

2121 ALA WAI
ASSOCIATION OF APARTMENT OWNERS

BOARD OF DIRECTORS
ORGANIZATIONAL MEETING

APPROVED

Thursday, March 23, 2017

I. CALL TO ORDER

Following the Annual Meeting of the 2121 Ala Wai Association of Apartment Owners, an Organizational Meeting of the Board of Directors was called to order at 7:00 PM by Tom Cummiskey, President of the Association, for the purpose of electing officers for the coming year.

Present

Absent

Board of Directors

Tom Cummiskey, President
Carol Kesler
David Chapnick
Trinkey Chan
Mitch Johnson
Jack Patterson
Trieu Wilson

Mark Danielson
Chiara Tran

W. E. Denison Corporation Present

Bill Denison
Jeri Vedder

Resident Manager Present

Eddie Kuhns

II. ELECTION OF OFFICERS

On motion by Director Wilson, seconded by Director Patterson, and unanimous vote the following directors were elected to serve as officers of the Association for the coming year:

President

Tom Cummiskey

Vice President

Mark Danielson

Secretary

Carol Kesler

Treasurer

Mitch Johnson

III. DATE OF NEXT MEETING

The date of the next Regular Board Meeting was set for Thursday, May 4, 2017, at 6:30 P.M.

IV. ADJOURNMENT

There being no other business to come before the Board, Director Cummiskey adjourned the meeting at 7:35 PM.

Respectfully Submitted:



Jeri L. Vedder
Secretary Pro-Tem

2121 ALA WAI
ASSOCIATION OF APARTMENT OWNERS
BOARD OF DIRECTORS
REGULAR MEETING

APPROVED

Thursday, February 2, 2017

I. CALL TO ORDER AND ROLL CALL

A Regular Meeting of the Board of Directors of 2121 Ala Wai Association of Apartment Owners was called to order by Tom Cummiskey, President of the Association, at 6:30 PM, on February 2, 2017, in the 6th floor meeting room of 2121 Ala Wai, Honolulu, Hawaii. Notice of the meeting dated January 18, 2017 was mailed to all directors. Bill Denison and Jeri Vedder recorded minutes of the meeting.

Present

Board of Directors

Tom Cummiskey, President
Carol Kesler, Secretary
Mitch Johnson, Treasurer
Jim Cavell
David Chapnick
Jack Patterson
Trieu Wilson

Absent

Board of Directors

Mark Danielson, Vice President
Trinkey Chan

Managing Agent - W. E. Denison Corporation

Bill Denison
Jeri Vedder

Resident Manager

Eddie Kuhns

Owners and Guests

Wayne Rhoten, Apt. 2706

II. MINUTES OF PREVIOUS MEETING

The minutes of the Regular Board Meeting held on November 10, 2016, were distributed to the directors prior to this meeting.

MOTION: There being no corrections or additions, the minutes of the November 10, 2016 meeting were unanimously approved as circulated on motion by Director Patterson and seconded by Director Cavell.

III. TREASURER'S REPORT

- A. Financial Statements.** The financial statements of cash receipts and disbursements for October through December 2016 were distributed to all directors prior to this meeting. Mr. Denison reviewed the financial statements, noting that the cash and reserves on hand at the end of December totaled around \$1,678,961.
- B. CD Purchase.** A \$150,000 Certificate of Deposit for an 18-month term and with an interest rate of .896% was purchased from Community West Bank of Virginia on January 12, 2017. There were also two \$200,000 Certificates of Deposit purchased; one for 1-year with an interest rate of .848%; and one for 18-months with a .946% interest rate.
- C. Delinquencies.** There were two accounts over 60 days past due as of the date of this meeting.

- D. **Special Power of Attorney.** Motooka & Rosenberg, LLLC, submitted documents for appointment of Special Power of Attorney so they are able to act on behalf of the Association regarding collections and filings, including an outstanding release of lien for apt. 1503, which sold last year.

MOTION: Director Chapnick moved, seconded by Director Johnson, to approve the Special Power of Attorney from Motooka & Rosenberg, LLLC, and two officers will sign and notarize the document. The motion carried unanimously.

The Treasurer's Report was approved as presented, subject to audit.

IV. MANAGING AGENT REPORT

- A. **Storage Rooms on Floors.** Notices informing owners of the storage rooms available on each floor and rental rate were circulated in December. To date there are 11 rooms rented for \$100 a month with a six month term, starting March 1, 2017. The staff will clear the rooms of any unclaimed items prior to March 1, 2017, and change the locks. Two proposals to replace 35 tumblers on the existing handles, install protectors, and provide 75 keys, were distributed to the directors. The bid from AABS Key Service was for \$1,543 and the bid from Anong & Son Lock & Key was \$1,906.

MOTION: Director Chapnick moved, seconded by Director Patterson, to approve the proposal from AABS Key Service for key replacement for a cost of \$1,543. The motion carried unanimously.

- B. **Storage on 3rd Floor.** The room on the 3rd floor off the garage is approximately 30' x 40', and could be divided into squares for use by owners and residents. There was discussion, but no action at this time.
- C. **LED Lighting Rebate.** The Association paid \$9,680 to replace the fluorescent lights in the garage and stairwell with LED bulbs, and received a \$6,110 rebate from HECO via Hawaii Energy.

V. UNFINISHED BUSINESS

- A. **Building Management.** Director Chapnick expressed dissatisfaction with the managing agent and wanted to revisit the issue discussed at the previous meeting regarding supervision and coverage at 2121 Ala Wai. There were no comments from the other directors.
- B. **Motorcycle Parking.** In response to a request from a resident to protect the motorcycle parking area, the Association installed two bollards. The resident that made the request is now parking both his car and motorcycle in his parking stall, impeding the drive area. Vehicles must be within the lines of a parking stall and not extend into the thoroughfare. The building manager will inform the resident and inspect the garage for other discrepancies.

VI. NEW BUSINESS

- A. **Fire Alarm Testing.** Director Johnson noted that the recent fire alarm testing started at 8:00 AM, which is a little early. Mr. Kuhns confirmed that the next inspection will not start before 9:00 AM.
- B. **Roof Wall Repairs.** Seal Masters submitted a proposal to repair a crack approximately 60 ft long on the floating parapet panel on the roof. The spalling repair will require a swing stage, jack hammering, rebar refurbishing

and concrete repair, for an estimated cost of \$24,228.

MOTION: Director Chapnick moved, seconded by Director Kesler, to approve the proposal from Seal Masters dated January 4, 2017, for approximately \$24,228. The motion carried unanimously.

- C. **Exhaust Vent Cleaning.** There have been complaints of poor ventilation of the exhaust vents, which were last cleaned in 2004. Two proposals were submitted to clean the vents, one from Brother Hood Degreasing for \$31,200, and one from Island Ventilation Cleaning for \$33,958. The scope of work includes cleaning from the roof to the bottom of the stack, along with access to each apartment, and will be coordinated with the manager.

MOTION: Director Wilson, seconded by Director Johnson, moved to approve the proposal from Island Ventilation Cleaning for \$33,958 to clean the exhaust vents in each apartment stack. The motion carried unanimously.

- D. **Landscaping.** The managing agent met with Richard Long from the landscape maintenance company, Reliable Landscaping, to review the grounds and make improvements, including the grass recently damaged by the staff spraying weed killer. The directors were disinterested in making any changes at this time. No action taken.
- E. **Neighboring Garage Fans.** Director Wilson noted that the exhaust fans in the garage of the neighboring building are located at the front entrance of 2121 Ala Wai and are loud and disruptive. The managing agent or building manager will follow up with management next door.
- F. **Security Channel.** Director Chapnick asked if the security channel had changed. The security channel for analog remained on channel 57, but if you upgraded your box to digital, the new channel is 902.

VII. DATE OF NEXT MEETING

The next meeting is the Annual Association Meeting which is scheduled for Thursday, March 23, 2017, at 6:30 PM, at 2121 Ala Wai, Honolulu, Hawaii. The directors whose terms expire this year are Tom Cummiskey, Jim Cavell and David Chapnick.

VIII. ADJOURNMENT

There being no other business to come before the Board, and with unanimous agreement, Director Cummiskey adjourned the meeting at 7:45 PM.

Respectfully submitted:



Jeri Vedder
Secretary Pro-Tem

**2121 ALA WAI
ASSOCIATION OF APARTMENT OWNERS
BOARD OF DIRECTORS
REGULAR MEETING**

Thursday, November 10, 2016

APPROVED

I. CALL TO ORDER AND ROLL CALL

A Regular Meeting of the Board of Directors of 2121 Ala Wai Association of Apartment Owners was called to order by Tom Cummiskey, President of the Association, at 6:30 PM, on November 10, 2016, in the 6th floor meeting room of 2121 Ala Wai, Honolulu, Hawaii. Notice of the meeting, dated October 28, 2016, was mailed to all directors on that date. Bill Denison and Jeri Vedder recorded minutes of the meeting.

Present

Board of Directors

Tom Cummiskey, President
Mark Danielson, Vice President
Carol Kesler, Secretary
Mitch Johnson, Treasurer
Jim Cavell
Trinkey Chan
David Chapnick
Trieu Wilson

Absent

Board of Directors

Jack Patterson

Managing Agent - W. E. Denison Corporation

Bill Denison
Jeri Vedder

Resident Manager

Eddie Kuhns

Owners and Guests

Mr. & Mrs. David Lee, Apt. 100

II. MINUTES OF PREVIOUS MEETING

Minutes of the Regular Board Meeting held on August 11, 2016, were distributed to the directors prior to this meeting.

MOTION: There being no corrections or additions, the minutes of the meeting held on August 11, 2016, were unanimously approved as circulated on motion by Director Chapnick.

III. TREASURER'S REPORT

A. Financial Statements. The financial statements of cash receipts and disbursements for July, August and September 2016, were distributed to all directors prior to this meeting. The directors reviewed the financial statements, noting that the cash and reserves on hand at the end of September totaled \$1,685,912.

B. CD Purchase. Ms. Vedder noted that a \$250,000 Certificate of Deposit with a 1-year term, maturity date August 22, 2017, and with an interest rate of .848% was purchased from CIT Bank NA Pasadena CA on August 22, 2016.

C. Delinquencies. Ms. Vedder reported that the most serious past due account paid the Association \$18,080.63 on October 26, 2016, virtually clearing the

outstanding balance. Other collection efforts obtained \$14,245.21 toward delinquent balances, bringing all accounts current.

The Treasurer's Report was approved as presented, subject to audit.

IV. MANAGING AGENT REPORT

2017 Budget & Reserve Plan. Mr. Denison reviewed his Memorandum to the Board dated November 3, 2016, and the related documents presenting the managing agent's projections for the 2017 Budget and Reserve Plan. The managing agent's projections and recommendation provided for no change in the current level of maintenance fee assessments. The directors discussed the various line items of both documents, including a brief executive session which excused the managing agent and building manager. The regular session was then resumed.

MOTION: Director Danielson moved to approve the 2017 Budget, schedule of maintenance fees and Reserve Plan, as presented by the managing agent. The motion was seconded and carried unanimously.

V. RESIDENT MANAGER'S REPORT

Mr. Kuhns circulated a written Manager's Report, for the month of November, which was reviewed and discussed.

VI. UNFINISHED BUSINESS

A. Storage Rooms. The directors discussed the storage rooms that are located on each floor. There is also a large storage room on the 3rd floor that is available for use by owners and residents. At the prior meeting in August, the directors discussed the possibility of charging rent for the use of the storage rooms on each floor.

MOTION: Following discussion Director Wilson moved to authorize and direct the managing agent to charge \$100 a month, with 6-month agreements, for the use of the storage rooms on each of the residential floors, commencing February 1, 2017. The motion was seconded and carried unanimously.

B. Pool Heating. The directors discussed heating the swimming pool. Concerns were expressed for the cost of heating equipment, where it could be located and how much the ongoing operations costs would be. No action taken.

VII. NEW BUSINESS

A. Guest Parking/Motorcycles. Director Johnson reported that a resident recently advised him that his motorcycle had been hit and damaged by other vehicles three times, while parked in the designated motorcycle parking area. Director Johnson suggested the Association obtain costs for installing two bollards (similar to those protecting the electrical panels on the first floor) for the directors to review and approve via e-mail. There was general approval of the suggestion.

B. Management Actions. Director Chapnick questioned the managing agent about assigning Mr. Kuhns to provide temporary supervisory services to another building for which W. E. Denison Corporation is the managing agent. Mr. Denison explained that in August, the building in question had an emergency situation that left it with no qualified on-site supervisory staff. Mr. Denison asked Mr. Kuhns to assist in the situation and Mr. Kuhns did so by providing approximately 93 hours of his time at the other building during the

period between August 9, 2016 and September 16, 2016. Some of the time was during Mr. Kuhns normal scheduled work hours at "2121". When this occurred and required security guards to insure that "2121" was covered, the wages for the guards' time was reimbursed to "2121" by the other Association. This involved about sixty (60) hours, for which "2121" was reimbursed in September. About a third of the time that Mr. Kuhns spent at the other building was during periods that he was not scheduled to be on the "2121" premises.

Director Chapnick questioned why "Denison" did not also reimburse "2121" for the time that Mr. Kuhns was not present at 2121. Mr. Denison advised that the other Association did compensate Mr. Kuhns for the time he spent supervising that project. As Mr. Kuhns was also continuously in contact with the staff at "2121" and continued to perform his duties to "2121," Mr. Denison did not feel that 2121 was affected either operationally or financially.

Director Chapnick disagreed that "2121" was not affected by the actions and asserted that Denison should pay "2121" monetary compensation for the incident.

Mr. Denison apologized for not advising the directors of the incident and his authorization of the actions as they took place in August. He assured the Board that no such actions would occur again.

VIII. DATE OF NEXT MEETING

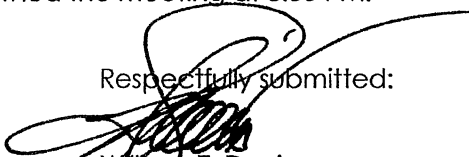
The next Regular Board Meeting was scheduled for Thursday, February 2, 2017, at 6:30 PM, at 2121 Ala Wai, Honolulu, Hawaii.

The directors also set the date of the 2017 Annual Association Meeting for March 23, 2017. The directors whose terms expire are Tom Cummiskey, Jim Cavell and David Chapnick.

IX. ADJOURNMENT

There being no other business to come before the Board, and with unanimous agreement, Director Cummiskey adjourned the meeting at 8:30 PM.

Respectfully submitted:



William E. Denison
Secretary Pro-Tem

2121 ALA WAI
ASSOCIATION OF APARTMENT OWNERS
BOARD OF DIRECTORS
REGULAR MEETING

Thursday, August 11, 2016

APPROVED

I. CALL TO ORDER AND ROLL CALL

A Regular Meeting of the Board of Directors of 2121 Ala Wai Association of Apartment Owners was called to order by Tom Cummiskey, President of the Association, at 6:30 PM, on August 11, 2016, in the 6th floor meeting room of 2121 Ala Wai, Honolulu, Hawaii. Notice of the meeting dated August 1, 2016 was mailed to all directors. Bill Denison and Jeri Vedder recorded minutes of the meeting.

Present

Absent

Board of Directors

Tom Cummiskey, President
Carol Kesler, Secretary
Mitch Johnson, Treasurer
Jim Cavell
David Chapnick
Jack Patterson
Trieu Wilson

Board of Directors

Mark Danielson, Vice President
Trinkey Chan

Managing Agent - W. E. Denison Corporation

Bill Denison
Jeri Vedder

Resident Manager

Eddie Kuhns

Owners and Guests

Mr. & Mrs. Choi, Apt. 1204

II. MINUTES OF PREVIOUS MEETING

The minutes of the Regular Board Meeting held on May 12, 2016, were distributed to the directors prior to this meeting.

MOTION: There being no corrections or additions, the minutes of the May 12, 2016, meeting were unanimously approved as circulated on motion by Director Chapnick and seconded by Director Cavell.

III. TREASURER'S REPORT

A. Financial Statements. The financial statements of cash receipts and disbursements for May and June 2016 were distributed to all directors prior to this meeting. Mr. Denison reviewed the financial statements, noting that the cash and reserves on hand at the end of June totaled around \$1,513,172.

B. CD Purchase. It was noted that a \$100,000 Certificate of Deposit for a 1-year term and with an interest rate of .794% was purchased from Freedom Bank of Virginia on May 18, 2016.

C. Delinquencies. There were two accounts over 60 days past due as of the date of this meeting.

The collection attorney, Motooka & Rosenberg, LLC, reported filing for surplus proceeds from the foreclosure sale of apt. 1503, and that \$13,035 was collected. There remains an outstanding balance of approximately \$9,000, however, the attorney thinks it is uncollectible at this time and did not

recommend spending additional funds to file a Motion for Deficiency Judgment.

The Treasurer's Report was approved as presented, subject to audit.

IV. MANAGING AGENT REPORT

- A. **Oceanic Contract - Showtime.** Ms. Vedder reported that the Association received a \$1,449 payment from Showtime as a signing bonus with Oceanic.
- B. **Side Yard.** The area on the makai side of the building has become a dumping ground for bulky items, which the staff then moves to the sidewalk for bulky item pick up by the City & County on Saturday. Installing a fence and locked gate would eliminate unauthorized dumping. Two proposals were circulated, one from David's Fence for \$3,700, and one from Allied Security Fence for \$3,180.

MOTION: Director Johnson moved to approve Allied Security's proposal for \$3,180 to install a fence and gate in front of the side yard. Director Kesler seconded the motion, which carried with a majority of directors voting in favor of the motion, with the exception of Directors Cavell & Patterson who abstained.

- C. **HCCA Membership.** The Hawaii Council of Community Associations (HCCA) oversees Hawaii Legislation and works to represent the interest of Associations regarding bills and laws. The Association's annual membership was recently renewed for \$100.

V. RESIDENT MANAGER'S REPORT

- A. **Marble Table.** Mr. Kuhns reported that he has not yet located a mover to transport the marble top table that had been donated for use in the meeting room.
- B. **LED Lights.** All the stairwell and garage lights have been replaced with energy efficient LED bulbs which qualified for a rebate.

VI. OTHER BUSINESS

- A. **Garage Traffic.** Mr. & Mrs. Choi (apt. 1204) commented that some trucks stick out into the drive lanes making it difficult to see on coming cars. The directors confirmed that vehicles are required to fit within the parking stall and not extend past the painted lines.
- B. **Swimming Pool Heated.** The owner of apt. 3706 wrote a short note asking that the Board consider heating the pool. Prices will be obtained for discussion at the next meeting.
- C. **Storage Rooms.** There are storage rooms on each floor that contain stored items from owners. There is also a large storage room on the 3rd floor that is available for use by owners and residents. The directors discussed the possibility of renting out the storage rooms on each floor and looking into installing storage lockers or shelves in the room on the 3rd floor.

MOTION: Following discussion Director Chapnick moved, seconded by Director Patterson to circulate a letter to all owners to remove any personal items from the storage rooms on each floor, and that the rooms will be available to rent for \$100 a month. The motion carried with all directors voting in favor of the motion, except Director Cavell who voted against it.

D. **Notice Monitor in Lobby.** Director Wilson suggested installing a screen in the lobby to post notices and Association information. The building manager will research the options.

VII. DATE OF NEXT MEETING

The next Regular Board Meeting was scheduled for Thursday, November 10, 2016, at 6:30 PM, at 2121 Ala Wai, Honolulu, Hawaii.

VIII. ADJOURNMENT

There being no other business to come before the Board, and with unanimous agreement, Director Cummiskey adjourned the meeting at 7:30 PM.

Respectfully submitted:


Jeri Vedder
Secretary Pro-Tem

2121 ALA WAI
ASSOCIATION OF APARTMENT OWNERS
BOARD OF DIRECTORS
REGULAR MEETING

Thursday, May 12, 2016

APPROVED

I. CALL TO ORDER AND ROLL CALL

A Regular Meeting of the Board of Directors of 2121 Ala Wai Association of Apartment Owners was called to order by Tom Cummiskey, President of the Association, at 6:35 PM, on May 12, 2016, in the 6th floor meeting room of 2121 Ala Wai, Honolulu, Hawaii. Notice of the meeting was mailed to all directors on April 28, 2016. Bill Denison and Jeri Vedder recorded minutes of the meeting.

Present

Absent

Board of Directors

Tom Cummiskey, President
Mark Danielson, Vice President
Carol Kesler, Secretary
Mitch Johnson, Treasurer
Trinkey Chan
David Chapnick
Jack Patterson
Trieu Wilson

Board of Directors

Jim Cavell

W. E. Denison Corporation

Bill Denison
Jeri Vedder

Resident Manager

Eddie Kuhns

Owners and Guests

Lynn & Stan Oki, Apt. 3506

II. MINUTES OF PREVIOUS MEETINGS

- A. Regular Board Meeting.** The minutes of the Regular Board Meeting held on January 7, 2016, were distributed to the directors prior to this meeting.
- B. Organizational Meeting.** The minutes of Organizational Meeting held following the Annual Association Meeting on March 24, 2016, were also circulated to directors.

MOTION: There being no corrections or additions, the minutes of the January 7, 2016 and March 24, 2016, meetings were unanimously approved as circulated on motion by Director Chapnick and seconded by Director Danielson.

III. TREASURER'S REPORT

- A. Financial Statements.** The financial statements of cash receipts and disbursements for December 2015 through April 2016 were distributed to all directors prior to this meeting. Mr. Denison reviewed the financial statements, noting that the cash and reserves on hand at the end of April totaled around \$1,567,487.
- B. Delinquencies.** There were four accounts over 60 days past due as of the date of this meeting.
- C. Cash Audit.** A verification of cash audit performed by David E. Latham, CPA, was confirmed by letter dated November 17, 2015, and mailed directly to each director.

- D. **Audit Proposal.** David E. Latham submitted a proposal to perform a cash and end of year audit, as well as prepare the state and federal tax returns for 2016 for a cost of \$2,700.

MOTION: Director Wilson moved, seconded by Director Chapnick, to approve \$2,700 for audit and tax services as outlined in David E. Latham's letter dated March 17, 2016. The motion carried unanimously.

The Treasurer's Report was approved as presented, subject to audit.

IV. MANAGEMENT REPORT

- A. **Lighting Retrofit.** A calculation chart distributed to the directors showed the cost to convert the florescent lights in the garage, lobby and stairwell to LED would cost \$10,644, with a rebate from Hawaii Energy of \$5,322, making a total investment cost of \$5,322, and a payback in energy savings estimated at 10 to 12 months.

MOTION: Director Johnson moved, seconded by Director Chapnick, to approve the purchase of LED lights for the stairwell, lobby and garage, at a cost of \$5,322, after the rebate. The motion carried unanimously.

- B. **Swimming Pool.** The owner of apt. 3706 wrote a short note asking that the Board consider heating the pool. Prices will be obtained for discussion at the next meeting.
- C. **Insurance Renewal.** The premium quote to renew the property coverage and liability from Fireman's Fund was \$72,885, with a deductible of \$10,000. Both Lexington and DTRIC were asked for proposals, but declined.

