, stairways, sidewalks, public restrooms, decks, planters, etc. Throwing cigarettes or matches from lanais is a serious fire hazard and may cause destruction of property below.

### **Attire**

Proper attire is required in all common areas. Shoes, slippers or other suitable footwear must also be worn. A cover up or shirt must be worn to and from the pool.

### **The Wailana In-House Staff**

Wailana Employees may perform cleaning, general repairs or other work in or around the interior of an apartment during their non-duty hours. The Disclaimer and Release Form must be completed, signed by the On-Site Manager and AOO Board Member or Managing Agent, and filed in the Management Office

prior to such work beginning. The resident utilizing the employee's services shall assume all responsibility for the said employee and his or her conduct while performing services in or around the premises of the apartment.

### **Repairs**

Any renovation or repair work generating any noise which may be heard anywhere outside of an apartment unit (i.e. drilling, hammering, sawing, etc.) may only be performed Monday-Saturday between 8:00 AM and 4:00 PM.

### **Access to Units for Maintenance, Repair or Emergency Reasons**

a. Access by Wailana staff to any unit is allowed for the operation of The Wailana. This may include the performance of maintenance, or installation, repair, or replacement of any common element. Management shall provide owner/occupant with a 'Notice to Entry' form at least 48 hours before any entry into a unit unless immediate entry is for emergency purposes.

b. "In accordance with Hawaii Revised Statutes HRS 514A-13(f)", the Association through its On-Site Manager, shall have the right to enter each unit in the event of an emergency (i.e. flood, fire, etc.) as may be necessary to prevent damage to common element or to another unit. If access keys have not been provided, the owners are responsible for any damage-caused by reason of such emergency entry.

### **Disabled Persons**

To the extent necessary for disabled persons to use and enjoy their units, owners shall be permitted to make reasonable modifications to their units and to the common elements appurtenant to the unit in accordance with The Wailana By-Laws at their own expense. Any request for such an accommodation shall be made in writing to the Board of Directors, and describe specifically and in detail the nature and/or basis for such request. The Board of Directors shall not unreasonably withhold or delay such requests made by disabled persons. If the Board does not act upon the request within 45 days of the receipt of same, the request shall be determined to be granted.

## **REGISTRATION/ORIENTATION OF NEW OWNERS/TENANTS**

### **Registration/Orientation**

The real estate broker, rental agent or owner is responsible for ensuring every new owner or tenant register and show a valid lease to the On-Site Manager's Office prior to the move in. If the Realty Agent does not comply, a letter of complaint will be sent to the Real Estate Commission/Regulatory Agency. Any owner not residing on the island of Oahu should notify the Managing Agent in writing indicating the name of a local agent authorized to act on his/her behalf.

All new occupants and owners shall:

- a. Be provided with a copy of these House Rules and be required to acknowledge in writing that they have received and read same. No move in will be permitted until receipt by the Management Office of this signed statement.
- b. Fully complete a registration form provided by the Management Office.
- c. Sign an acknowledgment upon receipt of the New Owner/Tenant Handbook upon being provided a copy of same during the New Resident Tour.
- d. Sign an acknowledgment upon receipt of keys, as set forth below.

## **KEYS**

### **Resident and Commercial Keys for On-Site Manager.**

Although not required by these Rules, the Owners/Occupants of all private and commercial units are strongly encouraged to provide the On-Site Manager with an emergency key to their unit. Safeguard

procedures have been established for maintaining these keys. If the On-Site Manager has not been provided a key and emergency access is required, the unit Owner shall be responsible for all costs and damages incurred in connection with obtaining such entry. In every case, the Manager will notify the occupant in writing indicating the reason and result of such emergency entry. Please remember if you change your locks to provide the office with the new keys.

#### **Parking Garage Gate Security Cards**

Parking security gate cards are issued for a \$50.00 refundable fee. Damaged cards will be replaced for a \$10.00.

#### **Entry/Elevator Security Keys (Electronic Black Swipe Key)**

Security keys to the common areas of The Wailana at Waikiki (entry doors, elevator, and pool) are the property of The Wailana at Waikiki. The owner of each unit will be issued two (2) security swipe keys for a refundable fee of \$50.00 per key.

Owners or rental agents are responsible for providing keys to their renters. For rental tenants, the key will expire annually and need to be re-coded each year. Additional security door keys may be obtained by the Owner, or by written authorization of the Owner, with the payment of \$50.00 refundable charge per key for each registered residents. Broken swipe keys will be replaced at a cost of \$10. Upon sale or change of renters, the security keys will be returned to the On-Site Manager's Office and the deposit will be returned by check. Key refunds come from the Managing Agent and can take up to a month to process.

#### **Stairwell Keys**

Special keys to the stairwell are available to each occupant for a refundable deposit of \$25. Please note that once in the stairwell, you must have this key to exit at any floor other than the ground floor. These keys also unlock the restrooms located on 3P and the 5<sup>th</sup> floor recreation deck.

#### **Circuit Breaker Box Key**

A circuit breaker box key is available at no cost; however if it is lost, there is a \$5.00 replacement fee.

#### **Bicycle and Surfboard Storage Key**

Special storage areas are available for both bicycles and surfboards. Keys are available for a refundable deposit of \$25.00 (surfboards and bicycles cannot be stored on lanais, hallways or other common areas; nor are they allowed in the elevators).

#### **Lock Out Charge**

There is a \$20.00 lock out charge to be paid by check to The Wailana at Waikiki for any emergency access to a unit after regular office hours.

### **MOVES - DELIVERIES - SERVICE CALLS**

Unscheduled moves are not permitted. Moves may only be scheduled on Monday-Friday between the hours of 8:00 AM-4:00 PM. The loading dock is not available for deliveries on Tuesdays and Fridays until 1:00PM due to scheduled restaurant deliveries. No moves are allowed on Saturdays, Sundays or Holidays. Residents shall notify The Wailana Management Office prior to the date of expected moves, deliveries, and service calls so the freight elevator (elevator no. 3) can be properly padded and to ensure there are no conflicts for the use of the elevator. Only this freight elevator can be used for deliveries and moves. Small items may be loaded or unloaded from your vehicle on 2P and 3P. However, Residents may not stack the items in the elevator lobby or leave their vehicle at the door to the lobby). A \$150 refundable "Damage Deposit" is required prior to the move in or out of household goods, large appliance and other such items.

### UNIT ALTERATIONS, IMPROVEMENTS AND REPAIRS

Any renovation or modification wholly within a unit must meet applicable Building Code requirements of the City and County of Honolulu. Any proposed alteration to the common elements, exterior appearance of the building, and/or any structural modifications require the advance written approval of the Board of Directors.

Detailed information regarding unit alteration procedures and requirements can be found in the House Rules and Regulation Annex 2: Renovations. You must obtain this Annex and follow all its requirements. A summary of requirements is as follows:

- a. All requests for approval of alterations, improvements and major repairs to any unit or common element must be submitted in duplicate to the Board of Directors prior to the commencement of any work. Written requests should be submitted at least 45 days in advance for this approval and verification of licenses. Work may not proceed until the request is approved. Annex 2 details the items that are required in this request and a sample request is provided.
- b. Any approved requests are subject to the providing of a \$500.00 deposit made payable to The Wailana at Waikiki, which will be forfeited in an amount sufficient to pay for any damages caused during, and/or as a result of any requested renovations. Any unused amount shall be promptly refunded at the completion of the work.
- c. Only licensed contractors will be permitted to provide applicable renovation, construction, and/or repair work in the building. Proof of a current license and certificates of insurance identifying the Association as a Certificate Holder must be provided to the Board in connection with any request.
- d. Asbestos has been found in the popcorn ceiling material originally installed in the building and procedures detailed in Annex 2 must be followed if the ceiling is removed, altered, or disturbed.
- e. Annex 2 also provides more information regarding the type of work that typically requires a Building Permit.
- f. The Association will seek appropriate legal and/or injunctive relief to halt any work commenced in violation of the Building Code of the City and County of Honolulu, and/or for which prior Board approval was not obtained.
- g. The On-Site Manager shall be notified upon the completion of work. For those alterations that required a permit, a copy of the Notice of Completion/Certificate of Occupancy will be required.

### COMMON ELEMENTS/LIMITED COMMON ELEMENTS

#### Definitions

Frequently new condominium owners or occupants do not understand Common and Limited Common Elements and the restrictions that apply to use of these areas. The Common Elements include all the exterior walls of the unit, corridors, elevators lobbies, and stairwells. Common Elements also include the unit's interior weight-bearing walls, the exterior walls of the lanais and units, floors and ceilings surrounding the units or any pipes, wires, conduits or other utility lines, running through the unit which are utilized for or serve more than one unit. The unit includes walls and partitions that are not load bearing within the perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the airspace w/in the lanais. The front door is also considered a Common Element and maintenance and repair of the residential unit's front entry door is the responsibility of The Wailana. Owner/tenants are permitted to paint the *interior* of this unit's entrance door. No modification of the unit's load bearing wall, exterior walls and/or corridors will be permitted, and no items may be stored or kept anywhere on the Common Elements, unless otherwise specified.

There are also other areas defined as Limited Common Elements which are set aside and reserved for exclusive use by certain units. For example the parking stalls, storage units on the corridor and storage in the 2nd and 3rd floor, are strictly for the use of the owners of residential units. These also include the

entryway from the corridor to a unit's front door. Generally areas that are used for entrance and exiting of units are considered limited common elements as they are for the exclusive use of the occupant. For a complete description of the project's common and limited common elements, please refer to the Association's Declaration.

#### **Prohibited Use of Common Elements**

No one is allowed to loiter or play in the corridors. No horseplay or excessive noise is permitted on the common elements. The use of roller skates, roller blades, skateboards or other like recreational items on the common elements is also prohibited.

No surfboards, bicycles or other similar items shall be permitted in the entrance lobby, elevators or stairwells. There are special storage areas designated for surfboards and bicycles. Arrangements for storage can be made directly with the On-Site Manager, as discussed herein.

No one shall place, store or maintain in the halls, lobbies, stairways, walks, passageways parking areas or other common elements, any furniture, packages, trash or objects of any kind or in any in or on such common elements.

#### **Structures and Entrance Decoration**

No unit owner or occupant shall erect or place in or about the project any building or structure including fences and walls, nor make any additions or alterations to any common element of this project, including grills, doors or gates in the corridor and unit entryway, nor place or maintain any signs, posters or bills without the prior written approval by the Board of Directors. Notwithstanding any other restrictions contained herein, disabled occupants may apply to the Board of Directors for permission to proceed with improvements, at their cost, as necessary to enable them reasonably to use and enjoy the project, and the Board will not unreasonably deny or delay its approval of such requests, as set forth herein.

### **OWNERS' RESPONSIBILITIES**

#### **Units for Residential Use Only**

The residential units shall be used only as residential purposes only, and shall not be used for business or any other purpose. Occupancy, either permanent or temporary, will not be for less than 90 days. If a Real Estate Agent is found to have violated this provision, a letter of complaint will be filed with the Department of Commerce and Consumer Affairs/Real Estate Commission.

#### **Owners who live off the Island and Rent Their Unit**

In accordance with Hawaii State Law HRS 521-43(f) owners who rent out their units-question is it any owner who resides elsewhere shall designate a local agent to represent their interests if they reside outside the island of Oahu. The appointed agent must be registered in writing with the Resident Manager

#### **Actions of Owners, Tenants, Guests and Clients**

- a. Damage to any element of the buildings or grounds by any resident, family member, guest, tradesmen or clients shall be the responsibility of the owner and such damages shall be repaired at the expense of the owner.
- b. No resident or commercial tenant shall make nor permit any person, family, guest or employee to make disturbing noises in the building or on the grounds; nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other residents. Extra care should be exercised to prevent noises that might disturb other occupants after 9:00pm and anytime of day that individuals are on the lanais as noise coming from the lanais is easily heard in other units.
- c. Inappropriate behavior of said individuals is also the responsibility of the owner.

### **Renting Units: Owners Responsibilities**

The owner of a unit has the ultimate responsibility of for his/hers tenants' compliance with these House Rules and Regulations. Upon the making of request by either the Board or Managing Agent, an owner shall remove any tenant acting in violation of these House Rules and Regulations, without compensation for lost rentals or any loss or damage there from.

### **Unit Maintenance**

The repair and maintenance of unit interiors and fixtures is the responsibility of the individual owner. It is the responsibility of the respective occupants to maintain their units in a clean and sanitary condition at all times.

### **Restrictions in Units**

- a. Draperies mini-blinds, vertical blinds, plantation shutters or other window covering must be white or off white (or be lined in these colors) to insure a uniform appearance from the exterior of the building.
- b. Nothing shall be allowed, done or kept in any unit, to include lanais, or common element which will overload or impair the floors, walls, or roofs, change the uniform exterior appearance of the building, and/or cause any increase in the insurance premium rates, cancellation or invalidations of any Association insurance
- c. Water furniture of any type is not allowed.

### **Extended Absences**

Owners/occupants are requested to notify the On-Site Manager of any temporary vacancies scheduled to exceed two weeks and provide contact information in case of emergencies such as break-ins, water damage etc.

### **Access by Those Other Than Owner/Occupant**

If the owner/occupant desires access to the building by any non-resident, written permission must be obtained from the On-Site Manager.

### **LANAIS**

No boxes, containers, trash or garbage shall be permitted on the lanais at any time.

### **Walls and Ceilings**

As the undecorated portion of the lanai walls and ceiling are limited common elements, no items may be attached to the lanai walls or hung from the railings or lanai ceiling. This includes light fixtures; decorative items; or plastic or fiberglass enclosures, windbreaks, and awning which extends above the lanai railing or end walls.

### **Patio Furniture**

Approved patio furniture including tables and chairs which do not exceed the height of the railing or exterior wall, shall be permitted. No storage lockers which exceed the height of the railing or which store exceptionally heavy items which could compromise the structural integrity of the building shall be placed on the lanai. Care should be given when using items that a child might climb on and potentially fall from the lanai.

### **Potted Plants**

Small potted plants, no more than 6 feet tall and on the 20<sup>th</sup> floor, no more than 3 ft above the planter, and in no larger than 10 gallon containers, are allowed. Adequate water catchments pans will be used to prevent dripping water or soil. The branches /leaves cannot extend beyond the railing or, on the 20<sup>th</sup> floor, beyond the planter exterior wall. All plants in the exterior wall planters on the 20<sup>th</sup> floor will be kept at no more than 3' above the top of the exterior wall. No bushes or trees are allow due to the potential

damage the roots can cause to the protective liners of the planters, thereby allowing water leakage to units below.

#### **Watering and Cleaning**

No garden hoses will be used on the lanais. This includes using hoses to water plants or clean lanai floors, walls or glass. Care will be taken that no water drips on or causes damage in anyway to other units when cleaning the glass or floor of the lanai.

#### **Dusting, Sweeping, Shaking or Drying Items**

Garment, rugs, towels, clothing or other objects shall not be hung from the lanais or windows, nor shall any items be beaten or shaken on the lanais, adjoining railing, windows or common elements of the project.

#### **Barbecues**

Barbecues are limited to those using self-contained bottled gas containing no more than 2lbs of gas or those that are electrical. However, if they create an unreasonable smoke nuisance or fire hazard it shall be immediately terminated upon the instruction of the On-Site Manager or security and the matter will be brought to the attention of the Board.

#### **No Storage on Lanais**

Lanais may not be used for storage of appliances; sports, exercise, and play equipment; pets or pet supplies; surplus cartons, boxes; cleaning supplies or other items, which would be hazardous. Damaged and/or rusted furniture, dead or dying plants or other objects which adversely affect the uniform exterior appearance of the building are not permitted on the lanai.

#### **Use of Flags, Banners, or Holiday Decorations.**

Flags, banners or decorations of appropriate size, commemorating the appropriate holiday or festival season may be displayed from lanais only during the respective period for the season, and shall be removed afterwards. Extreme care must be used that all decorations are appropriately secured. The United States and Hawaii State flags may be flown at all times, providing they are not larger than 3 X 5 ft. and may be appropriately lighted at night.

### **AIR CONDITIONING**

See the Annex 1, New Owner/Occupant Information, to The Wailana House Rules for detail information on your air conditioning system.

If you hear dripping water on the AC ceiling panel, or if water is dripping on the floor, shut the AC unit off, put the thermostat on the highest temperature and call the On-Site Manager or Security.

#### **Maintenance**

The Association's in-house maintenance personnel perform quarterly maintenance on unit air-conditioners. This includes changing the filters, flushing drain pan lines, checking the condition of service pipes, provide anti-algae tablets, and inspect all shut-off valves in each unit.

Owners will be notified of the maintenance date in advance and have a choice of allowing Management to use keys on deposit in the Management Office for entry or schedule a time for the maintenance to be performed while the owner or resident is present. If access for regularly scheduled maintenance is denied, any subsequent damage caused by or to the air conditioning unit will be the sole responsibility of the owner.

Although there is central air conditioning in The Wailana, the thermostat, water valve, coil, and motor components serving each unit are the individual owner's responsibility.

### **Operations**

- a. If unit windows and/or lanai doors open for other than ingress and egress, please turn off the unit air conditioning to prevent possible drain pan overflow, and wasting of energy.
- b. If the unit is to be unoccupied for 24 hours or more, please set the temperature control to 80 degrees and make sure all the windows & doors are closed.
- c. Air conditioners should be operated at least once a month with variation of the fan and temperature setting from high to low to ensure they are still working properly.

### **PETS \***

\* Certified guide animals are exempt from these rules

### **Size and Number of Pets**

Pets are limited to small dogs, cats, small caged birds such as canaries or parakeets, and aquarium type fish. No more than two animals (dogs and cats) are allowed per unit, and no pets may be kept for breeding or other commercial purposes. No visiting pets\* are allowed on the premises except for those used as guide animals.

### **Registration and Deposit**

Pets of new occupants/owners must be declared in writing on registration documents at move in. Any pets acquired after move-in must be registered within fourteen (14) days. A non-refundable fee of \$50.00 dollars is to be paid into a Maintenance Account for every dog and/or cat brought into The Wailana at Waikiki.

### **Pets and Pet Items on Lanais**

Pets, pet food, litter boxes, etc. shall not be left unattended on lanai.

### **Taking Pets Outside Of the Unit**

- a. All pets shall be carried or kept on a short leash when in the elevators, walkways or other common areas. The owner and pet\* must wait for the next elevator when there are four or more people already in the elevator.
- b. Pets are not allowed on any part of the 4<sup>th</sup> and 5<sup>th</sup> level recreation decks, stairways, nor any of the landscaped grounds at any time except in case of an emergency evacuation.

### **Waste Disposal**

- a. Dog and cat owners or their representatives shall be responsible for immediately cleaning up their pets' waste anywhere on the premises.
- b. All pet refuse must be securely wrapped and tied, or bagged in plastic and tied, before being disposed of in the building trash chute or dumpster.

### **Animals That Cause a Nuisance**

- a. A pet that creates a nuisance or poses a hazard must be immediately and permanently removed from the premises upon request of the On-Site Manager or the Board of Directors.
- b. A disabled owner of a certified guide animal that causes a nuisance or unreasonable disturbance shall be given an opportunity to rectify the problem after issuance of written notice. When the Board determines that the animal must be ejected, the owner will be allowed a reasonable time to obtain a suitable replacement. The animal in question will be permitted to remain at the project during this time, provided that the problem is controlled to a sufficient degree that the continued presence of the animal does not constitute an unreasonable imposition upon or danger to other occupants.

## **PARKING**

### **Parking Stall Assignment**

All parking stalls are assigned to individual residential units. Residents will not use nor permit their guests to use any other parking spaces without prior permission of the parking space owner/occupant. Vehicles that are parked in traffic lanes or other unauthorized areas or in a resident's stall without permission will be towed at the owner's expense (see removal of unauthorized vehicles below).

### **Safety Measures in Parking Levels**

Vehicles must be operated at a safe speed, no more than 5 MPH and in a prudent manner in the parking areas, access ramps, etc. For safety, operators of vehicles shall use headlights in all parking areas.

### **Vehicles Allowed In Parking Stalls**

a. Parking stalls may be used only for operable vehicles with current license plates and safety stickers. Storage of any other items or parking of boats, trailers, etc. in the parking stall is prohibited. If a vehicle is improperly parked or other items are stored in parking stalls in violation of these regulations, they will be subject to removal at the owner's expense.

b. Only one vehicle or up to two mopeds or motorcycles may be parked in an assigned stall. Parked vehicles must be parked completely within the stall and not protrude into the traffic lane or infringe on adjoining stalls. Vehicles or mopeds/motorcycles must also be registered in the office with the proper information including make of, license number, and stall number. No bicycles may be parked in the stall.

### **Maintenance of Stall Area**

Owner/occupants will not allow excessive build-up of grease or oil in the parking stall. Litter or oil absorbent material cannot be left in stall overnight. The On-Site Manager will inspect parking stalls on a periodic basis and will issue written notices for any violations. If the stall is not cleaned within 10 days after the notice is issued, the Managing Agent will have it bill the owner for expenses incurred in connection with same (minimum administrative charge shall be \$15.00).

### **Removal of Illegally Parked Vehicles in Owner's Stall or Traffic Lane**

a. It is the owner/occupant's responsibility to call the tow company for removal of a vehicle in his/her assigned parking stall. The On-Site Manager or Security must be notified prior to the towing of any vehicle.

The tow company must be provided a description of the vehicle- make, model, color, and license tag number. The owner/occupant must meet the tow truck at the garage entry to open the gate and sign for the removal of the vehicle.

b. The On-Site Manager will call the tow company to have an improperly parked vehicle removed from a traffic lane or when parked in any other unauthorized area (Common/Limited Common element).

c. Unregistered cars and illegally parked cars may be towed away at the owner's expense by the Association at anytime.

### **Washing/Performing Repair Work on Vehicles**

a. Repair work on vehicles in the parking area is prohibited except for minor adjustments, changing flat tires, dead batteries or similar emergency work.

b. Residents may wash or polish cars only in their own stall and only with a bucket, sponge or cloth. Cars may not be washed with a hose or rinsed with buckets of water. Any wet residue must be immediately mopped dry to prevent a slip and fall hazard.

### **Guest Parking**

Two guest parking stalls are available on 3P for use by Wailana guests. Residents must obtain a parking pass from the Management Office staff (or from the Security Staff after office hours.) This pass must be displayed on the vehicle's dashboard. Daytime guest parking is restricted to 4 hours and nighttime parking is restricted to 6 hours. Guests should adhere to the time restriction as the parking spot may be reserved for someone else at a later time. No overnight parking is allowed.

## **RECREATION AREAS**

### **4<sup>th</sup> Floor Recreational Area**

The 4<sup>th</sup> floor recreational area can also be used for parties or cookouts from 10am-10pm on weekends (Friday-Sunday) and from 10am to 9pm on weekdays (Monday-Thursday). Parties are for residents and their guests only and are limited to 50 people, unless the Board of Directors grants a written exception to policy in advance of any function. A refundable \$50.00 deposit is required and a \$25.00 fee will be charged for set up/take down of the cover/chairs/tables and BBQ grill. The grill must be cleaned in order for the deposit to be returned. Reservations and arrangements must be made in advance with the On-Site Manager. There is also an area where residents can share books and magazines.

### **5<sup>th</sup> Floor Party Kitchen**

A "party kitchen" is located on the 5<sup>th</sup> floor recreational deck for the use by residents. Reservations and arrangements must be made in advance with the On-Site Manager. The hours of use for this area are 8am-10pm on weekends (Friday-Sunday) and 8am - 9pm on weekdays (Monday-Thursday). A refundable \$50.00 damage/cleaning deposit is required. The deposit will be returned after the On-Site Manager or staff inspects the kitchen and ensures that the grill, if used, and adjoining area, is properly cleaned.

## **SWIMMING POOL**

### **Swimming Pool Hours**

The pool is open from 6am-8am for quiet water exercise (not to interfere with pool maintenance or cleaning) and then from 8am-10pm. The regular entry door security key swipe will allow entry should occupants wish to use the pool. Please close doors and gates to the swimming pool area upon entering and exiting.

### **No Lifeguard on Duty**

No lifeguard will be on duty and the use of the pool will be at the risk of the user.

Parents and/or guardians and guests are responsible for the safety and conduct of their children and are expected to use reasonable judgment in supervising them in the pool area.

### **Guests and Pool Use**

The pool/recreation area is for exclusive use of the residents and their guests. The number of guests is limited to four per unit; requests for exceptions may be made through the On-Site Manager. Residents are responsible for the conduct and safety of their guests.

### **Drinking Containers in Pool Area**

Only unbreakable containers may be used in the pool area. Absolutely no glassware, ceramics, chinaware or other breakable containers are allowed in the pool area.

### **Horseplay**

No running, pushing, shoving, jumping or diving into the pool. Toys, loud radio playing, screaming or disorderly conduct are not permitted in the pool area.

### **Flotation Devices**

No air mattresses, floating chairs, surfboards, or large toys are permitted. Small children may use small tubes, water wings, or similar devices for safety purposes, if accompanied in the pool by an adult. Small floatation items, exercise equipment, snorkel equipment and fins may be used by adults if no one else is using the pool and must be removed immediately if other residents arrive.

#### **Sanitation Requirements**

In order to maintain pool cleanliness at the high levels required by the Board of Health, appropriate swimming attire (no street clothing) will be worn. Children that are not toilet-trained must wear rubber or plastic protective clothing while in the pool.

#### **Health Requirements**

No person with bandages or open wounds of any type may enter the pool. No person with a disease generally accepted by the medical community as communicable through casual contact may enter the pool.

#### **Spitting or Blowing Nose**

Spitting, spouting of water and blowing of the nose or urinating in the pool is strictly prohibited. Bathrooms are available down the spiral staircase by the pool that goes to 3P. They are locked and you will need your stairwell key for entrance. Disabled accessible bathrooms are available on the 5<sup>th</sup> floor. Your stairwell key is necessary for access to both bathrooms.

#### **Personal Belongings**

Do not leave food items, containers; papers or other personal belongings in the pool area.

#### **Toweling Off Required**

All swimmers shall dry thoroughly before entering the building and elevators.

#### **Attire**

See Attire in General Section. Bathing suits/swim trunks without shirts or cover-ups are not acceptable outside of pool area. Shoes must also be worn outside of pool area.

### **REFUSE DISPOSAL**

#### **Trash Chute Hours and Use**

Trash chutes may not be used between 10pm and 7am. All normal household garbage being put down the chute shall be securely wrapped and closed.

#### **Inappropriate Items for Trash Chute**

The following items shall not be put down the trash chute: hazardous materials including items such as paint thinner, gasoline, solvents and other flammable materials; wet garbage, loose paper or trash not appropriately bagged; large empty cartons, oversized packages, and other items that might get stuck in the chute. These items should be carried to the garbage containers located in the basement parking garage area. Recyclable items – newspapers, glass bottles and aluminum cans - should be placed in the bins provided in each floor's trash room. Cardboard boxes (collapsed and neatly stacked) may also be left in the trash room.

#### **Removal of Furniture/Appliances or Other Large Item**

Owners/occupants are responsible for the disposal or removal of large items such as packing materials, furniture, appliances, etc. Arrangements may be made with the on-site manager for removal of such items from the loading dock on the third Friday of the month. Wailana employees are not permitted to move these items.

## STORAGE

### Location

Storage space is available for Owners only in common areas on floors 2P and 3P. This space is not assigned by unit, but is allotted by the On-Site Manager in accordance with guidelines set by the Board.

### Liability

The Association shall not be liable for any loss, damage or theft to any stored articles.

### Marking and Inventory

All articles must be clearly marked by name, unit number and date. Owners should make every effort to arrange stored material in the least possible space. Owners are encouraged to inventory items in the storage area at least annually and change and initial the new dates. Articles which have been stored and apparently abandoned in the storage area, or found in other parts of the common element, may be disposed of by the Board in accordance with HRS 514A-93.

### Non-Allowable Items

Non-allowable items include flammable or explosive materials, large appliances, mattress or upholstered furniture that can attract or harbor insects and rodents.