V. OTHER BUSINESS

- A. **Oceanic Contract.** A new five year contract was offered by Oceanic for television, at \$27.50 per unit, plus taxes; or television and internet for \$50 per unit, plus taxes. The bulk contract would include standard digital television, digital box, entertainment package, and Showtime. If internet is approved, extreme internet, home wifi and modem is included.

MOTION: Following discussion Director Patterson moved, seconded by Director Danielson, to approve a five year bulk contract with Oceanic Time Warner for television and internet for a cost of \$50 per apt. The motion carried unanimously.

- B. **Message Board.** Director Wilson noted that some of the new condominiums have video message boards in their lobbies to inform owners of water shut downs, etc. The building manager will research the options.
- C. **Parking Stalls.** Director Chan said that some parking stalls are being occupied by both a vehicle and motor cycle, which causes them to extend past their parking stall into the passing lane. There are also some supersized trucks parking in compact stalls and sticking out into the passing lanes, making it dangerous to pass. It was agreed that vehicles must fit within their parking stall and not extend into the passing lane. The building manager will correct the violations.
- D. **Moped Parking.** The directors discussed re-activating a sign-in sheet for moped parking. The building manager will research why the sign-in sheet is no longer being used.
- E. **Steve's Retirement Gift.** Director Chapnick expressed his disagreement with

the previous manager's retirement gift and the method of selecting and approving it by email.

- F. **Security Guard Re-Certification.** The State requires all security guards to complete four hours of continuing education and training this year, and they must be certified with the state by June 30, 2016. All the guards are enrolled in a security class that is scheduled for June 2, 2016.
- G. **Fourth Floor.** Director Wilson reported that the 4th floor smells like cigarettes. The building manager will research the issue and correct.
- H. **Storage.** Director Patterson asked who has access to the storage rooms on each floor and if it is possible to build storage lockers? Not all of the rooms are available for storage, as every third floor has conduit and telephone equipment. In addition to the store rooms on the floors there is also a large open storage room on the 3rd floor that is available to owners. This will be an agenda item for discussion at the next meeting.

VI. DATE OF NEXT MEETING

The next Regular Board Meeting was scheduled for Thursday, August 11, 2016, at 6:30 PM, at 2121 Ala Wai, Honolulu, Hawaii.

VII. ADJOURNMENT

There being no other business to come before the Board, and with unanimous agreement, Director Cummiskey adjourned the meeting at 7:35 PM.

Respectfully submitted:


Jeri Vedder
Secretary Pro-Tem

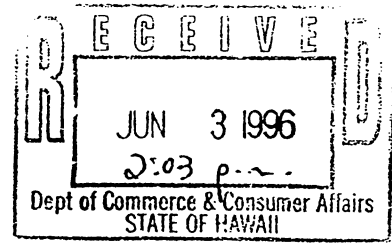
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W. E. DENISON CORP.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation)
)
 of)
)
 ASSOCIATION OF APARTMENT)
 OWNERS OF 2121 ALA WAI, INC.)
 _____)



ARTICLES OF INCORPORATION

-of-

ASSOCIATION OF APARTMENT OWNERS
OF 2121 ALA WAI, INC.

James H. Case, Esq.
CARLSMITH BALL WICHMAN
CASE & ICHIKI
2200 Pacific Tower
1001 Bishop Street
Honolulu, Hawaii 96813

Attorneys for Association of Apartment
Owners of 2121 Ala Wai, Inc.

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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

STATE OF HAWAII

In the Matter of the Incorporation)
)
 -of-)
)
 ASSOCIATION OF APARTMENT)
 OWNERS OF 2121 ALA WAI, INC.)
 _____)

ARTICLES OF INCORPORATION

-of-

ASSOCIATION OF APARTMENT OWNERS
OF 2121 ALA WAI, INC.

The undersigned, desiring to become incorporated as a nonprofit corporation in accordance with the laws of the State of Hawaii and to obtain the rights and benefits conferred by said laws upon nonprofit corporations, do hereby execute the following Articles of Incorporation.

I.

NAME

The name of the Corporation shall be ASSOCIATION OF APARTMENT OWNERS OF 2121 ALA WAI, INC.

II.

OFFICES

The mailing address of the initial or principal office of the Corporation is 2121 Ala Wai Boulevard, Honolulu, Hawaii 96815. The Corporation may have such other offices within and without the State of Hawaii as the Board of Directors may designate.

III.

PERIOD OF DURATION

The period of its duration is perpetual.

IV.

PURPOSES AND POWERS

This Corporation shall be a nonprofit corporation within the meaning of Chapter 415B of the Hawaii Revised Statutes.

The Corporation is organized for the following specific purposes and powers:

- (a) To provide the management, maintenance, protection, preservation, control, and development of the condominium project known as "2121 ALA WAI" located at 2121 Ala Wai Boulevard, Honolulu, Hawaii; and
- (b) To have and exercise all of the powers conferred by law on nonprofit corporations;

The Corporation is not organized for profit and it will not issue any stock. No part of its assets, income or earnings shall be distributed to any director, officer, employee or any private individual, except that reasonable compensation may be paid for services rendered to or for the Corporation effecting one or more of its objects and purposes or for reimbursement of expenses incurred in behalf of the Corporation. No director, officer or employee of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the Corporation's assets on dissolution of the Corporation. No part of the activities of the Corporation shall include (i) carrying on propaganda, (ii) attempting in any manner to influence legislation, except that members of the Corporation's Board of Directors and personnel of the Corporation may testify or make other appropriate communications where formally requested to do so by a legislative body or a committee or a member thereof in matters concerning legislation relating to the public purposes of the Corporation or public appropriations to programs and activities of the Corporation, or (iii) participating or intervening in (including the publication or distribution of statements), or contributing to, any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision herein, the Corporation shall have all of the powers of a condominium owners' association as defined in Section 528 of the Internal Revenue Code of 1986, as amended, and shall not carry on any activities not permitted to be carried on by a corporation entitled to an exemption from federal income tax on certain

income under Section 528 of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent federal laws.

V.

MEMBERS

The Corporation shall have Members. The authorized number and qualifications of Members of the Corporation, the different classes of membership, if any, the property, voting and other rights and privileges of the Members, and their liabilities to dues and assessments and the method of collection thereof, shall be as set forth in the Bylaws.

VI.

BOARD OF DIRECTORS

The business and affairs of the Corporation shall be managed by the Board of Directors, which shall consist of not less than nine (9) members. All members of the Board of Directors shall be owners, co-owners, vendees under an agreement of sale, or an officer of any corporate owner of an apartment. The partners in a general partnership and the general partners of a limited partnership shall be deemed to be the owners of an apartment for this purpose. At least one (1) member of the Board of Directors shall be a resident of the State of Hawaii. The members of the Board of Directors shall be elected or appointed at such times, in such manner and for such terms as may be prescribed by the Bylaws.

VII.

APPOINTMENT OF DIRECTORS

The number of Directors constituting the initial Board of Directors shall be nine (9).

The following persons shall act as the initial Directors of the Corporation until their successors are duly elected or appointed as provided for in the Bylaws:

<u>Name</u>	<u>Residence Address</u>
Bruce Brink, Jr.	2121 Ala Wai Boulevard, #2301 Honolulu, HI 96815

<u>Name</u>	<u>Residence Address</u>
Louise Erin Cavaco	2121 Ala Wai Boulevard, #1701 Honolulu, HI 96815
Lloyd Combs	2121 Ala Wai Boulevard, #3703 Honolulu, HI 96815
Leslie Crow	2121 Ala Wai Boulevard, #1804 Honolulu, HI 96815
Thomas Cummiskey	2121 Ala Wai Boulevard, #2903 Honolulu, HI 96815
Carol Ann Kesler	2121 Ala Wai Boulevard, #2802 Honolulu, HI 96815
Richard Nielsen	2121 Ala Wai Boulevard, #2001 Honolulu, HI 96815
Robert Tapia	1804 Palipaa Place Honolulu, HI 96821
Willard Ward	2121 Ala Wai Boulevard, #2203 Honolulu, HI 96815

VIII.

OFFICERS

The Officers of the Corporation shall be a President, a Vice-President, a Secretary, a Treasurer and such other Officers and assistant Officers as may be prescribed in the Articles of Incorporation. One person may hold more than one office as long as there are at least two (2) persons as Officers of the Corporation. The President and the Vice President shall be elected from among the members of the Board of Directors. The Officers shall be duly elected or appointed at such times, in such manner and for such terms as may be prescribed in either these Articles of Incorporation or the Bylaws.

IX.

APPOINTMENT OF OFFICERS

The following persons shall act as the initial Officers of the Corporation until their successors are duly elected or appointed and qualified as provided for in the Bylaws:

Office	Name	Residence Address
President	Bruce Brink , Jr .	2121 Ala Wai Boulevard, #2301 Honolulu, HI 96815
Vice President	Richard Nielsen	2121 Ala Wai Boulevard, #2001 Honolulu, HI 96815
Secretary	Carol Kesler	2121 Ala Wai Boulevard, #2802 Honolulu, HI 96815
Treasurer	Willard Ward	2121 Ala Wai Boulevard, #2203 Honolulu, HI 96815

X.

CONTRACTS

The Board of Directors may make contracts with any person, firm, corporation, association or organization to act as an agent or employee of the Corporation, to perform duties and services and to exercise power and authority on behalf of the Corporation, including ministerial, executive and discretionary powers, subject always to the supervision and control of the Board of Directors. Any such contract (a) shall contain such powers and authority to be performed by such agent or employee, compensation therefor and such other provisions as the Board of Directors may determine, and (b) may permit such agent or employee to deal in his own behalf with the Corporation, to hold similar positions for other corporations with which the Corporation may do business and to receive compensation therefor.

XI.

DIRECTOR CONFLICT OF INTEREST

No Director shall vote or cast a proxy at any Board meeting on any matter in which he or she has a conflict of interest. A majority of the Directors present at the meeting (excluding the Director or Directors alleged to be involved in a conflict of interest) shall determine the existence or nonexistence of such a conflict.

XII.

LIABILITY AND INDEMNITY OF THE BOARD OF DIRECTORS

The members of the Board shall not be liable to the Apartment Owners for any mistake of judgment or otherwise except for their own gross negligence or willful misconduct. The Association shall indemnify each Director against all costs, expenses and liabilities, including the amount of any judgment, amounts paid in settlement, and amounts paid for services of counsel and other related expenses which may be incurred by or imposed on him in connection with any claim, action, suit, proceedings, investigations or inquiry hereafter made, instituted or threatened in which he may be involved as a party or otherwise by reason of his being or having been a Director, or by reason of any past or future action taken or authorized or approved by him or any omission to act as a Director, whether or not he continues to be a Director at the time of the incurring or imposition of such costs, expenses or liabilities except those costs, expenses or liabilities which he is finally adjudged in the action, suit or proceeding to be liable for by reason of his gross negligence or willful misconduct in the performance of his duties as Director. As to whether or not a Director was guilty of gross negligence or willful misconduct, in the absence of final adjudication of the issue, the Board and each Director may rely on an opinion of legal counsel selected by or in the manner designated by the Board. The right of indemnification herein granted is not intended to limit any other rights which a Director may have as a matter of law or otherwise, and shall inure to the benefit of the heirs, personal representatives and assigns of each Director.

XIII.

DISSOLUTION

Upon the dissolution or winding up of the Corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation shall be distributed to a successor condominium owners' association for the "2121 ALA WAI" condominium project or, if no successor is in existence, any amounts which may by law be rebated to the Members shall be refunded to them, in proportion to their interests thereon. Any sums which may not be so rebated shall be distributed to such one or more organizations

which are qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any subsequent federal laws), and in such shares, as the Board of Directors shall determine.

XIV.

BYLAWS

adopted by the Board of Directors and shall be
The initial Bylaws of the Corporation shall be the existing Bylaws of the Association of Apartment Owners of 2121 Ala Wai. The Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, subject to repeal or change by the Members, as prescribed in the Bylaws. K.A.

XV.

CORPORATE LIABILITIES

All of the property of the Corporation shall be liable for the debts of the Corporation: The directors, officers and employees of the Corporation shall not be liable for the Corporation's obligations.

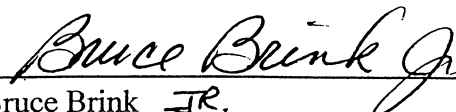
XVI.

DEFINITIONS

The word "person" or any pronoun used in place thereof, where the context so requires or admits, shall include and mean individuals, firms, corporations, partnerships and associations. The singular shall include and mean the plural, or vice versa. Masculine, feminine and neuter genders shall include or interchange each of the other genders as the context shall imply.

I certify, under the penalties of Section 415B-158 of the Hawaii Revised Statutes, that I have read the above statements and that the same are true and correct.

Witness my hand this 30th day of May, 1996.



Bruce Brink, JR.
Incorporator

1996

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

The original of this document was
recorded as follows:

DOCUMENT NO. 2314306
DATE JUN 07 1996 TIME 10:30

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

BUREAU OF CONVEYANCES
DATE JUN 07 1996 TIME 10:30
DOCUMENT NO. 96-080936

LAND COURT SYSTEM

REGULAR SYSTEM

Return by Mail Pickup To:

CARLSMITH BALL WICHMAN
CASE & ICHIKI
1001 Bishop Street, Suite 2200
Honolulu, Hawaii 96813

Attention: James H. Case
Telephone: 523-2500

TITLE OF DOCUMENT:

Amendments to the Declaration of Horizontal Property Regime and Bylaws of the Association of
Apartment Owners of 2121 Ala Wai

PARTIES TO DOCUMENT:

TAX MAP KEY(S): Oahu 2-6-017-003

CERTIFICATE: 247,559

01108621.1.038842-1

**AMENDMENTS TO THE DECLARATION OF
HORIZONTAL PROPERTY REGIME AND BYLAWS OF THE
ASSOCIATION OF APARTMENT OWNERS OF 2121 ALA WAI**

WHEREAS, by Declaration of Horizontal Property Regime dated June 7, 1978,(the "Declaration") filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 879932, and noted on Land Court Certificate of Title No. 247,559, and also recorded in the Bureau of Conveyances of the State of Hawaii at Liber 12946, Page 380, Aetna Life Insurance Company ("Lessor") as fee owner and 2121 Ala Wai Development Corporation, as Lessee, did submit the property described in the said Declaration to the provisions of 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, the Declaration, as amended from time to time, provided for the organization of the Association of Apartment Owners of 2121 Ala Wai and established Bylaws therefor, which said Bylaws were attached to the Declaration and incorporated therein by reference ("Bylaws"), and have been amended from time to time; and

WHEREAS, Paragraph H of the Declaration provides that the Declaration may be amended by the affirmative vote of apartment owners holding at least seventy-five percent (75%) of the interests in the common elements of the property; and

WHEREAS, Section 514A-82(b)(2), Hawaii Revised Statutes, provides that the bylaws of all condominiums associations in the State of Hawaii may be amended by the affirmative vote or written consent of sixty-five percent (65%) of the apartment owners; and

WHEREAS, Article VI, Section 1 of the Bylaws provides that the Bylaws of the Association may be amended by the affirmative vote of apartment owners holding at least seventy-five percent (75%) of the interests in the common elements of the property; and

WHEREAS, at a duly noticed special meeting of the Association held on May 30, 1996, apartment owners holding at least seventy-five percent (75%) of the interests in the common elements of the property, acting by personal attendance or through proxy, voted in favor of amending the Declaration and Bylaws as hereinafter set forth.

NOW, THEREFORE, the Declaration and Bylaws are hereby amended as follows:

- (1) Section I of the Declaration is amended by adding a new subparagraph 9 to read as follows:

"In addition to all other powers as set forth in the Bylaws and by statute, specifically to exercise all powers conferred by Hawaii Revised Statutes Chapter 514C, on an association of apartment owners."

- (2) Section J of the Declaration is amended by adding a new final subparagraph to read as follows:

"Expenses arising from the acquisition of the leased fee interest shall constitute common expenses, and assessments therefore shall constitute liens on the apartments, as fully and effectively as all other assessments for common expenses. The Association is authorized to acquire, hold, and mortgage the leased fee interest as the Board of Directors may from time to time approve. The leased fee interest acquired by the Association shall not be a common element, but may be held by the Association or the Association may sell the leased fee interest appurtenant to an apartment to others for cash or by way of a purchase money mortgage or other financing. The Association is authorized in accordance with Hawaii Revised Statutes Chapter 514C to incur liabilities, borrow money and secure any of its obligations by mortgage or pledge of all or any portion of its property, assessments, and funds. The Association is

specifically authorized to establish by assessments any reserve funds that may be required by any lender loaning money to the Association to acquire the leased fee interest."

- (3) Article II, Section 2 of the Bylaws is amended by adding the following sentence at the end of the paragraph:

"In addition to all other powers as set forth in the Bylaws and by statute, specifically to exercise all powers conferred by Hawaii Revised Statutes Chapter 514C, on an association of apartment owners."

- (4) Article V, Section 1 of the Bylaws entitled

"Assessments" is amended as follows:

- (i) The existing paragraph under Section 1 is hereby designated

"(a)".

- (ii) A new subparagraph is added as follows:

"(b) Expenses arising from the acquisition of the leased fee interest shall constitute common expenses, and assessments therefore shall constitute liens on the apartments, as fully and effectively as all other assessments for common expenses. The Association is authorized to acquire, hold, and mortgage the leased fee interest as the Board of Directors may from time to time approve. The leased fee interest acquired by the Association shall not be a common element, but may be held by the Association or the Association may sell the leased fee interest appurtenant to an apartment to others for cash or by way of a purchase money mortgage or other financing. The Association is authorized in accordance with Hawaii Revised Statutes Chapter 514C to incur liabilities, borrow money and secure any of its obligations by mortgage or pledge of all or any portion of its property, assessments, and funds. The Association is specifically authorized to establish by assessments any reserve funds that may be required by any lender loaning money to the Association to acquire the leased fee interest."

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

The undersigned officers of the Association hereby certify that the foregoing amendments were duly adopted by a vote in favor of the amendments by apartment owners holding more than seventy-five percent (75%) of the interests in the common elements of the property.

IN WITNESS WHEREOF, this instrument has been executed this 31 day of May, 1996.

ASSOCIATION OF APARTMENT
OWNERS OF 2121 ALA WAI

Bruce Brink, Jr.

Name: Bruce Brink, Jr.
Its: President

Carol R. Kesler

Name: Carol R. Kesler
Its: Secretary

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

On this 31 day of May, 1996, before me personally appeared ^{BRUCE} ~~BOYK, JR~~ ^{he is} and _____, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary, respectively, of the Board of Directors of the ASSOCIATION OF APARTMENT OWNERS OF 2121 ALA WAI, and the said officers acknowledged said instrument to be the free act and deed of said association.

Jeanne M. Swartz *L.S.*
Notary Public, State of Hawaii.
My Commission Expires: 4-19-99

CORPORATION ACKNOWLEDGEMENT

STATE OF HAWAII }
City and County of Honolulu } ss.

On this 31st day of May, A.D. 19 96, before me appeared _____
- Carol R Kesler -

to me personally known, who, being by me duly sworn, did say that she is/are the Secretary

respectively of Board of Directors of Association of Apt Owners of 2121 Ala Wai

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 the said Secretary

_____ acknowledged said instrument to be the free act and deed of said corporation.

L.S.

De Souza
Notary Public, First Judicial Circuit, State of Hawaii.
My Commission Expires 12-15-98

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI, INC.
(A Condominium)**

**FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

Independent Auditors Report

**To the Board of Directors of
The Association of Apartment Owners of 2121 Ala Wai**

I have audited the accompanying Statements of cash received and cash disbursed for owners of the Association of Apartment Owners of 2121 Ala Wai, Inc. (a condominium association) as of December 31, 2016 and December 31, 2015, and the related notes to the financial statements.

As described in Note 1, the Association's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position or results of operations in conformity with generally accepted accounting principles.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of The Association of Apartment Owners of 2121 Ala Wai, Inc. as of December 31, 2016 and 2015 on the basis of accounting described in note 1 applied in a consistent manner with that of the preceding year.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information of future repairs and replacements on page 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



David E. Latham, C.P.A.

Honolulu, HI
March 17, 2017

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI , INC. (A Condominium)**

**STATEMENTS OF CASH RECEIVED AND CASH DISBURSED
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
Cash received		
From owners:		
Maintenance fees	\$ 1,512,647	\$ 1,482,831
Special assessments	630	-0-
Sale of leased fee interest	90,520	-0-
Cost of leased fee interest sold	(26,463)	-0-
Lease rent and related late charges	4,700	4,800
Key deposits net of refund	1,810	1,445
Late charges	2,260	1,845
	1,586,104	1,490,921
From other sources:		
Interest on savings	9,453	2,236
Telephone commissions and rent	9,900	3,600
Total cash received	1,605,457	1,496,757
Cash disbursed for owners:		
Utilities:		
Electricity	223,449	267,249
Cablevision	100,387	85,271
Water and sewer	233,103	217,353
Gas service	4,297	4,346
Telephone	4,555	3,735
	565,791	577,954
Repairs and maintenance:		
Payroll	100,157	95,058
Cleaning supplies	8,027	5,315
Elevator	46,562	48,487
Grounds	7,423	7,673
Pool	4,313	1,448
Misc. repairs and purchases	47,894	31,992
Pump and ventilation equipment	1,900	3,737
Heat pumps	10,323	5,524
Refuse	16,859	18,683
Special projects	15,787	57,483
	259,245	275,400
Administration:		
Resident manager's salary and lodging	68,633	76,689
Payroll taxes and employee benefits	140,861	131,258
Management fees	56,472	55,260
Office and general	18,532	12,293
Professional services	8,990	(721)
	293,488	274,779
Security	92,103	86,739
Insurance	153,295	106,850
Hawaii excise tax	559	282
Income tax	6,799	2,589
	250,756	296,450
Cash disbursed for owners	1,371,280	1,324,593
Excess (deficit) of cash received over cash disbursed	\$ 234,177	\$ 172,164

See Notes To Financial Statements

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI, INC.
(A Condominium)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

1. Organization and significant accounting policies:

Organization:

The Association of Apartment Owners of 2121 Ala Wai, Inc. is a condominium association formed May 15, 1978 by the 211 unit owners of 2121 Ala Wai, and incorporated as a nonprofit corporation on June 3, 1996, to provide for the management, maintenance and care of the common areas of the project. The condominium is located at 2121 Ala Wai Boulevard in the district of Waikiki, Honolulu, Hawaii.

Maintenance fees:

The Association's income is principally from membership maintenance fee assessments, based on each apartment's respective common interest in the building as stated in the project's Declaration of Horizontal Property Regime, and its disbursements are for operating and maintenance expenses.

Basis of accounting:

In accordance with industry practice, the Association keeps its records and files its income tax returns on the basis of recording income when received and expenses when paid (cash basis). Unrecorded assets and liabilities are listed in Note 7, notes to financial statements.

Capital expenditures:

The Association has followed the policy of expensing all capital expenditures.

Management:

The Association has contracted with an independent property management firm to manage the day-to-day operations of 2121 Ala Wai with regard to maintenance and control of the common elements of the condominium. The duties of the property manager include collection of the maintenance fees from individual owners in amounts as fixed by the Board of Directors of the Association and payment of expenses. Concurrently with the collection of the maintenance fees, the property manager collects the ground rent from the unsold leased fee interests.

Date of management's review:

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 17, 2017, the date that the financial statements were available to be issued.