### Access

The On-Site Manager or office personnel are required to remain in attendance any time the common storage is open. Please make efforts to be thoughtful and limit your time so that the Manager or office personnel can return to their regular duties.

### Bicycles and Surfboards

Special storage areas are available for bicycles and surfboards. Bicycles stored in this area must be in operable condition and some license tag or other identify number will be recorded when the items are registered. A \$25.00 refundable deposit is required for a key to either of these areas. Bikes and surfboards may not be stored on lanais, halls, or other common areas; nor are they allowed in the elevators.

## VIOLATIONS AND PENALTIES

For any failure of owners, occupants and/or their guests to conform to these Rules and Regulations, the fining and penalty policy for violations (other than those for which a penalty is specified elsewhere herein), shall be as follows:

1. First Violation - The On-Site Manager shall issue a written citation to the owner and occupant advising of the violation, and the corrective action, if applicable, required;
2. Second Violation - The Managing Agent shall send a written notice of the repeat violation to the owner and the occupant by certified mail, return receipt requested, stating that if not corrected the matter will be referred to legal counsel for further action.
3. Third Violation - The Association's legal counsel shall notify the owner and occupant by certified mail, return receipt requested, that, unless the violation is not corrected within a reasonable amount of time, legal action shall commence, the cost of which shall be assessed against the owner of the apartment.

### Legal Action

Nothing in these House Rules shall prevent the Board from promptly instituting legal action as it may deem necessary to protect the life, health, and/or property of the Association, its owners and/or residents.

## **THE WAILANA AT WAIKIKI**

### **HOUSE RULES – ANNEX 1**

#### **NEW OWNER / OCCUPANT INFORMATION**

##### **CABLE CHANNEL 57**

Cable Channel 57 provides a view of the lobby area and other common areas. Displayed at the bottom of the screen are changes of the security code for the elevators (please note that the elevator code changes every month), building bulletins, office and emergency phone numbers, and information on water shut downs, power outages, etc.

##### **GRANTING ENTRY TO YOUR GUESTS**

When you have a guest coming, you can provide entry to the lobby door and give them a code to be used on the elevator keypad so they can get to your floor by following these procedures:

1. Have your guest look up your name on the directory to the left of the lobby entry door.
2. Using the phone by the door, enter the code next to your name. This will ring your phone.
3. You need to press '9' on your phone before you hang up, in order to unlock the entry door to the elevator lobby. Hold it long enough for the door to open allowing your guest to enter.
4. You must give your guest the current code for the elevator. The current code must be entered on the elevator pad followed by the pound (#) sign. The red light on the pad will turn to green. While the light on the number pad is green, push your unit's floor number. The floor number will then light up.

##### **UNAUTHORIZED INDIVIDUALS ENTERING THE BUILDING**

If you don't recognize the people who are trying to enter "The Wailana", it is very important that you do NOT assist them at all. We have had people pretend to be talking on the phone in order to get 'buzzed in'. Through natural instinct, a resident let them in and helped them get to a certain floor. The 'guests' then tried to break into several units on that floor. Likewise, when the security door is open for people, who are doing business on the 4<sup>th</sup> floor (no swipe key or key code is necessary for the 4<sup>th</sup> and 1<sup>st</sup> floors), do NOT help them access a residential floor.

##### **SUGGESTIONS AND COMPLAINTS**

Complaints and suggestions regarding the building shall be made in writing directly the Board of Directors, On-Site Manager or Managing Agent.

##### **WAILANA EMAIL**

The email for the management office is: wailana\_at\_waikiki@verizon.net. This email can be used to report all non-urgent maintenance issues like lights being out, excessive oil puddle in parking stall, etc, as well as to give suggestions or express concerns.

##### **NOISE**

If you've lived in condos or apartments before, you should know how sound can travel from one unit to another. This is especially true when some noise occurs on the lanais. Also, be considerate to your neighbors by keeping the noise level down in your apartment if you have your lanai door open.

##### **LANAIS**

Keeping your lanais clean can be a little bit tricky. Your lanai glass will become streaked, especial after rainy days. Please be careful when you wash it, make an effort not to drip washing solution on the lanai glass below you (FYI: a window washer vendor list is available at the Management Office). Be careful when you clean your lanai floor or water your plants. Water can drain out of some openings at the bottom of the lanai walls onto the unit below yours. Wet mop your lanai floor and be careful not to over-water your plants. Pick up the dead leaves, dirt,

cigarette butts, and other unwanted materials before the wind carries them over from your lanais to your neighbors. Be the good neighbor that you would want living above you

### AIR CONDITIONING

We are fortunate to have central air conditioning in the Wailana. "The Wailana" is responsible for delivering chilled water to each unit, while the owner/resident is responsible for all elements of the air conditioning system once the pipe enters the individual unit.

There are quarterly checks performed by our maintenance staff. Giving them permission to enter your condo to do these checks or arranging to be home for them to complete the task is very important. Every time they come they will leave you a Fan Coil and Plumbing Inspection sheet that looks like this:

#### **THE WAILANA AT WAIKIKI FAN COIL UNIT AND PLUMBING INSPECTION**

DATE: \_\_\_\_\_

Apartment #: \_\_\_\_\_

##### **FAN COIL UNIT INSPECTION:**

- A) SUPPLY AIR TEMPERATURE: \_\_\_\_\_
- B) FAN CONDITION: OK \_\_\_\_\_ DIRTY \_\_\_\_\_ RUSTED \_\_\_\_\_ LOUD \_\_\_\_\_ MALFUNCTION \_\_\_\_\_
- C) VALVE ACTUATOR OPERATION: GOOD \_\_\_\_\_ INOPERABLE \_\_\_\_\_
- D) THERMOSTAT OPERATION: GOOD \_\_\_\_\_ INOPERABLE \_\_\_\_\_
- E) FILTER CHANGED: YES \_\_\_\_\_ NO \_\_\_\_\_
- F) CONDENSATE DRAIN PAN: CHECKED \_\_\_\_\_ CLEANED \_\_\_\_\_ RUSTED \_\_\_\_\_ SWEATING \_\_\_\_\_
- G) CONDENSATE DRAIN LINE: CHECKED \_\_\_\_\_ CLEANED \_\_\_\_\_ CLEARED \_\_\_\_\_
- H) CHILLED WATER LINE INSULATION: GOOD \_\_\_\_\_ DETERIORATING \_\_\_\_\_
- I) INLET GRILLE: CLEANED \_\_\_\_\_ OK \_\_\_\_\_
- J) FAN MOTOR BEARINGS: GOOD \_\_\_\_\_ BAD \_\_\_\_\_ OILED \_\_\_\_\_
- K) COIL AIR FLOW: GOOD \_\_\_\_\_ BAD \_\_\_\_\_ CLEANED \_\_\_\_\_
- L) ALGAE TAB: REPLACED \_\_\_\_\_
- M) PRESSURE RELIEF VALVE: GOOD \_\_\_\_\_ BAD \_\_\_\_\_

##### **PLUMBING:**

- A) KITCHEN SINK: GOOD \_\_\_\_\_ BAD \_\_\_\_\_
- B) GUEST BATHROOM SINK: GOOD \_\_\_\_\_ BAD \_\_\_\_\_
- C) GUEST BATHROOM SHOWER: GOOD \_\_\_\_\_ BAD \_\_\_\_\_
- D) GUEST BATHROOM TOILET: GOOD \_\_\_\_\_ BAD \_\_\_\_\_
- E) MASTER BATHROOM SINK: GOOD \_\_\_\_\_ BAD \_\_\_\_\_
- F) MASTER SHOWER: GOOD \_\_\_\_\_ BAD \_\_\_\_\_
- G) MASTER TOILET: GOOD \_\_\_\_\_ BAD \_\_\_\_\_

REMARKS: \_\_\_\_\_

This check is really a good deal because of all the items they check, only the filter (E) and the Algae Tab (L) is the building responsibility. The remaining items simply provide you information as a courtesy from "The Wailana". Ultimately, they are your responsibility for the upkeep and repair of these items in order to operate the systems efficiently and effectively. Two of the most common problems that prevent your air conditioner from working properly are dirty coils or a malfunctioning actuator that operates the valves for water flow.

Condensate drip pan overflows can be caused by a variety of reasons: the build up of algae in the condensate lines, deteriorated pans requiring replacement, and improper drip pan alignment. If you see water dripping from the ceiling or wet floors under the drip pan, set your air conditioning thermostat on the highest possible setting and turn it off. Then, call the manager's office or security (after duty hours).

Some operating tips are:

- a. Turn the air conditioning unit 'OFF' when windows and/or doors are left open.
- b. Vacuum clean air duct weekly with a brush attachment (turn the unit off while performing this maintenance).

- c. Change the fan motor speed and thermostat from low to high periodically to keep the temperature control valve operative.

### INSUFFICIENT COOL AIR

A number of problems could cause the air conditioning unit to not deliver sufficient cool air. Of the seven listed below, the first 6 are owner/occupant responsibilities:

1. Defective thermostat control unit.
2. Malfunctioning valve that controls the flow of cold water to the apartments coil unit.
3. Accumulation of lint and dirt of the face of the coil unit.
4. Partial blocking of the apartments cooling system because of corrosion and deterioration of the interior of the coils and the fins on the face of the unit.
5. Failure of the fan motors that drive the fans.
6. Out-of-balance fans.
7. Failure of the building air conditioning system to deliver sufficient cold water to the apartments coils.

### PROCEDURES TO DETERMINE RESPONSIBILITY

Contact the Manager as soon as the problem is noticed. The On-Site Manager or maintenance staff member will check the temperature of the chilled water being delivered, and check any other obvious problems such as a malfunctioning motor or defective temperature control. If the problem is that of an owner/occupant (i.e. Item 1-6), the owner should contact an air-conditioning company for an inspection. If an independent contractor is called, please advise the manager of the arrival time so he or his designee can jointly inspect and evaluate the problem with the air-conditioning contractor.

### OTHER SOURCES OF WATER DAMAGE

In addition to air conditioning, there are three plumbing-related items that have become big problems causing water damage to several units and the units below them. You should know that you are responsible for water damage to other units if these items leak and cause damage. The three most serious problems that are owner/occupant responsibility are:

1. The wax seal around the toilet is leaking. These seals should be changed every 7-10 years. Often the year that the toilet was made is printed on the inside of the tank. You may not be able to tell that the seal needs to be replaced from a visual inspection, so you need to make it a regular replacement item.
2. Those showers that still have the original shower control have a diverter switch. (This is the lever you move to change the flow of water from shower head to tub faucet.) You should take the face cover off and replace this part about every 5 years.
3. Most of the stock washer/dryers do not have the dryer vented to the outside. Therefore the lint pulled out of the dryer stays in the back of the closet area. This floating lint sometimes becomes stuck in the washing machine's water valve solenoid that opens and closes the hot and cold-water flow from the pipe into the machine. When this happens, the valve can get stuck open and leaks occur. A simple fix is to attach a stocking over the vent hose or buy a lint trap to attach to the end of the hose.
4. Turn off all water if you leave for an extended period of time.

### HOMEOWNERS INSURANCE

"The Wailana" insurance does not cover your personal belongings or your liability for injury of someone visiting your apartment. A rule of thumb is that if you turned our unit upside down, anything that falls is your responsibility. It's important to note that the wall, lights, etc. are only restored to original value/condition. So they won't pay for the upgrades you may have made. You would also be responsible for any damages to other units because of water leaks, etc. You are encouraged to contact your insurance company and be sure you have the appropriate coverage for condominiums.

### FIRE PREVENTION

Be sure your unit has a smoke alarm within 15 feet of each sleeping area. Wall-mounted alarms should be installed so the top is 4"-12" from the ceiling and ceiling-mounted units should have 4' to any wall. Test these monthly or as recommended by the manufacturer and replace the batteries any time it makes a 'chirping' sound.

**THE WAILANA AT WAIKIKI**  
**HOUSE RULES – ANNEX 2**  
**CONSTRUCTION, REPAIRS AND IMPROVEMENTS PROCEDURES**

**GENERAL**

Alterations in a condominium are more complex than that of a single-family dwelling. To ensure that all alterations to your apartment meet both City and County regulations and follows The Wailana House Rules, this Annex details the steps and process you must follow when planning and undergoing such renovation/alteration. Our common purpose is to insure continuation of the structural and mechanical integrity of the building; a uniform exterior appearance; and that the alterations will not adversely affect the other residents, both during the process and thereafter. This annex details the items necessary for your project to be approved by the board as well as the procedures you must follow during your project. On the left hand side of the packet you will find:

1. Owner's Application (TAB A)
2. Sample Description (TAB B) – shows what additional information you need to submit for the Board's approval to your request for any major alteration to your unit
3. Contractor Information (TAB C) – what your contractor needs to know to get permission to start work.
4. Applicable House Rules and Regulations (TAB D)
5. Department of Planning and Permitting Flyer.

**APPLICATION**

Only an owner/guardian has the authority to request a unit alteration, the owner/guardian must obtain the Board of Directors' approval prior to seeking of a building permit, and/or the commencement of any repairs or improvements requiring approval of the Board of Directors either under the House Rules, and/or the Association's Declaration and By-laws. In order for the Board of Directors to consider approval for any proposed project, the following documents must be submitted to the Management Office in duplicate:

1. Completed Application for Construction, Repairs or Improvements to include contract and specialty contractors (plumbers or electricians, etc.) names and license numbers and proof of insurance (TAB A). A license starting with "BC" indicates a General Contractor License. They can do incidentals of other trades but generally are still required to hire licensed Electricians and Plumbers. A license that starts with a "C" indicates this is a specialty license such as electrician, Plumber, Dry Wall. The On-Site Manager will verify the licenses. You may also check if the licenses are current by calling 586-3000 or check them on line at <http://pahoe.hoe.ehawaii.gov/pvl/app>.
2. A written description of the changes, specified by room (Sample at TAB B). Describe any structural, plumbing, or electrical work that is planned which would require the work being performed by a licensed contractor as provided in Chapter 18, Revised Ordinance of the City and County of Honolulu. Be sure to include changes to any walls and the particulars of any additional fixtures, equipment or appliances to be moved or installed. A copy of the plans, drawing or blueprints of the alterations you are proposing is also required
  - Indicate if the alterations will affect the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, floors or ceilings surrounding the apartment or any pipes, wires, conduits or other utility or service lines which are common areas and therefore the responsibility of the Association.
  - Indicate if you plan to remove the 'popcorn' ceiling. (See section on Asbestos below)

If you believe no permit is required, please provide an explanation that details why you believe an exception would apply. (See section on work requiring Permits below). The On-Site Manager may verify the scope of work by visiting the worksite with prior notification to the owner.

### WORK REQUIRING PERMITS

There is often confusion about what requires a building permit and what are exceptions. *Work that generally does not require a permit is defined in Section 18-3.1 (b), Revised Ordinances of the City and County of Honolulu.* Some of the included items are:

1. Installation of wall paper, wall coverings or painting
2. Counters or partitions not over five feet nine inches high (see details below)
3. Repairs which involve only the replacement of component parts of existing work with similar materials for the purpose of maintenance, and which do not aggregate over \$1,000 in valuation in any 12-month period, and do not affect any electrical, plumbing, or mechanical installations
4. Electrical work and installations which the Electric Code expressly states no permit is required, including repair work performed by a licensed electrical contractor which does not total more than \$500 in any 12 month-period
5. Repair work in plumbing systems when the work does not involve or require the replacement or rearrangement of valves, pipes or fixtures; and
6. Repair work performed by a licensed plumbing contractor which does not aggregate over \$1,000.00 in valuation in any 12-month period and which involves or requires only the replacement of valves, pipes or fixtures.

Other examples of work which does not generally require a building permit includes, replacing shower doors, replacing existing cabinets and counter tops (not involving any rerouting of plumbing, moving of appliances, and/or electrical work of more than \$500), replacing of floor covering, and replacing of a light fixture where no re-wiring is involved. Please note while these examples were current as of publication of the House Rules, owners are responsible for verification of current ordinances and other applicable code sections.

### PERMITS

NOTE: Item #2 above often causes confusion. This exception is only for adding or removing a counter or partition- it does not provide an exception to the need for a permit for anything higher than 5'9", such as a wall, even when it is not a weight-bearing wall or a door. A permit would also be needed to relocate appliances or doing any plumbing work that go beyond the shut off valves or electrical work when you do re-wiring.

If you have any question please discuss the work you are planning with the Dept of Planning and Permitting. You may also obtain information by going to <http://www.honolulu.gov/refs/roh/> then select CH 18 for Information on Permits.

### ASBESTOS

The popcorn ceilings in several units in the Wailana have been shown to contain asbestos when tested prior to removal (Current studies seem to indicate undisturbed asbestos containing ceiling material does not pose a health risk so long as it remains intact). If you plan to remove them you must have the ceiling tested. You will need to contact DOH Noise, Radiation & Indoor Air Quality Branch at 586-4700.

Address: State of Hawaii, Department of Health  
Noise, Radiation and Indoor Air Quality Branch  
591 Ala Moana Blvd, Honolulu, HI 96813

Unless you are personally aware asbestos has been removed from your unit, or have documentation verifying same, any textured ceiling material should be tested for asbestos prior to removal. A certified consultant must conduct the test. It is illegal for owners or non-certified consultants to take samples. Removal must be made by a state certified consultant. DOH has list of consultants. If you remove the asbestos illegally, an EPA fines could be imposed. For instance, a recent illegal removal of a ceiling obtaining asbestos in an 800 sq. ft. apartment resulted in a fine of over \$20,000.

### **APPROVAL OF PLANS BY THE BOARD OF DIRECTORS**

The Board will only consider requests submitted by owners which contain all the information specified herein. The Board's decision on any request submitted by an owner will be made in writing, and may take up to 40 days from the date of submission of the request. Work may not commence until written approval from the Board is obtained. Upon receipt of approval, owners must follow these steps:

1. If needed, your contractor (or you if you are acting as owner/ contractor) will obtain building permits and/or other required approvals from the City and County of Honolulu. A copy of the building permit must be provided to the On-Site Manager prior to beginning any work and must be posted at the entry to the work-site.
2. Notify the On-Site Manager when you would like the alteration work to begin and have your contractor read and sign the Contractor Agreement (TAB C) stating he understands the rules for doing work in The Wailana. He will receive a copy of the Rules to take with him (TAB D). You must arrange scheduling of the freight elevator with the On-Site Manager, provide the office with a \$500.00 deposit which is refundable upon completion of the project, provided there had not been any damage and or/ debris or other materials left behind by you or your contractor(s).
3. A licensed, insured contractor as required by State law must perform all work on your project. All contractors must sign in and out at the Management Office. Any work affecting the common elements of the project will require that the contractor show proof of license to perform the work and liability insurance coverage in amounts to be determined by the Board, minimum of \$1million dollars. A Certificate of Insurance naming the Association as a Certificate Holder will be required prior to the commencement of work.
4. Diligent completion of your project must be achieved after work is initiated. You must notify the On-Site Manager when the work has been completed.
5. For any work requiring a permit, a Notice of Completion and Certificate of Occupancy must be provided to the On-Site Manager once the city has inspected the work.
6. All work must be done between the hours of 8:00AM to 4:00 PM, Monday through Saturday (holidays excluded).
7. Ensure that you and/or your contractor(s) do not store any building materials on the grounds, loading dock, or parking area of the Wailana. You and your contractor(s) are also responsible for hauling away all debris, left over materials, etc. at the end of each day. The Wailana trash bins cannot be used for disposal of construction trash.
8. Ensure that contractor does not do any work in the common areas, loading dock, or parking areas. Should any damage occur to common element as result of your alterations, you are responsible for its repair. Any other damage or problems caused by your project will be your responsibility not The Wailana at Waikiki Association of Apartment Owners.
9. Ensure that your contractor knows that The Wailana is a non-smoking building.

**APPLICATION**  
FOR  
CONSTRUCTION / REPAIRS / & IMPROVEMENTS  
ACCORDING TO BY-LAWS AND DECLARATION REQUIREMENTS  
FOR THE STATE OF HAWAII & WAILANA CONDOMINIUM

TAB A

APARTMENT OWNER(S) \_\_\_\_\_ Unit No. \_\_\_\_\_

Name: \_\_\_\_\_ Phone No. \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

GEN. CONTRACTOR(S) Company Name: \_\_\_\_\_ Phone No. \_\_\_\_\_

Owner/Supervisor Name: \_\_\_\_\_ Cell No. \_\_\_\_\_

Address (Street): \_\_\_\_\_ City/State: \_\_\_\_\_

GEN. CONTRACTOR(S) License Number: \_\_\_\_\_ Verified by: \_\_\_\_\_

Proof of Insurance Provided by: \_\_\_\_\_

PLUMBER(S) Company Name: \_\_\_\_\_ License #: \_\_\_\_\_ Verified by: \_\_\_\_\_

Proof of Insurance Provided by: \_\_\_\_\_

ELECTRICIAN(S) Company Name: \_\_\_\_\_ License #: \_\_\_\_\_ Verified by: \_\_\_\_\_

Proof of Insurance Provided by: \_\_\_\_\_

Type of work to be done (attach sheet if more space is needed): \_\_\_\_\_

\_\_\_\_\_

Has a building Permit been obtained? ☐ Yes ☐ No: If no, state reason \_\_\_\_\_

\_\_\_\_\_

I understand that the scope of work may be verified by the On-Site Manager

Intended Start Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

Attached To Application:

1. A written letter of proposal, stating intent scope of construction.
2. \$500.00 Check (Security Deposit) To: The Wailana At Waikiki.
3. A copy of Contractor(s) License (if applicable)
4. A copy of building permit (if applicable)

Owner(s) Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Application Received on: \_\_\_\_\_

Before approval application must be Reviewed / Processed By: A.O.O The Wailana Board Of Directors  
Authorize A.O.O. B.O.D. President \_\_\_\_\_ Date \_\_\_\_\_

## SAMPLE DESCRIPTION

TAB B

1. Attached are the elevations and explanations for the kitchen renovations. Once the basic plans are approved, I will select a licensed contractor and ensure all necessary permits are obtained. Copies of the permits and names, license numbers, etc. of all personnel working on the renovation will be filed with the Wailana Management Office. I will insure that these licenses are current. I am submitting the plan at this time so that the cabinets and appliances can be ordered. Any changes or additions prior to construction will be submitted for approval. I have had the contractor we most likely will work with come out and take a look at the current kitchen and elevations so he agrees with the basic plan.

2. The renovations to the kitchen will not require major changes in wiring or plumbing locations, but will move the dishwasher to the other side of the sink and the refrigerator over about 2 feet to the left. Once I receive detailed plans for this from the contractor I will provide it to the Board as necessary. The air conditioning and soffit will be left unaltered. All of the existing cabinetry, appliances and countertops will be replaced.

3. Pg. 1 shows an overhead view of the kitchen and identifies the elevation letter for each wall. The island will be pushed out 1ft 4 inches further out than the existing counter and stove but will remain behind the edge of the soffit line (the dotted line at the bottom of the drawing).

Pg. 2, Elevation A shows the wall that the sink is on. The dishwasher will be moved from the right to the left of the sink and double pantry added next to the dishwasher.

Pg. 3, Elevation B shows the wall where the refrigerator is currently located. The refrigerator will be moved to the right and a microwave, wall oven and warming drawer added.

Pg. 4, Elevation C shows the kitchen island, looking from the wall with the sink.

Pg. 5, Elevation D shows the view from the wall with the refrigerator.

Pg. 6, shows a picture of the wall, which will be placed with the island looking from the living room.

4. Additional renovations are as follows:

Pg. 6, picture 2 shows the non-weight bearing entry wall that will be partially removed. The soffit will be repaired. I do not have an elevation for this portion.

Hardwood (bamboo) floors will be put down in all area except the bathrooms. A ¼ inch foam, although not required, will be put under the flooring.

Wallpaper will be removed and the walls painted.

**The Wailana At Waikiki**  
**Contractor Information**

TAB C

1. Contractors are required to check in with the Wailana Management office before and after the workday. There is NO parking in the Loading dock; it is for loading and unloading only! Please call ahead for the manager's approval, when using the loading dock.
2. All construction work must be done between the hours of 8:00AM and 4:00PM. Monday through Saturday.
3. There will be NO moving of equipment, materials on Saturday, Sunday, Or Holidays.
4. There will be NO construction work on Sunday or Holidays. With the exception of emergencies like electrical power outages, flooding, etc.
5. Office MUST be notified at least a day before a delivery is made.
6. When moving, hold all equipment and construction materials OUTSIDE the elevator waiting room at foyer lobby. Please see Office Personnel to help you. They will obtain the freight elevator and direct transition within waiting room. Tenants do not like to go around tools or materials trying to get into the elevator.
7. There is NO loading or unloading on 2P and 3P. Contractors are responsible for cleaning and removing ALL of their trash from common and working area.
8. DO NOT use our trash bins, or throw your rubbish in our trash chute. No other elevator is to be used except #3 padded freight elevator.
9. Haul away all your rubbish, including, appliances, furniture, and pallets.
10. Contractors are not to use the residents shopping carts. SHOPPING CARTS ARE FOR GROCERIES ONLY!!!!
11. The Wailana is a NON-SMOKING building and it is a State Law. Smoking is not allowed in the elevator foyer and all common areas including hallways.
12. Site verification of renovations in accordance with approved plans will be done by Wailana Management.

Contractor(s) Company Name \_\_\_\_\_

Company(s) Address \_\_\_\_\_

Company phone/cellular phone \_\_\_\_\_

Contractor(s) Current License Number (if applicable) \_\_\_\_\_

Unit Number \_\_\_\_\_ Owners Name \_\_\_\_\_

Owner's Signature \_\_\_\_\_ Date \_\_\_\_\_

Starting Date of Construction \_\_\_\_\_ Ending Date of Construction \_\_\_\_\_

Type of work to be done \_\_\_\_\_

Contractor signature attests that the information above is correct and I have read and agree to the rules stated above. \_\_\_\_\_ Date \_\_\_\_\_

A deposit of \$500.00 will be required from the owner prior to commencement of work.

Thank you for your cooperation in this matter.

Wailana Management Office

# *Wailana At Waikiki*

## CONTRACTORS

### HOUSE RULES AND REGULATIONS

- 1) Contractors are required to check in with the Wailana Management office before and after the workday. There is NO parking in the Loading dock!!! **LOADING DOCK IS FOR LOADING AND UNLOADING ONLY!** Please call ahead for the manager's approval, when using the loading dock.
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- 7) There is NO loading or unloading on 2P and 3P. Contractors are responsible for cleaning and removing ALL of their trash from common and working area.
- 8) DO NOT use our trash bins, or throw your rubbish in our trash chute. No other elevator is to be used except #3 padded freight elevator.
- 9) Haul away all your rubbish, including, appliances, furniture, and pallets.
- 10) Contractors are not to use the residents shopping carts. SHOPPING CARTS ARE FOR GROCERIES ONLY!!!!
- 11) The Wailana is a NON-SMOKING building and it is a State Law. Smoking is not allowed in the elevator foyer and all common areas including hallways, basement and 4/5 floor decks.

THE WAILANA AT WAIKIKI  
Disclaimer and Release For Use Of AOO Wailana Employees  
Within Privately Owned Apartments

I, \_\_\_\_\_, owner and/or authorized owner's agent of apartment number # \_\_\_\_\_ in consideration for using the services of Apartment Owners of The Wailana At Waikiki ("AOO Wailana") employees to do cleaning, general repairs or other work in or around the interior of my apartment after duty hours, which is not work designated as the responsibility of AOO Wailana to perform, do hereby agree to and fully understand the following:

That said AOO Wailana employee will be hired and/or retained solely by me, or at my direction, as an Independent Contractor and as such I assume all responsibility for the said employee and his or her conduct while performing services in or around the premises of my apartment including but not limited to the following:

- a) I agree to be solely responsible for any injuries to the employee while doing performing services for me, or at my direction, and I acknowledge AOO Wailana's insurance policy will not provide any coverage for any claimed injuries;
- b) I agree no worker's compensation benefits will be provided through AOO Wailana's insurance for any claimed injuries and that I will be responsible for any claims made by the employee;
- c) I assume full responsibility for any personal property damaged, missing or other damage or loss to the interior of my apartment which may result from the said employee working in or around my apartment, and that AOO Wailana's insurance will not provide coverage for any such damage;
- d) I acknowledge AOO Wailana makes no warranty or representation whatsoever regarding the qualifications, if any, of any AOO Wailana employee independently retained by me to perform services in or around my apartment, and the AOO Wailana is not liable for any claim of negligence, breach of contract, or any other cause of action which might be asserted by me by reason of an AOO Wailana employee's performance, or lack thereof;
- e) I agree that in consideration for permitting me to retain AOO Wailana's employees to provide services to my individual unit, to hold AOO Wailana, (including its employees, agents, and Board of Directors) harmless for any and claims which might be asserted against AOO Wailana by reason of the matters described herein and to fully and completely indemnify AOO Wailana from any and all such claims, including costs and legal fees which may result from any conduct, injury, loss or damage resulting from my independent retention of the services of a AOO Wailana employee; and,

I agree to only engage a Wailana employee to perform tasks such as changing light bulbs, hanging pictures, moving furniture or painting. I will not engage a Wailana employee to perform work in any of the licensed trades including but not limited to electrical, plumbing and air-conditioning even if the task is of a basic level that it does not require a licensed individual.

Scope of work to be performed: \_\_\_\_\_

Estimated Date of Completion: \_\_\_\_\_  
(30 days or when job is completed which ever comes first)

By: \_\_\_\_\_  
(Signature of Owner)                      Date  
\_\_\_\_\_  
(Print Name)

By: \_\_\_\_\_  
(Signature of Employee)                      Date  
\_\_\_\_\_  
(Print Name)

**Acknowledgement:** Employee agrees that he/she will work after-hours and NOT utilize ANY association equipment & materials

By: \_\_\_\_\_  
(Signature of Site Manager)

By: \_\_\_\_\_  
(Signature of Member of the Board of Director/Managing Agent)

# THE WAILANA AT WAIKIKI

## HOUSE RULES AND REGULATIONS

### INTRODUCTION

The purpose of these Rules and Regulations is to promote harmonious living within the Wailana with particular emphasis on the right to the peaceful enjoyment of one's home.

The authority for these Rules and Regulations is contained in Article VII, Section 7 of the By-Laws of the Association of Owners, Wailana at Waikiki. Responsibility for enforcement is vested in the Board of Directors and exercised primarily by the Resident Manager acting on its behalf.

All owners, occupants and their guests are bound by these Rules and Regulations and by standards of reasonable conduct whether specifically covered by these Rules or not.

Violations shall be reported to the Resident Manager for appropriate action.

August 1994

## MISCELLANEOUS INFORMATION

Report immediately any violations of House Rules to the Resident Manager or Security Guard.

Phone numbers:      Emergency - Police - Fire - Ambulance: 911  
Resident Manager: 946-7327  
Security: 946-7327

### FIRE ALARM BOXES

Alarm boxes are located at each end of the corridors, every person should familiarize himself with the location of the box nearest his apartment.

### SECURITY

Our Security Guard patrols the "common area", but is not authorized to become involved in incidents of a private nature. If an emergency occurs, repeat "Emergency Only", please call 946-7327.

### ELEVATORS

In the event of an emergency in the operation of the elevator, there is a phone located inside the car which will bring aid; just pick up the phone, no dialing necessary. No person is to use the elevators for the purpose of "joyriding". Please observe the NO SMOKING rules in all elevators.

### NO SMOKING

Smoking is prohibited in the WAILANA except as otherwise provided in compliance with the Revised Ordinance of the City and County of Honolulu.

1. Smoking in residential and commercial units is permitted when the doors between the unit and the common or limited common areas are closed except for entering or leaving the unit.
2. Smoking in the restaurant is controlled by the restaurant management.
3. Smoking is permitted on the recreation decks of the 4th and 5th floors.

### AIR CONDITIONING

1. If you prefer to have your windows open, or your lanai doors open for periods longer than just going in or out, turn off all air conditioning. When windows & doors are open and the A/C is on two things occur, the fan coil will condense at a very high rate, sometimes causing the drain pan to overflow, and you will waste expensive energy.

2. On leaving your apartment for extended periods (24 hours or more), set temperature control to 80 degrees - fan to low position. Make sure all windows & doors are closed tightly.

#### RESPONSIBILITY

1. Owners and their Rental Agents are charged with the responsibility of informing new or prospective owners and renters regarding these RULES.
2. Owners and their Rental Agents are responsible for keeping the Resident Manager's office informed of new residents renting or residing in apartments. A written Wailana Registration form must be submitted to the Resident Manager's office prior to move in. Owner and their Rental Agents must furnish to the Resident Manager a statement signed by tenant, acknowledging receipt of a copy of these House Rules by tenant. (Copies of acceptable form for House Rules and Wailana Registration are available from the Resident Manager's office.) Residents must also inform the Resident Manager's office of guests visiting or residing in the apartment.
3. Resident Manager must be provided with access keys to Residential and Commercial units in case of fire, water overflow and other emergencies.
4. The Resident Manager is NOT a 24-hour employee. Lockout requests for his service outside regular office hours (posted on office door) shall be charged \$20.00.

## WAILANA HOUSE RULES

### GENERAL

- 1.1 The residential apartments shall be used only as residences, either permanent or temporary, not less than 30 days, and for no other purpose.
- 1.2 All common elements of the project shall be used only for their respective purposes as designated.
- 1.3 No one shall place, store, or maintain in the halls, lobbies, stairways, walks, passageways, parking areas or other common elements, any furniture, packages or objects of any kind or otherwise obstruct passage or transit in or through such common elements.
- 1.4 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 this project, including grills, doors or gates in corridors and apartment entryways, nor place or maintain any signs, posters or bills without prior written approval by the Board of Directors. Notwithstanding any other restrictions contained herein, handicapped occupants may apply to the Board of Directors for permission to proceed with improvements, at their cost, as necessary to enable them reasonably to use and enjoy the project, and the Board will not unreasonably deny or delay its approval of such requests.
- 1.5 Prior to commencing any construction either within the confines of any apartment or in the limited common or common areas of the project with prior written consent from the Board, the owner shall deposit with the Resident Manager the sum of \$500.00, in a form satisfactory to the Resident Manager, which shall be forfeited in an amount sufficient to pay for any damages caused to the common elements by, or in connection with the construction. Upon completion of the construction, the unused amount shall be refunded.
- 1.6 No apartment owner or occupants shall paint, decorate or landscape any entrance, hallway, planting area or lanai appurtenant to his apartment except as approved in advance by the Board of Directors.
- 1.7 Nothing shall be allowed, done or kept in any apartment or common elements of the project which will overload or impair the floors, walls, or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidations of any insurance thereon maintained by or for the Association. Water furniture is not allowed.
- 1.8 Owners and occupants shall be responsible for the actions of all members of their families and their guests, invitees, tradesmen and clients at all times while on the premises.

- 1.9 Any damage to the building or other apartments caused by an owner, tenant or his guest shall be repaired at the expenses of the owner of the apartment occupied by the responsible party. This includes, but is not limited to, moving in and out of the building.
- 1.10 Residents and occupants shall give emergency notification information to the Resident Manager – all information is confidential.
- 1.11 Draperies and curtains must be white or off-white or lined in this manner to insure a uniform appearance from the exterior of the building.
- 1.12 No one will be allowed to loiter or play in the corridors. Frisbee or ball throwing, skating, skateboard riding and similar activities are not permitted in the common areas including 4th and 5th level recreational areas, building entrance, parking areas or auto ramps.
- 1.13 No surfboards, bicycles or other similar items shall be permitted in the entrance lobby, elevators or stairwells. Surfboards and bicycles must be stored in areas so designated.
- 1.14 No barbecuing with charcoal or briquettes is permitted on the premises. Lanai barbecuing is limited to the use of gas or electric equipment.
- 1.15 Fireworks are prohibited on the premises at all times.
- 1.16 No resident or commercial tenant shall make nor permit any family, guests or employees to make any disturbing noises in the building or on the grounds; nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other residents. Extra care should be exercised with regard to causing or permitting noises that might disturb other occupants after 9:00 p.m.
- 1.17 No cigarettes, cigars, or other material shall be discarded in the parking areas, corridors, elevators, stairways, sidewalks, yard or other common areas, or lanais.
- 1.18 Soliciting of any type shall not be permitted by residents or other persons with out specific written approval from the Board of Directors.
- 1.19 When necessary to move or receive furniture/appliances or other large items, the Resident Manager must be given ample notice to schedule the freight elevator for your exclusive use. He will have the elevator prepared and explain manual operation at the time of scheduling your move in/out. A \$150.00 refundable "Damage Deposit" in a form satisfactory to the Resident Manager is required.
- 1.20 Unscheduled moves are not permitted. Moves must be scheduled Monday to Friday between the hours of 8:00 a.m. to 4:00 p.m. No moves may be made on Saturday, Sunday, or Holidays.

- 1.21 Repairs which required drilling, hammering, sawing or any other noisy procedures are restricted to Monday - Saturday between 8:00 a.m. to 4:00 p.m.
- 1.22 The Resident Manager is NOT permitted to allow anyone into an apartment without written permission given him by the owner/occupant.
- 1.23 Plants will not be placed in hallways, vestibules or any other common element except apartment entryway.
- 1.24 Shopping carts should be returned promptly to parking floor elevator lobbies.
- 1.25 A "party kitchen" is located on the 5th floor recreational deck for use of tenants. Arrangements for use should be made in advance with the Resident Manager. The hours of use for this area and for the 4th floor recreational deck are 8:00 a.m. to 10:00 p.m. A \$20.00 damage/cleaning deposit is required. The deposit will be returned after kitchen is inspected by Resident Manager and found to be clean and in good condition.

## POOL RECREATION AREAS

- 2.1 The pool/recreation areas are for exclusive use of occupants and their guests.
- 2.2 Occupants are responsible for the conduct and safety of their guests.
- 2.3 Occupants and their guests will use the swimming pool at their own risk.
- 2.4 The number of pool guests shall be limited to four per apartment at any time; exceptions may be made through the Resident Manager.
- 2.5 Swimming is permitted only during the hours of 8:00 a.m. to 10:00 p.m.
- 2.6 Parents and/or guardians and guests are responsible for the safety and conduct of their children and are expected to utilize reasonable judgement in supervising them in the pool area.
- 2.7 Appropriate swimming apparel is required at all times.
- 2.8 There shall be no running, pushing or shoving of anyone around the pool area. Jumping or diving from the railing or lanai furniture is not allowed.
- 2.9 Loud voices, disturbing noises and water games such as "Marco Polo" are not permitted.
- 2.10 Rafts, surfboards, snorkeling equipment, swim fins, large toys, etc. are not allowed in the pool.
- 2.11 Do not leave litter such as food items, papers or other objects in the pool area. Put cigarettes in the proper receptacles only.
- 2.12 Persons using the swimming pool shall dry thoroughly before entering the building and elevators.
- 2.13 Doors and gates to the swimming pool area shall be closed upon entering and leaving.
- 2.14 All persons suffering from any disease generally accepted by the medical community as communicable through casual contact shall be excluded from bathing in the swimming pool.
- 2.15 Spitting, spouting of water, blowing the nose in the swimming pool shall be prohibited.
- 2.16 Absolutely no glassware, ceramics, chinaware or other breakables are allowed in the pool area.
- 2.17 Entry door to pool area shall be locked from 5:00 p.m. until 8:00 a.m. Regular entry door security key fits the lock should occupants wish to use to the pool after 5:00 p.m. and prior to 10:00 p.m.

## PETS

- 3.1 Pets are limited to small dogs, cats, caged birds such as canaries or parakeets, and aquarium type fish. Not more than two animals (dogs and cats) are allowed per apartment, and no pets will be kept for breeding or other commercial purposes. All pets must be registered with the Resident Manager.
- 3.2 A non-refundable fee of fifty dollars (\$50.00) is to be paid into a Maintenance Account for every dog and cat brought into Wailana.  
  
Owners or tenants with pets on the effective date of these House Rules may register them within fourteen (14) days without paying the non-refundable fee.
- 3.3 All pets shall be carried or kept on a short leash when in the elevators, walkways or other common areas. The owner and pet (except for certified guide animals) must wait for the next elevator when there are four or more people in the elevator.
- 3.4 No visiting pets (except for certified guide animals) are allowed on the premises.
- 3.5 Pets (except for certified guide animals) are not allowed on any part of the 4th and 5th level recreation decks, stairways, nor on any of the landscaped grounds.
- 3.6 Solid animal waste must be removed and disposed of in accordance with City and County of Honolulu Ordinance #3912, Section 26-4.15:  
  
"No person shall permit an animal owned by him or while in his custody to excrete any solid waste in any public place or on any private premises not the property of said owner...no further violation of this section shall occur if the owner of the offending animal promptly and voluntarily removes the animal waste."  
  
All pet refuse must be securely wrapped and tied, or bagged in plastic and tied, before being deposited in the trash chute.
- 3.7 Pets, pet food, litter boxes, etc., shall not be left unattended on lanais. All feeding of wild birds is prohibited on the premises.
- 3.8 A pet (except for a certified guide animal) which creates a nuisance or poses a hazard will be immediately and permanently removed from the premises upon request of the Resident Manager or the Board of Directors.
- 3.9 The handicapped owner of a certified guide animal which causes a nuisance or unreasonable disturbance shall be given an opportunity to rectify the problem. When the Board determines that the animal must be ejected, the owner will be allowed a reasonable time to obtain a suitable replacement. The animal in question will be permitted to remain at the project during this time, provided that the problem is controlled to a sufficient degree that the continued presence of the animal does not constitute an unreasonable imposition upon or danger to other occupants.

## PARKING AREAS

- 4.1 All parking stalls are assigned to individual apartments. Residents will not use nor permit their guests to use any other parking space without prior permission of the person concerned.
- 4.2 Vehicles will not be parked in traffic lanes or other unauthorized areas.
- 4.3 Parking stalls will be used only for parking of operable vehicles bearing current license plates and safety stickers. Storage of other materials or the parking of boats, trailers, etc. in the parking stalls is prohibited.
- 4.4 Vehicles must be carefully parked in the center of the stall and should not protrude into the traffic lane, or infringe on adjoining stalls.
- 4.5 Only one vehicle (including motorcycles) will be parked in a stall without written permission from the Resident Manager.
- 4.6 Improperly parked vehicles or other materials stored in parking stalls in violation of these regulations will be subject to removal at the owner's expense.
- 4.7 Repair work on vehicles in the parking area is prohibited except for minor adjustments, changing flat tires, dead batteries or similar type emergency work. Extensive work of any nature, spray painting or any other work which may create an unsightly condition or inconvenience to others is prohibited.
- 4.8 Vehicles will be operated at a safe speed and in a prudent manner in the parking areas, access ramps, etc. For safety, you are urged to use headlights.
- 4.9 Residents may wash or polish cars only in their own stall and only with a bucket, sponge or cloth. Cars will not be washed with a hose or rinsed with buckets of water.
- 4.10 Owner/occupants will not allow excessive build-up of grease or oil in the parking stalls. The Resident Manager will inspect parking stalls on a periodic basis and will issue notices as required. If the stall is not cleaned within 10 days after the notice is issued, the Manager will have it cleaned and the owner will be billed for the cost.
- 4.11 It is the owner/occupant's responsibility to call the tow company for removal of a vehicle in his assigned parking stall. The tow company will want a description of the vehicle - make, model, color and license number. The owner/occupant must meet the tow truck at the garage entry to open the gate.
- 4.12 The Resident Manager calls the tow company to have an improperly parked vehicle removed from a traffic lane or other unauthorized area.

## SECURITY

Security begins with YOU! Here are some tips to improve our Building Security:

- 5.1 Do not open security doors for or allow anyone to enter unless you know they are occupants or have legitimate business.
- 5.2 Do not leave any security doors open unattended.
- 5.3 If anyone other than a recognized resident of the building asks to use your parking gate card to gain entry to the resident parking area on any pretext, they should be told to see the Resident Manager or park downstairs in the public parking area.
- 5.4 If you see strangers loitering in or around the premises, notify the Security Patrol or the Resident Manager.
- 5.5 Report any attempted break-in or robbery to the Police (911), then to the Resident Manager or Security Guard.
- 5.6 Stairwell keys are issued to each occupant.

- 5.7 Parking Gate cards are issued for \$50.00 refundable fee.  
*\*Note: These cards are programmed for parking garage access only.\**

- 5.8 The owner of each apartment will be issued two (2) building security devices and one (1) parking card, without charge, as a matter of right. Additional security devices may be obtained by the owner (*registered agent or registered rental tenant*), with the payment of fifty dollars (\$50.00 ) refundable deposit per key.

*\*Note: Security devices distributed to rental tenants will be programmed only for the duration of their registered stay.\**

The deposit is refunded to the person who made the deposit in this matter:

1. The key is returned to the Resident Manager.
2. The key number is compared with the deposit receipt or key records and the Managing Agent is notified that a refund is due.
3. The Managing Agent mails the refund to the individual at the address provided. This takes about 2 weeks.

- 5.9 The security door locks are changed occasionally to provide better security.

Apartment owners and tenants may exchange keys of record (*damaged or malfunctioning*) for new keys without charge.

## STORAGE

- 6.1 Storage space is available in common areas on floors 2P and 3P. This space is not assigned by apartment, but is allotted by the Resident Manager in accordance with guidelines set by the Board of Directors.
- 6.2 All items stored in storage room shall be at the risk of the residents. All articles must be conspicuously marked by name, apartment number and date.
- 6.3 No inflammable or explosive materials are allowed to be stored in the building except small quantities of household cleaning products. These items may be stored in corridor lockers only.
- 6.4 Owner/occupants should make every effort to arrange stored material in the least possible space.
- 6.5 The Resident Manager is required to remain in attendance any time the common storage areas are open.
- 6.6 A special storage area is available for bicycles and surfboards. Bicycles stored in this area must be in operable condition. A \$25.00 refundable deposit is required for a key to this area.

### LANAIS

- 7.1 Hanging of any sort from the ceiling or walls of a lanai is not permitted.
- 7.2 Only appropriate furniture and small plants not more than 6 feet tall shall be placed on lanais. All plants shall be placed in containers so as to prevent dripping water or soil onto other apartments or the common areas. Branches and leaves should not extend beyond railings and lanais.
- 7.3 No garments, rugs, or towels or other objects shall be hung from the lanais or windows, nor shall they be dusted or shaken from the lanais or windows, or cleaned by beating or sweeping on the grounds of the project.
- 7.4 When washing lanai or glass, do not permit water to drip onto lower units.

## REFUSE DISPOSAL

- 8.1 No refuse, garbage, or trash of any kind shall be thrown, placed or kept in any common element other than the disposal facilities provided for such purposes. A trash disposal room and chute are located on each floor. Please read and obey rules posted in each utility room.
- Trash shall only be deposited between the hours of 7:00 a.m. and 10:00 p.m.
  - No bottles or glass of any kind shall be placed in the trash chute.
  - All bottles, glass, boxes and large pieces of cardboard shall be left in the utility room for pickup.
  - Trash containing dry garbage, cans and newspaper shall be securely wrapped before placing in trash chute.
  - No wet garbage, loose papers or flammable materials shall be placed in trash chute.
- 8.2 No hazardous material shall be put in the trash chute. This includes such items as paint, thinner, gasoline, solvents and other highly inflammable substances.
- 8.3 Normal house hold refuse, including small bottles (up to and including one pint), cans, etc. should be bagged or packaged securely and deposited in the refuse chute.
- 8.4 Large bottles, cardboard boxes and other items which might cause injury to personnel, clog the chute or damage equipment in any way, should be left in the utility room.
- 8.5 Newspapers must not be deposited in the refuse chute. Stack them neatly in the utility room.
- 8.6 Call Resident Manager regarding Christmas tree disposal.

## VIOLATIONS AND PENALTIES

Failure of owners, occupants and/or their guests to conform to these Rules and Regulations, or reasonable conduct, will be handled in the following manner:

1. First Violation - The Resident Manager shall advise the owner/occupant of the rule or conduct of which he is in violation.
2. Second Violation - The Resident Manager shall send a written notice of the repeated violation to the owner and the occupant by certified mail, return card requested.
3. Third Violation - The Managing Agent shall notify the owner by certified mail, return card requested, of the repeated violations, and the time and place of the Board Meeting when this subject will be taken up. The second, third, and subsequent violations need not be for the same House Rule infraction. The owner will be invited to be present at this meeting.

The owner shall have the right to present the owner's position, question the person or persons involved in reporting the violation, and to introduce witnesses, designated at least 1 week in advance, on the owner's behalf.

The Board may impose a special fine up to one hundred dollars (\$100.00) for each infraction. The Managing Agent shall, within 14 days, notify the owner of the Board's action, the special fine and the date that payment, if any, is due.

The owner may request arbitration of the dispute as set forth in HRS 514A-121 if he feels the enforcement of the House Rules is inappropriate.

## ADDITION TO HOUSE RULES JULY 1996

### Air-Conditioning Malfunctions.

#### Introduction

A. The air handler which provides cool air in owners apartment may at times not deliver sufficient cool air to maintain a comfortable living environment. This condition could result from one or more of several situations which could cause a malfunction. They are:

- 1) Defective thermostat control unit location on the wall of each unit.
- 2) Malfunctioning valve that controls the flow of cold water to individual apartment coil units.
- 3) Accumulation of lint and dirt on the face of the apartment coil unit which prevents sufficient air to flow through the coils and into the air ducts in the apartment.
- 4) Partial blocking of the apartment cooling system because of corrosion and deterioration of the interior of the unit coils and the metal fins on the face of the unit which direct maximum air flow over the coils.
- 5) Failure of one or more electric motors which drive the fans and provide cool air through the apartment air-conditioning ducts.
- 6) Dirty out-of-balance fans not delivering the normal amount of cool air.
- 7) Failure of the building a/c system to deliver sufficient cold water to the apartment coil units because of:
  - a. Malfunction of the building system.
  - b. Debris from the building cold water pipes which has infiltrated and partially or completely plugged the coils in the affected apartment.

*Note: Of the seven reasons noted above the first six are the responsibility of the owner. The seventh is an Association responsibility.*

#### B. Procedure to determine Responsibility.

- 1) Owner or occupants should contact the Manager as soon as the problem is noticed.
- 2) Manager or his designee will check the temperature of the cold water being delivered by the building a/c system to the apartment and will check for any other obvious problem such as a non-functioning motor or defective temperature control.
- 3) After his examination he will take remedial action if the building air-conditioning system is at fault—if not he will recommend that the occupant take appropriate action to contact an independent air-conditioning firm for their inspection and evaluation.
- 4) If the owner/ occupant elects to call an independent contractor he must advise the manager of the arrival time of the outside contractor so that he or his designee can jointly inspect and evaluate the problem with the air-conditioning contractor.

Cont...

5) If the manager is not notified and is thus unable to participate in the examination of the unit, the Wailana Association of Owners will not be responsible for any costs incurred regardless of the cause of the malfunction.

6) If the joint inspection reveals that the trouble was caused by any of the 1 to 6 reasons recited above the cost of repair and/ or replacement is the responsibility of the owner. The Association has the obligation to correct problems recited under Paragraph A-7 above.

#### Tinting of Apartment Windows.

The large sliding glass doors and bedroom windows in Wailana apartments are equipped with very expensive glass which was tinted during the manufacturing process over 25 years ago.

The quality of the product is borne out by the fact that after all these years the windows appear to be in excellent condition throughout the building.

There seems no reason for owner to apply additional outside tinting, but if a sufficient reason is presented to the Board of Directors it will be given appropriate consideration.

Under no circumstance, however, will such a request be considered unless the proposed tinting matches perfectly with the present tinting color. Please be sure to provide full details to the Board prior to any installation to avoid the cost of purchase and removal.

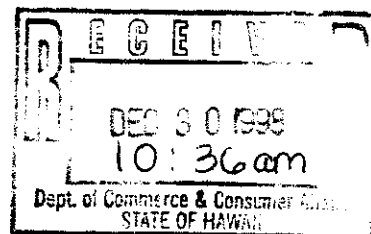


Nonrefundable filing fee: \$50.00  
Submit Original and One True Copy

DOMESTIC NONPROFIT

STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
Business Registration Division  
1010 Richards Street  
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810

**ARTICLES OF INCORPORATION**  
(Section 415B-34, Hawaii Revised Statutes)



PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK:

The undersigned, desiring to form a nonprofit corporation under the laws of the state of Hawaii, certify as follows:

I

The name of the corporation shall be: Association of Owners of The Wailana at Waikiki

II

The address of the corporation's initial office is (provide street address): c/o Hawaiiana Management,  
711 Kapiolani Blvd., Suite 700, Honolulu, HI 96813

III

The period of its duration is perpetual.

IV

Section 1. The purpose(s) for which the corporation is organized:

To operate and administer condominium project known as The Wailana at Waikiki

and, the transaction of any or all lawful activities for which nonprofit corporations may be incorporated under Chapter 415B, Hawaii Revised Statutes.

Section 2. And in furtherance of said purposes, the corporation shall have all powers, rights, privileges and immunities, and shall be subject to all of the liabilities conferred or imposed by law upon corporations of this nature, and shall be subject to and have all the benefits of all general laws with respect to corporations.

B54 (Fee)  
B23 (Certification)

## V

The number of directors shall be not less than three (3). The number of directors constituting the initial Board of Directors is nine (9). The following are the names and residence street addresses of the initial directors:

Directors (must be individuals)

	<u>Name</u>	<u>Residence Street Address (number, street, city, state, zip code)</u>
1.	<del>Geri O'Leary</del> Geraldine A. O'Leary	1860 Ala Moana Blvd., #1903, Honolulu, HI 96815
2.	Sebastiano Vani	1860 Ala Moana Blvd., #903, Honolulu, HI 96815
3.	Jeanette Lesko	1860 Ala Moana Blvd., #1501, Honolulu, HI 96815
4.	David M. Oberheu	1860 Ala Moana Blvd., #1102, Honolulu, HI 96815
5.	Ed Greenwood	1860 Ala Moana Blvd., #710, Honolulu, HI 96815
6.	Oscar Jasper	1860 Ala Moana Blvd., #904, Honolulu, HI 96815
7.	Linda Kuo	1860 Ala Moana Blvd., #1602, Honolulu, HI 96815
8.	Ursula Post	1860 Ala Moana Blvd., #1302, Honolulu, HI 96815
9.	Neta Stillman	1860 Ala Moana Blvd., #1502, Honolulu, HI 96815

## VI

The officers of the corporation shall consist of a President, Vice-President, Secretary, and Treasurer. The Board may appoint such other officers as in its judgment may be necessary. The following are the names and residence street addresses of the initial officers:

Officers (must be individuals)

	<u>Name</u>	<u>Residence Street Address (number, street, city, state, zip code)</u>
President	Geraldine A. O'Leary <del>Geri O'Leary</del>	1860 Ala Moana Blvd., #1903, Honolulu, HI 96815
Vice President	Sebastiano Vani	1860 Ala Moana Blvd., #903, Honolulu, HI 96815
Secretary	Jeanette Lesko	1860 Ala Moana Blvd., #1501, Honolulu, HI 96815
Treasurer	David M. Oberheu	1860 Ala Moana Blvd., #1102, Honolulu, HI 96815

## VII

- ☒ The corporation has members.
- ☐ the corporation has no members.

## VIII

The corporation is nonprofit in nature, and shall not authorize or issue shares of stock. No dividends shall be paid and no part of the income or profit of the corporation shall be distributed to its members, directors, or officers, except for services actually rendered to the corporation, and except upon liquidation of its property in case of corporate dissolution.

We certify under the penalties of Section 415B-158, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

Witness our hands this 28<sup>th</sup> day of December, 1998.