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI, INC.
(A Condominium)**

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

2. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Income taxes:

In accordance with the regulations as provided under the Tax Reform Act of 1976, the Association elected to be taxed as a Corporation for the year ended December 31, 2016. Non function income including net interest and rental income are taxed at regular corporate rates. The Association's income tax expense was \$4,338 for 2016 and \$299 for 2015.

The Association's tax filings are subject to audit by various taxing authorities. The Association's Federal Income Tax Returns for 2013, 2015, and 2016 remain open to examination by the Internal Revenue Service; State Income Tax Returns for the same periods remain open to examination by the State of Hawaii. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances

4. Employee pension:

The Association established a defined contribution pension plan as of January 29, 1993 that covers substantially all full-time employees. Contributions to the plan by the Association are based on 3% of participants' compensation. The Association switched from a SEP to a SIMPLE IRA in August of 2014. The amount of pension expense which was included in payroll tax expense was \$4,784 for 2016 and \$5,530 for 2015.

6. Cash and investment balance:

The changes in and components of the Association's cash and investment balance for the period ended December 31, 2016 are as follows:

Balance at January 1, 2016	\$1,418,322
Excess of cash received over cash disbursed	234,177
Cost of leased fee interest sold	<u>26,463</u>
Balance at December 31, 2016	<u>\$1,678,962</u>
	=====

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI, INC.
(A Condominium)**

**NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

The balance is comprised of the following:

Petty cash	\$ 400
Operating fund cash account	257,800
Reserve fund investment account	<u>1,420,762</u>
	<u>\$ 1,678,962</u>
	=====

7. Unrecorded assets and liabilities:

Under the cash basis of accounting see (Note 1, notes to financial statement) certain assets are not recorded until received and certain liabilities are not recorded until paid.

Unrecorded assets are as follows:

Cash and investments	\$ 1,678,962
Maintenance fees receivable	1,098
Legal, late and other fees receivable	1,321
Leased fee interests at cost	79,387
Prepaid insurance	<u>64,481</u>
	<u>\$ 1,825,249</u>
	=====

Unrecorded liabilities are as follows:

Accounts payable	\$ 60,777
General excise tax payable	530
Maintenance fees received in advance	<u>19,628</u>
	<u>\$ 88,935</u>
	=====

8. Purchase of leased fee interest:

The Association had three leased fee interests unsold at December 31, 2016. The cost of these units was \$26,462 per unit for a total of \$79,387. One unit was sold in 2016. Annual lease rent is receivable at \$1,200 per unit per year.

9. Special projects:

The Association spent the following amounts for special projects in 2016.

Concrete repairs to the garage ceiling	\$ 2,037
Roof re-coating	<u>13,750</u>
	<u>\$ 15,787</u>
	=====

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI, INC.
(A Condominium)**

**NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

10. Financial instruments with off-balance-sheet risk:

As of December 31, 2016 the Association had cash funds which were not protected by Federal Deposit Insurance. Federal Deposit Insurance protects cash deposited in insured financial institutions up to \$250,000. The Association's operating account at First Hawaiian Bank had an adjusted balance of \$257,800 and an unadjusted balance of \$286,448 at December 31, 2016.

**ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI, INC.
(A Condominium)**

**SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
(Unaudited)**

Estimated future repairs and replacements

The estimated numbers presented below are from studies conducted by the Board of Directors and the managing agent during 2016 and prior years and based on past experience in repairing this and other similar condominium projects. Actual expenditures may vary substantially from the estimates and the variations may be material. Estimated indicated reserves are the amounts that should have been accumulated for each component at December 31, 2016 based on the estimated life and estimated replacement cost of each component.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Yrs)</u>	<u>Estimated Current Replacement Costs</u>	<u>Estimated 2017 Funding Requirement</u>	<u>Estimated 12-31-16 Indicated Reserves</u>
Elevators-overhaul	3	600,000	15,000	555,000
Elevator - interior	10	36,000	3,000	6,000
Fire alarm system	5	400,000	10,000	370,000
Hallway light fixtures	26	35,000	1,167	4,667
Heat pumps	3	100,000	5,555	83,333
Hot water storage tanks	13	16,000	1,067	2,133
Hot water storage tanks	13	16,000	1,067	2,133
Hot water storage tanks	1	17,000	1,133	17,000
Lobby carpet & renovation	1	25,000	2,273	25,000
Painting - elevator doors	1	120,000	4,000	128,000
Painting exterior	4	500,000	50,000	300,000
Parking deck - waterproof	1	50,000	4,545	50,000
Pool tile interior	3	16,000	640	14,080
Pool deck - resurface	7	45,000	2,250	29,250
Recreation deck (Mauka)	2	40,000	2,000	36,000
Rec deck game & meeting rm	2	15,000	1,250	12,500
Restroom renovations	4	20,000	1,000	16,000
Roof repairs	14	34,000	2,267	2,267
Trash chute upper floors	4	40,000	975	36,098
Trash chute lower floors	1	40,000	1,143	42,286
Water pumps	11	45,000	2,250	20,250
		<u>2,210,000</u>	<u>112,582</u>	<u>1,751,997</u>
		=====	=====	=====

The Association plans to pay for these repairs and replacements out of reserves accumulated from the excess of regular receipts less regular disbursements, as well as special assessments when necessary. The cash balance at December 31, 2016 was \$1,418,322.

The State of Hawaii condominium law requires the Association to fund a hundred percent of the estimated replacement reserves using a 20 year cash flow plan. The Association has provided for such funding.

AOAO 2121 ALA WAI

Balance Sheet
As of 04/30/17

ASSETS

1041	FHB #758	\$ 250,465.62	
1045	FHB Investment Acct	1,422,581.67	
1090	Petty Cash	400.00	
1190	Land Fee Purchased 4/97	79,387.41	
1202	Accts Rec-Agree Sale	43,315.78	
	TOTAL ASSETS		\$ 1,796,150.48

LIABILITIES & EQUITY

CURRENT LIABILITIES:

	Subtotal Current Liab.		\$.00
--	------------------------	--	--------

EQUITY:

3310	Retained Earnings	\$ 1,801,664.76	
	Current Year Net Income/(Loss)	(5,514.28)	
	Subtotal Equity		\$ 1,796,150.48
	TOTAL LIABILITIES & EQUITY		\$ 1,796,150.48

AOAO 2121 ALA WAI

Receipts & Disbursements
Period: 04/01/17 to 04/30/17

Account	Description	Current Period			Year-To-Date			Yearly Budget
		Actual	Budget	Variance	Actual	Budget	Variance	
INCOME:								
04100	Maintenance Fees	122,670.67	124,510.00	(1,839.33)	494,799.67	498,040.00	(3,240.33)	1,494,120.00
04110	Lease Rent - Receipts	200.00	400.00	(200.00)	900.00	1,600.00	(700.00)	4,800.00
04120	Prepaid Fees	(2,950.00)	.00	(2,950.00)	(3,851.14)	.00	(3,851.14)	.00
04170	Security Key Receipts/Refunds	(55.00)	100.00	(155.00)	405.00	400.00	5.00	1,200.00
04200	Interest Income	.00	933.00	(933.00)	1,819.82	3,732.00	(1,912.18)	11,196.00
04310	Late Fees	30.00	150.00	(120.00)	195.00	600.00	(405.00)	1,800.00
04330	Special Assessments	505.00	.00	505.00	1,080.00	.00	1,080.00	.00
04350	Miscellaneous Receipts	300.00	315.00	(15.00)	4,800.00	1,260.00	3,540.00	3,780.00
	Total Receipts	120,700.67	126,408.00	(5,707.33)	500,148.35	505,632.00	(5,483.65)	1,516,896.00
EXPENSES								
Utilities								
06010	Electricity	18,982.61	20,758.00	1,775.39	77,994.77	83,032.00	5,037.23	249,096.00
06020	Television Cable	11,199.42	11,200.00	.58	44,775.69	44,800.00	24.31	134,400.00
06030	Water	5,056.90	4,699.00	(357.90)	21,235.36	18,796.00	(2,439.36)	56,388.00
06040	Sewer	15,215.74	15,301.00	85.26	61,700.99	61,204.00	(496.99)	183,612.00
06060	Gas Service	350.97	370.00	19.03	1,385.67	1,480.00	94.33	4,440.00
06070	Telephone & Communications	191.44	360.00	168.56	1,327.44	1,440.00	112.56	4,320.00
	Utilities	50,997.08	52,688.00	1,690.92	208,419.92	210,752.00	2,332.08	632,256.00
Repair & Maintenance								
06110	Cleaning Service	837.89	.00	(837.89)	1,675.78	.00	(1,675.78)	.00
06120	Cleaning Supplies	168.24	650.00	481.76	1,064.45	2,600.00	1,535.55	7,800.00
06130	Elevator	1,425.00	4,285.00	2,860.00	49,788.15	17,140.00	(32,648.15)	51,420.00
06140	Grounds	384.13	550.00	165.87	2,719.93	2,200.00	(519.93)	6,600.00
06180	Pool	238.74	150.00	(88.74)	1,225.75	600.00	(625.75)	1,800.00
06300	Misc Repairs & Purchases	4,050.49	2,700.00	(1,350.49)	8,060.27	10,800.00	2,739.73	32,400.00
06320	Pump & Ventilation Equipment	.00	425.00	425.00	1,424.07	1,700.00	275.93	5,100.00
06340	Heat Pumps	1,748.69	800.00	(948.69)	3,542.24	3,200.00	(342.24)	9,600.00
06380	Refuse	1,428.58	1,650.00	221.42	4,276.56	6,600.00	2,323.44	19,800.00
	Repair & Maintenance	10,281.76	11,210.00	928.24	73,777.20	44,840.00	(28,937.20)	134,520.00
Professional Services								
06410	Legal Services	(87.33)	150.00	237.33	(231.47)	600.00	831.47	1,800.00
06420	Accounting Service-Audit	.00	208.00	208.00	2,827.22	832.00	(1,995.22)	2,496.00
06450	Management Service	4,800.00	4,800.00	.00	19,200.00	19,200.00	.00	57,600.00
	Professional Services	4,712.67	5,158.00	445.33	21,795.75	20,632.00	(1,163.75)	61,896.00

AOAO 2121 ALA WAI
 Receipts & Disbursements
 Period: 04/01/17 to 04/30/17

Account	Description	Actual	Current Period		Actual	Year-To-Date		Yearly Budget
			Budget	Variance		Budget	Variance	
General & Administrative								
06530	PR - R Manager	4,990.40	5,407.00	416.60	19,961.60	21,628.00	1,666.40	64,884.00
06550	PR - Maintenance	8,261.40	7,650.00	(611.40)	32,237.14	30,600.00	(1,637.14)	91,800.00
06570	PR - Security	6,636.00	7,462.00	826.00	27,978.94	29,848.00	1,869.06	89,544.00
06600	Workers' Compensation	.00	1,153.00	1,153.00	.00	4,612.00	4,612.00	13,836.00
06610	TDI	229.01	78.00	(151.01)	477.81	312.00	(165.81)	936.00
06620	Health Care	7,300.16	8,395.00	1,094.84	29,200.64	33,580.00	4,379.36	100,740.00
06630	Payroll - Taxes	1,608.41	2,349.00	740.59	11,843.60	9,396.00	(2,447.60)	28,188.00
06720	Miscellaneous	.00	200.00	200.00	137.00	800.00	663.00	2,400.00
06721	BOD Education Training	.00	20.00	20.00	.00	80.00	80.00	240.00
06731	SMP	.00	6,151.00	6,151.00	.00	24,604.00	24,604.00	73,812.00
06732	Umbrella	.00	348.00	348.00	.00	1,392.00	1,392.00	4,176.00
06734	Flood	.00	4,949.00	4,949.00	59,656.00	19,796.00	(39,860.00)	59,388.00
06738	DOL Ins	.00	282.00	282.00	.00	1,128.00	1,128.00	3,384.00
06770	Security Key Expense	.00	75.00	75.00	.00	300.00	300.00	900.00
06790	Office Expense	526.42	600.00	73.58	2,468.33	2,400.00	(68.33)	7,200.00
06800	General Excise Tax (GET)	.00	72.00	72.00	529.65	288.00	(241.65)	864.00
06820	Federal Tax	200.00	.00	(200.00)	200.00	.00	(200.00)	.00
	General & Administrative	29,751.80	45,191.00	15,439.20	184,690.71	180,764.00	(3,926.71)	542,292.00
	Total Cash Disbursed	95,743.31	114,247.00	18,503.69	488,683.58	456,988.00	(31,695.58)	1,370,964.00
Special Projects & Reserves								
07700	Special Projects/Reserves	.00	12,161.00	12,161.00	16,979.05	48,644.00	31,664.95	145,932.00
	Special Projects & Reserves	.00	12,161.00	12,161.00	16,979.05	48,644.00	31,664.95	145,932.00
	Total of all Disbursements	95,743.31	126,408.00	30,664.69	505,662.63	505,632.00	(30.63)	1,516,896.00
	Receipts Net of Disbursements	24,957.36	.00	24,957.36	(5,514.28)	.00	(5,514.28)	.00



W. E. DENISON CORPORATION

3660 WAIALAE AVENUE, SUITE 307
HONOLULU, HI 96816

Email: wedcorp@hawaii.rr.com

PHONE: 733-7400
FAX: 733-7407

November 18, 2016

Dear 2121 Ala Wai Owners:

After reviewing financial statements, expense projections and management reports, the 2121 Ala Wai Board of Directors has approved the enclosed budget and 20-year reserve plan for 2017. The new budget provides for keeping maintenance fees at the same level as in 2016 (and 2015). While some expenses continue rising, such as gas, sewer fees, insurance and payroll, the cost of electricity is remaining steady. Electricity costs are expected to remain relatively low through 2017.

For those owners who have not arranged to make their maintenance fee payments by electronic transfer or other automatic bill payment service, we are also enclosing Maintenance Fee Coupons for 2016.

The following are some important policies regarding your maintenance fee payments. The Association applies these policies uniformly and strictly enforces them.

1. Maintenance Fees are due on the 1st day of each month. There is a grace period of 15 days. If the Managing Agent has not received payments by the the 15th day of the month for which they are due, a "late payment penalty" of \$15 for each month the payment is outstanding is assessed. Please note that the postmark date is not relevant to the assessment of late charges. Payments are not considered paid until they are received. The Board applies this policy consistently and the Managing Agent is not authorized to waive late fees.
2. Make checks payable to: **2121 ALA WAI**
3. Please include the proper coupon with each payment, and be sure to note your apartment number on your check.
4. If a bank rejects your check, you will be charged a \$40 "Return Item Charge".
5. If any owner's financial obligations become more than 90 days delinquent, the account will be referred to legal counsel for collection action and all fees and other expenses incurred will be added to the delinquent account.
6. Owners requiring replacement coupons will be charged a \$25 "set up & printing" fee, regardless of the number of coupons replaced.
7. Please use the mailing label that is attached to the back of your coupon book.
8. Be sure to put the correct date on your check. The Bank will reject post-dated checks.

If you have a bill-payer service (bank, savings & loan, or other) and you receive your coupons with this letter, please forward the coupons and a copy of this letter to your bill-payer service.

Please include with your payment:

- Your name
- Your apartment number
- The appropriate (correct month & correct apartment) coupon.

If payments are mailed, please mail them to: P.O. Box 30030
Honolulu Hawaii 96820-0030

Do not give payments to the Resident Manager, Directors or any staff personnel.

We have arrangements by which your monthly payments can be made automatically each month by electronic transfer from your bank account directly to the 2121 Ala Wai account at First Hawaiian Bank. This plan can make your payment procedure easy and does not cost you anything. Please see the enclosed Automatic Bill Payment authorization form to sign up for this service.

If you have any questions regarding this information, please contact our office.

Very truly yours,
W. E. Denison Corporation
Managing Agent for 2121 ALA WAI



William E. Denison
President

HAPPY HOLIDAYS!

Enclosures: 2017 Budget
2017 Schedule of Maintenance Fees
2017 Reserve Plan
Coupons (not enclosed to all owners)
Automatic Bill Payment Form (for those not already subscribed)

**2121 Ala Wai
Budget
2017**

RECEIPTS	Monthly
Maintenance fees	\$ 124,510
Lease rent - receipts	400
Key fees	100
Interest income	933
Late fees	150
Other/Misc. income	315
TOTAL RECEIPTS	\$ 126,408

DISBURSEMENTS

Utilities:

Electricity	\$ 20,758
T.V. Cable	7,576
Water	4,699
Sewer	15,301
Gas	370
Telephone	360
Total Utilities	\$ 49,063

Building Repair & Maint.

Cleaning supplies	650
Elevators	4,285
Grounds	550
Pool	150
Repairs & purchases	2,700
Pump & ventilation	425
Heat pumps	800
Refuse	1,650
Total Reparis & Maint.	\$ 11,210

Professional Services:

Legal services & appraisal	\$ 150
Accounting & audit fees	208
Management services	4,800
Total Professional Serv.	\$ 5,158

General & Administrative:

Salaries & Wages	\$ 20,518
Payroll taxes & benefits	11,976
Miscellaneous	200
BOD Education & Training	20
Insurance	11,730
Security key expenses	75
Other office expenses	600
GE & income taxes	72
Total Gen. & Administrative	\$ 45,191

OPERATING EXPENSES \$ 110,623

RESERVE ACCRUALS \$ 15,785

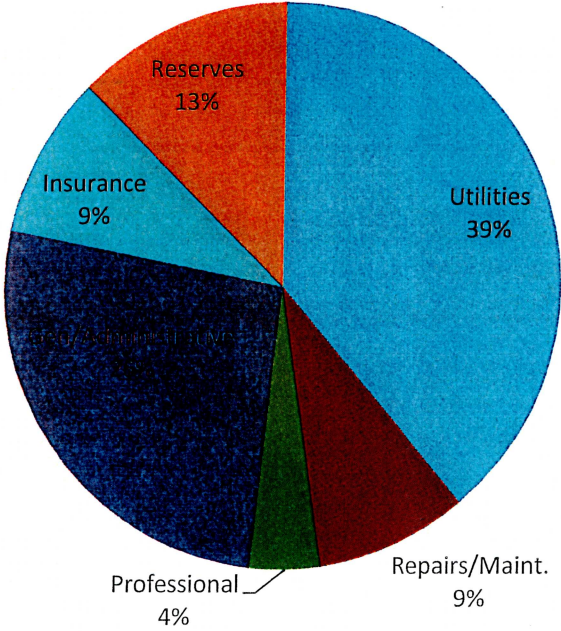
TOTAL DISBURSEMENTS & RESERVES \$ 126,408

2121 ALA WAI

2017 MAINTENANCE FEES

		Monthly Maintenance Fees Beginning January 1, 2017 (same as 2015 & 2016)	
Apt. Nos.	Common %	Per Unit	Totals
Apt. No. 100	0.46	\$573	\$573
PH-1, PH-2, PH-3 PH-4, PH-5, PH-6	1.422	\$1,771	\$3,541
All others	0.474	\$590	\$120,396
			\$124,510

2121 Ala Wai 2017



2121 ALA WAI
2017 Reserve Plan Projections

		Effective Date of Review:		11/1/2016		Inflation rate:		2.00%					
Reserve Plan Components:		Estimated Cost (2012)	Estimated Life (Yrs.)	Last Completed	Next Completion Date Projected	Projected Cost of Next Completion	Current Annual Reserve Accrual	2nd Projected Completion Date	2nd Projected Completion Cost	2nd Completion Reserve Accrual	3rd Projected Completion Date	3rd Projected Completion Cost	3rd Completion Reserve Accrual
1	Elevators - general overhaul & update	\$600,000	40	1979	2019	\$631,119	\$ 15,778	2059	\$1,694,594	\$ 42,365	2099	\$4,550,094	\$ 113,752
2	Elevators - interior furnishings	\$36,000	12	2014	2026	\$43,841	\$ 3,653	2038	\$58,961	\$ 4,913	2050	\$79,296	\$ 6,608
3	Fire Alarm System	\$400,000	40	1979	2021	\$438,457	\$ 10,961	2061	\$1,177,285	\$ 29,432	2101	\$3,161,086	\$ 79,027
4	Hallway Light Fixtures	\$35,000	30	2012	2042	\$57,985	\$ 1,933	2072	\$121,627	\$ 4,054	2102	\$255,121	\$ 8,504
5	Heat Pumps	\$100,000	18	2001	2019	\$106,098	\$ 5,894	2037	\$165,476	\$ 9,193	2055	\$258,087	\$ 14,338
6	Hot water storage tank - 400 gallons, 6th floor	\$16,000	15	2014	2029	\$20,525	\$ 1,368	2044	\$29,727	\$ 1,982	2059	\$43,054	\$ 2,870
7	Hot water storage tank - 400 gallons, 6th floor	\$16,000	15	2014	2029	\$20,525	\$ 1,368	2044	\$29,727	\$ 1,982	2059	\$43,054	\$ 2,870
8	Hot water storage tank - 500 gallons, roof	\$17,000	15	2001	2017	\$17,336	\$ 1,156	2032	\$25,108	\$ 1,674	2047	\$36,364	\$ 2,424
9	Lobby - carpet and renovations	\$25,000	11	2005	2017	\$25,537	\$ 2,322	2028	\$33,507	\$ 3,046	2039	\$43,964	\$ 3,997
10	Painting elevator doors	\$120,000	30	1984	2017	\$121,132	\$ 4,038	2047	\$254,082	\$ 8,469	2077	\$532,954	\$ 17,765
11	Painting exterior of building	\$500,000	10	2010	2020	\$542,039	\$ 54,204	2030	\$693,856	\$ 69,386	2040	\$888,194	\$ 88,819
12	Parking deck waterproof coating	\$50,000	11	2005	2017	\$50,992	\$ 4,636	2028	\$66,906	\$ 6,082	2039	\$87,786	\$ 7,981
13	Pool tile interior	\$16,000	25	1994	2019	\$16,833	\$ 673	2044	\$31,208	\$ 1,248	2069	\$57,859	\$ 2,314
14	Pool deck - resurface	\$45,000	20	2003	2023	\$51,252	\$ 2,563	2043	\$83,983	\$ 4,199	2063	\$137,616	\$ 6,881
15	Recreation deck mauka side	\$40,000	20	1998	2018	\$41,261	\$ 2,063	2038	\$67,611	\$ 3,381	2058	\$110,788	\$ 5,539
16	Recreation deck - game room & meeting room	\$15,000	12	2006	2018	\$15,629	\$ 1,302	2030	\$21,019	\$ 1,752	2042	\$28,268	\$ 2,356
17	Restroom renovations	\$20,000	20	2000	2020	\$21,465	\$ 1,073	2040	\$35,173	\$ 1,759	2060	\$57,635	\$ 2,882
18	Roof	\$34,000	15	2015	2030	\$44,200	\$ 2,947	2045	\$64,015	\$ 4,268	2060	\$92,713	\$ 6,181
19	Trash chute - upper floors	\$40,000	41	1979	2020	\$42,916	\$ 1,047	2061	\$118,113	\$ 2,881	2102	\$325,070	\$ 7,929
20	Trash chute - lower floors	\$40,000	35	1979	2017	\$40,443	\$ 1,156	2052	\$95,979	\$ 2,742	2087	\$227,779	\$ 6,508
21	Water pumps	\$45,000	20	2007	2027	\$55,480	\$ 2,774	2047	\$90,911	\$ 4,546	2067	\$148,968	\$ 7,448
		\$2,210,000				\$2,405,066	\$ 122,909		\$4,958,869	\$ 209,353		\$11,165,748	\$ 396,994
						Per month = \$	10,242		Per month = \$	17,446		Per month = \$	33,083

YEAR END CASH PROJECTION	
Cash at September 31, 2016	\$ 1,559,800
Reserve accruals through December	\$ 35,000
Unallocated cash at year end	\$ 1,594,800

This is a graphical presentation of the Association's Reserve Plan, which is prepared on the cash basis. The 2017 review uses a 2% annual inflation factor to project future expenses, which is higher than the HCPI over the preceding 12 months. The Association projects that it will have sufficient funds to meet all anticipated financial requirements over the 20-year period without the necessity of special assessments.