Geraldine A. ~~Geri~~ O'Leary

(Type/Print Name of Incorporator)

Geraldine A. O'Leary  
(Signature of Incorporator)  
(Sign in black ink)

David M. Oberheu

(Type/Print Name of Incorporator)

David M. Oberheu  
(Signature of Incorporator)  
(Sign in black ink)

**Wailana at Waikiki, AOO**  
**Insurance Summary**  
**Date Prepared: September 17, 2008**

**Insurance Associates, Inc.**  
**800 Bethel Street, Suite #200**  
**Honolulu, HI 96813**

**Agent: Sue Savio**  
**Direct Line: 808-526-9271**  
**Direct Fax: 808-792-5371**  
**sue@ia-hawaii.com**

Coverage	Limits	Term	Policy Period	Annual Premium	Insurance Company	Comments
<b>Property</b> Building Replacement Cost Building Ordinance/Increased Cost of Construction Business Personal Property Deductible (all other perils excluding hurricane) Hurricane Deductible (2% of the building value)	\$ 61,367,029 \$ 1,000,000 \$ 15,000 \$ 10,000 \$ 1,227,341	Annual	08/10/08 – 08/10/09	\$ 33,897	First Insurance Company of Hawaii, Ltd.	
<b>Comprehensive General Liability</b> General Aggregate Products and Completed Operations Aggregate Personal & Advertising Injury Each Occurrence Fire Damage (any one fire) Medical Expense (any one person) Hired/Non-Owned Automobile (occurrence)	\$ 2,000,000 \$ 0 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 5,000 \$ 1,000,000	Annual	08/10/08 – 08/10/09	\$ 16,429	First Insurance Company of Hawaii, Ltd.	
<b>Commercial Umbrella</b> Each Occurrence Liability Aggregate Limit Retained Limit	\$ 10,000,000 \$ 10,000,000 \$ 0	Annual	08/10/08 – 08/10/09	\$ 4,392	Great American Insurance Company	Provides coverage above the Directors' & Officers' Policy.
<b>Boiler and Machinery</b> Covered Amount Deductible	\$ 40,350,000 \$ 5,000	Annual	08/10/08 – 08/10/09	\$ 2,307	The Hartford Steam Insurance Inspection and Insurance Company	
<b>Directors' and Officers' Liability</b> Each Occurrence General Aggregate Deductible	\$ 2,000,000 \$ 2,000,000 \$ 1,000	Annual	08/10/08 – 08/10/09	\$ 3,247	Great American Insurance Company	Employment Practices Liability Coverage Included.
<b>Fidelity Bond</b> Deductible	\$ 100,000 \$ 1,000	Annual	08/10/08 – 08/10/09	\$ 249	First Insurance Company of Hawaii, Ltd.	
<b>Flood Insurance</b> Covered Amount Contents Deductible	\$ 49,750,000 \$ 15,000 \$ 5,000	Annual	06/15/08 – 06/15/09	\$ 36,527	Selective Insurance Company of America	
<b>Workers' Compensation &amp; Employers Liability</b> Bodily Injury (each accident) Bodily Injury (each employee) Bodily Injury (policy limit)	\$ 100,000 \$ 100,000 \$ 500,000	Annual	08/23/08 – 08/23/09	\$ 9,317	Island Insurance Company, Ltd.	

*This summary is a brief outline of your insurance policies and is a matter of information only. It does not amend, extend or alter the coverage's afforded by the companies. You must refer to the provisions found in your policies for the details of your coverage's, terms, conditions and exclusions that apply.*

RECORDATION REQUESTED BY:

68- 7011

Security Title Corporation

STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECEIVED FOR RECORD

LIBER 5970 PAGE 436

'68 FEB 21 AM 11:21

AFTER RECORDATION, RETURN TO:

Security Title Corporation

*[Signature]*  
TREASURER REGISTRAR

RETURN BY: MAIL ( ) PICKUP ( )

INDENTURE OF LEASE made this 1st day of December, 1967, by and between K. D. I. INVESTMENTS, INC., a Hawaii corporation, of Honolulu, City and County of Honolulu, State of Hawaii, hereinafter called the "Lessor", and STARK ENTERPRISES, LTD., a Hawaii corporation, as General Partner of THE WAILANA, a registered limited partnership, whose place of business is at Honolulu aforesaid, and whose post office address is P.O. Box "H", Waikiki Station, Honolulu aforesaid, hereinafter called the "Lessee",

1. DEMISED PREMISES. Lessor, in consideration of the rents hereinafter reserved and of the covenants herein contained and on the part of Lessee to be observed and performed does hereby demise and lease unto Lessee, and Lessee does hereby accept and rent:

Those certain premises described in Exhibit A attached hereto and incorporated herein by reference for every purpose.

2. TERM. The term of this lease shall be for a period of seventy-two (72) years beginning on the first day of December, 1967, and ending on the last day of November, 2039.

3. RENT. Lessee shall pay to Lessor in legal tender of the United States, without deduction or demand, the following rentals:

AFFIDAVIT  
FILED

028437

STATE OF  
HAWAII

P.B. FEB 21 '68  
10517

CONVEYANCE  
TAX....



124.00

(a) One Dollar (1.00), the receipt of which is hereby acknowledged by Lessor, for the period December 1, 1967 to September 30, 1968;

(b) Two Thousand Dollars (\$2,000.00) per month in advance on the first day of each and every month during the period October 1, 1968 to November 30, 1969.

(c) Seventy Three Thousand Six Hundred Eight and No/100 Dollars (\$73,608.00) per year for the next thirteen (13) years payable \$6,134.00 monthly in advance on the first day of each and every month.

(d) Ninety Six Thousand Five Hundred Four and No/100 Dollars (\$96,504.00) per year for the next seventeen (17) years payable \$8,042.00 monthly in advance on the first day of each and every month.

(e) Such annual rent for and during each of the next four (4) successive ten (10) year periods of the lease term as shall be determined for each of said periods by written agreement of Lessor and Lessee, or if they fail to reach such agreement at least ninety (90) days before the commencement of any such period, as shall be the then fair rental value for the property, exclusive of improvements, at its highest and best use (the highest and best use shall be deemed to be the design and size of improvements constructed by Lessee under paragraph 11 of this lease), as shall be determined by appraisal, but in no event shall such annual rent for any such period be less than the annual rent payable during the immediately preceding rental period.

4. QUIET ENJOYMENT. Upon payment by Lessee of the rent as aforesaid and upon observance and performance of the covenants, conditions and agreements contained herein, and on the part of Lessee to be observed and performed, Lessee shall peaceably hold and enjoy said premises for the term hereby demised without hindrance or interruption by Lessor or any other person or persons lawfully claiming by, through or under it except as herein expressly provided.

5. TAXES AND ASSESSMENTS. Lessee will also pay, when due, all real property taxes and assessments of every description to which said premises or any part thereof or improvements thereon or Lessor or Lessee in respect thereof, are now or may during said term be assessed or become liable, whether assessed to or payable by Lessor or Lessee; provided, however, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments of principal together with interest on unpaid balances thereof as shall become due and payable during said term. If at any time during the term of this lease there is imposed upon Lessor any real property taxes which any statute or ordinance specifically prohibits being paid by Lessee, then the rent provided for in paragraph 3 herein shall be increased by the amount of said real property taxes.

6. RATES AND OTHER CHARGES. Lessee will pay directly, when due, all utility charges, water and sewer rates, garbage rates and other charges and outgoings of every description to which said premises or any part thereof or improvements thereon, or Lessor or Lessee in respect thereof, may during said term be assessed or become liable, whether assessed to or payable by Lessor or Lessee.

7. IMPROVEMENTS REQUIRED BY LAW. Lessee will at its own expense during the whole of said term make, build, maintain and repair all fences, sewers, drains, roads, curbs and sidewalks which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of said premises or any part thereof.

8. OBSERVANCE OF LAWS. Lessee will at all times during said term keep said premises and adjacent sidewalks in a strictly clean, orderly 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 said

premises or any improvements thereon or use thereof, and will indemnify Lessor against all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of said laws, ordinances, rules and regulations or of this covenant.

9. REPAIR AND MAINTENANCE. Lessee will at Lessee's own expense from time to time and at all times during said term well and substantially repair, maintain, amend and keep all buildings and other improvements now or hereafter built or made on the demised land with all necessary reparations and amendments whatsoever in good order and condition except as otherwise expressly provided herein.

10. INSPECTION. Lessee will permit Lessor and its agents at all reasonable times during said term to enter said premises and examine the state of repair and condition thereof, and will repair and make good at its own expense all defects required by the provisions of this lease to be repaired by Lessee of which notice shall be given by Lessor or its agents within thirty (30) days after the giving of such notice or such other reasonable time as may be specified therein.

11. CONSTRUCTION OF IMPROVEMENTS. Lessee will at its own expense demolish existing improvements and construct and complete on the demised land, in accordance with complete plans, specifications and detailed plot plans, prepared by a licensed architect, first approved in writing by Lessor, a substantial project consisting of a building or buildings having a total construction cost of not less than FOUR MILLION DOLLARS (\$4,000,000.00) and utilizing the demised premises to its fullest practicable potential under existing zoning ordinances, (it being agreed that Lessee will provide at least 5,000 square feet of commercial space on the lower floor or floors), provided that Lessee shall not commence demolition of existing improvements until it submits satisfactory evidence to Lessor that it has

sufficient funds available to fully pay for all improvements proposed to be constructed. Such construction will be supervised by a licensed architect and shall commence not later than two years after commencement of this lease and shall be completed not later than four years after the commencement of this lease. In case the Lessor shall fail either to approve said plans and specifications in writing or disapprove them with substantial reasons given therefor in writing within twenty (20) days after the receipt of the plans and specifications from Lessee, such plans and specifications shall be deemed approved.

12. USE OF PROPERTY. Lessee will develop a condominium apartment building or buildings with commercial facilities on the property and submit this lease and such improvements under the Horizontal Property Act, as hereinafter defined.

13. BONDS. Lessee will before commencing demolition of existing improvements deposit with Lessor a performance bond in a penal sum equal to the cost of such construction and in form and with surety satisfactory to Lessor, guaranteeing the completion of such construction, in accordance with the contract for the same, free and clear of all mechanics' and materialmen's liens.

14. FIRE INSURANCE. Lessee will at its own expense at all times during said term keep all buildings erected on the demised land 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 by blanket policy, or policies, in the names of and payable in case of loss to Lessor, Lessee and any mortgagee, as their respective interests may appear, or such trustee for all parties in interest as Lessor and Lessee shall designate by mutual agreement, and will pay all premiums on such insurance when due and all fees and expenses of such trustee in connection with its services, and will from time to time upon receipt thereof deposit promptly with Lessor true copies of such insurance policies or current certificates

thereof. All proceeds of such insurance shall be immediately available to and used as soon as reasonably possible by Lessee or such trustee for rebuilding, repairing, or otherwise reconstructing the same building in a good and substantial manner according to the original plan and elevation or such modifications according to laws and ordinances then in effect as shall be first approved in writing by Lessor and all parties in interest thereby directly affected, and Lessee will at its own expense make up any deficiency necessary to so rebuild, repair, or reconstruct said building.

15. LIABILITY INSURANCE. Lessee will at its own expense effect and maintain during the whole of said term comprehensive general liability insurance with respect to said premises in a responsible insurance company with minimum limits of not less than \$300,000.00 for injury to one person and not less than \$500,000.00 for injury to more than one person in any one accident or occurrence and also insurance in a sum not less than \$50,000.00 against claims for property damage. Such insurance will name Lessor as an additional insured and Lessee will from time to time upon receipt thereof deposit promptly with Lessor current certificates of such insurance.

16. INDEMNITY. Lessee will indemnify and hold Lessor harmless from and against all claims and demands for loss or damage, other than loss or damage as may be caused by the negligence or misconduct of Lessor or its agents, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of said premises, or any accident or fire on said premises or any nuisance made or suffered thereon, or any failure by Lessee to keep said premises or any adjacent sidewalks in a safe condition, and will reimburse Lessor for all costs and expenses including reasonable attorneys' fees incurred in connection with the defense of any such claims, and will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on said premises at the

sole risk of Lessee and save Lessor harmless from any loss or damage thereto by any cause whatsoever, other than the negligence or misconduct of Lessor or its agents.

17. EXPENSES OF LESSOR AND LESSEE. Lessee will pay to Lessor on demand all costs and expenses including reasonable attorneys' fees incurred by Lessor in enforcing any of Lessee's covenants herein contained, in remedying any breach thereof, in recovering possession of said premises or any part thereof, in collecting any delinquent rent, taxes or other charges hereunder payable by Lessee, or in connection with any litigation (other than condemnation proceedings) commenced by or against Lessee to which Lessor shall without fault be made a party. Lessor will pay to Lessee upon demand all costs and expenses including reasonable attorneys' fees incurred by Lessee in enforcing any of the promises and covenants of Lessor herein contained, or in remedying any breach thereof or in connection with any litigation (other than condemnation proceedings) commenced by or against Lessor to which Lessee shall without fault be made a party.

18. LIENS. Lessee will not commit or suffer any act or neglect whereby said premises or any improvement thereon or the estate of Lessee therein shall at any time during said term become subject to any attachment, judgment, lien, charge or encumbrance whatsoever, other than any authorized mortgages, and will indemnify and hold Lessor harmless from all loss, cost and expenses with respect thereto.

19. WASTE AND UNLAWFUL USE. Lessee will not at any time make or suffer any strip or waste or unlawful, improper or offensive use of said premises.

20. ASSIGNMENT AND SUBLETTING. Lessee will not without the written consent of Lessor, except as herein expressly provided, assign or mortgage this lease nor sublet or part with possession of the whole or any part of the demised land; provided, however, that Lessee, after submission of this lease under the provisions

of the Horizontal Property Act (Chapter 170A, Revised Laws of Hawaii 1955, as amended) may from time to time make partial assignments of this lease with respect to condominium apartment units and any such partial assignments may from time to time be assigned, sublet and mortgaged without consent of Lessor, all without in any way affecting the rights, powers and privileges of Lessor hereunder and liability or obligations of Lessee hereunder.

21. SURRENDER. At the end of said term or other sooner termination of this lease Lessee will peaceably deliver up to Lessor possession of the land hereby demised, together with all buildings and other improvements upon or belonging to the same, by whomsoever made, in good repair, order and condition except for reasonable wear and tear and as otherwise expressly provided herein; provided, however, that if not then in default hereunder Lessee may thereupon remove any trade fixtures installed on said premises during said term but shall repair promptly to Lessor's satisfaction all damage caused by such removal; all subject, however, to the provisions of paragraph 25 hereof.

22. DEFEASANCE. This lease is made upon the express condition, (a) that if Lessee shall fail to pay said rent or any part thereof within thirty (30) days after the same becomes due whether the same shall or shall not have been legally demanded, or (b) if Lessee shall fail faithfully to observe or perform any of the other covenants herein contained and on the part of Lessee to be observed and performed and such default shall continue for thirty (30) days after written notice thereof given to Lessee, or (c) if Lessee then owning this lease shall become bankrupt or make any assignment for the benefit of creditors or abandon said premises, or (d) if this lease or any estate or interest of Lessee hereunder shall be sold under any attachment or execution, Lessor may in any such case at once re-enter said premises or any part thereof in the name of the whole and, upon or without such entry, at its option terminate this lease without service of notice or

legal process, and may expel and remove from said premises Lessee and all persons claiming under it and its effects without being deemed guilty of any trespass or becoming liable for any loss or damage occasioned thereby, and may bring an action for summary possession of said premises, all without prejudice to any other remedy or right of action which Lessor may have for arrears of rent or for any preceding or other breach of contract. Such termination may but need not necessarily be made effective by recording or filing of record in each of the places in which this lease is recorded or filed an affidavit thereof by Lessor.

23. APPRAISAL. Whenever this lease provides that the fair rental value of the demised land shall be determined by appraisal for computation of any rent hereunder, said fair rental value shall be determined by three impartial real estate appraisers, one to be appointed by each of the parties hereto, and Lessor and Lessee shall promptly name one such appraiser and give written notice thereof to the other party, and in case either party shall fail so to do within ten (10) days after such notice of the appointment of the first appraiser, the party naming the first appraiser may apply to any person then sitting as judge of the circuit court of the judicial circuit in which said premises are located for appointment of a second appraiser, and the two appraisers thus appointed in either manner shall appoint a third appraiser, and in case of their failure so to do within ten (10) days after appointment of the second appraiser either party may have the third appraiser appointed by such judge, and the three appraisers so appointed shall proceed to determine the matter in question, and the decision of said appraisers or a majority of them shall be final, conclusive and binding upon both parties hereto; provided, however, that the annual rent for any rental period hereunder as determined by such appraisal shall in no event be less than the annual rent payable hereunder during the immediately preceding rental period. Lessor and Lessee each shall

pay one-half of all proper costs and expenses of such appraisal other than attorneys' fees.

24. CONDEMNATION. In the event the whole or any portion of the premises hereby demised shall be taken or condemned by any duly constituted authority, Lessee will peaceably surrender and deliver up to Lessor possession of the premises so taken or condemned; PROVIDED, HOWEVER, that all compensation and damages payable on account of such taking or condemnation which shall represent the value of the land so taken or condemned, shall be payable to and be the sole property of Lessor; that any compensation and damages which shall represent the value of the new building or buildings erected on the demised premises by Lessee shall be apportioned between Lessor and Lessee, Lessee being entitled to that proportion of such award together with interest thereon, if any, which the unexpired term of the lease at the time of condemnation bears to the remaining life of said new building or buildings at the time of condemnation and Lessor shall be entitled to the balance of such award.

In case any portion of the lands hereby demised shall be taken by condemnation by any duly constituted authority and thereby pass out of the control of Lessor and Lessee shall by reason thereof lose the right to possession of said portion of said land as Lessee hereunder, then and in every such event, unless the parties hereto shall otherwise agree, the annual rental payable hereunder shall be reduced in proportion which the area of the land taken bears to the total area included in this lease, and in the event such condemnation shall render the remainder of the demised premises unsuitable for Lessee's use, then this lease shall be terminated in toto upon the taking of possession by the condemning authority, provided Lessee shall have given Lessor written notice that the remainder of said premises will not be suitable for Lessee's use in sufficient time to enable Lessor to present to or against the condemning authority Lessor's claim for compensation or damages consequent upon such termination.

Any condemnation of a leasehold interest only shall not release Lessee from the payment of rent under this lease, but in such event Lessee may claim and retain all compensation and damages resulting from such condemnation of a leasehold interest; out of any compensation and damages so awarded, Lessee shall pay to Lessor that proportion of such award, if any, representing compensation for damages to the reversionary interest of Lessor.

25. ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME;  
APARTMENT LEASES. Lessor consents to the establishment of a Horizontal Property Regime with respect to the demised premises and agrees upon request by Lessee to join with Lessee in submitting said premises under the provisions of the Horizontal Property Act (Chapter 170A, Revised Laws of Hawaii 1955, as amended) by executing and filing a Declaration of Horizontal Property Regime substantially in the form heretofore agreed upon by Lessor and Lessee, thereby creating condominium leasehold estates in each of the apartments in the building or buildings required to be constructed by Lessee pursuant to paragraph 11 hereof, provided, however, that Lessee shall indemnify Lessor against the claims of any governmental agency or third parties as to any error or misrepresentations contained in said declaration. After completion of said building or buildings as evidenced by the architect's certification therefor, and upon surrender of this lease by Lessee, free from any interim mortgage and liens or other encumbrances and subject to the prior payment in full of all rent, taxes and other charges then due hereunder, Lessor will issue to Lessee or its assigns separate apartment leases substantially in the form heretofore agreed upon by Lessor and Lessee covering each of the apartments together with their appurtenant easements and proportionate shares of the common elements for the remainder of the term of this lease from the first day of the month of such surrender and at the proportionate shares, as established by said Declaration, of the same annual rents herein reserved.

26. CONSENT TO MORTGAGE. For the purpose of financing the cost of construction of improvements on the demised land or the restoration or repair of such improvements, Lessee may from time to time without further consent of Lessor assign this lease by way of mortgage to any bank, insurance company, or other established lending institution, as mortgagee, provided that Lessee shall upon execution of any such mortgage promptly deliver a true copy thereof to Lessor. The holder of any partial assignment with respect to condominium apartment units may from time to time without further consent of Lessor assign such partial assignment by way of mortgage to any bank, insurance company or other established lending institution as mortgagee provided that such partial assignee shall upon execution of any such mortgage promptly deliver a true copy thereof to Lessor. The mortgagee or its assigns may enforce such mortgage and acquire title to the leasehold estate in any lawful way, and pending foreclosure of such mortgage may take possession of and rent said premises, and upon foreclosure thereof may without further consent of Lessor sell and assign the leasehold estate by assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of the lessee contained in the mortgaged lease or sublease, and such assignee may make a purchase money mortgage therefor to the assignor, provided that upon execution of any such assignment or mortgage a true copy thereof shall be delivered promptly to Lessor and that no other or further assignment of this lease for which any provision hereof requires the written consent of Lessor shall be made without such consent. The mortgagee or its assigns of such mortgage shall be liable to perform the obligations of the lessee under such mortgaged lease or sublease only during the period such person has possession or ownership of the leasehold estate. Nothing contained in such mortgage shall release or be deemed to relieve Lessee from the full and faithful observance and performance of its covenants herein contained or from any liability for the non-observance or non-performance thereof, nor be deemed to constitute

a waiver of any rights of Lessor hereunder, and the terms, covenants and conditions of this lease shall control in case of any conflict with the provisions of such mortgage.

27. PROTECTION OF MORTGAGE. During the continuance in effect of any authorized mortgage of this lease, Lessor will not terminate this lease because of any default on the part of Lessee to observe or perform any of the covenants or conditions herein contained if the mortgagee or its assigns, within one hundred twenty (120) days after Lessor has mailed to the mortgagee or its assigns at the last known address thereof a written notice of intention to terminate this lease for such cause, shall cure such default if the same can be cured by the payment of money, or if such is not the case, shall undertake in writing to perform and shall thereafter perform within said 120-day period all the covenants of this lease until such time as the leasehold estate shall be sold upon foreclosure of such mortgage, and any default consisting of Lessee's failure promptly to discharge any lien, charge or encumbrance against the leasehold estate junior in priority to such mortgage shall be deemed to be duly cured if such mortgage shall be foreclosed by appropriate action instituted within said 120-day period and thereafter prosecuted in diligent and timely manner.

28. NONWAIVER. Acceptance of rent by Lessor or its agents shall not be deemed to be a waiver by it of any breach by Lessee of any covenant herein contained or of Lessor's right to re-enter for breach of condition. Waiver by Lessor of any breach by Lessee shall not operate to extinguish the term, condition or covenant the breach whereof has been waived nor be deemed to be a waiver of Lessor's right to declare a forfeiture for any other breach thereof.

29. NOTICES. Any notice or demand to Lessor or Lessee provided for or permitted by this lease may be given sufficiently for all purposes in writing mailed as registered or certified mail, addressed to such party at its post office address herein specified

or the last such address designated by such party in writing to the other, or delivered personally within the State of Hawaii to Lessor or Lessee, and shall be deemed conclusively to have been given on the date of such mailing or personal delivery.

30. GENERAL. No approval or consent of Lessor required by any provision hereof shall be capriciously or unreasonably withheld, and Lessor will not require the payment of any moneys therefor other than reasonable expenses incurred in connection with such approval or consent. The term "premises" herein shall be deemed or taken to include (except where such meaning would be clearly repugnant to the context) all buildings and other improvements, including sidewalks, now or any time hereafter built on the land hereby demised. The term "Lessor" herein shall mean and include Lessor, its successors and assigns, and the term "Lessee" herein shall mean and include Lessee, its successors or permitted assigns. The headings of paragraphs herein are inserted only for convenience and reference and shall in no way define or limit the scope or intent of any provisions of this lease.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

K. D. I. INVESTMENTS, INC.

By [Signature]  
Its President

By Mary A. Tom  
Its Secretary

"Lessor"

STARK ENTERPRISES, LTD.

By Bruce C. Hark  
Its President

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

THE WAILANA

By Stark Enterprises, Ltd.  
Its General Partner

By [Signature]  
Its President

"Lessee"

STATE OF HAWAII  
CITY AND COUNTY OF HONOLULU

ss.

USER 5970 PAGE 450

On this 26 day of December, 1967, before me appeared Francis D. Jon and Mary A. Jon, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary, respectively, of K. D. I. INVESTMENTS, INC., a Hawaii corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that the instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said Francis D. Jon and Mary A. Jon acknowledged said instrument to be the free act and deed of said corporation.

Francis W. Birata  
Notary Public, First Judicial  
Circuit, State of Hawaii.

My commission expires DEC. 1, 1968

STATE OF HAWAII  
CITY AND COUNTY OF HONOLULU

ss.

On this 9th day of December, 1967, before me appeared Bruce C. Harb and - -, to me personally known, who, being by me duly sworn, did say that they are the President and - -, respectively, of STARK ENTERPRISES, LTD., a Hawaii corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that the instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said Bruce C. Harb and - - acknowledged said instrument to be the free act and deed of said corporation.

Francis W. Birata  
Notary Public, First Judicial  
Circuit, State of Hawaii.

My commission expires DEC. 1, 1968

STATE OF HAWAII  
CITY AND COUNTY OF HONOLULU } ss.

On this 9th day of December, 1967, before me appeared Bruce C. Stark, to me personally known, who, being by me duly sworn, did say that he is the President of STARK ENTERPRISES, LTD., a Hawaii corporation, General Partner of The Wailana; that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that the instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said Bruce C. Stark acknowledged said instrument to be the free act and deed of said corporation.

James W. Smith  
Notary Public, First Judicial  
Circuit, State of Hawaii.

My commission expires Dec. 1, 1968

The business address of Lessee is 1864 Ala Moana  
Boulevard, Honolulu, Hawaii.

EXHIBIT "A"

All those certain parcels of land situate at Kalia Waikiki, Honolulu aforesaid, described as follows:

ONE: LOTS: 55-A-1, area 13,237.0 square feet, as shown on Map 34; and  
           54, area 9,042.0 square feet,  
           57, area 9,676.0 square feet, and  
           58, area 9,921.0 square feet, as  
 shown on Map 15; the above maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 852 of Bishop Trust Company, Limited, Trustee, and being the remainder of the lands described in Certificate of Title No. 43,296.

SUBJECT, HOWEVER, as to Lot 54 only, the perpetual easements for sewer purposes in favor of the City and County of Honolulu, over, across, upon, along and under Easement 15, as shown on Map 15, as created by Land Court Order No. 7218, dated January 29, 1947.

TWO: PARCEL 36-B, being an abandoned portion of Ala Moana said Kalia.

1. Portion of Grant 2789 to W. L. Moehomua. Being a portion of the land described in Deed of E. Colt Hobron to James A. King, Minister of the Interior, dated July 1, 1896 and recorded in Liber 165, Pages 13-14. (Land Office Deed 470)
2. Portion of R.P. 7033, L.C. Aw. 1775, Apana 1 to Paoa. Being a portion of the land described in Deed of Hoolae to James A. King, Minister of the Interior, dated May 29, 1895 and recorded in Liber 155, Pages 63-64. (Land Office Deed 414)

Beginning at the northwest corner of this parcel of land, being the common corners of Lot 52-A-1 and Lot 52-B-1 (Map 36) and Lot 54 (Map 15) of Land Court Application 852, Parcels 36-A and 36-B of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 34.48 feet along Lot 54 (Map 15) of Land Court Application 852;
2. Thence along Lot 54 (Map 15) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 249° 54' 39" 64.39 feet;
3. Thence along Lot 55-A-1 (Map 34) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 273° 00' 39" 17.05 feet;

4. 277° 47' 7.95 feet along Lot 55-A-1 (Map 34) of Land Court Application 852;
5. 69° 23' 119.81 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);
6. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 1251 square feet.

Being the same premises described in that certain deed dated April 19, 1955 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2951 at Page 451.

RESERVING to the State of Hawaii in perpetuity an easement ten (10.00) feet wide for sewer purposes, over, under, upon, and across that westernmost portion of Parcel 36-B designated as Easement 15-A on the map attached hereto and made a part hereof, together with rights of ingress and egress thereto for the construction, maintenance and repair of said sewer. Said easement is more particularly described as follows:

Beginning at the northwest corner of this Easement 15-A, being the initial point of the above described Parcel 36-B, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 10.56 feet along Lot 54 (Map 15) of Land Court Application 852;
2. 338° 30' 3.89 feet;
3. 69° 23' 10.10 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);
4. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 23 square feet.

Ag Title Corporation

DOC NO 508799

LAND COURT

OFFICE OF  
ASSISTANT REGISTRAR  
RECEIVED FOR REGISTRATION  
AUG 13 1970

3 O'CLOCK 59 M P M  
NOTED ON CERTIFICATE NO. 43296  
IN REGISTRY BOOK PAGE

*James R. Lee*  
CLERK

TRANSFER OF CERTIFICATE OF TITLE ISSUED  
AND LIAISON FILED

REGISTRATION BOOK PAGE

BEING CERTIFICATE NO. IN

OFFICE OF THE ASSISTANT REGISTRAR  
LAND COURT

RECORDATION REQUESTED BY:  
SECURITY TITLE CORPORATION  
P. O. Box 1878  
Honolulu, Hawaii 96805  
AFTER RECORDATION, RETURN TO:

SECURITY TITLE CORPORATION  
P. O. Box 1878  
Honolulu, Hawaii 96805

RETURN BY: MAIL ( ) PICKUP ( )

70- 40121

7136 40106  
1978 OCT 13 PM 3:59

SPACE ABOVE THIS LINE FOR REGISTRAR'S USE

SEPARATE LEASE

THIS INSTRUMENT made this 8 day of July, 19 70, by and between KDI INVESTMENTS, INC., a Hawaii corporation, herein called "Lessor", and Warren Richards Young and Alice Bell Young, husband and wife,

herein called the "Lessee", whose residence and post office address is 219 Kaunoh Street, Kailua, Hawaii

WITNESSETH.

1. Demised Premises. Lessor, in consideration of the rents reserved herein and of the covenants contained herein and to be observed and performed by Lessee, demises and leases to Lessee, as **Tenants by the Entirety**

and Lessee accepts and rents from Lessor.

All those certain premises, called herein the "demised premises", comprising a portion of the "Waiala at Waikiki", a horizontal property regime, called herein the "Project" which Project consists of all those certain parcels of land the building and other improvements thereon located at 1860 Ala Moana Blvd., said Honolulu, and was established by that certain Declaration of Horizontal Property Regime dated July 23, 1968, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 449930, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 6180, Page 245, which land is described in Exhibit A attached hereto and incorporated by reference for every purpose and which demised premises are described as follows:

FIRST: Apartment No. 1105-A on the 11th floor of the project as shown on the plans thereon filed in and office of the Assistant Registrar of Land Court as Condominium Map No. 28.

TOGETHER WITH appurtenant easements as follows:

(a) An exclusive easement to use Parking Stalls) 1105

(b) Non-exclusive easements in the common elements designed for such purposes, for ingress to, egress from, utility services for, and support, maintenance, and repair of said Apartment in the other common elements for use, according to their respective purposes, subject always to the exclusive use of the limited common elements as provided in the Declaration; and in all other Condominium Units and common elements of the Project for support;

SUBJECT TO easements for the encroachment by any common element or part thereof now or hereafter existing thereon and for entry as may be necessary for operation of the Project or for making repairs therein as provided in the Declaration, and subject also to easements for support of the other units and common elements.

SECOND: An undivided 4300 % interest in all common elements of the Project as established for said Apartment by the Declaration, or such other fractional or percentage interest established for said Apartment by any amendment to the Declaration as tenant in common with all other owners of the Project subject to all exclusive and non-exclusive easements appurtenant to the other units of the Project and subject to all easements required for drainage, sewers, and utilities serving the Project.

RESERVING TO Lessor within the common elements the right to grant to any public utility or governmental authority rights of way and other easements over, across and under the common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for purposes of installing, repairing, altering, and removing such lines and facilities and of felling any trees in the way thereof.

2. Demised Term. The term of this Apartment Lease, herein called the "demised term", shall begin on AUG 1 1970 and shall end on November 30, 2039.

3. Rent. Lessee shall pay to Lessor in legal tender of the United States of America, without deduction, notice, or demand, net of all real property taxes, assessments, and other charges payable by Lessee with respect to the demised premises, and in equal quarterly installments in advance on the first day of January, April, July, and October of every year during the demised term, except that the first payment, if attributable to a period of less than three months, shall be reduced proportionately, the following terms:

(a) \$ 316.56 per year until November 30, 1987  
(b) \$ 414.96 per year until November 30, 1999

(c) For and during each of the next four successive ten-year periods of the demised term, such annual rent as will equal Lessor's proportionate share, as determined under Paragraph 2 of the Declaration, of the then fair rental value for the property, exclusive of improvements, at its highest and best use (the highest and best use shall be deemed to be the design and use of improvements constructed on the demised premises at the commencement of this lease), as determined for each such period not less than 90 days before the commencement thereof by written agreement of Lessor and the Association of Owners of Waiala at Waikiki, herein called the "Association", acting by its Board

of thereupon which Lessee approves fairly, as his sole agent for such determination of fair rental value, or, if no such written agreement is so reached, as determined by appraisal as provided in Paragraph 29 hereof, provided, however, that in no event shall such annual rent for any such period be less than the annual rent payable by Lessee during the next preceding period.

4. **Quiet Enjoyment.** Upon payment by Lessee of said rent and upon observance and performance of the covenants, conditions, and agreements contained herein and to be observed and performed by Lessee, Lessee peacefully shall hold and enjoy the demised premises for the demised term without hindrance or interruption by Lessor or anyone lawfully claiming by, through or under it except as provided expressly herein.

5. **Taxes and Assessments.** Lessee shall pay, as they become due and payable, all real property taxes and assessments of every description to which the demised premises or any part thereof or any improvement thereon, or Lessor or Lessee with respect thereto, are now or during the demised term may be assessed or become liable, whether assessed to or payable by Lessor or Lessee, provided, however, that such taxes and assessments shall be prorated as of the dates if at demised term begins and ends, and provided, further, that with respect to any assessment made under such assessment or improvement law which may be payable in installments, Lessee shall be required to pay only such installments of principal and interest as may become due and payable during the demised term. If at any time during the term of this lease date is imposed upon Lessor any real property taxes which are in whole or in part unduly or specifically prohibited being paid by Lessee, then the rent provided for in paragraph 3 hereof, shall be increased by the amount of said real property taxes.

6. **Common Expenses.** Condominium Unit Expenses, Rates, and Other Charges. Lessee shall pay, as they become due and payable, all assessments for his proportionate share of the common expenses and condominium expenses of the Project and all rates and other charges of every description to which the demised premises or any part thereof or any improvement thereon, or Lessor or Lessee with respect thereto, may be assessed or become liable during the demised term, whether made by governmental authority, by any public or community service company, or by the Association pursuant to the Declaration, and whether assessed to or payable by Lessor or Lessee. No failure by Lessee to pay any assessment, rate or other charge shall constitute a default for which this Apartment Lease may be terminated under paragraph 24 hereof if the Association diligently commences and consummates foreclosure of any law it may have under the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes.

7. **Improvements Required by Law.** Lessee, at all times during the demised term, at his proportionate share of the expense, and by the Association, shall 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, or repaired upon or adjoining or in connection with or for the use of the Project or any part thereof.

8. **Observance of Laws.** Lessee at all times during the demised term, shall keep the demised premises, and at his proportionate share of the expense, and by the Association, all common elements of the Project, in a strictly clean and sanitary condition; shall observe and perform all laws, ordinances, rules, and regulations now or hereafter made by any governmental authority and all By-Laws, rules, regulations, agreements, decisions, and determinations duly made by the Association which may be applicable to the Project or the use thereof; shall observe and perform all restrictions, covenants, conditions, and provisions of the Declaration and duly made amendments thereto affecting the Project; and shall indemnify, Lessor against all claims, suits, damages, and claims by whomsoever brought or made by reason of the non-observance or non-performance thereof or of this paragraph by Lessee or any person under him.

9. **Repair and Maintenance.** Except as provided in paragraph 10 hereof, Lessee, at all times during the demised term, shall well and substantially repair, maintain, amend, and keep the demised premises, and at his proportionate share of the expense and by the Association, all common elements of the Project, together with all necessary additions and alterations thereto, in good order and condition; and at his proportionate share of the expense and by the Association, shall maintain all landscaping of the Project and all adjacent land between any street boundary of the Project and the established curb line in a neat and attractive condition, and all trees, shrubs, and grass thereon in good cultivation, replanting as may be necessary. Lessor shall assign to Lessee any and all rights of recovery against the developer or developer's contractors due to faulty materials or workmanship.

10. **Unlawful Casualty.** In the event that at any time during the term of this lease the improvements of the project shall be damaged or destroyed by any casualty not herein required to be insured against and the Association shall remove all remains of such improvements and replace and land in even grade, and cause all subsisting apartment leases to be surrendered, Lessee, if his mortgagee shall join therein, may surrender this lease and thereby be relieved of any further obligations, subject to payment to Lessor of all rent, taxes and assessments payable for the current year.

11. **Inspection.** Lessee shall permit Lessor and its agents at all reasonable times during the demised term to enter the demised premises and the Project and examine the state of repair and condition thereof, and shall repair and make good at his own expense all defects in the demised premises and at his proportionate share of the expense and by the Association, shall repair and make good all defects in the common elements of the Project required herein to be repaired, and of which notice is given by Lessor or its agents, within fifteen (15) days after the giving of such notice.

12. **Apartment Use.** The demised premises shall be used for residential and hotel purposes only and shall not be used for or in connection with the carrying on of any business or trade or in any manner not permitted by the Declaration or by the By-Laws of the Association.

13. **Construction of Improvements.** Lessee shall not individually or by the Association erect or place anywhere within the Project any building or structure, including fences and walls, nor make any additions or structural alterations to or exterior changes of any common element of the Project, nor place or maintain any bill or sign thereon, except in accordance with plans and specifications therefor, including a detailed plot plan, first approved in writing by Lessor.

14. **Bond.** Lessee shall not individually or by the Association commence construction of any improvement to the demised premises or the Project without first obtaining and depositing with Lessor a bond naming Lessor as obligee with a corporate surety authorized to do business in the State of Hawaii, which bond shall guarantee completion of such construction in accordance with the contract therefor free and clear of all mechanics' and materialmen's liens and shall be in a penal sum not less than the cost of such construction.

15. **Waste and Unlawful Use.** Lessee shall not individually or by the Association make or suffer any pile or waste or any unlawful, improper or offensive use of the demised premises or the Project.

16. **Fire Insurance.** The Lessor will during the term of this lease cause the Association to keep any and all buildings and other improvements now on or hereafter erected on the lands above described insured against loss or damage by fire, malicious mischief and vandalism, and extended coverage risks, and during time of war, to the extent the same is reasonably obtainable, against war risks, in the name of the Board of Directors of the Association, as trustee for Lessor and Lessee, and, any mortgagees of Lessee's interests, as their interests shall appear, in an insurance company or companies authorized to do business in the State of Hawaii, in an amount as nearly as possible equal to the replacement value thereof, all in accordance with the requirements of the Declaration. The proceeds of such insurance shall be paid to an insurance trustee and Lessee shall pay his proportionate share of any charges of such insurance trustee. If the apartment building is damaged by fire or other casualty which is insured against and said damage is limited to a single apartment, the insurance proceeds shall be paid to the owner of such apartment, and the mortgagee or mortgagees of the owner of such apartment, as their respective interests may appear, and such owner or mortgagee or mortgagees shall use the same to and shall forthwith rebuild or repair such apartment. If such damage shall extend to two or more apartments or extends to any part of the common elements, all proceeds of such insurance (excluding the proceeds of any rental value or use and occupancy insurance of Lessee) shall be retained by the designated trust company for the benefit of the Association of Apartment Owners, and Lessee shall cause the Association of Apartment Owners to use the proceeds with all reasonable speed for rebuilding, repairing or otherwise restoring the same buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plan conforming to laws and regulations then in effect so shall be first approved in writing by Lessor and all other parties in interest thereby directly affected, and Lessee will make up from his own funds his pro rata share of any deficiency in interest thereby directly affected, and rebuilding or restoring such proceeds shall be made to the contractor for such work only as the work progresses and upon appropriate certification by such architect or engineer subject to such reasonable safeguards as may be imposed by any mortgagee or the surety company on such bond. In the event the insurance proceeds are insufficient to pay the cost of rebuilding or reconstructing any damage occasioned by an

insured hazard, the Lessee shall pay his proportionate share of any special assessment levied by the Association to pay the cost, in excess of the insurance proceeds, of repairing or rebuilding, provided, however, that if the restoration of the building in accordance with the original plans and specifications or with such modified plans as shall be agreed upon by the Lessor and the Association shall not be permissible under the laws and regulations then existing, or if the buildings and improvements on said premises shall be damaged at any time during the last ten (10) years of the term, and the insurance proceeds shall be insufficient to restore the building, then if all other Lessees and sublessees, and their mortgagees shall so likewise, Lessee, by tender of a written instrument in a form suitable for recording and consented to by Lessee's mortgagee, if any, within sixty (60) days after such casualty, may surrender this lease effective as of the date of such casualty, and in the event that the Lessee exercises their option to surrender, the insurance proceeds shall be first used to reimburse any remaining improvements and the balance, if any, shall be paid to the Lessor, the Lessee and the mortgagee, if any, of the interests of the Lessee, as their interests shall appear, Lessee being entitled to take the proportion of such insurance proceeds, which the unexpired term of the lease at the time of such casualty bears to the entire term of the lease, and the Lessor being entitled to the balance of such proceeds. And the Lessee shall be released and relieved of all obligations to rebuild and also from further obligations under the terms of this lease, and the Lessee shall refund any prepaid but unexpired rent. Any such surrender shall be accompanied by payment of any amount not covered by insurance proceeds, if any, to the Lessor or surrender, that portion of the proceeds payable to the Lessor and the mortgagee shall be divided between the Apartment Lessees in the same ratio as the rental payable by each Lessee bears to the total rental for all Apartments.

17. **Liability Insurance.** Lessee, at all times during the demised term, at his proportionate share of the expense, and by the Association, shall effect and maintain with respect to the Project comprehensive general liability insurance covering the Association, all the condominium unit, and the Managing Agent and other employees of the Association, and Lessee as additional insured, in an insurance company authorized to do business in the State of Hawaii with minimum limits of not less than \$500,000 for injury to one person and \$1,000,000 for injury to more than one person in any one accident or occurrence and also insurance in a sum not less than \$50,000 against claims for property damage, in the manner herein used in the Declaration.

18. **Indemnity.** Lessee shall indemnify and hold Lessor harmless against all claims and demands for loss or damage, other than loss or damage may be caused by the negligence or misconduct of Lessor or its agents, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of the demised premises or the property by Lessee or any person claiming by, through or under him, or any accident or fire in the demised premises or any nuisance made or suffered therein, or any failure by Lessee or the Association to keep the demised premises and the Project or any sidewalk adjoining it in a safe condition and shall reimburse Lessor for all costs and expenses, including reasonable attorney's fees, incurred by it in defending against any such claim or demand. Lessee shall hold all goods, contents, furniture, fixtures, equipment, machinery and other property whatever of Lessee within the demised premises or the Project at the sole risk of Lessee and shall hold Lessor harmless against any claims for loss or damage thereto by any cause whatsoever, other than the negligence or misconduct of Lessor or its agents.

19. **Lessor's Costs and Expenses.** Lessee shall pay to Lessor on demand all costs and expenses, including reasonable attorneys' fees, incurred by it in enforcing any covenant of Lessor contained herein, in remedying any breach thereof, in recovering possession of the demised premises or any part thereof, in collecting any delinquent rent, taxes, assessments, or other charges payable by Lessee, or in connection with any litigation, other than condemnation proceedings, commenced by or against Lessee to which Lessor without any fault on its part is made a party.

20. **Lease.** Lessee shall not individually or by the Association commit or suffer any act or neglect whereby the demised premises or the estate of Lessee therein or the Project or any part thereof at any time during the demised term becomes subject to any attachment, judgment, lien, charge, or encumbrance whatsoever, other than any authorized mortgage, and shall indemnify and hold Lessor harmless against all costs, claims, and expenses including reasonable attorneys' fees, incurred by it in connection therewith.

21. **Managing Agent.** Lessee, at all times during the demised term, at his proportionate share of the expense, and by the Association, shall employ and maintain a responsible trust company or other corporation incorporated under the laws of the State of Hawaii as Managing Agent of the Project for the direct management and operation thereof and maintenance, repair, rebuilding, and restoration of the common elements. Such managing agent shall be responsible for the collection, custody, and payment to Lessor of all rent, taxes, assessments and other charges payable to Lessor by Lessee; provided, however, that notwithstanding such agency Lessee at all times shall remain liable directly to Lessor for the performance of all obligations of Lessee contained herein. Such Managing Agent shall advise Lessor, the Board of Directors of the Association, and any mortgagee of record of Lessee's interest in the demised premises of any delinquency by Lessee in the payment of real property taxes and assessments or of his proportionate share of the common expenses.

22. **Surrender.** Upon expiration of the demised term or upon sooner termination of this Apartment Lease, Lessee peacefully shall deliver to Lessor possession of the demised premises, together with all improvements thereon or belonging thereto, by whomsoever made, in good order and condition except for reasonable wear and tear and as otherwise provided expressly herein; provided, however, that Lessee, if not then in default hereunder, by the Association may remove any trade fixtures installed in the demised premises during the demised term but shall repair promptly to the satisfaction of Lessor all damage caused by such removal.

23. **Holdover.** In the event Lessee remains in possession of the demised premises after expiration of the demised term without the execution of a new lease and in such manner as to create a valid holdover tenancy, Lessee shall be deemed to occupy the demised premises as a tenant from month to month subject to all the terms and conditions hereof as are applicable to a month-to-month tenancy.

24. **Default.** This Apartment Lease is upon the express and continuing condition that (a) if Lessee fails to pay said rent or any part thereof within 15 days after it has become due, whether or not it has been legally demanded, or (b) if Lessee fails to observe or perform faithfully any covenant or agreement contained herein and to be observed and performed by Lessee and such default continues for thirty (30) days after written notice thereof is given to Lessee, or (c) if Lessee then using this Apartment Lease as a business makes any assignment for the benefit of his creditors or abandons the demised premises, or (d) if this Apartment Lease or any estate or interest of Lessee therein is sold under any attachment or execution, Lessor in any such case, but subject to the provisions of paragraphs 6 and 28 hereof, at once may re-enter the demised premises or any part thereof in the name of the whole and, with or without such entry, at the option of Lessor terminate this Apartment Lease, without service of notice of legal process, may expel and remove from the demised premises Lessee and all persons claiming by, through, or under him and their effects without being deemed guilty of any trespass or becoming liable for any loss or damage occasioned thereby, and may bring an action for summary possession of the demised premises, all without prejudice to any other remedy or right of action which Lessor may have for arrears of rent or for any earlier breach of contract; provided, however, that no failure of the Association to observe or perform any covenant of Lessee provided herein to be observed and performed by the Association shall constitute a default by Lessee hereunder so long as Lessee uses his best efforts to cause such covenant to be observed and performed by the Association and pays his proportionate share of all expenses with respect thereto within thirty (30) days after such proportionate share has become due and payable by Lessee.

25. **Condemnation.** If at any time during the demised term the demised premises or the Project or any part thereof shall be condemned under the power of eminent domain, the Lessee shall surrender to the Lessor his leasehold interest in all the premises so taken or condemned, and except as hereinafter provided, Lessee shall not be entitled by reason thereof to any claim against Lessor for compensation or damages for loss of his leasehold interest; provided, however, that the rent otherwise payable to Lessor hereunder shall be reduced upon any such condemnation in the same proportion that the area of any land of the Project so taken or condemned bears to the area of the land of the Project immediately preceding the occurrence thereof. All compensation and damages for or on account of any land shall be payable to and be the sole property of the Lessor. All compensation and damages for or on account of any building or other improvements of the Project so taken or condemned shall be payable to such bank or trust company authorized to do business in the State of Hawaii as the Association shall designate as trustee for all condominium unit owners and mortgagees of record affected thereby according to their respective interests so taken or condemned, and shall be used as soon as practicable by Lessee and the Association for repairing, rebuilding, and restoring the demised premises and the Project on the remaining land in accordance with modified plans and specifications thereof first approved in writing by Lessor, and Lessee, at his proportionate share of the expense and by the Association, shall make up any deficiency in such compensation and damages, all in the manner provided in the Declaration. In any event, (a) if only part of the Project is so taken or condemned, thereby rendering the remaining land and the building and other improvements therein unsuitable for the purposes of the Project, and the Association removes all remains of the building and other improvements and restores the remaining land to good order and condition and even grade and causes all other subsisting leases of the

Project to be surrendered to Lessor, or if it is all or any part of the demised premises is so taken or condemned, thereby rendering any remaining part thereof unavailable for residential or commercial purposes, and the Association removes all remains of the demised premises and restores the remaining common elements of the Project to good order and condition and a duly executed amended declaration gives the remaining part of the Project to be reconstituted as a new horizontal property regime without the demised premises, Lessor in either case shall surrender this Apartment Lease and thereby be relieved of any further obligations to Lessor, subject to the payment to Lessor of all rent prorated to the date of such surrender and all taxes, assessments, and other charges payable hereunder for the full calendar year in such surrender. Any compensation and damages which shall represent the value of the buildings erected upon the demised premises shall be apportioned between Lessor and Lessee, Lessee being entitled to take the proportion of such award toward which it has interest therein, in any which the unexpired term of the lease at the time of condemnation bears to the remaining life of said new building or buildings at the time of condemnation, and Lessor being entitled to the balance of such award. Condemnation of any lawful interest in the Project shall not terminate this Apartment Lease nor excuse Lessor from full performance of the covenants of this Lease, continued herein and capable of performance by him, but in such case Lessee may claim and recover from the condemning authority all cost of preservation and damages payable for loss of his lawful interest. In the event that only the fee simple interest is condemned, subject to this lease, under the power of eminent domain, all proceeds of condemnation shall belong to Lessor.

26. **Consent to Assignment and Subletting.** Lessee from time to time without further consent of Lessor may assign this Apartment Lease, or sublet the demised premises, provided, however, that every assignment of this Apartment Lease other than a mortgage shall contain the written undertaking of the assignee to perform all obligations of Lessee contained herein, and that upon execution of any such assignment a true copy thereof shall be delivered promptly to Lessor.

27. **Consent to Mortgage.** Lessee from time to time without former consent of Lessor may mortgage this Apartment Lease to any bank, insurance company, or other established lending institution, as mortgagee, provided, however, that upon execution of any such mortgage a true copy thereof shall be delivered promptly to Lessor. The mortgagee may enforce such mortgage and acquire title to the leasehold estate of Lessee in any lawful way, and upon foreclosure of such mortgage may enter, take possession of, and rent the demised premises, and upon foreclosure thereof without former consent of Lessor may sell and assign this Apartment Lease by an assignment in which the assignee expressly shall assume and agree to observe and perform all covenants of Lessee contained therein, and such assignee may make a purchase money mortgage of this Apartment Lease to any similar mortgagee; provided, however, that upon execution of any such mortgage of assignment a true copy thereof shall be delivered promptly to Lessor. The mortgagee shall be liable to perform the covenants of Lessee contained herein only during the period that it has possession or ownership of the leasehold estate of Lessee. Nothing contained in this mortgage shall excuse or be deemed to relieve Lessor from the full and faithful observance and performance of all his covenants contained herein or his liability for non-observance and non-performance thereof, nor be deemed to constitute a waiver of any right of Lessor, and the covenants, conditions, and agreements of this Apartment Lease shall continue in case of any conflict with the provisions of such mortgage.

#### 28. **Protection of Mortgage.**

(a) During the existence of any authorized mortgage of this Apartment Lease, Lessor shall not terminate this Apartment Lease because of any default by Lessee or for any other cause, whatever, if, within 120 days after Lessor has mailed to the mortgagee at its last known address written notice of intention to terminate this Apartment Lease for such default or other cause, the mortgagee either cures such default or other cause, or, if such default or other cause cannot be cured by the payment of money, undertakes in writing to perform all the covenants contained in this Apartment Lease, capable of performance by it until such time as this Apartment Lease is sold upon foreclosure of such mortgage, and in case of such undertaking, mortgagee may cure such default by accomplishing the foreclosure of such mortgage and such default shall be deemed to be cured within said period of 120 days if such foreclosure shall be accomplished through proceedings initiated within said period and thereafter prosecuted in a diligent and timely manner; provided (i) that pending such foreclosure Lessor in good faith shall have an option exercisable by written notice to Lessee payable and (ii) that the party acquiring the leasehold shall undertake to cure any default which shall continue to exist after such acquisition so far as the same shall be curable by such party and thereafter to perform all of the continuing covenants on the part of the Lessee to be observed and performed, and upon foreclosure sale of this Apartment Lease, the time for performance of any obligation of Lessee then in default, other than payment of money, shall be extended by the time reasonably necessary to complete such performance with due diligence. Ownership by or for the same person or both the fee and leasehold estates in the demised premises shall not affect the merger thereof without the prior written approval of the mortgagee.

(b) If notwithstanding the provisions of paragraph 28(a) hereof Lessor terminates this Apartment Lease by reason of any default by Lessee, Lessor takes possession of the demised premises, such mortgagee entitled to notice of intention to terminate under such paragraph 28(a), for a period of sixty (60) days after such termination shall have an option exercisable by written notice to Lessor payable and (ii) that the party acquiring the leasehold shall undertake to cure any default which shall continue to exist after such acquisition so far as the same shall be curable by such party and thereafter to perform all of the continuing covenants on the part of the Lessee to be observed and performed, and upon foreclosure sale of this Apartment Lease, the time for performance of any obligation of Lessee then in default, other than payment of money, shall be extended by the time reasonably necessary to complete such performance with due diligence. Ownership by or for the same person or both the fee and leasehold estates in the demised premises shall not affect the merger thereof without the prior written approval of the mortgagee.

(c) Neither Lessor nor Lessee shall enter into any voluntary agreement for the termination or modification of this Apartment Lease without the prior written approval of each mortgagee of record of Lessee's interest in the demised premises; and

(d) If any mortgagee of record of Lessee's interest in the demised premises or a prospective purchaser of such mortgagee or a prospective purchaser upon foreclosure of such mortgage by written request demands from Lessor a statement as to any existing default of Lessee or as to the absence of such default, Lessor shall deliver such statement to the requesting party, certifying therein that this Apartment Lease is in full force and effect and unmodified, if such be the case, or stating the modification; and certifying therein that there are no defaults, if such be the case, or stating all defaults claimed by Lessor.

29. **Appraisal.** In each case that the fair rental value of said parcel of land constituting the site of the Project is to be determined by appraisal as provided in Paragraph 3 hereof, such fair rental value shall be determined by three impartial licensed real estate appraisers. Lessor and the Association, acting by its Board of Directors and as sole agent of Lessee, each shall appoint one appraiser and shall give the other written notice of such appointment, and if either fails to so appoint within ten (10) days after receipt of written notice of the appointment of an appraiser by the other, the one making the appointment may apply to any judge of the Circuit Court of the First Circuit of the State of Hawaii for appointment of a second appraiser. The two appraisers so appointed shall appoint a third appraiser, and if they fail to so appoint within ten (10) days after the appointment of the second appraiser, either Lessor or the Association may apply to any such judge for appointment of a third appraiser. The three appraisers so appointed shall determine such fair rental value, and the decision of a majority of them shall be final, conclusive, and binding upon Lessor and Lessee, provided, however, that in no event shall the annual rent payable by Lessee for any period during the demised term be less than the annual rent payable by him during the next preceding period.