2121 ALA WAI
2017 Reserve Plan Projections

Reserve Plan Components:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves	100% Estimated Replacement Reserves
	2017	2018	2019	2020	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28	Jan-29	Jan-30	Jan-31	Jan-32	Jan-33	Feb-33	Mar-33	Apr-33
1 Elevators - general overhaul & update	\$593,468	\$609,246	\$625,024	\$25,999	\$68,480	\$110,845	\$153,210	\$195,575	\$238,056	\$280,421	\$322,785	\$365,150	\$407,531	\$449,996	\$492,361	\$534,726	\$577,207	\$590,805	\$584,055	\$587,653
2 Elevators - interior furnishings	\$8,098	\$11,751	\$15,404	\$19,058	\$22,721	\$26,375	\$30,028	\$33,681	\$37,345	\$40,998	\$1,090	\$5,004	\$10,931	\$15,844	\$20,758	\$25,671	\$30,584	\$31,015	\$31,392	\$31,809
3 Fire Alarm System	\$389,476	\$400,437	\$411,399	\$422,360	\$433,322	\$444,283	\$455,245	\$466,206	\$477,167	\$488,128	\$499,089	\$510,050	\$521,011	\$531,972	\$542,933	\$553,894	\$564,855	\$575,816	\$586,777	\$597,738
4 Hallway Light Fixtures	\$9,034	\$10,967	\$12,900	\$14,832	\$16,771	\$18,703	\$20,636	\$22,569	\$24,502	\$26,435	\$28,368	\$30,301	\$32,234	\$34,167	\$36,100	\$38,033	\$39,966	\$40,144	\$40,293	\$40,457
5 Heat Pumps	\$89,464	\$95,359	\$101,253	\$107,148	\$113,043	\$118,938	\$124,833	\$130,728	\$136,623	\$142,518	\$148,413	\$154,308	\$160,203	\$166,098	\$171,993	\$177,888	\$183,783	\$189,678	\$195,573	\$201,468
6 Hot water storage tank - 400 gallons, 3rd floor	\$3,543	\$4,911	\$6,279	\$7,648	\$9,020	\$10,388	\$11,757	\$13,125	\$14,497	\$15,866	\$17,234	\$18,602	\$19,974	\$21,346	\$22,718	\$24,090	\$25,462	\$25,567	\$25,672	\$25,777
7 Hot water storage tank - 400 gallons, 3rd floor	\$3,543	\$4,911	\$6,279	\$7,648	\$9,020	\$10,388	\$11,757	\$13,125	\$14,497	\$15,866	\$17,234	\$18,602	\$19,974	\$21,346	\$22,718	\$24,090	\$25,462	\$25,567	\$25,672	\$25,777
8 Hot water storage tank - 500 gallons	\$16,386	\$298	\$1,372	\$3,646	\$5,324	\$6,998	\$8,672	\$10,346	\$12,020	\$13,694	\$15,368	\$17,042	\$18,716	\$20,390	\$22,064	\$23,738	\$25,412	\$25,567	\$25,722	\$25,877
9 Lobby - carpet and renovations	\$23,432	\$284	\$3,330	\$6,376	\$9,430	\$12,477	\$15,523	\$18,569	\$21,615	\$24,661	\$27,707	\$30,753	\$33,799	\$36,845	\$39,891	\$42,937	\$45,983	\$49,029	\$52,075	\$55,121
10 Painting elevator doors	\$119,893	\$5,871	\$14,340	\$22,809	\$31,302	\$39,771	\$48,241	\$56,710	\$65,203	\$73,672	\$82,141	\$90,611	\$99,103	\$107,573	\$116,042	\$124,512	\$133,004	\$139,724	\$146,444	\$153,164
11 Painting exterior of building	\$330,124	\$384,328	\$438,532	\$492,736	\$546,940	\$601,144	\$655,348	\$709,552	\$763,756	\$817,960	\$872,164	\$926,368	\$980,572	\$1,034,776	\$1,088,980	\$1,143,184	\$1,197,388	\$1,251,592	\$1,305,796	\$1,359,999
12 Parking deck waterproof coating	\$47,169	\$1,066	\$7,149	\$13,231	\$19,330	\$25,412	\$31,495	\$37,577	\$43,676	\$49,758	\$55,841	\$61,923	\$68,006	\$74,088	\$80,171	\$86,253	\$92,336	\$98,418	\$104,501	\$110,583
13 Pool tile interior	\$15,219	\$15,893	\$16,566	\$7,52	\$2,004	\$3,253	\$4,501	\$5,749	\$7,001	\$8,249	\$9,498	\$10,746	\$11,998	\$13,246	\$14,494	\$15,743	\$16,994	\$18,245	\$19,496	\$20,747
14 Pool deck - resurface	\$34,845	\$37,407	\$39,970	\$42,532	\$45,102	\$47,665	\$50,227	\$52,790	\$55,352	\$57,915	\$60,477	\$63,040	\$65,602	\$68,165	\$70,727	\$73,290	\$75,852	\$78,415	\$80,977	\$83,540
15 Recreation deck mauka side	\$38,373	\$40,436	\$42,499	\$44,562	\$46,625	\$48,688	\$50,751	\$52,814	\$54,877	\$56,940	\$59,003	\$61,066	\$63,129	\$65,192	\$67,255	\$69,318	\$71,381	\$73,444	\$75,507	\$77,570
16 Recreation deck - game room & meeting room	\$13,145	\$14,448	\$15,751	\$17,054	\$18,357	\$19,660	\$20,963	\$22,266	\$23,569	\$24,872	\$26,175	\$27,478	\$28,781	\$30,084	\$31,387	\$32,690	\$33,993	\$35,296	\$36,599	\$37,902
17 Restroom renovations	\$17,813	\$18,896	\$19,980	\$21,063	\$22,147	\$23,230	\$24,314	\$25,397	\$26,481	\$27,564	\$28,648	\$29,731	\$30,815	\$31,898	\$32,982	\$34,065	\$35,149	\$36,232	\$37,316	\$38,400
18 Roof	\$5,651	\$8,598	\$11,545	\$14,491	\$17,438	\$20,385	\$23,332	\$26,278	\$29,225	\$32,172	\$35,119	\$38,066	\$41,013	\$43,960	\$46,907	\$49,854	\$52,801	\$55,748	\$58,695	\$61,642
19 Trash chute - upper floors	\$39,372	\$40,418	\$41,465	\$42,512	\$43,558	\$44,605	\$45,651	\$46,698	\$47,744	\$48,791	\$49,837	\$50,884	\$51,930	\$52,977	\$54,023	\$55,070	\$56,116	\$57,163	\$58,209	\$59,256
20 Trash chute - lower floors	\$39,993	\$1,675	\$4,418	\$7,160	\$9,910	\$12,652	\$15,394	\$18,137	\$20,879	\$23,621	\$26,364	\$29,106	\$31,849	\$34,591	\$37,334	\$40,076	\$42,819	\$45,561	\$48,304	\$51,047
21 Water pumps	\$26,815	\$29,389	\$32,163	\$34,937	\$37,711	\$40,485	\$43,259	\$46,033	\$48,807	\$51,581	\$54,355	\$57,129	\$59,903	\$62,677	\$65,451	\$68,225	\$71,000	\$73,774	\$76,548	\$79,322
Beginning of Year Projected Reserves = 100%	\$1,864,656	\$1,736,579	\$1,612,139	\$1,208,722	\$769,551	\$522,507	\$272,523	\$872,268	\$1,074,473	\$1,276,125	\$1,434,217	\$1,582,712	\$1,687,988	\$1,855,203	\$1,329,047	\$1,558,561	\$1,788,704	\$1,808,197	\$1,825,804	\$1,845,297

Reserve Plan Components:	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements	Projected Disbursements
	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28	Jan-29	Jan-30	Jan-31	Jan-32	Jan-33	Jan-34	Jan-35	Jan-36
1 Elevators - general overhaul & update			\$631,119																	
2 Elevators - interior furnishings					\$438,457					\$43,841										
3 Fire Alarm System																				
4 Hallway Light Fixtures																				
5 Heat Pumps			\$108,098																	
6 Hot water storage tank - 400 gallons, 3rd floor														\$20,525						
7 Hot water storage tank - 400 gallons, 3rd floor														\$20,525						
8 Hot water storage tank - 500 gallons	\$17,336																			
9 Lobby - carpet and renovations	\$25,537												\$33,507							
10 Painting elevator doors	\$121,132																			
11 Painting exterior of building				\$542,039											\$693,856					
12 Parking deck waterproof coating	\$50,992												\$56,906							
13 Pool tile interior			\$16,833																	
14 Pool deck - resurface							\$51,252													
15 Recreation deck mauka side		\$41,261																		
16 Recreation deck - game room & meeting room		\$15,629																		
17 Restroom renovations				\$21,465																
18 Roof																				
19 Trash chute - upper floors				\$42,916																
20 Trash chute - lower floors	\$40,443																			
21 Water pumps													\$55,480							
Total Disbursements Per Year	(\$255,440)	(\$56,890)	(\$754,050)	(\$606,420)	(\$438,457)	\$0	(\$51,252)	\$0	(\$43,841)	(\$155,893)	\$0	(\$41,051)	(\$738,056)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Balances - Beginning of Year	\$ 1,594,800	\$ 1,530,124	\$ 1,663,998	\$ 1,100,712	\$ 685,056	\$ 437,363	\$ 628,127	\$ 767,639	\$ 958,403	\$ 1,149,167	\$ 1,296,090	\$ 1,330,961	\$ 1,521,725	\$ 1,671,438	\$ 1,124,146	\$ 1,314,910	\$ 1,505,674	\$ 1,696,438	\$ 1,887,202	\$ 2,077,966
Reserve Accruals	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764	\$ 190,764
Cash Balances - End of year	\$ 1,530,124	\$ 1,663,998	\$ 1,100,712	\$ 685,056	\$ 437,363	\$ 628,127	\$ 767,639	\$ 958,403	\$ 1,149,167	\$ 1,296,090	\$ 1,330,961	\$ 1,521,725	\$ 1,671,438	\$ 1,124,146	\$ 1,314,910	\$ 1,505,674	\$ 1,696,438	\$ 1,887,202	\$ 2,077,966	\$ 2,268,730
Percentage Funded Beginning of Year	85%	88%	92%	91%	89%	84%	87%	86%	89%	90%	90%	84%	90%	90%	85%	84%	84%	84%	103%	113%

**2121 ALA WAI
ASSOCIATION OF APARTMENT OWNERS**

HOUSE RULES

The following administrative rules and regulations ("House Rules"), approved by the Board of Directors of 2121 ALA WAI Association of Apartment Owners ("Association") pursuant to Article V, Section 4 of the Association By-Laws, are effective on February 7, 2006.

These House Rules shall apply to the above-named condominium project and to all present and future owners, lessees and occupants of any apartments of the project; and all other persons who shall at any time use the project. All prior House Rules of the Association are superseded as of the effective date specified above.

The purpose of these Rules and Regulations is to protect all occupants from annoyance and nuisance caused by improper use of the residential condominium apartments and also to protect the reputation and desirability thereof by providing maximum peace and enjoyment of the premises. These Rules and Regulations may be amended by the Board of Directors, as provided for in the By-Laws of said Association.

I. ENFORCEMENT

1. Authority. Compliance with the House Rules is required by Chapter 514A-88, Hawaii Revised Statutes; Section 15 of the Horizontal Property Regime; and Article V, Section 4. of the Association By-Laws.
2. Costs of Enforcement. In accordance with Article V, Section 5. of the By-Laws, the cost of enforcement is the obligation of the apartment owner. Additionally, Chapter 514A-94, Hawaii Revised Statutes, provides, in part:

"All costs and expenses, including reasonable attorney's fees, incurred by or on behalf of the association for:

Enforcing any provision of the declaration, by-laws, house rules, and the Horizontal Property Act against an owner or any occupant of an apartment shall be promptly paid on demand to the association by the apartment owner."
3. Receipt of House Rules. Each owner, lessee, and/or tenant shall be provided a copy of the House Rules by the Managing Agent or the Resident Manager and shall receipt for same. The terms of any written lease between an owner and a lessee shall incorporate the House Rules by reference and require compliance with the same.
4. Violation. The violation of any House Rules adopted by the Association of Apartment Owners of 2121 ALA WAI shall give the Board of Directors or its agent the right to take all necessary steps to enjoin, abate or remedy by appropriate legal means, either at law or in equity, the continuance of any such breach of these rules.
5. Agents. The Managing Agent and the Resident Manager are designated as agents of the Board of Directors for the enforcement of these Rules and Regulations.

II. GENERAL

1. All residents at 2121 ALA WAI must be registered with the Resident Manager, whether they are permanent residents, long-term renters, vacation renters, or residents in excess of five (5) days.
2. All apartment owners, tenants of such owners, employees of owners and tenants of a residential apartment, their guests, or any other person(s) who may in any manner use the property shall observe these House Rules, the By-Laws and the Declaration.
3. No commercial or business activities shall be carried on in any residential apartment.
4. No soliciting of goods, services, or religious activities shall be permitted on the premises, except as may be specifically approved by the Board of Directors.
5. Occupants shall not require 2121 ALA WAI Association employees to perform private errands for them.
6. Occupants shall not request 2121 ALA WAI Association personnel to do work in any apartment unless there is an emergency endangering other apartments or the common areas.
7. Residents should inform the Resident Manager in advance of an expected delivery or repairman.
8. As a security measure, occupants, owners and/or agents for the owners should notify the Resident Manager when their apartments are to be unoccupied for more than three days.
9. Movements of large items, or a major move (in or out) requiring the use of an elevator shall be scheduled in advance with the Resident Manager. Moving shall be done between the hours of 8 a.m. and 4:30 p.m. (Monday-Friday) and between 8 a.m. and 12 Noon (Saturday). No move-ins or move-outs on Sundays or Holidays.
10. No construction work or other activities that create noise above normal levels shall be permitted after 5 P.M. on weekdays, after 12:00 PM (noon) on Saturdays, or anytime on Sundays or holidays.
11. No sign, signals or lettering shall be inscribed or exposed on or at any window, wall, door or garage stall nor shall anything be projected out of any window. This restriction does not apply to names on apartment doors.
12. No awnings, air conditioners, shades, windbreaks or any other thing which is visible from the outside of the building, etc., shall be installed; unless approval is obtained as required in the Association By-Laws.
13. No barbequing or open flames are permitted on any lanai.
14. Each apartment occupant shall install drapes with white liners so that the exterior of the building will present a uniform appearance.
15. Furniture and potted plants suitable to balconies or lanais may be used thereon. Articles which are unsightly shall be removed upon the written request of the Board of Directors.
16. Textile items, including clothes, shall not be hung on balconies or lanais or from the

railings thereof, nor shall clothing or laundry be hung in doorways or windows in such manner as to be in view from persons outside of the building.

17. Watering plants, sweeping and mopping of balconies and lanais will be done in such a way that it will not spill over to persons residing in a lower or adjacent apartment or to persons on the grounds of the premises.
18. Plumbing equipment, such as toilets and garbage disposals, shall be used only for the purposes for which they were constructed. Sweepings, diapers, rubbish, rags, and paper will be disposed of in the trash and not through the plumbing system. Damage resulting there from shall be paid for by the owner of the apartment responsible for such damage.
19. Bicycles, surfboards and similar items are permitted in the elevators only from the second floor to the floor on which a person resides. [See Section V, paragraph 9.]
20. Skateboarding, roller skating, or bicycle riding is prohibited in any of the common areas of the project.
21. Water Beds. Water beds shall not be used in any apartment of the project, except in unusual circumstances and then only on an individual basis with prior written approval of the Board of Directors.
22. Pets. No livestock, poultry, rabbits, dogs, cats or other animals whatsoever shall be allowed or kept in any part of the project. (By-Laws)
23. Workmen and Deliveries. When workmen are performing work on an apartment, the owner shall advise them to use his parking stall or to park on the street, if the building's truck parking area is not available.
24. By-Laws Prevail. The By-Laws of the Association, if inconsistent with these House Rules, shall prevail.
25. Use of Bulletin Board-Outer Lobby. The use of the bulletin board in the outer lobby is restricted in nature to advertising the availability of rentals or sales of personal property only, and no other form of business. To that end, the following must be complied with: (a) Information must be typed on 3 x 5 index cards: (b) Card must be dated (c) State information desired, and the point of contact (telephone number/name) and (d) Deliver card to the Resident Manager. The Resident Manager will post cards on the bulletin board for a period of not to exceed 30 days, after which they will be removed and discarded.

III. OCCUPANCY

1. Use of Apartment. The apartments shall be occupied and used only as-private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests and for no other purpose.
2. Absentee Owner. An absentee owner, at his expense, should have an agent,-friend or maid conduct periodic inspections of his unoccupied apartment, assuming responsibility for the contents thereof.
3. All occupants shall exercise care about making noises in the use of musical instruments, radios, televisions and amplifiers that may disturb others. (BY-LAWS)

4. Children. An apartment owner shall be responsible for the conduct of his/her children at all times, ensuring that their behavior is neither offensive to any occupant of the building nor damaging to any portion of the common elements.

IV. TEMPORARY OCCUPANCY

1. Use by Owner's Lessees, Tenants and Guests. Subject to the terms of the apartment lease and the Association By-Laws, an apartment owner may lease his apartment or make it available to friends, but the person or persons leasing, renting or living in the apartment shall abide by these House Rules, and the owner shall assume full and complete responsibility for the occupants' conduct.
2. Conduct of Lessees, Tenants and Guests. An apartment owner shall be responsible for the conduct of his lessees, tenants and guests and shall, upon request of the Board of Directors, or Managing Agent, immediately abate and remove, at his expense, any structure, thing or condition that may exist with regard to the occupancy of his apartment by his lessees, tenants or guests contrary to the interest and meaning of the provisions hereof; or, if the apartment owner is unable to control the conduct of the lessees, tenants or guests to conform with the meaning of the provisions hereof, he shall, upon request of the Board of Directors or Managing Agent, immediately remove such lessees, tenants or guests from the premises, without compensation for lost rentals or any other damage resulting there from.
3. Appointment Local Agent. Owners shall be responsible for designating a local agent to represent their interest if their residence is outside the State of Hawaii or if they will be absent from the apartment for more than thirty (30) days. Such owners shall file with the Resident Manager their out-of-town address and telephone number; and the name, address and telephone number of their agent. (HAWAII STATE LAW)

V. COMMON AREAS, ENTRANCES AND LANAIS

1. Obstructions, Uses. The sidewalks, passages, lobbies, stairways and corridors must not be obstructed or used for any purpose other than ingress and egress.
2. Lanais - Care and Maintenance. An apartment owner shall be responsible for the care and maintenance of all lanais which are part of the apartment. Such owner may not, however, paint or otherwise decorate the walls and ceilings of the lanais without prior approval of the Board of Directors. It is intended that the exterior of the building shall present a uniform appearance and, to effect that end, the Board of Directors may require the painting of the walls and ceilings of each lanai and regulate the type and color of paint to be used.
3. Lanais - Furniture, Plants, etc. Only appropriate furniture and small plants shall be used on lanais and any unsightly or disturbing items shall be removed upon the request of the Resident Manager or the Managing Agent. These areas are not to be used for storage purposes of any kind. Appropriate banners commemorating holidays or festivals may be displayed from lanais only on holidays except that reasonable Christmas decorations may be displayed during the month of December and the first week of January.
4. Laundry, etc. Textile items, including towels, bathing apparel and clothing brooms,

mops, cartons, etc., shall not be placed on lanais or corridors or in windows so as to be in view from outside the building or from the apartments above.

5. Plants. All plants shall be placed in containers so as to prevent the dripping of water or soil onto other apartments or the common elements. Care should be taken in scrubbing lanais so as to prevent water from running down the exterior of the building land onto the lanai of the apartment below.
6. Throwing Objects From Building. Nothing shall be thrown from lanai decks, windows, entrance balconies, etc. Cigarettes and matches, specifically, are a fire hazard. Throwing fire crackers from lanai decks and the explosion of any fireworks anywhere on the project or within the building is expressly prohibited by Law. (City & County Ordinance).
7. Entrances. No shoes, go-aheads, dry cleaning, etc. shall be placed in view at the front entrances of apartments or in hallways.
8. Barbequing. Fires or barbequing are not permitted on any apartment lanai.
9. Bicycles & Surfboards. Bicycles and surfboards shall not be stored on lanai decks, but stored in appropriate storage areas. Contact the Resident Manager for particulars. [See Section II, paragraph 19].
10. Elevators. Eating, drinking or smoking is not permitted in-elevators.
11. Furniture placed in common areas is for use in those specific areas and shall not be removed even for a short duration.
12. No common areas, unless specifically designated as recreational areas, shall be used for recreational purposes.
13. Parents or legal guardians shall be responsible for the appropriate supervision of minors at all times. Minors are defined as those persons under 18 years of age.
14. Residents shall not allow unknown persons through the security doors. If there is doubt concerning any person who may be in an elevator or common area, the Resident Manager or Security should be notified immediately.

VI. BUILDING MODIFICATIONS

1. No structural changes of any type shall be permitted either within or without an apartment without prior written approval and consent of the Board of Directors.
2. No awnings, air conditioners, shades, windbreaks, etc., shall be installed on-lanais or outside of the building.
3. No signs, signals or lettering shall be inscribed or exposed on any part of the building, nor shall anything be projected out of any window or off any lanai.
4. No projections shall extend through any door or window opening into any corridor or beyond the exterior face of the building, especially air conditioners, which are not allowed.
5. No radio or TV antenna shall be created or maintained by owners outside of the physical confines of an apartment.

6. No draperies will be permitted that are visible from the exterior of the building which differs in color from that color established by the Board of Directors.
7. The City & County of Honolulu requires that any replacements of existing toilet fixtures must be water saving toilets. 2121 Ala Wai prohibits the installation of "vacuum flush" toilets due to the noise created by those fixtures. Anyone installing a vacuum flush toilet will be required to replace the fixture at their expense.

VII. USE OF RECREATION DECK AND FACILITIES

1. General.

Use of the Recreation Deck and facilities thereon shall be limited to residential apartment owners, lessees, tenants, members of their families, and guests. Non-residents shall not be permitted to use these amenities unless accompanied by a resident of the building.