30. Incidents of Apartment Ownership. Lessee joins hereby the Association of Owners of Waiwala at Waiwala and shall be bound by all acts and assessments of the Association pursuant to the Declaration and the By-Laws of the Association, except as otherwise provided herein. Lessor at all times during the term and as long as he is not in default hereunder shall be deemed to be the owner of the demised premises for all purposes provided in the Declaration and the By-Laws of the Association and shall have all the rights, privileges, duties and obligations of such owner; provided, however, Lessee shall have no power to amend the Declaration and the By-Laws of the Association or to remove the Project from the provisions of the Horizontal Property Act without the written consent of Lessor, which consent the Lessor will not unreasonably refuse, except that such approval shall not be necessary with respect to any amendment to the Declaration approved by all apartment owners directly affected, subdividing or consolidating one or more apartments and changing the percentage in common elements appurtenant thereto into one or more apartments; and adding, removing, or transferring one or more parking stalls as limited common elements to, from, or between one or more apartments; and provided, further, that no vote on any matter as to which this Apartment Lease requires the consent or approval of Lessor shall be effective without the prior written approval of Lessor.

31. Nonwaiver. Acceptance of rent by Lessee as herein provided shall not be deemed to be a waiver by Lessor of any breach by Lessee or any covenant contained herein or of the right of Lessor to re-enter the demised premises for breach of condition. Waiver by Lessor of any breach by Lessee shall not operate to extinguish the covenant, condition, or agreement the breach of which is so waived, nor be deemed to be a waiver of the right of Lessor to declare a forfeiture for any other breach hereof.

32. Notices. Any notice or demand to Lessor or Lessee provided or permitted in this Apartment Lease may be given sufficiently for all purposes in writing, mailed as registered or certified mail and addressed to such party at no post office address specified herein or at the last such address designated by such party in writing to the other, or delivered personally within the State of Hawaii to such party, and shall be deemed conclusively to have been given on the date of such mailing or personal delivery.

33. Covenants and Conditions. Every provision hereof which imposes an obligation upon Lessee or invests an option, power, or right in Lessor shall be deemed to be a covenant or lease in favor of Lessor, the time of observance and performance of every one of which as of the essence hereof. Every such covenant shall be a condition hereof, the strict observance and performance of which shall be a condition precedent to the right of Lessee to remain in possession of the demised premises and to have the continued benefit hereof.

34. General Provisions. Lessor and Lessee further agree as follows:

(a) The captions of the paragraphs hereof are for convenience only, are not an operative part hereof, and do not limit or amplify in any way the provisions hereof.

(b) This Apartment Lease is a complete integration of every agreement and representation made by or on behalf of Lessor and Lessee. No implied covenant or prior verbal agreement shall be held to vary the provisions hereof, any law or custom notwithstanding.

(c) Lessor shall neither withhold unreasonably or capriciously any consent or approval required herein to be obtained by Lessee, nor require any consideration therefor other than reimbursement of reasonable costs and expenses incurred by Lessor in processing such consent or approval. If Lessor fails to give its written approval or disapproval within thirty (30) days after receipt of a written request for approval, Lessor shall be conclusively presumed to have given its written approval.

(d) This Apartment Lease shall be binding upon and shall inure to the benefit of the successors, legal representatives, and assigns of Lessor and Lessee. The designations "Lessor" and "Lessee" include the heirs of Lessee, their respective successors, legal representatives, and assigns and shall be construed so that the use of singular number includes the plural number, and vice versa, and the use of any gender includes all genders. The liability of Lessee shall be joint and several if Lessee is more than one person.

(e) "Apartment" as used herein includes both residential and commercial units of the project and shall have the meaning as defined in Section 514-2, Hawaii Revised Statutes.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Apartment Lease effective as of the date first enumerated herein

this 7 day of July, 19 70.

EDI INVESTMENTS, INC. - Lessor

By: [Signature]

In presence of:

[Signature] - Treasurer

[Signature]

Warren Richards Young

[Signature]

Alice Bell Young

[Signature] Lessee

All those certain parcels of land situate at Kala Wahi, Honolulu aforesaid, described as follows.

ONE: LOTS: 55-A-1, area 13, 237.0 square feet, as shown on Map 34, and

54, area 9,042.0 square feet,

57, area 9,676.0 square feet, and

58, area 9,911.0 square feet, as

shown on Map 15; the above maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 852 of Bishop Trust Company, Limited, trustee and being the remainder of the lands described in Certificate of Title No. 43,296.

SUBJECT, HOWEVER, as to Lot 54 only, the perpetual easement for sewer purposes in favor of the City and County of Honolulu, over, across, upon, along and under Easement 15, as shown on Map 15, as created by 1 and Court Order No. 7218, dated January 29, 1947.

TWO: PARCEL 36-B, being an abandoned portion of Ala Moana said Kala.

1. Portion of Grant 2789 to W.L. Mookuna. Being a portion of the land described in Deed of F. L. Hobson to James A. King, Minister of the Interior, dated July 1, 1896 and recorded in Liber 165, Pages 13-14 (Land Office Deed 470).

2. Portion of R.P. 7033, L. C. Aw, 1775. Apana 1 in Paoa. Being a portion of the land described in Deed of Hoolan to James A. King, Minister of the Interior, dated May 29, 1895 and recorded in Liber 155, Pages 63-64. (Land Office Deed 414).

Beginning at the northwest corner of this parcel of land, being the common corners of Lot 52-A-1 and Lot 52-B-1 (Map 36) and Lot 54 (Map 15) of Land Court Application 852, Parcel 36-A and 36-B of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South—

1. 231° 35' 34.48 feet along Lot 54 (Map 15) of Land Court Application 852;

2. Thence along Lot 54 (Map 15) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 249° 54' 19" 64.39 feet;

3. Thence along Lot 55-A-1 (Map 34) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 273° 00' 39" 17.05 feet;

4. 277° 47' 7.95 feet along Lot 55-A-1 (Map 34) of Land Court Application 852;

5. 69° 23' 319.81 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);

6. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 1252 square feet.

Being the same premises described in that certain deed dated April 19, 1955 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2931 at Page 451.

RESERVING to the State of Hawaii in perpetuity an easement ten (10 00) feet wide for sewer purposes, over, under, upon, and across that westernmost portion of Parcel 36-B designated as Easement 15-A on the map attached hereto and made a part hereof, together with rights of ingress and egress thereto for the construction, maintenance and repair of said sewer. Said easement is more particularly described as follows:

Beginning at the northwest corner of this Easement 15-A, being the initial point of the above described Parcel 36-B, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South—

1. 231° 35' 10.36 feet along Lot 54 (Map 15) of Land Court Application 852;

2. 338° 30' 3.89 feet;

3. 69° 23' 10.10 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);

4. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 23 square feet.

STATE OF HAWAII

City & County of Honolulu

} ss.

On this 22 day of August, 1970, before me appeared Francis J. Iow and Ah Fung Chun, to me personally known, who, being by me duly sworn, did say that they are the President and Treasurer, respectively, of KDI INVESTMENTS, INC., and 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 Francis J. Iow and Ah Fung Chun severally acknowledged said instrument to be the free act and deed of said corporation.

Stanley S. I. Iow

Notary Public

My commission expires 1/20/72

Notary Public, First Judicial Circuit  
State of Hawaii  
My Commission expires January 28, 1972

STATE OF HAWAII

FILE 7136 PAGE 113

City and County of Honolulu

} ss.

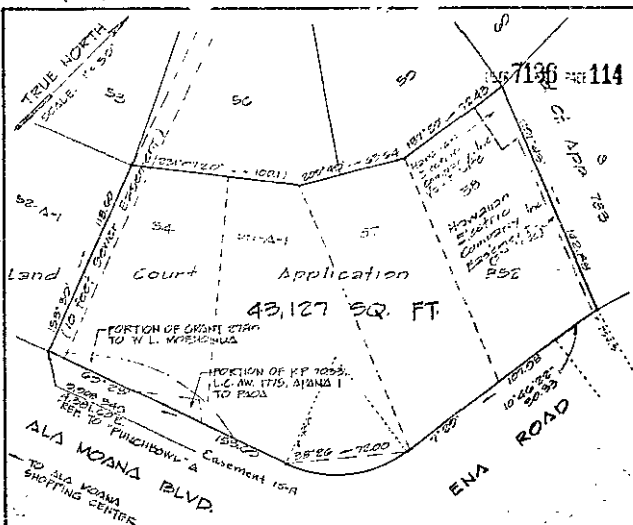
On this 8 day of July, 19 70, before me personally appeared Warren Richards Young and Alice Bell Young in me known to be the person 5 described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

*Severina Gilev*  
Notary Public

My commission expires:

3-12-74

First Judicial Circuit  
State of Hawaii



CONSOLIDATION OF LOTS 54, 55-A-1, 57 & 58  
 OF LAND COURT APPLICATION B52  
 AND  
 PORTION OF GRANT 2789 TO W. L. MOEHONUA  
 AND  
 PORTION OF R.P. 7033, L.C. AW. 1775 AP. 1 TO PAOA  
 KALIA, WAIKIKI, HONOLULU, OAHU, HAWAII

SCALE: 1" = 50'

DECEMBER 28, 1967

TAX MAP KEY. 2-C-12:2

OWNERS K.D.I. INVESTMENTS, INC.

NOTE:  
 CONSOLIDATION FOR THE PURPOSE  
 OF OBTAINING BLEG PERMIT ONLY



26  
L-354 STATE OF HAWAII  
OFFICE OF ASSISTANT REGISTRAR  
RECORDED

MAR 03, 2000 11:00 AM

Doc No(s) 2610774

on Cert(s) 43,296

/s/ CARL T. WATANABE  
ASSISTANT REGISTRAR

27  
R-744

STATE OF HAWAII  
BUREAU OF CONVEYANCES  
RECORDED

MAR 03, 2000 11:00 AM

Doc No(s) 2000-029454

/s/ CARL T. WATANABE  
ACTING  
REGISTRAR OF CONVEYANCES

pm LAND COURT SYSTEM pm

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

JOYCE Y. NEELEY, ESQ.  
NEELEY & ANDERSON  
733 BISHOP STREET, STE. 2301  
Honolulu, Hawaii 96813  
Telephone: (808) 536-8177

19 pgs.

DOCUMENT: AGREEMENT RE: THE WAILANA AT WAIKIKI LEASE RENT  
FOR TERM BEGINNING DECEMBER 1, 1999 AND ENDING  
NOVEMBER 30, 2009

PARTIES:

LESSOR: KDI INVESTMENTS, INC.

ASSOCIATION: ASSOCIATION OF APARTMENT OWNERS OF THE WAILANA AT  
WAIKIKI, a non-profit corporation

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, Lessor is the present owner of a portion of the property more particularly  
described in Exhibit "A" attached hereto; and

WHEREAS, in order to create a condominium project consisting of said property (herein called the "Project") and to be known as "THE WAILANA AT WAIKIKI," Lessor by that Declaration of Horizontal Property Regime filed with the Assistant Registrar of the Land Court of the State of Hawaii on July 31, 1968 as Document No. 449930 and noted on Transfer Certificate of Title No. 43,296 and recorded in the Bureau of Conveyances of the State of Hawaii on the same date in Liber 6150 at Page 245 submitted said property to the Horizontal Property Regime established by the Horizontal Property Act, Chapter 170A, Revised Laws of Hawaii 1955, as amended (now known as the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes); and

WHEREAS, apartment leases demising the apartments at the Project (collectively, the "Apartment Leases") were issued; and

WHEREAS, in accordance with Paragraph 3 of the Apartment Leases, the lease rent thereunder for the four successive ten-year periods commencing December 1, 1999 shall be equal to each lessee's proportionate share (as established for each apartment by the Declaration) of the fair rental value of the property as described therein; and

WHEREAS, in accordance with Paragraph 3 of the Apartment Leases, the Board of Directors of the Association is appointed as the agent of the lessees thereunder for the purpose of determining said lease rent; and

WHEREAS, the Lessor and the Board of Directors of the Association have agreed that the lease rent for the lease term commencing on December 1, 1999 shall be as set forth in the letter agreement dated April 15, 1999 and attached hereto as Exhibit "B";

NOW, THEREFORE, the lease rent for the apartments at the Project for said lease term is as set forth in Exhibit "B."

IN WITNESS WHEREOF, the parties have executed these presents this 24th day of February, 2000.

KDI INVESTMENTS, INC.

By: Mary A. Tom

Type Name: Mary A. Tom

Type Title: President

"LESSOR"

ASSOCIATION OF OWNERS  
OF THE WAILANA AT WAIKIKI

By: Geraldine A. O'Leary  
TYPE NAME: Geraldine A. O'Leary

TYPE TITLE: President

By: Neta P. Stillman  
TYPE NAME: Neta P. Stillman

TYPE TITLE: Secretary

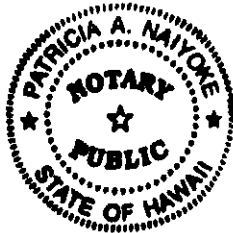
"ASSOCIATION"

STATE OF HAWAII )

)SS:

CITY AND COUNTY OF HONOLULU )

On this 1 day of March, 2000, before me appeared Mary A. Tom, to me personally known, who, being by me duly sworn, did say that he is the President of KDI INVESTMENTS, INC., a Hawaii corporation and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said corporation.



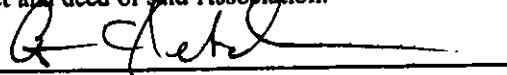
Pat A. Naiyoke  
(Signature)  
Patricia A. Naiyoke  
(Printed or Typed Name)

Notary Public, State of Hawaii

My commission expires: Sept 21, 2000

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


On this 24th day of February, 2000, before me personally appeared Geraldine A. O'Leary, to me personally known, who being by me duly sworn, did say that she is the President of the ASSOCIATION OF OWNERS OF THE WAILANA AT WAIKIKI, a Hawaii non-profit corporation, and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

  
(Signature)  
Annie C. Kekoolani  
(Printed or Typed Name)

Notary Public, State of Hawaii  
My commission expires: 02-16-2002

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

On this 24th day of February, 2000, before me personally appeared Neta P. Stillman, to me personally known, who being by me duly sworn, did say that she is the Secretary of the ASSOCIATION OF OWNERS OF THE WAILANA AT WAIKIKI, a Hawaii non-profit corporation, and that said instrument signed in behalf of said Association by authority of its Board of Directors, and that said officer acknowledged said instrument to be the free act and deed of said Association.

  
(Signature)  
Annie C. Kekoolani  
(Printed or Typed Name)

Notary Public, State of Hawaii  
My commission expires: 02-16-2002

c:\doc\wailana\agreement-rent

# EXHIBIT "A"

All those certain parcels of land situate at Kalia Waikiki, Honolulu aforesaid, described as follows:

ONE: LOTS: 55-A-1, area 13,237.0 square feet, as shown on Map 34; and  
54, area 9,042.0 square feet,  
57, area 9,676.0 square feet, and  
58, area 9,921.0 square feet, as shown on Map 15; the above maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 852 of Bishop Trust Company, Limited, Trustee, and being the remainder of the lands described in Certificate of Title No. 43,296.

SUBJECT, HOWEVER, as to Lot 54 only, the perpetual easements for sewer purposes in favor of the City and County of Honolulu, over, across, upon, along and under Easement 15, as shown on Map 15, as created by Land Court Order No. 7218, dated January 29, 1947.

TWO: PARCEL 36-B, being an abandoned portion of Ala Moana said Kalia.

1. Portion of Grant 2789 to W.L. Moehonua. Being a portion of the land described in Deed of E. Coit Hobron to James A. King, Minister of the Interior, dated July 1, 1896 and recorded in Liber 165, Pages 13-14. (Land Office Deed 470)
2. Portion of R.P. 7033, L.C. Aw. 1775, Apana 1 to Paoa. Being a portion of the land described in Deed of Hoolae to James A. King, Minister of the Interior, dated May 29, 1895 and recorded in Liber 155, Pages 63-64. (Land Office Deed 414)

Beginning at the northwest corner of this parcel of land, being the common corners of Lot 52-A-1 and Lot 52-B-1 (Map 36) and Lot 54 (Map 15) of Land Court Application 852, Parcels 36-A and 36-B of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9), the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 34.48 feet along Lot 54 (Map 15) of Land Court Application 852;
2. Thence along Lot 54 (Map 15) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 249° 54' 39" 64.39 feet;
3. Thence along Lot 55-A-1 (Map 34) of Land Court Application 852 on a curve to the right with a radius of 102.40 feet, the chord azimuth and distance being 273° 00' 39" 17.05 feet;
4. 277° 47' 7.95 feet along Lot 55-A-1 (Map 34) of Land Court Application 852;

5. 69° 23' 119.81 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);
6. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of the beginning and containing an area 1251 square feet.

Being the same premises described in that certain deed dated April 19, 1955 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2951 at Page 451.

RESERVING to the State of Hawaii in perpetuity an easement ten (10.00) feet wide for sewer purposes, over, under, upon, and across that westernmost portion of Parcel 36-B designated as Easement 15-A on the map attached hereto and made a part hereof, together with rights of ingress and egress thereto for the construction, maintenance and repair of said sewer. Said easement is more particularly described as follows:

Beginning at the northwest corner of this Easement 15-A, being the initial point of the above described Parcel 36-B, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 9907.93 feet South and 4381.36 feet East, thence running by azimuths measured clockwise from True South:-

1. 231° 35' 10.56 feet along Lot 54 (Map 15) of Land Court Application 852;
2. 338° 30' 3.89 feet;
3. 69° 23' 10.10 feet along the northwesterly side of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9);
4. 158° 30' 0.66 feet along Parcel 36-A of Ala Moana (Formerly Honolulu-Pearl Harbor Road, Kalia Section, Federal Aid Project U 44-9) to the point of beginning and containing an area of 23 square feet.

**THE WAILANA AT WAIKIKI**  
**Apartment Leases**

<u>Apartment No.</u>	<u>Regular System</u>		<u>Land Court</u>
	<u>Liber</u>	<u>Page</u>	<u>Document No.</u>
500-C	7152	270	509726
501-B	7132	301	508597
502-B	7132	330	508600
503-A	7133	59	508619
504-A	7132	359	508602
505-A	7140	88	508996
506-A	7140	114	508998
507-A	7133	117	508625
508-A	7133	30	508617
509-A	7133	1	508614
510-A	7132	388	508605
600-C	7133	88	508622
601-B	7132	446	508611
602-B	7132	417	508608
603-A	7140	130	509000
604-A	7133	291	508643
605-A	7140	157	509002
606-A	7133	262	508640
607-A	7133	233	508637
608-A	7133	204	508634
609-A	7152	279	509727
610-A1	7137	178	508856
700-C	7133	320	508646
701-B	7133	175	508631
702-B	7133	146	508628
703-A	7133	349	508649
704-A	7133	378	508652
705-A	7133	407	508655
706-A	7133	436	508658
707-A	7133	465	508661
708-A	7134	21	508664
709-A	7140	184	509004
710-A	7134	50	508667
800-C	7134	79	508670
801-B	7185	223	512133
802-B	7152	288	509728
803-A	7140	211	509006
804-A	7137	91	508847
805-A	7137	127	508850

	Liber	Page	Document No.
806-A	7137	149	508853
807-A	7137	207	508859
808-A	7134	108	508673
809-A	7137	236	508862
810-A1	7137	263	508865
900-C	7187	292	510943
901-B	7137	348	508874
902-B	7138	49	508892
903-A	7138	78	508895
904-A	7138	106	508898
905-A	7146	132	509334
906-A	7138	135	508901
907-A	7140	239	509008
908-A	7138	163	508904
909-A	7138	192	508907
910-A1	7138	307	508919
1000-C	7140	268	509010
1001-B	7140	296	509012
1002-B	7137	4	508838
1003-A	7137	33	508841
1004-A	7152	297	509729
1005-A	7134	137	508676
1006-A	7134	166	508679
1007-A	7134	195	508682
1008-A	7134	224	508685
1009-A	7137	377	508877
1010-A1	7137	62	508844
1100-C	7137	406	508880
1101-B	7137	435	508883
1102-B	7137	467	508886
1103-A	7138	21	508889
1104-A	7138	336	508922
1105-A	7136	106	508799
1106-A	7137	291	508868
1107-A	7140	324	509014
1108-A	7137	319	508871
1109-A	7136	135	508802
1110-A1	7144	264	509180
1200-C	7136	164	508805
1201-B	7136	193	508808
1202-B	7185	251	512136
1203-A	7136	222	508811
1204-A	7136	251	508814
1205-A	7136	280	508817
1206-A	7152	306	509730

	Liber	Page	Document No.
1207-A	7136	309	508820
1208-A	7152	315	509731
1209-A	7136	338	508823
1210-A1	7136	367	508826
1300-C	7136	396	508829
1301-B	7185	280	512139
1302-B	7136	424	508832
1303-A	7142	48	509063
1304-A	7136	451	508835
1305-A	7138	221	508910
1306-A	7138	249	508913
1307-A	7138	278	508916
1308-A	7135	18	508718
1309-A	7135	47	508721
1310-A1	7135	76	508724
1400-C	7135	105	508727
1401-B	7135	134	508730
1402-B	7142	76	509065
1403-A	7135	164	508733
1404-A	7135	193	508736
1405-A	7135	339	508751
1406-A	7135	222	508739
1407-A	7135	251	508742
1408-A	7144	292	509182
1409-A	7147	338	509422
1410-A1	7144	235	509177
1500-C	7146	160	509337
1501-B	7152	324	509732
1502-B	7140	382	509019
1503-A	7139	283	508966
1504-A	7139	312	508969
1505-A	7140	122	509334
1506-A	7185	309	512142
1507-A	7142	105	509068
1508-A	7139	340	508972
1509-A	7139	368	508975
1510-A1	7152	333	509733
1600-C	7139	397	508978
1601-B	7135	280	508745
1602-B	7135	310	508748
1603-A	7185	338	512145
1604-A	7140	410	509021
1605-A	7140	353	509016
1606-A	7135	368	508754
1607-A	7135	397	508757

	Liber	Page	Document No.
1608-A	7185	367	512148
1609-A	7152	342	509734
1610-A1	7187	87	512276
1700-C	7167	291	510944
1701-B	7141	239	509043
1702-B	7141	267	509045
1703-A	7135	426	508760
1704-A	7135	451	508763
1705-A	7136	3	508766 ✓
1706-A	7136	32	508769
1707-A	7136	77	508773
1708-A	7139	253	508963
1709-A	7139	425	508981
1710-A1	7141	407	509055
1800-C	7139	450	508984
1801-B	7140	3	508987
1802-B	7140	31	508990
1803-A	7140	59	508993
1804-A	7141	295	509047
1805-A	7141	323	509049
1806-A	7141	351	509051
1807-A	7141	379	509053
1808-A	7141	434	509057
1809-A	7141	405	509059
1810-A1	7142	20	509061
1900-C	7140	437	509023
1901-B	7140	465	509025
1902-B	7141	21	509027
1903-A	7141	48	509029
1904-A	7141	76	509031
1905-A	7152	351	509735
1906-A	7141	103	509033
1907-A	7141	130	509035
1908-A	7141	157	509037
1909-A	7141	184	509039
1910-A1	7141	212	509041
PH-2000-E1 ✓	7147	391	509425
PH-2001-D1	7144	179	509173
PH-2002-D1	7144	207	509175
PH-2003-D1	7143	429	509157
PH-2004-D1	7143	401	509155
PH-2100-E	7143	373	509153
PH-2101-D	7143	457	509159
PH-2102-D	7143	466	509161
PH-2103-D	7144	39	509163

	Liber	Page	Document No.
PH-2104-D	7144	67	509165
PH-2200-E	7185	375	512149
PH-2201-D	7144	95	509167
PH-2202-D	7167	300	510945
PH-2203-D	7144	123	509169
PH-2204-D	7144	151	509171
PH-2300-E	7144	321	509185
PH-2301-D	7149	301	509518
PH-2302-D	7144	349	509187
PH-2303-D	7187	132	512279
PH-2304-D	7144	377	509189
Penthouse	7346	266	523719
Manager's Office	7310	102	521664
Commercial Area No. 1	7310	129	521665
Commercial Area No. 2	7310	156	521666
Commercial Area No. 3	7310	183	521667
Commercial Area No. 4	No Lease		
Office Area A	7310	237	521669
Office Area B	7310	210	521668
Office Area C	7310	264	521670
Office Area D	7310	291	521671
Office Area E	7310	318	521672
Commercial Garage	7149	150	509509
Commercial Storage Area	7149	122	509508

11/21/99 -  
forward to Leary

**KDI Investments, Inc.**  
1860 Ala Moana Boulevard  
Honolulu, Hawaii 96815

April 15, 1999

**HAND DELIVERED**

Ms. Geri O'Leary  
President  
Board of Directors  
Association of Apartment Owners of the Wailana At Waikiki  
1860 Ala Moana Boulevard  
Honolulu, Hawaii 96815

Dear Ms. O'Leary:

**Re: New Annual Rent**

This is in reference to your request to establish the fair market rent for the Wailana At Waikiki for the 10 year period beginning December 1, 1999.

As you know, the annual rental payments set under the Lease will expire on November 30, 1999. The Lease provides that the new rent be established not less than 90 days before the new rental period begins on December 1, 1999.

Therefore, KDI Investments, Inc. (KDI) proposes to set the annual rent under the Lease for the next 10 years. The annual rent to be set is referred to in this letter as the "new annual rent."

1. **Basis of New Annual Rent.** The new annual rent is to be the "...fair rental value for the property, exclusive of improvements, at its highest and best use (the highest and best use shall be deemed to be the design and size of improvements constructed on the demised premises at the commencement of this lease)..."
2. **Setting of New Annual Rent.** The new annual rent is to be set by mutual agreement of KDI Investments, Inc. (as the Lessor) and the Board of Directors of the AOA of Wailana At Waikiki (as sole agent for each Lessee).
3. **Proposed New Annual Rent.** KDI is proposing a total new rent based on the fair rental value for the property of \$960,000 annually, an amount equal to \$80,000 per month, to be paid by each Lessee in proportion to their percentage common interest in the Wailana At Waikiki.

**EXHIBIT B**

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Ms. Geri O'Leary  
April 15, 1999  
Page 2

A Schedule of New Annual and Monthly Rent by apartment is attached. In the event of a conflict between the schedule and the proposed new annual rent, the proposed new annual rent described in this letter will control. The schedule is for informational purposes to assist the Board of Directors (Board) in reviewing this proposal. The schedule will be adjusted to exclude any unit that purchases the leased fee interest. For your information, KDI has reached agreement with 57 Lessees to purchase their leased fee interests. KDI is prepared to close these leased fee sales before the new rent is due.

4. **Payments of New Rent.** Under the terms of the Lease, the new annual rent is payable quarterly in advance. KDI has been accepting payments monthly in advance and is willing to allow you to continue to make monthly payments in advance. The first monthly payments are due December 1, 1999.
5. **Charging of Interest.** KDI is entitled to receive interest on lease rent that is due and unpaid under your Lease. If the Board accepts the new annual rent and begins paying the new monthly rent due on December 1, 1999, interest will not accrue. However, if the Board does not accept the new annual rent and proceeds with arbitration, and the arbitration does not conclude by November 30, 1999, interest will accrue at a rate of 10% annually on balances due after November 30, 1999.
6. **No Legal Advice.** The discussion in this letter is not intended to provide legal advice or counsel to the Board or to any third parties on the rent setting process. Instead it should be treated as a summary of KDI's view and positions. KDI recommends that the Board consult with its attorney concerning these matters.
7. **Settlement and Compromise.** KDI is proposing the new annual rent as a compromise and settlement within the meaning of Hawaii Rules of Evidence 408 of a dispute over the amount of new rent due under your Lease. This proposal is subject to the conditions that it be treated as an offer of settlement and that it be considered by the parties and their counsel to be a confidential communication within the meaning of Hawaii Rules of Evidence 408.
8. **Acceptance of Proposal.** If the Board decides to accept the new annual rent, then sign and return this letter to KDI Investments, Inc. at 1860 Ala Moana Boulevard, Honolulu, Hawaii 96815 by Friday, May 28, 1999. If KDI does not receive your signed acceptance by Friday, May 28, 1999, than this proposal will be considered withdrawn.
9. **Documentation of New Annual Rent.** The Board's signed acceptance will be confirmation of our agreement. If the Board requires additional documentation or recordation, the Board will be responsible for any attorney's fees, conveyance tax and recording fees.

\* \* \* \* \*

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HB

Ms. Geri O'Leary  
April 15, 1999  
Page 3

Please feel free to call Joanna Leong at 955-3736 if you have any questions. We look forward to your reply.

Sincerely,  
KDI INVESTMENTS, INC.

*Mary A. Tom*

Mary A. Tom  
President

Encl.

ACCEPTED:  
BOARD OF DIRECTORS OF THE AOAO  
OF WAILANA AT WAIKIKI

*Geri O'Leary*  
Name

*AOAO President*  
Title

*May 17, 1999*  
Date

*15  
JG  
goh*

**WAILANA AT WAIKIKI**  
Schedule of New Annual and Monthly Rent  
beginning December 1, 1999

Unit No.	Unit Type	Beds/ Baths	Unit Areas in Sq. Ft.			Percentage Common Interest	Rent	
			Living	Lease	Total		Annual	Monthly
500	C	2/2	1,331	226	1,557	0.4952%	\$4,754	396
501	B	2/2	1,171	124	1,295	0.4269%	4,098	342
502	B	2/2	1,171	124	1,295	0.4269%	4,098	342
503	A	2/2	1,180	124	1,304	0.4300%	4,128	344
504	A	2/2	1,180	124	1,304	0.4300%	4,128	344
505	A	2/2	1,180	124	1,304	0.4300%	4,128	344
506	A	2/2	1,180	124	1,304	0.4300%	4,128	344
507	A	2/2	1,180	124	1,304	0.4300%	4,128	344
508	A	2/2	1,180	124	1,304	0.4300%	4,128	344
509	A-Mod.	2/2	1,180	1,393	2,573	0.5854%	5,620	468
510	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
600	C	2/2	1,331	226	1,557	0.4952%	4,754	396
601	B	2/2	1,171	124	1,295	0.4269%	4,098	342
602	B	2/2	1,171	124	1,295	0.4269%	4,098	342
603	A	2/2	1,180	124	1,304	0.4300%	4,128	344
604	A	2/2	1,180	124	1,304	0.4300%	4,128	344
605	A	2/2	1,180	124	1,304	0.4300%	4,128	344
606	A	2/2	1,180	124	1,304	0.4300%	4,128	344
607	A	2/2	1,180	124	1,304	0.4300%	4,128	344
608	A	2/2	1,180	124	1,304	0.4300%	4,128	344
609	A	2/2	1,180	124	1,304	0.4300%	4,128	344
610	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
700	C	2/2	1,331	226	1,557	0.4952%	4,754	396
701	B	2/2	1,171	124	1,295	0.4269%	4,098	342
702	B	2/2	1,171	124	1,295	0.4269%	4,098	342
703	A	2/2	1,180	124	1,304	0.4300%	4,128	344
704	A	2/2	1,180	124	1,304	0.4300%	4,128	344
705	A	2/2	1,180	124	1,304	0.4300%	4,128	344
706	A	2/2	1,180	124	1,304	0.4300%	4,128	344
707	A	2/2	1,180	124	1,304	0.4300%	4,128	344
708	A	2/2	1,180	124	1,304	0.4300%	4,128	344
709	A	2/2	1,180	124	1,304	0.4300%	4,128	344
710	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
800	C	2/2	1,331	226	1,557	0.4952%	4,754	396
801	B	2/2	1,171	124	1,295	0.4269%	4,098	342
802	B	2/2	1,171	124	1,295	0.4269%	4,098	342
803	A	2/2	1,180	124	1,304	0.4300%	4,128	344
804	A	2/2	1,180	124	1,304	0.4300%	4,128	344
805	A	2/2	1,180	124	1,304	0.4300%	4,128	344
806	A	2/2	1,180	124	1,304	0.4300%	4,128	344
807	A	2/2	1,180	124	1,304	0.4300%	4,128	344
808	A	2/2	1,180	124	1,304	0.4300%	4,128	344
809	A	2/2	1,180	124	1,304	0.4300%	4,128	344
810	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
900	C	2/2	1,331	226	1,557	0.4952%	4,754	396
901	B	2/2	1,171	124	1,295	0.4269%	4,098	342
902	B	2/2	1,171	124	1,295	0.4269%	4,098	342
903	A	2/2	1,180	124	1,304	0.4300%	4,128	344
904	A	2/2	1,180	124	1,304	0.4300%	4,128	344
905	A	2/2	1,180	124	1,304	0.4300%	4,128	344
906	A	2/2	1,180	124	1,304	0.4300%	4,128	344
907	A	2/2	1,180	124	1,304	0.4300%	4,128	344
908	A	2/2	1,180	124	1,304	0.4300%	4,128	344

**WAILANA AT WAIKIKI**  
Schedule of New Annual and Monthly Rent  
beginning December 1, 1999

Unit No.	Unit Type	Beds/ Baths	Unit Area in Sq. Ft.			Percentage Common Interest	Rent	
			Living	Lanal	Total		Annual	Monthly
909	A	2/2	1,180	124	1,304	0.4300%	4,128	344
910	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
1000	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1001	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1002	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1003	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1004	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1005	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1006	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1007	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1008	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1009	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1010	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
1100	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1101	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1102	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1103	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1104	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1105	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1106	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1107	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1108	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1109	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1110	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
1200	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1201	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1202	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1203	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1204	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1205	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1206	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1207	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1208	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1209	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1210	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
1300	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1301	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1302	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1303	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1304	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1305	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1306	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1307	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1308	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1309	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1310	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
1400	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1401	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1402	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1403	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1404	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1405	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1406	A	2/2	1,180	124	1,304	0.4300%	4,128	344

WAILANA AT WAIKIKI  
Schedule of New Annual and Monthly Rent  
beginning December 1, 1999

Unit No.	Unit Type	Beds/ Baths	Unit Areas in Sq. Ft.			Percentage Common Interest	Rent	
			Living	Lanal	Total		Annual	Monthly
1407	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1408	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1409	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1410	AI	2/2	1,188	124	1,312	0.4329%	4,156	346
1500	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1501	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1502	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1503	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1504	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1505	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1506	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1507	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1508	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1509	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1510	AI	2/2	1,188	124	1,312	0.4329%	4,156	346
1600	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1601	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1602	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1603	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1604	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1605	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1606	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1607	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1608	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1609	A	2/2	1,180	124	1,304	0.4300%	4,128	344
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1706	A	2/2	1,180	124	1,304	0.4300%	4,128	344
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1708	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1709	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1710	AI	2/2	1,188	124	1,312	0.4329%	4,156	346
1800	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1801	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1802	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1803	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1804	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1805	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1806	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1807	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1808	A	2/2	1,180	124	1,304	0.4300%	4,128	344
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1810	AI	2/2	1,188	124	1,312	0.4329%	4,156	346
1900	C	2/2	1,331	226	1,557	0.4952%	4,754	396
1901	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1902	B	2/2	1,171	124	1,295	0.4269%	4,098	342
1903	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1904	A	2/2	1,180	124	1,304	0.4300%	4,128	344

**WAILANA AT WAIKIKI**  
Schedule of New Annual and Monthly Rent  
beginning December 1, 1999

Unit No.	Unit Type	Beds/Baths	Unit Areas in Sq. Ft.			Percentage Common Interest	Rent	
			Living	Land	Total		Annual	Monthly
1903	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1906	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1907	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1908	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1909	A	2/2	1,180	124	1,304	0.4300%	4,128	344
1910	A1	2/2	1,188	124	1,312	0.4329%	4,156	346
PH2000	E1	3/2	1,667	2,006	3,673	0.8228%	7,899	658
PH2001	D1	2/2	1,381	979	2,360	0.6012%	5,772	481
PH2002	D1	2/2	1,381	979	2,360	0.6012%	5,772	481
PH2003	D1	2/2	1,381	979	2,360	0.6012%	5,772	481
PH2004	D1	2/2	1,381	979	2,360	0.6012%	5,772	481
PH2100	E	3/2	1,667	239	1,906	0.6153%	5,907	492
PH2101	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2102	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2103	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2104	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2200	E	3/2	1,667	239	1,906	0.6153%	5,907	492
PH2201	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2202	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2203	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2204	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2300	E	3/2	1,667	239	1,906	0.6153%	5,907	492
PH2301	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2302	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2303	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2304	D	2/2	1,381	161	1,542	0.5054%	4,852	404
PH2400	PH Suite	1/1	1,718	696	2,414	0.6869%	6,894	580
186	Subtotal residential units		227,297	32,528	259,825	83.8591%	805,047	67,090
Commercial garage			-	14,275	14,275	1.6803%	16,133	1,344
Commercial area no. 1			2,158	-	2,158	0.6520%	6,259	522
Commercial area no. 2			3,806	-	3,806	1.1500%	11,040	920
Commercial area no. 3			7,253	-	7,253	2.1916%	21,839	1,753
Commercial area no. 4-Wailana			8,649	-	8,649	3.0463%	29,244	2,437
Manager's office			400	-	400	0.1209%	1,161	97
Commercial storage area			2,514	-	2,514	1.0119%	9,714	810
Office area "A"			6,030	-	6,030	2.1238%	28,388	1,699
Office area "B"			7,292	-	7,292	2.5683%	24,656	2,055
Office area "C"			2,398	-	2,398	0.8446%	8,108	676
Office area "D"			620	-	620	0.2184%	2,897	175
Office area "E"			1,512	-	1,512	0.5326%	5,113	426
Subtotal commercial area			42,632	14,275	56,907	16.1409%	154,953	12,914
Grand total			269,929	46,803	316,732	100.0000%	\$960,000	80,004

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10/25/99

**REGULAR MEETING of the BOARD OF DIRECTORS  
of the Association of Owners of Wailana at Waikiki**

**UNAPPROVED-MINUTES**

**DATE:** **Thursday 29 January 2009**

**PLACE:** 3P on site, 5:30 P.M

**PRESENT:** President Kowalski, VP Giblett, Secretary Lesko, Directors Robinson, Kanda, Franz, Cole, Hasegawa, Wong Quorum (9)

**GUESTS:** Sam Chung, AOO Wailana at Waikiki On-Site Manager  
David Shockley, Management Executive Hawaii First Inc.  
Christian Porter, Esq. Association Counsel

***EXECUTIVE SESSION:*** The President called the executive session to order at 5:33 P.M. to have Counsel Porter discuss collection and lien procedures with the Board. An update on all pending lien and foreclosure matters as well as the laws of Hawaii State and Federal were explained.

**OWNERS:** 607,609, 706, 1205, 1208

Call to Order: The Regular meeting of the Board of Directors was called to order at 6:30 pm by President Kowalski as Chair.

A quorum of (6) was established.

**OWNERS CONCERNS:**

1. Owner Robinson expressed concerns about emergency plan and hot water
2. Owner Greenwood expressed concerns about hot water.
3. Owner correspondence needs improvement from office.
4. Hallway cleanliness and vacuuming.
5. Dog barking 7 violations 1210.
6. Re-visited the birds on lanai causing health concerns.

**MINUTES:** The acceptance of the minutes for the Regular Board meeting held Thursday January 30, 2009. A motion to approve the minutes as corrected was made by Secretary Lesko to approve the Minutes for October 30, 2008. Second Director Robinson. Unanimous. Minutes approved and filed with correction.

**FINANCIAL REPORT:** Financial reports were approved by President Kowalski for November and December 2008. Motion by Director Franz Second Secretary Lesko to accept. Wailana financial condition explained with current utility trends being

**ON-SITE MANAGER'S REPORT:**

- A) Construction projects in-house discussed.
- B) Sam discussed the hot water order and delivery.

- C) Sam stated that the leaks were not caused by Continental but clogged risers for years.
- D) Heat pump corrections discussed.

MANAGEMENT REPORT: Overview of the operations and Owners concerns given verbally  
All other discussion deferred to unfinished and new

PRESIDENT'S REPORT: President Kowalski addressed the Board about the scope of the work on the 4<sup>th</sup> floor and concerns about budgetary constraints in 2009.

COMMITTEE REPORTS:

- A) Director Robinson gave an overview of the house items he and committee are involved with and a written matrix of costs and deposits needed to order the materials for the deck.
- B) Alan Giblett discussed the water heater and the check request for \$5500. to Doonwood for the order of 6 to 8 weeks at regular shipping costs.
- C) VP Giblett again explained that the gas change –out was the best way to proceed to lower costs for heat pumps and water heaters.

UNFINISHED BUSINESS:

- A.) Status of the riser cleaning in the stacks was discussed with Sam Chung telling the Board that the leaks created by the risers were not due to any work by Continental. "It is not their fault".
- B.) Air condition service contract was extended until March 31, 2009 to complete the last of the units with a new contract to be in place with the new Board on March 26, 2009.
- C.) Status of the exterior shut-off valve installation was discussed with Sam Chung. The work is being evaluated with Continental and will be scheduled in March for 23<sup>rd</sup> floor.
- D.) Discussion by Michelle Barratta concerning the conclusions and repairs needed to the vertical elevator system with the proposals and contracts to be sent to the management agent for review and discussion with the Board in February.

NEW BUSINESS:

- A) Board discussed Directors leaving and elections at the Annual March 10 at Wailana Coffee Shop.
- B) Board approved two trellises, Furniture items and exercise equipment for the fourth floor deck in the amount of \$88466. to be handled by Director Robinson and committee with the management agent preparing deposit checks within on

week for ordering of the material. Motion was made by Director Franz second by Director Robinson. Vote 8-1-0 with President Kowalski opposed.

C) Director Robinson provided the new ordinance revisions for generators and for related equipment for high rise condos in Honolulu to Management Agent Shockley for inclusion in the 2009 and on reserve study plan.

E) Regular meeting adjourned at 8:57 P.M. to Executive Session. Chair called the executive session at 9:00 pm.

EXECUTIVE SESSION:

A) Discussion about exclusive confidentiality by all Directors was again agreed as fiduciary members of the AOO.

B) President Kowalski discussed Director Policies, protocol and procedures for the Board.

Adjourned 9:40 P.M.

NEXT MEETING:

Thursday, 26 February 2009

ADJOURNMENT:

No further business, the meeting was adjourned at 9:45 pm.

Submitted by:

David Shockley, CMCA,

Hawaii First Inc.

Managing Agent for AOO Wailana at Waikiki.

**REGULAR MEETING of the BOARD OF DIRECTORS**  
**Of the Association of Owners of Wailana at Waikiki**

**UNAPPROVED-MINUTES**

**DATE:**        **Thursday 30 October 2008**

**PLACE:**        3P on site, 6 pm

**PRESENT:**      President Kowalski, VP Giblett, Secretary Lesko, Directors Cole, Wong, Kanda, Hasegawa. Quorum (7)

**Vacancy:**       Director appointed Howard Franz joining the Board quorum (8)

**GUESTS:**       Sam Chung, AOO Wailana at Waikiki On-Site Manager  
David Shockley, Management Executive Hawaii First Inc.

**OWNERS:**       609, 904, 1205, 1208, 1600.

Call to Order: The Regular meeting of the Board of Directors was called to order at 6:00 pm by President Kowalski as Chair.

A quorum of (8) was established.

**OWNERS CONCERNS:**

1. A/C Fan Coil service in units. Leaks from cleanser.
2. Dog over-population and carelessness by Owners/Tenants.
3. 1201 complained about elevator code changes- security code
4. Pool temperature dispute changed to 85\* Nudging is not going to work.
5. Hallway cleanliness and vacuuming.
6. Tobacco and nail clippings throughout grounds.
7. Cigarette butts on lanais and carpet burns. No smoking areas
8. Stairwells are being affected by cigarette butts which is a fire code default
9. Office communications are not good, need improvement with staff.
10. Wood floor code and noise abatement must be remedied.
11. Water shut-downs need more notice.

**MINUTES:** The acceptance of the minutes for the Regular Board meeting held Thursday September 25, 2008. A motion to approve the minutes as presented was made by Secretary Lesko to approve the Minutes for August 28, 2008 Second Director Wong. Vote 8-0-0. Minutes approved and filed with correction.

**FINANCIAL REPORT:** Financial reports were deferred by President Kowalski for Aug/Sept Wailana financial condition explained with current utility trends being Discussed. Utility bills have caused an overage to forecast of \$283,000 for the first 9 months of 2008.

The Reserve plan is being planned to include the current conditions and mechanical change outs of heat pump for gas potential savings.

The overall budget change will be isolated to 16.7% with a shortfall in not funding the reserves 100% to preserve the increase to maintenance fees at 3.58% for 2009.

ON-SITE MANAGER'S REPORT:

- A) Construction projects in-house discussed.
- B) Sam discussed the sewer blockage for commercial KDI units.

MANAGEMENT REPORT: Overview of the operations and Owners concerns given verbally  
All other discussion deferred to unfinished and new

PRESIDENT'S REPORT: President Kowalski addressed the Board with the appointment of Albert Franz.. Secretary Lesko reported that she pleased with the interest from an Owner Howard Franz unit 1010 who is now appointed.

COMMITTEE REPORTS:

- A) Director Robinson was excused. 4<sup>th</sup> deck meeting with Williams Hawaii taken on by VP Giblett.
- B) Electric overage resolutions discussed with the addition of conversion to gas by Alan Giblett
- C) VP Giblett requested that the planters on the 4<sup>th</sup> deck being removed and cleaned before replacing on new surfaces requested in September by Director Robinson
- D) VP Giblett explained that the gas change –out was the best way to proceed to lower costs. Handouts were provided.
- E) VP Giblett stated that we have no pressure to do anything with the heat pump or chillers at this time. Circulating pump removed and then re-installed later into system.

UNFINISHED BUSINESS:

- A.) Budget and Reserves were discussed by President Kowalski in detail. The increase of 16.7% total to the budget will be offset by the change to the amount of funding for reserves in 2009. The increase to the maintenance fees is estimated at 3.58%. The removal of \$250,000. contribution to reserves will offset the overage caused by utility costs in 2008. The one million mark will be attained in reserves by 2010.
- B.) Management Agent Shockley reported that the contract was on schedule with Williams Hawaii as directed.
- C.) Discussion of the boiler system was opened explaining how the water was being reclaimed from the chiller system. Temperature at 158\*

NEW BUSINESS:

- A) Board ratified the installation of the security monitoring system by Security Systems Hawaii with authorization to pay the invoice as quoted. Motion by Secretary Lesko to approve and pay \$10,000. Second Director Franz. Unanimous 8-0-0
- C) Board approved uniform costs for staff. \$600. maximum.

3 Minutes Wailana at Waikiki October 30, 2008

D) Gas usage and standby through October/November discussion was opened.

E) Regular meeting adjourned at 8:32 to Executive Session.

EXECUTIVE SESSION:

Chair called the executive session at 8:35 pm.

A) Discussion about exclusive confidentiality by all Directors was agreed as fiduciary members of the AOO.

B) President Kowalsky discussed concerns about organizational matters. Deferred until return of Director Robinson.

NEXT MEETING:

Thursday, 4 November 2008 on site 3P

ADJOURNMENT:

No further business, the meeting was adjourned at 9:35 pm.

Submitted by:

David Shockley, CMCA,

Hawaii First Inc.

Managing Agent for AOO Wailana at Waikiki.

**REGULAR MEETING of the BOARD OF DIRECTORS**  
**Of the Association of Owners of Wailana at Waikiki**

**UNAPPROVED-MINUTES**

**DATE:**        **Thursday 25 September 2008**

**PLACE:**        3P on site, 6 pm

**PRESENT:**      President Kowalski, VP Giblett, Secretary Lesko, Directors Cole, Robinson, Wong, Kanda, Hasegawa. Quorum (8)

**Vacancy:**       Director to be appointed Howard Franz

**GUESTS:**       Sam Chung, AOO Wailana at Waikiki On-Site Manager  
David Shockley, Management Executive Hawaii First Inc.

**OWNERS:**       609, 904, 1205, 1208, 1600.

Call to Order: The Regular meeting of the Board of Directors was called to order at 6:00 pm by President Kowalski as Chair.

A quorum of (8) was established.

**OWNERS CONCERNS:**

1. A/C Fan Coil service in units.
2. Dog over-population and carelessness by Owners/Tenants.

**MINUTES:** The acceptance of the minutes for the Regular Board meeting held Thursday August 28, 2008. A motion to approve the minutes as presented was made by Secretary Lesko to approve the Minutes for August 28, 2008 Second Director Wong. Vote 8-0-0. Minutes approved and filed with correction.

**FINANCIAL REPORT:** Financial reports were deferred by President Kowalski for July/ August Wailana financial condition explained with current utility trends being Discussed. Utility bills have caused an overage to forecast of \$183,000 for the first eight months of 2008.

The Reserve plan is being planned to include the current conditions and mechanical change outs to chiller and heat pump for gas potential savings.

The overall budget change will be isolated to 22% with a shortfall in not funding the reserves 100% to preserve the increase to maintenance fees at 3.58% for 2009.

**ON-SITE MANAGER'S REPORT:**

- A) Heat pump, chiller, 4<sup>th</sup> floor deck, boilers discussed.
- B) Sam discussed the chiller water blockage for PH units.

**MANAGEMENT REPORT:** Overview of the operations and Owners concerns given verbally  
All other discussion deferred to unfinished and new

PRESIDENT'S REPORT: President Kowalski addressed the vacancy on the Board. Secretary Lesko reported that she had received a letter of interest from an Owner Howard Franz unit 1010 who is in attendance and asked for an appointment vote. Motion removed by Secretary Lesko Second Director Cole. Vote 8-0-0. unanimous. Director appointee Franz joined the Board as a member.

COMMITTEE REPORTS:

- A) Director Robinson gave an update on the lobby redo and 4<sup>th</sup> deck meeting with Williams Hawaii. The process is to begin in October on the 21st.
- B) Electric overage resolutions discussed with the addition of conversion to gas by Alan Giblett. Joseph Ting to advise.
- C) Director Robinson requested that the planters on the 4<sup>th</sup> deck being removed and cleaned before replacing on new surface.
- D) 2P & 3P planter boxes completed. They were built by Sam Chung in house.

UNFINISHED BUSINESS:

- A.) Budget and Reserves were discussed by President Kowalski in detail. The increase of 22% total to the budget will be offset by the change to the amount of funding for reserves in 2009. The increase to the maintenance fees is estimated at 3.58%. The removal of \$250,000. contribution to reserves will offset the overage caused by utility costs in 2008. The one million mark will be attained in reserves by 2010.
- B.) Management Agent Shockley reported that the contracted pre-con was held with Williams Hawaii as directed.
- C.) Further discussion on the heat pump proposal being submitted by Director Robinson was opened by Director Robinson. The leasing provision was also discussed. A legal opinion was rendered from Counsel Porter for leasing.
- D.) 4<sup>th</sup> deck color was chosen as beige after further review

NEW BUSINESS:

- A) Alvin Oshiro will be contacted concerning emergency energy engineering for the change over planned for mechanical equipment. Joseph Ting P.E. will also be consulted.

EXECUTIVE SESSION:

Chair called the executive session at 8:15 pm.

- A) Discussion about reserve availability was opened.
- B) Director Robinson concerns about productivity and accountability.
- C) Management Agent concerns about compliance with 514A and 514B. Discussion of productivity and staffing concerns shared by Management Agent with recommendations.

3 Minutes Wailana at Waikiki September 25, 2008

NEXT MEETING: Thursday, 30 October 2008 on site 3P

ADJOURNMENT: No further business, the meeting was adjourned at 10:15 pm.

Submitted by:  
David Shockley, CMCA,  
Hawaii First Inc.  
Managing Agent for AOO Wailana at Waikiki.

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3	1	Loan/Special Assessment
4	1	Cash Flow Projections
5	1	Projected Expenditures
6	1	Component Summary

## **Wailana At Waikiki 2008**

### **PROJECT DEFINITION REPORT**

3/18/2008

#### **Project Information**

Project:	Wailana At Waikiki 2008	Project Date:	6/01/1971
Address:	1860 Ala Moana Blvd.	Number of Phases:	1
City:	Honolulu	Number of Units:	199
State:	HI	Number of Models:	1
Zip:	96815-0000		

#### **Property Description**

A Reserve Study was prepared using the cash flow method of analysis for the AOA Wailana at Waikiki. The Reserve Study prepared by the prior Managing Agent and other information from the Board of Directors was used to establish the components, component history, and replacement costs.

It is important to recognize that a Reserve Study is a financial forecast of future funds required to maintain the capital components of the project. It requires Directors of an Association to make a reasonable efforts to project inflation, interest income, remaining life, and replacement costs of the project's capital components for a 20-year period. By its nature, it is an estimate to be used in developing the Association's annual budget. The Reserve Study is a statutory requirement of HRS 514A-83.6 and HRS 514B-148.

Based on this Reserve Study, the AOA Pacific Grand is fully funded and has complied with the requirements of HRS 514A-83.6 and HRS 514B-148; provided however, the Association implements the funding plan and the criteria used reflects the project's actual experience during the life of the plan.

Richard B. Emery, RS-8, PRA  
Reserve Specialist  
Professional Reserve Analyst

**Wailana At Waikiki 2008**  
**ANALYSIS DEFINITION REPORT**

**Budget 2008**

**Project Information**

Project: Wailana At Waikiki 2008  
Address: 1860 Ala Moana Blvd.  
City: Honolulu  
State: HI  
Zip: 96815-0000

Project Date: 6/01/1971  
Analysis Date: 1/01/2008  
Number of Phases: 1  
Number of Units: 199  
Number of Models: 1

**Analysis Parameters**

Rate of Inflation: 2.5%  
Rate of Return on Investment: 4.5%  
Beginning Funds: \$539,000.00  
Loan/Special Assessment Yes

Deferred Expenditures: No  
Contingency: 0%  
Contingency Time: None

**Annual Contribution Factors**

		2018:	0%
2009:	0%	2019:	0%
2010:	0%	2020:	0%
2011:	0%	2021:	0%
2012:	0%	2022:	0%
2013:	0%	2023:	0%
2014:	0%	2024:	0%
2015:	0%	2025:	0%
2016:	0%	2026:	0%
2017:	0%	2027:	0%

**Additional Analysis Information**

The Association's estimated total replacement reserves as of December 31, 2007 is \$539,000.00. The estimated replacement reserves for the 2008 budget year is \$250,000.00. The Association will collect \$250,000.00 in 2008. The Funding Plan further relies upon the interest income from investments on reserve funds remaining in the reserve fund.

The Association is fully funded (100% funded) based upon the approved Reserve Study and Funding Plan.