2. Swimming Pool.

- a. Swimming is permitted during the hours of 9 a.m. to 10 p.m. daily.
- b. Residents and their guests use the swimming pool at their own risk. Guests: The maximum number of guests per apartment permitted to use the swimming pool shall be ten on Mondays through Fridays (except holidays); and six on Saturdays, Sundays and holidays. Guests must be accompanied by a resident adult of the project.
- c. Persons using the pool should conduct themselves in a responsible manner, so that all may enjoy the pool. Anyone not conducting themselves in a proper manner will be requested to leave the pool area by the Resident Manager or Security.
- d. No food will be permitted in the pool enclosure.

The use of glassware, bottles, ceramics, chinaware, or other breakables is not permitted in the immediate pool area. Used paper cups, plates, napkins, and other disposable items should be deposited in trash containers provided for that purpose.
- e. Swimming is not permitted in other than proper swimming apparel. Hair pins, bobby pins, hair rollers and the like can cause damage to and clog pool equipment, and shall be removed before entering the pool.
- f. No one may enter the water without first having showered. Showers are located in the restrooms in the vicinity of the Recreation Deck. All suntan oil, ointment, and sand must be removed from the body and attire before entering the pool.
- g. After using the swimming pool, bathers should dry themselves thoroughly before entering the building. It is particularly desirable not to walk on carpeting or enter elevators with wet feet.
- h. Running, pushing, or shoving of anyone around the pool area is not permitted, inasmuch as it can cause injury and/or annoyance to others.

- i. Boisterous and loud conduct in the pool area, or playing of radios, is not permitted.
- j. No swim fins, hard rafts, surfboards, boogie boards, or other large equipment is permitted in the pool.
- k. No pool furniture may be removed from the pool area, nor is other furniture to be placed in the pool area.
- l. Towels, mats, caps, and other personal belongings shall be removed from the pool area when the owner leaves.
- m. No person shall interfere in any manner with any portion of the swimming pool, lighting apparatus, or electrical and plumbing devices in or about the pool area.
- n. Board of Health regulations require that:
 - 1. "All persons known to be or suspected of being afflicted with infectious disease, suffering from a cough, cold, or sores, or wearing bands or bandages, shall be excluded from bathing in the swimming pool."
 - 2. "Spitting, spouting of water, blowing the nose in the swimming pool are strictly prohibited."
- o. Radios with ear sets only are permitted in the pool area. All others are prohibited.

3. Saunas.

Saunas are restricted to adults, or children in the company of adults -- they are not play areas, and should be used with some discretion and feeling towards others who may desire to avail themselves of this amenity. Excess water should be cleared up by persons who cause the excess, and the rooms left in clean condition.

VIII. PARKING/WASHING OF CARS

- 1. Residents and tenants of 2121 ALA WAI shall register their car(s) with the Resident Manager, giving the name and telephone number of the resident(s), make of car, and car license number(s) prior to taking -occupancy of their apartment.
- 2. Parking stalls are assigned to specific apartments for their exclusive use. Parking is permitted for residents only within their assigned spaces. Cars parked in unauthorized spaces may be towed away at the owner's expense.
- 3. Automobiles should be centered in parking spaces to prevent crowding of adjacent spaces and/or blocking of passages.
- 4. Residents are responsible for the cleanliness of their respective spaces, including the removal of grease build-up. No personal items such as lumber, furniture, or crates, shall be permitted in parking spaces.
- 5. No major repairs to automobiles or motorcycles are permitted on the project.
- 6. All cars parked in the garage must be in operating condition, with current vehicle license and safety stickers required by law. Any vehicle left in violation of this

section of the House Rules will be considered to be "abandoned" and may be towed away.

7. Speed within the parking structure is limited to NOT MORE THAN FIVE (5) MILES PER HOUR.
8. Vehicles belonging to guests and visitors shall be parked only in spaces designated as "guest parking" on the ground floor level. Duration of stay in guest parking spaces is restricted to not more than six hours.

All guests and visitors must register at the front entrance in a register provided for that purpose. Registration shall indicate the guest's name, car license number, the apartment number to be visited, and the time registered. Failure to register will result in tow away at owner's expense. No overnight parking is allowed in the guest parking areas, except by special arrangement and registration with the Resident Manager. Failure to observe this rule shall result in such vehicle being towed away at the owner's expense.

9. Washing Cars. Persons washing, cleaning, or polishing cars on the premises shall use the designated area at the Diamond Head side of the building. Car washing must be performed in a manner such as not to interfere with the comfort of others and the area cleaned up before leaving.
10. Bikes and mopeds. Bikes and mopeds must be stored in areas specifically provided therefore. Contact the Resident Manager for details.
11. Residents are not permitted to park in guest parking. Failure to observe this rule may result in tow away.
12. Loading zones/Building Entrance. No personal vehicles may be parked or left unattended at entrance or in the building entrance or in the loading zone areas.
13. Parking stalls may not be rented to non-2121 Ala Wai residents. Honolulu Land Use Ordinance ("Zoning Codes") prohibits commercial uses of the premises and renting parking stalls to non-residents is considered a commercial use. 2121 Ala Wai will strictly enforce this House Rule and Zoning Code.

IX. REFUSE

1. All garbage must be wrapped or bagged before depositing into the trash chute or the containers in the trash room.
2. No wet garbage or folded cardboard containers or any other object that would tend to hinder the easy fall of trash through the chute may be inserted therein.
3. Cardboard boxes, bottles of any size, and items that may clog or damage the chute must be taken to the bin in the ground floor trash room.
4. No inflammable explosives or dangerous materials are to be put into the trash chute.
5. No garbage containers or bottles or other items of refuse may be placed outside an apartment.
6. Cigarettes shall not be extinguished or thrown in or on to common areas, nor shall they be thrown from any window, balcony or lanai of any apartment.
7. The use of trash chutes is limited to the hours of 8 a.m. to 10 p.m.

RECORDATION REQUESTED BY:

It is hereby certified that this instrument is a true and correct copy of the original filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 879232 and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12940 Page 280 on 4/9/78 & 1-18 (Am) respectively

AFTER RECORDATION RETURN TO:

LONG & MELONE, LTD.

Clarence S. Ah Tou

RETURN BY: MAIL PICKUP

1978

DECLARATION OF HORIZONTAL PROPERTY REGIME

OF

2121 ALA WAI

WHEREAS, AETNA LIFE INSURANCE COMPANY, a Connecticut corporation, whose principal place of business and post office address is One Civic Center Plaza, Hartford, Connecticut and P. O. Box 1414, said Hartford, respectively, hereinafter referred to as "Owner", owns in fee simple that certain real property described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Owner's predecessor in title did demise unto 2121 ALA WAI DEVELOPMENT CORP., a Hawaii corporation, herein called "Developer", said real property by that certain unrecorded lease dated November 22, 1977, a short form of which, dated November 22, 1977, effective as of November 1, 1977, was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 847617 and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12570, at page 545; and

WHEREAS, Owner and Developer did amend said lease by that certain unrecorded amendment of lease dated 7/24/78, 1978, a short form of which, dated 7/24/78, 1978, effective as of November 1, 1977, was filed in said Office as Document No. 879232, and also recorded in said Bureau in Liber 12940, page 122; and

WHEREAS, Developer intends to improve said property by constructing thereon an apartment building and certain other improvements in accordance with plans incorporated herein by this reference and intended to be recorded in the Bureau of Conveyances of the State of Hawaii and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii concurrently with the recordation hereof as Condominium File Plan 548 and Condominium Map 328, respectively (hereinafter collectively referred to as the "plans"); and

WHEREAS, Developer intends to convey or cause the conveyance of apartments within said apartment building as condominium apartments, said conveyances to be by way of long-term leases, and the Owner, as Lessor therein named, its successors and assigns, of said long-term leases, shall hereinafter be referred to as "Lessor";

NOW, THEREFORE, in order to create a condominium project consisting of said land and proposed improvements (hereinafter called the "project"), to be known as "2121 ALA WAI", the Developer and Owner hereby submit said property to a Horizontal Property Regime established under the Horizontal Property Act, Chapter 514A, Hawaii Revised Statutes, as amended, and in furtherance thereof, make the following declarations as to divisions, limitations, restrictions, covenants and conditions and hereby declare and agree that said property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to said declarations, which declarations shall constitute covenants running with the land and shall be binding on and for the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns, and all subsequent owners, lessors and lessees of all or any part of the project and their respective heirs, personal representatives, successors and assigns:

A. DIVISION OF PROPERTY

1. Description of Building: The project consists of one (1) building, without a basement, containing 41 floors, and constructed primarily of concrete, glass, concrete block, steel and aluminum. The building contains two hundred and eleven (211) residential apartments.

2. Description of the Apartments: Two hundred and eleven (211) residential apartments are hereby designated in the spaces within the perimeter and party walls, floors and ceilings of each of said apartment units of the project, which spaces together with the appurtenant lanai air spaces are referred to herein as "apartments" and are designated on said condominium file plans and described as follows:

(a) Apartment Numbers and Location: Apartment 100 is a type "G" apartment, is a split-level design, and is entered from the parking level designated as P-4-B on the plans. The remaining apartments are located on floors seven (7) to forty-two (42) (the 42nd floor being designated "PH" on the plans) with six (6) apartments per floor. They are numbered from Ewa to Diamond Head, with apartments 701 to 706 on the seventh floor, 801 to 806 on the eighth floor, and so forth to the twelfth floor (there being no floor designated as the thirteenth floor), 1401 to 1406 on the fourteenth floor and so forth up to 4101 to 4106 on the forty-first floor, and PH-1 to PH-6 on the forty-second floor.

(b) Layout and Area of Individual Apartments: The apartments are constructed according to seven (7) different floor plans. A description of each of said floor plans, designating the layout, number of rooms and approximate area of each apartment is set forth in Exhibit "B", attached hereto and incorporated herein by this reference. The approximate floor area for each apartment was measured from the center line of all exterior walls and common walls surrounding the apartment.

(c) Access to Common Elements: Each apartment has immediate access to a corridor which leads to two (2) stairways and three (3) elevators, each stairway and elevator leading to the grounds of the project.

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

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

(a) Said land in fee simple;

(b) All structural construction, such as foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, exterior stairs and stairways, fire escapes, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls, awnings and walkways of said buildings;

(c) All common spaces such as yards, gardens, planting areas, swimming pool, picnic areas, other recreational facilities, storage space, trash collection areas, all parking areas and all driveways, access lanes and ramps leading to the parking areas;

(d) All common premises such as the Manager's office, storage room, electrical room, premises for lodging or use of janitors or other persons employed for operation of the property;

(e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under or across the project which serve more than one apartment for services such as power, light, gas, hot water, cold water, heating, refrigeration, air conditioning, incineration, sewage, telephone and television signal distribution, if any;

(f) Apparatus and installations existing for common use, such as elevators, escalators, tanks, pumps, motors, fans, compressors, ducts and other such installations and apparatus.

(g) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use;

(h) The fifteen (15) guest parking spaces shown on the plans as the parking spaces numbered 129 through 134 and 135 through 143.

4. Limited Common Elements: Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(a) Each apartment shall have for its exclusive use one (1) parking space, as designated in the schedule set forth in Exhibit "C", attached hereto and incorporated herein by this reference.

(b) All remaining parking spaces shall be for the exclusive use of Apartment 100 as set forth in Exhibit "C".

B. COMMON INTEREST

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

C. EASEMENTS

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

1. Each apartment shall have appurtenant thereto the right to use the common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners, subject always to the exclusive use of the limited common elements, if any, as herein provided;

2. In the case of minor encroachments of common elements upon any apartment or limited common elements, a valid easement for such encroachment and maintenance thereof shall and does exist so long as such encroachment continues. In the event any building of the project shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the project, minor encroachments upon any part of the common elements or apartments or limited common elements due to the same shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. Under the Horizontal Property Act as it exists on the date hereof the apartment owners shall have the irrevocable right, to be exercised by the Board of Directors, to have access to each apartment from time to time during reasonable hours as may be necessary for the operation of the property or for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments.

D. ALTERATION AND TRANSFER OF INTEREST

Under the Horizontal Property Act as it exists on the date hereof, the common interests and easements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amended declaration duly recorded. The common interests shall not be separated from the apartment to which it appertains and shall be deemed to be conveyed or encumbered with the apartment even though such interest is not expressly mentioned or described in the conveyance or other instruments. The common elements shall remain undivided and no right shall exist to partition or divide any part thereof, except as otherwise expressed in the Horizontal Property Act. Any provision to the contrary is void. An

undivided interest in the land included in the common elements equal to the apartment's common interest may be leased to the apartment owner and the apartment and other common elements may be deeded to the apartment owner with a right of removal, and this will not constitute a division or partition of the common elements nor a separation of the common interest from the apartment to which it appurtains, nor shall any such deed be construed as conveying title to the land included in the common elements.

E. PURPOSES OF AND RESTRICTIONS ON USE OF BUILDING AND INDIVIDUAL APARTMENTS

The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests, or for transient or hotel purposes and for no other purpose. The parking places may only be used as a parking space for a motor vehicle. The apartments may not be used for any other purpose without the written consent of the Lessor and the Board of Directors. The owners of the respective apartment shall have the absolute right to sublet or assign the lease of such apartments subject to all provisions of the Horizontal Property Act, this declaration and by-laws attached hereto; provided, however, that no apartment owner may sublet or assign the lease of less than the entire apartment.

No apartment owner shall use his apartment for any purpose which will injure the reputation of the project, or suffer anything to be done or kept in his apartment or elsewhere on the project which will (a) jeopardize the soundness of any building or the premises, (b) interfere with or unreasonably disturb the rights of other owners and occupants, (c) obstruct the corridors or stairways of the building, (d) increase the rate of fire insurance on the building or the contents thereof, or (e) reduce the value of the project.

F. MANAGING AGENT; SERVICE OF PROCESS

Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association and approved by the Lessor, in accordance with the By-Laws, except that the Managing Agent for the initial two (2) year period following the date of the organization of the Association of Apartment Owners may be appointed by Developer without necessity of confirmation by the Association.

Notwithstanding the provisions of the foregoing paragraph, under the Horizontal Property Act as it exists on the date hereof, if the Developer or any affiliate of the Developer acts as the first Managing Agent for the Association of Apartment Owners following its organization, the contract shall not have a term exceeding one (1)

year and shall contain a provision that the contract may be terminated by either party thereto on not more than sixty (60) days written notice. The identity of a Managing Agent of the Developer or its affiliate shall be disclosed to the Association of Apartment Owners no later than the first meeting of the Association. An affiliate of, or person affiliated with, a developer is a person that directly or indirectly controls, is controlled by, or is under common control with, the developer.

Under the Horizontal Property Act as it exists on the date hereof, a Managing Agent employed or retained for the project shall provide evidence of a fidelity bond in the minimum amount of \$25,000.

The Managing Agent is hereby authorized to receive service of legal process in all cases provided in said Horizontal Property Act. Until such time as the Managing Agent is appointed, service of process may be made on 2121 ALA WAI DEVELOPMENT CORP., 1200 College Walk, Honolulu, Hawaii.

G. CASUALTY

In case at any time or times any improvements of the project shall be damaged or destroyed by any casualty, such improvements shall be rebuilt, repaired or restored unless owners of the apartments to which are appurtenant greater than eighty percent (80%) of the common interest vote to the contrary, with the prior written consent of their mortgagees. Any such restoration of the common elements shall be completed diligently by the Association at its common expense, and, to the extent not covered by insurance maintained by the Association, the apartment owners shall be solely responsible for any restoration of their apartments according to the original plan and elevation thereof or such other plan first approved as provided herein if their respective apartments are so damaged or destroyed. Unless such restoration is undertaken within any reasonable time after such casualty, the Association at its common expense shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good, orderly condition and even grade.

In the event that it is determined by vote of the apartment owners as provided above that such improvements shall not be rebuilt, repaired or restored, all insurance proceeds payable for or on account of such casualty shall be apportioned between the apartment owners (and their respective mortgagees, if any), in proportion to their respective common interests as provided herein.

H. AMENDMENT OF DECLARATION

Except as otherwise provided herein or in the Horizontal Property Act, this Declaration may be amended by affirmative vote of seventy-five percent (75%) of the apartment owners and shall be effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners or by the proper officers of the Association; provided, however, that the Developer expressly reserves the right to successively amend this Declaration without the consent or joinder of persons then owning or leasing the apartments by filing an amendment to this Declaration pursuant to the provisions of § 514-13, Hawaii Revised Statutes, after completion of the buildings described so long as such amendment is a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built.

Under the Horizontal Property Act as it exists on the date hereof, notwithstanding any provision of this Declaration, apartment owners with the consent of the Lessor and mortgagee, if any, shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of this Declaration and the respective apartment deeds involved. Such amendment shall be effective only upon recording or filing of the same of record with the Bureau of Conveyances of the State of Hawaii.

To exercise the right to change the designation of parking spaces disclosed above, the amendment to this Declaration need only be executed by the respective owners of the apartments seeking such change; provided, however, that no such change shall be made without the written consent of the Lessor and the mortgagee, if any, of such apartment; and provided further that at all times at least one parking space shall be appurtenant to each apartment.

Notwithstanding the foregoing, as to any provision of this Declaration quoted or taken directly from the Horizontal Property Act as it exists on the date hereof, in the event said provision of the Horizontal Property Act is amended by official action of the State of Hawaii, such act shall be deemed to automatically amend the corresponding provision contained in this Declaration, without further action.

I. ADMINISTRATION OF THE PROJECT

Administration of the project shall be vested in the Association of Apartment Owners, herein called the

"Association". Under the Horizontal Property Act as it exists on the date hereof, the Association is defined to mean all of the apartment owners acting as a group in accordance with this Declaration and the By-Laws of the Association attached hereto as Exhibit "D" and made a part hereof.

Operation of the project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of said Horizontal Property Act, this Declaration and the By-Laws, and specifically but without limitation the Association shall:

1. Make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks, street lights, and parking areas which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the project or any part thereof.

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

3. Well and substantially repair, maintain, amend and keep all common elements of the project, including without limitation the buildings thereof, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided herein, and maintain and keep said land in a neat and attractive condition and all trees, shrubs and grass thereon in good cultivation, and replant the same as may be necessary, and repair and make good all defects in the common elements of the project herein required to be repaired by the Association within thirty (30) days after any owner or his agent gives notice of such defect.

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

5. Have the right to be exercised by its Board of Directors or Managing Agent, to enter any apartments from time to time during reasonable hours as may be

necessary for the operation of the project or for making emergency repairs therein required to prevent damage to any apartments or common elements or for the installation, repair or replacement of any common elements.

6. Not erect or place on the project any building or structure including fences and walls, nor make additions or structural alterations to or exterior changes of any common elements of the project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications including detailed plot plan, prepared by a licensed architect, if so required by the Lessor or the Board and approved by the Lessor and the Board and by a majority of apartment owners (or such larger percentage as required by law or this Declaration) including all owners of apartments thereby directly affected, and complete any such improvements diligently after the commencement thereof.

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

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

J. COMMON PROFITS AND EXPENSES

Under the Horizontal Property Act as it exists on the date hereof, the common profits of the property shall be distributed among, and the common expenses shall be charged to, the apartment owners, including the Developer, in proportion to the common interest appurtenant to their respective apartments; provided, however, that all limited common elements' costs and expenses (including, but not limited to, maintenance, repair, replacement, additions and improvements) shall be charged to the owners of the apartments to which the limited common element is appurtenant in proportion to the common interest appurtenant to their respective apartments, which allocation of such costs and expenses shall be deemed to be the equitable manner set forth in this Declaration as required by the Horizontal Property Act.

Under the Horizontal Property Act as it exists on the date hereof, the term "common expense" means and includes the expenses of operation of the property and all sums designated as common expenses under the said Act, this Declaration, or the By-Laws.

The following sums are hereby designated as common expenses under this Declaration: all charges, costs and expenses whatsoever incurred by the Association for or

in connection with the administration of the project including, without limiting the operation thereof, any maintenance, repair, replacement and restoration of the common elements and any additions and alterations thereto, any labor, services, materials, supplies and equipment therefor, any liability whatsoever for loss or damage arising out of or in connection with the common elements or any accident, fire or nuisance thereon, and any premiums for hazard and liability insurance herein required, and the reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis. Rent and real property taxes and special assessments referred to in §514-23, Hawaii Revised Statutes, as amended, and charges including those for utilities which are separately metered, shall not be common expenses.

Under the Horizontal Property Act as it exists on the date hereof, an apartment owner, including the Developer, shall become obligated for the payment of the share of the common expenses allocated to his apartment at the time the certificate of occupancy relating to his apartment is issued by the appropriate county agency; provided that the Developer may assume all the actual common expenses by stating in the abstract as required by Act 239, §1, Session Laws of Hawaii, 1976, that the apartment owner shall not be obligated for the payment of his respective share of the common expenses until such time as the Developer files an amended abstract with the Commission which shall provide that after a certain date, the respective apartment owner shall thereafter be obligated to pay for his respective share of the common expenses that is allocated to his apartment. The amended abstract shall be filed at least thirty (30) days in advance with the Commission with a copy of the abstract being delivered either by mail or personal delivery after the filing to each of the apartment owners whose maintenance expenses were assumed by the Developer.

The Board of Directors of the Association (hereinafter called the "Board") shall from time to time assess the common expenses against all the apartments in their respective proportionate shares. Under the Horizontal Property Act as it exists on the date hereof, all sums assessed by the Association of Apartment Owners but unpaid for the share of the common expenses chargeable to any apartment constitute a lien on the apartment prior to all other liens, except only (1) liens for taxes and assessments lawfully imposed by governmental authority against the apartment, and (2) all sums unpaid on mortgages of record, and costs and expenses including attorneys' fees provided in such mortgages. The lien may be foreclosed by action of the Manager or Board of Directors, acting on behalf of the apartment owners, in like manner as a mortgage of real property. In any such foreclosure the apartment owners shall be required to pay a reasonable rental for

the apartment, if so provided in the By-Laws, and the Plaintiff in the foreclosure shall be entitled to the appointment of receiver to collect the same. The Manager or Board of Directors, acting on behalf of the apartment owners, may, unless otherwise prohibited in this Declaration, bid on the apartment at the foreclosure sale, and acquire and hold, lease, mortgage and convey the same. Action to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

Prior to foreclosing upon such lien, the Board or Managing Agent shall provide thirty (30) days' prior written notice of intention to foreclose, by mailing the same, postage prepaid, to all persons having any interest in such apartment as shown in the Association's record of ownership.

Under the Horizontal Property Act as it exists on the date hereof, where the mortgagee of a mortgage of record or other purchaser of an apartment obtains title to the apartment as a result of foreclosure of the mortgage, the acquirer of title, his successor and assigns, shall not be liable for the share of the common expenses or assessments by the Association of Apartment Owners chargeable to the apartment which became due prior to the acquisition of title to the apartment by the acquirer. The unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the apartment owners, including the acquirer, his successors and assigns.

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

(a) Refunded to the apartment owners in whole or in part; or

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

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

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

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

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

K. COMPLIANCE WITH DECLARATION, BY-LAWS AND OTHER RULES

Under the Horizontal Property Act as it exists on the date hereof, all apartment owners, tenants of such owners, employees of owners and tenants, or any other persons that may in any manner use the property or any part thereof submitted to the Horizontal Property Act are subject to the provisions of the Act and to the provisions of this Declaration and By-Laws of the Association of Apartment Owners. Furthermore, all agreements, decisions, and determinations lawfully made by the Association in accordance with the voting percentages established under the Act, this Declaration or the By-Laws are binding on all apartment owners. Each apartment owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions, and restrictions set forth in this Declaration. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both maintainable by the Managing Agent or Board of Directors on behalf of the Association of Apartment Owners, or, in a proper case, by an aggrieved apartment owner.

In the event of the failure of any apartment owner to comply fully with any of the same within thirty (30) days after written demand therefor by the Association, the Association shall promptly give written notice of such failure to the holder of any mortgage of such apartment, or of the apartment lease demising the same, as shown in the Association's record of ownership or who has given the Board notice of its interest through the secretary of its Association or the Managing Agent.

Under the Horizontal Property Act as it exists on the date hereof, all costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the Association for: 1) collecting any delinquent assessments against any owner's apartment; 2) foreclosing any lien thereon; 3) enforcing any provision of this Declaration, the By-Laws, house rules, and the Horizontal Property Act; or 4) the rules and regulations of the Real Estate Commission; against an owner or any occupant of an apartment shall be promptly paid on demand to the Association by the apartment owner; provided that if the claims upon which the Association takes any action are not substantiated, all costs and expenses, including reasonable attorneys' fees, incurred by the apartment owner as a result of the action of the Association, shall be promptly paid on demand to the apartment owner by the Association.

L. INSURANCE

1. Under the Horizontal Property Act as it exists on the date hereof, the Association of Apartment Owners shall purchase and at all times maintain insurance which covers the common elements and, whether or not part of the common elements, all exterior and interior walls, floors and ceilings, in accordance with the as-built condominium plans and specifications, against loss or damage by fire sufficient to provide for the repair or replacement thereof in the event of such loss or damage. Flood insurance shall also be provided under the Federal Flood Disaster Protection Act if the property is located in an identified flood hazard area as designated by the Federal Department of Housing and Urban Development. Exterior glass may be insured at the option of the Association of Apartment Owners. The insurance coverage shall be written on the property in the name of the Lessor and the Association of Apartment Owners. Premiums shall be common expenses. Provisions for the insurance shall be without prejudice to the right of each apartment owner to insure his own apartment for his benefit.

2. Such insurance shall be obtained from an insurance company authorized to do business in Hawaii. The insurance company must have a financial rating by Best's Insurance Reports of Class VI or better, and if rating is not a Class XIV, there must be reinsurance with another insurance company or companies for coverage in excess of Six Million Dollars (\$6,000,000) and the reinsurance agreement(s) must provide that the Lessor shall have a direct right of action against the reinsuring company or companies. Such insurance shall provide coverage under an extended coverage endorsement or any broader form of protection in an amount as near as practicable to the full replacement costs of said buildings of the project without deduction for depreciation. All proceeds of such insurance shall be payable to a bank or trust company authorized to do business in Hawaii as the Board shall designate for the custody

and disposition of such proceeds as herein provided. In every case of such loss or damage, except as otherwise determined by the apartment owners pursuant to paragraph G, all insurance proceeds shall be used as soon as reasonably possible by the Association for rebuilding, repairing or otherwise reinstating the buildings in a good and substantial manner according to the original plan and elevation thereof or such modified plans conforming to laws and ordinances then in effect as shall be first approved by Lessor and as otherwise herein provided, and the Association at its common expense shall make up any deficiency in such insurance proceeds.

3. Every such policy of insurance shall:

(a) 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 apartment owner;

(b) Contain no provision relieving the insurer from liability for loss occurring while the hazard to such buildings is increased, whether or not within the knowledge or control of the Lessor, the Board, or because of any breach of warranty or condition or any other act or neglect by the Lessor, the Board or any apartment owner or any other persons under any of them;

(c) Provide that such policy and the coverage thereunder may not be cancelled, reduced or substantially modified (whether or not requested by the Board) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Lessor, the Board and every other person in interest, including any mortgagee of an apartment, who shall have requested such notice of the insurer;

(d) Contain a waiver by the insurer of any right of subrogation to any right of the Lessor, the Board or apartment owners against any of them or any other persons under any of them;

(e) Contain a waiver by the insurer of any right of the insurer to repair, rebuild or replace, if the apartment owners decide pursuant to paragraph G above not to repair, reinstate, rebuild or restore the damaged or destroyed improvements;

(f) Contain a standard mortgagee clause which shall:

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

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

(iii) Waive any provision invalidating such mortgagee clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

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

4. The Association at its common expense shall also effect and maintain at all times comprehensive general liability insurance, covering all apartment owners with respect to the project, in an insurance company authorized to do business in Hawaii with minimum limits of not less than \$1,000,000.00 per accident or occurrence, for personal injury and/or property damage, without prejudice to the right of any apartment owners to maintain additional liability insurance for their respective apartments or such higher limits as the Lessor may from time to time establish with due regard to then prevailing prudent business practices in the State of Hawaii as reasonably adequate for Lessor's protection, and from time to time deposit promptly with the Lessor current certificates of such insurance, without prejudice to the right of any apartment owners to maintain additional liability insurance for their respective apartments. Such insurance shall (a) provide that the same shall not be invalidated by any act or neglect of the Board, Lessor or apartment owners or any persons under any of them, (b) contain a waiver by the insurer of any right of subrogation to any right of the Board, Lessor or apartment owners against any of them or any other persons under them, (c) contain a "severability of interest" endorsement precluding the insurer from denying the claim of an apartment owner because of negligent acts of the Association or other apartment owners, and (d) provide that the insurance shall not be cancelled by the insurer unless the insurer first gives thirty (30) days' written notice to the Board, the Lessor and any apartment owner, lessee

or mortgagee who shall have requested such notice. All premiums for insurance herein required to be obtained by the Board on behalf of the Association shall be a common expense to be paid by monthly assessments thereof, and such payments shall be held in a separate escrow account of the Association and used solely for the payment of such premiums as the same become due.

5. The Board shall review not less frequently than annually the adequacy of the Association's entire insurance program and shall adjust its insurance program accordingly; provided that no adjustment shall be made which decreases any insurance coverage. The Board shall then report in writing its conclusions and actions taken on such review to the owner of each apartment and to the holder of any first mortgage on any apartment who shall have requested a copy of such report or copies of all such reports.

6. Any insurance policy providing the coverage required by subsection (1) or subsection (4) 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, with a description of the coverage and limits thereof, the amount of annual premium, and renewal dates. The Board of Directors shall provide this information to each apartment owner. The requirements of this paragraph as they apply to subsection (1) are required under the Horizontal Property Act as it exists on the date hereof; the requirements of this paragraph as they pertain to subsection (4) are established and required by virtue of this Declaration.

7. At the request of any mortgagee of any interest in any apartment, the Board shall furnish to such mortgagee a copy of the casualty and liability insurance policies referred to in the foregoing subparagraphs.

M. CONDEMNATION

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, all compensation payable for or on account of the taking of the land shall be payable to and be the sole property of the Lessor, and all compensation payable for or on account of the taking of any improvements of the project shall be equitably apportioned between the apartment owners (and their respective mortgagees, if any), and shall be payable to a condemnation trustee, who shall be a bank or trust company designated by the Board and doing business in the State of Hawaii. The Board of Directors shall arrange for the repair and restoration of the buildings and improvements in accordance with the design thereof immediately prior to such condemnation or, if such repair and

restoration in accordance with said design is not permissible under the laws then in force, in accordance with such modified plan as shall be previously approved by the Board, the Lessor and the mortgagee of record of any interest in an apartment directly affected thereby. In the event of a partial taking under which any apartment is eliminated or not restored, the condemnation trustee shall disburse the portion of the proceeds of such award allocable to said apartment, less the proportionate share to said apartment of the cost of debris removal, to the owner of said apartment (and his mortgagees, if any) in satisfaction of his interest in said apartment. The condemnation trustee shall disburse the remainder of the proceeds of such award to the contractor engaged in such repair and restoration in appropriate progress payments and in the event such proceeds are insufficient to pay the costs thereof, the Board is expressly authorized to pay such excess costs from the maintenance fund and if the maintenance fund is insufficient for this purpose the Board shall levy a special assessment on the owners of apartments in proportion to their common interests. In the event sums are received in excess of the cost of repairing and restoring the remaining buildings and improvements, or in the event all the buildings and improvements are so taken or condemned, such excess proceeds or said proceeds, as the case may be, shall be divided between the owners of apartments (and their respective mortgagees, if any) in proportion to their common interests.

N. ALTERATION OF PROJECT

Except as otherwise provided herein, restoration or replacement of the project or any building or other facility, or construction or structural alteration or addition to any such structure different in any material respect from the plans of the project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of all the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board; and promptly upon completion of such restoration, replacement or construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified by a registered architect or professional engineer to accurately depict the layout, location, apartment numbers, and dimensions of the apartments as built. Provided, however, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the apartment

owner's plans therefor, by the holders of liens affecting such apartment (if the lien holders require such approval), the Board, the Lessor and all other apartment owners thereby directly affected (as determined by said Board), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered.

O. MAINTENANCE RESERVE FUND

The Board shall establish and maintain a Maintenance Reserve Fund by the allocation to such Fund of annual assessments which are in excess of the amount of current expenditures for common expenses, such allocation to be in such reasonable annual amount as the Board may determine in its sole discretion to be adequate to cover each apartment owner's obligations to provide for utilities, insurance, maintenance, repair and replacement of the common elements (including those common elements that must be replaced on a periodic basis) and other expenses of administration of the project, which shall be deemed conclusively to be a common expense of the project. The Board may include reserves for contingencies in such Fund, and such Fund may from time to time be increased or reduced in the discretion of the Board.

P. DEFINITIONS

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

Q. INVALIDITY

The invalidity of any provision of this Declaration shall not impair or affect the remainder of this Declaration, and in such event, all other provisions of this Declaration shall continue in full force and effect as if such invalid provision had not been included herein.

IN WITNESS WHEREOF, the Owner and Developer have executed these presents this 7th day of JUNE, 1978.

2121 ALA WAI DEVELOPMENT CORP.

AETNA LIFE INSURANCE COMPANY

By [Signature]
Its SECRETARY

By [Signature]
~~Its Attorney-in-Fact~~
Its Assistant Vice President
"Owner"

By [Signature]
Its PRESIDENT

"Developer"

STATE OF)
) SS.
COUNTY OF)

On this _____ day of _____, 1978,
before me appeared _____,
as Attorney-in-Fact for AETNA LIFE INSURANCE COMPANY, a
Connecticut corporation, to me known to be the person
described in and who executed the foregoing instrument, as
Attorney-in-Fact for said AETNA LIFE INSURANCE COMPANY,
and acknowledged that _____ executed the same as the free
act and deed of said AETNA LIFE INSURANCE COMPANY.

Notary Public

My commission expires:

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

On this 7th day of June, 1978,
before me appeared F. M. Kussell and
John M. Gilbert, to me personally known,
who, being by me duly sworn, did say that they are the
President and Secretary
of 2121 ALA WAI DEVELOPMENT CORP., and that the seal af-
fixed 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 the said F. M. Kussell
and John M. Gilbert acknowledged said instru-
ment to be the free act and deed of said corporation.

Rosalyn Carlson
Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 11/21/78

EXHIBIT "A"

FIRST: ALL of those certain parcels of land situate on the corner of Launiu Street and Ala Wai Boulevard, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 4-A, area 3,209.0 square feet, and LOT 4-B, area 237.0 square feet, as shown on Map 8, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 570 of Guardian Trust Company, Limited; and

LOT 157-A-1, area 969 square feet, as shown on Map 21, filed in said Office with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited.

SECOND: ALL of those certain parcels of land situate on Ala Wai Boulevard, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 5-A, area 3,239.0 square feet, and LOT 5-B, area 240.0 square feet, as shown on Map 8, filed in said Office with Land Court Application No. 570 of Guardian Trust Company, Limited.

THIRD: ALL of those certain parcels of land situate at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 6-A, area 3,229.0 square feet and LOT 6-B, area 240.0 square feet, as shown on Map 8, filed in said Office with Land Court Application No. 570 of Guardian Trust Company, Limited.

FOURTH: ALL of those certain parcels of land situate on Ala Wai Boulevard, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 7-A-1, area 3,189.0 square feet, as shown on Map 15, and LOT 7-B, area 240.0 square feet, as shown on Map 8, the Maps referred to by numbers are filed in said Office with Land Court Application No. 570 of Guardian Trust Company, Limited.

FIFTH: ALL of those certain parcels of land situate on Kaiolu Street, Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 7, area 4,535.0 square feet, as shown on Map 4, filed in said Office with Land Court Appli-

cation No. 830 of Elizabeth K. Booth; and LOT 58, area 1,298.0 square feet, as shown on Map 4, filed in said Office with Land Court Application No. 1293 of Magoon Estate, Limited.

SIXTH: ALL of that certain parcel of land situate on Launiu Street, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOT 157-B, area 533.0 square feet, as shown on Map 19, filed in said Office with Land Court Application No. 537 of John Francis Bowler and August Ahrens, Limited.

SEVENTH: ALL of that certain parcel of land (portion of the land described in and covered by Royal Patent Number 6873, Land Commission Award Number 1758, Apana 2 to Kalaeone) situate, lying and being at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, and thus bounded and described:

Beginning at the North corner of this parcel of land, being also the West corner of Lot 4-B of Land Court Application No. 570, the coordinates of which referred to Government Survey Trig. Station "Punchbowl" being 10,399.49 feet South and 7,031.08 feet East, and running by azimuths measured clockwise from True South:

1. 312° 30' 100.00 feet along Lots 4-B, 5-B and 6-B of L.C.A. 570;
2. 44° 00' 45.00 feet along remainder of L.C. Aw. 1758, Ap. 2 to Kalaeone to a pipe;
3. 132° 30' 99.23 feet along remainder of said L.C. Aw. 1758 to a pipe;
4. 225° 18' 6.80 feet along L.C. Aw. 367, Ap. 2 to Nihopuu;
5. 222° 37' 38.20 feet along Lot 157-B of L.C.A. 537 to the point of beginning;

Containing an area of 4,475 square feet, or thereabouts.

EIGHTH: ALL of that certain parcel of land (portion of the land described and covered by Royal Patent Number 2275, Land Commission Award Number 867, Apana 2 to Nihopuu) situate, lying and being at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being PARCEL R-4-D of Frontage Improvement 67, Launiu Street from Ala Wai Boulevard to Kuhio Avenue, and thus bounded and described:

Beginning at the West corner of this parcel of land, on the Southeast side of Launiu Street, the coordinates of said point of beginning referred to a City and County Survey Street Monument at the intersection of the Monument Line of Launiu Street with the center line of Ala Wai Boulevard being 106.93 feet South and 57.89 feet West and the coordinates of said monument referred to Government Survey Trig. Station "Waikiki" being 179.96 feet South and 232.00 feet East, and running by azimuths measured clockwise from true South:

1. 222° 45' 5.06 feet along the Southeast side of Launiu Street;
2. 305° 20' 13.90 feet;
3. 45° 18' 6.80 feet;
4. 132° 30' 13.47 feet to the point of beginning.

Containing an area of 80 square feet.

NINTH: ALL of that certain parcel of land (portion of the land described in and covered by Royal Patent Number 6873, Land Commission Award Number 1758, Apana 2 to Kalaeone), situate, lying and being at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, and thus bounded and described:

Beginning at a pipe at the North corner of this parcel of land, the coordinates of which referred to Government Survey Triangulation Station "Punchbowl" being 10,432.38 feet South and 7,000.39 feet East, and running by azimuths measured clockwise from true South:

1. 312° 30' 99.23 feet along remainder of L.C. Aw. 1758, Ap. 2 to Kalaeone to a pipe;
2. 44° 00' 40.59 feet along remainder of L.C. Aw. 1758, Ap. 2 to Kalaeone to a pipe;
3. 132° 30' 100.15 feet along remainder of L.C. Aw. 1758, Ap. 2 to Kalaeone to a pipe;
4. 225° 18' 40.63 feet along L.C. Aw. 857, Ap. 2 to Nihopuu to the point of beginning;

Containing an area of 4,045 square feet, or thereabouts.

TENTH: ALL of that certain parcel of land (portion of the land described in and covered by Royal Patent Number 2275, Land Commission Award Number 867, Apana 2 to Nihopuu), situate, lying and being at Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being PARCEL R-4-C of Frontage Improvement 67, Launiu Street from Ala Wai Boulevard to Kuhio Avenue, and thus bounded and described:

Beginning at the West corner of this parcel of land, on the Southeast side of Launiu Street, the coordinates of said point of beginning referred to a city and county survey Street Monument at the intersection of the monument line on Launiu Street with the center line of Ala Wai Boulevard being 136.77 feet South and 85.48 feet West, and the coordinates of said Monument referred to Government Survey Triangulation Station "Waikiki" being 179.96 feet South and 232.00 feet East, and running by azimuths measured clockwise from true South:

1. 222° 45' 40.64 feet along the southeast side of Launiu Street;
2. 312° 30' 13.47 feet;
3. 45° 18' 40.63 feet;
4. 132° 30' 11.66 feet to the point of beginning;

Containing an area of 510 square feet, or thereabouts.

AS to parcels FIRST through SIXTH, BEING all of the land described in Transfer Certificate of Title No. 198,757 issued to Aetna Life Insurance Company.

AS to parcels SEVENTH through TENTH, BEING the same premises conveyed to Aetna Life Insurance Company by Deed dated March 31, 1978, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12803, at Page 360.

SUBJECT, HOWEVER, as to parcel FIFTH only, to the covenants contained in Deed dated May 27, 1944, filed in said Office as Document No. 73429.

SUBJECT, ALSO, as to parcels SEVENTH, EIGHTH, NINTH and TENTH, to the reservation in favor of the State of Hawaii of all mineral and metallic mines set forth in the various Land Commission Awards.

EXHIBIT "B" TO DECLARATION
OF HORIZONTAL PROPERTY REGIME

Description Of Floor Plans, Layout And
Approximate Area Of Each Apartment
And Interest In Common Elements

I.

Each Type A apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai and shall have an approximate floor space of 690 sq. ft., lanai of approximately 158 sq. ft., for a total approximate living area of 848 sq. ft. The following apartments are Type A apartments: 701, 801, 901, 1001, 1101, 1201, 1401, 1501, 1601, 1701, 1801, 1901, 2001, 2101, 2201, 2301, 2401, 2501, 2601, 2701, 2801, 2901, 3001, 3101, 3201, 3301, 3401, 3501, 3601, 3701, 3801, 3901, 4001, 4101, and PH-1.

The undivided interest in all the common elements of the project for Type A apartments is .4740.

II.

Each Type B apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai, and shall have an approximate floor area of 682 sq. ft., lanai of approximately 98 sq. ft. for a total approximate living area of 780 sq. ft. The following apartments are Type B apartments: 702, 802, 902, 1002, 1102, 1202, 1402, 1502, 1602, 1702, 1802, 1902, 2002, 2102, 2202, 2302, 2402, 2502, 2602, 2702, 2802, 2902, 3002, 3102, 3202, 3302, 3402, 3502, 3602, 3702, 3802, 3902, 4002, 4102, and PH-2.

The undivided interest in all the common elements of the project for Type B apartments is .4740.

III.

Each Type C apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai, and shall have an approximate floor area of 653 sq. ft., lanai of approximately 118 sq. ft. for a total approximate living area of 771 sq. ft. The following apartments are Type C apartments: 703, 803, 903, 1003, 1103, 1203, 1403, 1503, 1603, 1703, 1803, 1903, 2003, 2103, 2203, 2303, 2403, 2503, 2603, 2703, 2803, 2903, 3003, 3103, 3203, 3303, 3403, 3503, 3603, 3703, 3803, 3903, 4003, 4103, and PH-3.

The undivided interest in all the common elements of the project for Type C apartments is .4740.

IV.

Each Type D apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai, and shall have an approximate floor area of 653 sq. ft., lanai of approximately 118 sq. ft. for a total approximate living area of 771 sq. ft. The following apartments are Type D apartments: 704, 804, 904, 1004, 1104, 1204, 1404, 1504, 1604, 1704, 1804, 1904, 2004, 2104, 2204, 2304, 2404, 2504, 2604, 2704, 2804, 2904, 3004, 3104, 3204, 3304, 3404, 3504, 3604, 3704, 3804, 3904, 4004, 4104, and PH-4.

The undivided interest in all the common elements of the project for Type D apartments is .4740.

V.

Each Type E apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai, and shall have an approximate floor area of 682 sq. ft., lanai of approximately 98 sq. ft. for a total approximate living area of 780 sq. ft. The following apartments are Type E apartments: 705, 805, 905, 1005, 1105, 1205, 1405, 1505, 1605, 1705, 1805, 1905, 2005, 2105, 2205, 2305, 2405, 2505, 2605, 2705, 2805, 2905, 3005, 3105, 3205, 3305, 3405, 3505, 3605, 3705, 3805, 3905, 4005, 4105, and PH-5.

The undivided interest in all the common elements of the project for Type E apartments is .4740.

VI.

Each Type F apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai, and shall have an approximate floor area of 662 sq. ft., lanai of approximately 114 sq. ft. for a total approximate living area of 776 sq. ft. The following apartments are Type F apartments: 706, 806, 906, 1006, 1106, 1206, 1406, 1506, 1606, 1706, 1806, 1906, 2006, 2106, 2206, 2306, 2406, 2506, 2606, 2706, 2806, 2906, 3006, 3106, 3206, 3306, 3406, 3506, 3606, 3706, 3806, 3906, 4006, 4106, and PH-6.

The undivided interest in all the common elements of the project for Type F apartments is .4740.

VII.

Apartment 100 is a Type G apartment and shall consist of two bedrooms, one bathroom, kitchen and living room area, and shall have an approximate living area of 690 sq. ft. and no lanai.

The undivided interest in all the common elements of the project for Type G apartment, being Apartment 100, is .4600.

NOTE: Notwithstanding the description of floor plans and the layout of the apartments above set forth, until such time as conveyances have been issued for all apartments on the PH Floor, Developer reserves the right, in its sole discretion, to modify the floor plans and layout and number of rooms within the apartments on said floor, and Developer shall, in its sole discretion, determine whether walls shall be constructed on the boundary line between two or more adjoining apartments when said two or more adjoining apartments are under common ownership, and in the event of such modification, Developer shall amend this Declaration in accordance with the provisions of paragraph H hereof; provided, however, in the event any such two or more adjoining apartments shall, at any time, cease to be under common ownership, then and in such event, the owners thereof hereby covenant and agree that walls shall be constructed on the boundary line between the two or more adjoining apartments, and said construction of walls and other changes to said apartments shall be in accordance with plans and specifications first approved in writing by the Board of Directors of the Association of Apartment Owners, and must be reflected and set forth in an amendment to this Declaration signed by the owners of said apartments and approved and signed by the President or Vice-President and Secretary or Treasurer of the Association of Apartment Owners, and said amendment to this Declaration must be filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii, and also recorded in the Bureau of Conveyances at Honolulu, Hawaii, and there must be attached thereto a verified certificate of a registered architect or professional engineer certifying that the plans being filed in accordance therewith fully and accurately depict the layout, location and dimensions of the apartments on the PH Floor of the project; all the foregoing to be at the sole cost and expense of the owners of said adjoining apartments, and said costs and expenses shall be chargeable against said adjoining apartments as though the same were an unpaid common expense.