**Loan/Special Assessment Report  
Wallana At Waikiki 2008**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0
May	500,000	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0
Totals	500,000	0	0	0	0	0	0	0	0	0

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	0	0	0
November	0	0	0	0	0	0	0	0	0	0
December	0	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	0	0

**Wailana At Waikiki 2008**  
**CASHFLOW PERCENT FUNDED SUMMARY PROJECTIONS**

**Budget 2008**

Year	Beginning Balance	Contribution	Average/ Unit/Mo	Interest Earned	Expenditures	Ending Balance
2008	539,000.00	750,000.00	314.07	45,038.45	41,428.00	1,292,610.45
2009	1,292,610.45	250,000.00	104.69	64,759.07	60,944.00	1,546,425.52
2010	1,546,425.52	250,000.00	104.69	76,602.35	16,217.00	1,856,810.87
2011	1,856,810.87	250,000.00	104.69	91,479.91	0.00	2,198,290.78
2012	2,198,290.78	250,000.00	104.69	99,884.34	260,454.00	2,287,721.12
2013	2,287,721.12	250,000.00	104.69	111,275.85	0.00	2,648,996.97
2014	2,648,996.97	250,000.00	104.69	122,037.79	219,797.00	2,801,237.76
2015	2,801,237.76	250,000.00	104.69	123,499.21	420,721.00	2,754,015.97
2016	2,754,015.97	250,000.00	104.69	123,116.51	360,898.00	2,766,234.48
2017	2,766,234.48	250,000.00	104.69	128,623.19	174,612.00	2,970,245.67
2018	2,970,245.67	250,000.00	104.69	142,630.90	0.00	3,362,876.57
2019	3,362,876.57	250,000.00	104.69	160,668.29	0.00	3,773,544.86
2020	3,773,544.86	250,000.00	104.69	176,491.31	105,781.00	4,094,255.17
2021	4,094,255.17	250,000.00	104.69	181,556.85	478,803.00	4,047,009.02
2022	4,047,009.02	250,000.00	104.69	185,250.83	192,265.00	4,289,994.85
2023	4,289,994.85	250,000.00	104.69	203,259.95	0.00	4,743,254.80
2024	4,743,254.80	250,000.00	104.69	224,082.61	0.00	5,217,337.41
2025	5,217,337.41	250,000.00	104.69	228,655.86	648,131.00	5,047,862.27
2026	5,047,862.27	250,000.00	104.69	225,452.21	508,912.00	5,014,402.48
2027	5,014,402.48	250,000.00	104.69	218,434.75	600,055.00	4,882,782.23
<b>Totals:</b>		<b>5,500,000.00</b>		<b>2,932,800.23</b>	<b>4,089,018.00</b>	

**PROJECTED EXPENDITURES**

**Budget 2008**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
A/C Chiller					228,641					
A/C System 2nd Fl Air Handler Ceili										12,934
A/C System 3 Fl Air Handler Chiller								17,129		
A/C System CS Air Handler					20,451					
A/C System Heat Exchanger A			16,217							
A/C System Heat Exchanger B									18,928	
A/C System Lobby Air Handler Barber										6,467
A/C System Lobby Air Handler Boutiq					11,362					
Booster Pump									26,500	
Carpet							219,797			
Electrical Switches		53,513								
Flooring - Exterior	20,714									
Flooring - Interior	20,714									
Lighting		7,431						8,408		
Painting Exterior Makai									189,282	
Painting Exterior Mauka								184,666		
Pool-Coping And Decking								62,786		
Pool-Pumps And Filter								24,622		
Roofing										142,277
Spalling Makai									126,188	
Spalling Mauka								123,110		
Trash Chutes Maintenance										12,934
<b>Totals</b>	<b>41,428</b>	<b>60,944</b>	<b>16,217</b>		<b>260,454</b>		<b>219,797</b>	<b>420,721</b>	<b>360,898</b>	<b>174,612</b>

# **PROJECTED EXPENDITURES**

Budget 2008

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
A/C Chiller										
A/C System 2nd Fl Air Handler Makai					29,088					323,143
A/C System 2nd Fl Air Handler Mauka			23,679							
A/C System 2nd Fl Air Handler Rest			24,375							
A/C System 3 Fl Air Handler Lobby					14,544					
A/C System CS Air Handler										
A/C System Heat Exchanger A			20,258							28,904
A/C System Heat Exchanger B										
A/C System Lobby Air Handler			25,072						23,645	
A/C System Lobby Air Handler Boutiq										
Booster Pump										16,058
Carpet				254,897					33,102	
Elevators-Interior					79,853					
Exhaust Fans-Roof									58,088	
FOB System										106,773
Heat Pump & Tanks Roof				214,156						
Lighting				9,750						11,310
Painting Exterior Makai										
Painting Exterior Mauka									236,446	
Plumbing-Booster Pumps								230,679		
Plumbing-Hot Water Storage Tanks			12,397							
Pool-Coping And Decking								75,663		
Pool-Pumps And Filter								78,431		
Security Equipment								30,757		
Spalling - Garage					68,780					
Spalling Makai										97,710
Spalling Mauka									157,631	
Storage Tank 3rd Floor								153,786		
								78,815		

**PROJECTED EXPENDITURES**

**Budget 2008**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Trash Chutes Maintenance										
Totals			105,781	478,803	192,265			648,131	508,912	600,055
										16,157

# Wailana At Waikiki 2008

## COMPONENT SUMMARY REPORT

### Budget 2008

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
<b><u>Building</u></b>							
Carpet	6/01/2014	07/00	00/00	06/14	Y	183,000	214,436
Exhaust Fans-Roof	10/01/2006	20/00	00/00	10/26	Y	35,660	56,671
Flooring - Exterior	6/01/2008	25/00	00/00	06/08	Y	20,000	20,209
Flooring - Interior	6/01/2008	25/00	00/00	06/08	Y	20,000	20,209
FOB System	2/01/2007	20/00	00/00	02/27	Y	65,000	104,169
Lighting	6/01/2009	06/00	00/00	06/09	Y	7,000	7,250
Painting Exterior Makai	6/01/2006	10/00	00/00	06/16	Y	150,000	184,666
Painting Exterior Mauka	6/01/2005	10/00	00/00	06/15	Y	150,000	180,162
Restroom Renovation-3rd Floor	6/01/2007	25/00	00/00	06/32	Y	15,000	27,421
Roofing	6/01/1997	20/00	00/00	06/17	Y	110,000	138,807
Security Equipment	6/01/2007	15/00	00/00	06/22	Y	47,000	67,102
Spalling - Garage	6/01/2007	20/00	00/00	06/27	Y	59,000	95,327
Spalling Makai	6/01/2006	10/00	00/00	06/16	Y	100,000	123,110
Spalling Mauka	6/01/2005	10/00	00/00	06/15	Y	100,000	120,108
Storage Tank 3rd Floor	6/01/2005	20/00	00/00	06/25	Y	50,000	76,893
Trash Chutes Maintenance	6/01/2007	10/00	00/00	06/17	Y	10,000	12,619
<b>Sub Total:</b>						<b>1,121,660</b>	<b>1,449,159</b>
<b><u>Grounds</u></b>							
Pool-Coping And Decking	6/01/2005	10/00	00/00	06/15	Y	51,000	61,255
Pool-Pumps And Filter	6/01/2005	10/00	00/00	06/15	Y	20,000	24,022

# Wailana At Waikiki 2008

## COMPONENT SUMMARY REPORT

### Budget 2008

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Pool-Tile	6/01/2005	25/00	00/00	06/30	Y	31,000	53,938
<b>Sub Total:</b>						<b>102,000</b>	<b>139,215</b>
<b>Mechanical</b>							
A/C Chiller	6/01/1997	15/00	00/00	06/12	Y	200,000	223,064
A/C System 2nd Fl Air Handler Ceili	6/01/2002	15/00	00/00	06/17	Y	10,000	12,619
A/C System 2nd Fl Air Handler Makai	3/01/2007	15/00	00/00	03/22	Y	20,000	28,378
A/C System 2nd Fl Air Handler Mauka	6/01/2005	15/00	00/00	06/20	Y	17,000	23,101
A/C System 2nd Fl Air Handler Rest	6/01/2005	15/00	00/00	06/20	Y	17,500	23,781
A/C System 3 Fl Air Handler Chiller	3/01/2000	15/00	00/00	03/15	Y	14,000	16,712
A/C System 3 Fl Air Handler Lobby	3/01/2007	15/00	00/00	03/22	Y	10,000	14,189
A/C System CS Air Handler	3/01/1997	15/00	00/00	03/12	Y	18,000	19,952
A/C System Heat Exchanger A	3/01/2010	10/00	00/00	03/10	Y	15,000	15,822
A/C System Heat Exchanger B	6/01/2006	10/00	00/00	06/16	Y	15,000	18,467
A/C System Lobby Air Handler	6/01/2005	15/00	00/00	06/20	Y	18,000	24,460
A/C System Lobby Air Handler Barber	6/01/2002	15/00	00/00	06/17	Y	5,000	6,309
A/C System Lobby Air Handler Boutiq	3/01/1997	15/00	00/00	03/12	Y	10,000	11,085
Booster Pump	6/01/2006	10/00	00/00	06/16	Y	21,000	25,853
Electrical Switches	10/01/2009	20/00	00/00	10/09	Y	50,000	52,208
Elevator Modernization	2/01/2007	35/00	00/00	02/42	N	492,000	1,142,237
Elevators-Interior	2/01/2007	15/00	00/00	02/22	Y	55,000	77,906
Heat Pump & Tanks Roof	6/01/2001	20/00	00/00	06/21	Y	150,000	208,932
Plumbing --Waste Water	6/01/2005	25/00	00/00	06/30	Y	12,000	20,879

**Wailana At Waikiki 2008**  
**COMPONENT SUMMARY REPORT**

Budget 2008

<u>Description</u>	<u>Starting Date</u>	<u>Useful Life (yr/mo)</u>	<u>Adj. Life (yr/mo)</u>	<u>Sched. Rpl. (mo/yr)</u>	<u>Recur</u>	<u>Current Cost</u>	<u>Future Cost</u>
Plumbing-Booster Pumps	6/01/2005	15/00	00/00	06/20	Y	8,900	12,094
Plumbing-Cold Water	6/01/2005	25/00	00/00	06/30	Y	18,000	31,319
Plumbing-Hot Water Storage Tanks	6/01/2005	20/00	00/00	06/25	Y	48,000	73,817
Plumbing-Sump Pumps	6/01/2005	30/00	00/00	06/35	Y	4,700	9,252
<b>Sub Total:</b>						<b>1,229,100</b>	<b>2,092,436</b>
<u>Amenities</u>							
Pool Cabana Refurbish	6/01/2000	25/00	00/00	06/35	Y	10,000	15,379
<b>Sub Total:</b>						<b>10,000</b>	<b>15,379</b>
<b>Grand Total:</b>						<b>2,462,760</b>	<b>3,696,189</b>





# PROPERTY INFORMATION FORM



## Condominium, Co-op, PUD, and other Homeowner Organizations Hawaii Association of Realtors® Standard Form (To be used in conjunction with RR109 Seller's Real Property Disclosure Statement) Revised 9/03 (NC) For Release 5/09

**COPYRIGHT AND TRADEMARK NOTICE:** This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

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

Name of Property: THE WAILANA AT WAIKIKI AOO

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

Property Reference: 1860 ALA MOANA BLVD #1105 HONOLULU HAWAII 96815

Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 012 /Parcel 002 /CPR 0072 (if applicable).

Property is managed by a licensed real estate broker. ☒ Yes ☐ No If a licensed real estate broker, is managing agent registered with the Real Estate Commission as a Condominium Managing Agent? ☒ Yes ☐ No

Name of Managing Agent: HAWAII FIRST, INC.

Managed by this Managing Agent since: January 2007

Managing Agent provides (Check those services that apply):

- ☒ Administrative Management Services
- ☒ Fiscal Management Services
- ☒ Physical Management Services
- ☐ Other Management Services - \_\_\_\_\_
- ☐ Property is self-managed since: \_\_\_\_\_

### A. GENERAL & LEGAL

Total number of apartments: 199 (includes 13 commercial units) 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? 81 %

Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? 1

What approximate percentage of owners is more than one month delinquent in maintenance fees? 3 %

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

- | Yes                                 | No                                  | NTMK (Not To My Knowledge) |  |
|-------------------------------------|-------------------------------------|----------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (1) Within the past year, has the Board of Directors had discussions with the Lessor regarding the purchase of the leased fee interest in the land?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (2) Is Property subject to phasing or development of additional increments?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (3) Has the Owners Association or Corporation been in control of the operations of Property for less than two (2) years?   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (4) Are there any lawsuits, arbitration or mediation actions affecting Property and/or Association other than delinquent owner maintenance fees?<br>Attorney for Association of Apartment Owners: <u>Christian Porter 526-3011</u>   |
| <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 Property?<br><b>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.</b> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (6) Are any Association or Corporation approvals required for transfer of Ownership?   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (7) Is a resident manager's apartment a part of the common elements, or is one owned by the Association or Corporation (does not apply to Planned Unit Developments)?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (8) Is a time share operation existing at Property? Name of Operator: _____  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (9) Is there a hotel, transient vacation rental operation, or other organized rental program at Property? Name of operator? _____  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (10) Have any of the following items been discovered by the Association or Corporation at Property?<br>[ ] asbestos; [ ] formaldehyde; [ ] radon gas; [ ] lead-based paint; [ ] mold, mildew, fungus   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (11) Are there commercial apartments, lots or commercial use of the common areas or common elements at Property?   |

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference: \_\_\_\_\_



Number of Question answered "YES" and Explain:

1) CONTRACT KDI INVESTMENTS INC.

4) JUST FILED LIABILITY SUIT FOR A FALL IN THE GARAGE APRIL 12, 2007.

10) CEILING THROUGH WATER LEAK REPAIRS. NOT AIRBORNE OR INFECTIOUS BUT THERE IS ASBESTOS IN THE POP CORN CEILINGS.

11) THE FIRST AND FOURTH FLOORS CONTAIN COMMERCIAL SPACE AND BASEMENT IS A COMMERCIAL PARKING GARAGE.

## B. INSURANCE

Name of Insurance Company: INSURANCE ASSOCIATES

Name of Insurance Agent: SUE SAVIO

Phone: (808) 538-6938

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

**Yes No NTMK** Note: In case of Planned Unit Development, questions #14 to #17 apply to common areas only.

☒ ☐ ☐ (12) Is Property located in a designated Flood Hazard Zone?

☒ ☐ ☐ (13) Is Property covered by Flood Insurance?

☐ ☒ ☐ (14) Is Property located in a tsunami inundation area?

☐ ☐ ☒ (15) Has there been any substantial damage to Property due to earthquake, fire, floods, winds, landslides, tsunami, or volcanic activity within the last five years?

Number of Question answered "YES" and Explain:

12) FLOOD ZONE

13) BUILDING IS COVERED BY FLOOD INSURANCE

## C. FINANCIAL

What do the Apartment Maintenance fees include?

☒ Air-Conditioning

☒ Cable TV Signal

☒ Electricity

☐ Gas

☒ Hot Water

☐ Lease Rent

☒ Parking

☐ Real Property Tax

☐ Recreation/Community Association Dues

☒ Water & Sewer

☐ Other: COMMON AREA (ONLY) - ELECTRICITY

☐ Other:

☒ Other: Gas - No gas to units, commercial and mechanical equipment only.

How frequently is a financial statement prepared?

☒ Monthly

☐ Quarterly

Specify: ☐ Cash Basis ☒ Accrual Basis

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

Property Reference: \_\_\_\_\_

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

Yes	No	NTMK	
[ X ]	[ ]	[ ]	(16) Has the Association or Corporation Board of Directors approved a maintenance fee increase, special assessment, or loan?
[ ]	[ X ]	[ ]	(17) Are any special assessments or loans in effect at this time?
[ ]	[ X ]	[ ]	(18) Are any assessments required to be paid in full at the time of conveyance of ownership?

Number of Question answered "YES" and Explain:

16) MAINTENANCE FEE INCREASE EFFECTIVE JANUARY 1, 2009.

#### D. PROPERTY CONDITION

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

Are there any major repairs required or planned within the next 12 months with respect to the following common elements/common areas of the Property?

Yes	NTMK		Yes	NTMK	
(19) [ ]	[ X ]	Barbecue Facilities	(32) [ ]	[ X ]	Sauna
(20) [ ]	[ X ]	Drainage	(33) [ ]	[ X ]	Security Systems
(21) [ ]	[ X ]	Driveways/Parking Areas	(34) [ ]	[ X ]	Sewage Treatment Plant
(22) [ ]	[ X ]	Electrical Systems	(35) [ ]	[ X ]	Slab(s)
(23) [ X ]	[ ]	Elevators	(36) [ ]	[ X ]	Spas
(24) [ ]	[ X ]	Exterior Walls	(37) [ ]	[ X ]	Sprinkler System
(25) [ ]	[ X ]	Foundations	(38) [ ]	[ X ]	Swimming Pool
(26) [ X ]	[ ]	Lanai Decks/Railings	(39) [ ]	[ X ]	Tennis Courts
(27) [ ]	[ X ]	Paint	(40) [ ]	[ X ]	Trash Chutes
(28) [ ]	[ X ]	Plumbing	(41) [ ]	[ X ]	Walkways
(29) [ ]	[ X ]	Pool Deck/Railings	(42) [ ]	[ X ]	Wall(s)/Fences
(30) [ ]	[ X ]	Rec. Room Equipment	(43) [ ]	[ X ]	Water Features
(31) [ X ]	[ ]	Roofing	(44) [ ]	[ ]	Other _____

Yes	No	NTMK	
[ ]	[ X ]	[ ]	(45) Are lanai enclosures presently permitted by the Association or Corporation Board of Directors?
[ ]	[ X ]	[ ]	(46) Do you know, within the past year, of the presence of live infestation, wood boring insects/termites in the common elements/common areas of Property?
[ ]	[ ]	[ X ]	(47) Do you know, within the past year, of leaks and/or water damage in the common elements/common areas of Property?
[ ]	[ ]	[ X ]	(48) Are you aware, within the past year, of any structural problems in the common elements/common areas caused by water, settling, sliding, subsidence, filled land, etc.?

Number of Question answered "YES" and Explain:

23) ELEVATOR MODERNIZATION 2006.

26) lanai/railing repairs. On-going 2007.

31) 23<sup>rd</sup> FLOOR ROOF REPLACEMENT 2006.

Note: Please contact David Shockley (Property Manager) at (808) 531-5566 or email [david@hawaiifirst.com](mailto:david@hawaiifirst.com) for questions.

BUYER'S INITIALS & DATE

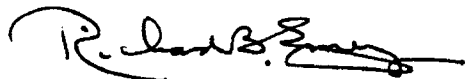
SELLER'S INITIALS & DATE

Property Reference: \_\_\_\_\_

### E. DISCLAIMER

While not guaranteed, the information contained in this Property Information Form is based on information reasonably available to the Managing Agent at the time this form was completed. It has been provided by the Managing Agent at Owner/Seller's request and is believed to be current and correct to the best of the Managing Agent's knowledge at the time this form was completed. All persons relying upon the information contained herein are advised that the information provided cannot be considered a substitute for a careful inspection of Property and Property's governing documents, meeting minutes, financial documents and other documentation; and that they should refer to qualified experts in the various professional fields, including but not limited to attorneys, accountants, architects, engineers, contractors and other appropriate professionals for detailed evaluation of areas where additional clarification or information is desired. The person or entity completing the form is doing so only as a accommodation to the parties and shall not be held liable for any errors or omissions whatsoever. The person or entity completing this form is not required to and has not completed any special investigation, and is only reporting facts already known to that person or entity or readily available. Specifically and without limitation, the person or entity completing the form has not reviewed any records except official records of meetings in the possession of that person or entity and only for the current and prior year. Where the answer to a question is not applicable, unknown or is otherwise unanswerable, it has been marked "NTMK". Where the Managing Agent has marked "NTMK" or "NO" in response to a question concerning property condition, it must be recognized that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, a problem could be more serious than the Managing Agent, the Association, the Corporation or its Board of Directors knows. All such persons having access to this Property Information Form understand and acknowledge that this Property Information Form is not a warranty or guaranty of any kind by the Managing Agent, the Association or its Board of Directors.

Person completing this form:



June 1, 2009

Signature

Date

Name: RICHARD B. EMERY Title: MANAGING AGENT  
Company: HAWAII FIRST, INC.  
Address: 800 BETHEL STREET, SUITE 501 HONOLULU, HAWAII 96813  
Phones 808-531-5566 Fax 808-566-9939  
E-Mail INFO@HAWAIIFIRST.COM

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BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference: \_\_\_\_\_



# PROPERTY INFORMATION FORM



## Condominium, Co-op, PUD, and other Homeowner Organizations Hawaii Association of Realtors® Standard Form (To be used in conjunction with RR109 Seller's Real Property Disclosure Statement) Revised 9/03 (NC) For Release 5/09

**COPYRIGHT AND TRADEMARK NOTICE:** This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

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

Name of Property: THE WAILANA AT WAIKIKI AOO

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

Property Reference: 1860 ALA MOANA BLVD #1105 HONOLULU HAWAII 96815

Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 012 /Parcel 002 /CPR 0072 (if applicable).

Property is managed by a licensed real estate broker. ☒ Yes ☐ No If a licensed real estate broker, is managing agent registered with the Real Estate Commission as a Condominium Managing Agent? ☒ Yes ☐ No

Name of Managing Agent: HAWAII FIRST, INC.

Managed by this Managing Agent since: January 2007

Managing Agent provides (Check those services that apply):

- ☒ Administrative Management Services
- ☒ Fiscal Management Services
- ☒ Physical Management Services
- ☐ Other Management Services - \_\_\_\_\_
- ☐ Property is self-managed since: \_\_\_\_\_

### A. GENERAL & LEGAL

Total number of apartments: 199 (includes 13 commercial units) 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? 81 %  
Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? 1  
What approximate percentage of owners is more than one month delinquent in maintenance fees? 3 %

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

- | Yes                                 | No                                  | NTMK (Not To My Knowledge) |  |
|-------------------------------------|-------------------------------------|----------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (1) Within the past year, has the Board of Directors had discussions with the Lessor regarding the purchase of the leased fee interest in the land?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (2) Is Property subject to phasing or development of additional increments?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (3) Has the Owners Association or Corporation been in control of the operations of Property for less than two (2) years?   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (4) Are there any lawsuits, arbitration or mediation actions affecting Property and/or Association other than delinquent owner maintenance fees?<br>Attorney for Association of Apartment Owners: <u>Christian Porter 526-3011</u>   |
| <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 Property?<br><b>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.</b> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (6) Are any Association or Corporation approvals required for transfer of Ownership?   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (7) Is a resident manager's apartment a part of the common elements, or is one owned by the Association or Corporation (does not apply to Planned Unit Developments)?  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (8) Is a time share operation existing at Property? Name of Operator: _____  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   | (9) Is there a hotel, transient vacation rental operation, or other organized rental program at Property? Name of operator? _____  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (10) Have any of the following items been discovered by the Association or Corporation at Property?<br>[ ] asbestos; [ ] formaldehyde; [ ] radon gas; [ ] lead-based paint; [ ] mold, mildew, fungus   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   | (11) Are there commercial apartments, lots or commercial use of the common areas or common elements at Property?   |



BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

6/6/09

Property Reference: \_\_\_\_\_



Number of Question answered "YES" and Explain:

1) CONTRACT KDI INVESTMENTS INC.

4) JUST FILED LIABILITY SUIT FOR A FALL IN THE GARAGE APRIL 12, 2007.

10) CEILING THROUGH WATER LEAK REPAIRS. NOT AIRBORNE OR INFECTIOUS BUT THERE IS ASBESTOS IN THE POP CORN CEILINGS.

11) THE FIRST AND FOURTH FLOORS CONTAIN COMMERCIAL SPACE AND BASEMENT IS A COMMERCIAL PARKING GARAGE.

### B. INSURANCE

Name of Insurance Company: INSURANCE ASSOCIATES

Name of Insurance Agent: SUE SAVIO

Phone: (808) 538-6938

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

Yes	No	NTMK	Note: In case of Planned Unit Development, questions #14 to #17 apply to common areas only.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(12) Is Property located in a designated Flood Hazard Zone?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(13) Is Property covered by Flood Insurance?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(14) Is Property located in a tsunami inundation area?
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(15) Has there been any substantial damage to Property due to earthquake, fire, floods, winds, landslides, tsunami, or volcanic activity within the last five years?

Number of Question answered "YES" and Explain:

12) FLOOD ZONE

13) BUILDING IS COVERED BY FLOOD INSURANCE

### C. FINANCIAL

What do the Apartment Maintenance fees include?

<input checked="" type="checkbox"/> Air-Conditioning	<input type="checkbox"/> Real Property Tax
<input checked="" type="checkbox"/> Cable TV Signal	<input type="checkbox"/> Recreation/Community Association Dues
<input checked="" type="checkbox"/> Electricity	<input checked="" type="checkbox"/> Water & Sewer
<input type="checkbox"/> Gas	<input type="checkbox"/> Other: <u>COMMON AREA (ONLY) - ELECTRICITY</u>
<input checked="" type="checkbox"/> Hot Water	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Lease Rent	<input checked="" type="checkbox"/> Other: <u>Gas - No gas to units, commercial and mechanical equipment only.</u>
<input checked="" type="checkbox"/> Parking	

How frequently is a financial statement prepared?

☒ Monthly ☐ Quarterly

Specify: ☐ Cash Basis ☒ Accrual Basis

\_\_\_\_\_  
BUYER'S INITIALS & DATE

  
\_\_\_\_\_  
SELLER'S INITIALS & DATE

Property Reference: \_\_\_\_\_

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

Yes	No	NTMK	
[ X ]	[ ]	[ ]	(16) Has the Association or Corporation Board of Directors approved a maintenance fee increase, special assessment, or loan?
[ ]	[ X ]	[ ]	(17) Are any special assessments or loans in effect at this time?
[ ]	[ X ]	[ ]	(18) Are any assessments required to be paid in full at the time of conveyance of ownership?

Number of Question answered "YES" and Explain:

16) MAINTENANCE FEE INCREASE EFFECTIVE JANUARY 1, 2009.

#### D. PROPERTY CONDITION

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

Are there any major repairs required or planned within the next 12 months with respect to the following common elements/common areas of the Property?

Yes	No	NTMK		Yes	No	NTMK	
[ ]	[ ]	[ X ]	(19) Barbecue Facilities	[ ]	[ ]	[ X ]	(32) Sauna
[ ]	[ ]	[ X ]	(20) Drainage	[ ]	[ ]	[ X ]	(33) Security Systems
[ ]	[ ]	[ X ]	(21) Driveways/Parking Areas	[ ]	[ ]	[ X ]	(34) Sewage Treatment Plant
[ ]	[ ]	[ X ]	(22) Electrical Systems	[ ]	[ ]	[ X ]	(35) Slab(s)
[ X ]	[ ]	[ ]	(23) Elevators	[ ]	[ ]	[ X ]	(36) Spas
[ ]	[ ]	[ X ]	(24) Exterior Walls	[ ]	[ ]	[ X ]	(37) Sprinkler System
[ ]	[ ]	[ X ]	(25) Foundations	[ ]	[ ]	[ X ]	(38) Swimming Pool
[ X ]	[ ]	[ ]	(26) Lanai Decks/Railings	[ ]	[ ]	[ X ]	(39) Tennis Courts
[ ]	[ ]	[ X ]	(27) Paint	[ ]	[ ]	[ X ]	(40) Trash Chutes
[ ]	[ ]	[ X ]	(28) Plumbing	[ ]	[ ]	[ X ]	(41) Walkways
[ ]	[ ]	[ X ]	(29) Pool Deck/Railings	[ ]	[ ]	[ X ]	(42) Wall(s)/Fences
[ ]	[ ]	[ X ]	(30) Rec. Room Equipment	[ ]	[ ]	[ X ]	(43) Water Features
[ X ]	[ ]	[ ]	(31) Roofing	[ ]	[ ]	[ ]	(44) Other _____

Yes	No	NTMK	
[ ]	[ X ]	[ ]	(45) Are lanai enclosures presently permitted by the Association or Corporation Board of Directors?
[ ]	[ X ]	[ ]	(46) Do you know, within the past year, of the presence of live infestation, wood boring insects/termites in the common elements/common areas of Property?
[ ]	[ ]	[ X ]	(47) Do you know, within the past year, of leaks and/or water damage in the common elements/common areas of Property?
[ ]	[ ]	[ X ]	(48) Are you aware, within the past year, of any structural problems in the common elements/common areas caused by water, settling, sliding, subsidence, filled land, etc.?

Number of Question answered "YES" and Explain:

23) ELEVATOR MODERNIZATION 2006.

26) lanai/railing repairs. On-going 2007.

31) 23<sup>rd</sup> FLOOR ROOF REPLACEMENT 2006.

Note: Please contact David Shockley (Property Manager) at (808) 531-5566 or email [david@hawaii1st.com](mailto:david@hawaii1st.com) for questions.



\_\_\_\_\_  
BUYER'S INITIALS & DATE

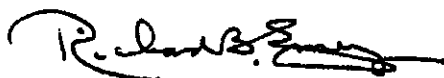
*dy* *6/6/09*  
\_\_\_\_\_  
SELLER'S INITIALS & DATE

Property Reference: \_\_\_\_\_

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Person completing this form:



June 1, 2009

Signature

Date

Name: RICHARD B. EMERY Title: MANAGING AGENT  
Company: HAWAII FIRST, INC.  
Address: 800 BETHEL STREET, SUITE 501 HONOLULU, HAWAII 96813  
Phones: 808-531-5566 Fax: 808-566-9939  
E-Mail: INFO@HAWAIIFIRST.COM

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