EXHIBIT "C" TO DECLARATION
OF HORIZONTAL PROPERTY REGIME

NOTE: The letter "S" after the parking stall number denotes a "standard" or "regular" sized parking stall; the letter "C" after the parking stall number denotes a "compact" sized parking stall; and the letter "T" after the parking stall number denotes a "tandem" parking stall.

Parking Assignments

<u>Apartment No.</u>	<u>Assigned Parking Stall No.</u>	<u>Apartment No.</u>	<u>Assigned Parking Stall No.</u>
100	431 C		
701	118 C	1401	358 S
702	121 C	1402	419 C
703	122 C	1403	428 C
704	123 C	1404	434 C
705	119 C	1405	439 C
706	120 C	1406	359 S
801	126 C	1501	360 S
802	127 C	1502	538 C
803	128 C	1503	539 C
804	226 C	1504	540 C
805	229 C	1505	541 C
806	230 C	1506	416 S
901	231 S	1601	535 C
902	232 C	1602	601 C
903	237 C	1603	602 C
904	238 C	1604	603 C
905	239 C	1605	604 C
906	417 S	1606	438 S
1001	241 S	1701	429 S
1002	331 C	1702	605 C
1003	332 C	1703	606 C
1004	333 S	1704	607 C
1005	319 C	1705	608 C
1006	321 S	1706	430 S
1101	335 S	1801	446 S
1102	334 C	1802	609 C
1103	339 C	1803	610 C
1104	328 C	1804	528 C
1105	240 C	1805	529 C
1106	336 S	1806	447 S
1201	337 S	1901	448 S
1202	340 C	1902	530 C
1203	341 C	1903	418 S
1204	342 C	1904	401 S
1205	343 S	1905	402 S
1206	338 S	1906	403 S

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EXHIBIT "C"
(Continued)

Apartment No.	Assigned Parking Stall No.	Apartment No.	Assigned Parking Stall No.
2001	404 S	2801	614 S
2002	405 S	2802	422 S
2003	406 S	2803	423 S
2004	407 S	2804	424 S
2005	408 S	2805	425 S
2006	409 S	2806	615 S
2101	410 S	2901	426 S
2102	411 S	2902	427 S
2103	412 S	2903	433 S
2104	413 S	2904	435 S
2105	414 S	2905	436 S
2106	415 S	2906	437 S
2201	501 S	3001	218 S
2202	502 S	3002	220 S
2203	503 S	3003	221 S
2204	504 S	3004	222 S
2205	505 S	3005	223 S
2206	506 S	3006	224 S
2301	507 S	3101	225 S
2302	508 S	3102	227 S
2303	509 S	3103	228 S
2304	510 S	3104	233 S
2305	511 S	3105	234 S
2306	512 S	3106	235 S
2401	513 S	3201	236 S
2402	514 S	3202	256 S
2403	515 S	3203	257 S
2404	516 S	3204	301 S
2405	517 S	3205	302 S
2406	518 S	3206	303 S
2501	519 S	3301	304 S
2502	520 S	3302	305 S
2503	521 S	3303	306 S
2504	522 S	3304	307 S
2505	523 S	3305	308 S
2506	524 S	3306	309 S
2601	525 S	3401	310 S
2602	526 S	3402	311 S
2603	527 S	3403	312 S
2604	531 S	3404	313 S
2605	532 S	3405	314 S
2606	533 S	3406	315 S
2701	534 S	3501	316 S
2702	611 S	3502	317 S
2703	612 S	3503	318 S
2704	420 S	3504	322 S
2705	421 S	3505	323 S
2706	613 S	3506	324 S

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EXHIBIT "C"
(Continued)

<u>Apartment No.</u>	<u>Assigned Parking Stall No.</u>	<u>Apartment No.</u>	<u>Assigned Parking Stall No.</u>
3601	325 S	100	242 C
3602	326 S	100	243 ST
3603	327 S	100	244 S
3604	329 S	100	245 ST
3605	330 S	100	246 S
3606	320 S	100	247 ST
		100	248 S
3701	101 S	100	249 ST
3702	102 S	100	250 S
3703	103 S	100	251 ST
3704	110 S	100	252 S
3705	111 S	100	253 ST
3706	112 S	100	254 C
		100	255 CT
3801	113 S	100	344 C
3802	114 S	100	345 ST
3803	115 S	100	346 S
3804	116 S	100	347 ST
3805	117 S	100	348 S
3806	124 S	100	349 ST
		100	350 S
3901	125 S	100	351 ST
3902	201 S	100	352 S
3903	202 S	100	353 ST
3904	203 S	100	354 S
3905	204 S	100	355 ST
3906	205 S	100	356 ST
		100	357 S
4001	206 S	100	440 S
4002	207 S	100	441 ST
4003	208 S	100	442 S
4004	209 S	100	443 ST
4005	210 S	100	444 ST
4006	211 S	100	445 S
		100	432 C
4101	212 S	100	536 ST
4102	213 S	100	537 S
4103	214 S	100	219 C
4104	215 S		
4105	216 S		
4106	217 S		
PH-1	109 S		
PH-2	108 S		
PH-3	107 S		
PH-4	106 S		
PH-5	105 S		
PH-6	104 S		

24

x
 211
 11 sum
 38
 249

260 TOTAL

STATE OF CONNECTICUT:

ss: Hartford

COUNTY OF HARTFORD:

On this 4th day of May, 1978, before me appeared James Richmond Jr.
As Assistant Vice President for ETNA LIFE INSURANCE COMPANY, a Connecticut
corporation, to me known to be the person described in and who executed the
foregoing instrument, as Assistant Vice President for ETNA LIFE INSURANCE
COMPANY, and acknowledged that he executed the same as the free act and deed
of said ETNA LIFE INSURANCE COMPANY.


Notary Public

My commission expires: _____

MARY A. DUNCAN, Notary Public
Within and for the State of Connecticut
My Commission Expires March 31, 1979.
Serial No. 43496

1979

RECORDATION REQUESTED BY:

Henry Nelson

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED
LIBER 13709 PC 541

79-57032 79 MAY 25 A 8: 01

AFTER RECORDATION RETURN TO:

Charles F. Williamson
REGISTRAR

RETURN BY: MAIL PICKUP

FIRST AMENDMENT TO
DECLARATION OF HORIZONTAL PROPERTY REGIME OF
2121 ALA WAI

WHEREAS, 2121 Ala Wai is a condominium project established by that certain Declaration of Horizontal Property Regime of 2121 Ala Wai, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 879932, and noted on Transfer Certificate of Title No. 198757, and also recorded in the Bureau of Conveyances at Honolulu, Hawaii, in Liber 12946, page 380, executed by Aetna Life Insurance Company, a Connecticut corporation, whose principal place of business and post office address is One Civic Center Plaza, Hartford, Connecticut, and Post Office Box 1414, said Hartford, respectively, and 2121 Ala Wai Development Corp., then a Hawaii corporation, which has merged with and into PACIFIC CONSTRUCTION CO., LTD., a Hawaii corporation, whose principal place of business and post office address is 6th Floor, 828 Fort Street, Honolulu, Hawaii 96813, by Certificate of Merger filed in said Office as Document No. 928728, and noted on said Transfer Certificate of Title;

NOW, THEREFORE, pursuant to the terms and provisions of the Declaration of Horizontal Property Regime of 2121 Ala Wai, the parties hereto do hereby

amend said Declaration as follows:

1. Paragraph I of Exhibit "B" is hereby deleted in its entirety and the following is inserted in lieu thereof:

"I.

Except as set forth in this paragraph I, each Type A apartment shall consist of two bedrooms, one bathroom, kitchen, living/dining room and lanai and shall have an approximate floor space of 690 sq. ft., lanai of approximately 158 sq. ft., for a total approximate living area of 848 sq. ft. The following apartments are Type A apartments: 701, 801, 901, 1001, 1101, 1201, 1401, 1501, 1601, 1701, 1801, 1901, 2001, 2101, 2201, 2301, 2401, 2501, 2601, 2701, 2801, 2901, 3001, 3101, 3201, 3301, 3401, 3501, 3601, 3701, 3801, 3901, and PH-1.

Apartment 4001 is a Type A apartment consisting of two bedrooms, two bathrooms and lanai, and shall have an approximate floor space of 690 square feet, lanai of approximately 158 square feet, for a total approximate living area of 848 square feet.

Apartment 4101 is a Type A apartment and shall consist of a living room, dining room, kitchen, one-half bathroom and lanai, and shall have an approximate floor space of 690 square feet, lanai of approximately 158 square feet, for a total approximate living area of 848 square feet.

The undivided interest in all the common elements of the project for Type A apartments is .4740."

2. The Declaration is hereby amended to include the Certificate which is attached hereto as Exhibit "A" and made a part hereof.

3. The plans of 2121 Ala Wai heretofore filed in said Bureau of Conveyances as Condominium File Plan 548 and also filed in said Office of the Assistant Registrar of the Land Court as Condominium Map 328, are hereby amended and revised to reflect the change in the floor plans of Apartments 4001 and 4101 and of Apartments PH-1 through

LIBER 13709 AC 543

PH-6 inclusive, as shown on Sheets A-23, A-24, and A-27,
filed simultaneously herewith, the Condominium File Plan
and Condominium Map originally filed being otherwise in
all respects unchanged.

IN WITNESS WHEREOF, the parties hereto have exe-
cuted this First Amendment this 21 day of May, 1979.

AETNA LIFE INSURANCE COMPANY

BY [Signature]
Its Assistant Vice President

PACIFIC CONSTRUCTION CO., LTD.

By [Signature]
Its President
By [Signature]
Its VICE PRESIDENT

STATE OF CONNECTICUT)
) SS: Hartford
COUNTY OF HARTFORD)

On this 3rd day of May, 19 79,
before me appeared Edward W. Bush,
as Assistant Vice President of AETNA LIFE INSURANCE
COMPANY, a Connecticut corporation, to me known to be the
person described in and who executed the foregoing instru-
ment, as Assistant Vice President of AETNA LIFE INSURANCE
COMPANY, and acknowledged that he executed the same as the
free act and deed of said AETNA LIFE INSURANCE COMPANY.

Carl C. Sarr
Notary Public

My commission expires: 3-31-80

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

On this 21st day of May, 1979,
before me appeared F.M. Krusser and
William L. Wilson, to me personally known, who,
being by me duly sworn, did say that they are the

PRESIDENT and VICE-PRESIDENT


respectively of PACIFIC CONSTRUCTION CO., LTD., a Hawaii
corporation, 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 F.M. Krusser and William L. Wilson
acknowledged said instrument to be the free act and deed
of said corporation.

Mary B. Furber
Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: DEC 4 1981


CERTIFICATE OF REGISTERED ARCHITECT FOR
2121 ALA WAI CONDOMINIUM

I hereby certify that the set of floor plans and elevations for the 2121 Ala Wai condominium project heretofore filed in the Bureau of Conveyances at Honolulu, Hawaii, as Condominium File Plan 548 and also filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Condominium Map 328, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments, as built, except for Apartments 4001, 4101, PH-1, PH-2, PH-3, PH-4, PH-5, and PH-6, and that the attached three sheets, bearing A-23, A-24 and A-27, are an accurate copy of portions of the plans of the building as filed and approved by the Building Department of the City and County of Honolulu, the officer having jurisdiction over issuance of permits for the construction of buildings, and fully and accurately depict the layout, location, apartment numbers and dimensions of Apartments 4001, 4101, PH-1, PH-2, PH-3, PH-4, PH-5 and PH-6, as built.

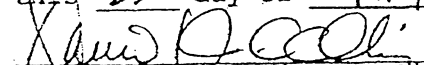

MILTON SHER
Registered Professional
Architect No. 2337

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

MILTON SHER, being first duly sworn on oath, deposes and says: That he is Registered Professional Architect No. 2337 in the State of Hawaii, has read the foregoing Certificate, knows the contents thereof, and that the same is true.


MILTON SHER

Subscribed and sworn to before me
this 23 day of MAY, 1979.


Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 6-1-79
Exhibit A

INSURANCE SUMMARY FOR 2121 ALA WAI, INC

Type of Policy Carrier Policy Number	Policy Period	Coverage
Commercial Property Fireman's Fund/Allianz Policy#: MZX80968799	5/25/16-17	Special Form Replacement Cost Valuation Co-Insurance – Agreed Amount Building Limit - \$54,000,000 BPP Limit - \$50,000 Equipment Breakdown - included Building Ordinance – Cov A = Building Limit Cov B & C = \$1,000,000 AOP Deductible - \$10,000 Hurricane Deductible – 2%
Premium: \$72,362		
Commercial Liability Fireman's Fund/Allianz Policy#: MZX80968799	5/25/16-17	\$ 2,000,000 General Aggregate Limit \$ 2,000,000 Products-Completed Ops Limit \$ 1,000,000 Personal & Advertising Injury Limit \$ 1,000,000 Each Occurrence Limit \$ 100,000 Fire Damage Limit \$ 5,000 Medical Expense Limit
Premium: Included		
Commercial Auto Fireman's Fund/Allianz Policy #: MZX80968799	5/25/16-17	Hired / Non-Owned Auto Liability \$1,000,000 Combine Single Limit Bodily Injury/Property Damage
Premium: Included		
Crime Fireman's Fund/Allianz Policy #: MZX80968799	5/25/16-17	Employee Dishonesty - \$110,000 Deductible - \$1,000
Premium: included		
Directors & Officers Liberty Insurance Co Policy#: CAP026533-0215	5/25/16-17	\$ 3,000,000 Each Claim \$ 3,000,000 Aggregate Retention - \$1,000
Premium: \$3,321		
Workers Compensation Hawaii Employers Mutual Ins Co (HEMIC) Policy#: WC100-0028357-2016A	5/25/16-17	\$ 1,000,000 Each Accident \$ 1,000,000 Disease (policy limit) \$ 1,000,000 Disease (each employee)
Premium: \$25,887		
Flood – NFIP Selective Insurance Company Policy#: FLD1192459	2/28/17-18	Building - \$52,750,000 Deductible - \$1,250 Current Flood Zone: AO (Grandfathered into Zone B)
Premium: \$59,656		
Umbrella Liability Greenwich Insurance Co Policy#: PPP744000303/PPP7446930	5/25/16-17	\$25,000,000 Each Occurrence \$25,000,000 General Aggregate \$25,000,000 Products-Completed Ops Aggregate
Premium: \$4,095		Retention - Nil

Robin B. Martin – Insurance Agent

Ed. 3/21/17

Serving Hawaii's insurance needs since 1931
745 Fort Street, Suite 1000 • Honolulu • HI • 96813
Tel: 808-546-7434 Fax: (808) 521-5484

Email: rmartin@insurancefactors.com



INSURANCE FACTORS
745 FORT STREET MALL STE 1000
HONOLULU, HI 96813-3809

NFIP Policy Number: FLD1192459
Company Policy Number: FLD1192459
Agent: INSURANCE FACTORS



Policy Term: 02/28/2017 12:01 AM through 02/28/2018 12:01 AM
Renewal Billing Payor: INSURED

To report a claim, call: (877) 348-0552
Agency Phone: (808) 546-7469

REVISED FLOOD INSURANCE POLICY DECLARATIONS

RESIDENTIAL CONDOMINIUM BUILDING ASSOCIATION POLICY

DELIVERY ADDRESS

AOAO OF 2121 ALA WAI
3660 WAIALAE AVE, STE 307
HONOLULU, HI 96816-3259

INSURED NAME(S) AND MAILING ADDRESS

AOAO OF 2121 ALA WAI
3660 WAIALAE AVE, STE 307
HONOLULU, HI 96816-3259

COMPANY MAILING ADDRESS

SELECTIVE INSURANCE COMPANY OF AMERICA
PO BOX 782747
PHILADELPHIA, PA 19178-2747

PROPERTY LOCATION

2121 ALA WAI BLVD
HONOLULU, HI 96815-2216

DESCRIPTION: N/A

RATING INFORMATION

ORIGINAL NEW BUSINESS DATE: 02/28/2007
REINSTATEMENT DATE: N/A
BUILDING OCCUPANCY: OTHER RESIDENTIAL
CONDOMINIUM INDICATOR: RCBAP HIGH RISE
NUMBER OF UNITS: 211
PRIMARY RESIDENCE: NO
ADDITIONS/EXTENSIONS: N/A
BUILDING TYPE: THREE OR MORE FLOORS
BASEMENT/ENCLOSURE/CRAWLSPACE TYPE: UNFINISHED BASEMENT

DATE OF CONSTRUCTION: 07/31/1971
COMMUNITY NUMBER: 150001 0366 G REGULAR PROGRAM
COMMUNITY NAME: HONOLULU, CITY AND COUNTY OF
CURRENT FLOOD ZONE: AO
GRANDFATHERED: YES
FLOOD RISK/RATED ZONE: B
ELEVATION DIFFERENCE: N/A
ELEVATED BUILDING TYPE: NON-ELEVATED
REPLACEMENT COST: \$54,000,000

MORTGAGEE / ADDITIONAL INTEREST INFORMATION

FIRST MORTGAGEE:

LOAN NUMBER: N/A

SECOND MORTGAGEE:

LOAN NUMBER: N/A

ADDITIONAL INTEREST:

LOAN NUMBER: N/A

DISASTER AGENCY:

CASE FILE NUMBER: N/A
DISASTER AGENCY:

PREMIUM CALCULATION — Pre-FIRM Subsidized

	COVERAGE	DEDUCTIBLE	BASIC COVERAGE	BASIC RATE	ADD'L COVERAGE	ADD'L RATE	DED. DISCOUNT/SURCHARGE	PREMIUM
BUILDING	\$52,750,000	\$1,250	\$175,000	1.490	\$52,575,000	0.090	(\$13.00)	\$49,913.00
CONTENTS	\$0	\$0	\$0	2.040	\$0	0.760	\$0.00	\$0.00

Coverage limitations may apply. See your policy form for details.

Endorsement Effective Date: 02/28/2017

ENDORSEMENT PREMIUM: \$0.00

Rating Elements Changed

ANNUAL SUBTOTAL:	\$49,913.00
INCREASED COST OF COMPLIANCE:	\$5.00
COMMUNITY RATING DISCOUNT:	0% \$0.00
RESERVE FUND ASSESSMENT: 15.0%	\$7,488.00
PROBATION SURCHARGE:	\$0.00
ANNUAL PREMIUM:	\$57,406.00
HFIAA SURCHARGE:	\$250.00
FEDERAL POLICY SERVICE FEE:	\$2,000.00
TOTAL:	\$59,656.00
PRORATA PREMIUM ADJUSTMENT:	\$0.00
ADJUSTED ANNUAL PREMIUM:	\$59,656.00

**Zero Balance Due
This Is Not A Bill**

IN WITNESS WHEREOF, I have signed this policy below and enter in to this Insurance Agreement

Michael H. Lanza / Secretary

Gregory E. Murphy / Chairman

This declarations page along with the Standard Flood Insurance Policy Form constitutes your flood insurance policy.

This is a Residential Condominium Building Association Policy. If, at the time of the loss, the building is not insured within 80% of the replacement cost of the building or the maximum amount available for this building, whichever is less, a co-insurance penalty will be applied to the claims settlement.

Policy issued by SELECTIVE INSURANCE COMPANY OF AMERICA

Company NAIC: 12572



File: 8302860

Page 1 of 2



DocID: 58032783



W.E DENISON CORPORATION

3660 WAIALAE AVENUE • SUITE 307 • HONOLULU, HAWAII 96816-3295 • PHONE (808) 733-7400 • FAX (808) 733-7407

MEMORANDUM

DATE: March 24 2017
TO: 2121 Ala Wai Owners & Residents
FROM: William E. Denison
RE: Water Damage Procedures

Toilets, sinks, ice makers, dishwashers, washing machines and air conditioning equipment are all potential sources for water leaks or overflows. When such accidents occur, residents usually are able to limit the damages to the apartment in which the accident occurs. However, sometimes these incidents are so large or they occur when no one is home and the water damages more than one apartment.

If you experience a water-damage situation in your apartment, whether the source of the water is in your apartment or not, please report the situation to the Manager or Security as quickly as possible.

The 2121 Ala Wai Manager and staff will respond to calls for assistance, especially to locate and stop the source of problems. In order to minimize damages from water intrusion, the 2121 Ala Wai staff will arrange for water extraction wherever necessary. The staff is not, however, authorized or responsible for making repairs to damaged property except in the common areas.

If the damages from the incident are substantial, the Managing Agent will file an insurance claim with the Association's insurance carrier. The insurance carrier will then assign an adjuster to the claim and the adjuster will determine if benefits will be paid and how much. The Association then allocates any benefits received on a pro-rata basis between claimants based on the adjuster's report.

Owners and tenants should take note of the following:

- Absent an act of negligence by the Association or its employees, the Association is not responsible for damages caused by these occurrences, nor is the Association responsible for making repairs or replacements to property damaged by these incidents.
- Each owner is responsible for repairing and maintaining their apartment and each owner and resident is encouraged to maintain their own property damage insurance.
- The Association carries property damage insurance that may provide benefits in situations for which the Association is not be liable. The Association will pass along benefits that it may receive in those situations, pro-rated to claimants based on an adjuster's evaluation of claims. This does not mean that the Association assumed any liability or responsibility for damages to apartments or apartment owners' or tenants' personal property.
- The Association's property insurance coverage limits are based on the original plans and original carpets, drapes, wall coverings, cabinets and appliances. The Association's insurance may not cover the current replacement costs of items in your apartment if any of these items have been up-graded since the building was constructed.
- The 2121 Ala Wai's property insurance does not provide benefits for occurrences of less than the deductible of \$10,000.

We urge that owners and tenants carry homeowners and renters insurance and that they immediately report any incidents such as described herein to their insurance agent. If you believe that damages to your property were caused by the negligence of others, you should nevertheless report the damages to your insurance agent and seek their advice.

ASSOCIATION OF APARTMENT OWNERS OF 2121 ALA WAI, INC.

2017 ANNUAL MEETING

Date: March 23, 2017
Time: 6:30 PM
Place: 2121 Ala Wai Condominium
Honolulu, Hawaii

I. CALL TO ORDER

Mr. Tom Cummiskey, President of the Association, called the 2017 Annual Meeting of the Association of Apartment Owners of 2121 Ala Wai to order at 6:30 PM, on the sixth floor recreation deck, at 2121 Ala Wai Boulevard, Honolulu, Hawaii. Mr. William Denison, President of W. E. Denison Corporation, recorded the Minutes of the Meeting.

II. ESTABLISH QUORUM

Mr. Cummiskey announced that owners representing 51.178% of the total common interests were present either in person or by proxy, thereby establishing a quorum.

III. PROOF OF NOTICE

Mr. Cummiskey confirmed that Notice of this Annual Meeting was mailed to all owners of record on February 21, 2017, a copy of which is attached to the original of these Minutes.

IV. MINUTES OF THE 2016 ANNUAL MEETING

Minutes of the 2016 Annual Meeting held on March 24, 2016, were mailed to all owners of record on May 27, 2016. Copies of those Minutes were distributed at this Meeting.

There being no corrections or additions to the Minutes, the Minutes of the 2016 Annual Meeting were unanimously approved as circulated, on motion by Mr. Jim Cavell (apt. 3405).

V. PRESIDENT'S REPORT

Copies of Mr. Cummiskey's written President's Report were distributed to the owners at the Meeting and will be mailed to all owners of record with these minutes.

Mr. Cummiskey thanked the Board of Directors, the Resident Manager and the Managing Agent for their contribution in maintaining and operating 2121 Ala Wai over the past year. Mr. Cummiskey gave special recognition to Mr. Eddy Kuhns, who joined the 2121 Ala Wai staff as Building Manager just a year ago.

VI. TREASURER'S REPORT

Mr. Denison reviewed the Audit Report prepared by the accounting firm of David E. Latham, Certified Public Accountant, which was dated March 17, 2017. Copies of the audit report were distributed to all owners present, and a copy of the report will be distributed to all owners with these minutes.

VII. ELECTION OF DIRECTORS

A. **Nominations.** Mr. Cummiskey announced that three directors are to be elected at this meeting, each for a 3-year term. The directors whose terms are expiring are Thomas Cummiskey (apt. 2903), David Chapnick (apt. 1805) and Jim Cavell (apt. 3405). Mr. Cummiskey and Mr. Chapnick have agreed to continue serving on the Board, if re-elected. In addition, Ms. Chiara Tran

(apt. 2402) has offered to serve, if elected. Mr. Cummiskey asked that these three names be accepted as candidates. He then called for nominations from the floor.

There being no other nominations or volunteers, Mr. Trieu Wilson (apt. 3901) moved to close the nominations. The motion was seconded and carried unanimously.

- B. Election.** As there were three candidates to fill the three vacancies, Mr. Cummiskey asked for a motion to elect the candidates by unanimous ballot. Ms. Trinkey Chan (apt. 3801) so moved and the following owners were elected to the Board, each for a term of three years:

- Thomas Cummiskey
- David Chapnick
- Chiara Tran

VIII. UNFINISHED BUSINESS

None

IX. NEW BUSINESS

- A. Centennial Park.** Mr. Phil Sammer (apt. 2204) presented information regarding the Rotary Clubs' project to construct a new park in Waikiki, bounded by Seaside Avenue, Aloha Drive, Royal Hawaiian Avenue and Manukai Street. Mr. Sammer described the plans for the park and invited owners to make financial contributions to the the park via the Rotary Club of Honolulu.

- B. Smoking in Building.** Several owners asked if the Board might consider again seeking an amendment to the Bylaws to prohibit smoking on the premises. An affirmative vote of 67% of the ownership is required to adopt such an amendment.

- C. Pool Heating.** Several owners present asked the Board to consider costs and feasibility of heating the swimming pool.

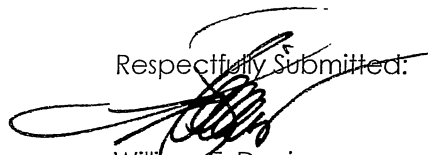
- D. Rollover Resolution.** The following resolution was approved on motion by Mr. Trieu Wilson (apt. 3901), seconded and unanimously carried:

"Now be it hereby resolved by the Members of the Association of Apartment Owners of 2121 Ala Wai Inc., that in the event that maintenance fees and assessments collected from the condominium owners exceed expenditures for the year ending December 31, 2017, the Owners resolve that the excess amount be used for the operation of the common areas for the following year."

X. ADJOURNMENT

Mr. Cummiskey thanked the owners for attending the meeting and then adjourned the 2017 Annual Meeting of the Association of Apartment Owners of 2121 Ala Wai at 7:20 P.M.

Respectfully Submitted:



William E. Denison
Secretary pro tem



PROPERTY INFORMATION FORM

Condominium, Co-op, PUD, and other Homeowner Organizations
Hawaii Association of Realtors Standard Form
(To be used in conjunction with RR105a Sellers' Real Property Disclosure Statement -
Condominium/Co-op/PUD/and other Homeowner Organizations)
Release 5/09

Disclaimer: This form is available for use by the entire real estate industry. 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: May 18, 2017

Name of Property: 2121 ALA WAI - #2405
All references hereafter to the word "Property" shall refer to the above.

Property Reference: 2121 ALA WAI BLVD., HONOLULU, HI 96815
Tax Map Key: Div. /Zone 2 /Sec. 6 /Plat 017 /Parcel 003 CPR (If applicable).

Property is managed by a licensed real estate broker: [X] Yes [] No If a licensed real estate broker, is managing agent registered with the Real Estate Commission as a Condominium Managing Agent? [X] Yes [] No

Name of Managing Agent: W. E. DENISON CORPORATION
Managed by this Managing Agent since: JUNE 1, 1981
Managing Agent provides (Check those services that apply):
[X] Administrative Management Services
[X] Fiscal Management Services
[X] Physical Management Services
[] Other Management Services -

[] Property is self-managed since:

A. GENERAL & LEGAL

Total number of apartments: 211 Number of guest parking stalls available: 9
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? 52% (includes second home)
Approximately how many foreclosures have been filed by the Board of Directors during the past twelve (12) months? 0
What approximate percentage of owners is more than one month delinquent in maintenance fees? .2%

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

- Yes No NTMK (Not to My Knowledge)
[] [X] [] (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?
[] [X] [] (2) Is Property subject to phasing or development of additional increments?
[] [X] [] (3) Has the Owners Association or Corporation been in control of the operations of Property for less than two (2) years?
[] [X] [] (4) Are there any lawsuits, arbitration or mediation actions affecting Property and/or Association other than delinquent owner maintenance fees?

Attorney for Association of Apartment Owners:
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.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference:



- (5) If Property is a Condominium, does any single entity, individual or partnership own more than 10 percent of the common interest of Property?
- (6) Are any Association or Corporation approvals required for transfer of Ownership?
- (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)?
- (8) Is a time share operation existing at Property? Name of Operator:
- (9) Is there a hotel, transient vacation rental operation, or other organized rental program at Property? Name of operator?
- (10) Have any of the following items been discovered by the Association or Corporation at Property?
 asbestos; formaldehyde; radon gas, lead-based paint, or mold, mildew, fungus
- (11) Are there commercial apartments, lots or commercial use of the common areas or common elements at Property?

Number of Question answered "YES" and Explain: _____

(10) The original apartment floor tiles installed were vinyl asbestos tiles.

B. INSURANCE

Name of Insurance Company: Fireman's Fund

Name of Insurance Agent: Robin Martin – Insurance Factors Phone: 546-7421

If answer if "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, tsunamis, or volcanic activity within the last five years?

Number of Question answered "YES" and Explain: _____

(12) According to the National Flood Maps.

(13) Insured for 100% replacement value.

C. FINANCIAL

What do the Apartment Maintenance fees include?

- Air Conditioning Real Property Tax
- Cable TV Signal Recreation/Community Association Dues
- Electricity Water & Sewer
- Gas Other: Internet
- Hot Water Other: Payroll and all related taxes/benefits
- Lease Rent Other: Insurance – SMP, Umbrella, Flood and Fidelity Bond
- 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:

(18) Due upon conveyance any and all outstanding charges on account including but not limited to:

- Maintenance Fees
- Lease Rents
- Late Fees
- Legal Fees
- Special Assessment Installment
- Other Assessments for miscellaneous charges (water damage, willful destruction, etc.)

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 | | | | |
|------|-----|-------|-------------------------|------|-----|------------------------------|
| (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] | 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 areas of the 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

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

Property Reference: _____

RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

RETURN BY: MAIL PICKUP

EXHIBIT "D"
BY-LAWS OF THE
ASSOCIATION OF APARTMENT OWNERS OF
2121 ALA WAI

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RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

RETURN BY: MAIL PICKUP

EXHIBIT "D"

BY-LAWS OF THE

ASSOCIATION OF APARTMENT OWNERS OF

2121 ALA WAI

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

ARTICLE I

MEMBERSHIP

Section 1. Qualification. All owners of apartments of the project shall constitute the Association of Apartment Owners (herein called the "Association"). The owner of any apartment upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such apartment ceases for any reason, at which time his membership in the Association shall automatically cease; PROVIDED, HOWEVER, that to such extent and for such purposes, including voting, as shall be provided by lease of any apartment filed with the Board of Directors of the Association, the lessee of such apartment shall be deemed to be the owner thereof.

Section 2. Place of Meetings. Meetings of the Association shall be held at the address of the condominium project or such other suitable place within the State of Hawaii convenient to the apartment owners as determined and designated by the Board of Directors.

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

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

Section 5. Notice of Meetings. The Secretary shall give written or printed notice of each annual and special meeting to every apartment owner according to the Association's record of ownership, and to every institutional holder of a first mortgage on an apartment or of an apartment lease demising the same, as shown in the Association's record of ownership or who have given the Board notice of their interest through the Secretary or the Managing Agent, at least fourteen days but not more than twenty days before the date set for such meeting, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting, the items on the agenda for such meeting and a standard proxy form authorized by the Association, if any, in any of the following ways: (a) by delivering it to him personally, or (b) by leaving it at his apartment in the project or at his usual residence or place of business, or (c) by mailing it, postage prepaid, addressed to him at his address as it appears on the Association's record of ownership. If notice is given pursuant to the provisions of this section, the failure of any apartment owner or mortgagee to receive actual notice of any meeting shall in no way invalidate such meeting or any proceeding thereat. The presence of any apartment owner or mortgagee in person or by proxy at any meeting shall be deemed a waiver of any required notice to such owner unless he shall at the opening thereof object to the holding of such meeting because of the failure to give notice in accordance with the provisions hereof.

Section 6. Quorum. The presence at any meeting in person or by proxy of a majority of apartment owners shall constitute a quorum, and the acts of a majority of the apartment owners at any meeting at which a quorum is present shall be the acts of the Association except as otherwise provided herein.

Section 7. Voting. Voting shall be on a percentage basis and the percentage of the total vote to which each apartment is entitled shall be the percentage of the common interests assigned to such apartment in the Declaration. Votes may be cast in person or by proxy by the respective apartment owners as shown in the record of ownership of the Association. A personal representative, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any apartment owned or controlled by him in such capacity, whether or not the same shall have been transferred to his name in the Association's record of ownership, provided that he shall first present evidence satisfactory to the Secretary that he owns or controls such apartment in such capacity. The vote for any apartment owned of record by two or more persons may be exercised by any one of them present at any meeting in the absence of protest by the other or others, and in case of protest each co-tenant shall be entitled to only a share of such vote in proportion to his share of ownership in such apartment.

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

Section 9. Adjournment. Any meeting of the Association may be adjourned from time to time not less than forty-eight (48) hours from the time the original meeting was called as may be determined by majority vote of the apartment owners present, whether or not a quorum is present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

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

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Report of officers;
- (e) Report of committees;
- (f) Election of inspectors of election;
- (g) Election of directors;
- (h) Unfinished business; and
- (i) New business.

Section 11. Conduct of Meetings. All meetings of the Association and the Board of Directors shall be conducted in accordance with Roberts Rules of Order or other generally accepted rules for the conduct of such meeting.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of nine (9) persons. All members of the Board of Directors shall be owners, co-owners, vendees under an agreement of sale, or an officer of any corporate owner of an apartment. The partners in a general partnership and the general partner(s) of a limited partnership shall be deemed to be the owners of an apartment for this purpose. The directors shall serve without compensation, unless such compensation is specifically authorized by the Association at a regular or special meeting.

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

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

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may

constitute less than a quorum, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any director, or his continuous absence from the State of Hawaii for more than six months, or his ceasing to be the sole owner, co-owner, vendee under an agreement of sale, or officer of any corporate owner of an apartment, shall cause his office to become vacant.

Section 5. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by vote of a majority of apartment owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the apartment owners shall be given an opportunity to be heard at such meeting.

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

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

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

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

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

Section 11. Fidelity Bonds. The Board of Directors shall require that all directors, officers, employees and agents of the Association handling or responsible for funds belonging to or administered by the Association furnish adequate fidelity bonds in favor of the Association. The premiums on such bonds shall be paid by the Association; such bonds shall in no event be in an amount less than one and one-half times the Association's estimated annual operating expenses and reserves, and every such bond shall:

(a) Provide that the bond(s) may not be cancelled or substantially modified (including cancellation for nonpayment of premiums) without at least thirty (30) days' prior written notice to the Board, the first mortgagees and every other person in interest who shall have requested such notice; and

(b) Contain a waiver of any defense based upon the exclusion of persons who serve without compensation from any definition of the term "employee" or similar expression.

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

Section 13. Resident Manager. The resident manager of the project, if any, may not serve on the Board of Directors.

Section 14. Minutes of Meetings. The minutes of the meetings of the Board of Directors and Association of Apartment Owners shall be available for examination by apartment owners at convenient hours at a place designated by the Board.

ARTICLE III

OFFICERS

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

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

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

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

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

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Association and of the Board of Directors, give all notices thereof as provided by these By-Laws, maintain and keep a continuous and accurate record of ownership of all apartments, have charge of such books, documents and records of the Association as the Board may direct, keep the minute book wherein resolutions shall be recorded, and in general perform all the duties incident to the office of Secretary.

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

Section 8. Auditor. The members of the Association may require, by vote at the annual meeting, a yearly audit of the Association's books by a certified public accountant. Such auditor shall be a certified public accountant or accounting firm and shall not be an officer of the Association nor own any interest in any apartment and shall audit the books and financial records of the Association as required by law or directed additionally by the Board of Directors. Any institutional holder of a first mortgage on an apartment or of an apartment lease demising the same may request and the Association shall provide said mortgagee with a copy of said audited financial statement within ninety (90) days following the end of any fiscal year of the Association.

ARTICLE IV

ADMINISTRATION

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

(a) Supervision of its immediate management and operation;

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

(c) Purchase, maintenance and replacement of any equipment and provision of all water and utility services required for the common elements;

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

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

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

(g) Determination and collection of all installments of assessments levied, as provided by the Declaration, and payment of all common expenses and charges authorized by the Board;

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

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

(j) Notification of all persons having any interest in any apartment according to the Association's record of ownership of delinquency exceeding thirty (30) days in the payment of any assessment against such apartment.

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

(l) Notification in writing to the institutional holder of the first mortgage on any apartment, or of the apartment lease demising the same, as shown in the Association's record of ownership or of which the Secretary of the Association has been given written notice, of any loss to such apartment which exceeds ONE THOUSAND DOLLARS (\$1,000.00); and

(m) Establishment of such penalties and fines as it deems appropriate with respect to enforcement of the provisions of the Declaration, these By-Laws and the house rules adopted pursuant to Article V, Section 4, of these By-Laws; provided such penalties and fines are not inconsistent with the law or the provisions herein, and the unpaid amount of such penalties and fines against any apartment owner shall constitute a lien against his interest in his apartment which may be foreclosed by the Board of Directors or Managing Agent in the same manner as provided in the Horizontal Property Act for common expenses; provided, however, that the said lien for such penalties and fines shall be subordinate to liens for taxes and assessments lawfully imposed by governmental authority against the apartment and to all sums unpaid on mortgages or record.

Section 2. Managing Agent. The Board of Directors shall annually employ a responsible corporate Managing Agent to manage and control the project subject at all times to direction by the Board, with all of the administrative functions specifically set forth in the preceding Section 1 and with such other powers and duties and at such compensation as the Board may establish from time to time, subject to prior approval of every such employment contract by a majority of the apartment owners. Any decision by the Association to terminate professional corporate management of the project and to assume self-management of the project may not be effected without the prior written consent of at least seventy-five percent (75%) of the institutional holders of a first mortgage on an apartment or an apartment lease demising the same (based upon one vote for each first mortgage owned). Every such employment contract shall provide that it may be terminated by the Board of Directors for cause on no more than thirty (30) days' written notice, or without cause or payment of a termination fee on ninety (90) days' written notice, and in no event may such employment contract be for a term exceeding one (1) year.

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

Section 4. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to such instrument, by the President or Vice-President and by the Treasurer or Secretary.

ARTICLE V

OBLIGATIONS OF APARTMENT OWNERS

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

Section 2. Maintenance of Apartments. Every apartment owner shall at his own expense at all times well and substantially repair, maintain, amend and keep his apartment and the limited common elements appurtenant thereto, including, without limitation, all internal installations therein such as water, electricity, gas, telephone, sewer, sanitation, air conditioning, lights and all other fixtures and accessories belonging to such apartment and the interior decorated or finished surfaces of all walls, floors and ceilings of such apartment, with all necessary reparations and amendments whatsoever in good order and condition except as otherwise provided by law or the Declaration, and shall be liable for all loss or damage whatsoever caused by his failure to perform any such work diligently, and in case of such failure after reasonable notice to perform shall reimburse to the Association promptly on demand all expenses incurred by it in performing any such work authorized by the Board of Directors or the Managing Agent. Every apartment owner and occupant shall reimburse the Association promptly on demand all expenses incurred by it in repairing or replacing any uninsured loss or damage to the common elements or any furniture, furnishings and equipment thereof caused by such owner or occupant or any person under either of them and shall give prompt notice to the Managing Agent of any such loss or damage or other defect in the project when discovered.

Section 3. Use of Project.

(a) The apartments of the project shall be used only for their respective purposes as set forth in the Declaration and for no other purpose.

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

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

(d) Every apartment owner and occupant shall at all times keep his apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the project.

(e) No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his apartment or the project nor alter or remove any furniture, furnishings or equipment of the common elements.

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

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

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

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

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

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

(l) No livestock, poultry, rabbits, dogs, cats or other animals whatsoever shall be allowed or kept in any part of the project.

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

(n) No apartment owner or occupant, without the prior approval of the Board, shall erect, place or maintain any television or other antennas on the project visible from any point outside of the project.

(o) Nothing shall be allowed, done or kept in any apartment or common elements of the project which would overload or impair the floors, walls, or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

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

(q) Notwithstanding anything hereinabove to the contrary, the parking stalls shall be used for no other purpose other than parking a motor vehicle.

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

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

the Declaration or these By-Laws against such owner or any occupant of such apartment.

Section 6. Record of Ownership. The Managing Agent shall keep at a place designated by the Board an accurate and current list of the names and addresses of all members of the Association and the vendees under any agreement of sale of an apartment in the project, if any. In connection therewith, every apartment owner shall promptly cause to be duly recorded or filed of record the deed, lease, assignment, agreement of sale or other conveyance to him of such apartment or other evidence of his title thereto and shall file such document(s) with the Board of Directors through the Managing Agent.

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

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

ARTICLE VI

MISCELLANEOUS

Section 1. Amendment. These By-Laws may be amended in any respect not inconsistent with provisions of law or the Declaration at any meeting of the Association duly called for such purpose, by vote of seventy-five percent (75%) of the apartment owners, and shall be effective only upon the recording of an amendment to the Declaration setting forth such amendment of these By-Laws; and further provided that any material amendment of these By-Laws shall require the prior written consent thereto by at least seventy-five percent (75%) of the institutional holders of a first mortgage of an apartment or of an apartment lease demising the same (based upon one vote for each first mortgage owned). In no event may these By-Laws be amended to delete any one of the particulars set forth in § 514-20 of the Hawaii Revised Statutes, as amended.

Section 2. Indemnification. The Association shall indemnify every director and officer and his personal

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 shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

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

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

Section 5. Definitions. The terms "majority" or "majority of apartment owners" herein means the owners of apartments to which are appurtenant more than fifty percent (50%) of the common interests and any specified percentage of the apartment owners means the owners of apartments to which are appurtenant such percentage of the common interests.

Section 6. Books of Receipts and Expenditures. The Managing Agent or Board of Directors shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. All records and the vouchers authorizing the payments

shall be kept and maintained at the address of the project, or elsewhere within the State as determined by the Board of Directors, and shall be available for examination by the apartment owners at convenient hours of week days.

CERTIFICATE OF ADOPTION

The undersigned, being the owner and developer of all apartments of the project, hereby adopt the foregoing as the By-Laws of the Association of Apartment Owners of 2121 ALA WAI, this 7th day of JUNE, 1978.

AETNA LIFE INSURANCE COMPANY 2121 ALA WAI DEVELOPMENT CORP.

By [Signature]
~~Its Attorney-in-Fact~~
Its Assistant Vice President

By [Signature]
Its
By [Signature]
Its

"Owner"

"Developer"

STATE OF CONNECTICUT:

ss: Hartford

COUNTY OF HARTFORD:

On this 4th day of May, 1978, before me appeared James Richmond, Jr.
As Assistant Vice President for ETNA LIFE INSURANCE COMPANY, a Connecticut
corporation, to me known to be the person described in and who executed the
foregoing instrument, as Assistant Vice President for ETNA LIFE INSURANCE
COMPANY, and acknowledged that he executed the same as the free act and deed
of said ETNA LIFE INSURANCE COMPANY.


Notary Public

My commission expires: _____

MARY A. DUNCAN, Notary Public
Within and for the State of Connecticut
My Commission Expires March 31, 1979/
Serial No. 43496

STATE OF)
) SS.
COUNTY OF)

On this _____ day of _____, 1978, before me appeared _____, as Attorney-in-Fact for AETNA LIFE INSURANCE COMPANY, a Connecticut corporation, to me known to be the person described in and who executed the foregoing instrument, as Attorney-in-Fact for said AETNA LIFE INSURANCE COMPANY, and acknowledged that _____ executed the same as the free act and deed of said AETNA LIFE INSURANCE COMPANY.

Notary Public

My commission expires:

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

On this 7th day of June, 1978, before me appeared F. M. Pressak and John M. Gilbert, to me personally known, who, being by me duly sworn, did say that they are the President and Secretary respectively of 2121 ALA WAI DEVELOPMENT CORP., a Hawaii corporation, 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 the said F. M. Pressak and John M. Gilbert acknowledged said instrument to be the free act and deed of said corporation.

Rosalene Carlin
Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 11/21/78



RECEIPT OF PROJECT INFORMATION FORM
Hawaii Association of REALTORS® Standard Form
Revised 12/10 (NC) For Release 5/14



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Property Reference or Address: 2121 Ala Wai Blvd, #2405 Honolulu, Hawaii 96815
("Project")

Tax Map Key: Division 1 /Zone 2 /Sec. 6 /Plat 17 /Parcel 3 /CPR 102 (if applicable).

By signing below, I acknowledge and agree that:

1. I received a copy of the Project Information Form RR105c dated 05/18/2017.
2. The information contained in this form is being provided by the Managing Agent at the Seller's request and is based only upon the knowledge and information available to the Managing Agent.
3. The information provided on the form cannot be considered to be a substitute for a careful inspection of the Project and the Project's governing documents, minutes of meetings, financial documents, and the like.
4. I am advised that I should refer to qualified experts in the various fields, including but not limited to attorneys, accountants, engineers and contractors for detailed evaluation of areas where additional information is desired.
5. If the Managing Agent has marked "NTMK" in response to any questions, I recognize that this does not mean there may not be a defect which an expert could discover, or the passage of time would reveal. Likewise, I recognize that a problem may be more serious than the Managing Agent knows.
6. This form is not a warranty of any kind by Seller, the Managing Agent, or any Brokerage Firm and all of its licensees representing Seller or Buyer.

 Buyer Date

 Buyer Date

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

